



Legislative Assembly of Alberta

The 28th Legislature
Second Session

Standing Committee
on
Public Accounts

Tourism, Parks and Recreation

Wednesday, March 12, 2014
8:30 a.m.

Transcript No. 28-2-3

**Legislative Assembly of Alberta
The 28th Legislature
Second Session**

Standing Committee on Public Accounts

Anderson, Rob, Airdrie (W), Chair
Dorward, David C., Edmonton-Gold Bar (PC), Deputy Chair
Allen, Mike, Fort McMurray-Wood Buffalo (Ind)
Amery, Moe, Calgary-East (PC)
Barnes, Drew, Cypress-Medicine Hat (W)
Bilous, Deron, Edmonton-Beverly-Clareview (ND)
Donovan, Ian, Little Bow (W)
Fenske, Jacquie, Fort Saskatchewan-Vegreville (PC)
Hehr, Kent, Calgary-Buffalo (AL)
Khan, Stephen, St. Albert (PC)
Luan, Jason, Calgary-Hawkwood (PC)
Pastoor, Bridget Brennan, Lethbridge-East (PC)
Sandhu, Peter, Edmonton-Manning (PC)
Sarich, Janice, Edmonton-Decore (PC)
Young, Steve, Edmonton-Riverview (PC)

Also in Attendance

Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W)
Strankman, Rick, Drumheller-Stettler (W)
Towle, Kerry, Innisfail-Sylvan Lake (W)

Office of the Auditor General Participants

Merwan Saher	Auditor General
Eric Leonty	Assistant Auditor General

Support Staff

W.J. David McNeil	Clerk
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Philip Massolin	Manager of Research Services
Stephanie LeBlanc	Legal Research Officer
Sarah Leonard	Legal Research Officer
Nancy Zhang	Legislative Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Christopher Tyrell	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

Standing Committee on Public Accounts

Participants

Ministry of Tourism, Parks and Recreation

Roger Kramers, Executive Director, Recreation and Physical Activity Division

Reegan McCullough, Assistant Deputy Minister, Tourism Division

Graham Statt, Assistant Deputy Minister, Parks Division

Cameron Steenveld, Senior Financial Officer

Dana Woodworth, Deputy Minister

Travel Alberta

Royce Chwin, Chief Marketing Officer

8:30 a.m.

Wednesday, March 12, 2014

[Mr. Anderson in the chair]

The Chair: I'm going to call this meeting of the Standing Committee on Public Accounts to order. Good morning, everyone. I'm Rob Anderson, the committee chair and the MLA for Airdrie. I'd like to welcome everyone in attendance here and as well by teleconference Ms Pastoor.

We will go around the table to introduce ourselves. We'll start with Ms Pastoor on the phone line. If we don't do that, I will forget, as I always do every week. Then we'll go to – wow – our distinguished and colourful deputy chair on my right.

Go ahead, Ms Pastoor.

Ms Pastoor: Good morning, everyone. Bridget Pastoor, Lethbridge-East. Yes, I'm sure you're all going to have to wear your neon-coloured sunglasses to be able to sit with David this morning. That's great.

Mr. Dorward: Thank you, Mr. Chair. I'm the deputy chair, David Dorward. A pleasure to be here. Yes, in three hours approximately I'll chop all my hair off. Thanks for the acknowledgement about cancer in the province of Alberta.

Mr. Donovan: Well done, Mr. Dorward.
Ian Donovan, MLA for Little Bow.

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

Mr. Sandhu: Good morning, everyone. Peter Sandhu, MLA, Edmonton-Manning.

Mr. Young: Good morning. Steve Young, MLA for Edmonton-Riverview.

Mr. Allen: Good morning. Mike Allen, Fort McMurray-Wood Buffalo.

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

Mr. Statt: Good morning, everybody. Graham Statt, the ADM with parks division.

Mr. McCullough: Good morning. Reegan McCullough, tourism division.

Mr. Woodworth: Good morning. Deputy Minister Dana Woodworth, Tourism, Parks and Recreation for the past eight weeks.

Mr. Steenveld: Good morning. Cam Steenveld, senior financial officer for Tourism, Parks and Recreation.

Mr. Leonty: Eric Leonty, Assistant Auditor General.

Mr. Saher: Merwan Saher, Auditor General.

Mrs. Sarich: Good morning and welcome. Janice Sarich, MLA, Edmonton-Decore.

Mr. Barnes: Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Strankman: Good morning also. Rick Strankman, Drumheller-Stettler.

Mr. Anglin: Joe Anglin, Rimbey-Rocky Mountain House-Sundre.

Mrs. Towle: Good morning. Kerry Towle, MLA, Innisfail-Sylvan Lake.

Dr. Massolin: Good morning. Philip Massolin, manager of research services.

Mr. Tyrell: Chris Tyrell, committee clerk.

The Chair: Go ahead.

Mr. Khan: Thank you. Good morning. Stephen Khan, MLA, St. Albert.

Ms Fenske: Jacque Fenske, MLA, Fort Saskatchewan-Vegreville.

The Chair: Jason, did you do yours, too?

Mr. Luan: Jason Luan, Calgary-Hawkwood.

The Chair: All right. Is there anyone here that's sitting on the committee as a substitute for another member? I just want to get that out of the way. No? Okay.

The microphones are being operated, of course, by the *Hansard* staff. Audio of committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. Audio access and meeting transcripts are obtained via the Leg. Assembly website.

Please, everyone, when you're speaking today, wait for the little light to go on, and then speak directly into the mikes so that the *Hansard* staff can hear you. Try not to lean back in your chairs if you can help it, and please do your best to keep your cellphones away from the microphones and to put them on vibrate or silent.

First, we're going to quickly approve the agenda, which has been circulated. Do we have a member to move that the agenda for the March 12, 2014, Standing Committee on Public Accounts meeting be approved as distributed? Mr. Sandhu. Those in favour? Any opposed? Carried.

We do not have minutes prepared today. We'll make sure to circulate those for the next meeting, so there will be two sets of meeting minutes that we'll approve next time we meet.

Today, of course, our meeting is with Alberta Tourism, Parks and Recreation. The reports to be reviewed are the Alberta Tourism, Parks and Recreation annual report as well as any relevant past reports of the Auditor General regarding them and the 2012-13 annual report of the government of Alberta, consolidated financial statements, and the Measuring Up progress report. Members should all have copies of the briefing documents prepared by committee research services and the Auditor General, which we received a briefing on just prior to this meeting.

Of course, joining us today are representatives from Alberta Tourism, Parks and Recreation.

We'd ask you to make an opening statement no more than 10 minutes if you could, and then we'll move to the Auditor General for some brief comments and start our questioning. Go ahead.

Mr. Woodworth: Thank you, Mr. Chair. First, I'd like to introduce some of my colleagues here from the department and also from an agency, Travel Alberta. I'd just ask them to put their hand up when I acknowledge them: Lloyd Bentz, who is the current CEO of Alberta Sport Connection; Mr. Royce Chwin, the marketing officer for Travel Alberta; Brad Babiak, director of planning and performance measurement; Roger Kramers, executive director of the recreation and physical activity division; my chief of staff, Alexander Nnamonu; Darren Baptista, director of financial planning for Tourism, Parks and Recreation; Dalton

Ho, the senior budget officer for the department; and Fiona Wiseman, who is our assistant communications director.

Mr. Chair and the committee, I just want to pass on my regards from the hon. Minister Starke. Dr. Starke is the Minister of Tourism, Parks and Recreation. He's currently chairing a natural resources and environment ministerial working group.

If I could, I'd like to turn the chair and the committee's attention to fiscal year 2012-2013 and talk very specifically about the goals that were laid out in that business plan and the annual report and perhaps offer some of the highlights from that period of time.

By way of introduction, the ministry in 2012-13 consisted of Travel Alberta and the Alberta Sport, Recreation, Parks and Wildlife Foundation, separate from the department itself, all components of the ministry. In the fall of 2013 the Alberta Sport, Recreation, Parks and Wildlife Foundation actually transitioned and became Alberta Sport Connection, so it was a year of transition within the ministry as well.

TPR's mandate: to create conditions for a successful tourism industry, to manage our natural landscapes, and to promote active, healthy lifestyles through sport and recreation.

The ministry's operational expenditures totalled \$182.6 million in 2012-13.

Goal 1 within the business plan for that period of time: "Alberta's tourism products are developed and expanded, and tourism from targeted local, national and international markets is increased."

Facts pertaining to that particular goal: tourism was about \$70.3 million of the budget, roughly 38.5 per cent of ministry spending, at that time a \$7.8 billion industry and by statistics attracting upwards of 35 million visits a year to the province, employing upwards of 139,000 Albertans across over 19,000 tourism-related businesses, so a broad reach and a very significant industry.

In that period the tourism levy totalled almost \$82 million, an increase of approximately 13 per cent compared to the previous year. The increase is considered indicative of greater levels of activity by Albertans and, really, the increased volume of visitors travelling to the province and using accommodations like hotels, motels, bed and breakfasts.

The mandate: support the development of tourism experiences, products, and destinations throughout the province. That can be broken down into festivals and events; tourism in the areas of culture, aboriginal society, sport, agriculture; culinary- and nature-based tourism experiences as well as trail development; and, beyond that, providing information through the Travel Alberta Contact Centre. We have a series of provincial visitor information centres, which are manned, and community and regional information centres as well as the Travel Alberta website and, additionally, research and interpretation of tourism data to really understand the market intelligence that we're receiving for interested stakeholders, to provide them the best advice, really, for those industries to flourish and to be successful in our province.

Highlights. In 2012-2013 through the festivals and events tourism growth program a total of 14 grants were issued, totalling about \$400,000, to organizations throughout the province. These grants supported the development of event growth strategies. They increase attendance and expenditures, they strengthen tourism partnerships, and overall they enhance the visitor experience.

8:40

As well, in 2012 the Alberta mission to the 2012 Olympics in London provided opportunities to connect with very key international travel decision-makers, business leaders, and investors. In particular, we hosted Dertour, 600 German travel

agents, in December of 2013, a direct reflection of the contacts and relationships that were built on that mission. We estimate that that particular relationship and that organization have the ability to generate upwards of \$16 million in direct visitor expenditures as a follow-on opportunity.

We met with numerous travel industry executives, tour operators, airlines, and resort developers, overall working to grow tourism by addressing the need for development and integrated marketing of tourism experiences, products, and destinations across the province.

A series of examples: the Rocky Mountain Legacy Trail, a 20-kilometre stretch of paved trail for pedestrians and cyclists connecting the towns of Banff and Canmore, acknowledged in the *Rocky Mountain Outlook* reader survey as the best use of taxpayer dollars; integration of tourism destination development, management, and marketing across 90,000 square kilometres in southeast Alberta – again, it's the Canadian Badlands not-for-profit corporation – so an opportunity to not only integrate, to profile but to develop new tourism experiences within the province of Alberta and to link them to significant international markets, all with the goal of increasing travel to Alberta.

Through a results-based budgeting review process opportunities were identified to better align and co-ordinate government processes relating to sporting events as well as strengthening the linkages between sports, tourism, culture, and other sectors and to ultimately understand that tourism is not a stand-alone industry but actually touches on a whole variety of opportunities within the province and how we as the public service and as government connect the various industries to increase the tourism draw.

We host sport events, track new visitors, and raise awareness of Alberta as a sporting destination, all with opportunities to generate new tourism business and increase international recognition. Sport tourism is one of the fastest growing segments of the Canadian tourism industry, with travellers spending upwards of \$3.6 billion each year nationally in that particular sector. In 2012-13 the ministry piloted the viability of using competitive-sport tourism to maximize its contribution to Alberta's economy at the International Ski Federation Cross-Country World Cup in Canmore. As well, along with the Minister of Culture we provided just shy of approximately \$900,000 in support of the Alberta World Cup 2012, reaching an estimated television audience of 30 million viewers world-wide.

We undertook several significant research projects in terms of market research and intelligence to support the industry across the province. Several examples: a study of the potential demand for world vacation experiences in Alberta to broaden the tourism experience; an economic impact study on sport tourism; recreational vehicle camping in Alberta; and market potential from a different segment, Ontario, within Canada.

Travel Alberta very deliberately and intentionally supported marketing efforts regionally, nationally, and internationally, generating upwards of \$280 million in unpaid media exposure for the province in that time period and positioning Alberta's tourism brand, working with targeted media in 11 key markets, and essentially from 2011, with the \$59.3 million invested on that tourism levy, generated upwards of \$1.15 billion in provincial tax revenue, which led towards a 19 to 1 return on investment.

The year 2012-13 marks the third consecutive year that tourism levy proceeds have increased, so the trend is evidence of a robust business and visitor economy and very effective destination marketing over time.

Some performance measures that are relevant. The percentage of tourism industry clients satisfied with tourism development services, 82.8 per cent satisfied: that's 3.8 per cent higher than

target and a 6.1 per cent increase over the previous year. Total tourism expenditures made by visitors from overseas to the U.S., Canada, and Alberta: the estimates in the statistical methodology by Stats Canada in that time period actually changed, and we can address that during any questions that you may have about that performance measure. It's just an indication of the complexity of the industry and the need for a close relationship with Stats Canada for us to stay abreast of the changing methodologies. But the take-away is that the percentage of clients satisfied with the overall experience at provincial visitor information centres also increased to 99 per cent, a 1.5 per cent increase and 1 per cent higher than target.

The bottom line: very indicative of teamwork, high-quality staff training, and a cogent plan to develop products to increase the tourism experiences, to attract the right markets to Alberta in a manner that's effective.

Goal 2. The Alberta parks system provides opportunities for outdoor recreation and tourism and conserves Alberta's natural heritage. The mandate associated with that: conserve Alberta's natural heritage, implement the plan for parks in the land-use framework, provide opportunities for nature-based outdoor recreation education, contribute to Alberta's success as a tourism destination, quality of life for Albertans, and – bottom line – keep the provincial parks system safe and enjoyable for all visitors.

The Chair: Thank you very much for that.

Mr. Saher.

Mr. Saher: Good morning, Mr. Chairman. We issued unqualified Auditor opinions on the 2013 financial statements for the Ministry of Tourism, Parks and Recreation; the Alberta Sport, Recreation, Parks and Wildlife Foundation; and Travel Alberta. Our audits did not result in any recommendations, and there are no outstanding recommendations requiring follow-up for this ministry.

Thank you.

The Chair: Thank you very much.

All right. We will turn the balance of the time over to questioning before we have some new business to deal with. We'll start, for the first 15 minutes, with the PC caucus.

Mr. Dorward: Actually, I'm going to turn over the time to Mrs. Sarich, Chair. I have to leave a little bit early as well, so Mrs. Sarich will work with the caucus in terms of questioning.

The Chair: Sounds good.

Take it away, Mrs. Sarich.

Mrs. Sarich: Thank you very much, Mr. Chair and Deputy Chair. It's my understanding that our caucus will open with Mr. Sandhu, MLA for Edmonton-Manning.

Mr. Sandhu: Good morning. I'm very happy to see, you know, that your ministry is doing a very good job, with no outstanding recommendations. My question is to Travel Alberta first. I do go to India once a year to visit, and we always talk about how we can promote Alberta, a rich province with resources, oil sands, agriculture. On my last visit I was talking to someone in the conference. A guy came to me, and he said, "Do you have airports?" I said, "Yes, we do have airports, Calgary's and Edmonton's international airports." He said, "You guys took a flight from Vancouver." I don't know how you guys are promoting internationally our government goals. We'd like to promote our oil, you know, to increase trade internationally. In

terms of promoting our province internationally, what's Travel Alberta doing on that?

Mr. Woodworth: If I could redirect that to the ADM of the tourism division because it's very much a combination question, market access for the province as well as the very specific, targeted marketing initiatives by Travel Alberta. So I'd ask ADM Reegan McCullough to start off with the market access overview and how we approach that issue.

Mr. McCullough: Thank you. One of the things is that about a year ago Alberta developed the new international strategy, and there's been a lot of work that's been done connecting tourism and culture as part of the market access solution. In other words, when there are various missions taking place to other countries, et cetera, we make sure that they are well equipped with information that's tourism related on Alberta. What are some of the experiences, the iconic destinations within Alberta, various other experiences, and so on? What are some of the cultural aspects, the diversity, et cetera, of Alberta? We make sure that those are part of the package of offerings that go on foreign missions.

As well, we co-ordinate with various business interests that are coming to Alberta to make sure that they're equally aware of that because from a business perspective, strong business-to-business linkages certainly promote tourism. You know, across the world countries that do business together also have strong tourism relationships.

Mr. Sandhu: My second question: how does your ministry work with Canadian immigration? You know, we can promote, but if a person doesn't get a visa to come to visit Canada, all that's going to go away.

Mr. McCullough: We have regular federal-provincial-territorial meetings on tourism. There are minister forums, there are deputy minister forums, and we definitely raise any concerns that are visa related, air-access related. Those really are the jurisdiction of the federal government, but we certainly raise any concerns through those forums to the federal government.

Mr. Sandhu: What about the direct flights from here to Europe?

8:50

Mr. McCullough: Same thing. I mean, the federal government is the final decision-maker and holder of authority over those decisions, but again we bring various research studies, recommendations, to the federal government.

Mr. Sandhu: Thank you.

Mrs. Sarich: The questions will now go to Steve Young, MLA, Edmonton-Riverview.

Mr. Young: Thank you. Deputy minister, I just have a question. You mentioned the festival grants, and the objective is to initiate – I'm guessing – and expand festivals. Are there measures aligned with that? Often these grants become just ongoing operating as these festivals continue year over year. Are we measuring the seed funding of those grants or growth of those festivals relative to the grants?

Mr. Woodworth: In the first instance, I would just say that I concur with your statement. It is about growing the base of tourism and actually creating experiences that are larger. Building upon one event, perhaps in a smaller location, might simply be something related to a rodeo, where you can tailor in a culinary

experience that is uniquely Albertan. Also, you can tap into some local artists and create a sense that there's more than just one activity occurring in that space.

The actual grants themselves do go through a process within the department. We've actually managed to integrate to a large degree how we view grants from a tourism perspective. We don't take a single lens. We look at: what are the potential effects for not only the Tourism division but Parks itself as well as recreation and physical activity? So even within our department we're rather holistic in what grants we feel add the best value.

I will turn to floor over to Reagan to add a bit more detail.

Mr. McCullough: First of all, one of the things that we do is what we call economic impact assessment of various events and various tourism-related activities. We don't do that for every event – the cost would be prohibitive – but we've done more than 30 over the last couple of years, and we use those as benchmarks.

In addition to that, when we're reviewing applications for event-type funding and whether it's a local event, provincial event, national or international type event, we look at a number of different factors. We look at, for instance, the timing of the event and the particular geographical location. For instance, in our national parks and other parts of the province there are times of the year when the community is very busy and getting hotel rooms is very difficult, so if somebody is coming forward and asking to host an event at that time, we would certainly ask them to consider another potential timing of that event. The timing in off-peak tourism periods, growing towards sort of four-season tourism, is really key.

The other thing that we look at is the visitor potential; in other words, how we can attract visitors from other regions of the province, our neighbouring provinces – certainly British Columbia, Saskatchewan, Ontario – and, of course, the U.S. and then our overseas markets. When we're targeting those visitors, we know through our research work that some of the visitors come for a longer period of time, and they spend more. So we will look at our targeting for those events towards those types of travellers.

We also look at the media and marketing potential of the event, again, regionally, provincially, nationally – some of the events that we have in place, like the World Cup downhill events, get something in the order of 160 million TV viewers in Europe alone – how those are marketed and how we can show what Alberta has to offer in addition to the excellent ski hill, the snow conditions, and Lake Louise at that time of year, the end of November, and so on. Those kinds of things would be strong examples of media marketing.

We also look at the social and community benefits, how we can better display our cultural diversity, our entertainers, local entertainers. We've been on a number of sport tourism initiatives, we've been involving the aboriginal community, we've been involving other cultural entertainment, et cetera, to really take some of these events – and we use the phrase like on World Cup downhill: we're trying to move from a race to a place. How can we really put Alberta on the world map?

We also look at the sustainability of the event: how many years has it been in existence, and how can the funding help to enhance and develop that event so that it actually grows, becomes larger? Then, again, back to my first comment, we look at specific economic impact assessments, so for skiing, for instance, or recreation vehicles, a number of different events, tour of Alberta, et cetera, we do actual economic impact assessments and develop some baselines and then look to grow those over the years.

Mr. Young: Well, thank you very much. Just a follow-up question to that. It sounds like you offer, given the provincial perspective on this, a bit of consultation, I guess, as part of the funding and promotion of Tourism, Parks and Rec in the province. To your point that timing is very important: it really makes sense that we're not going to put a festival in Calgary during the Stampede. Have we done a location, time, environmental scan across the province and tied that into where our funding aligns, where the gaps are?

Mr. McCullough: Thank you for that question. We've certainly taken a look at that, and going back to the time period 2012-13, we had some of that work under way. I'll just add that we've been doing more of that work. I won't go into a lot of details, but certainly our new tourism framework, that was announced last year, speaks to that a lot more. We've started down that path. We've got a lot more work to do. We're looking at things more regionally, whether it's through the land-use framework regions – and we've also got a map that defines what we call tourism regions in the province, so we're doing a fair amount of work – or working with industry and tourism-related groups within those regions as we do that.

Mr. Young: Thank you. I mean, Le Tour de l'Alberta was one event that seemed to me to be able to get outside those major centres and expand our impact both economically and regionally beyond just piling on the major cities more festivals, which are very, very important.

My last question, Chair, if I still have time. Each of the major cities and even smaller cities has a parks and rec department. The one in Edmonton is very robust. How are you aligned with them, and how is that measured?

Mr. Woodworth: If I could just maybe paraphrase the question: what are the relationships between the department and the various parks and recreation organizations provincially?

Mr. Young: And municipal, the city of Edmonton and city of Calgary.

Mr. Woodworth: Understood. Yeah. It's a great question. You could actually extrapolate to tourism and pose the same question. The reality is that there are numerous, literally hundreds of different organizations, especially on the recreation and physical activity side, less on the parks.

This system is not a rigid system per se, and the relationships in the department occur at two levels. First, on the parks side – and I'll have Graham talk to this shortly – there are a number of forums that they can use to stay connected. I'll ask Graham to actually talk about connecting with nature and how we're trying to broaden that to more than the provincial and national parks perspective.

On the recreation and physical activity side we've made a very deliberate split – and I talked about this previously – a transition within the department during the time period where we created Alberta Sport Connection, which is an arm's-length organization, which has a CEO, Lloyd, which has a chair and a board, and within the department proper a division, led by Roger, which has that obligation and tools to connect with all these various recreational organizations across the province.

I'll turn to Graham and ask him to elaborate, from a pure parks perspective down into the municipalities.

9:00

Mr. Statt: Thank you. It was an excellent question. Certainly, there's tremendous opportunity to continue to work with municipal parks. We see municipal parks as, really, gateway parks for many people, especially new Canadians and youth, who might not have a full understanding of or transportation to some of the parks that are further away from where they live.

So if we really believe in healthy, active living and getting people into these areas to connect with nature, partnerships with municipal agencies are very important, and indeed we do have those. For example, right now we've got Glenbow provincial park, which is near Cochrane, but we're also working with the city of Calgary to tie into the Haskayne park and their broader park system, largely through trails, a key aspect of that. Also, for example, Lois Hole provincial park, which is between St. Albert and Edmonton, will probably be the largest urban park in North America when it's done. Also, we're working with St. Albert and Edmonton, not only in land assembly but also trail building and programming.

One of the key focuses, as the deputy has indicated for us, especially this year and in future years, is going to be working with the federal parks but also municipal parks and then provincial parks to say: how do we work together better, not only for efficiencies in programming but also to tie our parks together through things like trails? If somebody can get into a local park that a municipality is running, the tendency might be greater for them to then try out a provincial park or a national park.

The final thing I'll say is that with respect to a provincial parks focus we've kind of been leading the way nationally as of late to really focus an agenda on urban provincial parks as well, again, to get to that place where people are able to access a park right near where they live and then use our parks system to enhance the parks systems of the municipalities as well. Great potential.

Excellent question, and I thank you for it.

Mrs. Sarich: Great.

At this time we'll turn it back to the chair. Thank you.

Mr. Dorward: Occasionally we have questions that we would like to ask and get a written response to, so there's no need to give us a verbal response right now due to time commitments. But could you respond back to the committee through the clerk as to Alberta's ability to meet its goals on the national trail system and its stated objectives in that regard over the next bunch of years and let us know how we're doing and what a plan would be to make sure that we fulfill our goals that we've made under the national trail program?

Thank you.

The Chair: Okay. With that, we'll turn over the next 15 minutes to the Wildrose caucus.

Mr. Strankman, take it away.

Mr. Strankman: Well, thank you, Mr. Chair. It's a privilege and an honour to be here today. I want to qualify some of my statements here to both my colleagues and to the members in front of us and to the staff, that I hold no malice to anyone in particular, but I do hold malice for abuse of taxpayers' dollars. So if some of my questions are sensitive in some nature, they're not meant in a personal nature. With that, I'd like to go ahead.

I do know in a personal way the minister, who's not here today, Mr. Starke. He and I jointly knew an old rancher by the name of Herman Flad, who was a larger-than-life person. He was a rancher, and he was a cowboy. He believed in not squatting with

your spurs on and not peeing into the wind, so I hope I do neither today.

I have great concerns with the budget, with the organization. Mr. Woodworth, in one point in your presentation you commented about measurable deliverables. You talked about grants, 14 grants issued by Travel Alberta, and you talked about a return on investment. Could you give me a quick response to that? How would you determine a 19 to 1 return on investment?

Mr. Woodworth: Just to clarify, the actual grants that I discussed in the preamble, the introduction, were not issued by Travel Alberta. They were issued by the tourism division of the department, so there are two different ideas on the table. The 19 to 1 return on investment is tied back into the economic uplift from tourism. So I could separate the two, or . . .

Mr. Strankman: I'd be happy to hear it.

Mr. Woodworth: Okay. So we can talk about the grants themselves. I think Reegan had already discussed in a broad sense the grant program and how it's viewed, but I'll ask you to reiterate.

Mr. McCullough: Okay. If I understand correctly, the first question is that you were wanting to know how we develop the return on investment. Basically, what we're using is the tourism levy allocation to both Travel Alberta and the tourism division. The way the levy is applied is that you go back two years from the given fiscal year. So in 2012-13 we'd go back two years from that in terms of what the actual levy collection was in that given year, and then we look at the overall tourism expenditures, which is information that's gathered by Statistics Canada, and they use a statistical model to gather that information. Essentially, that's, in a broad perspective, how we're calculating the return on investment.

Mr. Strankman: So you use a funding model from two years past to go forward with a futuristic model? I find that kind of disconcerting because, you know, it's certainly well to rest your information on the past, but how do you do forward budgeting based on past income?

Mr. McCullough: I was just, basically, explaining how the tourism levy is collected and how it's calculated. We have known and predictable funding because of that two-year lag. We use other indicators, et cetera, to help us calculate future tourism expenditures and so on.

Mr. Strankman: But that's my question. There doesn't seem to be definitive indicators of that. You don't present that in your budget, definitive indicators of how you're going forward with this allocation of funds. There's information regarding the sustainability fund and an allotment thereof, but there are no definitive indicators going forward.

Mr. McCullough: Certainly, every year, when we're calculating our tourism expenditures going forward, we take a look at economic indicators, whether they're provincial, whether they're national, whether they're international, looking at different states in the U.S.A., looking at different markets in Europe and, of course, the emerging markets. So that's the foundation of how we calculate future expenditures, which would be a different discussion than the return on investment.

If I understand your question regarding events, again, from the earlier answer I gave, we have done a number of economic impact

assessments. We use a model that's been developed over a number of years, and we use that model to determine the economic impact of various kinds of events. I can give you some information. For instance, when we look at snowmobiling in the province, the last year that we did an economic impact assessment was 2009, and direct visitor expenditures were some \$366 million for snowmobiling, which resulted in over 6,500 full-time equivalent jobs sustained province-wide and approximately \$142 million in total taxation revenues. Of that, \$92 million went to the federal government, approximately \$37 million went to the provincial government, and a little over \$12 million went to local governments province-wide.

The Chair: Thank you for that.

Mr. Strankman, you've got about nine minutes left.

Mr. Strankman: Thank you, Mr. Chair. Recently this has come to the attention of our caucus. In regard to public disclosure of the department and their lifestyles, if you will, and the expensing of alcohol on budgets – and some of these are concerning situations with other government employees, i.e., Parks Canada – do you have any response to that, please? Is that the policy of your department? Could you please respond?

The Chair: The question is entirely legitimate as it deals with expenditures of the past, so go right ahead.

Mr. Woodworth: Okay. With respect to the department . . .

Mr. Strankman: This is publicly posted on your website. This is public information.

Mr. Woodworth: I recognize that, and I just want to be clear, if you were asking about the department or Travel Alberta. It was unclear to me. The reality is – and I think you know this – that we take the public disclosure of expenses very seriously and to the extent that, I think, recently a commitment was made by Travel Alberta to actually do a review, a thorough review, related to some recent comments. I think I would simply ask Royce to provide some clarity on that and oversight, not necessarily in terms of alcohol per se but the broader perspective of public disclosure.

9:10

Mr. Strankman: Well, that's my point, and that's why I talked about the return on investment. I don't understand how one government agency's, I could say, entertaining of another government agency could create a 19 to 1 return on investment.

Mr. Woodworth: The 19 to 1 return on investment is a much larger economic aggregate, and I think . . .

Mr. Strankman: Well taken, sir, but I'm trying to get to the point of the department using this money, I would consider, frivolously. These are taxpayers' dollars, and they need to be accounted for.

Mr. Woodworth: And they will be, as I indicated, Mr. Chair.

Mr. Strankman: You also mentioned at one point the land-use framework and the references of Parks Canada in regard to that. Could you please explain to me how Travel Alberta and the parks portion of your portfolio is involved in the land-use framework?

Mr. Woodworth: Certainly. The closer relationship with respect to the land-use framework, in the Department of Tourism, Parks and Recreation, is actually the parks division, that ADM Graham Statt is leading. There is clear linkage between tourism

development and opportunities. I'm sure you're familiar with the Alberta Land Stewardship Act, the lower Athabasca regional plan, the ongoing South Saskatchewan regional plan. These are crossministry initiatives, extensive consultations, and obviously the department has a role to play much broader than tourism. In fact, the parks role, I would say . . .

Mr. Strankman: Yes. I appreciate that, but I was just wondering: how does parks have influence on the allocations of properties related to that? Are there specific declarations made? Recently I attended a meeting in Cochrane where there are a lot of disgruntled landowners in regard to the allocation of that land and the management thereof.

Mr. Woodworth: I'm not sure that's a question, Mr. Chair.

Mr. Strankman: Well, I want to know: what's the involvement of your department?

Mr. Woodworth: Okay. I'd love to tell you. The reality is that Graham is well positioned to give you the detail on how he interacts at a crossministry level with the government of Alberta on the land-use framework. Graham.

Mr. Statt: Thank you. Thank you for your question. I can certainly say that the ministry and definitely the parks division are heavily engaged in the land-use framework process, and significant staff time is being spent on this planning process. It's definitely a huge opportunity for Albertans to identify additional lands for not only conservation but also recreation and tourism purposes. I can say that with the first plan that's been completed, the lower Athabasca regional plan, we've seen a 42 per cent increase to the provincial park system as a whole. There has definitely been some significant moving forward in the way we're including the public in some of these decisions about their future and the legacy that is the parks system. I think it's a huge opportunity not only for parks division but for the people of Alberta to have a forward and thoughtful discussion on a very long-term horizon, and we are definitely involved in it.

Mr. Strankman: Well, thank you for that.

I'd like to switch over to page 52 of the annual report, where we talk again about expenses and your allocation of P-cards. Could you explain to me more about how this was allocated and, in the recent budgets, how it was spent, how it was determined for those funds to be spent?

Mr. Statt: I beg your indulgence until we get to the right page.

Mr. Strankman: For example, your ministry in six months spent \$25,000 at Home Depot, \$50,000 at Canadian Tire. Would it make more sense to have a preferred vendor? Many corporations, not unlike Enbridge, which my daughter works for, have preferred vendors, allocated vendors. Would it not be more prudent to go through a preferred vendor?

Mr. Woodworth: I just want to make sure I'm on the same page here.

Mr. Strankman: Page 52 of the annual report.

Mr. Woodworth: Well, it's not there.

Mr. Strankman: Well, that's the information that I was given. I'm sorry if it's incorrect.

The Chair: Perhaps, Mr. Strankman, you can move on to your next question, read that into the record. Maybe your assistant can provide the citation, and we'll give it to them separately.

Mr. Strankman: Again, the information I have is on page 52, regarding supplies and services. Page 52 of the annual report. Does that help?

Mr. Saher: Mr. Chairman, I'm trying to help. I imagine that the member is referring to what is known as the blue book. This is the listing of all payments to vendors, ministry by ministry. That's not, in terms of this committee, the annual report of the ministry.

The Chair: Okay.

Mr. Strankman: So it's not within the purview of this committee?

Mr. Saher: I think it could be. It's just that it's not the document that's been referenced.

The Chair: Anyway, we're going to move on, Mr. Strankman. So find something that's from the annual report to question on. Go ahead.

Mr. Strankman: Well, I'd like to go to another question, then, regarding the increase of the CEO's salary. That seems to have been raised a significant amount, from \$261,000 to approaching \$390,000 with benefits. Can you tell me the allocation or how that was . . .

Mr. Woodworth: Well, I'll find it in the annual report. I believe it may be reported, but I don't know about the figures you're quoting as 2012-13. Do you have a particular page for the annual report in question?

Mr. Strankman: It's page 106.

Could you explain to me how the wage increase was allocated? I mean, I don't begrudge people making proper sums of money for their positions, but I understand it was reviewed by another firm rather than your organization.

Mr. Woodworth: Well, just to clarify, Travel Alberta under the Travel Alberta Act is an arm's-length organization with a chair and board of directors. I think the note is self-explanatory. It does explain the actual process that was used, with respect to your question. Having said that, if you want more clarification on note (f), I could take that for the record. There may be some information from that particular report that recommended it, but that's the actual note that refers to that line item for Travel Alberta.

Mr. Strankman: Well, I find the change in the salary interestingly large.

The Chair: Yeah. All right. Duly noted. The 15 minutes, Mr. Strankman, is up. Thank you very much for your questions.

I would take a couple of seconds as chair, Mr. Woodworth, to say that Albertans expect more from an agency of the Crown as Travel Alberta than \$150 tax rentals, \$99 steaks, and \$8,000 flights. That is not appropriate use of funds.

Mr. Dorward: That's not appropriate for you to say in this committee.

The Chair: I'm hearing from the deputy chair that he doesn't think that's an appropriate thing to say. It is an appropriate thing to say. Those are funds that your agency expended, and I hope you

will do everything possible – everything possible – so that next time we have you in front of this committee, you can say that we have strict policies to make sure that that type of waste does not happen anymore. Is that the plan, to make sure to fully review that and make sure that that sort of thing does not happen again?

Mr. Woodworth: As was already indicated, that is, in fact, the plan. I take your comments at face value with the gravitas they afford.

The Chair: I appreciate that.

All right. We will move on to the Liberal member for seven and a half minutes.

Mr. Hehr: Well, thank you very much, Mr. Chair. I'm just following up on some of the comments of the chair and Mr. Strankman. Given the recent light on some of the expenditures that have arisen out of the department as well as Travel Alberta budgets, do you have timelines of when you're going to develop policies around alcohol expenditures and entertainment budgets and the like, what the timelines on those budgets will be? Also, what were the existing policies? Or were they just basically done on an ad hoc basis, where individuals would use their best judgment to submit bills to Travel Alberta or to the ministry? Like, if you could describe that process.

Mr. Woodworth: Well, in the first instance, I'll refer back to the Treasury Board and Finance policies, which exist for the department. They're extant, and they're followed. Now, Travel Alberta does have a policy in place. Notwithstanding, as I've indicated, that will be reviewed in light of some of the comments that were made previously. We do take those allegations seriously. For the record there are policies in place. There are controls and mechanisms. Notwithstanding, the review will unfold.

9:20

Mr. Hehr: Okay. Thank you.

I guess, then, moving on, I'm somewhat concerned and perplexed on how the Travel Alberta budget is really developed. By that I mean: is the operating budget determined based on program requirements, or is it determined based on the amount of the tourism levy that is collected and the subsequent percentage of the levy that is allocated to Travel Alberta? Essentially, what I'm asking is: do you guys have a business plan at the start of the year, "Here's the money we need," or do you all of a sudden get the expenditures and develop a plan from there?

Mr. Woodworth: If I could – and I will ask Royce to address the actual strategic planning process that Travel Alberta uses. It's quite robust. Not unlike a department, not unlike any other agency, Travel Alberta does go through a very rigorous financial planning process, and ultimately they're subject to estimates by the Crown and approval of any particular budget.

I'll ask Royce, then, to stand and give some detail on that process.

Mr. Chwin: Certainly. Thank you for your question. We do undertake a very rigorous planning process. That is one of the benefits of the way that the tourism levy is calculated two years forward looking. We are always able to have a good sense of what our budget might be two years in advance so that we can plan now for two years ahead.

We undergo a very rigorous process. We don't take the funds and figure out where they need to go. We look at market assessments as a strategy-led organization: where is our best

return on investment in terms of the markets that we're in, whether it's regionally or internationally? And within the marketing that we do, we have a number of relationships with travel trade around the world. These are existing relationships that go on year over year over year. These are the fans, if you will. These are the individuals, these are the relationships that are fans of Alberta and actually put Alberta on the map in the various markets that we're in. We work with these organizations to develop marketing programs to market Alberta experiences.

Mr. Hehr: Well, Travel Alberta's sustainability fund has been created to offset potential funding shortfalls and to allow marketing activities to continue in light of changing market conditions. But if we look at it, while the sustainability fund is decreasing, it still remains at \$6.6 million. Has management determined whether this is an appropriate level for that fund? Or what is the optimum level that that fund should be at?

Mr. Chwin: Thank you. We do review the sustainability fund every year in relation to the expenses that we have on marketing, and we have come to the conclusion, certainly, for this term that that is the amount required in the sustainability fund, that there will not be a draw on that as our plan is built on the existing base funding.

Mr. Hehr: Okay. I guess this is going forward. What's happened over here in the course of the last year is that we have a change in the Canadian dollar in that it is going down, and it's significantly more attractive for people to come to Alberta or come to Canada. Has the ministry put in some efforts into how best to leverage that opportunity? Are we going on a go-forward basis?

Mr. Chwin: Thank you. Absolutely. One of the things that we do as a tourism organization is constantly monitor foreign exchange, specifically in the U.S. market. That is our largest market in terms of out-of-border or inbound tourism, with over 775,000 visits and over \$560 million in expenditures in Alberta. As a result, knowing the size of this market, we have marketing programs and activities in the U.S. literally 365 days a year, whether those are consumer-facing programs, something they call meetings, conventions, and incentive travel – and that is attracting the business traveller to Alberta, and that's an important piece because they are the highest spending traveller – or visiting friends and relatives, media, and so on. So we're able to react with programs already in market and adjust as required.

Mr. Hehr: I guess just a comment and then a question. When I hear numbers like 19-1 as being the economic benefit, I'm always a little skeptical. Nevertheless, that's just maybe my position on the matter.

Have you guys looked at the expenses of going to the Summer Olympic Games in London, whether you've had any measures in place to assess whether we got value for money out of that trip? I know there was lots of, I guess, commentary in the paper noting that there were expenses at various hotels by ministries that may or may not have been appropriate. Have you developed some performance measures and the like to see whether we got value for money out of that trip?

Mr. Woodworth: It's germane, really, to all aspects of marketing. When you discuss what you're trying to achieve, you don't simply market during the times of peak. You also have to recognize that it's a competitive environment globally. Alberta is not alone. We're not an island. We're not isolated. What we have now in terms of tourism revenue and the economic activity associated

with that is clearly a result of, frankly, effective marketing not only during times of growth.

You also have to defend your share of the market. Part of that defence of your share of the market into growth is building key relationships, so understanding what I'll call the human train. Who are the key players globally that you need to influence so ultimately they can bring travelers to Alberta? That's very much what part of the conversation and the key relationships were during the meetings in London, in particular with Dertour.

I'd like Reegan to provide a bit of context on the success of that.

Mr. McCullough: Thank you. There were some discussions that certainly took place at the various forums that happened during the London Olympics with Dertour, which is a group of 600 German travel agents. Germany is the second-largest expenditure market for tourism in Alberta from Europe, so a very key market for us. The London Olympics, as they were positioned geographically, certainly drew on a lot of different key tourism players from . . .

Mr. Hehr: Did you have a meeting with these 600 delegates? Did they show up at a wine and cheese party? What exactly happened here?

Mr. McCullough: We met with senior officials, whether it was with airlines, whether it was tour operators. We didn't meet with 600 travel agents but certainly met with senior officials from Dertour.

Mr. Hehr: When you say "met," did you guys have a meeting in an office? What was the actual way that this went? Was it with one official? I'm sort of looking for how you measured this as it went forward.

Mr. McCullough: Alberta, during the Olympics, put forward what was called Alberta House and hosted a number of meetings with airline officials, resort developers, and tour operators, and one of them involved Dertour and one of the senior people there. There were something like 30 meetings in addition that were arranged by Travel Alberta.

The Chair: Excellent. Thank you, Mr. Hehr.
Moving on to the ND caucus. Mr. Bilous.

Mr. Bilous: Well, thank you very much, and thank you for coming here today with all of your staff. Maybe just one quick follow-up question to Mr. Hehr's, and that is if I could request in writing to the committee an actual detailed report on, I guess, the projected impact of the London Olympics trip, so again looking at our return on investment dollars that were spent to send a delegation over there versus how you project we're going to benefit from it, just to give Albertans a better sense of: did we get our value for money?

The Chair: Can I just clarify that? I don't think we can request a report, but we can we request an answer on that in written form. Would that be okay?

Mr. Woodworth: It is okay. I could endeavour to address it now as well.

Mr. Bilous: I'd prefer, actually, if we could get it in writing only because I have several other questions and only seven and a half minutes to go through.

Mr. Woodworth: Understood.

Mr. Bilous: Thank you. When we compare this year's business plan with last year's, it seems quite clear that sport and recreational activity has dropped at a fairly significant pace: 3 per cent for adults and 5 per cent for youth. It's not just the actual participation that's fallen. For youth your targets for participation have dropped enormously. Last year our target for 2014-15 was 75 per cent of youth being active or moderately active in their leisure time. This year it's reduced to 68 per cent. Obviously, the health benefits and cost benefits that spin off from an active lifestyle make an investment in recreation well worth it. So this is quite concerning. Your ministry is not even aiming to achieve the levels we were at last year, let alone aspiring for something greater. Does the ministry have an explanation for the significant drop? I'm just curious. Was it related to the 8 per cent budget cuts in recreation funding last year?

Mr. Woodworth: I just want to be clear that we're talking about the adult participation in recreational activities?

Mr. Bilous: Adult and youth.

9:30

Mr. Woodworth: So 3(a) has a decrease, which you're noting. Let me just provide some context. Correct. It was a decrease. The percentage of adults who participated in recreation and sport did decrease by about 3.2 per cent. That is a continued decline since 2010-2011. We believe the 2010-2011 initial result was probably a very high value, since 2001 frankly, influenced by the 2010 Winter Olympics and Paralympic Games held in British Columbia.

There may have been some uplift in the previous year based on really close adjacent activities. For males the result has remained consistent between the two years but decreased by 4.6 per cent, to 82.5, within 2012-2013. For females, you know, probably of a higher calibre here and more notable as a result is the 7 per cent decrease between the two years and a further 1.6, dropping to 80.8 per cent.

You're correct that there is an overall participation decline that's been noted on the performance measure. When we query and we do our actual consultation with the various stakeholders on levels of physical activity, upwards of 54 per cent, 55 per cent indicate they'd like to increase their level of physical activity in the next 12 months. For those that are active, generally they're only doing it two, maybe three times a week, but some are going as much as 30 minutes per week.

So if you talk about the decrease, we continue to partner. We recognize the decline, and we recognize what we're trying to achieve. We continue to partner with a variety of significant agencies across the province for provincial recreation, active living, and sports organizations.

Mr. Bilous: Right. Sorry. If I can interrupt you because my time is fairly short, I'm curious about youth involvement and, again, what the ministry is doing to encourage that and the fact that your targets have dropped. Your ministry last year faced a significant budget cut, 8 per cent, and I'm wondering if that's the reason for the lower targets or why there are less youth being active or moderately active.

Mr. Woodworth: What I'm going to do is that I'm just going to set the stage, and then I'm going to ask Roger to provide some context on the youth because it is different from the adults, and I recognize that. I don't believe it's related to a percentage of

budget cut. There are numerous variables, many of them societal, that extend beyond, frankly, the public service and a policy intent. Notwithstanding, it's still an important observation.

I'll ask Roger to comment.

Mr. Kramers: As the deputy indicated, there are significant decreases in physical activity right across the board and not only within Alberta but right across the country. There are a variety of things that children and youth are doing right now other than being physically active. They're sitting in front of their computer screens a lot more. They're playing on their iPhones, their iPods, their computers, everything. As the deputy indicated, we are working with a variety of stakeholders to try and increase those levels of physical activity, trying to find out what makes youth tick today, to get them out and get them more physically active.

I don't believe that the decrease is a result of the budget cuts. It is a result of societal trends that are happening not only right across the country but across the world.

Mr. Bilous: Okay. Thank you. I've only got, I think, two minutes left, so I'm going to try to rattle off a couple more. I have a couple of comments on last year, but the question is for this year. I'll just explain that to my colleagues and the chair. Before the election – this was actually a couple of years ago – there was a promised \$500-per-child tax credit for registering children in physical activity and a similar seniors' credit that would have provided a \$500 tax credit to seniors that participated in physical activity. The credits were supposed to be implemented in the 2013 budget, but here we are in '14 and they're still missing. Would the \$500 seniors' and youth activity tax credits that the PC government promised make a difference in the participation rates?

Mr. Woodworth: I think it would be pure speculation if I was to provide some kind of definitive answer. Many variables are at play. We actually just discussed a number of them. Society in general has a lot of influences upon them.

Is there a specific piece, or portion, of the annual report that you wanted to turn my attention to?

Mr. Bilous: No. Not at the moment.

Mr. Woodworth: Okay.

Mr. Bilous: My last question for today – and this was touched on by numerous members. Going back to the Travel Alberta CEO, looking again at salary, benefits, and all the rest, last year he had taken an \$8,800 first-class flight to Singapore in June to interview a single job applicant. I'm curious to know if this is standard practice for Travel Alberta.

Mr. Woodworth: As it pertains directly to Travel Alberta, and I think we're in the reporting period, I'll ask Royce to address that.

Mr. Chwin: Thank you. As part of our hiring policies, as part of the due diligence that we undertake, certainly with respect to a senior member of our executive team, it's always important to interview somebody on a face-to-face value. That came as a result of many conversations either through e-mail, telephone, and even Skype to make that final decision. It's unfortunate that this Edmonton native resided in Singapore at the time, but we wanted to have a face-to-face interview to confirm that, in fact, this was the right decision to bring this individual onto our executive leadership team.

Mr. Bilous: I mean, for myself I'm still quite surprised that a first-class flight was needed and almost \$10,000 spent to interview

a person face to face. Is the standard practice that if there are individuals, Travel Alberta or the department will fly all over the world to interview one applicant?

Mr. Chwin: It's not standard practice. This was an exception. But we will interview individuals face to face to make sure that they are a fit for our organization.

Mr. Bilous: Okay. Thank you.
I'm finished, Mr. Chair.

The Chair: Back to Mrs. Sarich. You have the remaining time.

Mrs. Sarich: Thank you very much. It's my understanding that Ms. Jacquie Fenske, MLA for Fort Saskatchewan-Vegreville, will open, and then any other colleagues, and then it'll switch back to yours truly.

Ms Fenske: Okay. Thank you very much.

Thank you again for being here. I would like to focus for the first bit on the parks reservation system just to ask you how effective that actually has been. Has that been evaluated? Do you think it's reduced costs and increased parks usage? That would be the start, and I probably will go from there.

Mr. Woodworth: I mean, we're very proud of the system. I'll be frank. I will let Graham provide some of the detail, but it's been very successful. The feedback not only from the clientele that use it but the actual results in terms of the timeliness and the volume, the actual volume of bookings and the overall increase has proven to be highly effective.

I'll ask Graham to provide the context.

Mr. Statt: Yes. It's an excellent question. Thank you. The system has certainly driven higher visitation, especially for those folks that would like to have certainty in their camping spots. We have a lot of people in urban centres, and a lot of our parks are substantially outside of urban centres. For people who want to get out there on a Friday night to then drive – maybe the kids are crying in the back seat, et cetera – they need to know that when they get there, there's going to be a spot available for them. The system does provide that certainty.

We've also noticed that the investment in the system has led to two additional things. One is that for areas which maybe previously had some lower use, people will travel to those areas, those campgrounds that they might not have otherwise had they not known for sure there was going to be a site there. So they're trying out new things. The system provides that information. They can really research those sites.

The other thing is a huge and excellent information source. One of the things we did last year is that we introduced a voluntary survey. When people would make a camping reservation, at the end of their trip they'd get an e-mail. We thought we might have some response to this to be responsive and to make continuous improvement. To our surprise, we had more than 14,000 of these surveys voluntarily filled out by Albertans, which we're now able to analyze and not only make changes to the system and the services we provide, which is very important to us, on an annual basis but, more importantly, almost on a real-time basis.

So we have people monitoring these surveys. We'll have a group of people that might say, "Well, I'm concerned about the cost of firewood here or the playground condition there," and we'll actually make real-time changes, within weeks and sometimes days, where there's a public safety issue and maybe

something is broken, et cetera. It's really increased our responsiveness as we serve Albertans through the parks system.

Ms Fenske: Thank you. Just leading off from that, then, it's obviously very effective and the demand growing. How do we evaluate if we have adequate space for our recreational campers?

Also, because of our growing population, do we have a projected number of miles or kilometres of trails that we want to achieve each year, and are we meeting that?

9:40

Mr. Statt: Yeah. It's a fair question. Certainly, as you've identified, we've seen that the province is growing by between 100,000 and 150,000 people a year. A lot of those folks are also new Canadians, which is another aspect of this. In fact, some recent studies, that we've done previously, have indicated that about 1 out of every 4 Canadians now was not born here, and that's growing exponentially. We have to consider all these things. Certainly, most of the investment in the parks system in terms of building it out was in the 1970s and '80s, for a population of that size and kind.

We've done some things with the dollars that we do have that we believe have gone a long way. One of the things that we've done is to actually enhance the sites and the campgrounds and the day-use areas, in particular for those larger types of recreational vehicles that you probably see pulling down the highway, where you have 35-foot units and giant motorhomes. In order to remain relevant and accessible to people's preferences, we've had to invest some money there and modernize a lot of our campgrounds. So in the last decade we've actually seen, up to the point of '12-13, \$270 million that was put into capital reinvestment and infrastructure to remain relevant and also to provide a high-quality product to keep Albertans camping and enjoying their parks system here in Alberta.

Mrs. Sarich: Well, thank you very much, Ms Fenske.

I have been listening very carefully about the information provided for the tourism levy in the sustainability fund. What's missing for me is – I understand how it works, but I think you need to extrapolate a little bit more information for the committee regarding the process used and the rationale for the ministry to determine the percentage of the tourism levy allocated to Travel Alberta. It is certainly not clear. That'd be part 1 of my question.

The second part would be: what is the rationale for allocating this levy based on something that is two years previous and not in the present day, the present time? It just seems like it's an accounting nightmare.

Mr. Woodworth: If I could, you started with the sustainability fund, and really some content around that is what you're seeking. Part of the reality of a marketing agency, as I talked about earlier, any marketing agency, is that you need to be in the game 24/7. If you're not having a global presence, you're, frankly, losing market share. You have to recognize that, you know, achieving a certain degree of market share doesn't necessarily last a month, a year, two, three, four, five years into the future. It's a fairly aggressive and competitive environment, so you need to be proactive.

The second piece I would like to highlight is that there is a certain degree of certainty required for any particular agency to actually plan and budget. If you're doing massive swings in allocations over a period of, say, 12 months, it's difficult to plan effectively based on the types of contracts that are generally put in place. You'll probably pay more for your marketing.

Mrs. Sarich: If I could just stop you right there. Could you explain the process and the rationale, from the ministry's perspective, to determine the percentage of the tourism levy? Let's start with that one.

Mr. Woodworth: Right. There is an actual relationship between Travel Alberta, clearly, and the ministry as an arm's-length agency. Part of that is a mandate and roles document, which I think we're probably all familiar with through APAGA, which was proclaimed recently. Part of the relationship explains roles and responsibilities, and there's a separate piece which talks about the funding model. That is, quite frankly, part of the budget and estimates process for government on an annual basis.

What I'm trying to impart is: can I tell you with absolute certainty now what the budget would be for Travel Alberta one year from now? No, I could not. Part of that conversation is: where are we at now, what do we see as the opportunities, and what is the current fiscal climate within government as a whole? As well, what is the reality of the tourism levies as they roll out? So I can't give you a precise dollar value one year out or two years out in advance. I admit that. That's not a paralyzing statement; it's a reality. Certainty is important. Staying in the game for market is hugely important.

If you want, I can talk about the sustainability portion, which you had addressed in your first question.

Mrs. Sarich: I understand where you're going with it, and the budgeting process really isn't very clear according to your documents. Going back to the rationales for this, to remain competitive – and I understand marketing – why isn't it in real time? You're relying on funding leverage from two years previous. Why can't it be in the current year?

Mr. Woodworth: I think that perhaps we're talking about two different things. Some of the metrics that we use to actually examine our success or not as an agency are not in real time per se. I'm going to let Royce talk about that because it's a fairly detailed process, with StatsCan methodology, that you use to understand your success or not, and then you tie that to the government of Alberta budgeting process.

The Chair: You've got four minutes.

Mrs. Sarich: Four minutes. I'm just wondering, Mr. Chair. I would appreciate you saying something, but it's been brought to my attention that Ms Pastoor would like to ask a question as well, and I'm not sure if this should be read into the record or how we could balance that time.

The Chair: You go ahead, Mrs. Sarich. Why don't you ask your question.

Mrs. Sarich: Okay. Then continue.

Mr. Chwin: Thank you. To try to clarify, what's collected in this current year, as an example, around the tourism levy is then allocated based on the comments from the deputy minister in two years' time. What that helps us understand is in two years' time what Travel Alberta's portion of the levy would be, and that helps us plan.

The budget that we're using in-year right now was collected two years ago. So this is constantly rolling two years ahead. That's a significant advantage as a tourism organization, and it gives us an advantage over every other tourism organization in Canada that does not have this funding certainty in place. What happens is that

they get their allocations on a yearly basis. They would have wild and perhaps unknown budget fluctuations, which will impact programs, which will impact marketing directives that they do.

If you get pulled out of market, if you get pulled out of what would be considered tourism shelf space – that is the marketing of small- and medium-enterprise businesses, Albertans doing tourism activity here – if you get pulled out of the stream, we are no longer able to promote and sell Alberta experiences, whether regionally or internationally, as a result of unknown funding if we get pulled back.

To understand, this year's budget came from two years ago, and it continues. This year's budget will fund two years from now, and that helps us in our planning process to know where we could be, where we should be, and where we can plan for.

Mrs. Sarich: Okay. I believe that Mr. Khan, MLA for St. Albert, has a question.

Mr. Khan: Thank you very much. Really quickly, I want to thank you for your work and the ministry's work. Having spent a little bit of time on the RBB panel, I can understand the impressive nature of your work and what you're contributing to Alberta. I'm going to come back to performance measures really quickly and just, you know, to a general comment in terms of some fuzziness around performance measures. We had talked about some of the challenges within the RBB meetings of refocusing some of those performance measures from outputs to outcomes.

More specifically, I do want to certainly acknowledge that tourism in and of itself is a remarkably competitive space. Unbelievably. I mean, you guys are literally competing with the Disneylands of the world, and as such it's really important to get out there, and we've talked about marketing.

When it comes to, specifically, performance measures – and I think some others have asked questions and kind of touched around these areas – what I'd be really interested to know is: in terms of, particularly, when we're talking about the London Olympics, when we're talking about missions within or outside of Canada, is the department currently forecasting what a return on investment could possibly be for such missions?

I think you're very good at measuring what that investment is, and we see that, but there's some mystery about: what was the potential for these visits? On the flip side to that, an examination of the return: I think that kind of information would be incredibly important. I also have confidence that that kind of information would show and display and emphasize some of the very important and critical work that you're currently performing.

9:50

The Chair: Unfortunately, we do need to move on. We've only got a couple of minutes left, and Mr. Allen still has to go.

Mr. Khan: Thank you, Mr. Chair.

The Chair: That was framed in kind of a similar question earlier with regard to getting an analysis of the activity from the London Olympics and so forth, so if you could add your answer to Mr. Khan to that overall answer, that would be great.

Mr. Allen, a couple of minutes. You had a question.

Mr. Allen: Yeah. Thank you, Mr. Chair. My caucus is very small, so I'll be very brief.

An Hon. Member: Succinct.

Mr. Allen: Succinct, yes.

You've had a number of questions already on the tourism levy and the sustainability fund, and I have a question that's related, specifically up in my neck of the woods. The 4 per cent tourism levy is based on hotels, lodges, and other fixed-roof accommodations under the Tourism Levy Act, and I'm curious on the definition of that.

The reason I'm asking is that I've had a question posed to me recently about project accommodations. In Wood Buffalo right now we have somewhere in the neighbourhood of 75,000 to 90,000 beds or capacity. These are people that are coming from out of province, or a lot are. They don't pay taxes in the province, they use our services – they use our social services, our medical services – and many of them previously used to stay in hotels and would have been paying this. Quite a number of these are termed "open camps," and they essentially have replaced a lot of these hotel rooms. The question that was posed to me was: has there been any consideration about, specifically with open camps, having that tourism levy applied there as well? There are, like I said, quite a number of rooms and beds that may assist in having a more stable tourism levy balance and sustainability fund.

Mr. Woodworth: I just want to, I guess, make the observation that, unless I'm mistaken, it's more of a policy question moving forward versus public accounts.

Mr. Allen: I guess it's not so much policy for me as it would be a definition, your definition of what a fixed-roof accommodation is.

Mr. Woodworth: There are some criteria for the actual allocation.

I'll ask Reegan to explain that.

Mr. McCullough: The answer is that it's 28 days. If people were staying in some accommodations for less than 28 days, the way the Tourism Levy Act reads, then they would be required to contribute to the tourism levy.

Mr. Allen: So it's based on length of stay. People that are coming in for 10 days at a time would be, I guess, considered part of that levy.

Mr. McCullough: As per the way the act is stipulated today, yes.

Mr. Allen: It's my understanding that it's not currently being applied to open camps.

Mr. Woodworth: I would say that it would be prudent for us to actually examine this and give you a written response because I think we may be conflating a commercial enterprise with a private corporation and what they're trying to achieve. I'm not confident, you know, that it's apples to apples, but if you would indulge me, we can examine it and give you a written response.

Mr. Allen: I would prefer that.

The Chair: Excellent. That will be great.

We're going to read two questions into the record, and they have to be very short and succinct.

Mrs. Sarich.

Mrs. Sarich: Thank you on behalf of Ms Pastoor. She is asking about the Canada trail and how the Alberta trails connect with that. What was the financial commitment to linking to the Canada trail, if any, what work has been done, and are any specific dollars set aside for this particular initiative going forward or any other private money as well?

The Chair: Excellent.

Mr. Strankman: Just one. In 2013 the CEO of Travel Alberta expensed a \$2,700 trip to New York. He did not provide an itemized receipt, but he did provide an expense submission, and it was, I understand, claimed and paid for. Could you give me some idea of the protocol as to how this could be achieved?

The Chair: Okay. Mr. Barnes, did you have one, too?

Mr. Barnes: Yeah.

The Chair: Read it in real quick.

Mr. Barnes: Okay. Thank you, Mr. Chairperson. Thank you, all, for being here. Two or three years ago I heard about a significant potential increase in same-day trips in western Canada, where people would travel around 100 to 200 miles for a day or two. I wonder if the tourism department has any tracking on this, if you have any performance measures in place, and if, in fact, this is happening, where Alberta people are going down to Medicine Hat for the day or Saskatchewan people are doing something for same-day tourism?

Thank you.

The Chair: Okay. Excellent.

Any others real quick? No?

Thank you very much to our guests for being here today. We really appreciate the time and the effort and the answers and look forward to your supplemental answers as well. Thanks for being here.

Mr. Woodworth: Thank you, Mr. Chair and the committee.

The Chair: Thank you.

All right. We have a few minutes to go over a little bit of material here. The working group met this morning with the Auditor General and his staff regarding future Public Accounts invitees, and it was suggested by the Auditor General that Treasury Board and Finance be invited to discuss the pension issue, of course, as we went over at the orientation meeting and as outlined in the Auditor General's report.

The working group also recommends inviting International and Intergovernmental Relations and Culture before the committee as they have not been called forward since 2010 and 2011, respectively. We'd also like to move Treasury Board and Finance up to right after the main estimates, pushing the other four departments back by a week. Of course, we're going to have a long break here with estimates. We won't be back till the 23rd, so we would have Treasury Board and Finance come at that point to talk about the pension issue outlined in the AG's report.

If that's okay, I would like to invite a member to move that the following groups be called before the Standing Committee on Public Accounts in the order listed subject to scheduling availability – Alberta Treasury Board and Finance, Alberta Executive Council, Alberta Infrastructure, Alberta International and Intergovernmental Relations, and Alberta Culture – and that any necessary scheduling changes to this list be made at the discretion of the informal working group.

Any discussion on that point?

Do we have a mover for that? Mr. Barnes. Those in favour? Any opposed? Carried.

As you know, last meeting we talked about travel to the CCPAC conference this year in Newfoundland. We also discussed this at the working group. There appears to be an appetite for sending additional committee members outside of just the chair

and the deputy chair to the conference as it is a very valuable learning experience.

Now, we were of course concerned about budgeting and making sure that we're not spending any more money given the times and the environment that we're in right now, so we found a way to accomplish this, and that is that we can send two additional people from this committee, which would be done by random draw, to the conference but with two caveats. One is that everyone needs to fly economy class. Two, your spouse or significant other is invited, but if you want to bring them – in the past the committee has paid to have the spouses come because they are invited. In this case, in order to make room in the budget, if you're going to bring your spouses – I am; Anita is coming – we would ask that you or the spouse or both of you pay the cost of the actual flight ticket. Obviously, the room doesn't apply because you'll presumably be staying in the same room. If you need separate rooms, perhaps you do need to pay for that yourself as well.

Mr. Khan: We're staying in tents.

The Chair: That's right. We're staying in tents in Newfoundland. That's always a good idea.

So that's kind of the accommodation. If we do that, with those two stipulations, we'll actually decrease the amount we spend on this conference this year, so we achieve both objectives. Is there any discussion on that before I move a motion?

Okay. Someone needs to move a motion. There are two motions. First off, we need to move that

the chair, the deputy chair, the committee clerk, and the committee researcher for the Standing Committee on Public Accounts be approved to attend the 2014 CCPAC conference in

St. John's, Newfoundland, in August and that selected members be identified as alternates at a later date in the event that any of the approved delegates are unable to attend.

Do we have a mover for that? Mr. Barnes. Those in favour? Any opposed? Carried.

Secondly, could we have a mover that

an additional two members of the Standing Committee on Public Accounts be approved to attend the 2014 CCPAC conference in St. John's, Newfoundland, in August subject to confirmation from the director of House services that the funds are available out of the existing committee's budget, that all members fly economy class, and that any flight expense incurred by partners and/or family members not be reimbursed by the committee budget.

Ms Fenske: So moved.

The Chair: All right. Ms Fenske moves that. Those in favour? Any opposed? Carried.

Is there any other business from the members today? No.

Due to the consideration of the main estimates, which will be next week, Standing Order 59.01(11) prevents our committee from meeting until after the final vote of the Committee of Supply. It looks like our next meeting will therefore be Wednesday, April 23, with Alberta Treasury Board and Finance. Our committee clerk will send out a reminder to all members a week before we meet.

Do we have a member who would like to move that we adjourn? Mrs. Sarich. Those in favour? Any opposed? Carried. Thanks.

[The committee adjourned at 10 a.m.]

