



Legislative Assembly of Alberta

The 29th Legislature  
Fourth Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Culture and Tourism  
Consideration of Main Estimates

Monday, April 9, 2018  
7 p.m.

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The 29th Legislature  
Fourth Session**

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

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van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

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**Also in Attendance**

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

**Participant**

Ministry of Culture and Tourism  
Hon. Ricardo Miranda, Minister



7 p.m.

Monday, April 9, 2018

[Mr. Sucha in the chair]

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

**The Chair:** All right. Good evening, everyone. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Culture and Tourism for the fiscal year ending March 31, 2018. Before we begin, I would like to recognize that we are commencing this meeting on the traditional territory of Treaty 6.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce the officials that are joining you at the table. My name is Graham Sucha. I'm the MLA for Calgary-Shaw and the chair of this committee. We'll continue with the member to my right.

**Mr. van Dijken:** Good evening. Glenn van Dijken, MLA for Barrhead-Morinville-Westlock, deputy chair of the committee.

**Mr. Schneider:** Dave Schneider, Little Bow.

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

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

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

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

**Miranda:** Good evening. Ricardo Miranda, MLA for Calgary-Cross. Joining me today: Deputy Minister Meryl Whittaker; the ADM for tourism and recreation, Chris Heseltine; and senior financial officer Pam Arnston.

**Mrs. Littlewood:** Good evening. Jessica Littlewood, representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

**Mr. Piquette:** Hello. Colin Piquette, Athabasca-Sturgeon-Redwater.

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

**Ms Fitzpatrick:** Good evening. Maria Fitzpatrick, MLA for Lethbridge-East.

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

**Mr. Dach:** Lorne Dach, MLA, Edmonton-McClung.

**The Chair:** For the record I would like to clarify that it's the fiscal year ending in 2019.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set all your phones or other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including speaking rotations. As provided for in Standing Order 59.01(6), the rotations are as follows. The minister or member of Executive Council acting on the minister's behalf may make opening remarks not to exceed 10 minutes. For the next 50 minutes members of the Official Opposition and the minister may speak. For the next 20 minutes

members of the third party, if any, and the minister may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time that remains, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes, as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their times for a total of 20 minutes. For the rotation that follows, with speaking times of up to five minutes, a minister and a member may combine their speaking times for a total of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking times are being combined. Members are asked to advise the chair at the beginning of the rotations if they wish to combine their time with the minister's time. If any members have any questions regarding speaking times or rotation, please feel free to send me a note or speak directly with either the chair or the committee clerk about the process.

A total of two hours has been scheduled for the consideration of estimates for the Ministry of Culture and Tourism.

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

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to any questions. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated alongside the committee walls. Space permitting, opposition caucus staff may sit at the table to assist the member; however, members have priority to sit at the table at all times.

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 the committee will adjourn. Otherwise, the committee will end at the scheduled time, at 9 p.m.

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

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

The vote on estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I'll now invite the Minister of Culture and Tourism to begin with his opening remarks. You have 10 minutes.

**Miranda:** Thank you. Good evening. I'm pleased to join you this evening here on traditional Treaty 6 First Nations territories and lands of deep historical significance to the Métis people of Alberta. I appreciate the opportunity to share with you details of Alberta Culture and Tourism's 2018-19 budget. Along with the people joining me at the table today are senior, key members of my

ministry's executive team, who are seated in the gallery. These individuals represent the incredible team of staff and managers who, in the implementation of our fiscal plan, will help us to achieve our goal of building an economy to last and who, through the efficient delivery of programs and services, are working to make life better for Albertans.

The total budgeted program expense for Culture and Tourism in 2018-19, including operating and capital spending, is \$383.2 million, representing an overall increase of \$32 million from the 2017-18 budget. Budget 2018 provides \$380.5 million in operational funding for ministry programs and services and \$2.7 million for capital expenditures.

More than a fiscal plan, Budget 2018 is our commitment to Albertans. It is about investing in people and expanding our efforts to diversify and grow our economy while ensuring that all Albertans share in the opportunities and prosperity that a strong economy creates. It is about investing in more than 125,000 community-based nonprofit organizations and the tens of thousands of volunteers that work each day in small towns and big cities across the province.

Budget 2018 provides almost \$84 million in funding through the ministry's community grants program, enabling organizations to leverage individual and corporate donations to meet local needs. Community facility enhancement program funding will be maintained at \$38 million as we continue to support nonprofits in developing or upgrading existing community-use facilities and infrastructure. A total of \$25 million has been allocated to the community initiatives program to help fund programs and operations of community-based nonprofits as well as Alberta-based organizations engaged in international development projects.

Recognizing the significant cultural and economic benefits generated by the Calgary Stampede and Edmonton Northlands, major fairs and exhibitions grant funding levels will also be maintained, at \$15.3 million, in 2018-2019.

The other initiatives program, which supports unique community-based projects that fall outside the criteria of the community grants program, has been increased to \$6 million.

Through the work of our province's talented visual and performing artists the rich diversity and vibrancy of Alberta's culture are being shared with audiences both at home and abroad. Those talents are also in demand in a cultural industry sector that is growing in importance. Budget 2018 maintains our government's support for artists and art organizations, with \$31.5 million in funding through the Alberta Foundation for the Arts.

While Alberta's cultural industries have emerged as a major economic contributor, we recognize that the full potential of our film and television industry, postproduction, interactive digital media, book and magazine publishing, and sound recording sectors has yet to be fully realized. Budget 2018 provides \$48 million to the Alberta media fund, an increase of \$13.9 million, to provide continued support to the province's cultural industries. This includes almost \$45 million in funding for the Alberta screen production grant to help support film and television production and the economic opportunity it generates.

An additional \$2 million in funding through Economic Development and Trade will further support cultural industry funding programs. The Alberta interactive digital media tax credit, also introduced by Economic Development and Trade, builds on the interactive digital media pilot grant that was introduced in 2017 and will help grow the interactive digital media industry and other related creative industries right here in Alberta.

Just as we look to the exciting new opportunities generated by innovative, creative Albertans as a means to diversify our economy in the future, we also look to the opportunities found in the rich

history and heritage of our province. With Budget 2018 funding of \$63.5 million to support local heritage preservation and funding for the province's museums, archives, and historic sites, Alberta's families and visitors from around the world will continue to discover opportunities to explore our province's past today and for years to come.

Heritage gems like the Royal Tyrrell Museum, the Reynolds-Alberta Museum, and Head-Smashed-In Buffalo Jump have already established international reputations for excellence as educational resources and cultural centres. They are also regarded among the most popular tourism destinations in the province and the nation. With the opening of the new Royal Alberta Museum later this year, Albertans will have even more reason to take pride and share in our collective past. The \$8.2 million in funding allocated to the Alberta Historical Resources Foundation will help to support local heritage preservation initiatives in communities across the province.

## 7:10

Our government remains committed to facilitating the growth of Alberta's tourism sector as a key contributor to the diversification of Alberta's economy. By providing support for development and access to unique attractions, destinations, and experiences and encouraging Albertans and visitors from the rest of Canada and international markets to explore the beauty and wonder of our province, we will help to create and sustain a wide range of jobs in all regions of the province.

Our investments in tourism are paying off. In 2016 34.8 million person-visits to the province, an increase of 2.1 per cent over 2015, generated \$8.5 billion in tourism spending, an increase of 4.7 per cent over the preceding year. Most exciting is the impact of key international markets. Overseas visitation increased by 10.9 per cent in 2016 while expenditures rose by 14.1 per cent. Budget 2018 provides \$56.4 million in funding support to further grow Alberta as a premier destination for domestic and international travellers while providing exciting, affordable vacation options for Alberta families.

More than \$44 million has been allocated to Travel Alberta for tourism marketing, with an additional \$11 million for industry development programs and services. With this funding commitment our government's support of tourism marketing and industry development remains among the top four in the country. We're also continuing to introduce innovative industry development programs like the new tourism growth innovation fund. The tourism growth innovation fund will provide project grant funding to help support the economic, socioeconomic, and community goals of Alberta's tourism sector in the areas of product and destination development.

We're also making significant investments in key tourism and cultural infrastructure. Budget 2018 provides a total of \$25 million in Alberta capital investment over three years for expansion of both the Telus World of Science and the Winspear Centre. Funding is also being provided through Alberta Infrastructure for important upgrades to the Jubilee auditoria to enhance visitor experience. Additional investments by other ministries in improvements to Alberta's network of provincial parks, roads, and infrastructure play an important role in supporting tourism and tourism development. Along with previously announced investments in the expansion of the Calgary Zoo, Fort Edmonton Park, the Royal Tyrrell Museum, the Reynolds-Alberta Museum, and the Royal Alberta Museum, new capital spending will create good-paying jobs and further bolster Alberta's reputation as a world-class tourism destination.

If one questions the value of our investments in support of local and provincial sport, recreation, and physical activity initiatives,

then you'd only remember the gold, silver, and bronze medal performances of our Alberta athletes at the 2018 Pyeongchang Olympics. Budget 2018 provides overall funding of \$26.7 million in support of programs and initiatives to encourage Albertans to enjoy a healthy, more active lifestyle and create new economic opportunities for Alberta communities. While you will note a decrease of \$750,000 to Alberta Sport Connection, this reflects the amount of the final payout of our funding commitment for the 2019 Canada Winter Games. The Alberta Sport Connection budget has otherwise been maintained.

Our investment of \$50 million through the Alberta capital plan will support expansion of Calgary's Vivo for Healthier Generations facility to help provide Calgarians and visitors to the city with affordable access to health and recreational facilities and programs. An additional \$5 million in funding in 2018-19 completes our \$10 million support to refurbish the WinSport sliding track project in Calgary.

With the historic passage of Alberta's French policy in 2017 the Alberta government has established a new relationship with the province's francophone community. The Francophone Secretariat continues to serve as a vital link between the government and our province's rapidly growing French-speaking community. Budget 2018 provides a funding increase of \$676,000 for a total allocation of \$2.2 million to support the program and operations of the Francophone Secretariat. This allocation includes an increase in the federal funding contribution.

Across Alberta jobs are up, the deficit is down, and with economic recovery well under way, Albertans are moving forward towards a stronger, brighter, and more sustainable economic future. Even as our province leads the nation in economic growth, we have much work to do to ensure our recovery is sustained as we work towards an economy that is built to last. Across my department and its agencies we are committed to delivering and maintaining the important programs and services Albertans need in the most efficient, cost-effective manner possible. This includes a hiring restraint as well as a freeze on all nonessential discretionary spending, including travel, advertising, and conferences.

**The Chair:** Thank you very much, Minister.

For the next 50 minutes members of the Official Opposition and the minister may speak. Would you like us to set the timer at 20-minute intervals so you're aware of the time?

**Mr. Orr:** Actually, no. Just let it run right through.

**The Chair:** Run right through. And would you like to share your time with the minister?

**Mr. Orr:** Please, if that's acceptable.

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

**Mr. Orr:** Thank you very much. Thank you for being here, Minister and staff. It's always an interesting time for all of us to see where we've come the last year and where we're going. Of course, it's a very broad and diverse ministry, so there are a lot of things that create a lot of interesting thought and conversation.

Maybe I'll just begin by taking a quick look at pulling a couple of ideas out of the strategic plan on page 7. It talks about the capital investment tax credit, and I'm interested there only in the portion that refers to the tourism infrastructure that would come out of that. I notice a little bit further over that there's \$1.2 billion in investments raised. I just wonder if you can tell me how much of that \$1.2 billion is actually Culture and Tourism related.

**Miranda:** Well, first of all, the investment tax credit was something that we thought would be a very good opportunity for us to incent small businesses to actually promote and diversify different product offerings in all the regions of the province. For me, for the information of all members, it was something that we developed with Economic Development and Trade. We have some figures that have been provided to us, and I will be more than happy to share those with you.

The important thing to remember is that in addition to the tax credit, we have done missions to China, I believe it was, that allowed us to bring tourism operators with us to look for these opportunities and also to create interest in investment from China as well into the province. All these different things, I think, put together are going to create the kinds of things that we need in order to promote. I mean, ultimately, it's not the ministry that creates these destination offerings, but it is certainly our job to provide all the support that we can, not just including in the tax but also by implementing things like conferences and providing ongoing support to tourism operators. We've had them throughout the province, in fact, and we have more scheduled.

**Mr. Orr:** What I would be interested in, I guess, would be just if you could even at a later date – I don't care – give an indication of how much of it is actually invested in relation to Culture and Tourism directly rather than some of the other focuses of that plan. I realize there are other focuses, so I was just trying to break that out. That's all.

**Miranda:** Absolutely. I will have to consult with my colleague to get that information because it's a different department.

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

Okay. Let me go, then, to the operating, the budget pieces, and to the first one, I guess, that I'm interested in, on page 72. Communications has been completely removed from ministry support services, transferred to Treasury Board and Finance. If you add up the two different figures there, it's about 2 and a half million dollars. I'm just wondering why communications has been consolidated into one ministry and out of your ministry.

**Miranda:** You're asking about page 72, and which element are you talking about?

**Mr. Orr:** The communications piece, corporate services.

**Miranda:** Okay. Thank you.

Well, basically, what has happened is that it's all been combined into one agency. We still retain one person that is dedicated to Culture and Tourism, but as you can imagine, for example, Treasury Board and Finance has a lot of need for communications during budget time, but at other times in the year the demand on communications is a little bit lower. Other ministries, like ours for example, are pretty active throughout the year. What's happened is that they've consolidated all communications into one department so that they can reallocate resources as demanded so that you're not having to constantly look for people and additional support. It can just be redeployed very quickly. It's basically a way to create efficiency across government when it comes to communications.

7:20

**Mr. Orr:** I guess my question, then, would be: if you've essentially been able to save 2 and a half million dollars out of your budget but your budget hasn't actually gone down in any way to reflect that – in fact, it's gone up by about 7 per cent – especially in a time when the Premier, in the fall, said that we should be prepared for budget

tightening and careful spending, I just wonder why, with a saving of 2 and a half million, the budget has actually gone up 7 per cent.

**Miranda:** Right. There are also the additional expenses that we are looking into: the creation and redevelopment of our website and web content as well as streamlining the different products for the intake of grants. All of these things are being moved to the new website, and the development of new, I guess, infrastructure, technological infrastructure, is also a cost that we have had.

The other thing to remember is that the budget is being restated on a comparative basis from the previous year, and we still had the expense for part of last year in communications because not everybody was transferred within the tax year.

**Mr. Orr:** Interesting. Yeah, I think last year you said that there was change in the way things were accounted for and stated as well. It's typical government.

**Miranda:** It's the way the accounting process is done, I guess, a reflection of better measures, better ways to account for the money. Restating the budget from previous years did create that same issue last year, and it's something that is reflected, again, on a comparative basis.

**Mr. Orr:** All right. Since 2016-17 there's actually been a 23 per cent increase to the deputy minister's office. Again I go back to the Premier saying that, you know, we need to be prepared to actually be trying to balance our budget, to move toward balance, to save money, yet I see increases everywhere I look here. I just wonder: what is the increase for, and have you looked for efficiencies there?

**Miranda:** In the deputy minister's office?

**Mr. Orr:** Correct.

**Miranda:** Thank you. Again, absolutely, we're doing everything we can to constrain spending, eliminating, for example, discretionary spending and travel. There was an increase in the previous year for resources, and frankly they're needed in order to be able to continue to provide the services that the ministry does. There's a lot of work that we do with nonprofits. In addition to that, there are costs that are related to having the people in the ministry that can deliver those services. Absolutely, we are going to continue with our cost restraint and ensuring that we can find efficiencies everywhere we can.

The other thing I would note is that within the ministry operating expenses, the minister's office and the deputy minister's office both have remained at the 2017-18 budgets. The estimates have also remained the same.

**Mr. Orr:** Okay. Let's drop down to line 2.1, program support. Again, it's up substantially. I'm just wondering: are there any new initiatives and supports that you're providing to community organizations? Again, a fairly substantial increase to program supports, over the last couple of years at least.

**Miranda:** Thank you. Absolutely. Now, there's an increase of \$4.5 million, primarily due to the grant for the Calgary Olympic bid of \$5 million in 2018-19.

**Mr. Orr:** So that's where it is in there, in the Calgary Olympic bid? I was going to come to that eventually.

**Miranda:** Yeah. Sorry. I'm getting ahead of myself, then.

Under 2.1, the supports for divisional activities, basically we are increasing by \$200,000 primarily to the general increase from the

previous year's budget, an increase of \$263,000 for IT-related projects, which is offset by a transfer of \$113,000 to cultural industries as part of a move of programming from one department to another.

**Mr. Orr:** Okay. Let's look at 2.3, the CIP program, the community initiatives program, always an important one to the community and to a lot of people. This is all Alberta gaming money, I understand. That's correct, right? That's where it comes from?

**Miranda:** That's right.

**Mr. Orr:** Yeah. That's what I thought.

With regard to the grant reporting requirements, some of the organizations have expressed frustration – I've heard it; I'm sure you've heard it – with regard to the onerous and expensive nature of both applications and reporting, some of them complaining, you know, that it takes them 20 to 30 per cent of the price of the grant just to even apply for it and then report back on it. I realize reporting is important. I'm not saying that it shouldn't happen. I guess my question to you, though, is: how are you working to balance the need for reporting and the detrimental cost to the grant recipients? That is a big issue.

**Miranda:** Right. I'll start off by saying that we have actually streamlined the process. In fact, we went out and had consultation with stakeholders, first of all, to create guidelines that were easier to follow, to create intake forms that were easier to fill out but also ensuring that we were still getting all the information that we needed in order to account for program objectives and the goals that we set out for these funds. We have always continued to have this dialogue with the nonprofits. I'm surprised to hear that 20 per cent is being used for that because we have, in fact, community outreach workers within the ministry that not only go out into the community to hold workshops to help people fill out these applications; they're also available, both through the phone and in person, to provide information to fill out the forms and ensure that people are getting what they need in order to properly fill these out.

One of the frustrations that I had heard initially, when I was appointed to the ministry, was that applications were not properly filled out, and that was the only reason why these grant applications were being rejected, which, to me, did not seem like the most efficient way to do this. So the direction I gave and the direction that has been followed by the community outreach officers that I was mentioning is for them to actually reach out to grant applicants to help them with these and ensure that we're getting the information that we need and that the process is as easy for them as possible.

**Mr. Orr:** I am still hearing from people that they're frustrated with it. I guess the cost comes when they consider the cost of hiring staff to write grants and report on them and that kind of thing. Anyway, I'll leave it at that.

**Miranda:** To be fair, that's not the objective of these grants, right? The grants are for the programs themselves. I mean, there is some programming that goes to help with the operational costs of doing business, but the majority of the grants are for either capital projects or, in fact, they're for delivering the programs themselves. It's not to pay for somebody to write these grants.

So my message, I guess, for all these organizations that are contacting you would be: please reach out to us to ensure that we continue to provide the services that are available. They may not even know that these are available to them, so I encourage them to reach out to us, because we'd be more than happy to help.



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

Is there a percentage of grants that – I don't know – for lack of a better word, misuse the money or don't spend it in appropriate ways, that you have to deal with?

**Miranda:** Well, that's why we need to have these accountability measures, right?

**Mr. Orr:** Of course. That's why, I guess, I'm asking what you're finding and about reporting back.

**Miranda:** We're not finding a lot of problems with them. There are, I would say, a very minimal number. It mostly has to do with when the organization ceases operation or there isn't anybody left in the organization to provide the reporting to the ministry. But it's not, to be fair, a widespread issue, and it's not something that has concerned us very much.

**Mr. Orr:** One of the other huge questions that concerns grant applicants in many cases – and I'm just wondering what you're going to be able to do to mitigate it for them – is the increased operational costs: the minimum wage, the carbon tax, labour compliance, and things like that. For many of the nonprofits, of course, that's a huge challenge. You know, are they supposed to fund raise for that extra money? The wage compression has been a big issue. How are these nonprofits going to manage those increased costs in the coming year?

**Miranda:** Well, on the impact of the carbon levy and the minimum wage, along with ministry partners across the government we're continuing to analyze the potential impact that the levy cost has on the nonprofits. My department will continue to work with Culture and Tourism stakeholders to identify issues to help them transition to an energy-efficient, low-carbon future. Eligible nonprofits will have access to tools of up to \$10,000 in funding support to assess their organizations and develop energy management plans. Also, many nonprofit organizations have provided input to the Alberta climate change office through the Energy Efficiency Advisory Panel. The work that we're doing here is to ensure that everybody is able to get access to all the information and ways in order for them to reduce their costs.

7:30

With respect to the minimum wage and particularly with respect to the nonprofits, I would simply say that many of the people who work in these nonprofits are serving a very vulnerable population, but in the same vein they also need to make a living and be able to afford to access the most basic of things. The minimum wage will help reduce poverty in many respects as well because it does have the impact on the majority of the workers that are impacted by minimum wage, being single mothers in the province. All these things put together, I believe, are very important and something that our government strongly believes is a very positive step in the right direction.

**Mr. Orr:** Yeah, as long as they don't cease operation, and then they have no job, which is somewhat of a risk for some.

Anyway, be that as it may, some of the CIP grant funding was delayed this last year in terms of delivery time. I think ag societies were concerned about that. Rural Alberta tourism and maybe a few others felt that they had a hard time finding out when they were going to get their money. It puts these organizations in a very difficult planning position. What are you doing to ensure the timeliness of grant delivery moving forward?

**Miranda:** Thank you. As you know, one of the things that we have implemented is to deliver CIP grant cheques to the different MLAs for them to distribute regardless of political affiliation. I have received from many confirmation that they have, but that's not in fact practised across, so it's something we are going to follow up on. That being said, within the ministry itself we're very careful. We receive more applications than we have money for, and there are very few of these applications that would meet the criteria and that would have, I guess, the merits to be funded. It's a very fine balancing act that we have to do in order to achieve the results that we have.

We do have written notifications sent to organizations approximately six months following the application deadline. As I was mentioning, time is needed to effectively evaluate the high volume of grant applications that we received while balancing and distributing the funds equitably throughout the province. With all of these things put together, if there are any particular organizations that you're hearing from, I'm more than happy to follow up with them, understanding that the evaluation process does take time.

For us, the other side of this is something we were talking about earlier, which is that when we have applications where information is missing, rather than rejecting it, we're taking the time to call up and find information, which also adds a little bit of time on the part of the community outreach workers to get the information and process them on time. But, again, we're providing written notifications and constantly trying to improve our response times so that people can have an answer.

**Mr. Orr:** Thank you.

Line 2.4, other initiatives: I'm interested in what that covers, particularly this past year. Particularly, I'm interested in the difference between the 2017-18 budget and the forecast, which is almost six times higher than what was budgeted. What drove that up throughout the year?

**Miranda:** It's 2.4, right?

**Mr. Orr:** Line 2.4. Correct.

**Miranda:** Thank you. The decrease of \$5.4 million is due to a one-time grant to the National Music Centre of \$5 million in 2017-18 and additional savings of \$400,000 to the program. Basically, as I mentioned in my opening statement, the other initiatives program is for access to flow-through granting for applications to the government of Alberta that don't meet the other CFEP or CIP criteria.

**Mr. Orr:** Can I ask: is that where the Edmonton ski hill is?

**Miranda:** With the other initiatives?

**Mr. Orr:** I'm just wondering if the Edmonton ski hill ends up there in line 2.4.

**Miranda:** It would be there, yes.

**Mr. Orr:** That's where it is?

**Miranda:** Yeah.

**Mr. Orr:** Interesting. I actually did have a couple of questions I wanted to ask you about that one. I wondered where it was and how it even got to be in there, quite frankly. I was going to ask: where did that money come from? Now I know where it came from.

I guess the other thing is: how was that decision made? That was kind of a quick . . .

**Miranda:** Well, again, the other initiatives program gives us the ability and the flexibility to be able to react to situations that are basically very dire situations in which potential closure of an organization is imminent. We use it in order to, again, meet the needs when applications may not necessarily meet the other criteria, which is also including the intake periods, where they may not be able to wait as long in order for us to be giving them an answer.

**Mr. Orr:** They were exempted, then, from the normal grant process of CIP or CFEP?

**Miranda:** The other initiatives program is exactly that. The criteria allow for greater flexibility than the other two programs.

**Mr. Orr:** Then the future money in the next couple of years for that will come out of the same budget, or will they have to go through the regular grant process?

**Miranda:** They would have to go through the regular process, yes.

**Mr. Orr:** Whose riding is that in?

**Miranda:** The constituency? Is that what you're talking about?

**Mr. Orr:** Yeah. That's what I mean.

**Miranda:** I think it's in Edmonton-Gold Bar, or it could be Edmonton-Strathcona. I'm not entirely sure.

**Mr. Orr:** I have to encourage you to be careful there, because, you know, your government, or at least your members back when they were in opposition, were very, very opposed to a certain golf course down in the Calgary area that received a lot of money from the government all of a sudden, and it has somewhat the looks of the same kind of thing. I don't think it was acceptable then and I would say that it's probably not acceptable now to just be all of a sudden funding the kinds of things that may be viewed as patronage, quite simply.

**Miranda:** Well, to be perfectly frank, these still have an application process that they have to go through, which they did. There are still guidelines and criteria that need to be met. The only thing is that these are more flexible than the others. It's the reason why we were able – for example, we heard from the National Gathering of Elders in 2017. We were able to provide the Edmonton Eskimo Football Club with funding to host community festival activities for the Grey Cup. We were able to provide \$5 million to support the National Music Centre. All of these different organizations are still accessing OIP. There are still guidelines that need to be met, there's an application process that needs to happen, and all of this information is provided through the website. None of it is done in any sort of nefarious manner. There is still a process that they have to go through, and like I said, especially with the community grants process, I think we've been very, very careful to depoliticize so that we can actually respond to emerging needs as they happen. We will continue to do that.

**Mr. Orr:** Okay. Fair enough. I just have to point out, though, you know, that there was a budget figure, and then the actual expense figure is almost six times more than the budget figure. I mean, who else might want to decide that they can just apply to be considered, whatever, and not have to go through the normal grant process?

**Miranda:** The greater number is the result of a \$5 million grant that was given to the National Music Centre to provide programming for the National Music Centre. The previous government, when they provided the funds for the capital project, only provided \$5 million of the \$24 million that the National Music Centre had requested, and with their operational needs we would have had this very amazing building, but there would not have been any programming going on in that building. Of course, we're going to respond to those because we want to see a lot of wonderful things happen in the space. That's why we responded to that. Like I mentioned, there is a process that they have to go through. There's still an application, and there's still information being posted online, so it's not . . .

**Mr. Orr:** All right. Good. Let's move on. I don't want to belabour it.

Major fairs, line 2.5. Of course, Northlands has been in an interesting situation for the last several years. Is Northlands still receiving, then, money through the line here, through your department?

7:40

**Miranda:** You know, absolutely, both the Calgary Stampede and Edmonton Northlands are still recipients of the major fairs grant. There have absolutely been changes to Northlands, but they're still providing support to Edmonton K Days. We're still in discussions with the city about other opportunities that may be there. But this is for the running of Northlands itself. As you know, changes have been made to the ownership of the building itself, the property itself, but we are providing this grant ongoing as we believe it is absolutely in the best interests of . . .

**Mr. Orr:** Moving forward, do you see any risk to the taxpayer of dealing with some of their debt and things like that, or is that all going to be the city? I guess what I'm asking is: is the province going to volunteer to help bail them out?

**Miranda:** Well, I may need to correct this, but I believe that the issue of the debt was something that was resolved with the city of Edmonton.

**Mr. Orr:** With the transfer of lands?

**Miranda:** With the transfer of lands. Right. It is something that we have not dealt with and that we have no intention of dealing with.

**Mr. Orr:** Good. Glad to hear it.

**Miranda:** At this time the debt, as I understand it, has been transferred as a result of the exchange of land for, I guess, the waiving of their debt.

**Mr. Orr:** Okay. Good.

Let's go down to 3.2, the arts, again a really substantial increase. I guess I don't need to belabour that. We talked about a good part of it last year already.

**Miranda:** I'm sorry. What page is that?

**Mr. Orr:** Line 3.2, the arts. Again, year over year over year there seem to be still pretty substantial increases, 77 per cent if you go back two years, a 9 per cent increase just from last year. I guess what I really want to know there is: how well is that money being disbursed and monitored? I come from a bit of an arts background. It's interesting. I'd just like to know how that's being monitored

and what data you're collecting to make sure that it's going where you want it to go.

**Miranda:** Are you asking me to compare between estimate and budget, or do you want me to compare between estimates and the forecast?

**Mr. Orr:** Well, no, just the year-over-year increase, I guess, is what I'm referring to. It seems to keep going up, and I'm just wondering.

**Miranda:** Sure. There was a change in accounting that we talked about last year. That accounts for some of this change.

With respect to the arts, I mean, it's something that I believe strongly has a significant impact in diversification of our economy. There is a desire for us, as you know, to continue supporting the Alberta Foundation for the Arts, for example, and ensuring that different programs and activities that are being led by the Alberta Foundation for the Arts continue to be part of the work that we do as a ministry. Within this one here, in the creative industries, we also have the Alberta media fund. That, as you know, has fluctuated as well in the past, and now we have implemented more robust measures to ensure that we are doing exactly what we're saying we're going to do with that money.

Overall, yes, there is good oversight of how the money is being spent. I do believe that it is a very good investment to our economy and to artists.

**Mr. Orr:** That's good. I'm glad to hear that.

I guess my ongoing question, then, from that would be: with more robust watching it and those kinds of things, do you have any sort of hard data on what kind of return on investment any of that is bringing to the province in terms of taxpayer investment into it?

**Miranda:** The problem has been, with the media fund especially, as you know, that with the way it was set up, it was a bit – what do you call it? – questionable. As you know, the Auditor General did make mention of this. The program evaluation, the plan, and the logic model that have been developed with the APG will include very clear metrics to ensure that we are evaluating year over year the dollars that are being spent in Alberta, the dollars spent on Alberta labour, and how many Albertans are being employed.

The other one is the data that we have for direct expenditures in Alberta, with \$166 million spent by production companies in the province, and 1,700 FTEs, for example, or approximately 3,000 Albertans, employed in the sector itself. There is a 10.4 direct, indirect, and induced jobs impact as well as the \$1.9 million in labour income and \$13.3 million in provincial tax. This is in addition, of course, to the indirect impact that these industries have. As you can imagine, for example, it induces people to travel outside of their city, and that, of course, allows for the possibility of hotel stays, the buying of food in addition to the recreation itself. There are things that you can measure, but there are also side benefits to the investment that we're making through the screen production.

**Mr. Orr:** Maybe If I can just pursue that a little bit differently. I've heard you say that before, and I'm not really doubting you on it, but I guess what causes me to pause a bit is that both Saskatchewan and Nova Scotia got rid of their tax credits. B.C. recently reduced their tax credits in this area. I'm just wondering: did they find out that it wasn't producing the results that they had hoped for? I'm wondering if there's been some really careful looking into how we make sure the program is better than what they had, because in three cases they either got rid of it or reduced the amount they were contributing. What statistics, really, are we going to have to ensure

that we're actually getting what we're hoping we're going to get out of that?

**Miranda:** Okay. I'll start with Saskatchewan and Nova Scotia. By getting rid of their taxes, they actually got rid of the industry altogether. It resulted basically in the industry itself disappearing from both of those jurisdictions. The way in which this tax credit operates is by competition. Of course, B.C. has one of the largest, only second to Ontario, and they have the luxury of being able to reduce their incentive just because there's already a lot of infrastructure that's built. There are a lot of studios that already have a buy-in, and they have constructed studios for very specific projects. So they have the luxury, in that respect, to be able to lower their taxes and still be able to retain the production companies in their area because of that whereas with us, we recently have a newly minted film studio, and we are of course trying to ensure that it continues to be used, but we don't have the infrastructure that these other jurisdictions have. We have to be competitive, otherwise we're not going to be able to attract these projects to the province.

**Mr. Orr:** "Competitiveness" is an interesting phrase. I actually had one major production company in Calgary call me and want to talk to me. Their very clear statement to me was that if we would just get rid of all of the other barriers such as carbon tax and minimum wage and labour compliance and increased WCB and excessive regulation and basically just make sure that we had a really good tax and regulatory regime, they could and would raise way more money than government could contribute in tax credits. Quite frankly, they would prefer that we just cleaned the field, didn't bother with the tax credits, and let them do their job.

I understand that it's a completely different way of looking at things from the way your government looks at it, but when we destroy the fundamental economic competitiveness and then implement a tax credit system that has limitations and budget constraints and picks winners and losers, I'm not sure that it really is building the industry the way we want to go. Is that something that you would at all consider, just opening up and letting them do their job? They can raise more money through venture cap funding than government can ever contribute.

**Miranda:** Yeah. It's interesting to hear that perspective from that one company you're talking about because the conversations that I've had with the many other production companies who are not only already operating but are interested in coming here are that they want us to do a tax credit like Ontario and B.C. have. In fact, the new screen-based production grant that we have has been done in consultation with them. But even there, because there are intake periods and all of these other measures that we have put in place to ensure that we don't go over budget, we're actually meeting the objectives of ensuring the most economic impact for the province in terms of jobs and return on our investment.

7:50

They want us to return to the way things were, which was a first-come, first-served basis and not having a cap at all. All of these different things suggest to me that we would probably not do really well in attracting these kinds of projects from the production companies that are interested in doing business here now if we were to actually follow the particular path that that one company is telling you about, only because that is an industry standard. Regardless of where you go, there are some sort of tax credits or another, or, in our case, a production grant for screen-based production.

Frankly, I'm a little bit taken aback by that comment because, like I said, the ongoing discussion about these production grants has been that they would like for us to change our screen-based grant

from a grant to a tax credit and remove the cap altogether, which, again, will basically open up the system to the overages that we have seen in the past. As you know, we are trying to stay within our budget.

**Mr. Orr:** I would agree with you. That wouldn't be the right choice.

**Miranda:** It would not be the right choice. But as a result of the changes that we've made, we're actually attracting new companies and we're attracting the interest of many others who are looking at our province to set up shop. So I see that as a very positive step and a step in the right direction. I would be curious to know which company, and I'm sure you don't necessarily have to share that with me, but I encourage them to reach out to me and have those discussions. Certainly, the conversations that I've had have not suggested that was the case.

**Mr. Orr:** Just quickly in my remaining few minutes here, the new interactive digital media tax credit: it's been announced, but I don't think the actual funding commitment has been stated yet. Has that been . . .

**Miranda:** It's a \$2 million tax credit.

**Mr. Orr:** Two million?

**Miranda:** Yes.

**Mr. Orr:** Okay.

**Miranda:** It's not shown in here because it's from Economic Development and Trade, and they're going to be . . .

**Mr. Orr:** Okay. So, again, in partnership with.

**Miranda:** Yeah.

**Mr. Orr:** Okay. So, then, it comes from there rather than your budget, or a transfer?

**Miranda:** It will be a transfer of \$2 million.

**Mr. Orr:** Okay. I understand. Yes. All right.

Let's move on to line 4, Francophone Secretariat. A couple of questions here. Again, a fairly good increase from last year; 24 per cent, I think. I believe last year you told me that, if I remember correctly, all of the funding was offset with federal transfers. Is that still the case now? Is it all coming from federal transfers?

**Miranda:** That is still the case. We provide some funding ourselves, but there is funding coming in from the federal government.

**Mr. Orr:** Okay. I also believe that, actually, you talked about how a good part of that was going to a francophone parent link. Is that reflected here?

**Miranda:** To – sorry?

**Mr. Orr:** Parent link.

**Miranda:** Parent link. There is some funding going there. The whole premise of having a policy for francophone services is to engage with the community to find out what their priorities are, and then with our negotiations with the federal government for bilateral agreements we can determine where the funding could be allocated or where it should be allocated. Those discussions continue. We received additional funding in-year last year, and all indications are

that the federal government is more than willing to have those conversations, those negotiations, to see how we can improve the services we have already and perhaps implement new ones in the years ahead.

**Mr. Orr:** I think we talked last year about the fact that the federal government was asking for a plan in order to be able to advance that additional funding. Can I assume, then, that that plan has been fully completed?

**Miranda:** The plan is to actually have a policy on French language services in the province. Now that we have one, we . . .

**Mr. Orr:** You do? Okay. It's complete. Yeah.

**Miranda:** There's only one province left without a francophone policy in the country as a result of our changes. We were the second-last, in other words. Now that we have a French policy and we have finished recruiting and we're in the process of making appointments to the community-based consultation committee – I'm thinking of the word in French right now. I'm sorry. The advisory committee. Thank you. The advisory committee will be able to provide us with input, direct input, from the community itself to provide a better sense of where the resources need to be, but the negotiation, the bilateral agreement, MOU, that we have with the federal government on French language services is being negotiated as we speak.

**Mr. Orr:** Okay. So it's not complete yet.

**Miranda:** It's not complete yet. No. But like I said, the government of Canada came out with an official languages action plan, and my conversations with the minister of heritage, du Patrimoine canadien have indicated to me that they are willing to look at those provinces that have substantive parts in their policy and then allocate funding to support those policies that have services as their main focus.

**Mr. Orr:** Do you anticipate there will be additional costs for other departments in order to fulfill the francophone policy?

**Miranda:** See, the thing is that we provide a lot of services already, but we don't actually advertise or actively offer them, and that's part of the challenge of not having an actual policy. Where ministries, independently, were taking actions on their own, there wasn't a really concerted effort. By having a policy, we're going to implement a three-year plan. We're going to be working with different ministries.

We've been very clear with both the community and within government that it should not lead to increased costs for ministries but that we wanted to have an inventory of the services we currently provide, have an idea over a three-year period of how we can improve those, and then go to the negotiation table to find out how much funding we can actually receive from the federal government in order to implement the action plans for different ministries. The idea is not to incur additional costs to the ministries. Like I said, many of them are doing fantastic work to provide services in French. It's just that in the absence of a policy we have not done a very good job of actively offering services in French in the province.

**Mr. Orr:** I'll move on to line 5.2, the Royal Alberta Museum. When do you expect it's going to be open?

**Miranda:** Well, you know, you will be happy to hear that it is on budget.

**Mr. Orr:** I was going to ask you that next.

**Miranda:** Fantastic. There were challenges with some of the building. As you can imagine, these are very expensive collections, irreplaceable in many cases. In order to have the transfer of the objects to the new spaces, we needed to make sure that environmental systems and all these things checked out, especially when you're talking about the potential for issues with respect to insurance, right? So all these systems needed to be tested. There were some problems with respect to the actual specs in the building, so all these different things are being worked out.

I'm happy to report that it will be done within budget, but we do not have right now a specific date for when we'll be open. But, I mean, if you think about it, the fact is that we're doubling the space that we have currently, so it's going to be the largest museum in western Canada once it opens. There's a lot of planning that goes into it, and we want to make sure that everything is done just right because, like I said, if you put an object into an environment that does not allow for the proper environmental – the way in which these different rooms are built is to ensure that different temperatures are maintained, different oxygen levels, all these different things.

**Mr. Orr:** A controlled environment.

**Miranda:** Yeah. So all these different environmental controls are properly set, properly calibrated, and that takes time.

**Mr. Orr:** You're showing an 11 per cent increase to the budget line there. I'm assuming that that relates to the new anticipated operating cost. Do you see that having to go up again substantially next year, or do you think that this is pretty close to what the yearly operating cost might reflect?

**Miranda:** First off, it's primarily an increase in \$1,100,000 to support the operations of the new Royal Alberta Museum. The increases are because of dedicated revenue, of course, so once it opens, we will start to see the revenue coming in from, you know, entrance fees. The adjustments to the program areas from Budget 2018 is \$4,690,000, which is offset due to program efficiencies. There's also a reduction in the cost for our contribution to the public-sector pension plan and a general cost containment target decrease of \$15,000.

8:00

The new, additional funding will also assist the museum in concluding its redevelopment. As I said, the museum will open later this year, and this additional support will assist in its new operations, particularly the front-of-house services such as food service, the gift shop, and admissions. There is a friends society also that helps the museum. I can't predict what those costs might be. I suspect that with a brand new facility we will be able to, through entrance fees and what have you, offset some of these costs, but I can't really predict that. Like I said, it's double the space that we have today, so those budgets – when this was put together as a capital project, those costs were not built into that.

**Mr. Orr:** Right.

Let's go to line 5.3, the Royal Tyrrell Museum. I guess it was last summer or fall that they'd just completed a bit of an expansion, redevelopment there. My question is: have the recent renovations and expansion increased the revenue produced at the Royal Tyrrell? Do you have data on that?

**Miranda:** Well, these were designed to actually bring the Royal Tyrrell Museum to the original plans that were made. In fact, when it was originally built – the expansions that we've done were

actually to complete the original plan. The increase is primarily due to a general increase of \$290,000 from Budget 2017 plus increasing dedicated revenue of shared service agreements of \$210,000, offset by program efficiencies of \$120,000 and a decrease of \$273,000 for Budget 2018 target adjustments to the program area, again, a reduction in the public-sector pension plan. But the expansion is still under way. That's the other thing. Until we finalize, we won't be able to have the actual number itself.

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

For the Reynolds Museum, what's the plan there, and what's the anticipated cost?

**Miranda:** As you know, we announced funding for the expansion. I don't know if you've been lately, but there's a lot of . . .

**Mr. Orr:** Not lately. It's been a couple of years.

**Miranda:** Not lately? It's been a couple of years? You should go because it's a fantastic place.

The problem has been with the storage area. A lot of the artifacts were being left out in the open and, unfortunately, were suffering as a result of exposure to the elements. We have invested in expanding and ensuring that they have the proper storage. The tender itself will be issued in 2019 to get the construction under way, so the tender is almost out. There will be a three-year, \$39.5 million investment for the development of a new collection facility as well along with helping to protect and preserve all of these hundreds of pieces of the collections that are, of course, irreplaceable, that, as I mentioned, are unfortunately out.

It's quite a facility. I mean, I'm supposed to say that I love them all equally, but this one has a special – it's stuff I would not have seen anywhere else, right? That's one of the things that I like most about it. Especially when it comes to the agricultural history, they have done an amazing job of preserving that part of our history. The investment that we're making is actually going to for a very long time preserve this and promote that area, especially for tourism, so I believe it's a very good investment.

**Mr. Orr:** Let's move on to number 6, recreation and physical activity. I know that in the business plan and other places you talk about, you know, the importance of the health aspects of physical activity and encouraging people to be involved in the Canadian health program there. I just wonder: how active has the department been in that area? In reality, I haven't heard a lot about that whole part of encouraging Albertans to be physically active and engage in sports and that kind of thing in terms of promoting the health side of it. I guess that's what I'm asking about.

**Miranda:** Well, again, I'm surprised to hear that because we do have a lot of activity through the Alberta Sport Connection to promote a healthy and active lifestyle. There are about eight centres, I believe – I may be corrected; there may be more than that – active living centres, throughout the province that we provide support through. We work with other departments, provincial and federal governments, and other organizations . . .

**The Chair:** I hesitate to interrupt. The allotted time for the Official Opposition has now concluded.

We will now go to the third party, the Alberta Party caucus. Mr. Fraser, would you like to go back and forth with the minister?

**Mr. Fraser:** Yes, Mr. Chair. Thank you.

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

**Mr. Fraser:** Minister, how are you?

**Miranda:** How are you?

**Mr. Fraser:** Good. Well, thanks for everything that you're doing. It's difficult to run any ministry. Some of us have been there before, and we know it's difficult and under challenging circumstances. Thanks to our civil service. They're excellent, and I know that they work hard on behalf of Albertans. So thank you for that.

I just want to start off with playground funding. I know that you and I have talked about this before, and you've always been very gracious with your time. I do appreciate it. I mean, certainly, for my constituents it's an important issue.

In the overview on page 35 of the business plan you talk about the ministry promoting healthy lifestyles, and I just want you to kind of give an overview of how you work with Education to make sure that schools have adequate playgrounds and equipment to make sure that, you know, they are kind of living up to that standard of more physical activity to enhance health and a number of other things. Is that primarily through the CFEP granting?

**Miranda:** There are two things, actually. The discussions I had with the Education ministry had to do with new schools being built and, actually, rather than having the communities go and fund raise after the school was built, to actually have it included in their plan so that the school came with a playground once it opened for the first time. It actually allowed more funding, because up until then all the playground money for both new schools and schools that either had them or didn't or schools that needed to redevelop them, all of them, would have to come through CFEP, and it meant that not as many of these could be funded. Basically, what happened is that, like I mentioned, all the new schools are being built with a playground in them, freeing up more money for me to be able to provide additional grants to other schools who are now in the process of either renovating the playgrounds that they have or building them for the first time. In terms of the playgrounds, yes, Education is funding for all the new schools.

**Mr. Fraser:** Again in that same vein, the schools that didn't win the lottery, I believe it was last year, from the Education grant – I think there was about \$35 million to help build those playgrounds that weren't included in the initial build, and there are a number of schools that were brand new, built in the same year or very close, that didn't get that funding. What are you doing to help those schools? Is there any way to get them those playgrounds sooner? Some schools and some volunteer groups have larger capacities to raise the half of the money, you know, to get the CFEP grant. Are you doing anything different to work with those schools to make sure that those playgrounds come more quickly for those kids?

**Miranda:** I will say that every single one of the applications that come through is being evaluated in every single one of these quarters, and every single one of them is given equal weight. I would hesitate to start making those kinds of differentiations because then it makes the system a little unfair. Unfortunately, in some areas of larger cities, for example, in certain communities, the ability for parents to be able to raise those kinds of funds is not as great as in other areas, in other constituencies. It provides a bit of a disadvantage in that sense, and it almost adds to a higher level of inequity. So I would have to think very carefully about something like that.

I know both of us, you and I, have talked about this, and it's not something that I am completely opposed to. It's something that I would have to give a lot of consideration, but I'm open to having

those discussions ongoing. I know we are scheduled to meet sometime in the very near future about that.

Again, my one hesitation is creating inequity with respect to certain parts of cities where the ability for parents to raise the \$250,000 is more challenging than in others just because of the affluence of the neighbourhood and other demographic issues that happen. Having said that, like I said to you, I'm more than willing to have the discussion to see what we can do.

**8:10**

**Mr. Fraser:** Right. I appreciate that. I mean, you know, for some of my constituents just job losses and the change of the economy and the drop in oil prices have had a certain amount of effect. Again, I appreciate that you'll take the time with me to look into that to see what we can do for those communities.

I wanted to move on to the Alberta media fund. I'm of the mind that we have an incredible opportunity in this province, particularly with the Calgary Film Centre, to capture a lot of the new genre of how people watch TV. We know that people are watching it differently in terms of things like Netflix and CraveTV and whatnot, and production companies are, you know, growing that industry at quite a quick pace, I guess that medium, that style of production. We've got a good history of that, especially with award-winning TV shows. A large part of that success is because of the media fund.

You have funding for the Alberta media fund down by about \$1 million in your budget from the 2017-18 forecast on page 72. What's the rationale for that if we're trying to capture this group of people and compete with B.C. and Ontario?

**Miranda:** The decrease of the \$1 million is due to a lower opening balance of the '18-19 estimates from Budget 2017, of \$8.3 million, which is offset by increased funding to the Alberta production grant and screen-based production of \$14 million in '17-18 and \$20 million in 2018-19 and a transfer of \$2 million from the capital investment tax credit for new grant programs that will support cultural industry programs and economic diversification initiatives.

Now, with you, I agree that there are a lot of very exciting opportunities there. I very much appreciate how the industry has advocated for increases in the cap, which we have done, changes to the program, which we have done. But, as you are well aware, the Auditor General's report was very clear on the way in which the system had been operating, and we needed to make changes because it was basically a bottomless grant program. The guidelines that existed did not allow me to turn off the tap when we had reached our limit, and commitments had been made from previous years that committed the grant funds for many, many years ahead.

In order for us to become competitive in this area, I needed to get the bleeding under control, so to speak, first of all. I had a lot of bills that were due from many years ago that I needed to pay off and then start off a brand new program, which is what we have done with the new screen-based production. The way that it's been set up, it is done with the idea of looking at those production companies that are going to have the greatest economic impact by hiring the most Albertans, using not just the cast but also, you know, script producers, the writers, all the different crews that are needed to film in the province, and also partnerships with postsecondary institutions that are graduating these students that are going into this industry.

Absolutely, there is great potential. I advocated for greater funding, but as you know, we are in the process of ensuring that we are measured in where we put our money and invest it. We're going to continue working with this industry to ensure that the grant continues to meet the industry of the day.

The other challenge, of course, is that with NAFTA negotiations being where they are, there are also questions about the cultural exceptions that are under NAFTA for crews to be able to come into Alberta and work in the province with – what do you call it? – visa waivers and things like that. There are many things happening in the industry that continue to make our province very attractive but at the same time pose some challenges long term.

**Mr. Fraser:** Right. So is it fair to say – I think you kind of explained it there – that there were productions under way and promises? Would that explain that the spending on the media fund far exceeded the budget amount in 2017-18?

**Miranda:** Yes. The way that the grant was structured, in essence it was split sometimes over two seasons and over five or six years. So what I inherited when I first was appointed was that I was getting bills from three years ago, right? It did not allow for a lot of growth. In fact, we had to do all kinds of consultations with the industry to get them to understand that we needed to stop the hemorrhaging.

They continued to ask us for an increase in the cap, from \$5 million to \$7.5 million, which we have done as long as they meet certain criteria like using the Calgary Film Centre, for example, infrastructure that we have an investment in that we want to see occupied throughout the year. By incenting them that way, not only are we maximizing the use of that space that we have invested in but also are attracting the size of production that our budget can sustain. We, unfortunately, can't take the \$75 million productions. I wish we could, but the funds that are currently in the media fund would not allow us to do that. It would wipe out the entire budget in one year.

**Mr. Fraser:** Right. Let's look at the explosion around the idea of Netflix and online streaming and that sort of thing. I can only assume that some of these production companies that come want to produce a number of seasons of television shows, and I've heard from the industry that there needs to be some more, you know, nimble reactions to how the industry is changing, because once somebody starts production, there's a good chance they're going to stay in whatever city they start in. What are you doing specifically to adapt to those types of things? And, again, can you explain to us how you're engaging some of these production companies to get them to stay in Alberta outside of the fund itself and including the fund?

**Miranda:** Thank you. Very interesting conversations that I've had with the industry ongoing. As you can imagine, this was a huge file with a lot of potential for growth. But the limitations of my funds, basically being largely committed before I could even start, were a challenge. The conversations that we've had with industry led us to the new screen-based production grant.

I know that it is, for example, challenging for us to have intake periods and for us to evaluate each application based on the criteria that we set out whereas in the past it was basically first-come, first-served and there weren't many real limitations. As long as they met the minimum criteria, they could get up to \$5 million. By having intake periods, we are able to, number one, evaluate these applications based on the economic impact. It allows us also to attract the kinds of productions that we know the media fund itself can sustain over longer periods of time, in fact attracting that same kind of production you're talking about, that has seasons rather than just one movie, while still being able to accommodate large-scale productions as well.

It was stopping the hemorrhaging, first of all, implementing the kinds of accountability measures that were needed and that the Auditor General suggested that we implement, which we have, and

at the same time the conversations were still ongoing to fine-tune the screen-based production grant that exists today to accommodate for those changes. We know and some of the conversations that I had indicated that we would probably need to have more robust conversations in the very near future, which led to the interactive digital media tax credit, for example, and other kinds of things that we can do. Postproduction is another one. It was something that we hadn't done in the past. By implementing this new pilot project, for example, our mission to China generated contracts and MOUs being signed on the spot in the first mission that was taken.

So a lot of exciting things happening. Right now we just need to be able to get things under control, adapt to these new changes to the sector itself, and then implement these kinds of changes. But I will say that we have a very good ongoing discussion with stakeholders, and I'm happy to say that the conversations have led to very productive decisions being made in collaboration with them.

**Mr. Fraser:** Right. Of course, this is an exciting time for Alberta, particularly in this industry, but we need to make sure that tax dollars are spent wisely and that there's a good return. How do you monitor the return on it, you know, that whatever you're granting is getting good return in terms of more jobs, more production, I guess, more national face time or global face time for Calgary or Alberta in general?

On page 40 of your business plan you talk about developing performance measures to monitor the screen-based production grant in Alberta and the media fund. Why is it taking so long to develop a performance measure in your department?

**8:20**

**Miranda:** From our discussions with the Auditor General one of the things that we learned is that you need to have at least three years of data in order for it to become a performance measure. So that's the one thing. We have this new screen-based production grant that we started just last year, so we don't have enough data yet over three years in order to actually put it in. It is our intent to put it in the business plan going forward.

Now, the way for us to evaluate our return on investment is, in fact, by implementing this new criteria, which is going to evaluate each of these applications and the number of jobs that it's going to create, the cultural impact that it will have. We have amazing, amazing locations, you know, a lot of work that is being done by award-winning crews out of Alberta that is getting attention internationally. The criteria in the new screen-based production itself is going to allow us to monitor those, and once we have the data that we need, we will be able to put that into the business plan going forward.

**Mr. Fraser:** All right. Okay. Is there any idea to make that kind of a public, ongoing thing in terms of a website to show, you know, the value of this program?

**Miranda:** Absolutely. Like I said, in order for it to be part of the business plan, we need to have data for three years, so that is part of our plan going forward. But in the conversations that I've had with the industry itself, they also want to make sure that Albertans understand the impact that it has. I mean, you can look at something like *Heartland*. It's something that creates a lot of value for the community. People know and see Alberta. It's basically the backdrop for the entire series, and that also promotes tourism. Some of the conversations have been around, for example: how do we turn some of these sets into tourism destinations when they're not being used and things like that?

The stakeholders are very much interested. They understand that it's a very tough situation and it's a very tough sell for us to be able

to even contemplate an increase in the budget without people understanding exactly the return on investment and how good it is for the province, so our plans are to work with the industry to make sure that that message gets out.

**Mr. Fraser:** Right. Again, when we talk about investment and we talk about selling Alberta, I mean, one of the things I think investors look at in terms of whether they want to, you know, plant roots in Alberta is how we take care of the people that are less fortunate. I know that there have been struggles in the nonprofit sector with the downturn, and your key strategy 1.3 on page 37 speaks to assisting nonprofits with enhancing their human and financial capacity. With the costs rising, what does this budget actually do to assist nonprofits with that financial capacity?

**Miranda:** One of the things we've changed is the implementation of a program called ECAP, that allows us to create capacity in nonprofits and, in fact, in giving a grant over a three-year period so that there's certainty in the amount of money that's going into nonprofits. That creates certainty, first of all. Second of all, it promotes that vitality within the nonprofit sector.

Consistent with the spirit of Alberta, the ministry is working to enhance the nonprofit sector and ensure that these vibrant communities have access to a wide range of cultural experiences that contribute to the quality of life. We are going to build financial capacity with approximately \$62 million in grant funding annually to support around 1,213 community projects. Like I said, the enhanced capacity advancement program, or ECAP, will provide capacity building over three years. The community facility enhancement program provides supports to community infrastructure and also provides supports for operating costs, project programming, and key events in the community.

**Mr. Fraser:** Okay. Thank you.

On page 38 of the business plan it also shows that the total charitable donations in 2016 hit a four-year low. Do you have any information on the level of donations for the previous year, and has there been any action from the provincial government to offset the loss of those donations to our nonprofit sector?

**Miranda:** What page? I'm sorry.

**Mr. Fraser:** Thirty-eight.

**Miranda:** Thirty-eight. Thank you. Just give me one second.

The indicator has challenges because it identifies total tax filer donations by Albertans who register donations. The 2016 data was released for February 2018 by Stats Canada. It shows that Alberta tax filers donated \$1.44 billion in 2016, which is a decrease of \$0.17 billion compared to 2015, or 10.7 per cent lower. The most likely explanation for the decrease in the provincial economic ...

**The Chair:** I hate to interrupt, but the time allotted for the third party has concluded.

We'll now move to the independent members. Dr. Starke, would you like to share your time with the minister?

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

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

**Dr. Starke:** Well, thank you. Thank you, Minister, and thank you to your staff. I had to smile when I saw that April 9 was the date for Culture and Tourism estimates because it was exactly four years ago today that I defended estimates for tourism, parks, and recreation. The reason that date sticks out in my mind, Minister, is

that that was my mom's birthday, and April 9, 2014, was the first birthday after my mom had passed away, so it's a little bit bittersweet when I look at the date. But I will tell you that, as you know, I appreciate the opportunity to discuss these issues with you because it is still something I have a great deal of passion for.

Let's delve into it, Mr. Chair. The 2016 tourism statistics were released last week, and they were very encouraging. Even though, as we know, it's delayed from StatsCan, I was very pleased to see that we had \$8.5 billion in tourism economic activity, with increases in visitation and visitor spending. This is fabulous.

Minister, I know that you and I had the discussion that we are still following or at least being guided by the tourism framework. I wasn't sure about that after some discussion we had at Public Accounts a couple of weeks ago, but that's been clarified. When you look at it, that's going to mean that we need to have four more years of 5 per cent consistent year-over-year growth to get to that \$10.3 billion target. Yet when I look, tourism expenditures in this budget are cut by 8 per cent. I guess my question is: how are we going to meet our objectives in the tourism framework for continued growth with yet another cut to the tourism budget?

**Miranda:** Well, first of all, my condolences on your mother's passing and this being a very meaningful day for you.

**Dr. Starke:** Thank you.

**Miranda:** I can appreciate the importance of it.

I will say that our tourism investment and market development is still among the four largest in the country. The tourism framework set the goal of growing the industry to \$7.8 billion by 2012 and \$10.3 billion by 2020. The average annual compounded growth rate to reach the target was 4.2, which was thought to be a conservative rate given the performance of the economy at the time. The goal was developed through consultation and engagement with tourism stakeholders and partners to develop the tourism framework, and we continue to use it, as you and I mentioned in our conversations.

The one thing I will say about the budget here is that, as you know, many have tied the value of the levy to the amount of money that's spent on Culture and Tourism. I will say that in this budget, although we have seen a reduction, we have also seen \$56.4 million to Travel Alberta in the tourism division, \$10.5 million allocated as well for capital projects that are tourism infrastructure such as the Telus World Centre, an addition to our ongoing commitment of \$92 million over three years for the Calgary Zoo, Fort Edmonton Park.

The other thing, too, is that many divisions in the ministry contribute to tourism growth and development, of course, investments in museums and heritage sites through the Historical Resources Foundation. We have recreational events that are funded by Alberta Sport Connection, which also promotes tourism. From the Environment and Parks ministry we have allocated \$22 million through the capital plan for the maintenance and renewal of Alberta parks, including \$2 million in support of the new provincial Castle region park.

When you take all the money that is being spent on tourism development, it's actually a lot more than what the tourism levy brings in. We're going to work with our industry partners to ensure that we have ...

**8:30**

**Dr. Starke:** I appreciate all of that, Minister, but, I mean, what you're doing is that you're actually bringing in a lot of spending that is actually capital spending. It's not operational spending. The levy that you mentioned was always intended to be spent on operations. Tourism stakeholders are telling me, and it's certainly borne out by the numbers, that year after year after year the amount



that is spent on tourism operation, the amount that is dedicated over to Travel Alberta, which was cut by another \$4 million this year, by 10.3 per cent, the Travel Alberta allocation, is down. The concern is not, you know, that we're not continuing to support from a capital standpoint, because that's always happened. You know, on the parks side that has always happened, but it's on the operational side.

I do want to move on to a couple of other areas, though, Minister. Now, even as recently as last year, whenever there was a press release on tourism from the ministry, there would be quoting of the 2013 numbers of 127,000 direct and indirect jobs, 1,900 businesses, and a \$1.18 billion taxation revenue to the province. Now, we're five years down the road from that. I recall that last year you stated:

For a number of practical reasons the tourism division research team has determined that it is not useful to do an economic impact assessment on an annual basis.

You continued:

We're working very closely with our colleagues in Economic Development and Trade to determine which economic impact model will best serve the interests of the industry.

So, Minister, what have you and the folks in Economic Development and Trade determined, and can you give us an updated number on the number of jobs, the number of businesses, and the taxation revenue generated in the province by tourism?

**Miranda:** Okay. Thank you for that. Once we receive direct, detailed results from Stats Canada surveys, we conduct further analysis to determine the economic impact of tourism, as you know. These include estimates on the number of jobs in industry and tax revenues to all levels of government. For a number of reasons we do not run economic impact modelling on an annual basis. The small changes do not justify the cost that's incurred.

**Dr. Starke:** You said that last year.

**Miranda:** Yeah. The numbers in 2015 varied only in the levels of local and municipal taxation. Now that we have the 2015-2016 numbers, we are going to be running the information and numbers in order to be able to determine what the new stats are, and we will be able to publish them very shortly.

**Dr. Starke:** Perfect. You know, I appreciate that sometimes to do something every single year is maybe a little bit of overkill. When we were doing estimates in Seniors, for example, we determined that Stats Canada only does certain parameters once every five years. Stunning. I can't see how you operate a statistical service doing that.

Minister, just a couple of questions about overall tourism as it compares to your overall department. You know, as I said, there's been an 8 per cent cut in the overall tourism budget, including a 10.3 per cent cut to Travel Alberta, yet when I look at the overall Department of Culture and Tourism, in the past two years, since you became minister in 2016, the overall budget that we're voting on, at least, is up 16.3 per cent. While the overall ministry expenditures are up substantially, tourism expenditures have been cut. Minister, a question I get from stakeholders is: what percentage of overall ministry spending does tourism encompass, and how has that changed in the last two years?

**Miranda:** Well, the impact that tourism has is a significant one in diversifying our economy. The ability for us . . .

**Dr. Starke:** I'm sorry, Mr. Chair. That's not the question I asked. I hesitate to interrupt the minister, but nobody is questioning the impact. What I want to know is: how has tourism spending in terms of the total departmental spending changed in the past two years?

**Miranda:** Do you want a comparison from year to year? Is that what you're talking about?

**Dr. Starke:** Just compare what it was two years ago to what it is today.

**Miranda:** Give me one second and I will get that information.

Assistance to Travel Alberta in '16-17 was \$59 million. The estimates for 2018 are \$55 million. The operating expense overall in the ministry has been \$310 million, and the estimates for 2018-19 are \$360 million.

**Dr. Starke:** Right. That number, as I said just a minute ago, the number overall for the ministry, is up 16 per cent, and tourism is down 8 per cent over that same period. I guess my question is: what was the total percentage of the ministry budget that was represented by tourism in 2016, or two years ago, and what is that today?

**Miranda:** In terms of percentages I can't do the math right now.

**Dr. Starke:** Okay. I'll let you do the math.

Minister, what it does, though, is that there is a decrease overall. One of the concerns that I'm hearing from tourism stakeholders is that the ministry has developed a much stronger culture focus than a tourism focus and that, in fact, tourism, which was once the lead ministry in a stand-alone ministry, you know, with parks and recreation, is now a bit of an afterthought in a ministry where the total expenditures – I've actually done the calculation. This year the tourism portion of the overall ministry budget is 15 per cent. I'd like you to maybe on the record comment for stakeholders on their observation that tourism in the Culture and Tourism ministry has become an afterthought.

**Miranda:** Well, I would say that I do not agree with that, namely because the work that we're doing to increase cultural participation does promote tourism. When you're promoting active, vibrant communities, you're actually attracting people to visit those places. Having festivals, having all kinds of artistic activities: a vibrant cultural sector absolutely creates the kinds of cities that people not only want to live in, but they also want to visit. There is, I believe, a direct correlation between the increase in cultural activities and visitation in any particular area. I'll give you one example. The growing of pride in Jasper creates an increased visitation to the city in the shoulder season. Those kinds of things do promote vibrancy in a community, but they also attract people to that area. It is not an afterthought. In fact, it's part of the work that we do with other ministries to ensure that tourism is part of our strategy on a government-wide basis.

**Dr. Starke:** Okay. Thanks, Minister.

I want to turn to a different topic. It has to do with operational costs for our very important hotel sector. Now, apart from resort areas, which have done very well in the last few years, all other areas of the province have seen a dramatic drop in both occupancy levels in hotels as well as revenue per available room. Yet WCB statistics show that payroll costs over the same period have increased from \$885 million in 2013 to \$990 million this year, a 12 per cent increase. Now, Minister, I think some of that, at least, is due to an increase in minimum wage. I'd just actually like you to clarify something for me. I thought I heard you say earlier in questioning from the Member for Lacombe-Ponoka that the increase in minimum wage is a positive thing because most of the people on minimum wage are single mothers. That is what I thought I heard you say.

**Miranda:** That's one of the stats that I received.

**Dr. Starke:** I'm here to inform you that I just checked on that, and that's way wrong. According to your own Alberta Labour department statistics of the 292,000 Albertans on minimum wage, 18,200, or 6.2 per cent, identify themselves as single parents, not mother or father but single parent with children. I just wanted to clarify that.

Moving on, with regard to hotel costs I'm concerned that while revenues have remained relatively static or have even dropped for most property outside of resort areas, a number of expenses, including payroll, including things like the carbon levy, have increased. My question to you is: what analysis is the government planning in this budget or in subsequent activities to analyze the impacts of the increases in operating costs for hotels in our province?

**Miranda:** Well, one of the things about the tourism industry is that, as you know, for the most part, with respect to wages, there's a shortage in the mountain areas, and in fact most of them actually pay over and above minimum wage. You know, they have a hard time attracting people.

The other challenge is that in other areas hotels that add numbers to the inventory do not traditionally have tourism-based customer numbers because a large number of them are largely built to house workers in certain industries. As you know, with the economic downturn we have seen a reduction in those numbers, so it's working with those regions to develop tourism sectors to attract more people to those hotels.

With respect to the carbon levy, we are working with industry to ensure that we can address the concerns that they have and develop plans with them to reduce their costs.

8:40

**Dr. Starke:** Yeah. Well, Minister, I can tell you that this is something that's becoming a real concern for the hospitality industry overall, especially for hotels.

Minister, as you know, the world of tourism is certainly changing. More and more travellers are relying on online travel agencies like Expedia. I'd like to know: what is the government calculation of lost taxation in tourism levy dollars to these online agencies? What plan, if any, is there to mitigate these losses? Finally, on this topic, how much does Travel Alberta spend each year advertising through these online travel agencies, which in turn cannibalize our tourism revenues? You won't see a Travel Alberta ad on Expedia.

**Miranda:** I was trying to remember. We had this conversation. Absolutely, the changes in, for example, things like Airbnb and things like that...

**Dr. Starke:** We're getting to that. We'll get to that.

**Miranda:** They have changed significantly. We are going to continue looking at different ways in order to arrive at some sort of resolution to that. We will need to get back to you on this one because we do not have the most recent figures for that, but we will definitely get the information for you.

**Dr. Starke:** Yeah. Well, let's actually talk about that. I'm glad you mentioned Airbnb. There was a recent report by the CBRE and the Hotel Association of Canada that found that hotels in Edmonton and Calgary generated over a hundred million dollars in consumer taxes and fees over and above the tourism levy, but in December 2017 Airbnb announced that business in Edmonton had increased by 284 per cent over the previous year.

Minister, I know you're looking at it – and I appreciate that you're looking at it – but my concern is that while you're looking at it, we are seeing funds basically slip through our fingers in a big way. I really do believe that it is time for the ministry to take a very strong look at that. My question is: how does this budget address the impact of short-term rentals on the tourism levy? You said that you're looking at it, and that's great, but does the government have some specific plan to address the uneven playing field between hotel operators, that collect the levy and contribute through regular business taxation, and short-term rental operators, who purchase homes and condo properties expressly to rent them out on a nightly basis and then run these businesses at personal taxation levels and contribute nothing to the tourism levy?

**Miranda:** Yeah. Well, thank you. When I say that we're going to look at it, it's something that we have been talking about. It's something that I know many of the stakeholders that have approached me have expressed concern about, and it's something that I have heard and taken back. The work that we have to do is, of course, to reach a balanced view. In some jurisdictions there is actual legislation that has been implemented. I believe Quebec and Ontario have legislation. Other things that can be done also are regulations. I know that some municipalities have implemented regulations.

Because of the different approaches that are being taken, one of the things that I want to do is really look at what is working and what isn't working, first of all, and then develop a plan on how we can actually address the issue. Legislation may not necessarily be the best solution, but it is one solution. I'm going to continue working with the industry to capture their concerns, to develop an action plan, and to hopefully arrive at a solution in a shorter period of time.

**Dr. Starke:** Minister, I guess I would really encourage the ministry to move beyond what I view right now as being paralysis by analysis. I mean, yes, you've got to look at things, you've got to look crossjurisdictional, you've got to look at different ways of doing things, but at some point while we're waiting and analyzing and looking and studying, this goes on. As I just mentioned, with 284 per cent growth, this is massive growth.

Minister, my final question. Of course, last week we greeted both our Olympic and Paralympic athletes. You know, that was a great afternoon, and we're all very proud of them. I guess my question is with regard to Olympic funding and that sort of thing through the Alberta Sport Connection. What progress has been made on the going the distance Alberta sport plan? Specifically, what measurables have been achieved, where are we at with the implementation of the plan, and are all of the steps in the plan continuing to be in keeping with the long-term athlete development plan that was developed largely here in the province of Alberta by researchers both at the University of Alberta and the University of Calgary?

**Miranda:** Absolutely. First of all, thank you. That was a really great opportunity for everybody, all the MLAs, to come and meet some of these amazing young people.

The Alberta sport action implementation plan was developed, as you mentioned, with stakeholder consultation and engagement coordinated by the Alberta Sport Connection, and the implementation is actually targeted for this year, 2018. It includes a new funding and accountability framework, which is part of the sport action plan. The funding and accountability framework is based on a three-year funding cycle, which will be phased over three years beginning in

2018-19. As part of the implementation of 2014-2024 the Alberta Sport Connection ...

**The Chair:** I hesitate to interrupt.

The final 14 minutes is allotted to government caucus. Would you like to share your time with the minister?

**Mr. Westhead:** Yes, please.

**The Chair:** Please proceed, Mr. Westhead.

**Mr. Westhead:** Thank you very much, Chair. I just want to mention that I'm not a member of this committee, so I really want to thank my government colleagues for allowing me the opportunity to attend and ask questions because it's so important to my constituency. I will just jump right in here. We don't have much time.

The tourism entrepreneurship program that the ministry launched recently is actually turning out to be a pretty popular tool. It's helping entrepreneurs starting tourism businesses to innovate and expand their existing operations. Specifically, I'm looking at page 73, line item 7.3, which is labelled Policy and Business Development. There's an increase there, and I believe that this is going towards supporting the entrepreneurship program. You know, like I say, that's really great news, and it's generated a lot of interest in my constituency. However, line 7.4 on the same page shows a decrease in Travel Alberta's budget. I've heard from tourism stakeholders in my constituency about this decrease, and quite frankly they are concerned. They want to know how this will impact marketing strategies and visitor numbers.

**Miranda:** Thank you. As I mentioned before, Budget 2018 provides \$56.4 million in funding to support and further grow Alberta as a premier destination for domestic and international travellers while still providing exciting, affordable vacation options for Alberta families. Our budget commitment for tourism marketing and industry development remains among the top four in the country.

The increase in budget to this branch reflects our commitment to the tourism industry by increasing important programs and services that are delivered, including those under the tourism entrepreneurship program, which includes the recently launched tourism entrepreneurship start-up seminars. The seminars provide new and interested tourism entrepreneurs with business and tourism-specific information that will support them in their efforts to become more successful. To date we've had seminars which have been very well attended and very positively reviewed – I've seen some of the results from these surveys – in Cold Lake, February 7; High Prairie, Drumheller. Upcoming sessions include Airdrie, April 12; Peace River, April 12 as well; Jasper and Strathcona county as well. More sessions are being planned for 2018.

We are piloting the tourism industry business retention and expansion program in partnership with local communities as well. The program surveys the local tourism companies and related businesses to create a better understanding of the variety of the assets in the communities themselves. This is followed by an engagement program with the community to introduce the variety of services and research that we can offer. In 2017, for example, the department partnered with ATB to introduce a tourism crowdfunding campaign and live stage event that encourages tourism entrepreneurs to test their businesses' concepts and products and raise money for their implementation. The 2017 ATB tourism BoostR event, which took place in Banff immediately prior to the 2017 Alberta industry conference, was also very well received and well attended. The department will look to host this

event again in 2018-19 to further support the tourism entrepreneur sector.

Advocacy from industry within the policy departments across our government ministries that support tourism such as Environment and Parks, Infrastructure, Transportation is equally important in an integrated approach to growing the tourism industry in our province.

In addition to that, the increase in budget to the branch supports the tourism growth innovation fund, providing an additional \$1 million in support to economic growth by expanding the tourism offerings in the province, with a focus on winter and shoulder season tourism development as well as rural projects and indigenous cultural experiences.

8:50

**Mr. Westhead:** Great. Thank you.

I'm looking at the budget line item for destination development and visitor services. I'm just wondering if you can tell us a bit more about the impact of that program on the tourism industry in Alberta.

**Miranda:** Thank you. The increase does reflect our commitment to improving and increasing the programs and services that I mentioned before. The fund offers matching grants of up to \$75,000 to the tourism growth innovation fund. The focus is on strengthening the collaboration amongst tourism stakeholders. We will accept applications in two separate streams, destination development support and product development support.

In addition, the department has also extended the visitor friendly Alberta program to include a business friendly component to this. It is being offered to communities that have previously completed the program and have local businesses that are interested in participating and further developing their community's tourism appeal. The piloting of the program began in January of this year, and it's expected to be made available to other communities throughout the year.

Visitor services continues to be an important piece of the integrated approach that we're taking to visitor services. The fund encourages all the regional visitation that I spoke about as well as developing new and innovative ways across various platforms to better serve a diverse range of visitors in their communities as we anticipate growth in the tourism sector.

**Mr. Westhead:** Thank you.

The Stoney Nakoda Nation in my constituency has expressed some interest in expanding their tourism offerings. I'm just wondering if you can tell us if any of the funding dollars are being used to promote indigenous tourism.

**Miranda:** Absolutely. It's one of those very things that we talked about earlier in terms of the framework, implementing that 35,000-foot view into actual action items. The conversations that we've had are a reflection of our government's recognition of indigenous tourism, which is a segment that needs further development, for sure, because travellers have demonstrated a growing interest in this particular sector of tourism. They want authentic indigenous experiences and products to be made available. Because of that, the ministry is working with indigenous communities and industry partners to deliver support for entrepreneurs, artisans, and communities alike. We've provided funding to establish the first indigenous tourism association in Alberta, working with the Tourism Association of Canada to basically build capacity entry to marketing opportunities to provide support, taking the model that was used in indigenous tourism B.C. that has been very successful.

The department is providing up to \$190,000 in grant funding to support development of this indigenous tourism association that I

mentioned, which includes, of course, developing a provincial strategy, developing tools and resources that can be used. We're working very closely with the Ministry of Labour to support the development of resources and workshops, especially for entrepreneurs and businesses that are interested in promoting indigenous tourism in our province. And we're going to continue working with the federal departments of Western Economic Diversification and indigenous and northern affairs to leverage additional funding opportunities.

Now, I don't know if you know this, but some of the things that we've heard about have been very encouraging. Some communities have seen an increased number of investors who are having direct conversations. For us, of course, we're going to continue promoting this. We are planning on hosting during the Stampede investors' week and investors' forums, additional conversations about how we can support and leverage this particular area of tourism. It's a very exciting one, and it's one that promotes not just the further expansion of knowledge within Alberta about indigenous cultures but also creates jobs locally for these communities and creates resiliency in the communities as well. To me, it's a very exciting opportunity, and it's one that I think most communities are very open to and very excited about. So I'm very much looking forward to having those discussions.

**Mr. Westhead:** Great. Thank you, Minister. I'm excited to see that unfold, too.

On a more general note I'm just wondering if you can tell us how the ministry collects feedback from the tourism industry and makes sure that they're being heard and that their expertise is being valued.

**Miranda:** Thank you. You know, we have a very good relationship and conversations with industry ongoing. Certainly, there are always challenges that present themselves, but we do understand that through dialogue and conversation we can address most of these issues on an ongoing basis. We have regional representatives from both the department and Travel Alberta who work basically throughout the province. The thing is, of course, that different regions in the province have different challenges. The areas that perhaps are in your constituency need to see more growth in the shoulder season and increased visitation in the winter season whereas other areas need development particularly – I mean, everybody needs development year-round. But they don't have as many challenges during the summer in the mountain parks as they do in the rest of the province.

Our conversations with stakeholders continue to be very collaborative and very fruitful in achieving the goals that we set out for ourselves. I do my best to go to different events and have conversations ongoing. It's been a very productive relationship and collaboration, so I hope that that will continue. I'm sure that that will continue going forward.

**Mr. Westhead:** Great. Thank you.

You mentioned the shoulder season and filling up hotels outside of the summer. I'm just wondering if you can tell us about how you're promoting year-round tourism. What kind of initiatives are you undertaking so that we're not just depending on those summer seasons in the mountain parks?

**Miranda:** Thank you. You know, the mountain parks are very iconic attractions for our province. Quite frankly, everywhere that you talk to people, they mention the Rockies as one feature about Canada, never mind just the province. It's iconic for the province and for the country as well. But we are at capacity during the summer months, so our efforts in the mountain parks are concentrated on attracting visitors during the shoulder and winter seasons. We're working very closely with the industry across the province to focus on diversification of the product, destination, and seasonality to encourage visitation in seasons that need it and to discover all the hidden gems the province really has to offer.

We're doing a development of the Castle region tourism strategy as well, which will look at the region surrounding the new parks, including the municipality of Crowsnest Pass, the municipal district of Pincher Creek, the village of Cowley in Pincher Creek, and the Piikani Nation. With thoughts and input from our stakeholders and indigenous people and the general public, of course, the proposed Castle region tourism strategy will seek to identify actions the provincial government may take to support the growth of tourism and to become a much more significant contributor to the local economies in the Castle region.

We continue to provide, of course, ongoing support and tourism development in other destinations such as the badlands in central Alberta and the Lakeland region in the northeast towards having initiatives that continue to help grow tourism in these regions.

We're going to continue working with Travel Alberta and the tourism industry to encourage visitors to travel beyond the mountain parks to discover all of the hidden gems that we have in this province. Frankly, one of the things that Travel Alberta has is co-operative marketing, so that's not restricted to regions that already have an established tourism sector. It works with pretty much any municipality that is looking to increase visitation. All these different municipalities and opportunities are waiting for action, and I'm very encouraged by what I've seen. I'm very hopeful that we will continue working together with the industry to increase the number of visitations. As you know, we've posted very exciting numbers about the number of visitations last year, and we're going to continue making sure that that grows in the years ahead.

**Mr. Westhead:** Okay. Thank you.

On page 72, line 6.2, support for the Alberta Sport Connection has decreased. My constituency plays host to World Cup events and other sport-related tourist activities. I'm just wondering if you can speak to what's happening in that line item, please.

**Miranda:** Well, I can assure you that funding to the Alberta Sport Connection has remained the same.

**The Chair:** I hesitate to interrupt, but the time allotted for the items of business has concluded.

I'd like to remind members that the next meeting is tomorrow, April 10, at 9 a.m., for consideration of the Ministry of Labour.

Thank you, everyone. The meeting stands adjourned.

[The committee adjourned at 9 p.m.]







