

[Chairman: Mr. Kowalski]

[10 a.m.]

MR. CHAIRMAN: Good morning, ladies and gentlemen. Welcome to the sixth day of the public meetings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act.

Prior to the introduction of the Hon. Bill Payne, there are three items I'd like to draw the attention of committee members to. One is that all members have now received an organization binder that has been prepared by our committee secretary, Mrs. Davidson. Periodically documents will be forwarded to you that are easy to insert. I hope it will be appropriate.

Secondly, to take a look at today's and tomorrow's agendas — that is, the agenda for August 30 and 31, 1983, — this morning we have appearing before us the Hon. Bill Payne, the Minister without Portfolio, who has as one of his responsibilities the responsibility for communications with respect to the Heritage Savings Trust Fund. This afternoon at two o'clock we have the Hon. Lou Hyndman, Provincial Treasurer. Tomorrow morning the Hon. Peter Trynchy, Minister of Recreation and Parks, is scheduled to meet with us, starting at 10 a.m.

Members will recall that at a previous meeting of the committee there was a request made by a number of committee members that Mr. Trynchy provide an audio-visual overview or presentation of some items that might be of interest to committee members. Mrs. Davidson has circulated to you a briefing document that Mr. Trynchy has prepared for the meeting tomorrow. It is broken down into three areas: one dealing with Fish Creek, the other with Kananaskis Country, and the third with urban parks. In addition to the document, Mr. Trynchy also has available three short films, one with each of these particular matters. In following through on the suggestion made by committee members at a previous meeting, my suggestion is that tomorrow at 10 a.m. we meet in Room 312 and see the films. We'll start with one, and if the members are not interested in seeing two more, then we'll just leave. At the conclusion of the films we can reconvene here in the Legislative Assembly for the more formal aspect of the meeting.

So my suggestion is basically ten o'clock tomorrow morning in 312 for the overview of these three films and then, at the conclusion of them, coming back into the Legislative Assembly. Will that be appropriate?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. Then tomorrow afternoon we'll try to get a handle on libraries with the Hon. Dick Johnston, Minister of Advanced Education.

So this morning it's my pleasure to introduce to all members of the committee a former chairman of this committee, the Hon. Bill Payne, Minister without Portfolio. One of Mr. Payne's responsibilities is dealing with communications with respect to the Heritage Savings Trust Fund. In that regard I might draw to members' attention a statement on page 37 of the 1982-83 annual report of the Alberta Heritage Savings Trust Fund:

Administrative expenses include an amount of \$867,000 . . .
expended to communicate the role and activities of the Fund.

I'm sure that all members will also appreciate that Mr. Payne has only assumed responsibility for this aspect since his appointment to Executive Council following the results of November 2, 1982. In meeting with Mr. Payne prior to coming to the meeting today, I suggested to him that committee members might avail themselves of the opportunity to ask him questions other than those pertaining to that time frame — really November through to March 31, 1983.

So at that point I welcome you, Mr. Payne. If you have opening comments, would you

please proceed with them. Then we'll proceed with questions from committee members.

MR. PAYNE: Thank you, Mr. Chairman. Yes, I would like to take advantage, albeit briefly, of an opportunity to make some preliminary comments. But let me preface those remarks with the observation that, yes, I used to have the privilege of serving with this committee as chairman and, as I have sat here these past few minutes, there has come a veritable flood of, if not pleasant, certainly interesting memories. I welcome this opportunity to meet with your committee today, Mr. Chairman.

It's quite correct for you to have made the observation that technically I wasn't the minister responsible for heritage fund communications during 1982. Nevertheless I feel it certainly is appropriate, and I hope useful to the members of the committee that are here today, for me to make some brief comments on the heritage fund communications program in 1982, perhaps beginning with the subject of the use of paid advertising.

Members of the committee will recall that all paid advertising of the heritage fund which took place last year — and by paid advertising I'm referring, of course, to radio and television commercials and newspaper and magazine advertisements — focussed on individual Albertans and how they were affected by the fund. For example, one print I've brought with me shows a young Alberta farmer who received a loan from the Agricultural Development Corporation. The ad also explains that the heritage fund is helping agriculture through this corporation. We believe that this kind of advertising is important. It showed that the heritage fund wasn't simply a pile of cash in a vault at the Legislature and that the fund was in fact at work, rippling through the economy, helping many Albertans today, yet providing for Albertans tomorrow.

At the beginning of the meeting, reference was made to the dollar expenditure figure that's contained in the annual report for '82, an amount of \$867,000. I thought it would be of interest to the committee to know how that amount was spent: radio commercials, \$76,000; television commercials, \$167,000 — and of course I'm rounding off; various print media — that is to say, newspapers, both daily and weekly, and magazine — \$197,000; survey research and production, \$346,000; and then other advertising — and "other" would include outdoor media, for example — \$78,000.

During the reported year 1982, in addition to the use of paid media conducted by Treasury, other departments made, I think, a serious effort to identify the heritage fund in their programs. Mr. Chairman, I think it's worth while for members of the committee to pause for a moment or two this morning to discuss those. I should emphasize that these additional or non-advertising efforts by the departments have not created additional expense. Rather, we've tried to assure that when government departments let the public know about their heritage fund related programs, if these programs have been supported in any way by the heritage fund, then the heritage fund will be featured in the information initiative.

Let me give you some examples. Probably the most conspicuous heritage fund programs of the past year, 1982, were the mortgage interest reduction program and the small business and farm interest shielding program. I believe the advertising that supported these programs clearly identified heritage fund support. The Agricultural Development Corporation, to which I made reference earlier, now uses the heritage fund symbol in all its brochures, stationery, displays, and so on. Another good example is the Pine Ridge nursery, which now features the heritage fund in its brochure, signage and, indeed, in a recent film. It's probably fair to say that two years ago, most people who came into contact with the Pine Ridge nursery would never have realized that in fact it was supported by the heritage fund. I would hope that's now changed.

Another good example is the Alberta Home Mortgage Corporation, which now lets loan recipients know, in the documents they receive, that the financing comes through the heritage fund. Farming for the Future, with which members of the committee will be familiar, has a display which has gone to conferences and fairs throughout the summer. The display shows the heritage fund support.

A final illustration would be our provincial parks. I don't know if any committee members had an opportunity to visit Kananaskis Country this summer, but I did take advantage on two occasions. I was encouraged to see that Kananaskis and other provincial parks that are funded through the heritage fund all have heritage fund identification on their signs, plaques, and brochures. A year ago some of these parks had no indication of heritage fund involvement.

Mr. Chairman, that concludes my comments on the '82 communications program. I would certainly be more than pleased to come back to deal as best I could with questions arising from those comments, but before entertaining those questions or comments, perhaps I could summarize the results of the most recent round of survey research on the heritage fund. I realize that this research was conducted in April of 1983, which technically is one month past the conclusion of the '82-83 fiscal year, the year of our focus today. But I think that research uncovered attitudes that had been developed by the '82 program, both positively and negatively. Therefore, Mr. Chairman, if I could have your nodding agreement, I will take another moment or two just to highlight the results of that research conducted in April of 1983.

To start on a positive note, there remains a high level of public support for the fund. In fact, a comparatively impressive proportion — that is to say, 91 per cent — still think it was a good idea to establish the fund. Those who think it was a very good idea now comprise 53 per cent of the respondents, compared to 41 per cent in the May or June '82 survey. The major reasons for supporting the fund relate to money for the future — security in the fact that the money now appears to stay in the province.

From this most recent round of survey research, more Albertans apparently want the heritage fund to invest in job creation. Given the nagging high levels of unemployment, that did not come as much of a surprise. When asked where they would like to see money from the heritage fund spent, the highest response, 22 per cent, in fact was for job creation. Only 8 per cent gave this response a year ago. Other responses were for education, 13 per cent; hospitals, 12 per cent; health care, 10 per cent; roads and highways, 9 per cent.

One of the more serious concerns that flows from the research is the fact that considerable confusion continues to occur over revenue sources for the heritage fund. Respondents were asked if the heritage fund received its money from a variety of possibilities. This is what is referred to as an aided-recall list, as opposed to an unaided list, where it is just an open-ended question. The interviewer would run five or six possibilities past the respondent, and the respondent would then indicate whether he or she thought that particular revenue source in fact applied to the heritage fund.

Ninety-three per cent of the respondents were quite correctly aware that part of the revenue received came from our oil, natural gas, and coal resources. Discouragingly, almost half of our respondents, 46 per cent, agreed that the heritage fund revenue source was in part a tax placed on the sale of gasoline at gasoline pumps in the province. Before I leave that particular aspect of the fund and the research, I might mention that 21 per cent agreed that the sale of lottery tickets was yet another source of funding for the heritage fund, which again just underlines the concern.

The public generally feels that the heritage fund is meeting its objectives. The respondents were asked how the heritage fund was doing in meeting its objectives, and 81 per cent said it was doing a good job in putting aside money for when the oil and gas revenues are lower. That's an interesting and appreciated improvement over previous survey results. Sixty-nine per cent said the fund was doing a good job in investment for long-term economic benefits. The response was 51 per cent, about half, for enabling Alberta to move from an economy that is dependent on oil and gas to one that has a greater industrial base.

There is a modest increase in those that say they personally benefit from the fund. In June 1982, and again in April or May 1983, the question was asked: do you or your family personally benefit from the fund? A year ago the response was: well, the fund is

a good idea, but we as a family or I personally don't really benefit from it. That kind of response came from 50 or 51 per cent a year ago.

I think in part because of the use of paid advertising in the summer of '82 and obviously because of the focus on the heritage fund during the fall election campaign, the awareness or the impression that I as an individual or my family benefits from the fund increased, as a percentage, to 58 per cent in the '83 research. By far the largest identified personal benefit — and this will come as no surprise to members of the committee — was mortgage assistance, 36 per cent; followed by education grants and scholarships, 16 per cent; and parks and recreation programs, 10 per cent.

Finally there is obviously a clear desire for more information about the fund. When responding to the statement "there is not enough information available about the heritage fund", 45 per cent strongly agreed, and only 4 per cent strongly disagreed. It should be emphasized that all the results from this survey are public. If any members of the committee wish to have the complete survey, copies are of course available from my office.

Mr. Chairman, with those brief comments on the '82 program and expenditure and the early '83 research, I would certainly now be more than pleased to respond to questions, comments, or, indeed, recommendations from the committee.

MR. HYLAND: Mr. Payne, my first question. You outlined in your initial remarks how \$867,000 was administratively spent in advertising, and you outlined the results of the latest questionnaire. If the fund is a good fund and good for the province — and I believe it is — why do we need to spend that amount of taxpayers' money in advertising it?

MR. PAYNE: Mr. Chairman, I welcome the chance to respond to that question. It's one that has of course been posed on other occasions. I would like to emphasize that the government does not rely solely and exclusively on the use of paid advertising to communicate to Albertans about the fund, and I hope I made that clear with my reference to half a dozen other illustrations. Certainly our intention for the remainder of this year and future years would be that we would incorporate as many information dissemination techniques as possible that would help achieve the communications objectives of the fund. But at the same time I would indicate that I would not exclude or rule out the use of paid advertising.

In the illustration that has been cited, Mr. Chairman, I think the \$800,000 expenditure was warranted. In dollar terms, the fund of course represents certainly the most significant government program, and there is no question that it is a program that perhaps attracts the most public interest and attention. The fact that nearly half of our respondents feel they'd like to get even more information reinforces, I think, the need on our part to respond to that perception. That response will include, but will not be limited to, the use of paid advertising.

It's quite correct that a goodly number of the respondents to that survey were still confused about revenue sources. I don't lay that confusion at the feet of, or as a liability or failure of, paid advertising. As I believe I mentioned briefly earlier today, the content and themes of the '82 campaign were somewhat generalized and focussed more on the ways different Alberta government programs funded by the heritage fund indeed benefit Albertans as a whole and individually. That's a more generalized focus. The campaign did not deal with considerable detail. In retrospect, perhaps that was a shortcoming. It's difficult for me to comment, because I was of course not responsible for the program at the time and was not informed as to the rationale behind the development of the program.

When you consider the highly generalized focus of the '82 campaign, it's not surprising that there were still confusions about such details as revenue sources. I might add, Mr. Chairman, that it's that confusion I would certainly want to turn my attention to — not totally, but certainly in part — in future communications planning about the fund.

MR. HYLAND: Mr. Chairman, my second question relates to the breakdown that was given to us on the advertising. I think I got the figures right: printed media, \$197,000 or thereabouts. Being a member from a rural area, I often hear that the large city dailies receive the bulk of government advertising. At least, this is a comment suggested sometimes by weekly newspapers. Did the weekly newspapers — obviously it has to be your opinion — get their fair share? I think it's important. Usually a weekly newspaper in a rural area is well read, partly because of its make-up: just the way they're put together and what they have in them. Do you feel the weekly newspapers received their fair share of that \$197,000?

MR. PAYNE: Mr. Chairman, it's difficult for me to respond to that question in a specific way. I have to admit to you that I simply have not seen the breakdown of those expenditures in the past year. My general recollection is that selected Alberta weekly newspapers were included in the heritage fund advertising program last year. But whether that was to such an extent that it would be interpreted by the rural members as a fair share, I simply can't respond.

I would like to add my personal postscript, if I may. As one who has had an involvement in the communications industry for better than 20 years in Alberta, I have had a long-standing appreciation and awareness of the value of weekly newspapers, because of their personal nature and because of their shelf life. Certainly if they were to be excluded in a future program, that would be a very serious omission and one that I would hardly be able to support.

MR. NOTLEY: Mr. Payne, I'd like to begin by going back to the 1982 campaign. I think probably it would be fair to say "campaign" in the broadest sense of the word. What we saw last fall — and you showed us in the example — was not information advertising in any serious way, but mood advertising, the kind of advertising designed — quite effectively, I might say — to create the impression that all was good with the Heritage Savings Trust Fund. We used people with smiling faces. We had a nice picture of a sweet old lady who was very thankful for all the benefits the trust fund had given her, the young farmer she described, a young home-owner, et cetera. But these very expensive ads didn't contain some pretty elementary things.

For example, Mr. Hyland talked about rural advertising. In the north — I don't know if it was true in other parts of the province — there was no phone number or box number as to where one would obtain information if one were interested. Let us say that for the young farmer smiling at you from the big ad, there was no: for further information, phone such and such in Three Hills, such and such in Fairview, such and such in whatever the area may be. There was no disclosure of the details, the qualifications.

It's one thing to have information advertising that would provide the details: so much money has been allocated to the Agricultural Development Corporation; the smiling face would be able to qualify provided he met such and such a qualification and such and such a qualification. That would be useful, it would seem to me, because as a result of this very expensive advertising, people would then have some picture of what the programs were and what the details were. But instead what we got was fluffy, mood advertising, which certainly didn't hurt the public perception of the trust fund. I think we all know the results of the November 2 election.

I ask you — particularly at a time when we are considering all kinds of cutbacks, user fees, ways to balance the budget, et cetera — whether one can justify spending almost \$1 million on advertising that really didn't contribute in any significant way to the kind of practical, detailed information that Albertans have a right to expect.

MR. PAYNE: Mr. Chairman, the Member for Spirit River-Fairview raised several questions, and I'll try to deal with them all. I noted them, so I can follow his sequence.

Firstly, I'd like to remind members of the committee that the June '82 survey research uncovered what I regard as a very serious misconception. Only 15 months ago, the Albertans who participated in that survey by and large felt that other Canadians benefited from the heritage fund more than they did. Surely members of the committee will agree with me that that was a very serious misconception. It was probably related to the controversial question of out-of-province loans that had been made two years ago. But whatever its cause or source, that was a very serious misconception.

The campaign the Member for Spirit River-Fairview has characterized as "fluffy" and "mood" took direct aim at that misconception. As I recall the hon. member's remarks, there was grudging concurrence or agreement that that objective had been reached. I don't apologize for trying to reach that objective. I don't apologize for the campaign that, at least partly, successfully achieved that objective. I'm personally very encouraged that Albertans now appear to recognize that they do indeed benefit directly and indirectly, as individuals and as families, from the heritage fund. It is their fund, and they do indeed benefit from it. I think our efforts to ensure there is a correct understanding about that were warranted.

But I do take exception to the mood versus information dichotomy the Member for Spirit River-Fairview has tried to draw today. I don't think there's any such thing as an ad being all information or all mood. There are elements of both. Now, not even anticipating this question, Mr. Chairman, I have brought at random a second print from the same campaign, that I presume would be characterized as "fluffy" and "mood" by the hon. member. I'd like to read the admittedly brief but information-filled copy block.

It's the new learning resources in our schools and scholarships for our students. The financing for family farms and small business owners.

It's housing for our senior citizens . . . medical research and modern health facilities for our sick.

It's airport terminals, rail hopper cars, urban and provincial parks, land reclamation, reforestation, and more.

Your Heritage Fund is 30% of the revenue received from the sale of Alberta's oil and gas — our non-renewable resources. It's an investment in the quality of our lives today . . . and a savings fund for our tomorrows.

I would agree that there's not a great amount of detail, but I think there is sufficient detail in that particular advertisement that would enable me and others to characterize such an advertisement as being informational, as well as admittedly focussing in a primary way on the public perception in a more generalized sense.

The Member for Spirit River-Fairview made reference to the fact that there wasn't a telephone number. He's correct, but it's certainly a serious misconception to leave with the committee that the programs that are the subject of the advertising are cloaked in secrecy and that the reader is fraught with barriers and obstacles to find out more about the program.

In my preliminary comments today I used the advertisement that had as its focus the Agricultural Development Corporation, and the bottom line says:

assistance for the beginning farmer and family farms through the Alberta Agricultural Development Corporation.

I agree that there isn't a phone number, but surely the Member for Spirit River-Fairview would agree that it is not difficult to contact the local RITE operator or to refer to the local rural or urban telephone directory for a number associated with that development corporation. I am confident that such a phone call would have been promptly dealt with and the details of the programs, information with respect to qualifications, application forms, if that's the case, would be forthcoming.

I trust, Mr. Chairman, that at least for the first go-around, that's an adequate response to the hon. Member for Spirit River-Fairview.

MR. NOTLEY: Mr. Chairman, I think what we have gotten into today is the kind of discussion over advertising and communication, which is legitimate, where there are different views. But let me simply say to the minister that I don't accept the argument that information advertising should not in fact contain some of the most elementary information possible.

Just to put this in context, on Saturday the Minister of Tourism and Small Business and I met the local planning commission, the Mackenzie planning commission. They are taking out ads throughout the north, simply giving their phone number so people can get hold of them. It seems to me that if we're going to be spending almost \$200,000 on print media, much of it in rural papers, that kind of elementary information would have been useful. It wasn't there because what we in fact had was mood advertising. The minister can characterize it his way. I would characterize it my way, and I guess we'll not agree on it. We'll just have to agree to disagree. [interjection] The Member for Little Bow says "political". Certainly that argument could be made as well.

What I would like to put to the minister, however, is that with close to \$1 million being spent, would we not have created far better understanding of this fund if we had made these things more widely available, if we had held public hearings of this committee through the province so Albertans would have had the opportunity to address themselves to the issue and generate discussion in the communities as a consequence of our public hearings?

We now have one of our legislative committees, Workers' Compensation, holding public hearings throughout the province, and properly so. As a consequence of those public hearings, there will be a much greater understanding of the role of the board. We had public hearings on surface rights, which I think created in rural Alberta a definite increase in the understanding of the role and the rights of people. I would suggest to you, Mr. Minister, that that would have been a much cheaper and better way of informing Albertans about what is or isn't in the trust fund than a million-dollar advertising campaign just before an election.

MR. PAYNE: Well, that somewhat tendentious but not unexpected question raised several points that I would like to deal with, Mr. Chairman.

First, the question of quarterly and annual report availability. As you can appreciate, I can assure the hon. member that an annual report such as the document before him placed in 1 million homes would cost considerably more than the total amount expended on paid advertising in 1982. I'd like to remind the Member for Spirit River-Fairview also — I shouldn't say remind; perhaps he has not read the survey research. But I'll just summarize one interesting component of the work conducted earlier this year. A good proportion of the respondents were aware that there are annual reports — perhaps quarterly reports — but many admitted that, for whatever reason, they hadn't made much of a personal effort to obtain or read that report. Now I offer that not as a critical observation of the respondents, but it's simply a not-surprising fact of life that many people, despite the level of their interest in a particular program, are not accustomed to reading documents, like annual reports, that offer just pages and pages of data.

I don't think a partial solution to our communication needs is to increase the dissemination of the annual report; rather to consider the dissemination and reproduction of that information in ways that are more legible and more understandable to the average Albertan, if I can use the phrase.

The Member for Spirit River-Fairview is quite correct in his inference that there shouldn't be an overreliance on paid advertising. I think I made a similar remark in my opening comments. I think it would be a mistake to exclude the use of paid advertising. I think it would be a very serious mistake to exclude other communications vehicles, examples of which I gave the committee this morning.

As a government our challenge will be to consider all the options and alternatives

and devise programs that are even more effective than those that have been considered in the past. My expectation is that there will be some inclusion of paid advertising. There certainly will not be an overreliance on paid advertising. Certainly in a time of economic restraint, paid advertising obviously has to be used even more judiciously than has been the case in the past.

MR. NOTLEY: Just a final question and comment. I think it would be useful if the minister would give us some indication as to what the post-election as opposed to the pre-election advertising will be in the paid media. I think that would be useful.

MR. PAYNE: As a dollar amount, Mr. Chairman?

MR. NOTLEY: Yes, as a dollar amount. We obviously have some estimate for this year.

But I'd just like to wrap into this final supplementary question, Mr. Chairman, a comment about the way in which we are spending public funds — some \$346,000 — on a survey to get a picture of what people in Alberta think, but all very computerized rather than the approach other committees are taking or that we as elected people have traditionally taken: meeting Albertans face to face. I think there's a real danger that we hide behind public opinion polls. It seems to me that if the government wants to evaluate the trust fund and people's attitudes on the trust fund, rather than spending \$346,000 on surveys and perhaps doing this once or twice a year, whatever the case may be, it might well be time — and I've raised this before and the minister well knows it, because he was chairman of the committee when the matter was raised. Some of us in this committee felt that the time had come to hold province-wide hearings so that Albertans would have an opportunity to take stock of their trust fund, to offer suggestions. I say that if it works in other areas, quite frankly I think that is a better way of evaluating the trust fund and what Albertans think of it. I don't really want to call it the Peeping Tom approach of a public opinion poll, but it is looking at public opinion without having to answer it, as we do when we have public hearings.

MR. PAYNE: First of all, Mr. Chairman, I regret I'm not in a position to give the committee a budget figure for '83-84. Such a budget has not been developed, because the program has not yet been developed. At such time as that has been prepared, I will endeavor to make it available to the chairman.

But I have to add that a budget that's set for paid advertising, on the assumption that there is the use of paid advertising, would not of course represent the total budget. As I indicated earlier, departments will identify the heritage fund as a funding source in literature, in correspondence, or on plaques or cairns. Recreational facilities or other capital investments that are sourced in the heritage fund are identified as heritage fund projects or programs in a host of ways, and I'm sure the member realizes that it would be very difficult to try to put a dollar figure on all those. But certainly I'd be happy to try to respond to the earlier part of the question.

If I may, I'd like to correct a misconception on the part of the Member for Spirit River-Fairview. The \$340,000 figure in 1982 wasn't solely for survey research. It was lumped together with what's called production; that is, the actual printing and art work, billboard construction, and television commercial production. The production costs would be at least 60 per cent of that figure, I would think.

Thirdly, the Member for Spirit River-Fairview raises an old and oft-bitten walnut with the question of public hearings, how useful it would be for there to be face-to-face dialogue with Albertans, and that being much preferable to survey research. If I may personalize, Mr. Chairman, this is one member who engages frequently in face-to-face dialogue with his constituents. I know that's the case with all members of the Legislature, opposition members certainly included. I frequently get phone calls and notes from my government colleagues with suggestions or observations based on dialogue

with individual constituents.

So the process of face-to-face dialogue certainly is not inhibited or undermined in any way by periodic survey research. Survey research is just another tool that is a part of the overall process of measuring or getting a feel for public perceptions and, speaking for my government colleagues, I think that part of the process works very well. Certainly in the past I have found their letters and phone calls based on constituent observations or problems as having been very, very useful, and I would hope that process will certainly continue.

I realize that the Member for Spirit River-Fairview's reference to public hearings was by way of a comment, not by way of a question of me. I would add parenthetically, though, that I am not sure that the public-hearing format is necessarily and always a good way to get a representative point of view. For one thing, it excludes those Albertans who either don't have the interest or the time to attend public hearings or are intimidated by that process. I realize that the member and I would probably disagree on that to a certain extent, but chacun a son gout.

MRS. CRIPPS: Mr. Chairman, we've been discussing the campaign or advertising of the Heritage Savings Trust Fund that took place in 1982. What would be the major focus of advertising at this point in time, if you were to do another campaign?

MR. PAYNE: If we were to incorporate paid advertising into our '83-84 communications programs, its focus would be similar to the focus of our other non-paid media work.

I would like to preface my response with the comment that I have invited recommendations from senior officials of the Public Affairs Bureau, as well as from Baker Lovick, the advertising agency assigned to the heritage fund. Those recommendations are now being formulated, and I have not yet addressed my mind to them in any specific way. So my response is more personal. It's made without the benefit of those recommendations; it's made without benefit of dialogue with my legislative colleagues. But it would be my hope that the '83-84 communications would convey more detail about the fund, to respond to that growing perception that not enough information is available, and the theme of that detail would be heritage fund revenue related.

I would see that theme being developed in two ways. Number one, to correct the misconceptions as to where the heritage fund dollars come from. I made reference earlier to the survey research information with respect to the various revenue sources that Albertans seem to think are there for the fund. So a primary focus of that "information" would be to clarify where the heritage fund dollars come from and, equally important, what proportion of those resource revenues flow into the general revenue account: the fact that currently 85 per cent of our natural resource revenues flow into the general revenue account to build our roads, hospitals, and so on.

So the short answer to the question is: I would expect that it would be more "informational" in nature and that the focus of that information would be the heritage fund revenue sources and then, of course, the application of the fund.

MRS. CRIPPS: Thank you, Mr. Minister. I'm glad that you're going to designate or outline the use of the 85 per cent of the resource revenue which is going into general revenue purposes, because that was a supplementary. I think it's very important that people understand that.

You said that 93 per cent of the respondents to your questionnaire responded that oil and gas resources contributed to the heritage trust fund. Where was that question in the choices that were given? The public tends to look at the first one and check it without maybe going through. I think the percentages of answers that you get may relate to their position in the questionnaire. I guess I'd like to know where the gasoline tax was in that choice of answers.

MR. PAYNE: That's a very useful question, Mr. Chairman. The Member for Drayton Valley is quite correct that when a respondent, particularly in a verbal interview, is given a list of possibilities, those that are higher on the list tend to get more responses than those at the bottom of the list. It's not unlike the last civic election in Calgary, where I as a voter had to face a list of something like 27 school board trustees, and of course you would incur the same risk.

The resolution to that problem in fact is to rotate the order that they are given. In this particular instance, I as an interviewer would ask you the general question about oil and gas revenues being a generalized source. That got 93 per cent. In other words, most Albertans are aware that it has something to do with oil and gas revenues. Where the fuzziness creeps in is, what kind of oil and gas revenues. Is it taxation, or what have you? So in this kind of question the interviewer would rotate the list, to diffuse or even out the risk of first-choice bias.

MRS. CRIPPS: My second supplementary, Mr. Chairman. You discussed earlier the physical investments of the Heritage Savings Trust Fund: the Pine Ridge nursery, the parks. Do we do anything special to get people to visit these facilities? They are going to visit the parks. But I visited the Pine Ridge nursery earlier this year, and I was extremely impressed with what Alberta is doing in reforestation. I really think it should be a highlight in your communications, to encourage people to visit the Pine Ridge nursery and actually see what we are doing in reforestation, because it is a renewable resource. I would encourage senior citizens' tours or discussions with, say, the tour facilities in the province, to include that in their itineraries. I think it's very worth while for people to actually visit some of these informative, useful, and very interesting things that are happening.

MR. PAYNE: Mr. Chairman, I accept that not as a question but as a worth-while comment, and it is one I've certainly made a firm mental note of.

MR. MUSGREAVE: Mr. Chairman, before I ask my question, could the minister advise me what was spent on television in 1982?

MR. PAYNE: One hundred and sixty-seven thousand dollars.

MR. MUSGREAVE: I'm sure the minister, from his background, can answer my question quite easily. I understand there is a significant movement away from the print media as a source of information to people. I know particularly that rural colleagues don't have time to read newspapers in the summer, but I am sure they would see two or three minutes of television a week.

My concern was raised by the Member for Spirit River-Fairview. I realize that survey work and production are a substantial part of your budget. But what concerns me is the amount of money being spent in the actual delivery of the message once it is developed. I note that you spent less on television than you did on the print media. I wonder if you would like to advise the committee how you can justify that, in view of the supposed emphasis on television being a source of information.

MR. PAYNE: Mr. Chairman, let me respond to the last comment, and then we will go back to the beginning. In fact the print expenditure was \$197,000, compared to \$167,000. Or is that your question?

MR. MUSGREAVE: That's my point.

MR. PAYNE: Mr. Chairman, with respect to the member, I am not so sure that I agree

with the observation that there is a movement away from print media as an information source. In fact I would refer the member to our most recent round of survey research, copies of which, as I indicated earlier, are available in my office. Our respondents in the '83 survey research were asked the question: where do you get your information about the fund? The first-ranked choice was in fact print media: newspaper and magazine articles. I don't have the data with me, but it was something in the order of 57 per cent. The second indication, 10 to 20 per cent lower than that, was television newsclips.

So on the basis of that recent experience and my more general pre-government experience, I am not sure that it's correct or accurate to say that there is a shift. The distinction, rather, is the nature of the message which influences the choice of the medium. If the message is highly informational, if it has a lot of detail, that virtually forces the choice of a print medium because, as members are aware, broadcast commercials are produced and sold in 30- and 60-second segments. In an interval of only 30 or 60 seconds, it simply isn't feasible to verbalize a great deal of detail. The recall would be very, very poor. So where there is a need to convey considerable detail, print media are clearly the preferred vehicle. Whereas if the intent of the advertising is to influence a perception, how you feel about a certain program, development, activity, or whatever, then broadcast media, and television in particular, have been demonstrated to be more effective.

What I'm saying, Mr. Chairman, is that I don't think I would agree that there is a clear shift in reader and viewer preference away from print media to broadcast media as an information source. That's not borne out by my general experience and certainly isn't borne out by this recent round of survey research. Rather, the choice of media is dictated by other things, notably the content of the message itself.

MR. MUSGREAVE: A supplementary, Mr. Chairman. I could get into an interesting debate here, but I understand the reason the Southam organization got into television was because they could see a new source of revenue and what have you.

In response to his comment about the fact that people got their information from newsprint, I would like to point out to the minister that if you spend more money on newsprint and don't spend it on television: how am I going to get it from TV if it's not on there? I know television costs a lot more money, but my answer to you would be that obviously I'm not going to see it on TV, because it isn't there. So I'll leave that.

MR. PAYNE: I'm not sure that I got the drift of that question, Mr. Chairman. But if I've said anything that has created the impression that print media, broadcast media, or paid advertising may or may not be excluded, then such a judgment is not warranted. At this point we're open to any and all suggestions and recommendations.

MR. MUSGREAVE: My last supplementary. We had urged before that there had to be more communication on the fund. So I don't have that much concern about the \$1 million being spent, if it's effective, because we had urged that in past resolutions from this committee.

One suggestion we made, though —and I'd like to know the minister's response — was that a sort of cheap form of insert would go out with a utility bill, a water bill, or something of this nature, about one particular aspect of the fund. Has this been considered? Is it too expensive? Would the minister like to comment?

MR. PAYNE: Mr. Chairman, I regret I can't respond to that one. Since I've been in this job, since late November, it's not been a subject that's been drawn to my attention. I have to say once again that I am now awaiting what I hope will be a comprehensive range of recommendations, both from senior officials of the Public Affairs Bureau and Baker Lovick agency. It's entirely possible that such a recommendation will come. But at this point, I simply haven't had an opportunity to evaluate such a recommendation.

MR. ANDERSON: Mr. Chairman, just by way of preliminary remarks, unlike the question asked earlier by the Member for Spirit River-Fairview, I find the survey results extremely helpful in communicating with my constituents. They allow me to define where there is in fact information and where it's lacking, and at this point we're engaged in another communication piece and a series of meetings. I appreciate those results and would not suggest that such approaches be done away with by the minister's area of responsibility.

My questions have been largely dealt with, but I have one rather technical one, I suppose. Mr. Chairman, to the minister: with respect to the general kind of advertising that was brought up by the Member for Spirit River-Fairview, could the minister indicate what professional advice he has obtained or, from his own experience, what he believes to be the optimum amount of information in an advertisement, at the same time modifying opinion? Can we put phone numbers and addresses, add details on whether or not forms are available and what those forms would include, and at the same time still have the impact from a particular ad, in terms of letting the public of Alberta know what the fund is doing and where it's going? Or does that require a specific kind of advertising, which is indicative of the sort that we've seen over the past year?

MR. PAYNE: Mr. Chairman, advertising is of course a craft very unlike engineering. When one is building a bridge, one can use very specific mathematical formulas to develop rigid and appropriate specifications for beam and truss strength and so on. As members will appreciate, advertising is a highly judgmental thing.

The member is quite correct. There is a point in a print advertisement — let us say a newspaper advertisement or indeed in a broadcast commercial — where there is too much information. That can defeat the purpose of an ad. For example, if we were to run a full-page advertisement on the heritage fund, and it were to consist solely of small, eight-point type, that advertisement obviously would be read by very, very few people. So that would be irresponsible. Similarly, if we were to take a full page and run a seven-eighth's page photograph of the happy beneficiary Mr. Notley referred to earlier and only two or three lines of information, in my view that would also be irresponsible.

There is a saw-off between graphic attractiveness and legibility and readability and the amount of information. Two or three people making that judgment could quite properly arrive at three different judgments. It's not unlike if the Member for Spirit River-Fairview, the Member for Little Bow, and I were to go to an art gallery and look at a piece of art. We could come up with three quite different points of view. It's a highly subjective matter. As I said, it doesn't lend itself to the precise tools of measurement that engineering does.

MR. ANDERSON: Mr. Chairman, just one supplementary to the minister. With respect to that subjectivity, has the minister obtained the most professional advice possible in that area? Is he comfortable that the advertisements have been achieving their maximum benefit? In his opinion, do the survey results in fact show that?

MR. PAYNE: Of course, the member invites a hindsight observation. Hindsight has always been my long suit, but I'm not so sure this is the appropriate forum for it, particularly in view of the fact that I was not the minister responsible.

In hindsight, I would have liked to have seen a little bit more information in some of that advertising. But I couple with that the observation that its primary focus was the perception that I as an individual Albertan and my family don't benefit. And that objective was indeed reached. But with hindsight, I think a little bit more information could have been incorporated.

MR. R. SPEAKER: Mr. Chairman, my earlier questions were with regard to the

objectives of the new program being developed, but those have been answered. I'd like to focus my questions on an area where the answers may be obvious, but I'd like to have them on the record.

Mr. Chairman, the minister has mentioned that Baker Lovick has done the exclusive work with regard to the promotion and publicity campaign on the heritage fund. My question to the minister: is that the same Baker Lovick that did the promotion, publicity, and campaign preparation for the PC Party in the last election?

MR. PAYNE: Mr. Chairman, the Member for Little Bow really has raised two questions — or at least with his observation has invited a remark or a comment.

I'd like to correct the misconception that the advertising firm of Baker Lovick has the exclusive heritage fund communications responsibility. It does currently have the exclusive responsibility for the use of paid media which, as I endeavored at the beginning of this hour to illustrate, is but a small part of the heritage fund communications. Considerable communication about the fund is taking place through brochures, pamphlets, letterheads, project identification, and so on. Few if any of these are the work of that agency, so the agency does not have the exclusive preserve in the area of heritage fund communications.

The answer to the second part is yes.

MR. R. SPEAKER: Mr. Chairman, my second question to the minister: page 37 of the report, at the bottom of the page, indicates that administrative expenses "include an amount of \$867,000 . . . expended to communicate the role and activities of the Fund." What amount of that money went to Baker Lovick?

MR. PAYNE: Mr. Chairman, you will recall that I dealt with this question earlier, before the arrival of the Member for Little Bow. Of that \$867,000 — and this is now just an intuitive judgment; it's not an informed judgment — most of that amount, I would say in excess of 90 per cent, would appear to be expenditures through Baker Lovick advertising, as opposed to those expenditures incurred by other departments that are heritage fund communications but are not paid media. That reference on page 37, then, is to those invoiced amounts that have been incurred by or through or indirectly through Baker Lovick. For example, I believe \$120,000 of that was for the survey research work conducted in 1982 by Thompson Lightstone, which firm was retained by Baker Lovick.

In sum, the amount of \$867,000 represents paid media — that is, the purchase of time and space, production of those materials, and survey research — most of which was incurred directly or indirectly through Baker Lovick, but does not include those other heritage fund communications expenditures that are budgeted by departments and that would just simply show up as, for example, publications expenditures.

MR. R. SPEAKER: Mr. Chairman, to the minister. Of that 90 per cent allocated to Baker Lovick, what per cent would be the actual administrative cost incurred by Baker Lovick? I know there would be some percentage or some formula, some payment which would go directly into their revenue income that wouldn't be sub-paid to other companies and so on. Could the minister break that down?

MR. PAYNE: Yes. I don't have those numbers with me, but I'll do it in a ballpark way, Mr. Chairman, if I may. As I mentioned earlier, \$346,000 was expended for production and survey research. Roughly \$120,000 of that was for survey research by Thompson Lightstone. Subtract \$120,000 from \$340,000, and you have \$220,000. So you have \$220,000 for production. That's the work of artists, cameramen, typesetters, creative people, and so on.

The other dollar amounts I gave earlier are gross amounts as invoiced by media. It is traditional industry practice for the media to remit a 15 per cent commission to the

agency. So in a ballpark sense, I think it would be correct to say that if you took 15 per cent of the \$400,000 to \$500,000, that would comprise agency commission, and add to that the production fees, then.

MR. R. SPEAKER: Mr. Chairman, can I be allowed just one other supplementary? I've had my allotment; that's very true.

MR. CHAIRMAN: I'll be happy to put you back on. Mr. Musgreave is next on the list, and I'll put you back on after that, if you wish.

MR. MUSGREAVE: Mr. Chairman, the minister mentioned that he was good at hindsight forecasting. I'd like to consider some foresight forecasting. In the survey you did in 1982, if I recall now, I believe the first survey suggested that people felt job creation should be an important part of the fund's efforts. I think it was 8 per cent. Then in the latest survey that figure had risen to 22 per cent, which is almost a 200 per cent increase. I now note in the letters to editors columns of the daily newspapers, you are seeing letters from people who have been searching for work for months. I'm wondering if we're going to have a difficult social problem that we should be worrying about, in that when we're advertising all the good things the heritage fund is supposed to be doing, and obviously is doing, there are some members of our society who in effect would suggest that the fund, the government, or the people are getting richer while they are getting poorer and becoming more desperate as time goes on. I wonder if the focus of advertising will create disharmony in our community that we should perhaps be concerned about.

MR. PAYNE: I don't think heritage fund communications programs, including the use of paid advertising but not restricted to the use of paid advertising, create disharmony or erode support for the fund. Public support for the fund in 1983 is at its highest level since the introduction of the fund. Ninety-one per cent of our respondents feel the fund is a good idea. Half the respondents replied "yes" when asked the question "are you very proud of the fund?" I'd like to suggest that those kinds of numbers — 91 per cent support the concept, some 47 or 48 per cent attach great pride to it — indicate widespread support for the fund. And I don't think that's just because there has been some paid advertising. That's hardly the case.

What is the case is that with each passing year since 1976, there has been increasing public discussion and public focus on the fund. We've had two election campaigns. We've had sustained news media interest in the subject. It's come up in question period after question period. That sustained focus by the news media and by our legislators has created a slow but gradual increase in those who feel they are aware of the fund sufficiently that they can say: yes, I support the concept and, yes, I'm very proud of it. So no, I do not think continuing public communications, including paid media, will add to the disharmony. I don't think that will be the case at all.

MR. MUSGREAVE: A supplementary, Mr. Chairman. As the minister knows, this committee is responsible for making recommendations as to how the fund should be spent and how it should be explained to the people. I wonder if, in his opinion polls, he has thought of posing such questions as: should the Heritage Savings Trust Fund Select Committee of the Legislature travel throughout the province and hold public hearings; do they know that this committee exists. Has the minister thought of these kinds of questions?

MR. NOTLEY: Our profile is not high enough.

MR. PAYNE: Mr. Chairman, it's not my anticipation to conduct any survey research with

respect to the fund over the next year or two. I think the '82 survey and the '83 survey have given us sufficient data, which we will of course continue to supplement and reinforce with observations from members of the Legislature. I don't think we will have the opportunity to consider such a question for survey work, because it's not my expectation to conduct any additional survey research for a year or two.

MR. R. SPEAKER: Mr. Chairman, the other supplementary I had was with regard to other agencies that would have the opportunity to submit proposals or to participate in those funds. I know that in choosing an agency it becomes a very objective kind of thing, where there aren't firm criteria of choosing one over the other. But certainly in terms of fairness, in terms of the opportunity for other agencies to have this as part of a source of income, has the minister considered a different approach to it in the coming year, looking at other agencies having opportunity? I know they could subcontract through Baker Lovick. But has the minister looked at other possibilities in terms of that? I'm sure right now agencies across this province that do this type of work are under financial pressures just like everyone else.

MR. PAYNE: Mr. Chairman, I recognize that our advertising agencies in Alberta are taking their fair share of the brunt of the economic downturn. Nevertheless it's also safe to say that I think government advertising has been fairly and judiciously spread throughout all our advertising agencies. Certainly in the eight months I've now been the minister responsible for the Public Affairs Bureau, I've not had one advertising agency suggest to me, either as an agency or as an association, that the method of account distribution is unfair or biased in any way. That's not come to me at all.

With respect to Baker Lovick's handling of the heritage fund account, it would not be my intention to invite proposals from competitive agencies, for several reasons. We ordinarily don't open up a major account until the agency has had it for a reasonable length of time, say three to five years, and that's not been the case with this agency. Nor has the agency's professional work been inappropriate or unacceptable or incompetent in any way. So my answer is no, I have not given any thought to changing, nor do I intend to change, certainly in the near term, the agency assigned to that particular account.

MR. NOTLEY: Mr. Chairman, just one quick question. I don't think anyone could question the competence of Baker Lovick. What they could do with a sow's ear and turn it into a silk purse on November 2 would undoubtedly convince most of us that it's an incredibly successful agency. Mr. Chairman, I didn't want to make a political comment, and members will know that I wasn't.

I see in our newspapers, Mr. Minister, that you're advertising for an executive director of communications. No doubt this individual is going to have some responsibility for our heritage trust fund advertising. I notice in the little advertisement — which does, incidentally, contain a telephone number — that we're talking about major public relations programs. Is there in store for us a sort of economic recovery program for ad agencies? Or at a time of restraint, would it not in fact be more reasonable to cut back not only heritage trust fund advertising but, frankly, government advertising, period?

MR. PAYNE: Mr. Chairman, the position to which the Member for Spirit River-Fairview has referred is not a new position. It's a position that's been in the Public Affairs Bureau for over a decade. It is simply a replacement for the incumbent. So it's not correct to infer that there will be major new programs simply because we're recruiting a person for that position which has, as I said, been in place since 1972 or '73, I believe.

As to the question of advertising cutbacks, I made what I hope was interpreted as a genuine comment earlier when I referred to the economic downturn, in that the use of public moneys for paid advertising is a subject that has to be addressed most

judiciously. That's true at any time, and it's certainly true during the economic downturn that we are now facing.

Finally, with respect to the reference to the sow's ear being made to look like a silk purse by an effective advertising agency, could I with respect suggest that it was simply a question of a silk purse being recognized for what it was: a genuine silk purse?

MR. CHAIRMAN: Would there be additional questions coming from members of the committee? Then at that point, if there are no additional questions forthcoming, Mr. Payne, we wish to thank you very much in your new capacity as a member of Executive Council rather than a member of this committee. If all goes well, we look forward to seeing you back one year hence.

Ladies and gentlemen, we will now adjourn and reconvene at two o'clock this afternoon with the Hon. Lou Hyndman.

[The meeting adjourned at 11:21 a.m.]