



Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee
on
Families and Communities

Ministry of Culture
Consideration of Main Estimates

Monday, April 22, 2013
7 p.m.

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First Session**

Standing Committee on Families and Communities

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Kennedy-Glans, Donna, Calgary-Varsity (PC),* Acting Chair
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Standing Committee on Families and Communities

Participants

Ministry of Culture

Hon. Heather Klimchuk, Minister

Barry Day, Deputy Minister

7 p.m.

Monday, April 22, 2013

[Ms Kennedy-Glans in the chair]

**Ministry of Culture
Consideration of Main Estimates**

The Acting Chair: This is the final estimate. Welcome, everyone. I am substituting for Mr. Quest as committee chair this evening, and you will all be happy to know that I have consulted extensively with every party and with *Hansard* to make sure that I've got the order of the questions in the manner that your committee is familiar with. In this committee we have under consideration the estimates for the Ministry of Culture for the fiscal year ending March 31, 2014.

I'll remind you for the very last time that the microphones are operated by *Hansard*, so don't touch them. If you will, put your BlackBerrys under the table.

I'll invite my vice-chair here to start with introductions. Minister, if you would like to introduce your team when we get around to you, that would be wonderful. Thank you.

Mrs. Towle: Kerry Towle, MLA for Innisfail-Sylvan Lake. I'm on the committee but sitting as deputy chair for Heather Forsyth.

Mr. Jeneroux: Matt Jeneroux, MLA, Edmonton-South West. Thanks to all your staff for coming here tonight.

Dr. Brown: Neil Brown, Calgary-Mackay-Nose Hill.

Mr. Goudreau: Good evening. Hector Goudreau, Dunvegan-Central Peace-Notley.

Mr. Wilson: Jeff Wilson, Calgary-Shaw.

Mr. Pedersen: Blake Pedersen, Medicine Hat.

Mr. Bilous: Good evening. Deron Bilous, MLA for Edmonton-Beverly-Clareview.

Mr. Day: Barry Day, Deputy Minister of Culture.

Mrs. Klimchuk: Heather Klimchuk. I just want to acknowledge Barry Day being here; Shannon Marchand, my ADM of culture, community, and voluntary services division; David Link, ADM of heritage division; Brian Fischer, ADM of policy and strategic corporate services division; Pam Arnston, financial services branch; John Tuckwell, communications; Jeremy Block, my chief of staff; and Reise O'Hara, my executive assistant. I especially want to welcome all the members of the public here. Thank you for coming.

Mr. Casey: Ron Casey. I'm substituting for MLA Cusanelli.

Ms Jansen: Sandra Jansen, Calgary-North West.

Ms DeLong: Alana DeLong, Calgary-Bow.

Mrs. Leskiw: Genia Leskiw, Bonnyville-Cold Lake.

Mrs. Jablonski: Good evening, everyone. Mary Anne Jablonski, MLA for Red Deer-North. Welcome to the fabulous constituency of Laurie Blakeman, Edmonton-Centre.

Ms Blakeman: Thank you so much for that. Indeed, I do join my colleague from Red Deer-North in welcoming each and every one of you to the fabulous constituency of Edmonton-Centre. My

name is Laurie Blakeman. I am substituting for someone, and I haven't a clue who.

The Acting Chair: David Swann.

Ms Blakeman: David Swann? Okay. Thanks.

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

The Acting Chair: Thank you.

I'll just note, Mr. Bilous, that you're substituting for Ms Notley.

The speaking order. It's a two-hour meeting, so the speaking order may be a little different than what we're normally familiar with. The speaking order was approved by amendments to the standing orders. Before we go through the main estimates, I'll go through the standing orders that govern the speaking rotation. The standing order we refer to is 59.01(6) and (7), and here's the rotation for a two-hour meeting.

The minister or a member of the Executive Council acting on your behalf may make opening comments not to exceed seven minutes. For the next 40 minutes members of the Wildrose Party and the minister or member of the Executive Council acting on your behalf may speak. For the next 14 minutes the members of the Liberal Party and the minister or member of the Executive Council acting on the minister's behalf may speak. For the next 14 minutes the member of the NDP Party and the minister or member of the Executive Council acting on the minister's behalf may speak. For the next 14 minutes private members of the government caucus and the minister or the member of the Executive Council acting on your behalf may speak. Thereafter any member may speak in this order. Again, at that point in time we get to the five and five, so you can combine the time for 10. The order of that rotation will be: Wildrose, PC, Liberal, PC, ND. I don't know that we'll get that far.

Members may speak more than once, with speaking time divided equally between the member and the minister. A member and a minister may combine their time for a total of 14 minutes at the initial stage. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister.

Once the specified rotation between caucuses is complete and we move to the portion of the meeting where any member may speak, the speaking times are reduced to five minutes at any one time. Once again, you may combine your time for a maximum of 10 total minutes, and the members are asked to again advise the chair at the beginning if they wish to combine their time.

Two hours have been called for these estimates. I will not be calling a break because it is such a short meeting.

Committee members, ministers, and other members who are not committee members may participate. Members' staff and ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee.

Again, I welcome you, all. This is a wonderful, wonderful showing from your ministry.

As noted in the Speaker's memorandum of March 22, I would like to remind the members that during main estimates consideration members have seating priority. Should members arrive at a meeting and there are no seats available at the table, staff seated must relinquish their seat to a member.

If debate is exhausted prior to the two 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 9 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 in the Assembly for the benefit of all members.

Vote on the estimates is deferred until consideration of all ministry estimates has concluded, and that will occur later tonight in Committee of Supply. I haven't been able to say that yet.

We do have an amendment to be tabled by the Wildrose caucus. An amendment to the estimates cannot seek to increase the amount of the estimates 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 the amendment cannot propose to reduce the estimate by its full amount.

Vote on amendments is deferred until Committee of Supply on April 22, 2013.

Written amendments must be reviewed by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

With that, we now move to a very important part of this evening, which is the Minister of Culture's introductory comments for seven minutes. Over to you, Minister.

Mrs. Klimchuk: Thank you very much, Chair. Again, thank you to all of you for attending tonight, especially the members of the public.

I'm so pleased to be here with my fabulous key ministry staff to review the 2013 Alberta Culture budget estimates. Since I've assumed this portfolio, I've had the honour to travel around Alberta and see the vital role culture plays in this province.

As Albertans we all understand the importance and benefits of a strong economy. In 2008 culture-related industries were responsible for almost 3 per cent of Alberta's GDP, amounting to \$7.81 billion. Culture also plays an intangible but crucial role in building stronger families, stronger communities, and a stronger Alberta. Culture is the pride in our past, the joy of inclusion, the inspiration of creativity, and the imagination and optimism that lead us to build an even better future. We should never ever underestimate what this portfolio can do.

Budget 2013 for Alberta Culture, as for every other ministry, is about responsible change. It's about addressing today's fiscal challenges while maintaining our commitment to a strong future for our cultural sector. Achieving that balance has meant making some difficult choices. I know that these decisions will affect incredible, dedicated people whose hard work I've witnessed all across Alberta, so the choices have not been made lightly. Alberta Culture's 2013 total budget is \$219 million, including \$166 million for programs and services. This is an overall reduction of \$35 million, \$17 million in operational funding and \$18 million in capital expenditures, which reflects the completion in 2012-13 of funding commitments on some major projects like the National Music Centre in Calgary.

Our nonprofit, voluntary sector delivered vital community-based services valued at approximately \$9 billion annually. Grant funding to nonprofit and voluntary organizations remained significant in this year's budget at \$65 million. We've maintained the community facility enhancement program at \$38 million, and we've retained \$24.75 million in the community initiatives program. These are programs that have had a consistently strong impact on Alberta communities. The goals of these programs, helping communities to be inclusive and welcoming and helping

Albertans to reach their full potential, are recognized in the government's new social policy framework.

The Human Services minister, Dave Hancock, and I realize the importance of nonprofit, voluntary organizations in addressing local needs and are committed to working in partnership with the sector to better support its efforts. Funding is only a part of that equation. We will also maintain our very popular board development and capacity-building programs and the annual professional development conference for the sector, Vitalize.

Budget 2013 provides \$58 million for the cultural industries. Support for the Alberta Foundation for the Arts will remain unchanged at \$27.9 million. The AFA will continue to help artists to grow and provide a window on Alberta's rich culture for the world.

We'll continue to support and build upon Alberta's successes in film, television, and digital media to help diversify our economy, retain and attract skilled labour, tell more Alberta stories, and showcase our province to the world. In 2011 56 local and international television, film, and digital media productions received grant funding, including such projects as CBC's *Heartland* and AMC's *Hell on Wheels*. The industry employs about 3,000 people and was responsible for over \$400 million in economic activity over the last five years. Every dollar government invests in the industry results in trickle-down benefits for other industries, including hotels, catering, and building supplies.

7:10

One of the keys to future success is learning from the stories of our past. Budget 2013 devotes \$55 million to the preservation of our province's heritage. We've maintained the Alberta Historical Resources Foundation, which provides support to the Glenbow Museum, the Alberta Museums Association, Government House, provincial heritage organizations, and for the preservation of Alberta's protected historic places, at \$8.7 million.

Funding for Alberta's network of 19 provincially owned and operated historic sites and museums and the Provincial Archives has been maintained as well. We will continue to offer educational programming for young Albertans, the leaders of tomorrow. We are committed to completing as well construction of a new world-class home for the Royal Alberta Museum in 2017.

Budget 2013 retains \$1.2 million for the Francophone Secretariat. We remain committed to helping develop Alberta's franco-phone communities.

I mentioned some tough decisions. In order to achieve the savings to maintain core programs and services, the decision has been made to eliminate the community spirit program. The program provided proportional grants to organizations based on the amount of individual donations they raised. We will maintain an important component of CSP, one of Canada's highest charitable tax credits aimed at encouraging greater individual charitable giving.

The other initiatives program, which provides support for projects that fall outside the criteria of CFEP or CIP, has been reduced to \$2.7 million. OIP has generally supported larger scale projects like the Calgary 2012 cultural capital of Canada initiative and the World Cup triathlon in Edmonton as well as international aid efforts such as the Pakistan flood relief. While we will focus our resources on the needs of Alberta communities this year, we will continue to support the valuable humanitarian work of Albertans in developing countries, with \$687,000 available through the international development stream of CIP.

We've also made difficult choices in the arts sector. For some years we've provided funding through the major facilities operating grant to the Citadel Theatre and EPCOR Centre for the

Performing Arts to ensure our resources can support as many organizations as possible. The Citadel and EPCOR Centre will receive a final payment, allocated last year, to allow them to make the transition.

My ministry is working with our stakeholders to optimize their traditional funding sources and foster partnerships between the cultural and corporate sectors and with individual Albertans has developed new and innovative avenues of support.

Our renewed Premier's council will lead development of a long-term plan for growth and sustainability in our cultural sector. A recent call to fill vacancies on the council prompted 270 applications from Albertans of many backgrounds, a sure sign of the high regard Albertans have for culture.

Now, while the world knows Alberta for its energy industry, we know that our province was built as much by energy as by the imagination of its citizens. Every day people are coming to Alberta. They may come here to make a living, but they will stay to make a life. Culture is as important as ever to the well-being of Albertans and the growth and prosperity of our province.

With this budget we believe we have made the right choices for the future and for the benefit of all Albertans.

Thank you.

The Acting Chair: Minister Klimchuk, you had 13 seconds left there. Excellent start.

Mr. Pedersen, you've got 40 minutes, broken down into two 20-minute segments. You can go 10 and 10 block time with the minister, or you can combine your time.

Mr. Pedersen: Combine, Minister? Would you be okay with that?

Mrs. Klimchuk: Back and forth? Sure. That's fine.

The Acting Chair: I will interrupt you at the end of 20 minutes just to check in, okay?

Mr. Pedersen: Sure. Could I make a request that at five minutes remaining, you give us notice so that we can deal with our amendment at that time?

The Acting Chair: Absolutely. Thank you.

Mr. Pedersen: Okay. Thank you.

Well, thank you very much, everybody. It's great to see that the place is full. That's a fantastic start. Thank you to the chair, fellow members, Minister Klimchuk and staff plus all their guests, and anyone who is following live tonight on Assembly Online.

Minister, I do want to start off by congratulating you on your appointment to the Treasury Board. I know that senior ministries disproportionately subject to cuts must have been a difficult process for you to be directly involved in. I also want to say that in my meetings with stakeholders I have been hearing good things about your efforts, and you've done a really good job to repair the relationships that were somewhat tarnished by the previous minister. I think you deserve congratulations for that, and I hope that the cultural organizations will continue to be treated with respect.

As you know, my colleagues and I in the Wildrose Official Opposition have been advocating for responsible and sustainable spending from government, and my questioning tonight is in pursuit of just that. If I jump in at any point in time, please know that it is not a sign of disrespect. It is simply that with only the two hours we all have here tonight to go through estimates, I will ask to stop you if you've answered the question or it looks like it's going in a different direction if that's okay.

If there are any remaining questions at the end from either myself or any opposition colleagues, which I don't think is going to happen, I do hope that you will respond in writing. That would be very good, to see the answers to those questions. I know you're not always able to supply every answer tonight, so hopefully we will have the opportunity for you to obtain those answers down the road.

I do agree that there is a need to have the highest levels of accountability and transparency, so I hope you appreciate the direction of questioning that I go with tonight.

With that, Minister, let's talk about how we have seen in the past that there are cuts to this ministry partway through a budget cycle or, in the case of so many of our cultural organizations, partway through their funding cycle. How is the ministry going to ensure that this is not the case for our cultural organizations this year with this budget?

Mrs. Klimchuk: Well, thank you very much for the question. Just to clarify, I will most definitely be responding in writing to any questions that I don't have the answers to. This is my fifth budget, so I respect the process, and I will most certainly do that.

Your comment about the challenges with this budget. I know some of the things that we have to deal with. It's a tough budget, most certainly, and I know how hard the voluntary and nonprofit sector works. For me, the comment about people in the middle of the year: in this portfolio all of those cheques in the community spirit donation program will still be going out in May for last year. That has certainly not changed. That's not stopped mid-year. The other programs, the CFEP and CIP, are all continuing.

From the point of view of mid-year funding that's something that I don't support because it does not show respect to the organization, and that's something I work very hard on in terms of the bridging of financing for EPCOR and the Citadel Theatre. It's very important to give them a little bit to get ready for the next year.

I would maintain that everything I've done in this budget has been maintaining, certainly not mid-year stops, but if there is a particular situation you need to share, I'm happy to hear about it.

Mr. Pedersen: Okay. Thank you, Minister.

One of the big things that I'll be going after here is that we've seen a lot of the spending on program support increase, and in some cases it's about double what it was a couple of years ago. We're seeing decreases in funding for the actual programs, services to the front line, so to speak, yet your bureaucracy is asking for more money. How can you justify this?

Mrs. Klimchuk: Are you looking at a particular line, Blake?

Mr. Pedersen: Basically, you know, section 1 on page 36 and then all your .1 lines for your program support. I'm assuming that is what you would typically call staffing program delivery.

Mrs. Klimchuk: That's correct. I know there have been some changes there with respect to the operational expenses in my department. One of them, of course, was the addition of the press secretary position. The other ones refer to staffing and some of the range increases that all union employees are entitled to. There are some real things that all ministers have to deal with in all of their budgets, so that's why you're seeing the numbers a little bit higher there in the department.

Mr. Pedersen: Okay. Some of them are double, though, so it's a little bit tough to get the optics on an austerity budget, and I just wanted to raise that.

Mrs. Klimchuk: Well, I guess it would depend, too, on the experience of the individuals working in my department. I look at the individuals who work at the Tyrrell museum. Some of those folks have tremendous experience. I think in this portfolio you're going to see people with a lot of experience, so that's probably why you're seeing a little bit higher numbers.

Mr. Pedersen: Okay. Thank you.

The next group that I'm going to concentrate on is full-time equivalents, questions around them. This might be something that you might want to get back to us in writing; I'm not sure if you have it available. How many FTEs do you have in each of your six different program areas, and will you provide us with the number of FTEs in each individual line item if possible? I understand that you may have to provide this back in writing.

7:20

Mrs. Klimchuk: Actually, that was asked last year, so I've got it all ready for this year. In the ministry support areas there are 61.5. Sometimes we have part-time staff sharing positions. That's why you're seeing that number. Cultural industries is 54. Community and voluntary support services is 86. Heritage is 280.5. The Francophone Secretariat is 4.

Just going back to heritage, the number of staff there is because of all the facilities we run, but not included in there are the incredible volunteers that help work at all those sites. My department is supported by volunteers all across Alberta. I'm very proud of that. If you look at that number, that's a pretty lean number. I encourage all the volunteers that want to come and work at these sites because of the passion they feel for the history in Alberta that we have.

Mr. Pedersen: Okay. Thank you.

How many positions in the ministry are actually full-time, how many positions are part-time, how many positions are seasonal, and do you have any positions that are contract?

Mrs. Klimchuk: Four hundred and eighty-six are full-time.

Mr. Pedersen: Okay. Minister, how many management positions do you have within the ministry, and can you outline under which line each of them is classified as well as what their positions are if you have that breakdown? You may have to get a bit deeper into that.

Mrs. Klimchuk: I think that would be something I'd be happy to provide you with.

Mr. Pedersen: Thank you.

How many management positions in the ministry are eligible for performance bonuses or at-risk pay, if any?

Mrs. Klimchuk: Zero.

Mr. Pedersen: Perfect. Thank you.

I'm not sure if you know this, Minister, but what is your manager-to-employee ratio for each line item if you break it down?

Mrs. Klimchuk: We can check into that as well.

Mr. Pedersen: Thank you.

I'm just curious. What kind of employee turnover have you seen in the ministry? I know you mentioned you have some long-term people. If you have any turnover, are you taking any steps to ensure there is a productive and constructive work environment to

keep turnover costs down? Are you aware of any common reasons for departure from your staff?

Mrs. Klimchuk: I think I'm happy to say that in this department – I've been in the ministry now for a year and a half – what I've discovered is that there is certainly not a lot of turnover in this department. Typically you see individuals who have been here for a while and are quite committed to what they're doing. I would suspect that, you know, the employees that are working here – well, actually, the rate is 2 per cent, I've just been informed, so that's fantastic.

I think part of it is because this portfolio is so integral to almost everything we do here in Alberta. When I meet with the executive team or when we have the retreats and all those, I am just so impressed with what they come to the table with, what they have to offer. That's something that really supports me as minister, and I'm so honoured to have all of their support.

Mr. Pedersen: Thank you, Minister.

Next I would like to proceed into section 1, which would be page 36 of the big book. We have been seeing fairly consistent and dramatic increases over the last couple of years for both the minister's office and the deputy minister's office. Could you explain why this additional money is required and how it can be justified in these times that we call a time of austerity, please?

Mrs. Klimchuk: Well, I guess when you're looking at the numbers, of course, if you look at ministry support services 1.1 to 1.4, we are maintaining the same funding level in 2012-13 to 2013-14. Again, it goes back to some of the staffing and some of the union costs and some of the in-range increases that everyone is entitled to. So that's where you're seeing some of those numbers. You know, you're comparing the numbers of the forecast to the budget. At the end of the day, when we make our forecast, you always want to get as close as possible, but sometimes it doesn't appear that way. That's why you're seeing the difference in numbers.

Mr. Pedersen: Sure. I guess I'm just looking back to the year prior, you know, last year being what we would call a fairly optimistic budget that is being corrected this year. I think it's kind of that two-year spread that is most concerning to me in tonight's discussion. As you look at that, I think you can see that you're up about 21 per cent over the last two years. You've done okay going on a year-to-year basis, but last year being what I would call a higher spending budget, it doesn't really show an austerity-type measure.

Mrs. Klimchuk: I guess it goes back to my comment earlier about some of the staff that we have in place and the role they play and the longevity of the staff. I guess some of the programs that we're running: you look at the depth. My department touches almost every Albertan, whether you go to a historic site, whether you go to a theatre, whether you go to a recreation centre. At the end of the day the folks that are there are front and centre, working with Albertans, so it's a public face. It's a very public-facing portfolio, so I believe that for some of the things that we need to do, we have to encourage that we have those folks in place to support all the things that we run in this department.

Mr. Pedersen: Sure. I just see, you know, \$2.1 million, and in a time when we've actually seen you cut programs, it's just a little bit of an issue.

When you're looking at the overall section of the ministry support services, it has seen the substantial increases in recent

years. In the bigger picture you're actually doing less with more and telling our cultural organizations that they have to do more with less. How do you explain to them or expect them to believe that you have their best interests at heart when you're inflating your bureaucracy and cutting funding to the front-line services?

Mrs. Klimchuk: Well, I think part of it is that all through this last year's budget and the planning for this, one of the things that we've maintained is the community development officers. Eighteen of them do great work across Alberta. It's a free service that is provided to any nonprofit and voluntary organization, board development, you name it. To me, those are very important. We kept those, and those are strong support for the nonprofit voluntary sector, for which there's no cost for any of those services.

Your comment about less with more or more with less: I think that part of the challenge with that is that when you have events like the Culture Forum and the respect that I have for the organizations, when I go and meet with people face to face, I want to hear the good, the bad, and the ugly. That's very, very important to me. That's just part of the answer.

The other part of this cost is the increased investment in IT. We have a program called GATE, that manages the CIP and the CFEF programs. At the end of the day it's really incumbent upon me to make that process clear. When people apply, then we can get answers back to them. Staff spend quite a bit of time clarifying and helping people fill out those grants. That's very important to me because if you're having trouble filling out a grant, you should be able to call and get the answer you need. So, yes, from that point of view there is a bit more manpower and womanpower there because we have to be able to answer Albertans' questions.

Mr. Pedersen: Sure. Thank you.

Why would you need to spend so much on the communications budget during these times of austerity? I guess last year you talked about your staff using Flickr for posting pictures. There are new technology items being introduced on a regular basis. Would it not be better if you spent more time, staff doing that than spending their days on social media?

Mrs. Klimchuk: Well, I think, as an example, I'm kind of a little bit old-fashioned. I prefer face to face, but I also respect the use of social media through Flickr, through Instagram, through Pinterest, through Twitter, and you name it. To me, it's the balance, but at the end of the day when I look at the role of, again, the community development officers, that's all face-to-face things they do. They don't do that through social media. It's the balance of communicating with Albertans using social media effectively but also being available for them on a face-to-face basis.

As we all know, every day there's something changing in those areas, and if you have to update whatever you're doing, it's important that we keep ahead of that. For example, the Alberta Culture Days calendar, is a calendar that any group can go on and update, put all their events in it. That's a really powerful tool, but when you have tools like that, they've got to be maintained, and they've got to have the best information and most accurate information possible.

Mr. Pedersen: Thank you.

The Acting Chair: Mr. Pedersen, it's five minutes. You asked me to advise you when you had five minutes left.

Mr. Pedersen: Five minutes from the last, from the end.

The Acting Chair: You're five minutes from the first end.

Mr. Pedersen: Thank you very much.

The Acting Chair: You're welcome.

Mr. Pedersen: I appreciate that.

The Acting Chair: I play football.

Mr. Pedersen: Okay. Minister, I'm just going to look at line 1.5. What programs and services are you funding through corporate services, and is there a reason that it needs to be about a 1.7-plus million dollar increase from a couple of years ago?

Mrs. Klimchuk: Well, when I look at what that area does – I'm just going to read some of the things that it does. I mean, corporate services implies a lot of different areas, so it directs, plans, and co-ordinates ministry strategic support services and the area of financial services. It does the policy planning and legislative services. It does performance measurement, policy co-ordination, legislative, freedom of information officer and requests, protection of privacy services, risk mitigation and program evaluation, information management, which I've spoken about already, administrative efficiencies, and work with Service Alberta on the risk management insurance premiums. Going back to Service Alberta, we share a platform with Tourism, Parks and Recreation. So there are some things that we share.

That's what corporate services is all about. It's all in that pocket.

7:30

Mr. Pedersen: Okay. Next I'd like to move on to the cultural industries section, please. One interesting thing we found was that the Alberta Film Classification Board assigns a rating to each and every film before it is shown in Alberta.

Mrs. Klimchuk: That's correct.

Mr. Pedersen: Do you not think that we could save money, time, and administration by partnering with British Columbia, Saskatchewan, and Yukon, which all use the British Columbia film classification office?

Mrs. Klimchuk: When I look at the work that the film classification group does, I think that it's a very – each province has their own priorities, what they need, what they want done in a film classification system. We know it's different across all of Canada. There'll be times when we'll designate something a different rating versus what Saskatchewan might designate. I think that's important to have that in place.

I guess if we're looking for savings at the end of the day, sometimes those savings may not be as good as they could be. Part of it is that these fees are all earned. We earn these film fees. It's about \$750,000.

Mr. Pedersen: You earn fees from classifying them?

Mrs. Klimchuk: Yeah. Paid by, yeah.

Mr. Pedersen: Okay. Thank you. I didn't know that.

We understand that we've lost a fair number of book publishers to Saskatchewan, which is not only not good for Alberta's cultural organizations; it's not good for Alberta jobs and families that are forced to relocate. What is the minister doing to draw these publishers back to Alberta to ensure we have high-quality jobs for Alberta families in the publishing industry?

Mrs. Klimchuk: Well, we have put publishers, scriptwriters, and all of that under the Alberta multimedia development fund. So there's funding for that. We know that that's a huge part of diversifying our economy. For example, you can apply now to the Alberta multimedia development fund for support for music recording and book publishing as well. Because of the increase in the funding for the Alberta multimedia development fund, I suspect that we wanted to deal with more of those requests.

I can't comment on what's happening in Saskatchewan. I know what's happening with respect to the film industry, the amount of production that's going to be coming back here to Alberta. I believe that book publishing is a very important part of that as well.

Mr. Pedersen: Thank you.

You often mention Alberta Culture Days as one of your signature programs and events. I can't help but notice that you do travel a lot during this time. I have to ask you: do you know what your cost is for that particular portion of your budget?

Mrs. Klimchuk: Well, the budget for Alberta Culture Days is \$550,000. You know, when you travel around Alberta, when we all go back home to our constituencies, it's absolutely profound what Alberta Culture Days did last year. We had 1,235 events in 81 communities. That budget supported almost 65 host celebration sites. They can apply for up to \$5,000 matching. We had five celebration sites, where you would get up to 20,000. For me it's about celebrating what we have here in Alberta and everyone's interpretation. Very powerful. It's bringing us all together as a province and valuing the nonprofit voluntary sector. I made darn sure that Alberta Culture Days was protected in this budget.

The Acting Chair: Mr. Pedersen, I'm going to interrupt here. We're now at 20 minutes. Do you want to continue with a back and forth with the minister?

Mr. Pedersen: I would love to.

The Acting Chair: Okay. You've got 20 minutes. We will interrupt you with five minutes left.

Mr. Pedersen: Thanks, Minister.

That number you gave, \$550,000: would that include any other MLAs that would travel with you? Is that a complete travel budget for everybody?

Mrs. Klimchuk: That was the cost for putting on everything. That's what funds all the events. That does not include the travel budget. That would just be funding the events and all of the things that are going on.

Mr. Pedersen: Okay. Would you be able to provide the costs that are incurred by yourself and anybody that travels with you for these events? Is that possible?

Mrs. Klimchuk: Sure. Yeah.

Mr. Pedersen: Thank you very much.

Mrs. Klimchuk: We can get that for you. Yeah.

Mr. Pedersen: I just want to bounce over to support for cultural infrastructure if possible, and I think that's line 6, page 37. Previously – and this is looking at last year's estimates – there were seven line items under support for cultural infrastructure. Although this was not as transparent as I would like, at least we

could see something there. This year you have one single line item, and it gives no indication where any of this money is going. Can you provide us with a breakdown of where the money is going, including any programs, organizations, services, and/or initiatives, please?

Mrs. Klimchuk: Okay. I'm happy to provide that to you. When you look at the support for cultural infrastructure, some of these are grants that are kind of leveraged from year to year. For example, this would include funding for the National Music Centre for 2012-13 and 2013-14; it would include the city of Lethbridge for their new recreational centre; the city of Medicine Hat, \$10 million, of course. I was there to do that, and you were there, too. For example, if you look at Medicine Hat, they will be getting \$3.3 million in 2012-13, \$3.3 million in 2013-14, and \$3.4 million in 2014-15. As well, for the city of Spruce Grove there is a million dollars there.

Part of the cultural infrastructure is the funds that are funneled through from the federal government, so that's why you're seeing that it sometimes doesn't look as clear. It's very important that we support, you know, those grants.

Mr. Pedersen: Great. Thank you.

Community and voluntary support services, back under section 3, page 36. This year you've included CFEP under capital spending despite the fact that it is theoretically supposed to be funded from lotteries. Is this because you're going to send these items into debt, essentially, use credit in terms of that for funding, or so that you can hand out cheques and sort of take advantage of that opportunity?

Mrs. Klimchuk: Well, the community facility enhancement program is a capital program all funded with lottery money. The fact that it's \$38 million as it was last year is very, very important to me. It's not funded by debt; it's funded through lottery funding. So it's a capital grant program. When I look at the outcome, when you go and see some of the great projects that are going on across Alberta, it's just fantastic. It's a matching program, so the community gets together and raises the money and then applies for the matching. To me it's a really great process for community engagement.

Also, I get MLAs from across Alberta sending me notes to support a particular project. That's very important to me, when I get those notes.

Mr. Pedersen: Okay. Just to be clear, then, this is actually, as you said, coming from lottery, because a lot of the other capital spending was done through, you know, financing purposes.

Mrs. Klimchuk: That's right. The CFEP was all lottery, so was the CIP.

Mr. Pedersen: Okay. Thank you very much.

I'd like you to provide us in writing a breakdown of the current funding for CFEP, CIP, and OIP by each of the 87 constituencies across Alberta if possible. I would like to know the total amount that each of the 87 constituencies received from each program if you would be so kind as to do that.

Mrs. Klimchuk: I'll just clarify that. All of this information is available publicly on the Alberta Culture website and is done by the community. You can look up on this website by community or by the name of the organization. It's very adaptable. You can access that information. That's how the program is set up for all of those.

Now, don't forget that the OIP would be more specific to larger grants that don't fit under the CFEP or the CIP.

Mr. Pedersen: You took me to my next question, Minister. Thank you.

The other initiatives program, or OIP, had only 22 recipients from what we could see in the last annual report. Can you possibly provide a list of who received the funding, where these organizations are located, and how much each of them received? Is that on the website, then?

Mrs. Klimchuk: Yes, that's all on the website.

Mr. Pedersen: The amount that they would have received as well?

Mrs. Klimchuk: Yeah. It's all there.

Mr. Pedersen: Okay. Perfect. Thanks.

Mrs. Klimchuk: You know, one example is that Calgary is a culture capital. You look at what they did last year with \$250,000 up front and up to \$500,000 matching. Well, they matched that in about four months with the corporate community. Kind of a message from my ministry is that we need more corporate support, more community support, all of that. It was very successful.

7:40

Mr. Pedersen: Great. Thank you.

Minister, the community spirit donation grant program is now gone, as you had mentioned. That represented about 7 per cent of your entire budget if we've done the calculations correctly.

Mrs. Klimchuk: Yeah.

Mr. Pedersen: This was a program that had one of the highest charitable tax credits in Canada, as you had mentioned in your opening. It had a massive impact on the nonprofit sector, and unfortunately it is gone. This was taken away from our communities, our nonprofit groups. It has a big impact on volunteers. With this and the elimination of STEP, which, of course, is not part of you – but it certainly goes hand in hand – I'm just wondering what the rationale and thinking was behind those decisions and why those two programs were cut when they both had such a positive, direct impact on charities and volunteers.

It's unfortunate that these organizations are now left to fill the roles and the holes that government, you know, sometimes creates when programs are in place and then they run out or they're pulled away. They're so instrumental. They're ingrained into our communities. I know there have been a lot of questions raised about that. How does the elimination of that type of grant program really move the province forward and assist organizations to fill those roles that we so desperately need in our communities?

Mrs. Klimchuk: Well, a couple of things. An excellent question. The community spirit donation program has been around for five years now. The cheques will still be going out in May for this last year, to be very clear. I want to just repeat that again. So they will not be caught off guard this year.

Secondly, we know that the charitable tax credit is still staying in place. That has not changed. We have one of the highest charitable tax credits in Canada. Recently the federal government announced some changes as well to make it even more robust.

When I looked at my department, it was tough because I visited a lot of these organizations. I know what it means to get \$2,000 or \$3,000 to do something that you need to do. The challenge that I

had in my budget was to support some of the other things: CIP, CFEP, Alberta Foundation for the Arts. It was really important that those were maintained.

Also, I think this program has encouraged more giving in the corporate sector as well as more giving from individual citizens. When I look at some of the smaller groups that were getting the grants, I know that their profile has been raised up in a huge way. I guess the challenge for all the groups out there is to keep that profile raised so they can fund raise.

The other concern that I had was that for some of the cheques it was up to \$25,000 over three years. What was happening was that some of the bigger groups were getting the money, and that's great, but the people that knew how to maybe fill out grant applications a bit better than others, than some of the newer groups out there – when I looked at where the money was funneling to, I wanted to look at that so we can have more giving back to these organizations.

At the end of the day for me we know it's done some great work. I also believe it's increased the profile of a lot of organizations that nobody knew about five years ago.

Mr. Pedersen: Okay. Are you working to try and bring forward something similar? You said you had concerns that certain groups were doing a better job of applying for and obtaining grants on a yearly basis. I understand that once you go through the process the second time, third time, it gets easier. What is your direction going forward?

Mrs. Klimchuk: Well, any time you have a program that goes, it's an opportunity to look it over. With results-based budgeting, you know, the process that we're all going through in our departments, I want to look at that program. Also, the role of the nonprofit voluntary sector – you mentioned the STEP program – I'm working with Minister Hancock to kind of have that conversation about that sector and what some of the barriers are that are still there and what we can do to, you know, support them with their funding challenges. So, most definitely, that's on the table.

I'm always optimistic. Sometimes when you take something away, if you can bring it back, it might turn out to be an even better program. So I'm always open to those conversations.

Mr. Pedersen: Okay. Thank you.

I'd just like to go now to line item 4, heritage, please. I'm curious. I'm not sure if you have it available or not, but I'm wondering what the annual revenues are that are received from the Southern Alberta Jubilee and the Northern Alberta Jubilee respectively. How many bookings are there annually for each? Essentially, what is the utilization rate for each theatre?

Mrs. Klimchuk: Well, I know that both Jubilees are certainly well booked. They're in the top four in the world. I can get those stats for you, but we are now booking both facilities well into, you know, 2014, 2015. We also know the revenue that is brought in there is certainly a very important part of the stream that they bring in. I'm happy to provide those details for you. I know that I've mentioned before with respect to how much revenue they bring in and all the touring companies that want to come to Alberta, which is great for all Albertans to be able to see. So \$6,839,000 would be the operating budget for that.

Mr. Pedersen: Right. That's for both?

Ms Blakeman: It's expense.

Mrs. Klimchuk: For both.

Mr. Pedersen: That's expense or revenue?

Mrs. Klimchuk: What is that, Barry? Is it revenues?

Mr. Pedersen: Broken down by each one, Laurie?

Mrs. Klimchuk: Yeah. We'll get back to you on that.

Mr. Pedersen: Oh. Okay. I get distracted pretty easily. Sorry. Okay. Thank you. Yeah, if you could get that information.

Mrs. Klimchuk: Yeah. I'll be happy to.

Mr. Pedersen: The Royal Alberta Museum saw by far the greatest increase. From what we've looked at here it's about 11 per cent, I think, and this is also a 33 per cent increase from just two years ago. Again, taking into consideration that this is a belt-tightening budget, is this due to the costs associated with the construction of the new RAM in any way, shape, or form in addition to the millions that are being spent by Infrastructure, or is there something else that is causing such a dramatic increase for this one line item?

Mrs. Klimchuk: Well, I believe the Royal Alberta Museum – right now the work that is going on is the preparatory work to start building it. The budget increase that you see in there is preparing for the expansion and the operation of the new Royal Alberta Museum. I think the danger is that if we don't start preparing for that now, when the museum is to open in 2017, it would not be a good thing. I know building that museum is absolutely critical to Alberta. It says a lot about our protection of heritage and what we want to share with Albertans and the world. At the end of the day the partnership with the federal government of \$122.5 million: if that program had not gone through, I suspect perhaps that money may not have stayed in Alberta. So it was very important for me to support that museum through these tough times. It is a design/build, so that means they're going to stick to the \$340 million budget.

But at the end of the day the current Royal Alberta Museum is open, alive and well. Then we have to start transferring things over to the new museum and getting ready for that. So, yes, it is getting ready for those next steps, and we want to make sure that when we do open it, it's something that we can all be very proud of.

Mr. Pedersen: Sure. That's great.

The Acting Chair: Mr. Pedersen, you're at five minutes.

Mr. Pedersen: Okay. Great. Just tying into that, then, what is the plan for the old RAM building and site?

Mrs. Klimchuk: Well, there's a lot of interest in that site, and I'll declare my bias. It's in my constituency of Edmonton-Glenora. It will still be a public building. There won't be any high-rise condos there. It's a very important site with Government House and the park and the Royal Alberta Museum there. It's a beautiful site. Of course, it does need some maintenance and some care, but it's a very important public space for Edmontonians and for Albertans.

Mr. Pedersen: Great. Thank you very much.

I think I'd just like to introduce our amendment now so we can get it tabled and out there.

The Acting Chair: You have four and a half minutes.

7:50

Mr. Pedersen: Great. Thanks. I know the LAO staff want to get this done so they can get the reporting done as well.

I'd like to introduce a notice of amendment for the 2013-14 main estimates for the Ministry of Culture. I'd like to read it in if that's okay, Minister. I move that

the 2013-14 main estimates of the Ministry of Culture be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 36 by \$119,000,
- (b) for the deputy minister's office under reference 1.2 at page 36 by \$30,000,
- (c) for human resources under reference 1.3 at page 36 by \$156,000,
- (d) for communications under reference 1.4 at page 36 by \$45,000,
- (e) for program support under reference 2.1 at page 36 by \$452,000,
- (f) for program support under reference 3.1 at page 36 by \$359,000,
- (g) for community engagement under reference 3.2 at page 36 by \$2,268,000, and
- (h) for program support under reference 4.1 at page 36 by \$316,000

so that the amount to be voted at page 35 for operational is \$137,410,000.

How much time, Chair?

The Acting Chair: You have two and a half minutes.

Mr. Pedersen: Two and a half minutes, all the time in the world.

Minister, just a couple of other little questions here for you in this round. What types of transfers are received from the government of Canada, and in what areas are those funds allocated?

Mrs. Klimchuk: Well, the one transfer we have is for the Francophone Secretariat, which I mentioned earlier. There are other transfers. It'll depend on the project. For example, if it's a project that was funded in your constituency, those are flow-through funds that come through my department. I can certainly provide you the information on that. Sorry; I'm wrong. I take that back. The only transfer from the government of Canada is \$650,000 for the Francophone Secretariat.

Mr. Pedersen: Okay. Thank you.

What premiums, licences, and fees does the ministry receive revenues from? I think it's just a fairly blank line item, and it doesn't have a lot of breakdown. I think it's about page 42 is what I'm looking at.

Mrs. Klimchuk: Sure. It's admission fees at historic sites and museums, it's the film classification fees, and it's the archeological permit fees.

Mr. Pedersen: Do you have the breakdown of each one of those that you're talking about?

Mrs. Klimchuk: Yeah. I can get that to you.

Mr. Pedersen: Sure. Thanks.

Mrs. Klimchuk: Do you want me to give it to you now?

Mr. Pedersen: Sure, if you could.

Mrs. Klimchuk: Admission fees at historic sites and museums, \$3,725,000; film classification fees, \$750,000; archeological

permits, \$328,000; Vitalize conference fees, \$185,000; and spring tea events – that’s in the Government House Foundation – would be \$5,000. Those would be the fees.

Mr. Pedersen: Sure. Just curiosity. The archeological fees: is that primarily Drumheller, or do you have other sites? Do you have Grande Prairie and some others?

Mrs. Klimchuk: Yeah. There are lots of sites across Alberta where that’s necessary, where there’s a permit . . .

Mr. Pedersen: How many do you have? Do you know?

Mrs. Klimchuk: Well, Head-Smashed-In Buffalo Jump. You look at some of those fees, but they go everywhere.

The Acting Chair: Thank you, Mr. Pedersen.

Mr. Pedersen: That’s it?

The Acting Chair: Yes. That’s 40 minutes. You’ll have an opportunity to ask more questions later.

Mr. Pedersen: Thank you, Minister.

The Acting Chair: Before I turn this over to the Liberal caucus, I just want to welcome two committee members, Mrs. Fritz and Mr. Jeneroux. Welcome.

Mrs. Fritz: Thank you, Madam Chair.

The Acting Chair: You’ve been here for a long time, but I didn’t want to interrupt that series of questioning.

Ms Blakeman, you’ve got 14 minutes. Would you like to go back and forth with the minister?

Ms Blakeman: Sure.

The Acting Chair: Or block it seven and seven?

Ms Blakeman: No. We’ll go back and forth. Thank you.

Thank you to the minister’s staff that came out tonight. I understand we have some culture fans in the back tonight. Thank you very much for coming to support arts and culture in Alberta.

I really struggle with this debate every year because, of course, this is the community that I trained for and that I worked in professionally as both an artist and an arts administrator for 17 years. The groups that are represented under this ministry got the crap beaten out of them in this budget, and there’s no other way to put it. I just am so frustrated by this government, not particularly this minister or the next minister or the minister before. It’s just the general attitude towards this ministry. There’s a lot of lip service and no money. Between ’89 and well into the mid-2000s it was essentially a stagnant budget except for when a film got moved in and out. Minister Goudreau, who now sits with us on this committee, did manage to give an increase to it, a fairly large bump. It was \$8 million, I think. Since then we’re not even doing cost of living anymore. I’m trying to not let my hair catch on fire.

So just a couple of comments. The website is still referring to itself as culture and community spirit. I don’t know why, but it is still referring to the community spirit program on a number of the pages. When you try to find out which arts organizations were funded and how to apply for them, as of 2:50 yesterday afternoon there were server errors. I don’t know if that’s because community spirit hasn’t officially been axed until tonight at 9:30 or what. I just thought you’d want to know.

I’m just going to give you three questions, and then I’ll go back to you. Last year we had quite a conversation on vote 1.7, corporate initiatives, which you explained was about the department being half on government of Alberta domain and half on iDomain. I’ve noticed that vote 1.7 has completely disappeared, so I’m wondering what happened with that.

Secondly, the provincial records office is also funded under this ministry, or I thought it was, but I can’t find it named, so maybe I’m mistaken. Provincial records, not the archives.

Mrs. Klimchuk: That’s Service Alberta.

Ms Blakeman: Great. Glad to hear it.

Film. According to the website only two projects are in production in Alberta in 2013 compared to half a dozen or more last year. What’s happened to film production, in the minister’s opinion? Now that the anchor tenant has gone from the Calgary Creative Hub project, what is happening with that?

Those are my three questions for the first round.

Mrs. Klimchuk: Thank you very much, Laurie. Website issues. Thank you for noting that. We’ll follow up on that.

With respect to, first, the corporate initiatives – that’s the IT – you’re right. We have been working on the amalgamation of getting Culture all on the GOA domain. We’re almost there. So that’s why that’s gone, because we’re almost there, which is a good thing. Corporate initiatives is now corporate services. That’s why; it’s just got a different name. The reason is that the corporate services element includes the ADM’s office, policy planning and Leg. services, strategic planning, financial services and information management, and technology services support area. Overall there are lower expenditures in ministry support services because of the reallocation of IT spending to some of the program areas to address priority projects. I’m thankful that we’re able to do some good things with that.

With respect to the film industry and your comment about the projects that are being filmed here, Film Alberta Studios just finished filming a movie called *Freezer*, which is a Hollywood big-budget production that was filmed here the whole time. It’s about someone who’s trapped in a freezer. Dylan McDermott is the star. That was a huge input for the studio. Right now *Klondike* is going to be filmed here – it’s a six-part series about the gold rush – as well as *Blackstone*, *Heartland*, and *Hell on Wheels*. Those are all beginning their cycle of filming.

As you know, in this business I’m privy to some information, but you’re always waiting for the green light. There’s a lot of interest from people in filming in Alberta. It’s between us and California for about five movies that are going to be filmed over the next few years. I anticipate that because of the Alberta multimedia development fund, especially the series that are being shot here, the support we have for those, when you know that on a regular basis people can go, “Okay, next summer I’m going to be able to work on that particular set,” that’s important to me.

8:00

The Creative Hub proposal. I spoke about this last year. I went over the notes from last year when I spoke on this, and it saddens me that a year from then we’re still having this debate. I’ve made it very clear that this ministry supports the need for a Calgary film studio – no question – but at the end of the day, when the project still anticipates government funding of 50 per cent and more, which is just the provincial government, not including the city of Calgary, to me, it’s just not a prudent project to go ahead. That is what has concerned me from the get-go.

In my conversations with, you know, the mayor and the Calgary Economic Development authority I've asked for just kind of a rejig: let's make this work; it's absolutely necessary. William F. White has offered to put a million dollars into the project, which is great, but when it's \$36.2 million and more than 50 per cent is expected from governments, provincial and the city of Calgary – no funding from the federal government; they've not come through – that's what concerns me. That's why I'm still positive, and my film advisory committee has given me some good information, so I hope a year from now I will be saying that it's done.

Ms Blakeman: Okay. Thanks very much, Minister.

In this day and age that film studio is not going to be built unless the government steps up, so you need to come to grips with that, or we're not going to have a film studio in Calgary. We could be employing a lot of people in Alberta. Like Newfoundland sends their workers to Alberta to work in the oil patch, well, we send our cultural workers to Saskatchewan, Manitoba, and B.C. to work. I would like to see those people working at home, but that is not going to happen until you guys come to grips with that one.

Okay. Moving on, performance measure 4(b), secondary ticket sales – sorry; I'm reading secondary ticket sales into that. We're on page 15 of the business plan, "percentage of adult Albertans who participated in arts activities or events." Once again, we still have secondary ticket sales that are just creaming us. There are something like a dozen secondary ticket sales sites now up. Service Alberta is, I believe, studying it again, and every day that goes on, our cultural workers, our stage technicians, our stage workers are not getting paid what they're supposed to be paid according to what the ticket price is. This ministry is supposed to be looking after cultural workers. What has this minister done around that particular issue? I've had a number of letters that I tabled on behalf of my colleague from Calgary-Mountain View. I've got more letters in here now from people going: you've got to do something. So what's happening there?

Mrs. Klimchuk: Thank you. Just with respect to the secondary sale of tickets, that is now with Service Alberta, and your comment about the minister revisiting it is true. I don't know what his estimate said, but when I was Minister of Service Alberta, it was of grave concern to me how technology can just – wow, things are sold out in one minute, and then they sell them to other people. I think that the conversation needs to happen about what to do with that.

With respect to cultural workers I guess that for me, when I look at the Alberta Foundation for the Arts and some of the programs we support for people to go elsewhere and then come back to Alberta, I want people to stay in Alberta, and that's why I do support the film studio. I want that project to happen. We want those cultural workers to stay here, whether it's the digital media students at NAIT or SAIT or Red Deer College. I totally agree with you. When you look at some of the opportunities that we have here in Alberta in the film area, I'm confident that we're going to be able to employ more of those folks and to make sure they can actually stay in Alberta.

Ms Blakeman: Well, in the meantime both Albertans and the cultural workers are getting ripped off.

Okay. The minister has had a cultural forum. Again, I've criticized this minister and past ministers for what seems like an endless parade of consultations and no action that flows from them. Did the artists tell the minister, the department staff, or the government anything else besides the fact that they need funding,

that they need money without strings attached? The cultural forum had all sectors, the minister was careful to tell me last year. Really, did you learn anything new?

Mrs. Klimchuk: Yeah, I think we did. I'm sure you've read from cover to cover the report that was released. Or maybe not.

Ms Blakeman: Yeah, and it didn't really come off the page. When I've checked with people in this sector, actually a large number of them can't remember the event because they can't remember anything really meaningful happening. It wasn't very positive.

Mrs. Klimchuk: Okay. Well, I've heard some different things. I've heard that one of the things from the cultural forum was, of course, the Premier's Council on Culture, getting that process going. One of the tasks of the Premier's council will be to develop a cultural plan for all government departments on how we can leverage culture through everything. One of the benefits following from the cultural forum is Calgary as a cultural capital. One of the things that happened through that was the importance of corporate support. I am seeing a little bit of a shift, not enough, to more corporate support for the culture sector – no question – when you think that they had their matching \$500,000 in place in about two months.

I meet on a regular basis with the PASOs and with the group that advises me on everything in the whole culture sector. At the end of the day, for me, when I look at some of the tools we can use to support nonprofit and voluntary groups, I think there is some real good that has come out of that. Of course, things with tortuous applications: those are still there.

My final point is that there's something that we have developed called ECAP, and it's capacity building. We are providing support to volunteer organizations across Alberta, about eight organizations, so they can help build and support other voluntary groups in the volunteer sector.

Ms Blakeman: Minister, don't you think you kind of eviscerated that when the community spirit program got cut and STEP got cut and CFEP is being held to its \$38 million budget? Last year, the year that we're in, it was forecast to go to \$45 million, I think. Don't you think you've kind of eviscerated that with the loss of the rest of that money? I mean, I cannot imagine how this government seriously believes that there's going to be capacity increase or capacity building in this sector.

What is the budget for the Government House 2013 centennial celebration?

I will refer back to what the minister just talked about, which was priority goal 1.1, a culture plan. Following on the blueprint, the vision, the conversation, and the online and in-person forum, I just want to weep. There are two more questions you can follow up on.

The Acting Chair: Okay. You'll have probably another opportunity, Ms Blakeman.

Ms Blakeman: Thank you.

The Acting Chair: We'll now move to the NDP caucus. Mr. Bilous, you're going to be asking the questions. Do you want to go back and forth with the minister?

Mr. Bilous: Yes, I do.

The Acting Chair: Okay. I also want to welcome Mr. Fraser, committee member, to our meeting here.

Mr. Bilous: Well, I'll begin by thanking the minister and all of her staff for coming today. As well, there are five different organizations that are represented in this room by the group at the back. I want to acknowledge you and thank you for coming to the estimates today.

I'll just start off with a little bit of a preamble before I get into my line of questioning. Just to clarify or to remind everyone in the room and listening and reading this in *Hansard*, with Budget 2013 the Premier has broken many, many promises to Alberta's artists, performers, and creative entrepreneurs. To list five, she promised to develop a long-term plan to support the nonprofit and voluntary sector; to recognize the link between culture and the social and economic well-being of Albertans; to develop creative clusters and support emerging cultural scenes; to promote sustainability, certainty, and stability within the cultural sector; and to increase funding to the Alberta Foundation for the Arts by \$10 million per year, starting in 2013.

The Premier broke her promises by delivering a 15 per cent cut to the Department of Culture – and I'm including population and inflation – a decision that will hurt many artists and cultural organizations across the province. There's been no funding increase to the Alberta Foundation for the Arts. The elimination of the community spirit donation grants represents a \$15.5 million loss to charities and nonprofit organizations. There have been cuts to other initiatives, including no capital funding, cuts to the community facility enhancement program, and huge cuts to capital funding for heritage infrastructure. I think as MLAs we'd be remiss if we did not recognize that other decisions made by this government but outside of your department – the end of the safe communities innovation fund, the elimination of the STEP program – will also have serious consequences for the nonprofit and voluntary sector.

8:10

I'm concerned about the implications of what you and your colleagues have done under the Premier's direction, so my line of questioning this evening is going to focus on trying to understand the consequences of these decisions and how they're going to impact the culture and arts sector in our province. First and foremost, what do these broken promises mean for Edmonton, our Festival City? What do these broken promises mean for artists, the cultural economy, and nonprofit organizations across Alberta? What do these broken promises mean for students and the future viability of the creative sector in our province?

I'm not sure if you want to just comment on the opening before I go into further questions.

Mrs. Klimchuk: Sure. Happy to. I guess I might have a little bit of a different perspective.

I just want to say with respect some of the things you've mentioned, with the challenges that we faced here as ministers with our budget, working with the nonprofit sector, with ANVSI, the Alberta nonprofit, voluntary sector initiative group, we are going to be working with them and, again, working with Minister Hancock on the STEP program for nonprofits in the voluntary sector. I also look at the support that we kept for CFEP, that we kept for the Alberta Foundation for the Arts, and that we kept for the CIP program to support all the things that go across Festival City, Edmonton, and all across Alberta, and I believe that some of the things that we do are going to continue.

I look at Alberta Culture Days and what we do with that event in September. It astounds me, when I go around Alberta, how everyone is already talking about it and what they're going to do, whether or not they're going to get funding from the government,

which sends a really important message to me. But that funding will be available.

We look at the opportunity of the peloton here in Alberta from September 3 to 8. That's going to be an incredible opportunity to showcase Alberta, and the world will be watching. With the support of the Alberta rural development fund and support through a number of other departments that's going to be a huge opportunity to be positive and to celebrate what we have in Alberta, all the festivals that take place.

At the end of the day, for me, the community spirit donation program, the challenges that organizations are going to face: that's why the community development officers are there. They're there to listen. They're there to give advice and provide the support, free support, to all the groups that are out there.

Mr. Bilous: With all due respect, if the money is not there, there's very little that the officers can do to help support these programs.

I just want to go into some specifics now. I appreciate your comments. We know that the government doesn't make decisions without doing economic studies and assessing indicators and predictors, so can you tell me: what is the estimated number of Albertans employed in the cultural sector, and what was its overall economic contribution to the province's economy last year?

Mrs. Klimchuk: The number of Albertans employed in the cultural sector: it's in the thousands. I know that for a fact. What it does provide to our GDP is . . .

Mr. Bilous: It's coming forward?

Mrs. Klimchuk: Yeah, it's coming forward. The 2008 stats . . .

Mr. Bilous: Do we have anything more recent, Minister?

Mrs. Klimchuk: No, I don't. The unfortunate part is that Stats Canada has stopped collecting some of these stats, so I'm working on that with AFA, the Alberta Foundation for the Arts. We're diving down to that. We've done one report. It's a ripple report to look at the industry.

In 2008 arts- and culture-related industries were responsible for 3 per cent of Alberta's gross domestic product, about \$7.8 billion, which I said. In 2011 about 80,000 people were employed in arts- and culture-related industries. It's about 4 per cent of all those in the province. So, you know, extrapolate to what we have now. Those are the numbers that we go back to. Unfortunately, the stats are not as fresh as I would like them to be.

Mr. Bilous: Okay. I'll come back to that, but I find it interesting, considering that your government is doing results-based budgeting, yet you don't have the numbers on how the arts and cultural communities impact Alberta and our GDP, many different sectors, not just economically. What is your department telling you as far as how many job losses will result in the cultural sector as a result of these budget decisions?

Mrs. Klimchuk: Well, going back to what you said previously about the dollar, another stat: one dollar of the real GDP produced by the arts and culture industries in Canada is an additional .84 produced in related economic activity.

When I look at your comment about projected job losses, I can't comment on that. For me, at the end of the day when I look around at what all these organizations are doing across Alberta, most certainly there are challenges. I'm aware of many of those challenges. It's up to us to make sure we listen and have those conversations through ANSVI with Minister Hancock and keep

the dialogue open. When I look at the community spirit donation program and what that program has done the last five years, as I said previously to Mr. Pedersen, I mean, it's a conversation that we need to keep going.

Mr. Bilous: Okay. You don't have the estimated quantifiable impact to Alberta's economy resulting from the budget cuts that you and the Premier have made. Do you have predictions about the quantifiable impacts that are going to occur next year from this year's decisions?

Mrs. Klimchuk: I know what's going to happen with the results-based budgeting process. Right now the Film Advisory Council and the Alberta multimedia development fund are at the results-based budgeting.

For me, when you quantify what the cultural industry does for Alberta, I think people underestimate it. I know that when I travel and meet people, whether it's in different countries or in Canada, people look at Alberta and what we're doing here, and we know it's a huge economic driver for our province. I want to assure you that if you look at the whole cultural industry sector – when you look, for example, at gaming, BioWare got a huge award for all they're doing in the gaming industry. We are in the top four in the world. Little things like that. I guess it's about telling our story better, most certainly.

Mr. Bilous: You know, part of the reason that I'm asking this line of questioning is that there should be concrete reasons or quantifiable reasons as to these cuts. I mean, you've talked about how much the arts and culture contribute to the province, so it's more than a little frustrating to different organizations that you don't know how these cuts and decisions are actually going to affect them. Therefore, the next question is: on what grounds have you made these decisions?

Mrs. Klimchuk: You want to quantify. If you look at the community facility enhancement program, the CIP program, the Alberta Foundation for the Arts, there are huge benefits from those programs. The Alberta Historical Resources Foundation, maintaining that. Those are, you know, some of the stories I get back, especially with the Alberta Foundation for the Arts. I get letters from students who are in other countries taking their schooling about the profound impact that these grants have on them.

When I look at the choices I had to make in my budget, I wanted to make sure we could still continue to build Alberta and support those programs. I'm proud to say that those programs have been maintained. Yes, it would have been nice to put additional funding into the AFA, no question, but I was not in the position to do that.

The community spirit donation program. I still maintain that some of those groups that got funding are more well known now than they were five years ago.

Mr. Bilous: Just a point. The funding to the AFA remained the same as last year, but let's remember that inflation and population growth is 4.3 per cent, so any funding that has remained the same is actually effectively a cut.

Was there any form of consultation completed with regard to the cuts in your budget, and if so, when did these consultations occur and with whom?

Mrs. Klimchuk: Well, you ask about consultations for the budget. At any one time, being minister, you know, the contact that I have with all the groups that are out there, whether they're

an arts group, a theatre group, or a food bank, those conversations happen every day with different groups, and those conversations are very important to me. Making those decisions with my executive team and bringing those forward – they were tough decisions, no question, Deron. But I still maintain that the other programs we have kept are going to keep building Alberta. They're going to keep supporting those communities because of the nature of them, because of the matching part of it. It brings communities together. When the community wants something, usually the community will work very hard to get what they need.

8:20

Mr. Bilous: Well, I think this sentiment is shared by several in this room. It frustrates me that it's always arts and culture that are the first on the chopping block and usually receive the most significant cuts. I think it's about time this government realized the impact that they have and how they contribute to Albertans in all different ways.

I'm going to talk briefly about the community spirit donation grant program. It was a \$15.5 million cut. It supported nonprofit charitable organizations with 2,099 grants in '11-12 alone. The community spirit grant provided a significant amount of money to nonprofit organizations across the province, but the decision to cut the program is significant. It's a \$4.1 million cut to Edmonton-based organizations alone.

I want to get on the record some of the organizations in Edmonton alone that are being affected by your decision: AdaptAbilities; the Council of Women's Shelters; the Diabetes Foundation; the food bank network; the PRIDE centre; HIV Edmonton; iHuman; Kids with Cancer; Lurana Shelter; Make-A-Wish Foundation; the Bissell Centre; Boyle Street services; the Alberta Avenue Community League; the Inner City Children's Society; YMCA; Canadian Mental Health Association; the Liver Foundation; CASA Child; Mental Health; Chrysalis; the MS Society; hospital associations at the Cross Cancer, the Glenrose, the Misericordia, the Stollery, the Grey Nuns, and the Royal Alex; as well as the organizations that are represented here today, the Alberta Council for Global Cooperation, Change for Children, Canadian Moravian Mission Society, Keiskamma Canada Foundation, and Sombrilla International Development Society.

I know the Alberta Lung Association, for instance, has no print budget for this year because this decision eliminated \$25,000 that they counted on receiving when they prepared their budget.

Minister, when questioned in the House, your answer has been that there are other grant programs available. However, you admitted that those programs are already constantly oversubscribed, so that's not really an answer to how you expect these organizations to deal with the elimination of this program alone.

It should be noted that since the Premier took office, she's cut funding to the combined community spirit, line 3.5, and other initiatives, line 3.4, and operation and capital grants by a total of 91 per cent, reducing them from \$28.6 million in 2011-12 to just \$2.7 million this year in combined operational and capital spending.

Firstly, when the Glenora Child Care Society, for instance, comes to your constituency office and asks you, their MLA, why you've cut the charitable funding by 47 per cent, what will you say to them?

The Acting Chair: Thank you, Mr. Bilous.

Okay. We're moving to the Progressive Conservative caucus, and we will start with Mrs. Jablonski.

Mrs. Jablonski: Thank you, Chair.

The Acting Chair: You can go back and forth or block time. You can also share with other Progressive Conservative caucus members.

Mrs. Jablonski: Madam Chair, it would be my wish to share the 14 minutes with other PC members, so I'll ask my two questions.

The Acting Chair: And go back and forth?

Mrs. Jablonski: Yes, please, if that's okay with the minister.

The Acting Chair: Thank you.

Mrs. Jablonski: Minister, I too wish to add my sincere thanks to you and to your team for being here this evening. It's really important for all of us because the department that you are minister of is very important to all of us.

Minister, the arts branch of Alberta Culture is responsible for administering programs that support Alberta's arts and culture scene and contribute to the Spirit of Alberta, Alberta's cultural policy. Many programs are in part managed by this branch, including the Alberta Foundation for the Arts, the Alberta film classification, and the Alberta multimedia fund. According to line item 2.2 on page 36 we have seen a decrease in funding for this branch. Minister, why has the budget decreased compared to the 2012-13 forecast by \$560,000? How will this affect the Spirit of Alberta framework, especially as it pertains to one of the cornerstones of this policy, that being the enhancement of Alberta's cultural industries?

Mrs. Klimchuk: Thank you very much. Of course, the key posts are access, excellence, cultural industries, and capacity, in case anybody was wondering. When I look at your question, one of the major reasons for this decrease is the elimination of the major facilities operating grants to EPCOR and to Citadel Theatre that I mentioned previously. That's why you're seeing that number there. It certainly does not affect the Spirit of Alberta framework by any means. Culture is embedded. It's embedded in everything we do in our department, whether it's book and magazine publishing or sound recording or film, any of those.

What's embedded, too, is the partnership that we are working on currently with Education with respect to the curriculum. We're looking at inserting a more robust culture focus in the curriculum from K to grade 12. I'm very proud of that because we had one of my individuals working over in the Department of Education. By no means does that mean that we're not doing the collaborative work that has to go on between ministries if we're going to make some changes so that culture is better represented in the curriculum.

Mrs. Jablonski: Thanks, Minister. I'm so glad to hear that we are emphasizing culture within our school curriculums. It's so important.

These cuts that I just mentioned will present significant challenges for these organizations. How are they supposed to adjust without any warning? Were key stakeholders consulted before these changes were implemented?

Mrs. Klimchuk: Thank you for that question. EPCOR Centre and the Citadel were informed of this change. What was really important for me, though, was that this year they still received it. They were still allocated the money, so there was kind of I guess you could call it a bridge to next year, which was very, very important.

I look at the great work that the Citadel does and some of the other programs they've accessed, whether it's the community

facility enhancement program or the community initiatives program or the other initiatives program. Those programs are available for all of those theatre companies. The Citadel has done very well in acknowledging some of them, especially one particular grant to support the Robbins theatre academy, the partnership with the Banff Centre school. When I can see those partnerships happening with other art schools in our province, that's fantastic. They did receive a grant of \$250,000 towards that program for three years, and that was a really important one.

Mrs. Jablonski: Thanks very much for those answers, Minister. Thank you, Chair.

The Acting Chair: Thank you.
Ms Jansen.

Ms Jansen: Thank you, Chair. Thank you, Minister. I want to centre just a couple of quick questions around the Alberta multimedia development fund. I've been lucky enough to co-chair the Alberta Film Advisory Council. We've had a lot of discussions. I do want to go on record as voicing, you know, my concern with a couple of what I think are misconceptions out there. First of all, the comment was made that a film studio can't be built in Calgary without government money. That's not what I heard. I've had many, many conversations with people about the fact that certainly it may cost a couple of million dollars to build a sound stage. A lot of movie companies come to southern Alberta to shoot exteriors, so a sound stage would certainly be sufficient. Now, I'm not saying that that's what we want. It would be lovely to have a larger, more robust facility. But I did speak with people in the industry, and I just want that noted on the record.

One other thing on that cultural forum and what it accomplished. I've spoken to hundreds and hundreds of people in my role over the past nine months, and they expressed nothing but admiration for that cultural forum. They felt they got an awful lot out of it. I also want it on record that so many people I spoke with in the cultural community say that they felt it made a significant impact on how culture was viewed in this province.

Having said that, I want to now go into the Alberta multimedia development fund. I was very excited to see that there was a little bit more money being put into this. Another thing I did in my role was have a lot of conversations with people who make use of this fund. One of the things I realized in all of that was that when you put money into the multimedia fund and it goes out to support these production companies that are based in Alberta, that's money that stays here. It funds people who pay taxes here. They keep their families here, and as you mentioned before, they can have some real long-term planning for their families. In fact, I know people that I went to school with in broadcasting years ago who took the film component who came back to Alberta from B.C. to take full-time jobs here as a result of having that fund. Can you just go into it a little bit and flesh out what that multimedia fund represents? So many people take advantage of it.

8:30

Mrs. Klimchuk: As I said in my opening remarks, this next year the Alberta multimedia development fund will be receiving \$19.9 million, and that's to support all the successes we have and the opportunity for diversification, as I said earlier, and to keep the cultural workers here in Alberta.

One really neat example. Typically when films come to Alberta, all of their postproduction work is either done in LA or Vancouver or Toronto. The film that was filmed in Film Alberta Studios, *Freezer*, is probably one of the first times that all of the post-production work is being done here in Edmonton. That, to me,

said a lot about the talent that we have in our industries, the talent that's coming up in our schools, and how we need to really support that.

When you look at how it's supporting the screen-based production, book and magazine publishing, and sound recording industries – when I write letters to individuals and they've got a script for a particular dream they have or program, that is really cool. Those are Albertans with big dreams, and if we can at all help some of those through this multimedia development fund – and you're right. The money stays in Alberta, and that's very important, too, when they come and use all of our fabulous crews.

We know we have the best crews. The director on *Freezer* was just astounded by what we had. One of the things he did do was have interns from NAIT. They couldn't pay the NAIT student, but he got to do something, and his name was in the credits of the film, his first film. Little things like that we need to raise up even more, and I intend to do so in this fund.

Ms Jansen: Now, when we look at the kind of money that's spent on film in Alberta and we look at where we're headed in the future, can you paint sort of an overarching picture of that?

Mrs. Klimchuk: We're all throwing around different stats tonight. Some of them are a little bit fresher than others, but one of the stats that I like is that the film, television, and digital media industry has employed about 3,000 people and has generated \$400 million in economic activity over the last five years. That's powerful stuff. When you talk about things we need to measure, that's really important. Again, every dollar invested by the government generates almost \$5 in economic activity. It's that spinoff when you're building a set or you're catering or you're the customer or you're the gopher, whatever needs to be done. We know that in 2011 and '12 \$19 million in grants through the Alberta multimedia development fund resulted in \$75 million being spent by film and television productions in Alberta alone.

The privilege of being appointed to Treasury Board: in no uncertain terms this whole area is something that we can certainly grow and do more work on.

Ms Jansen: What are you hearing in terms of feedback from people who come to scout out Alberta, crews who are looking to do some of the bigger projects? And not just the bigger projects. You know, I hear in the industry that getting those television series here means that more long-term dollars stay in the province.

Mrs. Klimchuk: That's correct. What I'm hearing is that when they come here, because of the crews that we have and the talent – actually, there have been times when *Freezer* ran out of people because, as indicated earlier, people have left the province and not come back. Some have actually come back. I know the potential of the industry and, you know, people wanting to come here and film more movies.

In my department I have an individual that helps just with the scouting of locations, so if a production company is coming here, then all the locations are there, and they're available. We're trying to make it as easy as possible for production companies to come here and to find those special places they need to film.

Ms Jansen: Thank you, Minister.

Mrs. Klimchuk: Thank you.

The Acting Chair: Thank you, Ms Jansen.

Mr. Goudreau, you had a question?

Mr. Goudreau: Just very quickly.

The Acting Chair: We have three minutes left.

Mr. Goudreau: Thank you, Minister, and congratulations on a very, very tough budget.

I've got one question, and it pertains, again, to the community spirit donation grant program. You had talked about the importance of the volunteer sector, and there's no doubt, you know, that it was wiped out. I'm just wondering. I want to share a small example.

In the little community of Girouxville, about 300 people, they were so proud to come up to me and say: you know, we spent the whole year accumulating \$3,000 in cash donations. That would keep their bowling alley going by being able to match that. When I told them that coming up next year, they would have to go without, they were literally disappointed. It literally brought tears to my eyes to see that because, to me, that was the whole idea behind the community spirit program, to help the smaller organizations. I know the larger organizations did get some pretty huge cheques, but the \$2,000 and \$3,000 kept our groups alive. My question is: when is the deadline for them to match last year's dollars that they've accumulated? Are they behind the eight ball already, or can they still apply for that?

Mrs. Klimchuk: The deadline was December 31, 2012, for last year, so what will happen is that if they had applied last year for it, then they'd be eligible for the matching part of it. There will be cheques going out in May to organizations all across Alberta for the CSP. It will be for the next year's. People would have to apply by the end of December to be eligible for this year, but the program will not be available this year.

Mr. Goudreau: So anything they've accumulated from January to April 1 does not qualify?

Mrs. Klimchuk: No. Again, it's certainly an example, and I agree with you, Hector. When I meet those individuals, it's those \$2,000 and \$3,000 cheques that to me are so powerful, way more powerful than the bigger cheques that government gives out. I think that, again, as I said earlier about the program – in taking it off and re-evaluating it, what could we perhaps do in the future to keep the conversation going?

We still have one of the highest charitable tax credits in Canada. That's staying in place. That has not changed. Again, if people know about an organization now that they didn't know about before, that's a positive. But I want to keep the door open about: what could we do to do something different to support the smaller and mid-sized organizations? I certainly agree with you on that. It was very tough stuff.

Mr. Goudreau: If I may, on a different subject, you did indicate that the Francophone Secretariat received some federal transfer dollars.

Mrs. Klimchuk: Yeah.

Mr. Goudreau: How much was that?

Mrs. Klimchuk: Six hundred and fifty thousand.

Mr. Goudreau: So about half the budget.

Mrs. Klimchuk: Yeah, half. If you notice on there, there's a little bit of a decrease, but last year we hosted. I'm the chair of the council for the Francophone Secretariat. We had it here in Edmon-

ton, and then for the next one we're passing the chairmanship over to Manitoba.

The Acting Chair: Thank you, Minister.

Mr. Pedersen, you're going to ask the next questions for the Wildrose?

Mr. Pedersen: Oui.

The Acting Chair: Bien. Très bien. If it's possible, do you want to combine your time five and five?

Mr. Pedersen: Yes, please.

The Acting Chair: Okay. Thank you.

Mr. Pedersen: Thank you, Chair. Minister, just tying into the past member's question there somewhat, the Francophone Secretariat just recently moved to your portfolio, I understand. Is that correct?

Mrs. Klimchuk: That's correct.

Mr. Pedersen: Okay. Something we've heard is that this group is, if nothing else, frustrated at being bounced around like a ball from different ministries. That being said, are there any costs associated with this move to Culture that we're yet to see? Are there any outstanding cost issues or structural issues or personnel issues?

Mrs. Klimchuk: No. It's fascinating to me. When I was told that the Francophone Secretariat would be coming to Culture, I was very honoured. Very honoured. We know it has followed some of the ministers. We have a lot of French-speaking ministers and MLAs in our caucus now. I'm very proud of that. I am working on my French as well. I used to speak it a long time ago.

But there's no cost. No cost. I think that the fact that when I meet with some of the movers and some of the leaders in the francophone community – I've made a very great effort to have regular conversations with ACFA, with Dolorèse, and have those conversations and be open. I believe that they feel that perhaps they've found their home being in Culture, and I believe that it's a good fit because of the community building that the francophone community does related to the community building I do in my portfolio. The francophone community: how they celebrate and what they bring to Alberta is so powerful, and that's something I'm very, very proud to support in my department.

Mr. Pedersen: Excellent. I haven't spoken French since grade 9. That was in a different century, actually. It's on my list of things to do as well.

8:40

Mrs. Klimchuk: Exactly. Good. Très bien.

Mr. Pedersen: Thanks. Merci.

Just moving along – and I know this is maybe a little bit outside your portfolio, but I just want to get your feel on it – you've probably paid attention to the recent news articles about the Mount Royal University cuts to their cultural programs. I think that even though it's in Enterprise and Advanced Education, it has to have some kind of an impact on you through your ministry, if not directly then personally. I mean, it's a program that I think they worked hard on as a college, and in trying to transfer over to the university status, I think they had big hopes and dreams.

They're making some tough decisions based upon some cuts. Not only the budget cuts from the Alberta government, but many of these postsecondary institutions are benefactors from philanthropists all across Alberta if not Canada. Are you standing

up to the Minister of Enterprise and Advanced Education and getting involved in those discussions, or are you letting that lie? I do think you have a voice in that. I hope you do, anyway.

Mrs. Klimchuk: Yeah. Thank you for the question, Blake. I know the conversation when Minister Lukaszuk made his estimates, and I'm not going to comment on what he's doing. From the perspective of culture – and when I say culture, that encompasses everything – what it does for our province is very powerful.

I've had the opportunity to tour Mount Royal University – of course, they're building the conservatory there – and seeing some of the students there and the passion they have. It's very, very exciting. For me, Mount Royal University has to make their decisions, and, you know, I respect that. But I also know that what they do and what they provide to students is very powerful when you look at the U of A and the U of C and their drama programs and their diploma programs. But I'm confident that Mount Royal University will take the time to make the right decisions and do the right thing.

Mr. Pedersen: Okay. I hope you advocate on the cultural side's behalf because I think that would add some volume to them. I think they are looking for someone in government to back them up, and I think you could be that person.

Have there been any studies that have been completed to determine if the changes to the Alberta multimedia development fund have been effective? As you know, I think, coming up I'm hoping to present Motion 510 to restore a competitive film tax credit, which was a system that really seemed to work well. The uptake was always on a high level percentage-wise. In talking to stakeholders, it was widely accepted and widely appreciated. It was something that they could understand, that they could get their heads around, and they could make it work. I'm just wondering if you could have a look at that question.

Mrs. Klimchuk: Yeah. I am looking forward to that motion that you're bringing forward. For me, when I look at the whole conversation about supporting all the sectors that are involved in this fund, I think that one of the things with our fund, the way that we leverage it out, is that we know that production companies and individuals get their money a lot quicker. That's a huge positive because if they're going to come in, film, and do a production here, the access to the funds is absolutely critical because of the tight lines that they're on.

With respect to the tax credit and any of those other models, you know, you've heard all sorts of different things about subsidizing and about government subsidizing the film industry. Those are conversations that we should have, but at the end of the day I believe the current model is working quite well. Some have said to me: well, you should put more money into it. Right? Well, we did put a little bit in this time. I know what it's giving back to Alberta. I look forward to that conversation about tax credits and any other sorts of things that we can do to promote film in Alberta.

Mr. Pedersen: Sure. I just think we see that any time you have a granting process, you have a bit more subjective picking of I'm going to say winners or losers versus with a tax credit, where you put your money in, and you may have to wait some time. But at least it's fair and it's equitable, and you can go forward that way. That's what we're hearing from stakeholders as well.

You mentioned earlier, Minister – and correct me if I misheard you – that Culture shares corporate services with tourism. Does that sound correct?

Mrs. Klimchuk: Uh-huh.

Mr. Pedersen: Can you, or why can't you, share communications as well on a cost-effective basis? Back to the first one, what are the savings that you have realized by sharing corporate services with tourism?

Mrs. Klimchuk: Well, I think at any one time in any iteration over the years Culture has often been combined with tourism, with parks, with recreation; it's been combined over the years. I'm proud to say that the Ministry of Culture is in this regime a ministry, as it was with former Premier Stelmach as well. We know that sometimes those things have been together because of how it was done in the past and the corporate kinds of things – that's probably why that was there – and the fact that we were sharing the space with them.

With respect to the role of the communications individual, I suspect that Tourism, Parks and Recreation will have a different focus than I would have, so I don't believe you could share those. I mean, sharing the corporate, some of the IT challenges, some of those things: that's a given. But I don't think you could do that in the communications area.

Mr. Pedersen: Sorry. Did you mention how much you've actually saved?

Mrs. Klimchuk: I'd have to get back to you on that.

Mr. Pedersen: Are we talking billions?

Mrs. Klimchuk: No, probably not billions. It is reduced costs and staffing, but it's probably not billions.

Mr. Pedersen: Pesos? Millions? Okay. Thanks, Minister.

I want to get my closing statement in here because I think I'm running out of time. I just find it troubling that your ministry has, as mentioned by other members here, asked for an increase of 25 per cent for various support services over the past two years. Although it has been flat year over year, I'm not sure that you've shown enough leadership in that effort.

I know that you have fantastic civil servants working with you – there's no doubt about it – but there does need to be attention paid to the efficient use of taxpayer dollars. In a time of austerity and belt-tightening and the unicorn of a so-called bitumen bubble it's extremely disappointing for Albertans at our cultural organizations that you are asking for more money for yourself, but you're actually sending less and less to our communities on the front lines.

By my calculations this year you're actually going to be spending 14 per cent less, but as mentioned before, when you include inflation and population year over year, it's about an 18 per cent reduction in overall dollars to the front line. Minister, I truly believe that you and your staff could have found much more in savings in your bureaucracy to spare the cuts to programs that actually deliver the results to the stakeholders and Albertans.

I just wanted to end there. Thank you, Minister.

The Acting Chair: Thank you, Mr. Pedersen.

I think our next speaker is Dr. Brown. Would you like to combine your time with the minister?

Dr. Brown: Yes, please.

Madam Minister, I want to ask you some questions about the Glenbow Museum in Calgary. As you're aware, it's the trustee and the custodian for over a million objects of the province of Alberta.

Mrs. Klimchuk: Correct.

Dr. Brown: It has an art collection of over 28,000 works, which is over four times as large as the Art Gallery of Alberta. It has massive collections of over 100,000 objects of cultural history and 48,000 items of First Nation artifacts, including the pre-eminent collection of Plains Indian culture in the world. It also has a military collection of 26,000 items. Each of those collections would warrant a sizable museum in its own right. It also has one of the largest nongovernmental archives in Canada.

Despite those riches, the Glenbow is expected to operate on a budget of under \$3 million. I'm not criticizing the Royal Alberta Museum, but its budget is over \$8 million by comparison. It's also planned to have a \$340 million project, which would double its gallery space, and no doubt it's going to have more operating money to operate the 390,000 square feet which is planned, which will more than double its exhibition space.

8:50

My questions are around the funding for the Glenbow Museum, which is truly a treasure not only for Alberta but for Canada and for humanity. Why is the budget for the Glenbow so low compared to other provincial institutions? What can you do to stop the cutbacks in staff that have occurred over the last few years to ensure that we have proper curation of those precious heritage items of art and artifacts? When is Calgary going to get some provincial support for a dedicated public art gallery to house those 28,000 works of art which are now hidden in warehouses?

Mrs. Klimchuk: Okay. Thank you very much, Neil. A couple of things. We support one-third of the budget for the Glenbow Museum. This year they're going to receive about \$3.2 million, and that covers about one-third of its staffing and program costs. It's important to note, though, that the building is provided at no cost to the museum, which is about \$8.8 million, and then the city of Calgary provides the Glenbow with maintenance worth more than about \$1.5 million for janitorial and utility services.

We know the unique partnership that we have with the Glenbow Museum is that it's run by an independent board of directors, and they're responsible for operations, staffing, programming, all of those things. Currently we are working with Donna Livingstone, who is the new acting chair there, and she's just doing some phenomenal work already. My department has been working really closely with them to look at the challenges that they have with looking after the collection and making sure that they can, you know, do the right thing for Mr. Harvie's collection.

Certainly, it is an issue, but the funding that they got for this year was the same as last year. I think when you look at the other services we provide, we're doing some pretty innovative things with them with all the directors and how they run it.

Dr. Brown: Would you care to comment on the dedicated public art gallery for Calgary? I know there was provincial funding put into the art gallery here in Edmonton. Would you consider some sort of project of that nature for Calgary to help relieve some of that pressure and also to distribute some of those items, a very, very small percentage of which are now able to be exhibited in Calgary?

Mrs. Klimchuk: Yeah. I agree with you, Neil. The number of items that no Albertan has ever seen, whether it's at the RAM or whether it's at the Glenbow or any other facility, you know, is huge. I know that in the discussions with MOCA and some of the art galleries there was a conversation some time ago to try to get some collaboration, getting them to come together.

I guess part of me as minister is that I'm waiting for some kind of community initiative to come forward to say, "Yes, we want to do this," and then to start the conversation. I think that's really, really important. If the community wants to just keep their own separate areas and not come together as a team, that to me is a message. I mean, there's no funding in this year's budget, but it's a conversation that the community needs to have. No question.

Dr. Brown: Well, given the disparity of treatment between those provincial institutions that I mentioned earlier and the Glenbow Museum, which is operating as a quasi-independent body, would you consider a different model of operating to take care of those million items of the provincial government?

Mrs. Klimchuk: Well, that has come up before. Certainly, the way the Glenbow Museum is established by statute, it was made very clear that they valued their independent role to look after the collection, so if we ever did do anything, it would have to go through the process. I'm confident working with the Glenbow Museum right now; we're in a really good place right now. But certainly that's a really valid question to talk about for the future. No question.

Dr. Brown: Madam Chair, there are other people who want to get in a final question, so I'll yield the rest of my time.

The Acting Chair: Thank you very much, Dr. Brown.

Ms Blakeman, you have five minutes and 34 seconds.

Ms Blakeman: Thank you.

The Acting Chair: Would you like to combine your time?

Ms Blakeman: Sure. I'll try.

Thank you for that about the Glenbow, by the way.

Where exactly would we find the lottery fund transfer in your budget? I don't see it mentioned by name, so I'd like to know where it is. Secondly, where is the Premier's council funding to be found, and how much is it? Three, under goal 3 on page 15 of the business plan goal, "Alberta has resilient, inclusive and engaged communities supported by a . . . nonprofit/voluntary sector," how exactly are they supposed to accomplish this goal with the cuts of the community spirit program and the STEP program? In particular, the question is: how many NGOs and volunteer-based organizations that used the STEP programming would fall under the minister's portfolio here? I'll start with those three.

Mrs. Klimchuk: Okay. You don't see the lottery fund transfers because they're with Treasury Board and Finance. They don't transfer them directly to us.

Your comment about page 15, about what we want our communities to do and your comment about the NGOs – I'm not going to comment. I think that Minister Hancock dealt with the STEP program in his estimates. I think that when you look at the support for the CIP international and some of the things that we've still maintained doing, I think that's what we need to do.

One program, too, that I believe really helps the voluntary sector is the Vitalize conference that we have every year here. It's in Edmonton this year from June 13 to 15. That's a huge conference, and we keep the fee as affordable as possible. That's a great way for people to network, for people to have those conversations about the challenges they face. I would certainly encourage all groups to consider going to that conference.

Ms Blakeman: Okay. Thanks very much.

If I may make a suggestion – and perhaps your political secretary can take this directly to the Premier – I do not think you would have made the mistakes that this government has made in eliminating the community spirit program and the STEP program if this government had consulted more with their own backbenchers. This terrible mistake would not have been made. If the press secretary would be so kind as to pass that on to the Premier, perhaps we can stop this from happening next year. Thank you.

I've had so many people write to me saying: "What are we supposed to do? How are we supposed to keep going?" But a lot of us have asked that question of the minister, and there really isn't an answer there.

I will go to goal 4.2, in which you're looking to develop expertise to build capacity. Again I'm wondering. Given the cuts and the stagnation of this particular ministry, we've lost a lot of expertise here, a lot of institutional memory, a lot of experienced not-for-profit managers for some of the reasons that I talked about last year. You know, there's no pension plan, and you don't get paid enough money to put it away. So how is the department expecting to move forward to achieve that priority initiative given the lack of resources that it has? These people are way beyond a Vitalize conference.

Mrs. Klimchuk: Right. Thank you again. I think part of it, too, is that when I – you know, I don't mean to repeat again about the community development officers and the role they play with respect to helping boards with challenges, with fundraising, with just board management. They do incredible work, and I would encourage all groups to look at getting one of their officers at their meetings. Number one, a lot of people don't know about those community development officers. I think that's a very important thing.

The other thing about the challenges that are being faced across Alberta – I meet on a regular basis with Keri Mitchell and Theatre Alberta and all of the groups that are part of the partnership group that we've started, and those are the conversations that I will continue to have to listen and to see what's out there. Again, whether it's the Vitalize conference, which I'll mention again, or whether it's just some of the support we provide through technology, those are very, very important things that we do.

Ms Blakeman: Again, the response about the Premier's council: where was that funding? I think I missed the answer to that. How much is it?

Mrs. Klimchuk: I'd have to get back to you on that.

Mr. Day: I can answer that. We don't have a number for that yet because the council is not formed.

Ms Blakeman: Then how did you come up with this budget?

Mr. Day: For the Premier's council?

Ms Blakeman: How did you get final budget numbers if you don't know what the cost of one of your projects is? Is it magic money?

Mr. Day: No, it's not. We don't know how many members there will be on the council when it's formed. The budget is included in the department estimates.

Ms Blakeman: How about doing a supplementary supply, then?

The Acting Chair: Okay. Thank you, everyone. We are now finished estimates for this year. This is the last meeting scheduled for the Standing Committee on Families and Communities to consider budget estimates for the fiscal year ending March 31, 2014.

Thank you, Minister, and thank you to your team for your participation. Thank you to this committee for your excellent questions and the 29 hours that you've dedicated to this purpose.

Thank you. This meeting is adjourned.

[The committee adjourned at 9 p.m.]

