



Legislative Assembly of Alberta

The 29th Legislature  
Third Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Culture and Tourism  
Consideration of Main Estimates

Wednesday, March 22, 2017  
9 a.m.

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The 29th Legislature  
Third Session**

**Standing Committee on Alberta's Economic Future**

Sucha, Graham, Calgary-Shaw (ND), Chair  
van Dijken, Glenn, Barrhead-Morinville-Westlock (W), Deputy Chair

Carson, Jonathon, Edmonton-Meadowlark (ND)  
Connolly, Michael R.D., Calgary-Hawkwood (ND)  
Coolahan, Craig, Calgary-Klein (ND)  
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Miller, Barb, Red Deer-South (ND)\*  
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Starke, Dr. Richard, Vermilion-Lloydminster (PC)\*\*  
Strankman, Rick, Drumheller-Stettler (W)\*\*\*  
Taylor, Wes, Battle River-Wainwright (W)  
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\* substitution for Colin Piquette

\*\* substitution for Wayne Drysdale

\*\*\* substitution for Glenn van Dijken

\*\*\*\* substitution for David Schneider

**Also in Attendance**

Clark, Greg, Calgary-Elbow (AP)

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
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Aaron Roth	Committee Clerk
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**Standing Committee on Alberta's Economic Future**

**Participant**

Ministry of Culture and Tourism  
Hon. Ricardo Miranda, Minister



9 a.m.

Wednesday, March 22, 2017

[Mr. Sucha in the chair]

**Ministry of Culture and Tourism  
Consideration of Main Estimates**

**The Chair:** Good morning, everyone. I would like to call this meeting to order and welcome everyone. First, I would like to recognize that this meeting is commencing on the traditional land of Treaty 6. The committee has under consideration the estimates for the Ministry of Culture and Tourism for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, if you can introduce the officials joining you at the table. I'm Graham Sucha, the MLA for Calgary-Shaw and the committee chair. I'll introduce going to my right.

**Mr. Strankman:** Good morning. Rick Strankman, MLA, Drumheller-Stettler, and today I'm substituting for Glenn van Dijken, Barrhead-Morinville-Westlock.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Orr:** Ron Orr, Lacombe-Ponoka.

**Mr. Clark:** Good morning. I'm Greg Clark, MLA, Calgary-Elbow.

**Dr. Starke:** Good morning. Dr. Richard Starke, MLA for Vermilion-Lloydminster.

**Mr. Gotfried:** Good morning. Richard Gotfried, MLA for Calgary-Fish Creek.

**Miranda:** Ricardo Miranda, MLA for Calgary-Cross, and next to me is Meryl Whittaker, deputy minister; Pam Arnston, senior financial officer; and Chris Heseltine, assistant deputy minister for the tourism division.

**Ms Miller:** Barb Miller, MLA, Red Deer-South.

**Mr. Coolahan:** Good morning. Craig Coolahan, the MLA for Calgary-Klein.

**Mr. Carson:** Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms McPherson:** Good morning. Karen McPherson, MLA for Calgary-Mackay-Nose Hill.

**Connolly:** Michael Connolly, MLA for Calgary-Hawkwood.

**Mrs. Schreiner:** Good morning. Kim Schreiner, MLA for Red Deer-North.

**Ms Fitzpatrick:** Maria Fitzpatrick, MLA for Lethbridge-East. For the panel, I'm hearing impaired, so if you would speak a little louder into your mics, I would appreciate that. Thank you.

**Mr. Dach:** Happy estimates, everyone. Lorne Dach, MLA, Edmonton-McClung.

**The Chair:** All right. I'd like to note for the record that Mr. Strankman is substituting for Mr. van Dijken, Dr. Starke is

substituting for Mr. Drysdale, Mr. Yao is for Mr. Schneider, and Ms Miller for Mr. Piquette.

Please note that the microphones are operated by *Hansard* and the committee's proceedings are being audio and video live streamed today. Please set your cellphones and other devices to silent during this meeting as well.

Hon. members, the standing orders set out the process for consideration of main estimates. Before we proceed with consideration of main estimates for the Ministry of Culture and Tourism, I'd like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining we will follow the same rotation just outlined to the extent possible; however, the speaking times will be reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times up to five minutes, once again a minister and a member may combine their speaking times for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not the speaking times are being combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time. If members have any questions regarding speaking time or rotation, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Three hours have been scheduled for the consideration of estimates for the Ministry of Culture and Tourism. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. I will ask members if there is any opposition to having a break. All right. Seeing none, that break will occur likely right after the third-party slot.

Committee members, ministers, and other members who are not committee members may participate; however, a committee member or an official substitute for a committee member may introduce an amendment during the committee's review of estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority seating at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 12 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all members participating to address questions and responses through the chair and not directly to each other.

The vote on estimates is deferred until consideration of all ministry estimates has concluded and will occur at Committee of Supply on April 19, 2017.

If there are amendments, an amendment to an estimate cannot seek to increase the amount of the estimate being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but amendments cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of amendments, including the original, must be provided at the meeting for committee members and staff.

I will now invite the Minister of Culture and Tourism to begin and make his opening remarks.

**Miranda:** Good morning, and thank you. I am pleased to be with you all today to present the details of Budget 2017. As mentioned earlier, with me today is Deputy Minister Meryl Whittaker along with Pam Arnston, senior financial officer; Chris Heseltine, assistant deputy minister for the tourism division; as well as members of the ministry's executive team in the gallery. Each has and will continue to play an important role in implementing a fiscal blueprint for the ministry that will help us to build a stronger, more resilient, more diversified economy while protecting the programs and services that help to make lives better for Albertan families across the province.

Our total budgeted program expense for Culture and Tourism in 2017-18, including operating and capital investment spending, is \$353.7 million. Budget 2017 represents an overall increase of \$11.4 million from the 2016-17 budget and provides \$351 million in operational funding for ministry programs and services and \$2.7 million for capital expenditures.

Before going into a more detailed description of our budget, I would like to bring to the attention of the committee what would appear to be rather significant increases within the ministry budget. I want to assure you that no such increases have been made. These numbers in fact reflect a recent change in accounting policy. The new policy will go into effect April 1, 2017, and is being implemented on a prospective basis. This means that prior year figures were not restated on a comparable basis in the 2017 budget documents. This change results in shared services being accounted for on a gross basis rather than on a net basis, therefore no longer decreasing the expenses of the service provider. While not all ministries are impacted, this policy change is not unique to Culture and Tourism, as will be evident as you review the estimates of ministries that have similar shared services agreements. The policy change ensures that the 2017-18 estimates adhere to Canadian Public Sector Accounting Board standards.

In cities and towns across the province community-based organizations are delivering the important social programs and services that are making lives better for Alberta's most vulnerable citizens. Along with funding for ministry programs and services that support this sector, Budget 2017 provides almost \$80 million in funding through the ministry's community grants programs, enabling organizations to leverage individual and corporate donations to meet local needs.

Funding for the community facility enhancement program is maintained at \$38 million, helping support Alberta's nonprofits in the development of new or the upgrading of existing community

facilities. These projects are creating local employment opportunities and helping to generate economic activity.

Funding has also been maintained for the community initiatives program. A total of \$24.6 million has been allocated to support the programs and operations of community-based nonprofits as well as Alberta-based organizations engaged in international development.

As we look to continue to diversify our economy through tourism, Budget 2017 maintains major fairs and exhibitions grant funding levels at \$15.3 million in support of the Calgary Stampede and Edmonton Northlands.

Budget 2017 also provides \$2 million in funding to the other initiatives program, a grant that supports unique community-based projects that fall outside the criteria of the community grants program.

The vitality of the Alberta arts and culture sector is a source of pride for Albertans and an attraction for visitors and investment. With Budget 2017 we are fulfilling our platform commitment of increased support of the arts and creative industries in Alberta with an increase of \$5 million to the Alberta Foundation for the Arts. This brings our support to the foundation to more than \$31.5 million. Increased funding to the AFA includes support to Alberta artists through three cultural industries grants which focus on the creation of employment opportunities in book and magazine publishing, screen-based production, and sound recording.

**9:10**

Budget 2017 provides more than \$34 million to the Alberta media fund. This includes a one-time increase of \$5 million through the capital investment tax credit, which will support new and existing programming for cultural industries.

We are excited to be launching in the new fiscal two new pilot grant programs that will support interactive digital media and postproduction, visual effects, and digital animation. These pilot programs will be available in addition to the cultural industries training and mentorship programs announced last year and investment attraction programs, including the Alberta investor tax credit that was unveiled by Economic Development and Trade. This program offers a tax credit to help support game developers, digital animators, and other postproduction companies. It also supports our tourism industry. We recognize that even with this significant investment in Alberta's cultural industries, increased support will allow us to more fully capitalize on the important cultural and economic value they bring to the province.

But we also recognize that we need to live within our means, and we will continue to look for opportunities within our current resources to find ways to support the sector in the most efficient, effective, and sustainable way. An important part of this work is currently under way with the development of a strategic plan to guide future growth of this sector in Alberta.

Our government remains as well committed to supporting the growth of the tourism sector as a key contributor to the diversification of Alberta's economy, and our budget commitment for tourism marketing and industry development remains amongst the highest in the country.

Budget 2017 provides \$60.8 million in funding support to further grow Alberta as a premier destination for domestic and international travellers.

In addition, there is continued support for expansion of the Calgary Zoo, Fort Edmonton Park, Royal Alberta Museum, and the Royal Tyrrell Museum.

I am particularly excited about a new partnership between my ministry and the Aboriginal Tourism Association of Canada. Working together, we are exploring opportunities for the development of authentic indigenous tourism products and experiences that

will help to generate new economic activity while creating a greater awareness and appreciation of the rich history and culture of First Nations and Métis communities in Alberta.

With \$57.6 million to support local heritage preservation and funding to the province's museums, archives, and historic sites, Alberta families and visitors from around the world will continue to discover opportunities to explore our province's past today and for years to come. Local heritage preservation initiatives, which help to create new economic opportunity and jobs for skilled tradespeople, will continue to be supported with \$8.2 million in funding allocated to the Alberta Historical Resources Foundation. Budget 2017 provides an additional \$2.3 million in operational funding to the Royal Alberta Museum as we prepare for the opening of this one-of-a-kind facility. With Budget 2017 we're also announcing a total of \$39.5 million in Alberta capital investment over three years for the new collection facilities at the Reynolds-Alberta Museum.

You will note that our budget document reflects a net increase of \$8 million in the ministry's statement of operations within the heritage section. This increase is due to a one-time accounting valuation adjustment of \$10 million recorded in 2016-17 for liabilities associated with environmental remediation work of the historic Turner Valley gas plant industrial site.

Budget 2017 provides overall funding of \$27.4 million to support sport, recreation, and physical activity programs that are creating greater awareness and supporting Albertans in enjoying an active and healthier lifestyle. This funding includes a \$19.5 million allocation in support of the Alberta Sport Connection. Funding made available through the Alberta Sport Connection and the community grants programs of Culture and Tourism will continue to help support the hosting of national and international sporting events.

Budget 2017 also provides \$5 million for the refurbishment of the sliding track at Calgary's WinSport. This critical upgrade will allow Alberta to build upon its reputation as a host of international-calibre competitions while ensuring that WinSport continues to play a vital role in the development of amateur and professional athletes from across Alberta and Canada.

Alberta's Francophone Secretariat continues to serve as a vital link between government and the province's rapidly growing French-speaking community. French is the most spoken language in Alberta after English, and with Alberta's French-speaking population growing faster than any other in Canada, we need to be prepared to respond to increased demand for services. Budget 2017 provides a funding increase of \$230,000 for a total allocation of \$1.5 million to support the programs and operations of the Francophone Secretariat. This includes an increase in the federal funding contribution. Funding provided through the Francophone Secretariat helps provide access to services in French such as early childhood, health, and employment services.

Budget 2017 is focused on making life more affordable for families, creating and supporting jobs, and protecting the programs and services families depend on. While Alberta has begun to emerge from one of the deepest recessions to hit the province in decades, our government remains committed to building a more resilient economy through diversification and innovation; investing in long overdue repairs of our schools, hospitals, and roads; and bringing down the deficit thoughtfully and prudently. My ministry will continue to take action to streamline operations and reduce costs in order to ensure Albertans . . .

**The Chair:** Sorry to interrupt, Minister. Your allotted 10 minutes have expired.

For the hour that follows, members of the Official Opposition and the minister may speak. Would you prefer for us to set the timer for 20-minute intervals so you're more aware of the time?

**Mr. Orr:** Yeah. Sure. Twenty-minute segments.

**The Chair:** All right. Would you prefer to go back and forth?

**Mr. Orr:** If it's okay with the minister, back and forth, please.

**The Chair:** Okay. Please proceed.

**Mr. Orr:** Thank you. Just a couple of opening comments, I guess, for me, first of all just to say that arts and culture do matter to Alberta. These are, really, in many ways the expression of our life. Even in my own family, as you know, we engage in various arts at an amateur level, maybe not professional. It is the joy of life for many people in our province, and it is important. So I just begin with that affirmation.

I do need to say as well, though, that, as you have acknowledged, these are tough economic times, and the overall budget with, again, a \$10 billion deficit is really unacceptable. Many Albertans have made it very clear that they have grave concerns that the government is not managing its finances as appropriately as it should be. In Culture and Tourism there are a number of places where the revenues are going up, but still it's not showing balance in the financial statements. In many ways I guess I characterize this budget as somewhat expansionary. Our current consumer price index as an inflationary measure is about 2.5 per cent, the latest numbers I saw. Even if you add a population growth of 1.6 per cent, it's still almost double of those two factors. So it is expansionary at a time when I think, in fact, as you just said, we should be really managing our costs, streamlining and reducing costs, and living within our means.

Having said that, I realize that our Culture and Tourism budget is not by itself going to save our overall budget, considering the fact that it is really only .8 per cent of the entire budget. For the most part, I think it's reasonable that we do have some expenses here, but I do think we need to be looking for efficiencies. As we go into it, I hope we can uncover some understandings and some questions for Albertans as well as me.

I'll begin. Actually, if I might just have you clarify one thing from your opening comments that caught me off guard. At the very beginning you spoke of an \$11 million increase. I'm lost a little bit as to where that comes from because if I look at page 67, the Culture and Tourism numbers, if you go from last year's budget, it's a \$19 million increase. If you go from the forecast actual, it's a \$22 million increase. I don't know where the \$11 million increase comes from.

**Miranda:** Okay. Overall, there was, as I mentioned, an \$11 million increase in funding over the '16-17 budget. Those overall increases include the \$5 million for the Alberta Foundation for the Arts; \$70 million in changes in cash flow for capital grants to the Calgary Zoo, Fort Edmonton Park, and WinSport, the Calgary Zoo expansion being \$3.4 million in '16 and \$3.3 million in '17 and the Fort Edmonton expansion \$3.6 million in 2016 and \$15.6 million in 2017. With the WinSport slide and track, in 2016 there was none and in 2017 \$5 million. There's also \$2 million to the Royal Alberta Museum to support the operations of the larger building.

**9:20**

These are offset by decreases of net \$3 million in reduction of the Alberta media fund program, of which there is a reduction of \$8 million in the Alberta production grant, which has offset itself by

the \$5 million transfer from the capital investment tax credit to the new pilot grant projects; a \$6 million reduction to the 2013 Alberta flood funding as there are no additional projects left in '17 and '18; and \$4 million in various reductions, including a decrease of \$1 million for the reduction in employer contributions to the management employees pension plan.

**Mr. Orr:** Okay. I get those specifics, but how do we reconcile, then, the '16-17 budget of \$316 million to \$335 million, which is actually a \$19 million increase, 7 per cent? Is that not correct?

**Miranda:** Again, we're talking about the changes in the accounting policies, so some of these numbers look a little bit off because of that, and that's one of the remarks that I was making at the beginning.

On page 75, when you're comparing the net operating results, you'll see \$324 million in the estimates compared to the budget of \$313,420,000. That's where you will find the difference between these two numbers and how they actually come out.

**Mr. Orr:** Okay. I'll look at that. Thanks for clarifying because that did completely confuse me.

**Miranda:** Yeah. Again, it's those changes in accounting policies that I was referring to, and it's not unique to Culture and Tourism. You'll see it in other estimates as well.

**Mr. Orr:** Okay. It makes me nervous, quite frankly, but I won't go there. Changing accounting is a famous accountant way to – whatever. We'll leave it.

On page 67 the first line item – well, I guess I've already hit that – in my read shows the 7 per cent increase against the 2.5 per cent inflation. Maybe you've answered that in a way, so maybe I should just skip over that.

Let's stay on page 67. The financial transactions piece, the increase from \$502,000 to \$5,017,000: can you explain that \$5 million increase, please?

**Miranda:** I believe these are related to some of the remediation costs that we were looking at. The \$4.5 million was mainly due to the one-time \$10 million valuation adjustments for liabilities for contaminated sites in the Turner Valley gas plant, which is offset by adjustments in cash flow for the remediation work itself. In comparison between the estimate and the forecast, the \$4.5 million, again, basically amounts to the same issue, the same reason why there is a variance between the two.

In the spring of 2016 the Energy Regulator, the regulatory agency responsible for ensuring compliance with Alberta's oil and gas industry standards, directed Alberta Culture and Tourism to investigate and address issues with Dingman 1 and Dingman 2 well bores and up to and including the abandonment of both of them in the Turner Valley gas plant. This is where that \$10 million came in. This accounts for the expenditures, bringing that to code.

**Mr. Orr:** Maybe let's just pick up on that now since we're on the subject. It's a bit of a rabbit trail, but that \$10 million liability impairment: has any work actually begun on that, or is that at this stage just a remediation liability piece?

**Miranda:** Yes. I can confirm that the work has started.

**Mr. Orr:** All right. Just wondering. It is a rabbit trail; I'll leave it there.

Page 69, line item 8, the Alberta flooding piece: maybe you've spoken to this a little bit as well. There was \$3.2 million last year. I was hoping to see, actually, that as that piece disappeared off the

horizon, our budget costs would go down. In fact, they appear to have gone up. I would have hoped to see that the ministry would hold its spending on that. Any comment on that one, please?

**Miranda:** Sorry. What was the page number?

**Mr. Orr:** The flood remediation from 2013: you're saving \$3.2 million there. I was hoping that, actually, the net budget would be able to hold its own line when you saved that money, but in fact the budget is still going up. I guess I'm just asking . . .

**Miranda:** The decrease in the actual, \$6,025,000, is due to the fact that there are no additional projects in 2017-18. There is no money allocated for that line this year because the projects are done. All of them are complete. So I'm not understanding. Are you saying that . . .

**Mr. Orr:** Well, I guess it's more a comment than anything. Not having to spend money on those sorts of disaster or emergency kinds of pieces, I would have hoped that the overall budget would have been able to hold its line, at least with inflation and population, rather than continue to be going up. That's my concern.

**Miranda:** Oh, I see what you're saying. Right. You know, as we had mentioned before, it is also ensuring that we have the funding for other programs. As you can imagine, there is more demand than there is money for some of the community grants projects around the province, which are, you know, helping families. They do make a difference in everyday lives.

**Mr. Orr:** Let's spend a few minutes on page 68, line 1.1. The minister's office budget shows an 18 per cent increase. What's the need for that large of an increase, again, in these economic times, an 18 per cent increase, when, you know, the inflation factor is 2.5?

**Miranda:** Sure. I can explain that very easily. As you recall, this ministry was combined with the Ministry of Education. Both offices were run by the same minister, so there was no need to establish a separate office. When I was appointed to cabinet, we, of course, got staff, additional expenses with having an independent office for Culture and Tourism, and that's where the costs came from. The 2015-16 has basically the one portfolio being carried by one minister. The increase is mostly attributable to the establishment of this office. As you can imagine, of course, the office needs dedicated staff to carry out Culture and Tourism related work. You know, we're continuing to work under fiscal prudence and ensuring that we're holding the line wherever we can.

**Mr. Orr:** Okay. Line 3.2, the same page: the arts is almost a double increase. Lines 3.1 and 3.2, program support and arts, line 3.2 particularly there: both of them have significant increases. Again, you could maybe just explain those for us.

**Miranda:** Sure. Relating to line 3.1, again, the decrease of \$5 million is due to the reductions in employer contributions to the management employees pension plan. This is something that is happening across the government.

With line 3.2 the increase is primarily due to an increase in dedicated revenue for accounting policies, that I had mentioned before, the policies changing in this ministry to reflect the shared services agreements that have been announced and implemented, which is offset by supplies and services and salary reductions that you will see as well.

**Mr. Orr:** Okay. Line 3.3: again, a more than double increase.



**Miranda:** Again, the increase is primarily due to an increase in dedicated revenue from the accounting policy changes, that I had mentioned earlier, and the shared services agreements in '17-18, which, again, are offset by salaries and supplies and services reductions. In the opening remarks, as I had mentioned, again, you will see this. It would look like it is a huge change, but in fact it's not. Unfortunately, we could not go back and restate these to compare them and actually make it much more relatable. They appear as being huge increases, but in fact they're not. They're just changes in accounting policies.

9:30

**Mr. Orr:** Interesting.

Okay. Line 3.4: the media fund has actually decreased. That one interests me. Is that a representation of how many organizations are actually applying for the fund, or is it an effort to save money there, or is it a policy change? I had thought the government was really quite in support of that media fund. I'm just interested in what's driving that decrease.

**Miranda:** Thank you. Absolutely, I would say that we continue to be committed to finding a long-term solution, one that's, of course, sustainable long term. Through the budget itself we are still investing \$34 million in the media fund to continue to support this industry. We are committed to that support, but we have to manage that commitment within the current fiscal climate.

We're going to continue to pursue long-term options to support further growth as part of our job-creation and economic diversification initiatives. Of course, this also includes a one-time allocation of \$5 million through the capital investment tax credit to support these new pilot programs for interactive digital media and postproduction visual effects. The work will continue to find a long-term strategy to guide the government's approach to support all the cultural industries and sectors. The way that the program is set up right now and the way that it's being supported by this government, I believe, are still very strong compared to previous years, and we're going to continue doing that.

**Mr. Orr:** Thank you.

Will any of the money from lines 3.2 and 3.3 actually in some way or another support the media fund as well, sort of in support ways, or not really? I just wonder if there's a little bit of crossover there.

**Miranda:** Yeah. There are some staffing costs. There is some overlap, for example, when it comes to script production. You know, you get some funding through other agencies as well, so it does absolutely help.

**Mr. Orr:** Okay. I just wondered.

Same page, line 4, the Francophone Secretariat: in the last two years it's an amount that has increased by over 20 per cent. I guess my question there is: why has it increased so much, again, in relation to population and inflation, which is what I've heard from the government, from the Finance minister? What benefit have Albertans seen from that, and why is the increase so much in this particular department?

**Miranda:** Well, as you know, it's one of the fastest growing populations in the province. It is something that we need to take a look at and ensure that we are providing the services that are required: \$100,000 is dedicated to further support the divisions, operations, specifically to reinforce collaborations with other ministries and to continue to act as a liaison for community stakeholders; \$130,000 in additional federal funding under the

Canada-Alberta agreement on French language services also accounts for the increase in funding, so that's a little bit over half. The additional federal funding has been committed to expand the services provided by the francophone parent link to reach additional communities across the province. In fact, it is an increase. Part of that is from the federal funding that is being transferred to the province, and all of it is going to support the community.

**Mr. Orr:** Same subject but different document. In the business plan, page 36, item 1.5, you talk about collaborating with government departments, agencies, whatever to develop a French language policy for Alberta to guide the delivery of government services in French. A couple of questions: is this financed by federal funding, and how is this changing from Alberta's point of view?

**Miranda:** Basically, today we are one of two provinces in the country that does not have a French policy. The discussions that we've had with the federal government with respect to the French policy is that right now there is specific funding that's allocated to help with French services in each province. That funding has traditionally been tied to population. Sometimes that formulation has changed over the years, but in order for us to negotiate an increase of that funding from the federal government to the province – we have been informed that the only way that we can have that is to actually have a policy that would outline how we're going to implement services.

The discussion that we've had so far with our stakeholders has been that anything that we can implement that has zero cost we will do. We will implement a policy on a go-forward basis based on whether we can get funding for it through a renegotiation of these language agreements with the federal government, but the intent of having a policy in the first place is so that we can negotiate and leverage more money out of the federal government.

**Mr. Orr:** Fair enough. I heard you say zero cost – and I get that, and I appreciate that; I think you're on the right line there – but my related question then would be: once this is in place, will this create additional costs for all departments of government to follow through with and put into practice?

**Miranda:** The intent right now is to create a policy that's going to have zero cost. Of course, as finances improve and there's the ability to provide some of these services, there will be, I'm sure, some costs. What we're trying to do is to leverage as much of that money from the federal government.

**Mr. Orr:** Good.

**Miranda:** But the intent is not to implement any policy that's going to add any kind of increased costs to the government at this time.

**Mr. Orr:** Thank you. Good.

When do you anticipate that it will be complete, and will you be tabling it or making it available in some way?

**Miranda:** Absolutely. The intent right now is to have a document released publicly of what we heard based on the consultations that we did last year. We're still going through the process of finalizing the details of what a draft policy will look like, and that policy will be made public as well. We are hoping then to have something in place so that we can begin negotiations with the federal government shortly thereafter. So the spring of 2017 is when I anticipate having a policy that we can start negotiations with.

**Mr. Orr:** Thank you. Very helpful.

Page 69, line item 7.4: assistance to Travel Alberta. It always bothers me when I see the largest item in a column being a little bit vague. Could you identify sort of the key, major pieces of that particular line item, please?

**Miranda:** Sure. Well, you know, Travel Alberta does an amazing job. In fact, I can tell you that across the country they are the envy and the standard of what a marketing arm in government should look like. They do very good work. So what you'll see is an agency that is actively promoting this province, and it's doing so in a way that really is setting the standard in many places.

Now, what you'll see, of course, is a decrease that is primarily due to reductions in salaries to reflect the reduction, in fact, in the contributions to the management employees pension plan, right? So the thinking there is that if the money is not going to be used to pay for those pension contributions that are no longer there, then the budget is reduced accordingly. Since they're not going to be paying that money into their pension plan, then the money is not transferred to that specific agency.

**Mr. Orr:** Okay. Well, that answers my next question with regard to that, about salaries, so I'll leave it.

Page 77, other revenue, shows a 185 per cent increase. It's the largest portion of revenue. What is causing that jump? If you could detail that, please?

**Miranda:** Okay. An increase in \$7.2 million is due primarily to dedicated revenue of \$7 million for the shared services agreements and higher dedicated revenue for the Francophone Secretariat itself.

**Mr. Orr:** Okay. Yeah. Well, maybe you did answer that. You've given me some of the details of that. I will comment that I would prefer to see some of those numbers broken down a little bit better so that we can understand them because, like I said, when you've got the biggest numbers in the column and there's really no detail to them, it would really be helpful to understand where it's going.

I'll move on. Members from APAC, the Alberta Partners for Arts and Culture . . .

**Miranda:** I have the information if you'd like to have it.

**Mr. Orr:** Sure. Thank you. Yes.

9:40

**Miranda:** Sure. Other revenue: we have refunds from prior years, prior expenses from the department, the historical resources fund, the AFA, the Alberta Historical Resources Foundation.

We have donations from the department, acquisition of historical collections, and transfers from other organizations: the historical resources fund, the Alberta Foundation for the Arts, and Alberta Sport Connection.

There are sales: transfers from booth rentals in the nonprofit, voluntary sectors through provincial conferences, the historical resources fund; sales at the various historical sites, like, at the Jubilee Auditorium as well.

Rentals: the historical resources fund does well; the Jubilee Auditorium rental fees.

And then the miscellaneous: the Alberta biodiversity monitoring program, the previous interest revenue transfer from the Wild Rose Foundation, the historical resources fund as well, cost recovery of programs at various other historical sites, the Alberta Historical Resources Foundation, and the Travel Alberta corporation.

**Mr. Orr:** Thank you. I'll be able to recall all of that in *Hansard*.

**Miranda:** Yes.

**Mr. Orr:** Where are we here? Let's talk about APAC, the Alberta Partners for Arts and Culture, a little bit. They have mentioned to us, just in meetings with them at various places, that the amount of paperwork, red tape, regulation required to apply to the media fund and other grants actually takes up a big chunk of their time and their operational funds. One member actually said that they spend over 50 per cent of their salary budget just having people apply for and then report back on grants. Obviously, if that group would use their time more efficiently to operate their group instead of the difficulty of applying for grants, they could do much more for Albertans. What actions do you have in place that could reduce the amount of paperwork, the amount of research, the amount of red tape and regulations required for them to receive and comply with grants?

**Miranda:** Thank you for that question. You know, I think that it's very important to instill a sense of accountability. The paperwork that is required, I think, is absolutely necessary to report the budgets, to ensure that when we have the project finished, the money was actually spent in the way it was supposed to be. I think it's very important as well for all of us to be able to look at that information and ensure that the money is being spent appropriately and meeting the goals and the intended desires and outcomes of the actual grant program.

Now, I will definitely say that personally I, too, have found some of these processes to be cumbersome. Through the different work that we've already done, we have reduced the amount, and we're continuing to do that. I agree that when you spend a large amount of money hiring people to write your grant programs instead of actually using the grant money for the programming, that's problematic. I will say, however, that there is a fine line between being much more relaxed on those and then not having the information that's necessary to ensure that there's accountability and transparency in the process.

If there are any suggestions or any ideas floating out there on that specific topic, I'm more than happy to hear them.

**Mr. Orr:** Okay. Well, I mean, clearly, I agree with the need for accountability. I'm certainly not trying to suggest that we should reduce accountability but find simpler ways to achieve it . . .

**Miranda:** Absolutely.

**Mr. Orr:** . . . because I agree with you that it's just not good value for money when they have to spend so much time and effort. Many times it's even volunteer efforts and all the rest of it together. Anyway, thank you. Good answer.

It's also not just a provincial issue, though; it's also somewhat of a federal issue. I'm just wondering if there's any way that your department would be able to work with the federal government to somehow address the issue and encourage them to streamline their grant process so that the money actually gets used for what benefits the province.

**Miranda:** Absolutely. You know, we have opportunities throughout every year that allow all the ministers from across the provinces, federal, and the territories to meet, and those are the kinds of issues that we can discuss. You know, I think there is an interest across governments in reducing that amount of red tape somewhat because we know that it can be a barrier sometimes to getting money. Yeah. I don't disagree with you at all, and it's something that I would like to work on in the future.

**Mr. Orr:** Yeah.

Your ministry increased the minister's office by \$125,000 this year. Will any of that actually benefit the artists, the groups, the APAC members?

**Miranda:** Which line are you talking about? I'm sorry.

**Mr. Orr:** Oh. I don't have the line number in front of me. The minister's office. We'll get it for you and come back to it.

**Miranda:** Sure.

**Mr. Orr:** I don't have the line item.

**An Hon. Member:** Line 1.1.

**Mr. Orr:** Line 1.1. Thank you. Which page? Sixty-eight. Yes. There we are.

**Miranda:** Okay. Again, the cost of the offices has gone up because for most of 2015-16 there was one minister that was responsible for both portfolios. Now that we have a separate ministry, the increased cost is mostly attributable to the establishment of this independent office itself, right? So having different staff.

**Mr. Orr:** Will any of that resource be available to help organizations and individuals actually apply for grants? That's kind of where I was going with this, still on the grant subject and the cost of grants. I'm just wondering if you'll be able to help them in any way.

**Miranda:** You mean the staff in my office, whether they would actually be able to . . .

**Mr. Orr:** Yeah. Precisely.

**Miranda:** You know what? There is actually in some of the departments, especially with the CIP and CFEP grants – we have community resource officers. I can't remember if that's exactly the name, but there are people who actually can help. It's about also increasing knowledge and capacity on the ground, too, because the resources are there, and sometimes they're not being utilized. So absolutely, there are resources already, and of course the staff in my office continually work with whoever comes forward requesting need and, as much as we can, channel them to the direct and appropriate resources so that we can help them come along.

**Mr. Orr:** Right. One other aspect of this discussion: there has been the suggestion or the issue raised a number of times that APAC members said that they would rather have some sort of stable funding instead of having to continually apply for grants every time, not knowing whether they're going to get the grant or not, the insecurity of not being able to actually do their own planning and moving ahead. Have you considered providing essentially the same amount of money – I'm not asking for money – but a process whereby it would just be more stable and less grant-driven to get rid of some of that excessive cost of applying for grants?

**Miranda:** Well, you know, as programs change and objectives and desired outcomes also change, I think it's important to have a process where you can go back and not set up a system of legacy projects where organizations get funding and don't have to reapply over and over again, and it becomes almost an expectation rather than the very generous gift that the people of Alberta make to the different organizations throughout the province.

**Mr. Orr:** That's a good phrase.

**Miranda:** Thank you. It's a very important thing, I believe, for all of us to be able to continually and every year measure the outcomes and measure if the objectives are being met. I'm not, to be honest with you, a big fan of legacy projects, but it's not something that I would completely discount either. I'm open to either . . .

**Mr. Orr:** Again, it's just a question to try and get at the cost of grants, but I'm not going to belabour that. We've already talked about it.

To change the subject if I might, there have been a number of instances where the ministry has talked about and quoted the subject on the return on investment for culture and tourism being at a ratio of 1 to 6. After preparing this year's budget documents, do you feel like that ratio is still correct for this coming year?

**Miranda:** You know, there were challenges. There's no question about that. We had, you know, an industry that has seen a decline in the price of oil and, as a result, has seen a decline in the price in the travel from businesspeople. We've seen an increase in the travel of leisure travellers. I think when we're talking about tourism, we're talking about an industry that not only attracts visitors but also makes those communities really thrive, and I think it contributes to the quality of life in a community. I think it is still a very good investment when we're talking about ensuring that communities thrive and actually have . . .

**Mr. Orr:** Do you feel like the 1 to 6 ratio – like, what is it now?

**Miranda:** That information I do not have. That was – oh, here we go. The 1 to 6 ratio is actually specific to the grants for cultural industries: film, television, and the film-television industry. According to the most recent Statistics Canada figures available, cultural industries in Alberta contributed to \$584 million in GDP and provided approximately 5,600 jobs for Albertans in 2015. So I do still think that it is a very good return on investment.

**Mr. Orr:** Do the Canada culture satellite account indicators – are you using numbers from that to arrive at some of this?

**Miranda:** Yes, and some of the challenges have been that it's not always comparing apples to apples, oranges to oranges, right?

9:50

**Mr. Orr:** Fair enough.

**Miranda:** It's difficult because, for example, somebody who lands in Vancouver – right? – will come to Alberta, but they don't get counted in the tours that are coming to Alberta because of their point of entry in Vancouver.

**Mr. Orr:** Right, right.

**Miranda:** So that counts for some of the discrepancies that we see sometimes in the facts.

**Mr. Orr:** I'm just wondering if you could provide for us at some point in time sort of the detailed numbers of the evidence used to arrive at those figures, to arrive at that rate, and maybe even also some of the formula. I've asked for that before, but I really would like to get a little bit more understanding of the formula and the processes by which we arrive at some of these returns on equity numbers.

**Miranda:** I can tell you right now that they're actually being reworked because different jurisdictions are having the same problem that you are expressing, the frustration that we ourselves

feel in that some of the measurements that are being used have not always been as reliable as we would like them to be, and they have changed. As soon as there's something much more concrete, we would be more than happy to share it.

**Mr. Orr:** That would be very appreciated. Thank you. That would help. Yeah.

I guess a related question to that is, again: in the reliability of the numbers, how much of that overlaps with other economic sectors and other departments? I think that's an important part of it. Do you have a sense that there's a lot of overlap in some of these numbers?

**Miranda:** In terms of what? I'm sorry.

**Mr. Orr:** Well, in terms of what's attributed to – I guess this is maybe an economist's question. It might be going a bit too far. But every department wants to claim the benefit it brings to Alberta, and are we claiming on a big picture the same numbers twice or three times, different places sometimes?

**Miranda:** I don't know exactly if I can answer that question, to be fair, but I can tell you that the benefits at the community level sometimes when you have a cultural attraction and you have thriving communities and you have a really happening art scene and all those other things: they create that kind of cluster that naturally attracts visitors and actually attracts people to, even in tough times, come out to a museum or to watch a movie or to do the things in a festival that generate jobs because people are actually out and spending money.

**Mr. Orr:** Okay. I think I'll leave the rest.

Page 76 shows that investment income has decreased by over 40 per cent. Can you just detail for me some of those investments, why they're showing that decrease, and what they are specifically?

**Miranda:** The investment incomes. Okay. The income comes from the Alberta historical resources fund, the Alberta Foundation for the Arts, the Historical Resources Foundation, and Travel Alberta corporation.

**Mr. Orr:** So what investments are they holding, and how is that return arrived at? Or are they held by another agency on their behalf?

**Miranda:** The investment is shown because we give them the money quarterly instead of at the beginning of the year. That's where the investment income comes from.

**Mr. Orr:** So they're holding the money and the interest on the money in deposit?

**Miranda:** No. We give them the money. Instead of giving them one lump sum, we give it to them quarterly.

**Mr. Orr:** I don't follow. I'm sorry. Maybe you'll have to explain that to me after, but as investment income there should be return on that investment. Where's that money being put that it creates a return?

**Miranda:** We actually give the money to these organizations, and they actually invest it themselves.

**Mr. Orr:** Okay. That's what I'm getting after. Thank you. Do you have any idea where they invest it if they do it themselves? Is that something you monitor, what kinds of investments they put it into?

**Miranda:** Well, they do have budgets that they do present to us, and they do have that information available to us as well. AIMCo is the one who manages it.

**Mr. Orr:** AIMCo. I wondered who was holding it and who managed it. Okay. So it's held in account for them. AIMCo manages it.

The decrease of 40 per cent concerns me, especially considering that for the last year the stock market has gone straight up, but that's really an AIMCo question, I guess. I'll leave it there. I won't pressure you on that.

On page 70, line 5.8, heritage capital and repairs has increased from \$500,000 to \$5 million. Could you just detail that one, please?

**Miranda:** Page 70 and – I'm sorry; what was that again?

**Mr. Orr:** Page 70, line 5.8.

**Miranda:** Okay. That is from the \$10 million liability for the Turner Valley gas plant.

**Mr. Orr:** Okay. All right. Turner Valley.

Related to that Turner Valley piece, then, once again, something has begun there. How long do you anticipate that one will go on? How long is that going to be carried as an actual, real expense once we get past just the liability impairment?

**Miranda:** Well, that is hard to say. I don't expect that it will be in the next couple of years, for sure. There still needs to be . . .

**Mr. Orr:** It'll be a while.

**Miranda:** Yeah. I think there needs to be – I would hate to give you a timeline because I don't know.

**Mr. Orr:** Fair enough. I might hold you to account on it.

**Miranda:** With those kinds of things, you know, you uncover something new, another layer, so you have to deal with that.

**Mr. Orr:** Yeah. I will just make a comment on the community and volunteer sector. It seems to be fairly stable. I appreciate your comments on it earlier. I actually don't have any specific questions on it, so I'll pass over it.

Creative industries and arts . . .

**The Chair:** As a reminder, this is your final 20 minutes.

**Mr. Orr:** Thank you.

There have been many studies done on the impacts of arts and culture in Alberta. Is it true that there's another study being done on the arts and culture impacts, and if so, how much is it costing, and under which line item would it be?

**Miranda:** I'm sorry; where is that information? I'm not sure.

**Mr. Orr:** Well, I'm of the understanding that there's a study currently under way – and maybe that's what you referred to earlier – with regard to the economic impacts and the cultural and social impacts of arts and culture on our province. I'm just wondering – apparently, the last one was 2005. Is there another one being done currently?

**Miranda:** No. There was one done with the Canada West Foundation, and it was at no cost.

**Mr. Orr:** Okay. Thank you. All right.

APAC members have indicated to me that they thought there was something being done. Some of them had replied to some questions on things, but maybe that's what you just referred to, the one that was done at no cost.

There was a study in 2005, I understand. Were there any recommendations or suggestions out of that that have actually been implemented over the last few years? Are you aware of that, and has that impacted our expenses in any way?

**Miranda:** Are you talking about the different frameworks that were implemented or . . .

**Mr. Orr:** No. I'm talking about the study that was done for economic impacts and . . .

**Miranda:** From my understanding, there were no specific recommendations made.

**Mr. Orr:** Okay. Fair enough. Yeah.

The film grant. Was there a cap set on the amount that we've given out this year on the grants, or is it just based on the applications that are received?

**Miranda:** There is a per-project cap of \$5 million.

**Mr. Orr:** Right. Per project. I was referring to the total.

**Miranda:** The total: there is an ongoing, I guess, assessment of where the applications are coming from and the amount that's available to accept them and process them.

**Mr. Orr:** Okay. How much was actually provided through the film grant in this last season?

**Miranda:** The 2015-16 total of 89 screen-based productions received a total funding of \$43.7 million through the Alberta production grant. To date, '16-17, we have supported a total of 74 screen-based productions with funding totalling \$39.1 million through the Alberta production grant.

**Mr. Orr:** Okay. Thank you. That answers my next question of how many applicants, so thank you.

Out of the total applicants versus how many actually received grant funding – can you give me those numbers?

**10:00**

**Miranda:** Very basically, all of the applicants who actually meet the criteria receive the money.

**Mr. Orr:** Okay. Let's go to page 79, Alberta Foundation for the Arts. The expenses are up from \$27 million to \$32 million. Can you explain how the revenue has increased? The revenue has increased, but it still shows a deficit at the bottom. That is my real question. It still shows the net operating result as a negative. I would have thought that with the increase of revenue and some careful budgeting, you would actually make that one balance. Why do we still have an \$8 million deficit?

**Miranda:** It is through the amortization. It is only \$8,000 through amortization, non cash.

**Mr. Orr:** Non cash. Okay. Yeah. That's how numbers play tricks on you.

Let's talk a little bit about the new visitor services model for Alberta. A pilot was launched earlier this year. How much in total has been allocated for this program, and under which line item would it be found?

**Miranda:** The program itself, the pilot program, was actually a very successful one. It was tested, and I even had the opportunity to experience it myself. You know, when we're talking about tourism, we know that the demographics have changed in the way people access the information, the way people are accessing the supports that are out there to kind of make their way through. The line item is 7.2.

**Mr. Orr:** Okay. How much in total for that particular program?

**Miranda:** For destination development and visitor services we have an estimated \$6,710,000.

**Mr. Orr:** Okay. Thank you.

**Miranda:** I have more detailed information if you'd like.

**Mr. Orr:** Sure.

**Miranda:** The innovation fund will provide grants of up to \$7,000 to individual organizations and up to \$16,000 to those that partner to develop new ways to connect with more tourists in the province. These visitor services providers are the initial point of contact. As I mentioned, they do provide a great service. It's also an opportunity to influence visitors to extend their stay and try new experiences in the areas that they're visiting, so it's a very good investment.

**Mr. Orr:** Okay. I'll move on from that. Canada 150 is coming. Other than money provided by the federal government, how much money is being spent by the Alberta government to celebrate this and under which line item?

**Miranda:** We implemented a \$2 million budget for Alberta Canada 150. As you know, we have a grant program right now, and you can find the information on the website.

**Mr. Orr:** Is that the CIP grant?

**Miranda:** It's through the community grants program, yes.

The line item itself is 2.3. To give you an idea, usually an organization has to do 50-50 funding – right? – matching funding. For \$150, as long as they're meeting the four different criteria that the program has, they are getting \$25,000 in support from the grants.

**Mr. Orr:** And it closes March 31?

**Miranda:** October of this year. The programs have to be done before the end of the fiscal year – right? – because it's in keeping with . . .

**Mr. Orr:** But the application period closes March 31. Is that correct?

**Miranda:** No. There is an intake on the 15th of every month. It's a rolling intake until the \$2 million is spent.

**Mr. Orr:** Okay. Helpful. Thank you.

**Miranda:** The last intake will be in October.

**Mr. Orr:** Let's talk about line 2.5, page 68, the major fairs. How much of this money goes to Northlands and how much to the Stampede?

**Miranda:** It's equally split, 50-50.

**Mr. Orr:** Is it?

**Miranda:** Yes.

**Mr. Orr:** Okay. Then there's an amount for other fairs. All right. Never mind. I'll ask this differently.

Here's a question for you that interests me, something I've been working on. Northlands receives their half of that. I understand some of the history of how that's arrived at with the lottery fund, et cetera, et cetera. Is there a clear mandate for both of those organizations on how they actually spend that money or what they're supposed to do with it?

**Miranda:** Well, as you probably know, they both started off as agricultural societies, right? Their mandate is to promote tourism, and through the fairs program they have continued to engage with Albertans to provide the kinds of visitor experiences that, you know, we want to see. Some of the money goes, for example with Northlands, to K Days and supports their administrative costs. The same thing goes for the Calgary Stampede. Again, when you think of Calgary, for example, and you think of the Calgary Stampede, I think that the organization does an amazing job of showcasing the province, the heritage itself. There are grant agreements that exist that set out the terms and conditions for how the money is spent.

**Mr. Orr:** Let me ask you. We've wrestled with the inequality of funding levels in central Alberta for health care, which is outside of this mandate, but I'd also like to suggest that maybe you could take a look at the inequality with regard to the fairs. For instance, the Red Deer Agri-Trade is one of only three fairs in Canada that is actually recognized at a national standard, but it doesn't really receive much funding compared to these other two. They bring in between \$150 million and \$300 million worth of deals transacted there per year. They have a wait-list of 150 companies that cannot even get in yet. It is probably the largest – well, it is the largest agritrade or at least equipment trade fair agriculturally based in western Canada. I would argue that they have grown to the point where they are probably equal and comparable to what happens at Northlands and Calgary. Is there a reason that they're not considered at the same level, then, as these other two?

**Miranda:** First off, I think that it's crucial that we grow tourism in our rural areas, and it's something that we all need to work together to do. I think that these fairs, like you say, attract visitors, and they do promote visitation and increase the number of people staying in hotels and jobs and all that stuff. I will say, however, that the Agricultural Societies Act defines major agricultural societies as only including the Calgary Exhibition & Stampede and Edmonton Northlands. So other agricultural societies in the province are eligible for funding through Alberta Agriculture and Forestry through the agricultural initiatives program.

**Mr. Orr:** Fair enough. Back in the day that was probably a fair place to be. Will you be looking at a revision to that provision of the act?

**Miranda:** I think that right now where we are, in these times – I understand that there are many places and many initiatives that would like to see funding, but it's tough to do.

**Mr. Orr:** I'm not necessarily asking for more. I'm just asking for an equitable distribution of it.

The same goes for the Ponoka Stampede. I mean, it's getting to the point where it's challenging Calgary's size in many ways. They're looking at the same number of days pretty soon. Quite frankly, it's the only rodeo in western Canada that's actually a Canadian Cowboys Association authorized rodeo. I mean, these are

big events these days that didn't used to be when some of these things were put in place, and I guess I'm just asking for an equitable review of that and whether that's something you would consider.

**Miranda:** I will take it under advisement, and I will give it some thought, absolutely.

**Mr. Orr:** Thank you.

Are we about out of time? How are we doing?

**The Chair:** You have seven minutes left, Mr. Orr.

**Mr. Orr:** Okay. Thank you. I wasn't sure.

The tourism levy. Let's just talk about that a little bit for a few moments. According to the annual report and the business plan the tourism levy collected \$10.7 million less than in 2014-15, a total of \$80 million. Can you comment on the reasons for the decrease?

**10:10**

**Miranda:** Well, you know, I don't think it's news to anyone that we've seen a slowdown in economic activity. Part of that is an impact on business travel. The amount that companies are spending on business travel has decreased overall. On the opposite side we have seen the number for leisure travel increase, so there are exciting opportunities there. Definitely, the higher number of passengers yields more revenue to the hotels, which is where these monies are collected from.

You know, while we have seen a slowdown in leisure travel, as I was mentioning, it's going to continue to provide us with a bit of comfort in the monies that we've lost through the business travel decrease. The levy revenue in 2015 was \$91 million, and as you mention, it's now down to \$81 million. We are going to continue everything we can to increase visitation. I'm sure that as the economy recovers and business travel picks up again, we will see an increase in that.

The other exciting thing is that we have direct flights out of Mexico. That will also allow for more business travel to take place and direct revenue to come into the province.

**Mr. Orr:** Right. As we all know, the levy, when first introduced in 2005, said that all money would go back into tourism directly. In recent years that has not been the case. I wonder if you would just update me on what the ratio currently is for the division between what goes into revenue and what goes to general revenue.

**Miranda:** When the levy was implemented, it was not actually stated that the revenues would go directly into tourism. It was actually through a ministerial order that that change was implemented. I think it's important to not only consider that the money going into Travel Alberta and the tourism division itself contributes, of course, to increasing visitation and promoting tourism, but we're also taking some of that money and implementing it in capital projects that also grow the attractions that are needed to bring tourists to places like Drumheller, the Royal Tyrrell Museum. Those investments do attract visitors, and they do promote tourism. You may not see it as a direct correlation between the money that's brought in from the levy going into the tourism division, but it is going to tourism overall. So I think that those connections sometimes are not made, but they are equally important to make because that is ultimately the objective when you're investing in this infrastructure, in these capital projects: to grow them. You know, at Fort Edmonton, for example, the indigenous peoples exhibit is going to be a huge attraction, in my opinion.

**Mr. Orr:** Can you confirm the current ratio?

**Miranda:** It's 75 per cent.

**Mr. Orr:** Okay; 75-25. All right.

Do you see any change in that ratio, any intent to maybe reallocate how some of that goes?

**Miranda:** I think that right now where we are is the place where we need to be. We are continuing to support an industry in every way that we can while still keeping within the fiscal reality that we have and the budgets that we have.

**Mr. Orr:** Okay. Change of subject. The new deal between Travel Alberta and Expedia announced on March 7: what did this contract cost, if anything?

**Miranda:** Let me get some more details about this. We will have to get back to you with the detailed information.

**Mr. Orr:** A couple of related questions, then: how long is the contract for, maybe some comments on how you feel it will benefit Travel Alberta, and are there any other Alberta deals with online travel agencies expected or being worked on?

**Miranda:** Okay. I will get that information, and I will table it so that everybody . . .

**Mr. Orr:** Fair enough. Fair enough. Those are my questions on that.

A related question, then. I notice that one of the key components of that deal was some data feedback. I'm just wondering if you could give some details on what that data might be, how often that data will be available, and is there a baseline sort of predeal that will tell us whether anything has improved because of the deal? Those are my questions on the data.

Thank you.

**Miranda:** Okay. We will get that information to everybody.

**Mr. Orr:** One last question, quickly. In the business plan, page 38, you talk about competition. When companies are trying to attract business for tourism, we're not just competing with B.C. or Saskatchewan, as you know. We're competing with the world. All of these costs are impacted. Carbon tax increases are definitely an impact for tourism companies. I've heard it from many of them. Page 31 of the annual report of Culture and Tourism shows that the average occupancy rate was 58 per cent, a decrease, as we all know. We just talked about that. Obviously, supply and demand is increasing the price, or at least the costs are going up, and the supply and demand currently is going down. What are you going to do to combat the increasing costs to the tourism industry, specifically the small businesses, which are mentioned in the reports as being the majority of businesses? How are they going to deal with these costs, and what are you doing to offset these costs for these tourism small businesses?

**Miranda:** Well, as you know, we've implemented a reduction in small-business taxes. We have continued to work with industry to figure out ways in which we can support them better, more efficiently, ensuring that they are getting the support they need from us to grow their business. We've implemented these two pilot projects for tax incentives as well. Most recently, for example, we have taken some of the tourism operators on our tours of China. So we're trying to do everything we can. Of course, there is no changing the fact that there is an economic slowdown, but again, you know, we are competing with some interesting destinations. I think our mountains provide us a really good anchor for . . .

**The Chair:** I hesitate to interrupt, but the allotted time for the Official Opposition has ended.

**Mr. Orr:** We'll pick it up later. Thank you.

**The Chair:** We'll now proceed to the third-party PC caucus. Would you like to share your time with the minister?

**Dr. Starke:** Yes, please.

**The Chair:** Okay. Please proceed.

**Dr. Starke:** Well, thank you, Chair, and I thank you, Minister and staff. It's a pleasure to once again delve into the numbers here in the Department of Culture and Tourism, one that, as you know, is of particular interest to me. It's certainly good to see many familiar faces in the gallery.

Minister, we're going to start easy for you. Last year I asked a question about the total return to the provincial coffers from the tourism industry. There was a bit of confusion in your answer, but I'm sure this year it'll be a lot easier. Last year you told us that revenue to the province in 2013 numbers was \$1.2 billion. Can you give us an update for 2014, and do we have anything more recent than that?

**Miranda:** Thank you. Well, I do have this. For a number of practical reasons the tourism division research team has determined that it is not useful to do an economic impact assessment on an annual basis. The relatively small changes in overall tourism revenues on a year-to-year basis do not have a significant impact on economic measures such as jobs, companies supported, and taxes. Statistics Canada is constantly changing and updating their methodology as well, meaning that it's hard to go back and look at back-to-back yearly comparisons.

We're working very closely with our colleagues in Economic Development and Trade to determine which economic impact model will best serve the interests of the industry. Now, the economic impact of Alberta's tourism industry was \$8.3 billion in visitor spending and expenditures in 2014; \$2.9 billion to Alberta's GDP in 2013; \$4.04 billion in total taxes in 2013, including \$2.36 billion to the federal, \$1.18 billion to provincial, \$496 million to local and municipal; resulting in 127,000 full-time direct and indirect jobs in 2013 and 1,900 businesses in 2013.

**Dr. Starke:** Okay. I'm quite familiar with the 2013 numbers; trust me. But are you going to say that from 2014 going forward, there's not going to be further tracking of the economic impact? Is that what I heard you say? Because if it is, I'm stunned.

**Miranda:** Well, what I'm saying is that the comparison from year to year is not always the easiest thing to do because the measurements that are being used to actually make those comparisons do not move sufficiently to actually give you an accurate picture. We are working with Stats Canada to ensure that we're getting information that actually makes sense, that allows us to compare across the country. As you probably can imagine, it's difficult to track a visitor who lands in Vancouver and then makes their way to Calgary or vice versa, right? So those are the kinds of things we need to figure out. We need to actually understand how the different jurisdictions are tracking their visitors and how they're sharing information because right now we're not doing that.

**Dr. Starke:** Mr. Chair, I mean, I can assure you that I'm familiar with how the different provinces track their visitor numbers, and I can tell you that we have had this struggle now for years, that it's not a new problem. Last year we talked about this, and we talked

about having three-year-old data in some cases, sort of like having your speedometer tell you how fast you were going five miles ago. It doesn't help. So, you know, I guess I'm absolutely shocked to hear what I think I'm hearing, and that is that we're going to stop measuring the economic impact of the tourism sector in our province. Tell me that that's not what you just said.

10:20

**Miranda:** What I'm saying here is that we are going to look at the work that Stats Canada is doing to ensure that we have comparable information in setting up the methodology that is useful in the long term, but comparing year to year from research that we do in the province is not accurate. It doesn't actually give us the information that we need.

**Dr. Starke:** Okay. Well, I'm going to just ask, then: do you have a target for developing a specific metric? Whether it's consistent with past years' practices or not, do you have a target, or are you consulting with your colleagues, other tourism ministers across the country, to get a specific metric? To me, if you're not measuring something, you can't manage something. It's just shocking to me that you would just say: well, it's really hard to measure; therefore, we're going to just give up on measuring it.

**Miranda:** That's not what I'm saying. I'm saying that we're going to be working on the methodology to come up with a common language that we can actually use to compare.

**Dr. Starke:** Okay. That's great. If I could urge you, you know, as soon as you have that developed to report back to us because, to me, that's a really critical matter. I'm not sure how much this document is guiding the ministry anymore, but it is a document that was put in place – it's the only multiyear tourism planning document of any province in Canada – that set out a \$10.3 billion target for 2020. Now, are we still on track for that, or are we now simply just not going to know because we have different methods of measuring it?

**Miranda:** The actual tourism framework that was released in 2013 set a target of growing tourism to \$10.3 billion by 2020, as you indicated. In line with much of the work that was undertaken with the framework, Culture and Tourism continues to work closely with Travel Alberta, industry stakeholders, and all others in order for government to grow the tourism industry beyond the \$10 billion in expenditures by 2020, contributing to, of course, economic diversification, job creation, and quality of life. Tourism has been absolutely identified as one of the strategic priorities for economic diversification and job creation for the government.

Moving beyond the framework, we have taken a more direct and strategic approach to facilitating tourism development in the province itself, so we'll continue to work closely with all of our communities in the industry to do that.

**Dr. Starke:** Okay. Well, let's talk about that, then. You mention a more strategic process for developing a tourism strategy, but as you know, Minister, last year you fired the Strategic Tourism Council. Last year when we were doing estimates, you said specifically that you anticipated obtaining that information from the Premier's Advisory Committee on the Economy as well as the Department of Economic Development and Trade.

Now, today I pulled up the biographies of the members of the Premier's Advisory Committee on the Economy, and these are outstanding people, but there is a dearth of any experience in the tourism industry here. I guess I'm wondering what specific strategies you have received from either the Premier's advisory committee or the Department of Economic Development and

Trade. What specific strategies have you received from these organizations, who is providing that strategic advice, and what specific strategies are you now adopting as a result of that advice that you've received?

**Miranda:** Well, I can tell you that right now Culture and Tourism is working very closely with Economic Development and Trade to ensure that tourism is a key piece of our economic development strategy. As minister I sit on the advisory committee, and I have the opportunity to present at that table the challenges that we face in growing and diversifying our economy. We meet on a regular basis with members of the tourism industry, with Economic Development and Trade, CITC, and AITC as well. We continue to work on the development of our strategy in Mexico and continue to work with the China market.

**Dr. Starke:** Well, Minister, forgive me. That's all good, but you had a body of 17 people with considerable experience in the tourism industry to provide you with that strategy. I asked the question: who is providing you with that strategy now? I didn't ask you: who are you meeting with yourself? I asked who was providing you with the strategy. Last year you indicated it would come from the Department of Economic Development and Trade and the Premier's advisory committee. So I'm asking: what strategy have you received, and who has provided you with that strategy?

**Miranda:** Again, we're working with Economic Development and Trade, and the work that we do through that ministry allows us to continue to work with stakeholders of different parts of the province, the DMOs, the information that we receive from Travel Alberta. All of these things that we have in front of us to work with are helping us develop a strategy going forward.

I understand that there were these organizations that were there. We have a board within Travel Alberta with experience in tourism. I believe that being on the economic development committee and cabinet allows me to continue to advocate for the issues that are being raised to me and to actually be able to bring it forward.

**Dr. Starke:** Okay. Well, Minister, I appreciate the work that you're doing, you know, on the various boards and committees that you sit on. I'll just say that I've noticed that there has been a significant changeover in the board members on Travel Alberta. We have outstanding individuals on Travel Alberta, but what has been a significant change is that the number of those individuals that have a specific background in tourism is relatively small. Most of those individuals have significant background elsewhere. I'm not criticizing them. I'm just saying that if you are expecting to receive industry-specific advice from the Travel Alberta board or from the Premier's Advisory Committee on the Economy, I'm curious to know – and I haven't heard the answer yet – who specifically has got expertise in that area that is providing you with the strategy.

**Miranda:** What I'm answering to you is that we have several people within the different ministries who are experts, who provide information, advice to me as minister, to us as cabinet that is going to continue helping us on our way forward to support the industry, to grow it, and to develop these kinds of strategies. You know, we can look at frameworks and we can look at all these models, but we have to get down to doing the work of actually implementing those ideas. That's exactly what we're doing here.

**Dr. Starke:** No argument there at all, Minister. No argument whatsoever.

Just a few minutes ago you told us that you were developing a strategic plan for culture. That's a good thing. I'm all in favour of



developing strategic plans. What plan is that replacing? And what are you expecting to – well, that's an open-ended question. What specific plan is that replacing, and what were the deficiencies of that plan that made you feel that we need a new plan for culture?

**Miranda:** Well, you know, when you're looking at something like culture, as you probably can imagine, it's very organic, and attitudes and needs all change. So I don't think that there is a specific one that it's replacing. What we're trying to do is to come up with a strategy that allows us to be more strategic, to be much more, I guess, focused on different areas, that allows us to be a little bit more flexible to adapt to the needs that are emerging as we move along.

**Dr. Starke:** No argument with that whatsoever, Minister. I know we need a strategic plan. I just am curious: do we have an existing strategic plan? If so, have you been following it in the year that you've been minister, you know, and what has now changed that makes you feel we need a new plan?

**Miranda:** Sure. Absolutely. The frameworks and the different plans that have been there have definitely guided the work of the different departments. I think that what I'm hearing from stakeholders as I meet with them – they tell me some of the issues that they're facing that they would like to see movement on. These are the kinds of things that I want to sit down with the officials and figure out how we can adapt what already exists and improve it.

**Dr. Starke:** Fair enough. Fair enough. What is the name of the cultural plan that you have been working off for the last year?

**Miranda:** It's the cultural industries action plan. It's new. It's not replacing anything.

**Dr. Starke:** Well, what has happened to the Spirit of Alberta?

**Miranda:** The Spirit of Alberta is still there.

**Dr. Starke:** Okay. So it is still being followed?

**Miranda:** Absolutely.

**Dr. Starke:** Okay. On the topic of long-term plans – we talked a little bit about the tourism framework – in 2014 in consultation with the industry we released a 10-year plan for our sports and recreation department, *Going the Distance*. I guess I'm curious to know what advice in those things, what strategies in that particular plan you have adopted and which ones are still guiding the activities of your ministry.

10:30

**Miranda:** Well, actually, we've done some work already on implementing that. The status of the plan itself: the Alberta sports plan continues to guide the direction and the work of Alberta Sport Connection, particularly around increasing the number of Albertans who participate in sport, encouraging physical literacy. So we're working with our stakeholders on innovative and cost-effective ways to achieve the outcomes identified in the Alberta sports plan to continue to advance sport in the province. I'm looking forward, with the new chair, to actually being able to bring this forward.

**Dr. Starke:** Right. So I am then curious, Minister. There is a reduction of \$1.7 million, or 8 per cent, in funding to Alberta Sport Connection. If you're trying to increase people's involvement in sport, why are you cutting the funding to the Sport Connection?

**Miranda:** Actually, there are two parts to that. Part of it is a change in cash-flow management for the Red Deer games of \$800,000, and the other part of it is the MEPP, the management employees pension plan, reduction. If they're not going to be paying that money to their pension plan, it didn't make sense to put it in their budget. That's where the reduction comes from.

**Dr. Starke:** Okay. Fair enough.

So on the topic of sport and recreation, Minister, just last week we heard that Edmonton may have the opportunity to bid for the 2022 Commonwealth Games because Durban has dropped out. Of course, Calgary is organizing a bid for the 2026 Winter Olympic Games. Would your government support bids for these major international sporting events?

**Miranda:** Well, I can tell you that to date we have not received any official application. I think it's beyond the scope and the ability of the one ministry to be able to support such an initiative. It would have to be considered on a government-wide basis and, of course, working with the municipalities to see what their priorities are. I mean, many of them have a lot of infrastructure needs and vision. You know, it's a give-and-take.

**Dr. Starke:** Well, of course, Minister, you mentioned that we are hosting the Canada Winter Games in 2019 in Red Deer. I know that that's a major effort, that is coming up now in less than two years and that will be really exciting.

Minister, I just want to close my section of the questioning here with something that I just want to give you an opportunity to clarify. I know that sometimes in question period, within the confines of a 35-second answer, a response can be, you know, so short that it can be misinterpreted. But last Thursday under questioning about your attendance at AAMD and C, you said this:

I can assure the former minister, who at the time, well, had not really provided the kind of leadership that we have seen these days in our province when it comes to culture and tourism.

Minister, I was taken aback by that a little bit. I thought we had a reasonably good working relationship, but I'm going to give you the opportunity to clarify that.

**The Chair:** Hon. member, sorry to interject, but I was wondering what relevance this has with the estimates.

**Dr. Starke:** Chair, it is entirely relevant in terms of my role as a critic. It also has relevance in terms of the latitude that I'm allowed as an opposition member, to ask questions on a broadly based latitude, and that's not normally restricted by the chair.

**The Chair:** Yeah. Just because our focus is on the estimates at hand right now, I was wondering if this is something, if there's any question in relation to the answers that are being provided in question period, that would be more directed at the Speaker.

**Dr. Starke:** Well, Chair, it's directly relevant to the minister's discharge of his duties within the department and is also within the business plan that he has laid out, so I would appreciate having an answer to the question.

**Miranda:** I believe that the information we have received in the time that I have been minister – I have been provided with very different feedback – has given me the belief that the stakeholders feel supported in very many different ways and they feel that they have much more positive and much more direct access and a very positive working relationship with the government than in previous years. The opportunity that I've had to develop those relationships and to cultivate some of the work that we're doing together has also

indicated to me that the way in which tourism was seen did not occupy the importance that it does today in our government; for example, not being part of an overall economic development strategy or being able to participate in the economic development committees that we now participate in.

So I do believe that we have seen a difference in the level of engagement, the level of co-operation, and it's been largely positive and has improved.

**Dr. Starke:** Well, Minister, you know what? I don't think it's going to be productive for us to get into an argument about who we're hearing from, the stakeholders we're hearing from, but I will tell you, for the record, that I am hearing something completely and totally different from the stakeholders both in culture and in tourism. But that's fine.

One final question, Minister. There was an increase, as you mentioned, of \$5 million to the Alberta Foundation for the Arts, but at the same time we had a \$3 million decrease to the Alberta media fund. Now, you made some reference to that being offset by the tax credits available through the investor tax credit fund, but I'm curious to know, on the \$3 million reduction to the Alberta media fund, what specific programs or recipients are going to need to be cut as a result of that reduction.

**Miranda:** Well, I think when we're looking at the overall budget, we're looking at a \$34 million commitment that is still being made to the Alberta media fund. I think that we need to figure out a way going forward to ensure that this fund is sustainable. It's actually also, in my opinion, one that we need to further discuss with stakeholders. I know that it creates jobs, and I know that it does all the positive things that we need it to do. So we're going to be continuing to work on a strategy going forward.

**Dr. Starke:** But it's down from \$46 million two years ago. Is that trend going to continue?

**Miranda:** Well, there was actually a one-time \$11.5 million increase to meet existing commitments from Budget 2016. For Budget 2017 we were able to secure a total of \$8.3 million in additional funding.

**The Chair:** I hesitate to interrupt, Minister, but as was discussed at the beginning of the meeting, we will now proceed to a five-minute break and return, according to my watch, at 19 to 11.

[The committee adjourned from 10:37 a.m. to 10:42 a.m.]

**The Chair:** All right. We'll call the meeting back to order here.

We're now proceeding to the independent members in the rotation. Seeing that Mr. Clark from the Alberta Party is the only member present, we will proceed with him. Would you like to go back and forth with the minister and share your time?

**Mr. Clark:** I would like to go back and forth if that's all right with the minister.

**The Chair:** Okay. Please proceed.

**Mr. Clark:** Thank you very much, Mr. Chair, and thank you, Minister. It's always a pleasure to have an opportunity to dig into your department, one of the more interesting ones in government. I guess I'll just start with perhaps some perspective I bring to this, which is my favourite quote from Winston Churchill. When he was presented with a plan to cut arts funding during the Second World War, he said: what are we fighting for? I think that has some relevance to where we find ourselves in this province today. I think

that a lot of what you do in your ministry is important not in spite of economic challenges but perhaps because of economic challenges. We have some opportunity here, I think, to generate economic activity but also to ensure that Alberta remains culturally vibrant and that the quality of life remains high and becomes even more so.

I'm going to start with the business plan on page 37, and I'm going to start with outcome 2, that tourism and the cultural industries are key drivers of Alberta's economic diversification. I note that of your six key strategies, the first four are tourism focused. I think that my hon. colleague from Vermilion-Lloydminster here has done a very good job of talking about tourism, so I'm going to focus primarily on culture and arts, your two key strategies 2.5 and 2.6, but specifically 2.6, work with Economic Development and Trade on sector-specific initiatives. Can you just talk a little bit, please, briefly, about how you interpret that particular key strategy and what you intend specifically to do to achieve that strategy?

**Miranda:** Key strategy 2.6?

**Mr. Clark:** Uh-huh.

**Miranda:** Well, there is a pilot program for the interactive digital media grant that will be rolled out at the beginning of this fiscal year. In addition, there's a pilot for the postproduction digital animation and visual effects grant that is also going to be rolled out.

**Mr. Clark:** Okay. You know, one of the areas I think that we have some real advantage over the rest of the world is just on our geography. The world likes to come and film things in Alberta. But having said that, we need to ensure that there is infrastructure there to support that work. We have, quite literally, world-class crews here in this province, and it's very important that we keep them working. I guess what I'm interested in, just in terms of the focus of your department – you know, whenever I do estimates, the first thing I do is read the business plan to find out what the focus of the department, what the focus of the minister is going to be. Now, it's not incorrect in any way to have performance measures and performance indicators focused on tourism because that's a substantial economic driver for this province, and I hope the world comes to visit our province. But four of the five are focused exclusively on tourism.

The only one, on page 38, 2(c), that talks about cultural industries, then, has three bullet points. Within those three bullet points written and published works is one, audiovisual and interactive media is another, and sound recording. Within audiovisual and interactive media that then further breaks down into, I can only assume, things like gaming, things like television and film. So I guess what I'm really asking is – and within even a subset of that is the Alberta media fund. I guess it feels like the culture side, the cultural industry side, is really a second thought of your ministry. Is that a fair characterization? When I look at what the actual focus for your ministry is, it seems almost exclusively focused on the tourism side. Can you just comment on that, as to whether that's an accurate characterization, or if you feel that there's an opportunity perhaps to bring more focus to the cultural or creative industry side?

**Miranda:** You know, I don't think that it's an accurate characterization, to be fair, and the reason for that is because one feeds the other. When you have vibrant communities, when you have diverse communities, the expression of which is usually found through the arts, not always but often, you create the kinds of places that people want to visit and that people want to live in. When we're

talking about supporting cultural industries and we're talking about supporting artists in general, you're supporting the communities that I just described, the places that people want to visit.

Quite frankly, there is an economic side to this. Most often I've heard people, you know, express some frustration with government spending money in the arts. Like you alluded to earlier, I think it's always a great investment because it does promote well-being. It does promote quality of life overall, so I would not be in agreement with the characterization that there is no focus. Absolutely, there is, and we continue to work with all our stakeholders to ensure that we're providing services as best we can.

**Mr. Clark:** Thank you.

It's just interesting timing. Just this morning Calgary Economic Development sent out an e-mail newsletter, and they talked specifically about the budget. They gave their summary of the budget. One of the things they said is that the film and television industry in Alberta is, by their estimates, an about \$175 million a year industry, but they believe that could grow by more than twofold to a \$500 million a year industry with appropriate support. That would create 2,000 jobs. To me, from an economic diversification perspective, it feels like low-hanging fruit, and the numbers that we're talking about here in the grand scheme of a \$50 billion-plus budget are really not huge numbers.

I would like to focus most of my remaining questions, then, on the Alberta media fund itself. As has been pointed out earlier, it seems to be dropping year over year over year, and it seems relatively small in terms of what the opportunities or perhaps the demand that presents there. It seems like investment in film and television in this province is an opportunity for purposeful and meaningful economic diversification. It seems like a potential for a big win, actually. I guess my general opening question to you on that is: why are we not investing more? Why is there not a bigger plan there?

**Miranda:** Thank you. You know, I think that it bears reminding that when we're talking about this specific budget line, we've seen it grown from \$19 million in 2013 to \$24 million in 2014 to \$36 million in 2015, and now in 2016 it was \$37 million. As you mentioned, we have seen it drop in 2017 to \$34 million. We are looking at this particular industry and trying to figure out a way to support it in a way that is sustainable long term. There are different competing ideas, for example, as to whether it should be a tax credit or a grant, whether the cap should remain at \$5 million or not.

**10:50**

These other different things that come into play, I think, need to be explored further. They need to be assessed because it's not just a matter of putting in money; there also needs to be very strategic thought. There is a natural threshold in the province as to how many productions we can get because of the number of studio spaces, the number of crews that operate in the province, so there's a natural threshold that can be achieved. I think what we need to do is figure out a way that we can support it in the current economic climate and still be able to help it grow. That's what my intention is.

**Mr. Clark:** You talked about studio space. I'm going to jump ahead, then, to the Calgary Film Centre. There's a somewhat colourful, challenging history, I think, of that as it relates to the provincial government. My understanding is that there was originally \$13 million or more, 13 and a half million dollars perhaps, promised although there's some debate as to whether or not that was ever in writing. Regardless, based on that, I understand that the city of Calgary allocated \$10 million. Ultimately, though, in the fullness of time only \$5 million was provided by the province,

and as a result the city of Calgary through Calgary Economic Development carries some substantial debt. Therefore, there's some risk to that entire facility if future productions are not attracted. I guess I'm curious if you could just comment about your understanding of the status of the Calgary Film Centre and where Culture and Tourism, your ministry, sits and what your future vision is for that particular facility.

**Miranda:** I had the opportunity, in fact, to tour it on many occasions, had the opportunity to talk to those stakeholders as well. What we need to do to be successful in the long term is, again, to figure out a vision and a way forward to actually structure the specific grant that exists today to help this industry grow. I understand that there are questions, and I think that \$34 million is still a very healthy investment in an industry that we know is resilient and an industry that we know creates jobs. But the current economic climate is something that we need to take into account. I was given a budget target, and I believe that this is at this time the best possible outcome in order to continue supporting the industry while still working with them to find a way forward that is, again, sustainable and that helps us support them through the grants program.

We have a new one that is coming, *Tin Star*. It's a new production that's going to be supported through the grants program in addition to the ones that are being supported now. Whenever I hear about these opportunities, I do my best to ensure that we can provide the support within the budget that I'm allocated.

**Mr. Clark:** All right. So thinking big picture, though, of that \$34 million allocated this year, what percentage is backwards looking, dealing with backlogs in the past, and how much of that is truly forward looking?

**Miranda:** Well, it's kind of difficult to say because some productions that have started filming, for example, will split their production over two seasons. Others, because of the way that they're set up, will split the work and do some postproduction not in the province but will go elsewhere. We actually pay out the grant when we get the final product. Some of those we expect, for example, in this fiscal year won't be submitted until next, right? There's a little bit of flexibility there which, again, works with the stakeholders and the way that they're doing the work. It's a creative process in which sometimes temperament as well as other things come into play. Things get delayed and things get postponed and what have you. I don't have a specific breakdown, to be fair, because it depends which of them comes up with the final product and then submits it. Then we'll know what is in the current fiscal year and what isn't.

**Mr. Clark:** Okay. Talking, then, about that process for how those funds are allocated, I'm curious if you have a breakdown between the percentage of the funds that are allocated to large productions, things like *Fargo* and those sorts of large ones, versus much smaller productions and whether there's any effort to streamline or focus on sort of that 80-20 rule. You know, we should have 80 per cent of our funding and resources going to the 20 per cent large-scale production. Or is it really just: come one, come all, you know, and let's have a bunch of relatively small productions? I'm just curious if there's a focus coming from the ministry.

**Miranda:** The way that the system was set up is basically that anyone who qualified for the program would get the grant, right? If you met the criteria, you would actually get the grant. So what has happened and what I think we need to do is to have that very discussion that you're talking about. I think we need to be careful,

however, when we're having those discussions, in that some of the smaller productions are, in fact, what you would qualify as being more on the artistic and not the commercial side, right? We're talking about the larger productions. These are the Hollywood productions. The studios are coming in, from HBO to NBC, so they're much more commercial in scale. The smaller ones are much more from artistic development. Another is, you know, indigenous voices that are being able to express and produce and create content. I'm being told that the breakdown naturally happens to be that 80 per cent of the grants go to smaller productions, but the majority of the funds go to the bigger productions just because of the size, right?

**Mr. Clark:** Right. So 80 per cent of the grants by number go to the smaller productions, but 20 per cent of the dollars go to the bigger ones.

**Miranda:** Yeah.

**Mr. Clark:** Okay.

**Miranda:** And, again, it's a scale, right? It's not easy to compete with a Hollywood-sized production.

**Mr. Clark:** Right. Yes.

There's a cap, I think we heard earlier, of \$5 million per one production. Have you given thought to raising that at all, perhaps to 7 and a half million, to attract those larger productions, helping us compete with other jurisdictions in Canada like B.C., Ontario, others?

**Miranda:** Sure. What we've seen in other jurisdictions that have reached a threshold, for example, is that they've actually lowered their incentives because they have so much. They can afford to do that. With respect to the \$5 million cap, I certainly have heard from many who feel that it's not always adequate. But, again, I go back to the same discussion that I was referring to earlier, whether it is a commercial focus or it's an artistic one, right? From a cultural perspective, of course, you're still going to support the artists who are producing a lot of this content and not exclude them from this process while at the same time it's economic strategy on a go-forward basis. So how do we support that in a way that is sustainable, in a way that is long term, and in a way that it's not going to be, basically, responsive to the economic climate that you're in right now? Right? It's a question that has been at the forefront of this particular file for many years and one that I've given some serious consideration to, and I intend to continue doing just that.

**Mr. Clark:** Yeah. Given the opportunities, I think, to purposely diversify Alberta's economy, have you given thought to increasing that fund, to both looking at the process of how the funds are allocated to ensure that it's efficiently and effectively done but increasing that Alberta media fund to \$50 million, \$75 million? I mean, in the grand scheme of things – and trust me; I understand that we need to look after the pennies to ensure that the dollars look after themselves. I won't get into a debate about whether this government, on the aggregate, does a very good job of that, but when I look at opportunities for relatively small investment in the grand scheme of government, which would be a substantial investment from the culture, film, television, arts perspective, to increase it to, you know, even \$50 million or \$75 million from where it is now, it could have exponential effects, putting a lot of people to work, creating tremendous economic activity. Is that something that you will consider in future budgets?

**Miranda:** Again, I think that turning on the faucet is only part of the solution. Yes, you can put more money in and then thereby create some of these other benefits that you're talking about, but I think that in addition to that, the program itself needs to be revisited. It needs to be considered and put into a larger context because some production companies will need a larger cap. So is that something that we need to do? I want to look at both the program as well as the actual budget, the budget line itself.

**11:00**

Let me put it this way. There is a balance of all the different needs, and when I look at the arts and how I can support the arts, I can look at community development and community supports. Sure, I can take money from community grants and put it into this, but we're also supporting communities, and I don't think that you can put a value on how communities leverage the money that they get for community grants, right? There's a cost, and, you know, there's an offset that needs to come into play. This is the target that I was given, and this is the way that I believe I can best support this industry with the current economic climate, given the money that I've been allocated in this budget. I want to absolutely work with this industry to create a program that is going to be sustainable long term, and I would love to grow this industry because I know it has great potential.

**Mr. Clark:** Thank you. I guess I would really encourage you – and I understand that we're in difficult economic times – at the cabinet table to please advocate strongly for more funds because I do think it's important.

You talked about a strategy. Will we expect to see different key strategies in our business plan next year that reflect that strategy?

**Miranda:** Well, depending on where we are next year in terms of the budget targets, I would imagine so. But, you know, it's a little bit premature to start talking about next year's budget as I'm still trying to get this one passed.

**Mr. Clark:** I get it. Thank you.

Apologies for rushing you. I've got exactly one minute here. I just want to ask about your relationship with other ministries, Economic Development and Trade in particular. What's your relationship there from an economic development perspective? Perhaps some of this could happen in ED and T as opposed to specifically in your ministry. Are you working with Minister Bilous on these things?

**Miranda:** Absolutely. We sit on the same committee in cabinet, and these are the kinds of things, amongst many others, that we talk about, that we bring forward. We also have the ability to bring in other ministries as well when we know that there is, for example, an overlap of issues that we need to deal with; for example, parks and tourism sometimes will have the ability to have a discussion at the committee level to talk about things that we need to be doing to promote tourism. Absolutely. Economic Development and Trade is one ministry that drives a lot of these discussions.

**Mr. Clark:** Yeah. You said specifically tourism there, but I'm thinking as it relates to film and television, arts production as well.

**Miranda:** Oh, absolutely.

**Mr. Clark:** In my last few seconds here I would just really encourage you to look at the opportunities that present from an economic development and diversification perspective as well.

**Miranda:** I hear you.

**Mr. Clark:** Thank you for your time, Minister.

**Miranda:** Thank you.

**The Chair:** Excellent. We have two seconds remaining.

We'll move toward government caucus members. Would you like to share your time with the minister?

**Ms Fitzpatrick:** Yes. Absolutely.

**The Chair:** All right. Please proceed.

**Ms Fitzpatrick:** Bonjour, Ministre. Good morning, Minister. Before I begin my questions, I just want to say a very heartfelt thank you to you and to all of your staff for the work that you've done and for the outreach that you have done throughout the province. I hear about it in my constituency fairly regularly, and I truly appreciate that.

Now for my first question. I'm happy to hear that you've maintained your commitment to stable funding to Travel Alberta. It is important that they can continue to deliver effective domestic, national as well as international tourism marketing on behalf of our government and the entire tourism industry.

I found some stats for 2015 which were quite exciting to me. About 900,000 people visited Alberta museums – and I'm certainly one of those – and heritage sites. This is an increase of almost 45,000 people from the previous year, which is great news as tourism dollars are always welcome. So I thank you for protecting and maintaining the stable funding in these tough economic times.

In reference to page 69 of the 2017-18 government estimates can you tell me a bit more about how Budget 2017 is supporting the growth of Alberta's tourism industry, and what is included in lines 7.1 to 7.4?

**Miranda:** Thank you, Member. As we continue to expand and open access to new markets for our province for tourism, we continue to diversify our economy, create new opportunities for business and good-paying jobs for Albertans through strategic investments in areas like tourism and the cultural industries. My team and I are very, very proud of the work that we're doing to support this. We know that tourism has remained strong, with record numbers of leisure travellers visiting many of our province's favourite destinations.

Although the current fiscal situation has necessitated a slight decrease in tourism funding, the allocation of \$60.8 million for tourism marketing and industry development remains amongst the highest in the country. In addition to the \$49.2 million to Travel Alberta marketing, the budget provides \$10.8 million to the tourism division for continued support of tourism development and programs and services. Industry development efforts continue, with a focus on our industry partners and stakeholders, to create new and expanded attractions, destinations, and experiences in lesser known and visited regions of the province, like the badlands, the Castle, the David Thompson region, Lakeland, and, of course, northern Alberta.

We're working very closely with seasonal diversification as well for Alberta-known destinations such as Banff, Lake Louise, and Jasper. We want to focus on visitation of those regions in the less busy shoulder and winter seasons. But as I mentioned before, Travel Alberta does a superb job of leading the work that we do in the tourism area. Certainly, a lot of the other jurisdictions look to Travel Alberta as a leader and innovator in this area.

**Ms Fitzpatrick:** Thank you very much, Minister. As this government works to diversify and grow our economy and tourism as an

important part of a vibrant economy – and I can certainly say that in the Lethbridge area tourism has been significant in terms of keeping our economy balanced in that area of the province – something that's mentioned on page 37 in the ministry budget plan gives this industry a long-term project. If I recall, at one point we had a tourism framework, as Dr. Starke had mentioned. We are still aiming for the \$10 billion tourism industry by 2020. Is that correct?

**Miranda:** We are absolutely looking to go beyond the \$10 billion, right? Everything we do is going to work towards that. I think that we have a great opportunity here. When it comes to economic diversification, the opportunities are endless. It's a matter of working with industry partners. It's a matter of having ongoing discussions with different departments and different ministries to see how all of us can support a strategy on a government-wide basis. To me, I think part of the work that we do in cabinet and in policy development is exactly that. How do we remove barriers to tourism that may exist, that some of our stakeholders are bringing forward to our attention or may bring forward to our attention? How do we support an industry that has shown such resilience even in these tough economic times? It's the crux of the work that all of us are doing every day.

**Ms Fitzpatrick:** Thank you very much.

**The Chair:** Please proceed.

**Mrs. Schreiner:** Thank you, Mr. Chair. Good morning, Minister. I as well would like to echo my colleague and thank you and your staff for all the hard work that you've done over this past year and all of your outreach work. I'd especially like to thank you for coming to visit the third-largest city in Alberta, the dynamic and vibrant city of Red Deer. Thank you for that.

One of my questions. While Alberta has begun to emerge from one of the deepest recessions to hit the province in decades, our government remains committed to building a more resilient economy, investing in long overdue repairs of our schools, hospitals, and roads and bringing down the deficit thoughtfully and prudently. It's great to see that heritage, culture, and tourism is protected, so thank you, Minister. How will Budget 2017 aid the key strategies outlined on page 37 of the ministry business plans and bolster the tourism industry?

**11:10**

**Miranda:** First of all, thank you again. I'm always happy to be able to visit all of the different areas of the province and to learn every time I go to a new place. I know the member from Ponoka – when we had the opportunity to visit, I learned some really interesting things. Everywhere I go in this province there's something new that is yet to be explored and we get to highlight, which is the best part of the job, I think.

We're very happy to be able to protect heritage and culture in the tourism budget and also increase it by \$11.4 million. The industry continues to offer one of the greatest opportunities to diversify our economy and provide economic growth across a broad cross-section of subsectors at the same time. The ministry continues to adapt in the tourism industry development and marketing priorities to address the key opportunities that are emerging. In this year's business plan we will be focused on initiatives that will help well-established tourism destinations like the Rockies seasonally diversify their tourism offers and experiences, in essence growing the shoulder and winter seasons. For less-established destinations tourism development focus will be placed on agritourism, cultural attractions, indigenous tourism, development in outdoor and nature-based tourism opportunities.

In addition to that, there is also some work being done with Franco tourism as well, highlighting. One of the things we are learning is that a lot of the French-speaking tourists that come to Canada will stop in Quebec because they don't see anything beyond that. Of course, we are trying to change that because there is a lot of that history, a lot of that culture here that we can use to attract them to our side of the country. We're going to continue working with that as an initiative to work on an Économusée in northern Alberta as well that takes the work of artisans and turns it into an economic opportunity as well as a museum of living history.

Like I said, all of these are going to be provided in a more defined way as we go forward. Of course, we have Alberta Open Farm Days as one of our signature events, that promotes culture and tourism by inviting visitors to farms and ranches across the province to experience the sights and sounds and the tastes of rural Alberta.

In addition, we have a recent partnership with the Aboriginal Tourism Association of Canada. One of the things that I constantly hear from stakeholders is that they're looking for authentic experiences, indigenous authentic experiences. Those, of course, have to be community driven and community imagined. To the extent that we can provide support, we are doing that, but in the end it's going to be a community-based, community-driven product but one that we know has a lot of potential, especially because people want to have that authentic experience when they go. They don't want to just go and see it; they also want to live it, experience it, and breathe it. All those things together I think are very exciting particularly.

We're focused as well on delivering programs and services that enable tourism to grow in communities such as supporting tourism entrepreneurs and investment attraction. The visitor service innovation fund, the visitor-friendly program, and the implementation of visitor readiness programs all support that vision. In addition, Culture and Tourism is leading in the development of an overall tourism strategy in the Castle region to help support and grow the tourism in the region, that has very much a potential for a lot of growth in the years to come.

**Mrs. Schreiner:** Thank you, Minister. Alberta certainly has a lot to offer both to Albertans seeking out something new or different and to Canadians and foreigners. It seems like there's always something unknown waiting to be discovered and enjoyed.

In already popular areas such as the mountains or Sylvan Lake we've seen a lot of growth, but I wonder: are there any potential areas you are looking at as new tourism hot spots, and can you tell us how this is reflected in the business plan or estimates, please?

**Miranda:** Sure. Thank you. Again, like I mentioned before, there are so many different opportunities in this province, a lot of new products that are emerging as well to highlight the ones that are already well established. Over the last few years we have worked with small communities south of Calgary to discover the cool side of Alberta with adventure tours, which are fully loaded with nature, sightseeing, shopping, recreation, and new flavours. It's called cool little towns, an initiative that draws visitors to explore the history, culinary, and outdoor experiences that they offer.

Of course, we continue to provide support for tourism development in other destinations, including the badlands, central Alberta, and the Lakeland region in the northeast. Initiatives that continue to help grow tourism in these regions include support for cultural- and nature-based experiences in the badlands such as sparking the growth of pheasant festivities, programming and development at the Galt Museum, and development of local ice-fishing derbies.

We continue to work with Travel Alberta and the tourism industry to encourage visitors to travel beyond the mountain parks, which are, of course, beautiful – they serve as an anchor – but we want to encourage them to discover the hidden gems, that you were referring to, throughout the province. Travel Alberta offers a variety of itineraries by which to explore Alberta, including the six-day Alberta's roadside attractions, an itinerary that allows visitors to explore the world's largest Easter egg and other things. Another itinerary allows visitors to explore the Rockies and the Jurassic discoveries in Alberta in the iconic Canadian badlands, including Dinosaur provincial park, Drumheller, and the Royal Tyrrell Museum of Paleontology as well.

So all these different things, I think, are very much in keeping with the objectives that we've set out for ourselves: to promote tourism and to continue leveraging the mountains, which really are something that we are known for, that attracts people here. We want to make sure that they get to see the rest of this beautiful province – north, south, and central – as well.

**Mrs. Schreiner:** Thank you.

**Ms Fitzpatrick:** Mr. Chair.

**The Chair:** Please proceed, Member.

**Ms Fitzpatrick:** I apologize for not going through you the last time.

Minister, in addition to tourism, this province has an incredibly vibrant and growing arts sector, and it's certainly evident in Lethbridge. When I took in the school art show at SAAG, I was totally blown away by the amazing, thought-provoking art. We have some people that will be highlighted nationally and internationally, I am sure, and I certainly invite you to the next time they do their show.

Now, back to my question. We know that art is an important part of our society, and it's great to see that this government is continuing to support this in the province. Line 3.5 on page 68 in the government estimates package shows that there is an increase for the Alberta Foundation for the Arts. I think this was an election promise. Could you share additional details on this line item, please?

**Miranda:** Thank you. Yes, we do have amazing artists in this province, and I'm very proud that we continue to support them. We actually have one of the largest indigenous art collections in the country, to the point where the art gallery of Canada has come to us to borrow some pieces because their collection is not as extensive as ours.

The Alberta Foundation for the Arts does a magnificent job of supporting arts and artists in this province, something that we can all be very proud of. We did have an election promise, a commitment that we had made, to increase funding for the arts in Alberta, so in this budget you will see that reflected as a \$5 million increase to the Alberta Foundation for the Arts. With this increase, annual assistance funding to the AFA will be \$31.6 million, which maintains our position among the leaders in provincial per capita funding for the arts.

Again, it's something that I think all of us can be very proud of. We do have amazing people telling Alberta stories and telling them from our perspective, from our lens. Personally, I take great pride in that. Most of us have seen some of that work reflected in various offices in the Legislature. It's something that I think provides and contributes to the quality of life of everyday Albertans because they come into contact with something that they had perhaps not envisioned in a particular way. Art and artists can have a huge impact. It can tell really fascinating stories in very, very short

periods of time and very compelling stories that, I think, highlight everything that we have to say about our province, which is a lot of beautiful things.

**11:20**

**Ms Fitzpatrick:** Thank you. You will certainly see, when the new bags come out at the liquor store, an evident picture from Kimberly Crowe from LCI in Lethbridge, who won the contest, so look forward to that.

On page 35 of the ministry business plan you note that one of the outcomes for your ministry is: "Vibrant communities and diverse cultural opportunities enhance Albertans' quality of life." How does this increase in funding support the strategy identified on page 36, line 1.4?

**Miranda:** Well, as I mentioned, again, it supports the work that the artists are doing. When you get to tell stories about the communities you're from or the places that you're visiting, I think it's important to have those vehicles, and the support that we're giving is going to help in that regard, right? I think that, overall, what our government is doing is ensuring that people, artists especially, have what we can provide in these economic realities that we're in and can still fulfill something that we've set ourselves to do. Overall, I think that it contributes to the well-being of communities when you have vibrant arts.

Listen – and I've said this before – people don't go to Paris because they want to go to the business district although it's very important for industry. People go and visit Paris because they want to see Montparnasse, you know, the cultural areas of the city. I think we have very vibrant arts communities everywhere in this province. I've seen it personally long before I was in this role. I've partaken of some of the festivities as well. It continues to grow. When you have those vibrant communities, when you have the supports that they need in order to create those spaces to tell those stories, I think it's very important and something that I'm very proud that we as a government can continue to support.

**Ms Fitzpatrick:** Thank you.

**The Chair:** MLA Schreiner.

**Mrs. Schreiner:** Thank you, Mr. Chair. Minister, we know that the role of your ministry supports a number of projects and programs, including facilities, and over the years we have certainly heard from a number of organizations looking to develop or expand facilities.

**The Chair:** I hesitate to interrupt, hon. member.

Before we resume with the next rotation, I think we've all been seeing sort of on our newsfeed an incident that's been occurring in London outside of the U.K. Parliament. With the indulgence of the committee, I would ask if we could all take a moment of silence and rise to support our Commonwealth colleagues over in the U.K.

Thank you, hon. members. We will now resume the 10-minute rotations, and this will move over to the Wildrose caucus. Would you like to continue to go back and forth with the minister and share your time?

**Mr. Orr:** Please, Mr. Chair, if that's possible. Thank you.

**The Chair:** Okay. Please proceed.

**Mr. Orr:** Maybe I'll just pick up where we kind of got interrupted last time with regard to concerns about competition and the need to keep things affordable in our international and world-wide competitive market. On page 31 of the annual report it shows that while the room rates for Alberta hotels have gone down, the actual

daily room cost or room rate increased by 8.4 per cent. Of course, with the carbon levy and a couple of other issues, the costs for Alberta tourist product providers are going up substantially. So my question is: under the climate leadership plan, as it moves forward and evolves, do you see any possibility of either benefits or rebates to assist the culture and tourism industry, whether that be industry or the nonprofit, voluntary sector, with the increased costs that make them maybe not so competitive directly because of the carbon leadership plan?

**Miranda:** I believe that the answer to that is twofold. First of all, as you know, the climate leadership plan is something that has allowed us to get pipelines approved, two of which have been approved, something that we believe . . .

**Mr. Orr:** I'd like to stay focused, though, on: are there going to be any benefits to the culture and tourism businesses?

**Miranda:** I was getting to that part. I do believe that in this particular budget you saw at least one line item in which we have put funds from the climate leadership plan towards heritage preservation. It's not a lot of money, but I'm going to continue to look for opportunities by which we can support the industry continuing to grow and find ways in which we can, you know, make it in keeping with the objectives of the climate leadership plan.

**Mr. Orr:** Right.

Change of subject. I think that this is an important one for us to talk about. On page 76 the transfers from the government of Canada are what I would like to talk about, particularly from Canada culture. Over the last several years – actually, this is a long-standing issue – the Canada Council for the Arts has provided roughly \$8 million to Alberta, which represents 5.9 per cent of their total funds. Given that Alberta has 11 per cent of the population, if this money was allocated based on population, the amount of money we receive would jump to over \$15 million. In an economically difficult time, in a situation where as minister you're trying to fund the arts and the community issues that are important, what is your ministry going to be able to do to increase our fair share from the Canada council, to advocate for equitable funding from the federal government for the Alberta arts community, both for the institutions and for the actual artists themselves? The numbers even get worse when you look at the grants given to individual artists.

**Miranda:** The transfers from the government of Canada that are noted in the revenue section represent transfers to the Francophone Secretariat, the Alberta Sport Connection, and the historic resources fund, particularly. So in that specific line I would say that the implementation of French policy is exactly aimed at increasing our fair share of revenue for that because we do have one of the largest or at least the fastest growing number of French speakers in the country.

With respect to the other ones, absolutely, we need to talk about how fairly and equitably we can see some of that funding come to our province.

Specifically, right now, like I mentioned, I'm concentrating on advocating for and negotiating a new language framework and funding through the Francophone Secretariat, which is where I can see immediately being able to leverage the money that we currently receive to be much more in line with the population of French speakers we have in the province.

**Mr. Orr:** Well, I would just like to emphasize that I think that's an extremely important issue. I do appreciate the work you're doing on that, but when the reality is that – and I admit that my numbers

are a little bit dated. I just got this a few weeks ago, and I've been so busy. I'm going to increase them to current figures. But when we look at the Canada Council for the Arts funding to Alberta compared to population, we're only getting, like I said, 5.9 per cent of what would be our fair share. That would be an increase from \$8.4 million to \$15.7 million, an 87 per cent benefit to Albertans and to our culture situation here in Alberta. For Alberta artists, as I said, it gets worse, down to 4.4 per cent. That's all they're getting of what would be fair. The truth is that the trend is, I think, to an even greater increase in the disparity. So I'd really like to know that your department is going to be lobbying for Albertans with regard to that federal money that really does belong to Alberta artists.

**Miranda:** I can tell you that we continually and always promote and advance Alberta and Alberta interests at every possible turn and every possible opportunity, and that will not change. In fairness, it's something that has been the main focus for many years. I don't see that changing. In fact, one of the reasons why we're implementing this new policy is to give us better leverage at the bargaining table.

**Mr. Orr:** Okay. Thank you.

Change of subject. Which line item would cover funding for legal defence in the Department of Culture and Tourism, or is that covered under a different department? If it's covered by the department, how much?

11:30

**Miranda:** Okay. That is actually covered by Justice.

**Mr. Orr:** Okay. I wondered. I had to ask. So there's no money coming from the department for that.

I'd like to relate it to – I'm not changing subjects here – the business plan, page 36. Item 1.1 talks about the United Nations declaration on the rights of indigenous peoples and the desire to restore sacred ceremonial objects. I realize the importance of the sacred ceremonial objects, and I think that's been dealt with. But in order to comply with the United Nations declaration, it's much more than that. It includes the issue of sacred and historic sites as well. What is the government doing to work with native peoples to resolve some of the issues over sacred site recognition? Particularly, I understand that on February 7 there was a human rights complaint filed that names Alberta Culture and Tourism as well with regard to those sites.

**Miranda:** First off, I think that we've developed a very good opportunity for discussion on the issue of sacred ceremonial objects. All ministries have been given direction by the Premier to figure out ways in which we are going to be honouring the UN declaration and the truth and reconciliation. Both of them actually talk about the rights of indigenous people to have those ceremonial objects repatriated so that they may in fact practise in recognition, of course, of their spiritual and religious tradition, that also includes sacred places.

Those discussions are ongoing. We are developing different regulations for different nations right now for their repatriation. We're engaging with different nations to see that we are being respectful culturally of what their focus is because the thing is that what may be sacred and ceremonial for one nation is not for another, so we can't really have a far-ranging, very high-level policy. It requires detailed work that we need to do. The Minister of Indigenous Relations is leading that discussion, and where appropriate and where indicated, different ministries are then brought to the table to discuss specific issues that relate to Indigenous Relations.

**Mr. Orr:** Well, I realize it's a massive subject area and that there are many opinions on all of it, but I do think that in some situations we could actually benefit both culture and tourism by maybe resolving some of those issues and actually recognizing them in a way that would be beneficial to everyone. I think your ministry can have some influence on that, which is why I raised the question. I encourage you to continue to work on that.

I bet my time is up.

**The Chair:** You have 40 seconds.

**Mr. Orr:** Forty seconds. I'll let it go.

**The Chair:** You'll cede your time? Okay.

We'll now move on to the third-party PC caucus. Would you like to continue to share your time?

**Dr. Starke:** If possible, yes. That would be great.

**The Chair:** Please go ahead.

**Dr. Starke:** Thank you, Mr. Chair. I'm still, I guess, wrapping my head around this whole notion that we're still working on developing measurements and metrics because, you know, again, the numbers that we rely on in this industry are important, and we are going to need to have these metrics developed fairly quickly. I'll give you an example, Minister, of why I think these metrics are so important. If you go to page 21 of the '15-16 annual report of Travel Alberta, it shows that our tourism levy dropped from \$91.5 million in '14-15 to \$79.9 million. I guess it's \$80.8 million in our report, so let's just say around \$80 million, a significant decrease. Yet the actual booked-room nights went from 1.15 million, instead of going down as was projected, to 1.36 million. That, to me, is a bit of a paradoxical trend. We're collecting less in the levy and have many more booked-room nights.

Now, clearly, that reflects a lower per-night room rate that is being charged in these difficult economic times, but it may be reflecting something else. It may be reflecting the influence of booking agencies like Airbnb or Expedia or TripAdvisor, some of the online booking. What I'd like to know is: what is your ministry doing to address the loss in tourism levy revenue as a result of the activities of these agencies?

**Miranda:** Well, to be clear, what we're going to do, as I mentioned before, is figure out a way to establish what the methodology ought to be. When you're comparing different jurisdictions, you need to have a common language, and I'm sure you can appreciate how that is very important to the discussion. Basically, the reason we are here today is because it has not been something that anybody has been able to agree on up until now.

With respect to the other question the tourism levy is presently collected on temporary and fixed accommodations offering four or more rooms and, as such, is a source of revenue for the government of Alberta. However, home-sharing properties such as Airbnb and VRBO do not presently collect or remit the 4 per cent tourism levy. Although these are a relatively new source of visitor accommodation in Alberta, home-sharing businesses do provide another option for visitors travelling within our province, and at this time the ministry is still analyzing the issues surrounding home sharing and its effect on the tourism industry.

**Dr. Starke:** Okay. Well, I think it is something important.

Now, on that same page, actually, it's interesting that those statistics show up at the bottom of a page that deals specifically with China. Here again, you know, I'm going to emphasize the necessity



of metrics, but according to the most recent year's statistics, and that's 2014, we had 91,000 Chinese travellers which spent \$71 million, which is almost a doubling from 2013. I know that since then, of course, we've developed a direct airline through Hainan Airlines. I guess my question to you is: what specific measures have you taken or has your department taken with regard to reaching out to this potential, well, the world's largest, source of tourists?

**Miranda:** Absolutely. You know, I'm very happy to tell you – and you may know of this already – that the Minister of Economic Development and Trade included delegates on his last trade tour to China, tourism operators that accompanied him. We see tourism as part of our overall economic strategy, and that is the reason for this particular focus on that area. July 2016 saw the beginning of direct air services between Calgary and Beijing, as you mentioned. To complement this flight and ensure that our visitors from China have that memorable experience in Alberta, we're working very closely with our partners to help them become much more China ready by delivering industry training in China market readiness. Visitor services for arriving Chinese guests at the Calgary airport is a program that was also introduced, and Chinese language visitor services are now available at YYC from provincially funded travel counsellors. Of course, as the visitation from China continues to grow, we will continue to offer China market readiness to help industry adapt to this new market opportunity.

Of course, turning to the other side of it, which is the newly minted flights from Mexico, I'm very excited about that. As you know, the energy industry in Mexico is changing. As a result, they're looking for innovation opportunities. I think there are going to be a lot of trade opportunities, and I'm very excited about that particular opportunity.

**Dr. Starke:** Yeah. Minister, I compliment you on establishing that linkage. We spoke about that privately, and I think it is something that's very exciting.

I'm going to cede the rest of my time, Mr. Chair, to Mr. Gotfried.

**The Chair:** Okay. Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair, and thank you to the minister and your staff for being with us today. Following that similar line of inquiry with respect to air service, what is your department specifically doing to leverage these air service opportunities, more specifically with the high-growth markets, I would say, particularly the Asian markets? You had mentioned Beijing. I'd like to hear of any other initiatives going on with respect to that. Of course, Asia is a large continent, and Beijing is one airport. What other specific initiatives are you taking within your department?

**Miranda:** Thank you for that question. Yes, there are opportunities. The challenge there is that in order to initiate some of these ventures, you need to have an airline that is willing to take the work, right? It's one thing for us to promote a destination or a direct flight, but if the airline neither has the equipment to service the specific route or has no intentions of growing in that specific market, it becomes a challenge. So we have to work very closely with our industry stakeholders, especially the two international airports, YYC and Edmonton – and we do that – to see where we can grow opportunities. It's not always, of course, in passenger travel. There are also cargo opportunities that we need to work on, especially when we're talking about exporting goods and services.

Travel Alberta executes, of course, year-round marketing efforts to target international markets and to drive regional visitation and stay-cations as well. The work that you're alluding to is continual, and I'm happy to at least report progress on the one with Mexico.

That one, I believe, we have a great opportunity for business, especially within energy, and they've reached out to me.

11:40

**Mr. Gotfried:** Yes. Thank you, Minister. I applaud you on that one.

**Miranda:** Sure.

**Mr. Gotfried:** Having been in the airline business, there are robust statistics available through the airline industry on origin and destination statistics so that you can track where people transit through to get to various markets. I'm going to specifically reference the southern China market. We can say that Beijing and area is served. There are about 250 million people within about an hour of Hong Kong. Have you done any research on the origin and destination of traffic from southern China? And can you tell me if there are any initiatives going on with respect to attracting passenger traffic from Hong Kong, where we already have air cargo service?

**Miranda:** Well, I can tell you that also, having been 15 years in the airline industry, I understand it a little bit as well. From my time there I also learned about some of these things. The challenge, of course, is that a lot of this information is mostly proprietary in nature because there's a lot of competition that goes on, and some of the data is not always the most accurate or the most . . .

**Mr. Gotfried:** It's available for purchase quite readily.

**Miranda:** But it's not always the most accurate information.

**Mr. Gotfried:** It's very accurate. Sorry.

**Miranda:** In the work that we're doing right now specifically, we've worked with our industry partners in China, and they're actually going to be coming over to us and trying to work with us on an actual strategy on their end as well as ours. So trying to correlate more of that work is actually going to produce better results, in my opinion.

**Mr. Gotfried:** Minister, I'm going to correct you. That information is highly accurate. It's generated out of the reservation systems and is readily available beyond proprietary use. So I would suggest that maybe you encourage your department to seek some of that data. Some of it is real time.

I'm going to move on to . . .

**Miranda:** You're talking about passenger loads? Is that what you're talking about?

**Mr. Gotfried:** Yes. Origin-destination of traffic.

**Miranda:** Origin and destination.

**Mr. Gotfried:** I'm going to move on to some of my concerns about the economic downturn and air service. Can you tell me what your department is doing to mitigate the potential risk of loss of service given the downturn in outbound traffic, which could be a real risk to that traffic? What is your department doing to mitigate the risk of losing some of that air service? That could deeply impact us.

**Miranda:** Well, again, we're working with our stakeholders, especially the two main airports. We have a very good relationship with them through Travel Alberta. We're trying as well to monitor the market. As you know, it's a volatile market and sometimes is beyond any work that you can do. Having said that, as you can probably remember, even during the SARS years we still had a high

passenger yield into the province, into the cities of both Edmonton and Calgary, which have the international airports. So we know the industry is resilient, and we continue to monitor it. We continue to work with them, and when things come up, we try as best we can to address them and work collaboratively with them.

**Mr. Gotfried:** I would encourage you to try and work with them to package things . . .

**The Chair:** Thank you, hon. member.

We'll now move on to the government caucus's time. MLA Schreiner, would you like to continue to share your time?

**Mrs. Schreiner:** Yes, I would. Thank you, Mr. Chair.

**The Chair:** All right. Please proceed.

**Mrs. Schreiner:** Thank you. Minister, in addition to culture and tourism your ministry is also involved in the support and encouragement of sports and physical activities. In the ministry business plan on page 36, line 1.6, one of the ministry's key strategies is to support stakeholders. One provincially supported endeavour has been the 2019 Canada Winter Games in Red Deer and area. This will assist in local sports as well as boost tourism in the area. Minister, is the province still committed to the 2019 Canada Winter Games, and is there funding allocated in this budget for this event?

**Miranda:** Thank you for that question. Yes, we're still committed to the Canada Winter Games in 2019. Funding provided to Alberta Sport Connection has been decreased by \$1.7 million, primarily due to changes in cash-flow funding for the 2019 Winter Games. However, other than paying down this time-specific commitment, the Alberta Sport Connection budget has essentially been maintained.

Alberta's nonprofit sports and recreational organizations are also eligible to explore additional funding options available through Culture and Tourism through the community grants programs.

**Mrs. Schreiner:** Thank you, Minister.

There are obviously a number of areas of programming in recreation throughout the province that benefit from this ministry. According to performance indicator 1(e) on page 37 the percentage of physically active adults is increasing. A healthy Alberta is a good thing. Referring again to key strategy 1.6 of the ministry business plan, how is the ministry encouraging quality recreation and physical activity opportunities for Albertans?

**Miranda:** Thank you for the question. It should be noted that the majority of the direct programming for recreation and physical activity occurs at the local level. That being said, funding programs will be aligned with key outcomes related to the framework for recreation in Canada, which was mentioned earlier, in an active Alberta by encouraging clients and stakeholders and growth in services towards making more Albertans more active. Project grant programs will support community activity that encourages recreation and physical activity programming, serving underserved demographics with innovative approaches. Education opportunities and the goals of the framework and the outcomes of a more active Alberta will be provided to strengthen the capacity of the recreation sector. This will strengthen awareness of how recreation contributes to active, healthy, and vibrant communities.

I'm very excited to work with this new board of directors at the Alberta Sport Connection because they will bring a new set of ideas and energy to increase participation in sport throughout the

province, really, and make Alberta the premier sport development province in the country. The Alberta Sport Connection will continue to work with our stakeholders to implement the accountability framework assessment system for provincial sports organizations. Work will continue to pursue corporate sponsorship and create awareness of Alberta Sport Connection donation programs with host societies, encouraging local sponsorship as well. You know, the perspective that I feel these new board members will bring, especially being athletes themselves and having gone through this very same program we're talking about, the supports that Alberta Sport Connection provides to athletes and Albertans, period – I think they will be incredibly innovative and will bring a new perspective and a new, innovative way of delivering those same programs that we have to maximize the impact of the dollars that we have invested in this particular area on communities and on the overall health of Albertans as well.

**Mrs. Schreiner:** I agree. Thank you, Minister.

**Ms Fitzpatrick:** Minister, I believe that our nonprofit sector is vital to addressing the many needs of society and Albertans. These organizations are frequently at the core of many activities that we take for granted, including our many festivals. In fact, in Lethbridge at one venue, Galt Gardens, we had 21 festivals last summer. Can you please tell us how nonprofit sectors will be helped through this budget, and were we able to keep a stable budget for community grants such as the community facility enhancement program and community initiatives program?

**Miranda:** Thank you. The answer to the question is yes, community grants funding has remained strong at almost \$80 million to reflect the government's commitment to nonprofit and voluntary sectors. The following that I'm going to give you is a breakdown of how those work: \$38 million for the community facility enhancement program, \$24.6 million for the community initiatives program, \$2 million for the other initiatives program, and \$15.3 million for major fairs.

The funding that is there allows the nonprofit organizations throughout the province to leverage the funding that they are able to raise, and through the matching funding that the ministry provides, they're able to basically double the amount of economic impact they have in the communities. I cannot tell you enough about how these organizations are able to make communities vibrant, places that you and all of us, really, want to live and visit and spend time in and create opportunities for our artists to tell stories that normally they wouldn't have the venues for, for example. Certainly, for example, in Grande Prairie we had the first folk festival there, and k.d. lang, I believe, was the headliner. We were able to showcase Alberta talent in really amazing new ways. All of these things are because of the support that we have at the community level.

**11:50**

We certainly want to see that grow because we know that ultimately it not only provides for a better quality of life in our communities but also attracts people from around the world, around the country, and around the province to visit these places and really learn about the heritage and the culture and the history of all the things that we have to offer. Really, you cannot put a price on that; it's the benefit that it has at the community level in the resilience of young people; creating the spaces for our seniors to be active, to be engaged in our communities; for new Canadians who don't know our history. You know, I benefited greatly from the opportunities that I had growing up and being able to participate in different cultural events that allowed me to learn an appreciation and a love

for the heritage of our province and the history of our province, the great love that I feel for the province and the people here.

All those things are, I think, something that you cannot really put a monetary value on but has an absolute economic benefit to all of us by creating those opportunities, creating those spaces. You know, what it really comes down to is: why would you live anywhere else?

**Ms Fitzpatrick:** Merci, Ministre.

**The Chair:** Mrs. Schreiner.

**Mrs. Schreiner:** Thank you, Mr. Chair. Yes, k.d. lang at one time lived in the beautiful city of Red Deer, I have to add. [interjection] She went to Red Deer College, yes.

Minister, we are hearing a lot across the country and this province about the upcoming 150th anniversary of our country. On page 36 of the ministry business plan strategy 1.4 is to "lead the provincial role in Canada's 150th anniversary." Can you answer for us if the government is providing funding for Canada 150 events and activities, and which line items reflect this grant, please?

**Miranda:** Thank you. Yes, we absolutely are. We're very proud to join the rest of Canada in celebrating this beautiful milestone, of course recognizing that although we're talking about 150 years of Canada, this nation has existed for a far longer period than that and recognizing the indigenous people who have inhabited this province for a lot longer than 150 years.

The government has announced the creation of an Alberta Canada 150 grant through my ministry. The grant will be funded through the reallocation of existing resources within the community grants program. Eligible nonprofits can apply for funding of up to \$25,000 to support projects that reflect one or more of the four themes of diversity and inclusion, reconciliation of indigenous and nonindigenous Canadians, engaging and inspiring youth, and connecting Canadians with nature and raising environmental stewardship. As long as the project itself meets one of those four criteria, they would be eligible to apply.

We reduced the amount of the matching contribution from it being 50 per cent to \$150.

**The Chair:** I hesitate to interrupt. The final six minutes will be allotted to the Wildrose caucus.

**Mr. Orr:** Thank you, Mr. Chair. If I may, with your permission and the minister's agreement, may we just read questions into the record and let him provide the answers later?

**The Chair:** Yeah. Please proceed.

**Miranda:** So do you want to split five and five then? Five minutes and then I'll be able to do five minutes back?

**The Chair:** Yeah.

**Miranda:** Okay. We'll split it half-and-half then.

**Mr. Orr:** I just meant that you can provide the answers any time later because we're going to run out of time.

**Miranda:** Okay.

**Mr. Orr:** First question in regard to the Premier's council on culture and tourism: just wondering how many times it's met, how much it cost this year, and if there are any deliverables you've been able to receive from that group.

**Miranda:** I can tell you that there were no meetings, and there were no costs because there were no meetings this year.

**Mr. Orr:** Fair enough. Thank you. Solves that one.

Secondly, with regard to the business plan, page 37, key strategy 2.2 talks about: "improve access to land to support tourism entrepreneurs and investment attraction." My question to you would be: what are you doing to improve access to land? I've heard from a number of different economic development agencies about businesses who have tried and have been completely stymied either by municipal, environmental, parks, or somebody. It just doesn't happen. They give up, and nothing has happened.

**Miranda:** I alluded to this earlier. The economic development committee: we have asked the minister of environment to come in and talk to us to address some of these concerns that I, too, have heard. Part of it has to do with the terms for lease land that some of these places have. I believe that we need to address that because they need to actually have an economic benefit in order for them to be viable. If there's anything that we can do to address that, we should, and we are working towards that.

**Mr. Orr:** Well, the ability to get new leases to create new, diversified businesses is almost impossible.

**Miranda:** That is part of the strategy that I was referring to. I do agree that it's important, and we are committed to working on that.

**Mr. Orr:** Okay. Thank you.

In the strategic plan on page 6 it mentions that "the Alberta Jobs Plan creates new opportunities to diversify and build on the province's strengths," and then it includes "tourism and cultural industries." What specific opportunities with regard to tourism and culture only are being targeted there?

**Miranda:** Again, it's exposing our different destinations to investment funds by also creating opportunities through tax incentives and the pilot projects that we have implemented as well through tourism. All of these things contribute to promoting tourism; for example, taking a more active approach when it comes to the delegations that we take overseas and actually including tourism partners in those. So part of our economic strategy includes tourism at every opportunity that we have.

Again, with the arts it's the same situation. We have a lot of artists here producing a lot of really amazing products, and we're trying to get them the exposure that they need on the world stage. Economic Development and Trade has those offices throughout the world, and it's where we leverage.

**Mr. Orr:** Okay. Again, back to the business plan, page 37, key strategy 2.6. You talk about a cultural industries grant pilot program. I'd just appreciate a few details on that one.

**Miranda:** Sorry; one more time?

**Mr. Orr:** A new cultural industries grant pilot program.

**Miranda:** Yes. As you know, we announced the CITC. The CITC pilot grants are expected to benefit small to medium-sized businesses working with Alberta's postproduction, visual effects, digital animation, and interactive digital media by helping to offset some of the costs of hiring the labour. We did that in consultation with the postproduction and interactive digital media sectors. A grant maximum of \$200,000 per company was set to maximize the funding that we have. And we're hoping to support up to 60 full-time job positions. Through the postproduction grant we anticipate

supporting as many as 80 projects. The total will depend, of course, on the size of the projects that apply for the funding.

**Mr. Orr:** Okay. Performance measure 1(d) on page 37 of the business plan shows a decrease overall year by year for Albertans who feel that arts are an important activity to their quality of life. What is the ministry doing to be able to improve that measure?

**Miranda:** Well, I mean, when you're looking at the number, it holds pretty steady. We're talking about 1(d), right?

**Mr. Orr:** Yeah.

**Miranda:** Yes. When you're looking at '15-16, it's 93 per cent, and when we're looking at it from '17-18, it's 94 per cent; and 95 per cent in the outlying years. So it's holding pretty steady. The target has been set at 94 per cent based on the average results over the last five years. The results are expected to increase, of course, with the opening of the new Royal Alberta Museum and the Canada 150 celebrations and the completion of the Royal Tyrrell Museum expansion in 2018.

A 1 per cent stretch factor has been added to the '18-19 target. The results for this measure have been consistently extremely high, as I mentioned. The challenge in maintaining these perception levels is there. It would appear as if they're decreasing, but in fact they have remained and actually are pretty high compared to other jurisdictions.

**Mr. Orr:** Okay. Lastly, with the Castle region tourism plan strategy will there be a reconsideration of off-highway vehicles, and if not, what will be done to make up for the lost tourism revenue with regard to, you know, food, lodging, hotels, all that sort of stuff?

**The Chair:** I apologize for interrupting, but I must advise the committee that the time allotted for the items of business has concluded.

I would like to remind committee members that we are scheduled to next meet tomorrow, March 23, 2017, at 9 a.m. to consider the estimates for the Ministry of Agriculture and Forestry.

Thank you, everyone. This meeting now stands adjourned.

[The committee adjourned at 12 p.m.]







