



Legislative Assembly of Alberta

The 27th Legislature
First Session

Standing Committee
on
Public Accounts

Finance and Enterprise

Wednesday, October 29, 2008
8:34 a.m.

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**Legislative Assembly of Alberta
The 27th Legislature
First Session**

Standing Committee on Public Accounts

MacDonald, Hugh, Edmonton-Gold Bar (L), Chair
Griffiths, Doug, Battle River-Wainwright (PC), Deputy Chair

Benito, Carl, Edmonton-Mill Woods (PC)
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)
Chase, Harry B., Calgary-Varsity (L)
Dallas, Cal, Red Deer-South (PC)
Denis, Jonathan, Calgary-Egmont (PC)
Drysdale, Wayne, Grande Prairie-Wapiti (PC)
Fawcett, Kyle, Calgary-North Hill (PC)
Jacobs, Broyce, Cardston-Taber-Warner (PC)
Johnson, Jeff, Athabasca-Redwater (PC)
Kang, Darshan S., Calgary-McCall (L)
Mason, Brian, Edmonton-Highlands-Norwood (NDP)
Quest, Dave, Strathcona (PC)
Sandhu, Peter, Edmonton-Manning (PC)
Vandermeer, Tony, Edmonton-Beverly-Clareview (PC)
Woo-Paw, Teresa, Calgary-Mackay (PC)

Also in Attendance

Pastoor, Bridget Brennan, Lethbridge-East (L)

Department of Finance and Enterprise Participants

Robert Bhatia	Deputy Minister
Dennis Gartner	Assistant Deputy Minister, Financial Sector Regulation and Policy
Bonnie Lovelace	Senior Financial Officer and Executive Director, Strategic and Business Services
Doug Lynkowski	Controller, Treasury Board
Rod Matheson	Assistant Deputy Minister, Treasury and Risk Management

Alberta Investment Management Corporation (AIMCo) Participant

Jai Parihar	Chief Investment Officer
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Auditor General's Office Participants

Merwan Saher	Assistant Auditor General
Wayne Morgan	Principal

Standing Committee on Public Accounts

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Micheline S. Gravel	Clerk of <i>Journals</i> /Table Research
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Erin Norton	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Communications Services
Melanie Friesacher	Communications Consultant
Tracey Sales	Communications Consultant
Philip Massolin	Committee Research Co-ordinator
Stephanie LeBlanc	Legal Research Officer
Diana Staley	Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

8:34 a.m.

Wednesday, October 29, 2008

[Mr. MacDonald in the chair]

The Chair: I would like to now call the Standing Committee on Public Accounts to order. I would like to welcome everyone in attendance and quickly advise everyone that we do not need to touch microphones. This is taken care of by the *Hansard* operator. Also, please note that this meeting is recorded by *Hansard* and is also audiostreamed live on the Internet.

If we could quickly go around the table and introduce ourselves, perhaps, starting with the vice-chair, please.

Mr. Griffiths: Doug Griffiths, MLA for Battle River-Wainwright.

Dr. Massolin: Good morning. I'm Philip Massolin. I'm the committee research co-ordinator, Legislative Assembly Office.

Mr. Jacobs: Good morning. Broyce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Good morning, everyone. Cal Dallas, Red Deer-South.

Mr. Chase: Harry Chase, Calgary-Varsity. Welcome to my colleague Laurie Blakeman's beautiful downtown Edmonton-Centre constituency.

Ms Pastoor: Bridget Pastoor, Lethbridge-East.

Mr. Lynkowski: Doug Lynkowski, controller, Alberta Treasury Board.

Ms Lovelace: Bonnie Lovelace, senior financial officer, Alberta Finance and Enterprise.

Mr. Gartner: Dennis Gartner, assistant deputy minister, Alberta Finance and Enterprise.

Mr. Bhatia: Robert Bhatia, deputy minister, Finance and Enterprise.

Mr. Matheson: Rod Matheson, assistant deputy minister, Alberta Finance and Enterprise.

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

Mr. Morgan: Wayne Morgan, office of the Auditor General.

Mr. Drysdale: MLA Wayne Drysdale, Grande Prairie-Wapiti.

Ms Woo-Paw: Good morning. Teresa Woo-Paw, MLA, Calgary-Mackay.

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

The Chair: Hugh MacDonald, Edmonton-Gold Bar.

May I please have approval of the agenda, item 2? Moved by Mr. Drysdale that the agenda for the October 29, 2008, meeting be approved as distributed. All in favour? None opposed. Thank you.

Item 3, approval of our minutes. Moved by Mr. Dallas that the minutes of the October 22, 2008, meeting of the Standing Committee on Public Accounts be approved as distributed. All in favour? None opposed. Thank you very much.

This, of course, comes to item 4, our meeting today with the officials from Alberta Finance and Enterprise. We will be dealing with the reports of the Auditor General from October 2008; the annual report of the government of Alberta 2007-08, consolidated financial statements of the government of Alberta annual report 2007-08 as well as Measuring Up, the business plan for 2007-08; and, of course, the annual reports for 2007-08.

If we could now please hear a brief overview from the deputy minister, we would be grateful.

Mr. Bhatia: Thank you, Mr. Chairman. I'll start with a few highlights from the government annual report. Revenue for fiscal 2007-2008 was \$38.2 billion. That was \$388 million, or 1 per cent, lower than in 2006-07 but \$2.8 billion higher than budgeted. Variations were caused mainly by resource revenue that was lower than in 2006-07, but both resource revenue and income taxes were higher than budgeted for 2007-08.

This was the third year the financial results of the SUCH sector – school boards, universities, colleges, technical institutes, and regional health authorities – were included on a modified equity basis in the consolidated statements of the province. Equity in Crown-controlled SUCH-sector organizations increased revenues for fiscal plan purposes by \$156 million and increased financial assets by \$3.5 billion.

On the expense side total expenses were \$35.7 billion in the year, 20.4 per cent higher than in the previous year and \$2.5 billion higher than estimated. Increases were mainly due to increased spending in health and education as well as higher pension plan provisions.

In the 2007-08 Measuring Up report the government lets Albertans know the outcomes of the government's work for the past year. It goes beyond reporting financial information by answering the questions: what did the government achieve with the dollars spent, did the government actually do what it said it was going to do, and did the government progress toward achieving its goals?

Turning to Alberta Finance, as it was for the vast bulk of 2007-08, revenue for the fiscal year was \$17.6 billion, which was \$778 million, or 4.6 per cent, higher than in 2006-07 and \$2.3 billion higher than budgeted. The main cause of the increase was due to higher personal and corporate income taxes. Total expenses were \$3.5 billion in 2007-08, \$2.3 billion higher than in the prior year and \$2.2 billion higher than estimated. The increase was caused by the assumption of the pre-1992 unfunded pension obligation of the teachers' retirement fund. Net operating results for the ministry were a positive \$14.1 billion.

8:40

During 2007-08 \$1.4 billion was added to the Alberta heritage savings trust fund, \$227 million was added to the scholarship fund, and \$150 million was added to the medical research endowment fund, a total of almost \$1.8 billion dedicated to longer term savings.

In the capital account a net \$1.4 billion was transferred to the account in 2007-08, increasing the balance in the account to 7 and a half billion dollars at March 31, 2008.

With the government agreeing to assume the teachers' portion of their pre-1992 unfunded pension obligation, the overall pension liability increased from \$5.5 billion in 2006-07 to \$7.8 billion in 2007-08.

A few highlights from the fiscal year. During the year the government adopted a new in-year surplus allocation policy. If the surplus is higher than forecast in the budget, the additional funds available are allocated one-third to savings and two-thirds to capital requirements. At least half of the capital allocation is used to address capital maintenance and replacement requirements. To ensure that Albertans receive a fair share of the benefits of energy development in the province, government established a new royalty

framework during the year that offers stability and predictability for industry and investors.

On January 1, 2008, Alberta Investment Management Corporation assumed management of more than \$75 billion in public investment assets, including the Alberta heritage savings trust fund, other public endowments, public-sector pension plans, and other funds. The new structure improves organizational governance, increases flexibility, creates opportunities for greater investment returns, and follows the best practices for top public-sector investment funds.

Albertans and Alberta businesses continue to pay the lowest taxes in Canada. Tax initiatives in Budget 2007 included an increased tax credit, to 21 per cent from 12.75 per cent, for total annual charitable donations over \$200. When combined with the federal charitable donations credit, Albertans will receive a 50-cent tax credit for every dollar donated over the \$200 threshold.

Other highlights include passage of the Tobacco Tax Amendment Act, which raises tobacco taxes by 16 per cent in an effort to discourage smoking in the province. Alberta also began working with British Columbia to review Alberta's Employment Pension Plans Act and B.C.'s Pension Benefits Standards Act, with a goal to align and modernize the two provinces' legislation.

Alberta continued to have a triple-A credit rating, the highest credit rating among the provinces. This high rating is the result of Alberta's strong economic performance, low tax burden, low reliance on federal transfers, and its record of wise investment management.

With that, Mr. Chairman, we'd be pleased to answer your questions.

The Chair: Thank you very much. I appreciate that. We'll get started, but before we do, the chair would like to welcome Mr. Fawcett to our meeting this morning and also note that standing orders of the Legislative Assembly allow any member from the House to participate in our meetings, but visiting members cannot vote. I would like to note that and also welcome the hon. Member for Lethbridge-East. We welcome her participation this morning.

With that, we will start with Mr. Chase, followed by Mr. Dallas, please.

Mr. Chase: Thank you. Can the department highlight AIMCo's investment practices, including whether or not the department has provided any direction to AIMCo regarding these practices?

Mr. Bhatia: I'll answer briefly, and then I'll turn it over to Jai Parihar from AIMCo. The Minister of Finance and Enterprise, in certain cases with the involvement of Treasury Board or the heritage fund standing committee, sets the overall direction and investment policy for the government funds that are invested by AIMCo on behalf of the government. Those investment policies set out at a high level the types of investments and the extent of risk that the government is prepared to take, the investment objectives of the funds, and similar broad parameters. Then within those parameters AIMCo invests the funds. A similar function is performed by the pension plan boards on behalf of the public-sector pension plans.

Clearly, AIMCo is governed by an act and by regulations. There's a memorandum of understanding between the minister and AIMCo that provides, essentially, for certain significant operational interaction between the minister and the corporation. AIMCo then makes the investments in order to maximize returns within the parameters set.

Mr. Chase: Thank you.

Jai, were you going to add comments to AIMCo's organization and responsibility to the government?

Mr. Parihar: No, Mr. Chairman. Robert has pretty well answered the question. The investment policies are determined by the minister of finance, and AIMCo implements those investment policies. The investments under administration are owned by the clients, so clients provide the investment policy, and AIMCo implements those policies.

Mr. Chase: Thank you. Therefore, my second question: will AIMCo be releasing public reports on its investing activities and results?

Mr. Parihar: Yes. For the year 2007-2008 we have, since AIMCo was created on January 1, 2008, that report for one quarter. The actual investments, like I said, are owned by the clients, so the investment part will be reported as part of the financial statements for various funds.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Dallas, please, followed by Ms Pastoor.

Mr. Dallas: Thanks, Mr. Chairman. I'm going to refer to page 258 of the Alberta Finance '07-08 report. I'm looking at the statement of operations for the Alberta Insurance Council and referencing the balance sheet or statement of financial position. It would seem that in the last couple of years the surplus of revenue over expenses has exceeded a million dollars in each of those years. Those expenses are accumulating as unrestricted assets. I guess the question is: is there not a policy that, ultimately, the net on this should be neutral?

Mr. Bhatia: I'll ask Dennis Gartner to respond.

Mr. Gartner: The Alberta Insurance Council is working with the department on a change to its regulation which would allow it to deal with the accumulated surplus effectively. The surplus is due to increased activity in the insurance industry: more examinations, more registrations. That increase in revenue was unpredictable, and that's why they have that surplus now. The change to the regulation will allow them to deal with that surplus by adjusting fees.

Mr. Dallas: Would that fee change, then, anticipate a drawdown on the unrestricted reserve that has been established there as well as creating a sort of revenue/expense neutral premium situation?

Mr. Gartner: Partly. There will be a reserve. The size of that reserve hasn't been established but, likely, six months of operations, and then the surplus would be drawn down to that amount through that adjustment of fees.

Mr. Dallas: Thank you.

The Chair: Thank you very much.

Ms Pastoor, please, followed by Kyle Fawcett.

Ms Pastoor: Thank you, Mr. Chairman. My question sort of follows along on the one just previous. Can the minister provide specific documents or other information showing that the insurance rates in the last year were kept low because of the minor-injury cap?

Mr. Bhatia: Again I'll ask Dennis Gartner to respond to that.

8:50

Mr. Gartner: The Alberta Automobile Insurance Rate Board has that information, and the minister can provide it through the Automobile Insurance Rate Board.

Ms Pastoor: Thank you for that. My supplemental to that would be: what are the projected legal fees for appealing the Supreme Court's ruling on insurance caps?

Mr. Gartner: We are spending in the neighbourhood of \$750,000 to \$900,000 per year. Again, we can provide supplementary information that's more accurate than what I can recall.

Ms Pastoor: Thank you. I would appreciate that.

The Chair: Mr. Gartner, if you could do that through the clerk to all members, please, in writing.

Mr. Fawcett: On page 41 of the annual report I noticed that the actual to budget variance in income taxes is \$2.5 billion, which is a 25 per cent variance of \$12.9 billion compared to the \$10.4 billion that was budgeted. What's the cause of this variance? Is there concern about the accuracy of our projections there? Twenty-five per cent seems quite high.

Mr. Bhatia: The factors involved in that increase: first of all, very strong economic growth in that period showing up in both personal income taxes as well as in corporate income taxes. There was a particular factor in that year as well, and that is that the corporations, when they remit their taxes – they remit cash through the year, and then later they file their tax return indicating the taxes payable. It is typical that we are collecting more cash than they actually end up reporting as taxable income on their returns, and we expect that we will be making refunds at some point to the corporations to adjust the difference.

For a period of time several years ago the expected amount of refunds rose very quickly. In years prior to '07-08 we were booking an expectation that we would have to make more refunds. It became apparent that, in fact, we were overestimating the amount of refunds that we would actually end up paying. As a result, in '07-08 we recognized that more of the cash we had received was in fact going to be income tax revenue. Because we said we would pay out less refunds than we had previously thought, revenue was higher than we previously thought. That created an adjustment in '07-08.

I would just note that if you look at budget to actual, there was a very big increase, as the member indicated, over 20 per cent, but if you look between '06-07 and '07-08, the increase is somewhat more moderate. The factors I mentioned are the ones that explain that difference as well.

The Chair: Is that it?

Mr. Fawcett: Yeah.

The Chair: Thank you.

Mr. Chase, followed by Ms Woo-Paw, please.

Mr. Chase: Thank you. Just for the department's ease I'm referencing page 282 of the AG October 2008 report. Why does AIMCo not have internal control certification given that it is responsible for more than \$75 billion of Albertans' assets.

Mr. Bhatia: I'll ask Jai Parihar to answer that question.

Mr. Chase: It's contained within recommendation 32, page 282.

Mr. Parihar : Yes. We have good controls. What we don't have is the certification, so what we plan to do to get certification is a process which takes time. The Auditor General has made the recommendation; we have acknowledged the recommendation. In the next fiscal year we will prepare a plan to assess the resources required to get internal control certification. It might take a couple of years to get that. As I said, it's a long process. We have good controls, but to get certification would take some time. We acknowledge the recommendation, and we'll prepare a plan in the next fiscal year.

Mr. Chase: Thank you. My supplemental: what directions has the department given to AIMCo to meet the recommendations on internal controls made by the Auditor General, and will this include third-party assurances?

Mr. Bhatia: Mr. Chairman, the department has not given any direction as a result of the Auditor General's recommendations, but in fact the memorandum of understanding that the minister entered into with AIMCo as AIMCo was being established anticipated this very point and indicated the need for AIMCo to move in the direction of a mechanism to provide assurance on internal controls. We at that point were not ready to make the judgment that formal certification, which, as Jai indicates, is quite costly, was the right way to go, but as Jai indicates, I mean, AIMCo is now actively addressing that issue. So the minister and the department were certainly aware of the need directionally to work toward being certification-ready. The formal step of certification was left open.

Mr. Chase: Thank you.

The Chair: Thank you very much.

The chair would like to recognize Mr. Quest at this time. I can say with confidence that his route to the Assembly this morning was probably over the James MacDonald Bridge, and with that major accident he was delayed.

Mr. Quest: Actually, I was up at a breakfast in St. Albert, and it was a disaster coming in from St. Albert, too. It was everywhere.

The Chair: Okay. Thank you.

Ms Woo-Paw, please, followed by Ms Pastoor.

Ms Woo-Paw: Thank you, Mr. Chair. My question is also around the internal control framework for AIMCo. I heard you say that you have good internal controls in place. Could you please expand on what that means? I mean, does it mean that you now have addressed the issue of governance structure, the code of conduct that was, you know, mentioned in the Auditor General's report? What does good control mean?

Mr. Parihar: Good control, Mr. Chairman, means that we have controls in place to make sure that unauthorized activities do not occur. At the board level, as the member indicated, we have now a board of directors to oversee the operation of AIMCo, and they have appointed a chief executive officer. We have separation of responsibility. We have an internal audit function. We have rules around conflict of interest. So we have a number of controls in place. What the Auditor General is recommending is to get certification, which is what we plan to do.

Ms Woo-Paw: One supplemental. Does the enterprise also have an enterprise-wide risk management framework in place?

Mr. Parihar: We are in the process of creating one.

Ms Woo-Paw: Okay. Thank you.

The Chair: Thank you very much.
Ms Pastoor, please, followed by Mr. Jacobs.
And good morning, Mr. Vandermeer.

Mr. Vandermeer: Yes. I was on the James MacDonald as well. That's a record for me: an hour and 15 minutes.

Ms Pastoor: Thank you, Mr. Chair. Will the department provide a copy of the Jack Mintz report to the committee members?

9:00

Mr. Bhatia: Mr. Chairman, the Mintz report is expected to be released in the not-too-distant future. The minister will be able to provide more information on that shortly.

Ms Pastoor: Thank you. That was, actually, my supplemental: when is it going to be released to the public? So it's coming?

Mr. Bhatia: It is coming.

Ms Pastoor: Is there a time frame on it?

Mr. Bhatia: Not that I can give you today.

The Chair: Thank you. That's interesting.
Mr. Jacobs, please, followed by Mr. Chase.

Mr. Jacobs: Thank you, Mr. Chairman. My questions are going to centre around the Alberta heritage savings trust fund. It appears to have a value of around \$16.3 billion, \$16.4 billion. Could you tell the committee what the change has been in the fund over the past eight years?

Mr. Bhatia: We'll just see if we have that information ready at hand. If not, then we'll certainly get it to the committee.

Mr. Jacobs: All right.
Should I go with my next question, then?

The Chair: Certainly. Yes, proceed, please.

Mr. Jacobs: Would it be possible for you to project the value of the fund over the next 10 years in real terms?

Mr. Bhatia: We can't project it per se, but what we can tell you is that the legislation requires that the fund be inflation-proofed, which means that as inflation-proofing occurs, a portion of investment income is kept in the fund to keep the fund's real value in place. In general we would expect the fund to grow with the rate of inflation. However, if there are years when the heritage fund doesn't have enough income to match the inflation-proofing, then it could fall behind. There's a policy in place that targets maintaining the real value of the fund, but there are situations in which it may not be fully realized.

The Chair: Is there anything else at this time, Mr. Jacobs?

Mr. Jacobs: No, not at this point.

The Chair: Okay.

Could you update us on Mr. Jacob's first request in writing through the clerk to all members?

Before we proceed with Mr. Chase, Mr. Saher, the Auditor General's report from October 2008, pages 267 to 297, has a summary of recommendations from the Auditor General to the department of finance. Do you have anything to add or suggest to the committee at this time?

Mr. Saher: Thank you, Mr. Chairman. If I could very briefly make some comments.

The Chair: Certainly.

Mr. Saher: Thank you. For the record I'll signpost our audit work for the ministry. Page 267 of our October 2008 public report summarizes our recommendations to the department, Alberta Treasury Branches, AIMCo, the Alberta Capital Finance Authority, Alberta Pensions Administration Corporation, and the Alberta Securities Commission. We made specific introductory comments on ATB's treasury management when ATB appeared before this committee on October 8. Also, we made introductory comments on AIMCo when the Auditor General appeared before you on October 15. Finally, I'll remind committee members that the outstanding recommendations for the finance ministry are listed on page 383 of our October 2008 report.

Thank you.

The Chair: Thank you very much.

If the members have any questions in regard to this, feel free to direct them towards Mr. Saher.

Mr. Chase, please, followed by Mr. Griffiths.

Mr. Chase: Thank you. Just to give the department time to get up to speed on my question, I'm referencing page 307, note 11, Assets under Administration, from your 2007-2008 annual report. Without going into great detail, we see over \$27 billion in pension funds, \$22 billion in general revenue and entity, over \$20 billion in endowment funds, et cetera. Therefore, my question comes. Page 307 states that the value of all the funds that are administered by AIMCo is at \$75.7 billion. What is the current value of each of these funds, particularly the pension plans, given the recent market disruptions? We formally had the Alberta Treasury Branches before us, and they assured us that Alberta was somehow insulated from the global national downturns. I'd be interested to know what percentages of loss we have suffered to date.

Mr. Bhatia: Mr. Chairman, I can't comment on what ATB said and what the context was, but clearly the investment funds that are what we refer to as balanced funds, meaning that they have a mix of equity investments, bonds, real estate, et cetera, those investment funds have taken a significant hit with the well-known stock market developments around the world. So at least for now their market value will be down from the last reported values.

The upcoming second-quarter reports, particularly the report on the heritage fund, will give a full indication of where the heritage fund is at at September 30. The pension funds and the other endowment funds will also have experienced losses, and those will be reported in due course in the normal reporting cycle. I would emphasize that those funds are all invested with very long-term objectives, so of course they have lost market value, but the reality is that they are invested for the very long term and may well recover

many of those losses. The other funds – for example, the funds within the purview of the general revenue fund, such as the sustainability fund, the capital account – are affected to a much, much, much lesser degree because they're not invested in equities.

Mr. Chase: Thank you. Historically, in 2001, when there was considerably less global disconnect, there was over a \$2 billion loss from the heritage trust fund, so hopefully we're not talking, well, in significant numbers. I guess at this point we've lost billions of dollars, but your feeling is that they'll be recouped.

My second question is: how have the recent market disruptions impacted the way in which AIMCo analyzes risks and market investments? Is there new direction, a more regulatory approach?

Mr. Parihar: Mr. Chairman, the approach is no different. When we make investments, we look at the risk-return trade-off, and if we think it's favourable compared to the alternative investment which we might be looking at, we make the investment. We, like Robert pointed out, make investments with the long-term horizon, and clearly the current market disruption both on the credit and in the stock market side is quite unprecedented, so whatever necessary prudent approach we need to take, we are doing that. But our thinking remains long term, so we are focused on the long term.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Griffiths, please, followed by Ms Pastoor.

Mr. Griffiths: Thank you. Looking at page 41 of the financial statements, when you look at the bottom line, the net operating results, everything seems to be just wonderful. But the valuation adjustments: I understand that's from the teachers' portion of the unfunded liability. Thankfully, there was almost a composite rise in income taxes to offset that so the bottom line didn't change. Can you explain to me a little more context about that valuation adjustment of almost \$2.1 billion more than what was budgeted for and what the impact of that is?

9:10

Mr. Bhatia: Yes. I'll provide some general comments and then perhaps ask Bonnie Lovelace to supplement. The key factor, as I think you were alluding to, was the assumption by the government and, on behalf of the government, the Ministry of Finance and Enterprise of the unfunded liability from the teachers' pension plan. Because that was a new obligation to government, it has to show up somewhere as an expense by government. This is where it shows up. That is the vast bulk of that number.

Bonnie or Doug, is there anything to supplement there?

Ms Lovelace: I can. The value of that pension liability is determined by an actuarial valuation. It's got a number of assumptions underneath it. Changes to those, of course, can change the value on our books. One significant factor, I guess, that we will be dealing with over the next little while is the underlying discount rate assumption. It's something that the department is working on right now, so we could see changes to that number as we examine that discount rate assumption and determine where it should be for the future.

Mr. Griffiths: With your indulgence, given the current global economic situation do you see future significant valuation adjustments being incorporated in our financial statements?

Mr. Bhatia: As it pertains to the way we value the liability – so the discount rate that we use and so on – we would consider the recent market experience, but it would not necessarily be a major factor in determining a discount rate because, again, we think for the very long term and what the expected return is from a mixed portfolio of equities, bonds, et cetera over the long, long term. So the short-term situation doesn't necessarily affect the choice of a discount rate to a large degree.

Valuation adjustments in the form of investment writedowns, for example, those can occur as a result of the market disruption. We review the heritage fund's investments every quarter, assessing whether any securities need to be written down, and we have policy under which we decide whether to write down a security.

Mr. Griffiths: Okay. Thank you.

The Chair: Another question, Mr. Griffiths?

Mr. Griffiths: That was my two.

The Chair: Thank you.

Ms Pastoor, followed by Mr. Jacobs, please.

Ms Pastoor: Thank you, Mr. Chair. I'd like to just have another question on the Jack Mintz report. What was the cost of commissioning that report?

Mr. Bhatia: I don't have a number offhand.

Ms Pastoor: Would that number be released with the report?

Mr. Bhatia: We should be able to provide that.

Ms Pastoor: Then, can the department provide a summary of recommendations or findings from this report, particularly on the area of savings? Again, I think I'm probably asking a redundant question in terms of that your answer is probably going to be: wait and see; it'll come with the report. Would that be included in there?

Mr. Bhatia: Yes. I mean, the report has recommendations, so clearly they'll be available when the report is released.

Ms Pastoor: Okay. Thank you.

The Chair: The chair also would like to welcome and recognize Mr. Bhardwaj this morning. Good morning, sir.

Mr. Bhardwaj: Thank you.

The Chair: Mr. Jacobs, please, followed by Mr. Chase.

Mr. Jacobs: Thank you, Mr. Chairman. Going back to the Alberta heritage savings trust fund, my experience with my constituents is that there's significant interest from Albertans about this fund. You know, it's viewed as, I think, to some extent as a source of pride to Albertans that we have this fund. There's a lot of concern about where it's going and what we're going to do with it. From my previous question and the comments I received, correct me if I'm wrong, but I got the impression that we inflation-proof the fund with the interest accrued from the fund or earned from the fund, and if that isn't sufficient to keep the value of the fund real, then the fund decreases in value. Given the fact that we take one-third of surplus into savings, why don't we keep the value of the fund real or even grow the fund regardless of what the interest earnings do?

Mr. Bhatia: Mr. Chairman, one of the mandates given to the Minister of Finance and Enterprise is to bring forward a savings policy, so that kind of question will no doubt be addressed as part of that renewed savings policy. What I was describing earlier was what is in fact mandated by statute today. The government has, as I indicated in my opening comments, in the past made additional contributions to the fund and, of course, could always choose to do so in the future.

Mr. Jacobs: Will we expect the value of the fund in '09-10 to be up or down, given the current scenario in the financial markets?

Mr. Bhatia: We can't predict with any kind of certainty whether it will be up or down. We know what's happened in the very recent past, in the last few months. Clearly the market value has dropped. What happens over the next year is the subject of everybody's speculation, and there's really no credible prediction that I could give you.

Mr. Jacobs: Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Dallas.

Mr. Chase: Thank you. The backgrounder for this question is that the total unfunded teachers' liability has grown to over \$7 billion, of which the government assumed slightly over \$2 billion. How will the more than \$2 billion unfunded teachers' liability that has been taken on by the government be financed?

Mr. Bhatia: We are assessing that right now, and we don't have a final decision.

Mr. Chase: Thank you. My concern is that if this debt isn't addressed, the unfunded liability is projected to grow to over \$45 billion by 2060, and therefore my question is: how long will it take to erase this liability, and what will be the total end cost?

Mr. Gartner: We don't know the answer to that yet. It depends on the financing arrangements and how the unfunded liability is financed. I don't think there's an answer to that question yet.

Mr. Chase: Thank you.

The Chair: Mr. Dallas, followed by Ms Pastoor, please.

Mr. Dallas: Thank you. I'm going to – hopefully I'm in the right space and time here – refer to the '07-08 report from employment, immigration, and industry under the assumption that at that time there were divisions in this report that were included in the ministry. Would that be correct?

Mr. Bhatia: Mr. Chairman, it may not be correct. If the member's referring to something that was in the ministry of employment, immigration, and industry last year, it wouldn't be covered by what we were intending to discuss today.

The Chair: The Regulatory Review Secretariat?

Mr. Dallas: In the area of the regional economic development alliances.

Mr. Bhatia: Mr. Chairman, I'm at your disposal. I can attempt to answer a question about it, but it wasn't the focus of these reports.

The Chair: Well, let's proceed.

Mr. Dallas: I'll read the question in, Mr. Chair, and then perhaps we can elicit a response later on. I appreciate the difficulty of covering this off as it's been reorganized. On page 91 of the employment, immigration, and industry annual report there's a reference to expenses by core business, and specifically one of the areas is the investment in industry. The original budget number was \$122 million, give or take, and the actual expenditures were \$113 million. Normally that would be commendable, operating under budget, but in that area those investments are critically important to investment attraction, enterprise development in Alberta, and obviously our future revenue streams as well and our jobs. So I'm wondering if we could have an elaboration on where those expenditures underfunded the existing budget and business plan.

9:20

Mr. Bhatia: We'll have to provide that in writing, Mr. Chairman.

The Chair: Certainly, and that's reasonable.

Mr. Dallas, anything else at this point?

Mr. Dallas: That will be good.

The Chair: Okay. I don't want to repeat myself, but if you could do it through Jody Rempel, the clerk, please, to all members, we'd be very grateful. Thank you.

Ms Pastoor, followed by Mr. Bhardwaj, please.

Ms Pastoor: Thank you, Mr. Chair. On page 345 it states that there's over \$300 million held in residential mortgages, credit cards, and personal loans by ATB employees. How much of this is held by ATB directors? Do you have that breakdown?

The Chair: What page of the annual report is that on, Ms Pastoor?

Ms Pastoor: Page 345.

Mr. Bhatia: Mr. Chairman, we would probably have to check with ATB as to whether that information is available unless, Dennis, you have anything to add on that.

Mr. Gartner: No, I have nothing to add on that.

The Chair: Could you repeat that, please?

Mr. Bhatia: Sorry. I said that we would have to check with ATB as to whether that information is available. I don't have that information.

The Chair: Why would it not be available?

Mr. Bhatia: Only if there is some confidentiality reason, but it's within ATB's responsibility and purview, so I just don't know, Mr. Chairman.

The Chair: Well, I think it's a reasonable request by the member.

Mr. Bhatia: We will follow it up.

The Chair: Thank you.

Second question, please.

Ms Pastoor: Yes, it would be along the same lines, and you can supply that. Do these directors receive the same preferential rates as other employees?

Mr. Bhatia: Again, Mr. Chairman, we'll find that information for the committee.

The Chair: Thank you very much.

Mr. Bhardwaj.

Mr. Bhardwaj: Thank you very much, Mr. Chairman. Under the Consolidated Statement of Financial Position on page 42 of the annual report under the assets it talks about the investments. What is the cause for a \$2.9 billion increase in portfolio investments from \$32.7 billion to \$35.6 billion in the '07-08 annual report?

Mr. Bhatia: I'll ask Rod Matheson to respond to this one.

Mr. Matheson: The primary reason for the increase in portfolio investments would be due to increases in the heritage fund and the endowment funds. During 2006-07 \$1.4 billion put into the heritage fund, \$1.1 billion was put into the capital account, and \$200 million was put into each of the scholarship and the medical research endowment funds.

Mr. Bhardwaj: Okay. Then my supplement would be: why did net investment income decrease by \$0.7 billion from the prior year and \$0.2 billion from the budget? It's on page 41 of the annual report.

Mr. Matheson: The primary reason for the decline in the investment income was due to a decline in the income of the heritage fund. Most of that came from U.S. and non-North American public equities that were impacted by the stronger Canadian dollar and negative returns in the foreign equity markets.

Mr. Bhardwaj: Okay. Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Chase, followed by Ms Woo-Paw, please.

Mr. Chase: Thank you. I'm referencing page 274 of the Auditor General's 2007-2008 report, and I'm specifically referring to section 2, Alberta Treasury Branches, and then internal controls. My question: referencing page 274, why were peer reviews for ATB's fair-value calculations of investments and derivatives not being done?

Mr. Bhatia: Mr. Chairman, that's something clearly within the management of ATB, so I don't have an answer to that question. I don't know if, perhaps, the assistant Auditor General would like to comment.

Mr. Saher: Thank you. It's often very hard to answer a question as to why a good control is not in place. I think that for anyone here in this room today to answer that would be speculation. Simply, our job is to identify where improvement can be made, and I know that this is an area that ATB has accepted that there should be peer review. Changes are already in place, and in our next audit at ATB we'll verify that what we've been told has in fact taken place.

Mr. Chase: Thank you. My understanding is that the overall oversight of ATB falls under the responsibilities of the ministry of finance, whether it's a short arm or a long arm's length.

My second question: what direction has the department given ATB to implement a peer review and approval process so that the risk of misstating financial results can be mitigated?

Mr. Bhatia: Mr. Chairman, as was just indicated, the Treasury Branches has accepted the recommendations in this area, and we fully anticipate that they'll be putting in place the appropriate procedures to address it.

Mr. Chase: I hope that's the case. Thank you.

The Chair: Ms Woo-Paw, followed by Ms Pastoor.

Ms Woo-Paw: Thank you. I'd like to know whether under the ministry you have CEOs appointed to your agencies and corporations. If you do, can you describe, perhaps, the range of compensation and the established processes that the ministry has for compensation?

Mr. Bhatia: I can give a general answer at the moment, and then we'll follow up with specifics. The CEOs of our agencies are typically appointed by the boards, and the compensation is generally determined by the board, although in some instances legislation provides for partial or full approval by the minister. It varies from agency to agency. We'll provide a written response to that question.

Ms Woo-Paw: Thank you. A related question: on page 88 of the annual report could you provide some explanation as to why there was a decrease for the chief investment officer? Salaries usually go up, and this went down.

Mr. Bhatia: Oh, yes. Okay. Would you like to answer, Jai?

Mr. Parihar: Yes, I can answer that question. The salary has not gone down. What has happened is that AIMCo was created on January 1, 2008, so three months' salary is in the AIMCo financial statements and nine months is in the ministry's statements.

Ms Woo-Paw: Okay. The difference for the senior officials: the amount for 2007, \$299,000, was for two staff, and the base salary now for 2008, \$231,000, is now for one person? That's the very first line.

Mr. Bhatia: Yeah. I believe the answer is simply that I was appointed as deputy minister partway through the fiscal year. My predecessor, obviously, was there before. This is simply indicating that there were two different individuals who received that sum of compensation.

9:30

The Chair: Thank you.

Ms Pastoor, please, followed by Mr. Griffiths.

Ms Pastoor: Thank you, Mr. Chair. Referencing page 51 of the annual report, could the department specify the nature of the legal actions that it's involved in?

Mr. Bhatia: We can't give you a specific answer at the moment. A number of the legal actions that we would be involved in would be through our risk management and insurance division, which deals with claims across the government. We'll see what additional information we can provide you in answer to that question.

Ms Pastoor: Okay. My supplemental question will probably receive the same answer. What are the projected costs thus far for these legal actions?

Mr. Bhatia: Again, I can't give you a specific response to that. The risk management fund financial statements would show the expected liability for all types of claims against that fund. That wouldn't necessarily be exactly the same as the legal actions per se. There may be other kinds of potential claims in there, as well.

Ms Pastoor: How far out do you project? Where is the cut-off for the projection?

Mr. Bhatia: With respect to the risk management fund there are actuarial techniques that are used that attempt to estimate the full cost of any incident that has occurred, even if we don't actually know that it will be a claim. The experts use a variety of techniques to estimate the cost of anything that is likely to already have been claimed against the fund or even could be claimed. For example, if an accident occurred some time ago and nobody has actually made a legal claim yet, a claim still could come. That is all factored in, so that information would be reflected in the risk management fund statements.

This is the whole ministry, so there could be other types of legal actions that aren't part of the risk management fund.

Ms Pastoor: Thank you.

The Chair: Thank you.

The chair would like to welcome Mr. Mason this morning. I understand you were sighted directing traffic on the MacDonald bridge.

Mr. Mason: I took that route because it's named for yourself, Mr. Chairman.

The Chair: Mr. Griffiths, please, followed by Mr. Chase.
Do you want to get on the list, as well, Mr. Mason?

Mr. Mason: Yes, please.

Mr. Griffiths: Thank you very much. We had Alberta Treasury Branches here a few weeks ago, and they have some outstanding recommendations from the Auditor General's reports dating back to 2001. I'm wondering if you can cite or explain what sort of relationship the department has with ATB to help encourage them to meet those recommendations that are still outstanding.

Mr. Gartner: The department meets on a quarterly basis with ATB as a part of our oversight program. The recommendations from the Auditor General's annual report are often but not always a part of those discussions. The department asks ATB how they are doing with implementation of those recommendations and also indicates that it is our expectation, and ATB fully agrees, that those recommendations need to be fulfilled.

[Mr. Dallas in the chair]

The progress in meeting those recommendations is coming along. In some instances for a variety of reasons it's taking longer than everyone would like, but some of them are very difficult to implement and require very significant resources to do so.

Mr. Griffiths: Okay.

Mr. Saher: If I could just supplement that. It might be useful for me to state that with respect to the outstanding recommendations

that you're looking at on page 383, the Auditor General's office is working through our audit plan with ATB at the moment, and it has been indicated to us that ATB is ready for us to assess implementation on a good number of them. So I think that you can anticipate, assuming that ATB's assertion that the matters have been dealt with is correct, that we'll make good inroads in this next period into reducing the number of outstanding recommendations.

Mr. Griffiths: Thank you. No follow-up.

The Acting Chair: Thank you.

We'll move to Mr. Chase, followed by Mr. Drysdale.

Mr. Chase: Thank you very much. The 2008 report of the Auditor General criticized ATB for risking over a billion dollars in asset-backed commercial paper. Hopefully, the finance department, ATB's overseer, wasn't playing fast and loose with these types of risky investments. Therefore, my question: what is the total exposure of all government investments, assets, et cetera, and losses related to asset-backed commercial paper?

Mr. Bhatia: Mr. Chairman, I'll respond very briefly and then ask Jai Parihar to supplement. The government's own investments, of course, are managed by what is now AIMCo, and for part of the fiscal year it was the Alberta investment management branch of the department.

Each institutional investor made their own judgments about the role of asset-backed commercial paper in their portfolios and would have different considerations in making those decisions. Alberta investment management's exposure to asset-backed commercial paper was quite modest in relation to the size of the \$75 billion under management.

I'll let Jai comment on the specifics of that exposure.

Mr. Parihar: Yes. Mr. Chairman, the total exposure for asset-backed commercial paper for all our clients, so not the government clients, was \$205 million.

Mr. Chase: Thank you. My second question. This is somewhat of a repeat, but I'm hoping to hear a slightly different answer. What changes have been made to investment practices to account for the recent market disruptions? I understand that it's long term, but clearly we can't continue to do what we've been doing and, you know, suffer the losses that we've experienced.

Mr. Parihar: Mr. Chairman, in terms of asset-backed commercial paper what we have done is look at the issuers who issued those securities. We have limited the universe of issuers we would buy paper from; for example, if the commercial paper program does not have a sponsor like a major Canadian bank, and they provide a market disruption guarantee. Some of the problems we had with the commercial paper program was that there were no market disruption guarantees, so when the liquidity dried up, there was nobody to come in and provide the money. In most cases the underlying assets were of good quality. The issue was availability of liquidity. What we do now is to look at the issuers of these asset-backed security conduits and see if they have the commitment of the sponsor to provide the liquidity in case there's a market disruption.

9:40

Mr. Chase: Thank you.

The Acting Chair: Thank you.

Mr. Drysdale: My questions pertain to page 288 of your report there. In note 10 at the bottom, the line with settlement payments and cost recoveries, there's a fairly significant decrease of – I don't know – \$5.9 million in settlement payments. Also, on the next line, uncollectible amounts, there's an increase in amounts, a change from \$191,000 to \$1.353 million. I guess my question is kind of in two parts. What is the cause of this decrease in revenue, and what's the cause of the increase in uncollectibles?

Mr. Bhatia: Mr. Chairman, I'll ask Dennis Gartner to respond to this question.

Mr. Gartner: The cause of the increase in the collectibles was a one-time settlement of \$7.5 million.

I'm sorry; the second part of the question?

Mr. Drysdale: There's an increase in uncollectibles there on the next line, from \$191,000 to \$1.353 million.

Mr. Gartner: That's simply related to cost recoveries related to costs of assessed hearings. Costs were assessed against certain entities. These entities sometimes don't have any assets, so the uncollectibles simply increase. They're not collectible because you can't collect from a stone, and sometimes that was the situation.

Mr. Drysdale: Okay. Thank you.

The Acting Chair: Do you have another?

Mr. Drysdale: No. Thank you.

The Acting Chair: Mr. Mason, followed by Mr. Bhardwaj.

Mr. Mason: Thanks very much, Mr. Chairman. My question pertains to the Capital Finance Authority. Now, I think it was about 10 years ago that it was changed from the Alberta Municipal Financing Corporation and became a lending authority for all public entities related to the provincial government, not just municipalities but hospitals and universities and so on. My question really pertains to changes in how it lends. As it now stands, it's limited to public authorities such as municipalities. I am interested in what changes are anticipated or have been made to allow this source of capital finance to be used in P3 projects.

Mr. Bhatia: I'll comment briefly. Then I'll ask Rod Matheson if he has anything to add. The fundamental purpose and business of the Alberta Capital Finance Authority, as it's now called, has really not changed over many, many years, including with the name change. You're right that the Capital Finance Authority can lend to entities other than municipalities. It can lend to health authorities, and it can lend to postsecondary institutions, but the loans to those types of entities are typically for activities that aren't part of their core business, if you like. In fact, most of the lending to those types of entities is for parkades and things like that, ancillary activities. So the core business of ACFA has really not changed markedly over many, many years.

To my knowledge, ACFA does not have any participation in P3s. That's been a quite different process. The whole purpose of ACFA is to borrow in a relatively straightforward way in the marketplace, using the credit backstopping of the government, and then to provide loans to those authorities that I mentioned at the minimum possible additional cost, which is very, very low.

Mr. Mason: I guess my second question, then, has to do with the policies around surpluses. When the Capital Finance Authority makes money on its loans, is it standard practice to then return those to the municipalities and other borrowers, or is that retained in general revenue?

Mr. Bhatia: Actually, the past practice has been a mix of both. There have been times when there was the opportunity to reduce interest rates on municipal loans and/or allow a certain amount of prepayment by municipalities, thereby passing some benefits back to municipalities. There have also been occasions in the past where the government has removed some of the surplus from ACFA or, as it was then, the Municipal Financing Corporation when the surpluses had become exceptionally large. The approach at the moment is simply to maintain a modest surplus in ACFA to provide a small cushion against unanticipated events. The surplus is retained in ACFA. It's much, much smaller than it was at times. I think in the '80s it had grown very significantly.

Rod, is there anything you would add to that?

Mr. Matheson: No. I think that covers it. You're right. The way that the ACFA is managed now is designed to keep the surplus at just an amount enough to provide that cushion, as Robert spoke about, but to basically pass the benefit of the low cost of Alberta's borrowing through to its various shareholders.

Mr. Mason: Thank you.

The Acting Chair: We'll move now to Mr. Bhardwaj, followed by Ms Pastoor.

Mr. Bhardwaj: Thank you, Mr. Chairman. My questions are around ATB. Currently the government guarantees the operations of ATB. Are there any discussions regarding discontinuing such practice to level the playing field?

Mr. Bhatia: Mr. Chairman, again I'll comment and see if Dennis would like to supplement anything. There is no contemplation of removing the guarantee of ATB's deposits. Indeed, ATB is an agent of the Crown; therefore, its obligations are, in effect, the Crown's obligations at the end of the day. So there's no consideration of that.

What we are in the process of implementing are several other measures that will help to level the playing field between ATB and other financial institutions. In particular, we are in the process of establishing this year a payment in lieu of taxes by ATB because, of course, as a Crown-owned entity ATB is not subject to income taxes, for example. That is one of the advantages that they enjoy relative to other financial institutions. Now that ATB has significant capital, which, of course, at one time, 15 years ago, it didn't have, it makes sense that ATB be subject to a payment essentially equivalent to taxes they would pay if they weren't government owned. So we're putting in place that mechanism this fiscal year.

Dennis, would you like to add anything?

Mr. Gartner: No. That's a complete answer.

Mr. Bhardwaj: Okay. Thank you very much. Actually, that was my supplementary question: what is the status of their payment? So you've answered that. Thank you very much. I'm good.

The Acting Chair: Thank you, Mr. Bhardwaj.
Ms Pastoor.

Ms Pastoor: Thank you, Mr. Chair. What direction or action was undertaken by the department regarding the local authority's pension plan change of the board quorum and the voting rules that took place in November?

Mr. Bhatia: Mr. Chairman, I think that is a question that we can't really answer at this point. The changes in the voting rules did become the subject of a court action, and that decision has only just been rendered. I don't think it would be appropriate to comment further on that.

9:50

Ms Pastoor: Thank you. That would take care of my supplemental as well.

The Acting Chair: Thank you.
Mr. Chase.

Mr. Chase: Thank you very much. If you want to interject a government member, that would be fine, just for the rotation's sake. I don't want to be hogging here.

The Acting Chair: No. I appreciate that, Mr. Chase. I was the government member on the list, so perhaps we'll conclude, and then I'll read my question in.

Mr. Chase: Okay. Thank you very much.

This is kind of a potpourri of questions. When, how soon, and in what fashion will the ministry provide a public update on market losses suffered to Albertans' various investment in trust funds totalling over \$75 billion? I'm assuming that it's going to be at some point in the spring quarterly.

Mr. Bhatia: Mr. Chairman, the heritage fund, of course, has a public report every quarter, so there'll be a report for the quarter ended September 30. That will be released sometime mid to late November. That will have full quarterly financial statements and a lot of information there with respect to the heritage fund. The second-quarter budget update, which also gets released around that time, will at least give an indication of the impact on current-year revenues to the government from investments and will reflect the market turmoil that we've experienced. The pension plans are, of course, on a different type of reporting cycle. Their financial statements are calendar year-end financial statements in all or most cases, so that'll be a different reporting cycle.

Mr. Chase: Thank you. I'd be interested in knowing the cut-off dates for those, the end of September calculations kind of thing, as the market losses seem to occur towards the end of the month, and they might not be captured in that cut-off basis.

I'll go to my second question. Again, it's a bit of a hodgepodge. It deals with the heritage trust fund. Has any consideration been given by the ministry to building up and securing the heritage trust fund beyond the one-third contribution of unbudgeted surpluses?

Mr. Bhatia: Mr. Chairman, I think the answer to that question is kind of similar to one that I gave a little earlier, and that is that that kind of thing will be addressed as the minister brings in a savings policy. The surplus allocation policy that the member referred to is a general policy that was outlined in the budget. The allocation to the heritage fund and the future approach to allocations to the heritage fund will be part of that savings policy.

Mr. Chase: Thank you.

The Acting Chair: Thanks very much. It's 9:55, and that concludes our questions, so at this point I'll thank our guests from Finance for their attendance this morning. We appreciate your answers to the inquiries of the members, and we'll excuse you folks. The committee just has some other business to proceed with.

Mr. Chase: Mr. Chair, did you wish to read in your question?

The Acting Chair: Actually, I've decided to defer that.

Mr. Chase: Okay.

The Acting Chair: Does anyone else have a question that was not on the list that you'd like to read in before we let our guests go?

Mr. Chase. Sorry about that.

Mr. Chase: No. That's fine. I didn't want to hog the floor here, but I would like to get an answer to this question. It's referencing page 268 of the Auditor General's October 2008 report. What is the department doing to ensure that the investment accounting and reporting group has the staff resources to complete financial reporting? Then my supplemental is: what led to the situation where the staff resources in the IAR were lacking?

Thank you.

The Acting Chair: Thank you.

If those answers could be provided in writing through the clerk to all of the members of the committee, that would be appreciated. I note that there were some other written responses that were provided for earlier in the meeting. So thank you very much.

For the committee, then, is there any other business that you would like to bring forth at this point?

There being none, the date of our next meeting, as previously noted, is November 5 from 8:30 to 10 a.m. We will be meeting with the Ministry of Tourism, Parks and Recreation and also the Ministry of Culture and Community Spirit.

If there's nothing else, I would accept a motion for adjournment. Mr. Chase. All in favour? Carried.

[The committee adjourned at 9:56 a.m.]

