



Legislative Assembly of Alberta

The 29th Legislature
First Session

Standing Committee
on
Families and Communities

Ministry of Culture and Tourism
Consideration of Main Estimates

Tuesday, November 3, 2015
9 a.m.

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First Session**

Standing Committee on Families and Communities

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Smith, Mark W., Drayton Valley-Devon (W), Deputy Chair

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Jansen, Sandra, Calgary-North West (PC)
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Standing Committee on Families and Communities

Participant

Ministry of Culture and Tourism
Hon. David Eggen, Minister

9 a.m.

Tuesday, November 3, 2015

[Ms Sweet in the chair]

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

The Chair: I'd 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, 2016.

I'd ask that we go around the table and introduce ourselves for the record. Mr. Minister, if you could also introduce your staff.

Mr. Smith: Mark Smith, Drayton Valley-Devon.

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

Mr. Orr: Ron Orr, Lacombe-Ponoka. Shall we introduce our staff with us?

The Chair: No.

Mr. Orr: No. Okay. Sorry.

Mrs. Pitt: Angela Pitt, Airdrie.

Dr. Starke: Good morning. Richard Starke, MLA, Vermilion-Lloydminster, appearing on behalf of Ms Jansen.

Mr. Eggen: Well, good morning. I'm David Eggen, Minister of Culture and Tourism as well as the MLA for Edmonton-Calder. I have a veritable army of people with me here this morning. If you could just wave when I say your name. I have Lisa Blanchette, my chief of staff; Jeremy Nolais, press secretary; Beryl Cullum, communications director of Alberta Culture and Tourism; Chris Heseltine, assistant deputy minister, tourism division; Brian Fischer, assistant deputy minister, policy and strategic corporate services; Cindie LeBlanc, executive director, Francophone Secretariat; David Link, assistant deputy minister, heritage division; Roger Kramers, executive director, recreation and physical activity division; Howard Grossman, executive director and chief information officer; John Kelly, executive director, human resources branch; David Middagh, executive director, integration and planning; and then, of course, Carolyn Campbell, deputy minister of Culture and Tourism; Lora Pillipow, assistant deputy minister, creative and community development division; and Pam Arnston, executive director, financial services.

Ms McKittrick: Bonjour. Annie McKittrick, Sherwood Park.

Ms Luff: Robyn Luff, Calgary-East.

Mr. Westhead: Cameron Westhead, Banff-Cochrane.

Mr. Hinkley: Bruce Hinkley, Wetaskiwin-Camrose.

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

Ms Payne: Hi. Brandy Payne, MLA for Calgary-Acadia.

Mrs. Littlewood: Jessica Littlewood, MLA, Fort Saskatchewan-Vegreville.

Mr. Shepherd: David Shepherd, Edmonton-Centre.

The Chair: Heather Sweet, chair and MLA for Edmonton-Manning.

Please note that the microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, any electronic devices that vibrate be turned off or set to silent and not be placed on the tables as they may interfere with the audiofeed.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Culture and Tourism, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition, the Wildrose, and the minister may speak. For the next 20 minutes the members of the third party, the Progressive Conservatives, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus, the New Democrats, and the minister may speak. And for the time remaining 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 time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. The speaking rotation is set out in the standing orders, and members wishing to participate must be present during the appropriate portion of the meeting. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Three hours have been scheduled to consider the estimates of the Ministry of Culture and Tourism. With the concurrence of the committee I will call a five-minute break near the midpoint. The clock will be stopped and added to the end. Are we all in agreement? Any against? Thank you.

The committee members, the minister, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their member along the committee room wall. Members have priority for seating at the table at all times.

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

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 the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on November 23, 2015.

If there are amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an

estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on November 23, 2015. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of the amendment must be provided at the meeting for committee members and staff.

I would now like to invite the Minister of Culture and Tourism to begin with his opening remarks.

Mr. Eggen: Thank you, Chair, and thanks to everyone for being here this morning to take advantage of these wonderful new committee facilities. It's quite a remarkable place. I hope there's good air flow, considering how many people are in here today.

Today I have the Alberta Culture and Tourism budget for 2015-2016, totalling \$329.6 million. This represents a decrease of \$11.89 million from the 2014-15 budget while providing \$326.6 million in operational funding for ministry programs and services and \$3 million for capital expenditures. The allocated operational funding will ensure that through thoughtful investment our sector partners can continue to provide vital community, cultural, and social programming and capitalize on new economic development opportunities in the diversified 21st-century economy.

Community and voluntary support services. Let's start today's discussion by focusing on community and voluntary support services. The lives of Albertans are touched by the work of community-based nonprofit organizations each and every day. By delivering the cultural, recreational, and social programs that matter to Albertans, the nonprofit, voluntary sector also plays an important role in maintaining the economic well-being of our communities here in Alberta. This sector generates an estimated \$9.6 billion in economic activity each year and employs more than 175,000 Albertans. Our government is committed to ensuring that Albertans continue to have access to community-based programming and that the sector continues to be a vibrant, dynamic partner sustaining a robust, diversified economy.

Through the community initiatives program, for example, CIP, a \$24.6 million will be provided to assist nonprofits in the delivery of these programs and services. Funding of \$38 million for the community facility enhancement program will be maintained in Budget 2015 to help address the infrastructure needs of local nonprofits.

To further support community and economic development, CFEP funding through the capital plan is expected to be increased by \$25 million in 2016-17, to \$63 million. A total of \$53 million in CFEP funding is also planned for 2017-2018. This investment not only helps communities provide important public-use facilities, but these projects generate economic activity and support local jobs, projects such as the Fort McMurray Nistawoyou Association Friendship Centre. We recently approved a CFEP grant for a project that will help to upgrade and improve accessibility for the centre. This project means the association can continue to deliver important indigenous cultural programs and social supports to the community. It also means jobs for tradespeople and expenditure at a local business thanks to a project funded with a matching grant.

9:10

In maintaining the \$2.1 million for the other initiatives program, OIP, we will continue to fund worthwhile Alberta projects that fall outside the criteria of CFEP and CIP, including such issues as disaster relief such as was provided to assist Syrian refugees and the victims of the Nepal earthquake.

Sports and recreation. Many of these organizations are providing important recreation programming to have more active, healthier Albertans. Budget 2015 provides \$30 million in overall support to support recreation and physical activity programs and services. This support, when combined with the efforts of our community partners, will help provide access to programs, services, and facilities that will help to ensure the health and well-being of all Albertans.

All Albertans, as well, take tremendous pride in celebrating the vast diversity and vibrancy of our Alberta culture. Investments in the arts and culture industries in our province are helping Alberta artists, performers, and technicians develop their talents, and this is helping to build an industry that will create opportunities for them to pursue careers in the arts or film or music right here in the province. Many of the artists who have received support through the programs of the Alberta Foundation for the Arts, the AFA, have gone on to national and international acclaim. Their work is also inspiring and bringing enjoyment to appreciative Alberta audiences in all corners of the province.

Through the AFA's travelling exhibition, or Trex, program schools, libraries, and galleries are able to access extensive AFA collections as well as the work of some of Alberta's most exciting new artists. Each year more than 300,000 visitors attend over 100 exhibitions in more than 100 communities, including many smaller centres, across the province. Educators have access to a wide range of educational materials through the AFA, and artists are inspiring youth in the classroom with support through the AFA's artists and education grant.

Budget 2015 continues to provide substantial funding to the province's arts community, including a budget allocation of more than \$26.6 million to the AFA. An increase of \$5 million to the AFA, outlined in our election platform, is projected to come in 2016.

Alberta's cultural industries, which include film and television production, represent incredible potential that we've only begun to tap. For every dollar invested by Albertans through the Alberta production grant, for example, approximately \$6 of economic activity is realized, which is a tremendous return on this province's investment to build Alberta culture and economic diversification. Film and television projects have generated more than \$400 million in economic activity in the last five years alone, with more than 3,000 Albertans employed in this industry and up to 30,000 if you include extras and other related industries.

One specific example of success that we've had is from, of course, the hit CBC series *Heartland*, which is now in its ninth year of production in and around High River. I think they're moving to Didsbury for this year. This family drama has developed a global following and has created what is becoming a whole new industry, *Heartland* tourism. Next time you're in High River, check out Maggie's Diner, where you'll see a proud display of a wonderful selection of props and costumes from the show. While you're at Maggie's, check out the bulletin board next to the main entrance. If they haven't been taken down to make room for the next batch, you'll see notes penned by fans of the show from places like Worsley or Sherwood Park or Edson or Edmonton, others from St. Albert or just up the road in Calgary. You'll see notes from *Heartland* followers right across Canada and around the world. This is just an example of a wonderful project. These notes say something about the show, but they also say: we visited your province, stayed in a hotel, ate in a restaurant, maybe visited Banff, took in the Calgary Stampede, and went to Drumheller, things like that.

Budget 2015 provides funding for \$36.8 million for the Alberta media fund, to address previous funding commitments and to help

further grow our screen-based media, publishing, and recording industries. By helping our partners to develop and showcase cultural resources, we're helping to showcase our province and its incredible people to the world. Through music, books, magazines, art, and film produced here at home and through our incredible festivals like the Fringe and Calgary Stampede and Alberta Culture Days, we are telling the story of our province to the world and, in doing so, issuing an invitation to visitors to experience Alberta and Alberta culture for themselves.

I see our tourism industry as a cornerstone of our commitment to diversifying Alberta's economy and our goal to further expand the industry to generate over \$10 billion in economic activity annually by 2020. We are well on our way to achieving that goal. In 2013 visitors to Alberta's tourism and tourism-related businesses accounted for \$8 billion in spending, with 34.3 million visits. Now, with the lower Canadian dollar, early reports are indicating that more Albertans are taking their vacations here in the province, and we're also seeing an increase in the number of other Canadians and Americans and visitors from around the world coming to our province.

Our national and provincial parks along with our cultural and heritage attractions have all experienced record or near-record summer visitation numbers here in 2015. With more than \$69 million allocated for tourism support in Budget 2105, our financial commitment for marketing is . . .

The Chair: Thank you, Minister. You've run out of time.

Mr. Eggen: That's okay.

The Chair: It was a fast 10 minutes.

Mr. Eggen: It was. It was. Thank you for the chance to introduce our budget.

The Chair: I'd like to invite the Official Opposition to ask questions. Would you like to go back and forth, or would you like to take 10 minutes to start?

Mr. Orr: Thank you. I'll go back and forth.

The Chair: Thank you, Mr. Orr.

Minister, you're comfortable with back and forth?

Mr. Eggen: Oh, yeah. Absolutely.

The Chair: Please go ahead.

Mr. Orr: Thank you, Madam Chair, and thank you, Minister and staff that you've brought with you. I appreciate all of them coming and other MLAs as well. I do want to go back and forth, but I think you probably appreciate the shortness of time, so if we can try and keep directly to the point, it'll probably help us both.

Mr. Eggen: Absolutely.

Mr. Orr: I do want to say at the beginning that I think I get the arts. I was attracted to the artist spirit in a particular woman that I've been married to for a lot of years. I have a son who has devoted his life to art, doing some creative glass work, and like too many artists lives in complete poverty, has a hard time monetizing his passion in life. I personally have spent some time designing and building furniture, so I get the spirit.

I also get the reality, though, that for many of us, I guess I should say, it is hard to monetize art. It's hard to make it pay. It's hard to make a living off art. Resources are always scarce, yet creative

people persist because their urge is to be creative. For them art isn't a luxury; it's what they need to be. It's what they are.

So I get it, and I guess I should say that when I press you for efficiencies and economics, it's not to be miserly or condemning but, really, because it's the challenge of the artistic life. Resources are scarce, and it's what artists have to struggle with every day. I guess I think that with every dollar we can squeeze out of any kind of inefficiencies, that we can give to those who actually create it, we'll be doing what we should be from a government point of view.

I'd also like to say at the opening, Minister, that as you have the opportunity, I guess, of a new regime, as you stand at the door of a new time, I really would try and encourage you to refocus your department where it would be helpful, realign priorities that enhance culture and tourism, that actually focus as much as possible on the real activities that produce cultural – and, unfortunately, we have to tie that to economic results, too, because that's the reality of our world and our lives.

9:20

In a way, I suppose, my theme might be that I would encourage you as you try to create that new environment to as much as possible minimize the overhead, those kinds of things, I guess, because the real goal of the whole department is to produce art, films, travel experiences, direct cultural products. Every dollar that we put somewhere else reduces those opportunities. I think that's the direction I want to be going with some of it. Of course, some of the questions are for the record, as I'm sure you understand.

Anyway, maybe to begin with the big picture, could you just give me a brief sort of rationale for the ministry structure change that's occurred?

Mr. Eggen: Well, certainly, we are all working under the presupposition that we need to look for efficiencies in our ministries, so the \$329.6 million for both operating and capital is a decrease of \$12.3 million, or approximately 3.6 per cent, from last year's budget. I have directed my ministry to streamline ministry operations in regard to administration while minimizing impacts to Albertans. You can see the way we tried to focus on a three-year program to actually increase quite significantly the community foundation investment in the CIP fund so that you have a microinvestment into communities, literally hundreds of those investments, while perhaps streamlining and reducing some areas of our ministry to realize efficiencies.

Culture and Tourism is very strong and coherent in its construction, and certainly we work hard to get the greatest value for every dollar that we spend here in the project.

Mr. Orr: At the beginning could you just highlight, in your mind, three or four of what you would consider sort of primary strategic changes or budget objectives for the department sort of from just an upper-level perspective?

Mr. Eggen: Well, I think that our focus, as I say, is trying to find efficiencies in each of the administrative parts of the department while putting money forward out into communities; for example, as I mentioned, CFEP funding and so forth. The Alberta Foundation for the Arts as well: while they kind of held the line or saw a small decrease this year, next year, which is coming up very soon, we are filling our platform commitment to increase the AFA by \$5 million.

This is very important for us. We know that both Culture and Tourism have a great sort of pivot point for helping to diversify the economy and increase the quality of life for Albertans. We have lots of specific measurements by which we know that we get excellent return on investment to culture. For example, we know that culture-related issues can contribute at least 3 per cent of our entire gross

domestic product, about \$8.2 billion. Tourism is very similar to that number. We see it increasing to \$10 billion by 2020.

So, yeah, we're very, very focused on increasing the quality of life for Albertans but also using firm measurement performance yardsticks to ensure that we're getting the best value for our money.

Mr. Orr: Looking to the estimates, then, more specifically line 1.1, the minister's office, there's a \$17,000 increase there. Is it possible that there might be some efficiencies gained by having two portfolios with one minister?

Mr. Eggen: Yeah. I was asking the same question, Mr. Orr, just when we were organizing the budget. There was one round of severances that I was responsible for. But certainly, yes, we do have one office doing two ministries and one minister as well.

Mr. Orr: That's true.

Mr. Eggen: I only get paid for one of those, so that's good efficiency right there.

You know, overall in the department we have decreased 17 positions from March, and as I said, I instructed my deputy here to look at a very careful shakedown looking for efficiencies. So, yeah, I mean, we've . . .

Mr. Orr: Do you feel that you've completed that process? Are you at the staff level you need to be at?

Mr. Eggen: No. I think it's ongoing. Thanks, Ron, for that. I think, you know, that we're not done yet. I mean, we all have a very fundamental responsibility for the scarce public dollars that we are entrusted to utilize. So, no, we're not done that process yet.

Mr. Orr: Line 1.2 there, deputy minister's office. You have some increases there. Can you maybe detail where that's going, how that's being used?

Mr. Eggen: Yes. The deputy minister's office we had I think increased by – I'm sorry. Let me just find it. Can you just give me the page for that?

Mr. Orr: Yeah. It's page 56 in the estimates.

Mr. Eggen: Okay. The cost containment initiatives actually resulted in lower actuals, but it increased sort of the variance estimates, so that's why you see it all sort of together here. Because it went down in '14-15, it's sort of a dip in between, so on more of a four- or five-year cycle the deputy minister's office has gone back up to an average. Yes. Then there was an acting deputy minister for a point in time there, too, so that's probably what explains it.

Mr. Orr: Okay. Thank you.

Again, I guess wherever possible, you know, trimming some of those overhead costs just puts money into the actual production of art and culture for our communities.

Mr. Eggen: Yes. You're right.

Mr. Orr: I notice quite a few lines – 1, 2.1, 3.1, 5.1, 7.1 – are listed as support or supports. I mean, they're all divvied out different places, but when you put them all together, when you combine them, it adds up to be a fairly substantial amount. I was just wondering if you could detail for us what that really is covering and where you're going with that one.

Mr. Eggen: Sure. Yeah. You bet. Sorry; could you just say those numbers again for me, please?

Mr. Orr: It's 1, 2.1, 3.1, 5.1, and 7.1. It just shows up recurrently under every department, and I'm just wondering if there might be some efficiencies there, if there might be some combinations, some gains. I mean, each one by itself isn't that much, but if you add them up, it does add up.

Mr. Eggen: Yeah. That represents FTEs. They represent workers on the ground. Like I said, we are going through an ongoing efficiency process that I've initiated in the department. I mean, just to remind you, we did have a decrease of 17 positions already and an overall reduction at the department level, so I have to be careful to ensure that it is functioning.

Mr. Orr: For which I will give you kudos.

Mr. Eggen: Yeah, for sure. We have to be careful. If you make too many cuts, then you stand to lose more than you gain.

Mr. Orr: Again, just in that regard, I guess I always run it back to a phrase that we've heard many a time: it's important to sustain the front-line workers. I guess my only concern there would be, you know, that as much money as is possible, conceivably, is going to the front line and not the rest of it. But I won't belabour that point.

Maybe you've answered some of my next question. The minister's office in general has a slight increase there, and I guess my question is: is that new staff positions, or does it reflect raises for current staff?

9:30

Mr. Eggen: In the minister's office? Yeah. I mean, again, if you kind of watch between the budget and then the actual and then the estimate, we've actually gone down overall. As you mentioned from the outset, you know, with two ministries we have effectively realized considerable efficiencies, that we'll start to see on the books in the next few months.

Mr. Orr: Any comment on the question of raises?

Mr. Eggen: No. I mean, we certainly have put forward a freeze on, of course, the elected officials' wages, and we will be reviewing how our non-union staff wages will be moving as we go through this next financial year.

Mr. Orr: A little bit of a different tack maybe on some of this, a change of subject a bit, in particular with regard to tourism. Currently the online travel agencies such as Expedia and booking.com, et cetera, really impact the industry by not paying the tourism levy, by not contributing to that. The Hotel & Lodging Association estimates that \$72 million was paid by OTAs and Alberta hotels in '13. Are we missing significant revenue sources for your department that would in fact help because of these agencies that are not remitting the tourism levy? I know it's a question that's been raised in previous years. Can we deal with that, or are you making progress in addressing that issue?

Mr. Eggen: Yeah. I mean, it's something that we are definitely concerned about, that Travel Alberta has been investigating as well. We know that there's been an industry push to get individual businesses onto the Net so people can make direct bookings. I recognize that this lost revenue does give us a problem with the reinvestment that we can otherwise potentially use for advertising and for Travel Alberta. So the ministry is looking at this as is the Alberta Hotel & Lodging Association, working together with them and Travel Alberta.

Mr. Orr: When the ministry books flights and travels, are you using the online services?

Mr. Eggen: That's a good question. The person who does my bookings does my scheduling as well. I think she just deals with WestJet and Air Canada directly because that's what I see her doing. I'll check on that. That's a good question, Ron.

Mr. Orr: Yeah. Okay. I know this has been brought up in the past. It was brought up last year: under corporate services, the policy regulating ministry staff flights and travel expenses. I'm just wondering what progress has been made. Are they currently travelling economy class, first class? How are you directing your staff this year in regard to those things?

Mr. Eggen: Well, we recognize the tight economic circumstances that we're in, so we've made a point, not just for myself and my staff but for the department as well, to be travelling as economically as possible, certainly flying economy and spending very reasonably. I've sort of tried to set an example based on our own travel to reduce charges even for food and so forth so that we're sort of leading by example. I think that's the least we can do while still doing the job that we need to do to travel around the province to get the job done right.

Mr. Orr: Right. Thank you, Minister.

Line 1.5, corporate services, is up \$273,000, I think. Could you just elaborate for us for the record on the work of corporate services, on what they do?

Mr. Eggen: Sure. Yeah. I mean, that's information management, technology services. We have some payments and services to Service Alberta. There's risk management involved, insurance premiums, financial planning as well. These are all important elements of how we run a very diverse and large office. Certainly, the change in that budget is in keeping with the activity that corporate services provides to our ministry.

Mr. Orr: Out of all of those, are there a few that you would sort of identify as priorities or maybe just principal priorities, not listing any one of them in particular?

Mr. Eggen: Well, for sure. I think that, you know, in view of my direction to my ministry, financial planning and financial reporting is an area that we are working to expand on. Transparency and accountability: that moves through that as well. I've instructed, where I have an ongoing initiative to work through our granting process, through CFEP, CIP, and the other initiatives program, to develop a more transparent process by which we make an accounting for projects. I think that's ultimately a way, by investing a small amount in our accountability, that we will actually realize larger savings in the immediate future.

Mr. Orr: Thank you.

Let's move to creative industries, item 2. Line 2.1, program support, is the same amount as the 2014 budget. Why has that number been selected when the actual amount was quite a bit less this last year? Where were the savings there, I guess, is maybe another way to turn the same side of the same thing.

Mr. Eggen: Yeah. I mean, there were cost-containment initiatives from 2014-15 that ended up in lower actuals, right? So then you have more variance for 2015-16. You know, we have program support in our budget for IT initiatives and then the actual IT. I think that sort of explains the variance on the program support line.

Mr. Orr: Line 2.2: could you just elaborate on the extra \$500,000 to be spent on the arts?

Mr. Eggen: Sorry. What page is that?

Mr. Orr: Line 2.2, the arts.

Mr. Eggen: Oh, 2.2, yes. Okay. Again, that is, I think, as a result of an IT variation, so you ended up with a variance from 2014-15 to 2015-16. It was to do with an information technology investment.

Mr. Orr: Okay. With regard to the arts portfolio in general, maybe briefly, what does it cover, but particularly how does it create value for the province? I guess I'm thinking in a financial way there. I recognize the cultural and social and human values.

Mr. Eggen: Well, you know, again, I think it's important to point out that the arts- and culture-related industries, if you look at them purely on an economic sense, contribute about 3 per cent to our GDP here in Alberta. We're seeing that increase over time. I think that the economic footprint is even larger when you talk about – there's an economic study by Alberta Treasury Board that illustrated about a 6 to 1 investment, in to out, from indirect economic activity.

Mr. Orr: I'd actually be interested in seeing that report. Could you send it to me?

Mr. Eggen: Yeah, absolutely.

Mr. Orr: I'd like that. Thank you.

Mr. Eggen: Yeah, I can get that for you.

Mr. Orr: Please do.

Mr. Eggen: We'll make a package for any specific information that anybody wants, and then we'll file it in the Legislature.

Another very important aspect of it, I think, is that when you hit that critical mass of both population and then cultural industry, you're more likely to retain your population and to retain your specialized educated population, too. So culture actually builds the community and builds the economy.

Mr. Orr: Line 2.4: the Alberta media fund is getting a substantial increase, 19 per cent, it looks like, roughly. How is that money going to be used?

Mr. Eggen: Which one did you say, Ron?

9:40

Mr. Orr: Line 2.4, the Alberta media fund.

Mr. Eggen: Yeah. Okay. Well, I'm quite excited about this, really, because we know that investing in the media fund in general generates incredible economic activity. So we put in more money to meet existing obligations but also to send a strong message to industry that we are open for business and we want to expand our media industry here in the province quite aggressively. I've met with key leaders of the media industry, both for film and other forms of digital media, and they're very excited with the direction that we are taking. We know that the current media industry here in North America is very fluid and flexible, and they look for places where they can make the most money and get the best return.

Mr. Orr: Specifically, Mr. Minister, where will the extra funding actually be directed? What's the intent there?

Mr. Eggen: The extra funding in this year's budget goes to the Alberta media fund directly. That's a granting program that we use here in the province to incent film production contracts. So you make an application, just sort of like a granting program you would see in CFEP and so forth, only that it's targeted to film.

Mr. Orr: Okay. You and I have talked in the past about the idea of implementing a tax credit system rather than the current grant system. Have you had any further thoughts on that, and is there any likelihood that that's something you would consider instituting?

Mr. Eggen: Yes. Good question. I've been working on that, Ron, since we had that conversation. We're looking at models from other jurisdictions across Canada and across North America as well. For example, just look at the biggest producers so far, right? Of course, that's Ontario, British Columbia, and then Quebec, and we're behind them. They are using tax credits in concert with grants, so I wouldn't throw one out for the other because, of course, granting is useful for smaller productions and some other television documentary work while the tax credits can help to work with larger companies that can capitalize more money up front to start their filming.

Mr. Orr: Okay. Sure. Thank you.

Line 2.5, Alberta Foundation for the Arts: a budgetary decrease there. I realize that's mostly granting money to local organizations, communities, individuals. I'm just wondering how you found efficiencies there. How does cutting them get money to the front line of real art production? Comments, please.

Mr. Eggen: Well, it has been reduced by \$970,000. It is still \$20 million, though. I just want everyone to understand that we're building a three-year program here by which we will invest \$5 million more into the AFA next financial year. So in regard to the cuts, support to individual artists was reduced \$280,000, and there's a \$32,000 administrative reduction from that as well. I mean, it's a hang on kind of message that we're sending to the AFA and the culture industry, and it seems to be quite well received. They understand that we're in a difficult economic circumstance, but in the next financial year we've already made plans to turn that around.

Mr. Orr: Thank you.

Let's go to the third section, community and voluntary support services. The community initiatives program, line 3.3, has gotten a bit of a bump also. It has sometimes been perceived as maybe lacking transparency, although I know that sometimes people in the communities have really appreciated it. You've made a clear statement that you want to increase transparency. Can you explain how you might be able to achieve that with this particular program?

Mr. Eggen: Yeah. That's a great question, Ron. I'm very interested in making sure that people understand the process that we go through in regard to CFEP, CIP, and OIP as well. We know that these are very valuable investments into local projects. I'm just looking through here. I mean, you've got a couple. You have the Clive Resource Centre and the Lion's centennial playground development . . .

Mr. Orr: True enough. The question is, though: how do we focus on increasing the transparency where that seems to be sometimes an issue?

Mr. Eggen: I've instructed my department to start to work on a mechanism by which we use an independent matrix to decide on

initiatives from all of these areas. Certainly, I know that there's a very large appetite to do so. I think that it's fair that we demonstrate that not just to people applying for grants but to the general public as well, that there's a mechanism in place. So that's ongoing, Ron, and I certainly will show you every step of the way on how we're going to improve that.

Mr. Orr: Thank you.

Line 3.4 shows an overspend of 5-plus million dollars last year. Yet it's sort of scheduled for the same budgetary amount for the coming year. How did the overspend come about, and what measures are in place to ensure that it doesn't happen again?

Mr. Eggen: Yeah, there was indeed. We basically had individual emerging issues that we needed to deal with – right? – for the Nepal earthquake, for example, and the Syrian refugee contribution that we made. Basically, you just kind of move some of the unspent money from I think CIP to cover that over. So, yeah, I asked about that specifically when we were briefing for this.

Mr. Orr: So can you just detail for me what are some of – I mean, "other" doesn't tell us very much.

Mr. Eggen: Yeah. Well, again, to your last question, this is part of the process that we need to rationalize, quite frankly, because you have your CFEP and then you have your other initiative program. It seems like there's an overlap there. I mean, with what we did fund with that, let's say for this year, one of the highlights was the world triathlon. We gave them \$325,000. They had some issues there. We had the Red Deer Memorial Cup society. We gave them \$315,000. The Alberta-Ukraine genealogical project was \$75,000. So, yeah, it's kind of a place that moves up and down with certain emerging circumstances that we have to deal with.

Mr. Orr: Did I hear you mention a couple of moments ago about the Syrian crisis? Does that fit in here somehow, or did I mishear something?

Mr. Eggen: Yeah. That's right.

Mr. Orr: Can you explain that for me, please?

Mr. Eggen: Well, we put forward I believe it was \$150,000 totally to the Red Cross if I'm not mistaken, matching funds.

Mr. Orr: Does that fit within the ministry's mandate?

Mr. Eggen: Yes, it does. That's part of the ministry as well.

Mr. Orr: Interesting. Okay. Thank you.

Let's move to section 4, the Francophone Secretariat, a bit of an increase there. Does that include implementing the Canada-Alberta agreement on French language services, the action plan that was with the federal government?

Mr. Eggen: Yes. Let me just check that here. It certainly does, and, yeah, there's quite a significant contribution from the federal government that comes our way for the secretariat as well.

Mr. Orr: I guess the question would be: is that implementation pretty much effected, or is there going to be an ongoing cost there?
9:50

Mr. Eggen: It is an ongoing program, certainly, and I've met with both federal officials and a minister from Quebec as well to look for ways by which we can increase our support for our very fast growing francophone population here in the province, now totalling

more than 240,000 people. I spoke at the Francophonie provincial meeting here a few weeks ago, and they're very excited to see that we are interested in supplying more extended services in French in education and in health.

Mr. Orr: Okay. Thank you.

Let's move on to heritage, line 5.2, Royal Alberta Museum. A fairly costly project for the government under way there, received \$1.65 million more from the ministry compared to last year. What is the involvement for the ministry with that, and how much of that is affected by the current construction phase? Is that related to the fact that the museum is going to be essentially closed for a while anyway and there will be a loss of revenue? How does that all work out?

Mr. Eggen: We've sent \$900,000 for associated costs for preparation for the new site, for planning new displays and so forth, and the ongoing transition from closing the old site and moving onto the new site. It's a very large project for which we have committed to a total of \$253 million. The increase in the budget for this year, \$900,000, was also in regard to preservation of materials. There will be lots of moving of fragile and rare material. As well, like I say, we associate it with preparing displays for the new site.

Mr. Orr: Thank you.

Line 5.3, the Royal Tyrrell: it looks like they've implemented some cost-saving measures there, or is it increased attendance that allows you to decrease the funding somewhat there? How's that?

Mr. Eggen: Well, the Tyrrell is by far the most successful museum site that we have amongst our 11 here in the province. I think the specific mechanism by which we are doing so for this one is that we are moving more of their expenses – it would be funded from revenues out of the historic resource fund. I think that's where you see that change.

Mr. Orr: Well, that was specifically my question: is it generating revenues, or is it needing the funding?

Mr. Eggen: It's interesting. I mean, museums don't generally make money on their own, but the Tyrrell certainly is our most successful site, and it breaks even. What it does do is create a node for economic and tourist activity right through the Red Deer valley and badlands area.

Mr. Orr: Yeah. Great facility. I've been there a couple of times.

Mr. Eggen: Yeah, for sure.

Mr. Orr: Let's talk about historic resources management for a minute. What are the staffing situations there coming forward for this year?

Mr. Eggen: Could you just direct me to a line there, please, Ron?

Mr. Orr: Line 5.6.

Mr. Eggen: That's managing our manpower costs, right? There's actually a minus-5 FTE in that particular department, so that would be the biggest variance there. Like I said, all of our departments have been instructed to look for efficiencies. You know, they are running at about a \$4.4 million FTE for human resources right now, and they have a minus 5 on their books for this year.

Mr. Orr: I guess maybe to take that one a little bit further, if you could just clarify the difference. Maybe what I'm looking for here ultimately is: are there efficiencies that could be gained?

Anyway, the difference between the Historical Resources Foundation and the historical resources fund: I know what they do differently, but I wonder if there's a way that those funds could be amalgamated. I understand that as life goes on and history – I mean, different things get created, and sometimes it's more efficient to pull them together. I suppose you could also throw into that equation the Government House Foundation. There are three things there that maybe could be combined for efficiencies, or not. What are your . . .

Mr. Eggen: Yeah. I mean, that's a good idea. I certainly would be interested in entertaining or exploring that. You know, I have to be very, very careful – and perhaps that's a way by which we can pull back and regroup because, of course, like I just said, we did realize successive reductions in each of those areas that you just described, right? So we're doing a review now, but I will certainly entertain your idea. I don't want to compromise, of course, the integrity and the good work that individuals do at each place. Especially when you are in uncertain times, I want to make sure that we value our . . .

Mr. Orr: Well, it's just a question, something to explore, a suggestion that maybe there could be some synergies created there that would be useful.

Mr. Eggen: It's a good idea, yeah. Absolutely.

Mr. Orr: Line 5.7, assistance to the Alberta Historical Resources Foundation. Can you define for me what "assistance to" means?

Mr. Eggen: Let me just check that one. Okay. That's a grant to the funding agencies, I think, basically is what that is. So you have your 5 per cent reduction there. Plus there was the elimination of the municipal heritage partnership program and the Alberta main street program as well, which is reflected in that, too. That was an unfortunate thing, but we were trying to look, again, for efficiencies.

Mr. Orr: Okay. Under this department, heritage, can you just talk to me briefly about endowments: what there is, and how much that contributes or doesn't?

Mr. Eggen: I'm not familiar with any endowments that exist in that particular department, Ron, but . . .

Mr. Orr: Okay. Fine. I wasn't entirely sure, and I couldn't find it myself.

Mr. Eggen: No. I don't think there is, actually.

Mr. Orr: Okay. All right. Fine. We'll leave that, then. That's what I wanted clarified.

The municipal heritage program: will that continue? It seems to me that I read that it is zero-funded.

The Chair: Mr. Orr, I just wanted to let you know that you're on your last 20 minutes.

Mr. Orr: Thank you, Madam Chair.

Mr. Eggen: Sorry, Ron. Can you just say that again?

Mr. Orr: Yeah. The municipal heritage program.

Mr. Eggen: I think that's your main street program, and like I said, you know, unfortunately, that was . . .

Mr. Orr: So is it as a program being discontinued? I understood that it was relatively new actually.

Mr. Eggen: It's been part of the cuts. I mean, we . . .

Mr. Orr: So permanently terminated would be the correct statement?

Mr. Eggen: Well, you know, to what degree anything can be permanent-permanent. But, I mean, it's . . .

Mr. Orr: Okay. Well, I'm just asking.

Mr. Eggen: It's not on the books for now. That's for sure.

Mr. Orr: Okay. Fair enough. So the same would go for the heritage markers program?

Mr. Eggen: I'm sorry. Could you say that again, please?

Mr. Orr: The same would be for the heritage markers program? Zero-funded as well, I see.

Mr. Eggen: Yeah, I think so. Let me just check that for you. Where do you see that? The heritage markers program?

Mr. Orr: Yes.

Mr. Eggen: No. That's carrying on.

Mr. Orr: Is it?

Mr. Eggen: Yeah.

Mr. Orr: I thought it was zero-funded, but I don't have the line item here, so I'll have to pass over it.

Mr. Eggen: I can check for you on that, Ron, what funds are being directed in that way.

Mr. Orr: Okay. Recreation, section 6, if we can look at that one. Alberta Sport Connection has multiple sources of funding. Is it the minister's intention to divert more funds away from the Alberta lottery fund to make up for some of the decrease there? I know that the lottery fund does contribute to that one. I'm just wondering how the adjustments are there.

Mr. Eggen: The Alberta Sport Connection budget is \$22 million, and, yeah, there is lottery money that is directed in that direction. This is a reduction again, which I must articulate again with a bit of reluctance or a heavy heart. I mean, it's very important that we do invest in sport, and we have tried to, you know, kind of circle the wagons on this. But that \$22 million does represent a decrease of \$4.2 million.

10:00

Mr. Orr: Okay. Let's talk about tourism because I do have a few key questions there. Line 7.2: can you detail sort of the primary activities or key projects that destination development and visitor services do as we move forward?

Mr. Eggen: Yeah. The tourism budget for us is quite significant and, like I said before, does pay quite good returns.

Sorry. What did you say again? Visitor services?

Mr. Orr: Destination development and visitor services.

Mr. Eggen: Right. Okay. That is a mechanism by which we implement programs to assist specific regions. We have 11 entry-point visitor information centres around the province, and this also helps to provide 120 community and regional information centres. Certainly, I guess you get some synergy with other announcements that we've made; to revive the STEP program, for example. I know that municipalities around the province, when I was meeting with them, were very happy to see that because that's how they were staffing their visitor centres. We'll get some STEP students back in there, and that will provide the manpower for those facilities.

Mr. Orr: Thank you, Minister. I know that . . .

Mr. Eggen: Sorry, Ron. I've got one here. This just in: for the heritage markers program, that you were asking about before, we have it at \$117,000 for this year. That's pretty much holding steady from two years ago, and it's up from last year, so it's alive and well. There is money in that heritage markers program.

Mr. Orr: Okay. You know what? I was maybe looking at the capital investment side of it. Thank you. I appreciate that.

Let's move on. I know there's been discussion in the past about the department developing tourism apps, especially as people are driving to significant areas. Has there been any further thought on that one, or is it maybe not efficient, in your mind?

Mr. Eggen: Yeah. I am certainly interested in that, for sure. You know, some individual sites have developed some smart phone interaction. Then as we're building the new Provincial Museum, I think that it's something I'm definitely very interested in. I've seen museums around North America employing this kind of technology to enhance their museum experience. So, yeah, I'm definitely interested.

Mr. Orr: Something on the agenda?

Mr. Eggen: Yeah.

Mr. Orr: Any estimate of what that might cost?

Mr. Eggen: Well, I'll have to get back to you on that. I mean, I wouldn't want to make a guess offhand. You know, you can also encourage individuals who are contractors to build apps. That seems to be a very productive economic activity around the world.

Mr. Orr: Yeah. Let's talk about line 7.3 for a moment. I'm just wondering what kind of consultation you've been able to have with key stakeholders in terms of how you do business development and investment attraction.

Mr. Eggen: Which one? Could you say that line?

Mr. Orr: Line 7.3.

Mr. Eggen: Line 7.3. Okay. I have met with quite a number of tourism stakeholders. The Bow Valley group, for example, is very interested in the supports and the initiatives that we would like to use to increase tourism in the province. As well, in southern Alberta, with the Castle region and the Lethbridge/southern Alberta tourism group, I'm looking at trying to build a coherent case with my ministry to increase tourism exponentially in those areas. I also met with the Alberta Hotel & Lodging Association and, of course, Travel Alberta, looking for ways by which we can increase both local tourism and international tourism.

Mr. Orr: Do you have any key metrics, then, that you would be able to use to measure the effectiveness of development and attraction?

Mr. Eggen: Yes. Certainly, Travel Alberta has a number of measurement mechanisms, and as part of our review of agencies, boards, and commissions in general and then Travel Alberta specifically I have instructed them to sharpen the matrices by which they can measure success in their capacity to advertise our province across North America and around the world.

Mr. Orr: Okay. Of course, that will be a key point, I think, for us to watch: how do we measure that it actually achieves some of those objectives? Hopefully, it does.

Mr. Eggen: I think so, too.

Mr. Orr: Let's move on to the largest item there, 7.5, \$54 million. What are some of the major initiatives or world events on the calendar, and how will that \$54 million at 7.5 be spent?

Mr. Eggen: Certainly, Travel Alberta is using a travel index, which is very important for its measurement as well. We are certainly – just hang on a sec, Ron.

Mr. Orr: You know what? If you want to get back to me with some of the details of where it actually goes . . .

Mr. Eggen: Yeah, I think I'll have to get back to you. I'm not exactly sure . . .

Mr. Orr: I mean, it's the biggest item and the biggest line in the section.

Mr. Eggen: Are you referring to Travel Alberta?

Mr. Orr: Yeah.

Mr. Eggen: All right. Well, one of Travel Alberta's big focuses is to work on, like I said before, the international sort of focus on certain areas that have good transportation routes to Alberta, so we're talking about Korea and Japan and China, hopefully, as well as southern California and Texas and Quebec in terms of advertising. They're instructed to be looking at developing certain tourist nodes that we have available across the province. As I said, I mentioned before the southern Alberta initiative around the Castle and the Crownsnest Pass in regard to Waterton and then Lethbridge, working with that as a new point of growth for tourism as well.

Travel Alberta has a pretty good reputation across the country, and they have had quite a number of considerable successes over the last few years. I know the advertising campaign of Remember to Breathe certainly gave us a lot of international exposure.

Mr. Orr: Right. Yes. Thank you.

You mentioned the issue of air travel. That is an important element. Alberta's airport competitiveness was 136 out of 140 last year. Has that improved, and how do we fix it?

Mr. Eggen: Well, yeah, having more flights to the province definitely gives us the best tourist return. WestJet has obliged us with six new flights from Alberta to Gatwick, which I was very grateful for. As well, we are pursuing quite aggressively more direct flights to Asia. Right? Certainly, it's a bit of an uncertain economic circumstance, but at the same time, there are larger global issues that we deal with. There's an emerging middle class in mainland China, that is very interested in travelling to North America. With our efforts through Travel Alberta and through our ministry and the

new economic development ministry, too, we hope we can perhaps secure some new routes very soon.

Mr. Orr: Thank you.

I'll change the subject just a little bit for Travel Alberta. Social media: extremely powerful. You've done some good work and the department has done some good work in that area. How do you plan to grow our social media reach, though, and are there expected cost savings that you can achieve through social media?

10:10

Mr. Eggen: Yeah. I'm not an expert on advertising, but I know that Travel Alberta has been building, both instructed and on their own initiative, new advertising campaigns, like I said, in some of those areas that I described before. I think Travel Alberta has the lead on this. They have about a million followers on their social media network now, so they're looking good that way. You know, the campaign that we did that used Tumblr and other platforms: Yahoo generated 24 million impressions and 14 million on Tumblr. It's a good start. I mean, I think, again, that the Remember to Breathe material that we had was great bait to get people on social media.

Mr. Orr: That was a triumph. Hopefully, you can reproduce it.

Mr. Eggen: Yeah. For sure. I've chased down that advertising agency to see if they would like to do something again.

Mr. Orr: Let's change the subject a little bit. The Alberta trail system: I know there's lots going on still to develop it. Is it developing any kind of value returns to us economically?

Mr. Eggen: Are you talking about the Trans Canada Trail?

Mr. Orr: Yeah, and the Alberta portion of it, of course.

Mr. Eggen: Yeah. It's definitely sparked a lot of interest in a number of communities around the province. The Canmore to Banff section that was completed as part of the Trans Canada Trail is very highly used and very well advertised through the Bow Valley tourism board. I know that in Blackfalds and along highway 2 there are a number of communities that are working on it hard, too. It's sort of a parks-based thing, but we recognize the tourist potential for it.

It's interesting. In Alberta the Trans Canada Trail becomes this sort of – you'd expect one trail, but suddenly it branches into three or four different areas when it hits our province, so it has pretty good reach throughout.

Mr. Orr: Okay. Off-highway vehicles, snow machines: that's a tourism segment that is a pretty high-dollar-value one. A lot of money gets spent by those guys.

Mr. Eggen: Yes, it does.

Mr. Orr: It's been talked about for years. It's always been a contentious issue. There's been no real good resolution to that. Do you see any way forward in terms of enhancing or developing that segment of tourism?

Mr. Eggen: Absolutely, Ron. One very useful conversation I've had was in the Lac La Biche municipal district about some old railway rights-of-way that they're interested in developing. I know, just anecdotally, in looking at how successful Quebec has been to build a tourist industry with ATVs in the summer and Ski-Doos in the winter, which includes an integration with small hotels and restaurants and so forth, that it has great potential. I recognize just how many Albertans have this as a recreation option, and I'm

certainly interested to be working both with the parks ministry and with you as well.

Mr. Orr: I have some suggestions there, but we'll do it off the record.

Mr. Eggen: Yeah. Okay. Sure.

Mr. Orr: There's not time today.

Let's switch to the Alberta tourism levy for a moment. The ratio there was changed a few years back. What's your position on that going forward?

Mr. Eggen: Well, certainly, the tourism levy has been very successful in producing money for Travel Alberta and reinvesting into tourism. I think it's a \$69.3 million investment broken up between Travel Alberta and the tourism division. You know, there's \$50 million worth of direct tourism marketing, and there is some money that's going back into general revenues.

You know, Ron, one of the things that I recognize – I've heard it in the Bow Valley, and I've heard it again in the Castle-Pincher Creek areas – is that those areas with a focus on new tourism and growth in tourism want to ensure that they have the infrastructure that can allow the increase in traffic. Right? For example, in the Bow Valley you have, you know, many millions more people using the roads and the infrastructure and the health care and all those kinds of things, so we want to make that commitment.

Mr. Orr: So can you be specific about that revenue that's going back into general revenue?

Mr. Eggen: Yeah. For sure. I had calculated that just 48 hours ago, and it comes back to . . .

Mr. Orr: You knew I was going to ask that, didn't you?

Mr. Eggen: Well, yeah. I wanted to make it clear, too. I mean, I met with the tourist association and, you know, the lodging associations, too. Right? You have \$8.9 million going back to general revenues from that total.

Mr. Orr: Okay. Thank you. Good.

Do you see the ratio staying at 30-70? Is that your preferred resting point there?

Mr. Eggen: Yeah. I mean, it's something that I'm willing to look at on an ongoing basis. Like I said, because there are certain infrastructure investments that we want to make as well as service investments for the general population, it can help us with tourism as well. I wouldn't preclude the possibility of a change, but certainly that's kind of what we're moving with this year.

Mr. Orr: Yeah. A specific question. Recently the town of Fox Creek raised the licence fees to hotels to what the hotels, at least, would consider an extremely high level, and the town appears to be using it as a form of municipal funding for general revenue. The Hotel & Lodging Association is very concerned about what they consider a tax grab. I assume that you're aware of this. What's your department's view on it, and have you spoken to Municipal Affairs about what their view on it might be?

Mr. Eggen: Yeah. Thanks, Ron. I mean, I was aware of that circumstance. Certainly, we want to make sure that, you know, the public is not having untoward extra levies placed on them. Also, I've been talking to Municipal Affairs to look for a way by which

we can rationalize extra levies and not have kind of a piecemeal thing going on like we saw in Fox Creek.

Mr. Orr: Yeah. I think that's a difficult issue that has to be resolved.

Mr. Eggen: Yeah. For sure.

The Chair: Thank you, Mr. Orr. Your 60 minutes are up.

Mr. Orr: Thank you, Madam Chair.

The Chair: We'll now move on to the third party opposition, with Dr. Starke. Would you like to go back and forth or take 10 minutes?

Dr. Starke: If it's permissible with the minister, I'd prefer that.

Mr. Eggen: Yeah. Whatever works for you, Richard. You bet.

Dr. Starke: That'd be great.

Thanks, Minister. While this is very interesting, it seems to me that we've done this before except that I was there and you were here. So this will be fun.

Mr. Eggen: You remember how incredibly polite and deferential I was.

Dr. Starke: You were incredibly probing, Minister, and I intend to return the favour.

Minister, I want to turn to the ministry business plans. I have yours here, that you signed off on, and I have the one that was signed off on about seven short months ago. I have to tell you that it was fascinating reading. We have a party that campaigned on change, yet large blocks of the business plan have been lifted verbatim from the old business plan into the new business plan. I mean, I guess we can take that as being, well, good because you agreed with the general focus and direction of the past minister, your predecessor.

But I do have some concerns about what's missing, and I'll help you with what's missing because, clearly, what's missing is not in your business plan, and you may not have a copy of the former business plan in front of you. The first thing that's missing that is a big concern to me is four foundational documents, and I have them here with me: the Spirit of Alberta: Alberta's Cultural Policy; Active Alberta, which is the policy with regard to recreation and physical activity; Going the Distance, the Alberta sport plan that was developed just last year to guide recreation; and, finally, A Pathway to Growth, the first multiyear comprehensive tourism policy planning document anywhere in Canada. I notice that there's no reference to these whatsoever in your business plan.

I guess my question is: are these foundational documents still guiding your ministry, or are they not, and if they are not, why haven't the stakeholders been told that these documents, that they essentially wrote, have been abandoned?

10:20

Mr. Eggen: Yeah. Thanks for the question, Richard. Certainly, each of those documents still helped to guide our direction in the ministry and through the departments as well. You know, it's a wealth of good ideas that I made a point of complimenting you on. I know of your authorship of a number of elements of those documents. It's just certainly part of how we're moving forward, and the absence of – we wanted to try to streamline the business plan a little bit, so I think that's kind of how we made that choice. We are reviewing some of those elements as well. I'm not a person who will preclude or exclude good ideas regardless of their source,

and I certainly recognize the value of each of those foundational documents that you've just described.

Dr. Starke: Okay. Well, that's great, then.

Let's move ahead. In your document it's page 23. That is the desired outcomes priority initiatives and performance measures. You know, it's very, very interesting. Number 1, "Alberta has a thriving culture that is valued by Albertans," is identical to the past. I mean, certainly nobody is going to argue with that. You know, I noticed, consistent with the Premier's directive, 1.2: "Contribute to the implementation of recommendations outlined by the Truth and Reconciliation Commission and the United Nations Declaration on the Rights of Indigenous Peoples." Great statement; we all agree with it. Specifically, Minister: how? What specifically are you doing to fulfill that priority initiative?

Mr. Eggen: Well, thanks, Richard. Certainly, we have quite a number of specific initiatives that we had started as a result of the Premier's letter but also things that we sort of enhanced from existing programming. Of course, you know that the Truth and Reconciliation Commission was part of a comprehensive response to abuse – right? – suffered by First Nations. So we are reviewing all of our programs. For example, Tourism and Culture is completing a report on neglected residential school burial sites and proposed management strategies for these sites. We are also continuing to help to return sacred and ceremonial objects to the specific communities to which they belong. As well, we're working on a number of education initiatives that can help to enhance the museum experiences that we have around the province with Head-Smashed-In and the new provincial museum and so forth.

Dr. Starke: Okay. Those all sound great. I guess the other question I would have is with regard to aboriginal tourism. What specific initiatives have you taken to expand and build on the tremendous potential in aboriginal tourism in our province?

Mr. Eggen: Yeah. Thanks, Richard. It's a direction that I had instructed both my department and Travel Alberta to focus on. Again, in the southwest Alberta area, from the Castle, we have the immediate proximity of the largest reserve in the province, with the Blood reserve, and we are looking to expand some tourist opportunities there. As well, we are working with both the Blackfoot and Métis groups to look for expanded tourist opportunities. The Métis Crossing, I think, which is downstream on the North Saskatchewan: I've met with them a couple of times to enhance that site as a tourist destination.

Dr. Starke: Okay. Let's move on, Minister. I noticed, going through the business plan and through the desired outcomes, number 2, a difference in number 2 in 2.1 and 2.2, but then I realized that the only change that had been made is that 2.1 had been renumbered as 2.2, and 2.2 had been renumbered as 2.1.

Mr. Eggen: Yeah, that's right.

Dr. Starke: So in terms of real and significant and meaningful change I'm not sure that that qualifies.

Then moving on to desired outcome number 3, again, my concern here is what's missing. The old priority initiative included implementing Alberta's tourism framework to provide the direction and goals for new and enhanced products. Your 3.1 is: "Work with tourism stakeholders to develop and enhance products, experiences and destinations," which is essentially identical, just dropping the reference to the tourism framework. Now, a couple of times, including yesterday in question period, you made reference to the

\$10.2 billion goal, which was the overriding goal of the Alberta tourism framework.

Mr. Eggen: Yeah.

Dr. Starke: You're still using the numbers. You're not using the name "framework" anymore for whatever reason. What strategies are you continuing to use, and which have you abandoned?

Mr. Eggen: Well, you know, Richard, it's not a question of throwing the baby out with the bathwater here. Right? I mean, we know that the tourism framework provides a valuable mechanism by which to enhance both tourism from Albertans inside the province and then visitors from other provinces and from around the world.

We have a very aggressive strategy based on – and you know this as well as I, right? – tourist nodes and enhancing those tourist nodes in conjunction with our partners in the parks to increase and enhance camping experiences, for example. In certain smaller communities, you know, we're also working with municipal districts to enhance the marketability of their fairs and existing summer attractions. You know, the tourism entrepreneurship program that we initiated here this fall is a way by which tourism operators looking for opportunities can be supported by our ministry to start new businesses around tourism.

I mean, as I said before, you know, the guiding principle I use for all the decisions I make is that we use best ideas and principles regardless of where they come from.

Dr. Starke: Let's maybe get into specifics, then. Under desired outcome 3, under 3.4: "Execute a tourism marketing strategy through Travel Alberta to grow tourism revenues by directing the Alberta ... brand at high-potential regional, national and international markets." Is that not what we're doing already, or is this a new direction, or is this a continuation? I'm puzzled by this initiative.

Mr. Eggen: Which one again?

Dr. Starke: It's 3.4 on page 24.

Mr. Eggen: Yeah, it's pretty much an existing initiative. You know, I think that I've been given clear instruction from both the Premier's office and from the diversification initiatives that we have to go full steam ahead. We've seen tremendous growth and success in our tourist industry over the last decade, really – you know that – so it's just a question of emphasis and moving on our natural advantages that we have in regard to the diversity of our landscape and proximity to tourist markets.

Dr. Starke: Okay. I want to ask a little bit and continue on with Mr. Orr's question with regard to the tourism levy. In 2013-14 the tourism levy generated \$87.2 million and, as you know, Minister, it's a funding model for tourism that is the envy of all provinces, the 4 per cent tourism levy that was instituted, you know, many years ago.

I guess I'm very concerned to hear that some of those funds are now being siphoned off to general revenue. The tourism industry has always had this, you know, shall we say tacit agreement that the tourism levy, which is generated purely by tourism activity and by hotel activity, will be used for tourism marketing and the operations of the tourism department. In fact, we could proudly say that tourism in the province of Alberta is not funded by the taxpayer; in fact, it is funded purely through the tourism levy. Why, Minister, are we siphoning funds away into general revenue? Where do the

steps on that slippery slope stop? When do we hit bottom on that? I mean, certainly we know there's going to be a need for funding in general revenue for the next number of years. So when does that quit getting siphoned away?

The net effect of it, if we look at your budget projections for the next three years, is that, you know, while you talk a good game about contributing more to tourism, the actual funding that you're contributing to tourism both this year and in 2016 and in 2017, as shown on page 26, actually doesn't increase at all and doesn't reach the 2014-15 actual, while at the same time the tourism levy will continue to grow. To siphon more and more funds off into general revenue while the tourism levy grows but the allocation to tourism doesn't I find is a breach of the sense of trust between the government and the hardworking people in the tourism industry. How do you respond to that?

10:30

Mr. Eggen: Well, certainly, there's an element of truth in every hyperbolic statement that might come through. You know, I recognize how the tourist levy allocation is arrived at. Certainly, I've met with groups around the province with sensitivity on this file; say, for example, the Bow Valley tourist authority. They recognize that we will make commitments on infrastructure and serve the service side to meet the larger needs of a large tourist population moving through Lake Louise and Banff and Canmore and Kananaskis and so forth, sort of using that model to apply to other places where there's a density of tourist activity. I have made it clear that we're not going to change this formula. Certainly, we know that on a targeted basis we intend to make further investment and adjustments to emphasize our tourist industry here in the province.

So I don't think there's any feeling out there that we have somehow compromised the integrity of the growth of our tourist industry here in the province. I mean, quite the opposite. I think that our partners recognize that it's a top priority for us.

Dr. Starke: Okay. Well, Minister, let's shift gears a little bit to desired outcome 5. This deals with another area of your ministry that is of personal interest to me, and that's with regard to sport and recreation. You mentioned that it was with a heavy heart that you cut \$4 million from the sport and recreation division. I was sad to see that, too. I was also sad to see that you make no reference to the brand new Alberta sport plan whatsoever in your business plan. Is the Alberta sport plan going to guide planning for the recreation and active living division for the next 10 years, or has it been also shelved in favour of some new document yet to be produced?

Mr. Eggen: No. Thanks for that, Richard. We are using that document as the guiding principle by which we will function. You know, we had to make some tough decisions around different parts of our ministry, and it certainly doesn't preclude the value that we place on sport in general and on Sport Connection specifically. We are trying to look through our analysis of how we do this. Certainly, I have kept close interaction with the Sport Connection generally and then our individual workers specifically.

Dr. Starke: Okay. Great. Minister, I want to turn now, briefly, to some comments you made yesterday in question period in response to questioning from the Member for Edmonton-Meadowlark. You said, "We expect to see a lot of growth, and we're willing to make investments to ensure that this service industry will be leading our diversification process here in the province of Alberta." You further went on to say, "We're expecting robust growth in the next couple of years to exceed \$10 billion in business for the tourism industry." And, further, you said, "We have concrete measures by which we

will grow this industry to help with diversification." Yet, Minister, when we look at your budget, you have allocated a grand total of zero dollars to investment in tourism capital for the next three years. So which is it, Minister? In question period you say that you've got significant and robust investments being made, yet when you look at the capital, there's nothing there.

Mr. Eggen: Well, I mean, the capital investment, of course, is just one aspect of how you incent this industry. Certainly, we are also creating capital investment in other ministries that help to support the industry, right? When you pave a road in a place, for example, that helps to move things along.

We also do have some pretty concrete capital investment in regard to the Royal Alberta Museum that we're building and a contribution to a museum in Grande Prairie and so forth. So that's not an entirely fair comment.

Dr. Starke: Okay. Well, let's use a specific example, Minister. You mentioned that in other portfolios there was capital investment to support tourism. Are you paving the secondary highway out to the Castle ski area? Have you had discussions with the Minister of Transportation on that?

Mr. Eggen: Yes.

Dr. Starke: You have? Okay.

Mr. Eggen: We've had some discussions. You know, I mean, obviously . . .

Dr. Starke: It's his decision, right?

Mr. Eggen: That's right, yeah. For sure. I mean, that's a good example as lots of programs come out of Infrastructure, come out of Parks that, ultimately, contribute to tourism.

Dr. Starke: Great. Minister, I just want to return to something that Mr. Orr brought up, and that is air access. Air access, as you identified and as Mr. Orr also identified, is a major factor in increasing the number of travellers to Alberta. We are, for the most part, for our foreign guests a fly-to destination, and it's been clearly shown that if there aren't direct flights to our Alberta hubs, we don't get tourists from that area.

I'm sure you're familiar with the report that was produced by the Senate, *The Future of Canadian Air Travel: Toll Booth or Spark Plug?* Minister, we were the lead on this file at federal-provincial-territorial conferences over the last two years. I'm wondering what specific actions you have taken to try to act on some of the recommendations in the Senate report. What conversations have you had with your counterparts across Canada to try to reduce the additional tariffs and fees in the whole airport operational model federally, that is creating the 136th out of 140 standing that we have in terms of airport competitiveness?

Mr. Eggen: Yeah. Thanks, Richard. Certainly, we know that we need to constantly rationalize and focus our efforts on air travel. It's the way by which not just tourism but economies grow around successful airports. You know as well as I do that our two major airports, Calgary and Edmonton, are high performers. They punch far above their weight in regard to the population that is feeding those airports, which speaks well to their future growth. But also it's very important to be very aggressive to interact with our federal regulators and other provinces, too. I will certainly endeavour to chase that down more aggressively, and I appreciate your pointing that out.

Certainly, I've been working in partnership with both my department and Travel Alberta to pursue quite aggressively new routes internationally here in the province, and while I might not be able to really describe where that's going right at the moment, I'm feeling very optimistic about it. It was nice to see WestJet give us some new flights to Gatwick.

The Chair: Thank you, Minister.

Dr. Starke: Thank you, Minister.

Mr. Eggen: Thank you very much.

The Chair: We will now move on to our independents.

Just for the record there are no independent members present, so we will move past them and on to the government caucus. Mr. Shepherd, would you like to take 10 minutes or go back and forth with the minister?

Mr. Shepherd: I'll go back and forth if that's okay with the minister.

Mr. Eggen: What if I don't want to?

Mr. Shepherd: Well, then, we'll go back and forth anyway.

Mr. Eggen: I'm just teasing. Whatever works for you, David. That's fine.

The Chair: Mr. Shepherd.

Mr. Shepherd: All right. Thank you. Well, I certainly appreciate this opportunity, and I've certainly appreciated the questions from the members that have preceded me, some good, probing questions as we move into this. Of course, I'm a little newer here than the member that preceded me. I certainly appreciated the depth of his questions here as well.

Certainly, arts and culture is something of great interest to myself, having spent a good deal of time working in the music field. I have moved on from that now but am still very interested in how we can continue to develop a lot of these cultural industries that we have here in the province and, as has been suggested, as Mr. Orr mentioned, to bring a lot of these dollars down to the ground level and, hopefully, use this as a key plank in continuing to diversify the economy here in Alberta and use these industries, I guess, as very good opportunities to boost and create some new business and entrepreneurship within the province.

I appreciated Mr. Orr's comments as well about the challenges that are faced by artists. Certainly, I appreciate that as well. I think that having government investment is a big help to a lot of people in helping them develop their creativity, develop their skills. It's certainly something where, again, those skills do carry on to a lot of other fields as well, as I think I can hopefully demonstrate myself, having come from the music field and gone on to a lot of other work. I find that the skills I learned in the arts have served me very well in many other areas as well, so I think this is something that does prepare Albertans well for a number of businesses.

10:40

Certainly, a number of the questions that I had have been covered by some of the previous members, but we do have the opportunity here, I think, to probe into a couple more things. I'll maybe start here, then. Minister, you had mentioned that this year there is no increase for the Alberta Foundation for the Arts but that you are looking at opening up that curve over the next few years, so we're looking at an increased \$5 million in the year following. Now, I was

just curious. With that increase, then, where are you hoping that those funds are going to be invested, and what are you intending those to be used for?

Mr. Eggen: Well, thanks, David. Certainly, you know, ultimately, it's for opportunities for Albertans to engage in the arts and to foster appreciation but, of course, to get dollars to individuals and organizations that actually will execute those goals – right? – say, for example, increasing grants for the next year by \$5 million. There's an overwhelming demand for arts activities in rural Alberta and in smaller centres. I know lots of municipalities, as part of their way by which to retain and grow their populations, are building leisure centres, but they're also building arts centres, too, in conjunction with that, more arts spaces. I think that our travelling exhibition initiative that AFA has done, the Trex program, is a way by which we can probably bring arts and culture to all corners of the province. I'm also looking to open up the AFA art collection more, to have that in more public spaces around the province.

You know, part of what I'm excited about with the AFA is that we're getting an infusion of new board members as well, that have lots of creative ideas and entrepreneurial ideas to really make the best use of the money that we put into the AFA. So we're kind of holding steady now because, certainly, we have to be careful with our public dollar, but we will fulfill that AFA commitment to their budget in 2016.

Mr. Shepherd: Excellent. I was just curious. One of the other members earlier asked a little bit about some of the evaluation criteria. I think it was for the CFEP or the CIP. You mentioned that you were re-evaluating some of those. Is that also true for the AFA? Are you sort of looking for ways to make that a little more open and transparent for artists?

Mr. Eggen: Yes. Thanks for that. Certainly, I should have included the AFA as a review. Lora is working with her team to look for ways by which we can demonstrate some equity in regard to geography and within, you know, different communities across the province and have the criteria clearly defined. I mean, it's already fairly clearly defined but just to leave no doubt about the transparency of our process. Certainly, our staff uses the existing matrices in a very equitable sort of manner, but that doesn't preclude us from beefing that up a little bit and working through some more clearly defined outcomes for the Alberta Foundation for the Arts. The guiding principles we are using are access, excellence, and sustainability, which are very good words if you choose to back them up with definable matrices of how grants are distributed across the province.

Mr. Shepherd: Absolutely. Thank you. I appreciate that. Certainly, you know, a number of artists have applied for these grants from the AFA. Some have received them; some haven't. So having a better understanding of those processes I think benefits everybody.

Along those lines, then, following up on a question from Member Starke, you mentioned that with the AFA you're looking at trying to find ways to better target that regionally and sort of evenly across the province. Building on his question, then, about the efforts to engage the UN declaration as part of our work here, is that something we're looking at with Alberta's indigenous communities? Are we trying to support, specifically, some of their creative industries or aboriginal artists with some of that funding or with any of the other initiatives that you've got in this year's budget?

Mr. Eggen: Yeah. Certainly, there is a specific focus on indigenous art and support for indigenous communities in general. You know,

like I said in my opening remarks, we did apply a CFEP grant to Nistawoyou Association Friendship Centre up in Fort McMurray, and it's an example of what we've been trying to do. Certainly, there's a specific grant stream to support aboriginal artists as well. The aboriginal traditional arts program grant stream provides up to \$15,000 in four different categories, and we've focused that on First Nations, Métis, and Inuit art specifically.

Also, you've got your aboriginal heritage unit in heritage, that is looking to consult with indigenous communities on projects related to the preservation and protection of history and culture. Then, of course, we were a key sponsor of the aboriginal round-table session at the National Trust Conference down in Calgary on October 28. I was there for part of the time, and it caused quite a great deal of, I think, productive conversation between First Nations elders, community leaders, and government in regard to our alignment of protocols for the preservation of indigenous heritage spaces.

Yeah, there's quite a lot going on, for sure. You know, we recognize this not just as a passing thing but as a discussion between equals to ensure that we're not just preserving the past but helping to create a creative and vibrant circumstance for culture to thrive and evolve in the future.

Mr. Shepherd: Absolutely. Thank you, Minister. I appreciate that.

Yeah. I think we certainly see that starting to develop somewhat, and certainly there are other areas, I think, where we're having opportunities to see some greater expression of indigenous cultures. I'm thinking of the series *Blackstone*, that's been filmed here in the province for a few seasons, actually, I think, for the entirety of its run. The director or producer, I think, is from Edmonton.

Mr. Eggen: Yeah. That's all Albertan.

Mr. Shepherd: Yeah. He's done something extraordinary. They did invite me out to their set. It was certainly fantastic to see the work that they're doing. I've had a chance to go out and visit with a few of the productions happening around Edmonton. I was just recently out on the set for *Tiny Plastic Men*. I know that we've been able to attract some strong U.S. series into Alberta as well, series like *Fargo*, *Hell on Wheels*. As you mentioned, we've got the Canadian series like *Heartland* and *Young Drunk Punk*, that have been happening here as well.

I know we've talked a little bit about the additional \$11 million, then, for the Alberta media fund. That's going to be, I assume, going, then, to encourage more of those sorts of production and bring more of that sort of investment into Alberta.

Mr. Eggen: Well, that's right. You know, I've learned quite a lot about the media industry and film industry specifically. As I said in previous comments, it's quite a fluid industry that moves not just between regions and provinces but nations as well. Alberta's got a good reputation both historically in the last few years, as you said, with some of the ongoing – *Fargo*. I think there were some pieces of that movie *Inception* filmed here as well. I'm interested in not just keeping the grant structure in place, which sends a very positive signal to industry, like I say, throughout North America, but also looking for an aggressive and creative tax credit scheme that can work in concert with the grant program. I'm looking at not just other provinces here but other states and jurisdictions across North America to see what the best practices are and what different levels of film industry seem to work for them the best.

Mr. Shepherd: Well, yeah. Certainly, the folks that I've been speaking with are very encouraged by the additional investment here.

I can appreciate, then, as you mentioned, that we do see good returns on dollars that are invested in cultural industries in Alberta. I'm just wondering: with this increase in funding here for the Alberta media fund, is this all new funding, or is this something that might be coming at the expense of other community groups or some other areas?

10:50

Mr. Eggen: No. That was a choice we made for new funding. You know, I worked it through cabinet and caucus. Just to clarify, this was new funding that we put into place.

I think that our government is sending a message here that we are wide open for business in regard to the film industry and the digital media industry in general, and I think that people are taking notice. It's our own contribution I can make from my corner of the ministries to larger ambitions to create jobs for the short term and help diversify the economy for the long term.

Mr. Shepherd: I can appreciate that.

I know that part of these investments have gone to support the building of the Calgary film studio that's going up, the sort of consolidated space in Calgary. Speaking with some other groups, they have expressed the interest in having similar space developed in Edmonton. Would the media fund or some of this investment be something that would be possible for them to access towards that?

Mr. Eggen: Well, I don't think we would use the media fund specifically.

Mr. Shepherd: Okay. So that's limited specifically to production.

Mr. Eggen: Yeah. I mean, I do recognize the need for indoor production capacity here in Edmonton like Calgary is getting. You know, we've had sort of a rocky road with the Allard studio. We haven't had a replacement that's sort of a facsimile to that here in Edmonton. Certainly, my door is pretty wide open, looking for people to give me suggestions on how we can build production capacity here in the city. You need that more than ever now with the way movies are made in regard to not just to set locations on-site but central production facilities to meet the needs of modern filmmaking.

Mr. Shepherd: Absolutely. Just an aside with that, that might be something where we could look at perhaps a collaboration with Infrastructure. I know that in speaking with Mosaic over at the set of *Tiny Plastic Men*, they mentioned that the ability to use government sites that are not in use, such as, say, the Eric Cormack Centre, has been extremely advantageous for them. That might be something where we could, yeah, make use of existing facilities that are currently underused and offer an advantage to some of these companies as well.

Mr. Eggen: Yeah. We'll make a note of that. That's a good idea.

Mr. Shepherd: Thank you.

Going over to tourism, I know we discussed this a little. I believe that Mr. Orr brought up some of the issues here. On page 57, section 7, I do see that there's been a small reduction in a couple of areas for tourism, as I think was noted, the program support and destination development and visitor services. At the same time, there is a small increase for business development and investment attraction, a bit more of a sizable one for policy and strategy. Since you have stated, as Dr. Starke noted, that tourism is something we specifically want to be investing in as something to diversify the economy, are these adjustments with an eye towards maybe expanding and developing new tourist spots outside of the usual

sites, sort of reallocating some of those dollars, making adjustments to try and encourage investment and growth in some of these new tourist areas you were mentioning?

Mr. Eggen: Yeah, I think so, for sure. I mean, we are just sort of starting to gear up for a focused expansion of our tourism capacity in the ministry. Certainly, we have cast a fairly wide net, looking to the success, quite amazing exponential growth in a program like Open Farm Days this summer – it was quite good – and Beakerhead in Calgary. It is just amazing to see how that has been expanding. We had a lot of success with the Western Canada Summer Games up in Fort McMurray this summer and, of course, the Tour of Alberta, too. So, yeah, I am wide open to working with some of our partners like the Alberta Culinary Tourism Alliance, Canadian Badlands Ltd. There's no monopoly on good ideas, as I always say, and, you know, we just see this as a way to get a fast return on our policy to support diversification and tourism outside the normal markets.

Mr. Shepherd: Excellent. Thank you.

Now, you mentioned the Tour of Alberta there. I know, in speaking with them at the recent event, that they were asking about the surety of funding in the year going ahead. It seems to be a great event that's bringing in a lot of interest sort of across the province. Is that something that we've committed funding for in this next budget as well?

Mr. Eggen: Well, yeah. Certainly, in the spirit of a new, sort of reinforced matrix that we use to decide on grants, they will run through the same process as anybody else. You know, we have to look at their business plans as well. That's a very important part. We want to fund to initiate new programs, but, you know, I'm loath to provide grants for ongoing operations. Sometimes it's better to try to help to start things up, and then hopefully they have a business plan to be sustainable on their own.

Mr. Shepherd: Help them gain the momentum, and then let them carry forward.

Mr. Eggen: Yeah. I mean, that being said, the Tour of Alberta has demonstrated a lot of good potential. It's a nice project because you can move it around so that you have some equity of geography in regard to the investment that you make for this part of our tourism, and people seem to like it, for sure. It's a fun tour.

Mr. Shepherd: Absolutely. I certainly recognize and appreciate the efforts of the previous government to begin that here in Alberta, and I'm pleased to see that it's continuing to be supported.

Let's take a look here. We've had some discussion, then, about bringing more flights into Alberta. Recently I had the chance to attend a great concert as part of the Up and Downtown festival here in Edmonton, where there was a collaboration between musicians from Edmonton and Iceland that came about directly from the direct flights that started to be offered between Alberta and Iceland through Icelandair. I can see that that's something that can bring in a lot of value in terms of tourist dollars and, certainly, increased artistic collaboration and then help us use our art scene and some of our performers and artists as something that could draw in tourist dollars as well. I was wondering if you could just clarify a bit more, then. You said that there are some specific, I guess, initiatives that you are working on to try to bring some more of these international flights and that sort of thing into the province.

Mr. Eggen: Yeah. For sure. I mean, there's no secret that there's been aggressive work to be working through more direct flights to

Asia. We're feeling like we're getting some movement on that. It's exciting.

I think ongoing connections through U.S. hubs are always very important for both Calgary and Edmonton. I've learned a lot about this as well, because when you're building a business plan for a new direct flight to an international destination, you certainly have to ensure that your regional connections, that will draw everybody to that airplane, are intact and robust as well, so working together with partners such as WestJet and to some degree Air Canada and other regional carriers, you know, that can bring people to the airport from anywhere in western Canada.

The Chair: Thank you, Minister.

We have now concluded the 20-minute cycle with all of the caucuses, so we will stop the clock and take a five-minute break. Then we start again.

[The committee adjourned from 10:58 a.m. to 11:04 a.m.]

The Chair: Okay. We'll return to the record.

We will be moving into our 10-minute blocks, starting with the Official Opposition. Mr. Orr, would you like to do five minutes, or would you like to do back and forth?

Mr. Orr: I'll continue with back and forth – thank you – if the minister is okay with that.

The Chair: Minister?

Mr. Eggen: Yeah. Absolutely. I was just teasing the other member.

Mr. Orr: I know.

The Chair: All right. Mr. Orr, please go ahead.

Mr. Orr: Thank you, Madam Chair. A switch for a moment to Travel Alberta's annual report, to a little bit more specific question. By the way, the report is very nicely done. It just does raise a couple of questions for me that will come up both now and in a few minutes. International tourism revenue from Japan, mainland China, and South Korea: I see a trend there that probably isn't – well, it's a little bit disconcerting, I guess. The Alberta portion of that tourism travel has been actually dropping quite a bit over the last few years whereas the same tourists to the rest of the country are actually increasing. What can we do about the fact that they're either stopping in Vancouver or flying right over us?

Mr. Eggen: Yeah. That's a very astute observation. Certainly, you know, it speaks to the importance of having direct flights and sort of a marketing arm in the home country where that plane is originating from. You can see a long-term trend of Japanese tourists, for example, coming on a direct flight to Calgary and then staying much longer or maybe spending a whole holiday in Alberta.

Mr. Orr: So are you saying that it's directly an issue of flights? Is there a possibility that we've decreased our marketing efforts there, or are there any other factors influencing that?

Mr. Eggen: No. I mean, certainly, I think the numbers would reflect an increase in flights to Vancouver and Toronto and then Montreal as well. Air China has got those ones. The solution is obvious. You know, we're working hard on it. I think that we might just see something soon. I think that, you know, always you have to defend what you have and then try to grow from there. We are using our existing trade office in Beijing to work to have more aggressive tourism advertising in that fine city of 26 million people.

Mr. Orr: Okay. Well, it is something that certainly draws your attention when you see where the trend is there.

Mr. Eggen: Yeah. You're right on the money with that.

Mr. Orr: If I could talk just briefly about a suggestion that was made to me by someone from the arts community. Maybe you've had the same thing. I would like your – well, it's just a suggestion, and I want to use the opportunity to throw it on the record. I think a good strategy for the ministry would be to include the arts, wherever possible, in government trade delegations and diplomatic events. They enhance both of those aspects extremely well, but they also create really good opportunities for the arts to showcase Alberta. I don't know if that's something that you would work in, but maybe to you and those around you I would like to suggest that as a bit of a strategy going forward. I would like your take on that.

Mr. Eggen: I think it's a good idea, Ron, and for a number of reasons, not the least of which is that when people travel now, they're making lots of different choices about a wider range of things. Maybe they want to see Lake Louise and take a picture of the lake. But people are now also travelling for sort of complex reasons, to see cultural things of interest. You know, Dr. Starke's comments about working with partnerships, with First Nations and Métis cultures: very on point, right? We've been working on a protocol to try to work with opportunities in the future in regard to our international component in culture, not just performing artists but physical art and so forth as well. Yeah, absolutely.

Mr. Orr: I think it's an important opportunity that should be seized.

Mr. Eggen: Yeah. Working it into our advertisements as well, you know, I think, is important, too.

Mr. Orr: If I could change the subject, then, Minister, to the question of flooding. Are most of the remaining budget items for flooding focused on repair or mitigation?

Mr. Eggen: Well, in our department they're focused on repair and the physical damage that artifacts and records might have incurred as a result of the flooding and then the physical infrastructure that was caught in flooding; for example, in Okotoks, High River, Black Diamond. You know, the Turner Valley gas plant historic site has a berm project for it, so I guess that is flood mitigation, isn't it?

11:10

It's interesting how it's created some archaeological and paleontological opportunities. The shift in the Bow River, for example, has uncovered a whole wealth of new sites, and, well, we happily reacted to that by investing more money to recover and investigate those new sites.

Mr. Orr: If I could change subjects somewhat, with regard to the ministry financial statement of operations, page 63, I notice, in a number of cases but particularly there, the item that identifies investment income. At numerous times investment income has dropped quite a bit. If you could detail for us: what investments, and why are we looking at a decrease there, substantially, almost 40 per cent in some cases?

Mr. Eggen: Sorry. What page is that, Ron?

Mr. Orr: Page 63, third line down under revenue. You've got investment income.

Mr. Eggen: Yeah. You know, I think I might just take that on referral for you, just to get you a good – I don't have a fast reply for that, so I will get you that information.

Mr. Orr: Okay. Fair enough. I would like to sort of pursue this subject a little bit, though, as well. On the same page we've got premiums, fees, and licences, with an increase in the estimate there. You're on record as having said in the past, last year, in fact, at this meeting, that, you know, you were in favour of the reduction in fees for Alberta's campgrounds, which are no longer part of the ministry, and some of the other venues as well. Does this particular budget item reflect the stance that you took then, and if so, will the premiums and licences that make up the 10 per cent increase – I guess I'm not being very clear here.

Mr. Eggen: Yeah. I sort of understand where you're heading down the path.

Mr. Orr: You know where I'm going.

Mr. Eggen: Yeah. I mean, it's not part of my ministry directly anymore, but, you know, certainly I've been in discussions with Parks quite actively to make sure that admission fees are affordable for camping. I still have lots of admission fees in our ministry, too.

Mr. Orr: Exactly. Yes. And we're showing an increase here.

Mr. Eggen: Yeah. It's something that I am, you know, balancing off between our requirements for funds and then making sure that these sites are affordable for families, right? If you have a family of four going to the Tyrrell museum, for example, at what point does it become too expensive, right? And the same with camping.

I mean, since I don't have the parks element directly in my area, what I am looking for in conjunction with parks are ways by which we can invest in enhancing campgrounds to make them tourist destination sites. Tourism is all about getting someone to some place and then having them stay for an extra day, and then they spend more money, and away you go, right? So keeping camping affordable is very important to myself personally and to the tourism industry more generally.

Mr. Orr: Okay. I'll just wrap up this section with one further question. I do think these are an important couple of questions here because they relate to revenue, which keeps everything going here. Other revenue is up a lot. Can you tell us what "other revenue" is and what's driving that kind of anticipation or hope for that kind of income?

Mr. Eggen: Other revenue?

Mr. Orr: Page 63.

Mr. Eggen: Page 63. Just give me a sec here. We're not finding it in superfast mechanism.

The Chair: Thank you, Mr. Orr. Your time is up.

Mr. Eggen: You know what? I'll get that for you, for sure.

The Chair: Minister, your time is up.

Mr. Eggen: Sorry. We just about got it. This chair is very strict.

The Chair: Moving on to Dr. Starke, would you like to take the full five minutes, or would you like to go back and forth?

Dr. Starke: If we could combine, that would be great.

Mr. Eggen: Yeah. Whatever works for you, sir.

Dr. Starke: Good. Thank you.

Minister, we started the conversation a little bit about recreational trails and off-highway vehicles and that sort of thing, which, as was correctly pointed out, is a huge, growing area, a huge area of potential. I know throughout the province we have voluntary groups that maintain and build out trails and do a lot of very good work, and in recognition of that we started an Alberta recreational trails pilot project, which was funded through Tourism. I'm just wondering: what progress has been made on that file? Where are things at, and have we seen an expansion of trails within the province?

Mr. Eggen: Thanks, Richard. Certainly, I've just been starting to chase down this file, and it's been brought to my attention by a number of municipal districts. Like I said before, Lac La Biche, in particular, is doing a good bit of work on that. Again, you know, it's working sort of in conjunction with Parks, which has slipped away from us here. I look at the stay-an-extra-day kind of mantra of tourism to expand this as a year-round initiative. I know that in the Hinton area, again, it's a very large draw for people year-round, and it would be nice to be able to get more of that snowmobiling winter market moving to some places in Alberta as well. I know that a lot of our own Alberta tourism in that goes to B.C., so if we could find a way to bring that along, perhaps north of Jasper, that would be something I would be interested in.

Dr. Starke: Minister, I want to turn to another topic that I know certainly frustrated me – I suspect it frustrated your ADM – and that's with regard to collection of statistical information so that tourism can be measured. This is a huge problem. As you know, in the past we received our information through federal surveys on travel to Canada, which, as we also know, has been reduced in terms of those surveys.

I guess what I'm wondering about is that we rely a lot on these statistics for our planning, and we now have to question both the accuracy and especially the timeliness of them. We get them a year and a half after they've actually been collected. You know, as an example, Prince Edward Island publishes its visitor numbers monthly, two weeks after the end of the month. I mean, it helps that you're an island, so you can measure people coming in, coming off a lot easier. But as you know, tourism is extremely important for Prince Edward Island at the same time. I'm just wondering: have you investigated with your departmental officials the possibility of changing the way we collect statistics? If so, where is that at, and is that something that's a priority for you?

Mr. Eggen: Yeah. That's a great question. We know that the more sophisticated measurements of tourists' intentions and the choices that they make can make a huge difference in bringing tourists in. We know that we have destination tourism for athletics, and we have destination tourism for culinary, for cultural experiences, you name it. The more sophisticated way by which we can fine-tune our tourism, I think, will define the future of the industry. I have had this conversation with Travel Alberta, and we did have, apparently, a summer summit talking about measurement metrics. I will keep you apprised of the progress of that because I know you made a very valuable contribution to trying to shake down the numbers in the past, right?

Dr. Starke: Well, I'd appreciate that. I know that was certainly my greatest frustration, and I think that went back many, many years.

I want to talk a little bit, then, about stakeholder engagement. Minister, I'm sure you've known that one of the best things about

being tourism minister is that you get to work with people who are positive and love Alberta and love to sell Alberta to visitors from all over the world. One of the most valuable bodies I worked with was the Alberta Strategic Tourism Council. I'm just wondering: have you had a chance to meet with the ASTC, and if so, what sorts of things have they shared with you as far as the direction for the future?

11:20

Mr. Eggen: Yeah. The Alberta Strategic Tourism Council has offered us a great deal of information, and I think that the key assistance that they provide is that they serve as a bridge between industry, the hotel and lodging industry, and some of my own ministry people as well. Some of them are such leaders in knowing not just where tourism has been historically but where it's going to go next. I look to operators such as Brewster's to give us an excellent way of packaging the tourist experience – right? – so that you know by the hour where any given tourist might go and what would entice them to stay an extra day.

Dr. Starke: Minister, have you specifically had a chance to meet with them, or not yet?

Mr. Eggen: No.

Dr. Starke: Okay. It'd be great to do that.

Mr. Eggen: I will.

Dr. Starke: I want to catch up on a metric, Minister. One of the metrics that, you know, we talk about is return on investment, of course. The ROI for tourism investment dollars at one point – I think this was measured in 2012 dollars – was 19.5 to 1. I was always disappointed that we didn't quite hit 20 to 1, but 19.5 to 1 was the metric in terms of what was invested in tourism dollars in the province by the tourism department and the return based on economic activity. Do we have an updated metric on where that number is today?

Mr. Eggen: I'll have to get back to you on that one. I apologize.

Dr. Starke: Okay. No. That's fine.

I want to take another turn now and talk a little about the increases you mentioned about CIP and CFEP. These are both excellent programs, and certainly I'm encouraged to hear that in this challenging economic situation you're not only maintaining the funding but a very dramatic increase in CFEP, at least. I guess what I'm wondering about: in going from \$38 million to \$63 million in the next couple of years, is the maximum threshold per organization, that presently stands at \$125,000, going to be increased? Is it going to be turned into something that's going to be easier as a multiyear thing for large projects? If you're building, let's say, a \$4 million arena, at \$125,000 a year you have to apply a lot of years in a row. I'm just wondering: are we talking about more small projects, or is there going to be a mixture of both small and large projects for that program?

Mr. Eggen: That's a great question. You know, the rationale behind it was, of course, that we wanted to make capital infrastructure building, and then we thought: well, what better way than to use the organic nature of CFEP and CIP funding? You know, people get together; they look for matching grants. It brings community engagement and so forth. I mean, we're not starting this till next budget, but my general thought was to have more smaller funding, to perhaps be able to have multiyear applications so that, as you say, larger projects we can cover under the umbrella of

CFEP, and to perhaps change the other initiative program thing even more dramatically, because I just don't like the way that works. It's kind of unwieldy. As you see, even in a few short months it gets out of whack with other programs. The idea is to have as much coverage as possible, with greater transparency to ensure that people know where they're going with their CFEP grant.

Dr. Starke: Great. Minister, we talked earlier a little bit about aboriginal tourism. You know, this is sort of the Holy Grail of tourism in a way because we know, especially for our foreign guests, that 80 per cent of German guests and 85 per cent of Japanese guests expect some form of authentic aboriginal tourism experience when they visit Canada, and that doesn't mean buying an inexpensive souvenir in a souvenir shop that was made somewhere else. I'm wondering: have you considered the formation of an aboriginal tourism council similar to what they have in British Columbia? I know that both British Columbia and the Yukon Territory have been rather more successful in terms of advancing tourism, especially driven by their aboriginal communities.

Mr. Eggen: Yeah. I'm certainly aware of the success of both B.C. and, I think, the Yukon and the Northwest Territories in regard to this. I'm definitely interested, you know, if you are interested in perhaps sharing some thoughts on that.

I just would like to share that when we brought the Air China Cargo plane in, the new 777 that lands here in Edmonton six times a week, the vice-president of Air China was there, and he was having an okay time, but once the aboriginal dancers from Maskwacis showed up, his jaw just dropped, right?

The Chair: Minister, your time is up.

We would be moving on to our 10-minute rotation for members that represent our other caucuses. However, no one is present at this time, so we will be moving on to government caucus.

Mr. Shepherd, would you like to share your time, or would you like to go back and forth with the minister?

Mr. Shepherd: Oh, I love to share.

The Chair: Okay. Thank you. Please go ahead.

Mr. Shepherd: Excellent. Thank you. One of the other points I heard raised earlier was, of course, that with the low dollar now and certainly the economic downturn we've got a lot more Albertans that are going to be choosing to stay here in the province rather than travelling elsewhere. That's something that although it's perhaps not for a great reason, perhaps could be something that could be potentially a bit of an economic boost. With the programs and that that are being put forward by Travel Alberta, are we looking at any marketing campaigns to try to encourage more Albertans to take advantage of some of the tourism spots and heritage sites we've got here?

Mr. Eggen: Well, thanks. Yes, certainly, ultimately the vast majority of our tourism economic activity is Albertans visiting other parts of Alberta. You know, I consider it part of our responsibility as a government to provide affordable tourism opportunities for our own population. For the vast majority of Albertans that's what they'll do. They'll just go camping in the summer and maybe visit some relatives, and that's their travel budget for the year. So the degree to which we can enhance tourist experiences for Albertans in the province that are both affordable and compelling and interesting is, I think, a measure of our success.

You know, we can see that our parks visitation in Alberta this summer was unprecedented. Certainly, it's mostly summer travel.

That's the thing, right? The degree to which we can have more destinations for people to go in the winter, I think, will be a measure of our success as well. I mean, some places like the National Music Centre in Calgary: everybody is wanting to go there. The Calgary Zoo: with the pandas coming, we have something to do with helping them to get ready for that. The Royal Alberta Museum here in Edmonton will be a place that every Albertan will want to go and see and see again and so forth. That's the way we help to build that critical mass of tourist destinations that helps to increase quality of life and have people stay an extra day and spend some money and have some fun.

Mr. Shepherd: Absolutely. That's great.

One thing occurred to me as there was the discussion about sort of licensing fees and certainly costs for Albertans to access these facilities. I was just wondering: do you know if there's ever been any thought put towards some sort of accessibility program for Albertans, perhaps for low-income Albertans or folks that are perhaps on AISH or other forms of government support, to provide them with more access to some of these facilities?

Mr. Eggen: Thanks, Dave, for mentioning that. I mean, it's something that I've been thinking about. You know, when our provincial facilities are free for our Culture Days, so many people come, and there are huge lineups. I think that while certainly we need to have certain revenue expectations from our gate fees, we also want people to be passing through and be suitably edified and educated and re-created by going to these places. I'm certainly looking for ways to increase activity and have admission to our facilities be affordable. Again, we see the same thing happening on Family Day. It's just an indication that there is an appetite to visit these places, but sometimes the admission might get in the way.

11:30

It's also another initiative that I've asked people to think about very strongly, especially when we're building new facilities, to increase the participation and admission of new Canadians to some of these facilities. If we measure perhaps the ethnicity and so forth of people who choose to go to museums or art galleries, we could definitely use an upward participation by new Canadians and those Canadians from different cultures to visit our cultural facilities. I'm trying to think of creative ways by which we can do that, you know, perhaps by having displays and space in interesting Alberta facilities for a focus on Islamic culture or Chinese culture or Punjabi culture as a way by which to draw in a more diverse attendance at our public facilities.

Mr. Shepherd: Absolutely. I could see that being very fruitful. I've certainly been very encouraged to see that the city of Edmonton has been working on that with Fort Edmonton specifically, on involving a much more indigenous culture there, so certainly that's something we could look at with other cultures across Alberta as well.

I was wondering, as we sort of talk about access and that sort of thing: there are such great economic spinoffs potentially from a lot of these arts and that sort of thing. Trying to improve the level to which, I guess, Albertans are even aware of a lot of the artists that we have here in the province and the work that we're doing in trying to get them out more to enjoy some of that: is that something that we're sort of looking at, maybe through, I guess, the CIP program and that sort of stuff, offering more opportunities just through the communities for people to get out and experience maybe some things like live music or theatre and that sort of thing, where they might at least then begin to build an enjoyment that would lead them to go to more of these events and sort of help support some of them more financially?

Mr. Eggen: Certainly. I mean, we know that if there are more potential places to go, then you're increasing your likelihood for individuals to make a choice to go see live theatre, live music, and so forth. You know, we have a fairly good festival scene here right across the province, and I'm very excited to see that the success of, let's say, an individual festival in Edmonton might encourage other communities to try to replicate that in their own place. For example, the Edmonton Folk Festival has been actively encouraging and mentoring other cities and even lending some of their tents and so forth so that they can have folk festivals in Grande Prairie or Fort McMurray or Peace River and so forth. I mean, we certainly like to encourage that as well.

We have put considerable money toward festivals around the province, and certainly I would like to encourage more of that to take place. I mean, again, I guess that perhaps your question does have that element of affordability built into it, I think. You want to make sure that we are building cultural opportunities that don't have high financial fences around them. You know, the degree to which we can have an element of any given festival out in the public that doesn't have an admission fee, I think, is probably a way by which we can determine how we help fund that, right? I mean, the recent arts festival in downtown Edmonton, for example, *Nuit Blanche*, was fantastic, right? And what a great investment for a cultural dollar that literally exposed tens of thousands of people to something completely different and very enriching and edifying as well.

Mr. Shepherd: Absolutely. Along those lines, have you considered sort of, I guess, using some of this funding, specifically the support that's provided to Alberta Music or the Arts Touring Alliance, to try and spread some of this out more into rural Alberta and give those communities more opportunity, I guess, to experience some of the artists and some of the creative presence that we have here in the province, to help grow some of those possibilities there?

Mr. Eggen: Yeah. I mean, it's something that I'm certainly interested in, our department is interested in. We know, like I said before, that there are more small venues being built as part of the ways by which municipalities are trying to, you know, enhance quality of life. They build a leisure centre, but they build a small performance space as well. You know, we have the AFA initiative to get out to other cities and towns. We have our culture industry action plan, which we use to guide our approaches in all cultural sectors, and we try to make sure that we're using the principles of diversification and a sense of equity in terms of geography and so forth. Yeah. The music industry here in this province is quite vibrant and sometimes is paddling upstream more than they should. I would welcome any clever initiatives that might help to help the growth of our music industry here in the province.

The Chair: Thank you, Minister. Right on time.

Because everybody is being so efficient, we're going to go another round of 10 minutes. Mr. Orr, would you like to continue back and forth?

Mr. Orr: Thank you, Madam Chair. Yes, please. I'll address one question, and then I think I'll pass it over to the Member for Drayton Valley-Devon for a question as well. I would like to pick up where we left off on this question of revenue. To get to the point, I see a number of places where I think there are substantial revenue increases. Maybe even I would interpret it to appear sometimes a little bit optimistic to me relative to what's been. It makes a nice budget balancer, but it's hard to raise the hard coin when it comes right down to it, especially in some of these industries. I'm just concerned that the annual reports might be a little bit more

disappointing than the estimates. So back to page 63 of the estimates, other revenue. What is that, and what substantiates the size of the increase?

Mr. Eggen: Yeah. I think that your point about being optimistic in regard to some areas of revenue might be appropriate but in others, you know, maybe not. As I said, more local tourism will generate more revenues around admissions. We run the two Jubilee auditoriums as well, both in Calgary and Edmonton, and their revenue keeps on going, right? People do attend those events, and they're very active stages. I think that perhaps your comments might be more apt in regard to some investment income that we might have from some of our agencies, but we have made adjustments to reduce current interest rates and rates of return. Yeah. I mean, if I look over the last few years, I think that our other revenue projections have been fairly accurate, really. We haven't met, you know, a great precipice which we've fallen over yet.

Mr. Orr: Well, I just see some substantial increases there, and it does raise the question for me.

Mr. Eggen: Yeah.

Mr. Orr: But in the interests of time – I've raised the question – I think I'll leave it there. I'd like to give the Member for Drayton Valley-Devon the opportunity to speak.

Mr. Eggen: Okay. Great.

Mr. Smith: Thank you, Ron. Thank you, hon. Minister Eggen. On page 22 of the business plan it states, "Opportunities exist to strengthen partnerships across government, use resources more strategically, and fully acknowledge the social and economic benefits of culture and tourism." Strengthening partnerships across government: that got me thinking – okay? – which sometimes is a dangerous thing, I will admit. When I looked at my constituency, I know that you and I had the privilege of attending an anniversary for Rundle's Mission out at Pigeon Lake, and it was an amazing event, with the dancers in their costumes and the historic nature of that area. Pigeon Lake is also very much a tourist destination, and I think that while it's one very picturesque part of the province, it represents an awful lot of areas in this province that have just beautiful little lakes all over them. But Pigeon Lake is also suffering from a blue-green algae issue, I think, as you know. Are you aware of that?

11:40

Mr. Eggen: Oh, yeah.

Mr. Smith: Oh, yeah. Well, I'm wondering if this isn't an example of what you're talking about. I guess I'm asking: would this be an example of the strengthening of partnerships across government, where we could have a crossministry approach to solving some of the issues around Pigeon Lake? I know that in my constituency we've got two major groups that are looking into the environmental issues at Pigeon Lake. One is called the Pigeon Lake Watershed Association, and the second one is the Alliance of Pigeon Lake Municipalities. I know that the hon. Diana McQueen, when she was minister of the environment, was funnelling some monies towards trying to sort of use this as a test case.

If we can solve the problems in Pigeon Lake, we can solve the problems in an awful lot of the lakes around Alberta. Through these two groups they have received monies from the provincial government to do the scientific studies to try to figure out exactly why we have a problem with blue-green algae in the lake, and then: what are some of the mitigating things that we can do to try to deal with

this? They're on the verge of enacting some pretty important science-driven answers to mitigate the problems around Pigeon Lake.

I guess my question is: how can you see culture and maybe environment and maybe Municipal Affairs combining together to work with these groups to try to deal with it? I mean, a part of the issue is sewage disposal. A part of the issue is looking at trying to deal with the phosphates that are entering the water from the watershed, all of these things. Yet it ties into, I believe, your ministry as well, as we look at, you know, trying to increase the tourism in the area. I guess the nature of my question would just simply be: how do you see yourself fitting into that? How can I connect the people in my constituency, that are working so hard on trying to mitigate these issues, with the people in your ministry or with the people across ministries in the province so that we can actually get the money that is needed to solve this, because they're not that far away?

Mr. Eggen: No. That's really interesting, Mark. You know, I was just at an economic development dinner at the Matrix last weekend. I met some Drayton Valley tourism people. We were talking about ways by which we can enhance the tourist node, which is not just Pigeon Lake but the Brazeau reservoir as well, right?

Mr. Smith: Absolutely.

Mr. Eggen: I mean, my role can certainly be to act as a liaison to other ministers that have a relevant file on these issues, right? Certainly, transport is an obvious one. I like what had been done with the provincial park there, in Pigeon Lake, to upgrade and modernize the sites, you know, to meet the needs of modern RVs, but of course we need to move further to ensure that those provincial park sites are not contributing to the blue-green algae problem in Pigeon Lake, right? I mean, a lot of us have an investment in the life and the health of those lakes around central Alberta. Many millions of people use them as part of their recreation lifestyle. That's a way by which we can do these things.

With the Brazeau, I mean, I'm very interested in that one because, of course, as I said before, I have an abiding interest in building affordable recreation and camping opportunities in close proximity to major urban areas. The Brazeau kind of jumps out at me. That creates a tourist node that can feed not just that immediate area but Drayton Valley and then Pigeon Lake, too, right? The more places we have to go within short driving distances, then the more likely that people will stay an extra day and enjoy.

Mr. Smith: Thank you, Minister. I'm going to be going back to my constituency, and I'm going to be talking with these people that are working so very hard to try to deal with this issue.

The Chair: Two minutes.

Mr. Smith: Yeah. Could I have them contact your ministry, and maybe you could act as a liaison to help them out on some of these issues?

Mr. Eggen: Yeah, absolutely. I mean, we want to make sure that the fine lakes that we have around the province help contribute to quality recreation and that they're there for the long haul, so I'm glad to help out.

Mr. Smith: Thank you.

Mr. Eggen: I'm very interested in seeing – because I like to go to Pigeon Lake, too. You know, it's very interesting that that site that we went to sort of frames the source of fresh water for Pigeon Lake, with the artesian well at the mission.

Mr. Smith: Thank you very much.

Mr. Eggen: Yeah. You bet.

Mr. Smith: Okay. I'll pass it back over to Ron.

The Chair: Last question to Mr. Orr.

Mr. Orr: Last question. Wow. You know what? I think I just want to say thank you for your time and your contributions. I will say that I think the ministry, the departments, many of them, is a very octopuslike department in many ways, like multiple departments. I think you've done a lot of good work in a lot of ways. I want to congratulate your staff. I truly applaud your willingness to cut the overall budget with tough decisions. Maybe some of you – if you'd been able to do the rest in a lot of the departments, we might have had a better budget situation overall. I do applaud you and your staff. I do think you've done very good work and thank you for it. Thank you for the opportunity to give our questions.

Mr. Eggen: Thanks, Ron. I appreciate it. It's been mostly a good experience.

The Chair: Moving on to the third party. Dr. Starke.

Dr. Starke: Thank you, Chair. Minister, if we could go back and forth, that's worked so very well before.

Mr. Eggen: Yes. Absolutely.

Dr. Starke: In case I run out of time at the end, I'll say it now, and that is in regard to your staff in the ministry, as you have come to know: outstanding individuals with a lot of dedication and ability to work hard for Albertans. I certainly have enjoyed the experience of working with them.

Moving to some questions. One, again, is a linkage between the business plan and the objectives of the business plan and some of the plans you have going forward. On page 23 of the Culture and Tourism business plan priority initiative 1.3 is: "Lead the Government of Alberta's contributions to Canada's 150th anniversary celebrations to increase awareness of Alberta's culture and heritage." You know, absolutely we're excited that in 2017 we'll be celebrating our 150th, and we know that the government of Canada is planning a major celebration. I know one of the goals for 2017 is the completion of the Trans Canada Trail, and you'd mentioned it quickly before.

Mr. Eggen: Yeah.

Dr. Starke: Is that still a goal? If so, is that something that your department is going to take responsibility for, or is it going to be across multiple ministries? Are we going to see the completion of the Trans Canada Trail by 2017?

Mr. Eggen: Thanks for the question, Richard. Yeah. I mean, the 150th anniversary is something we're looking forward to very much. I've had so many people that want to jump onboard and give us a hand with it, which I appreciate. The business community is really interested, and of course the Trans Canada Trail people are very interested.

Dr. Starke: Very.

Mr. Eggen: You know, I'm putting together a crossministry group – Parks, Infrastructure, Transportation, and ourselves – to make sure that we have some version of the trail happening, maybe not all of its tendrils, that extend up to the north and the Yukon and so

forth, but some version of it. I really think it's a great initiative, and it's created already some good recreation and even tourism opportunities in the Kananaskis and in Canmore, Banff, like I said, Blackfalds. The Lac La Biche group with the railway allowance is part of it, too. Yeah. I mean, we have \$5.1 million in it for this year, and away we go.

Dr. Starke: Okay. Great. Minister, you mentioned a number of the initiatives that, you know, are very exciting and have brought a lot of interest to Alberta, attention to Alberta. I specifically thought that this was a particularly good year for Tour of Alberta, especially with having the northern stages and the mountain stages, which was something that was always a goal but hadn't been achieved in the first two years. I was glad to see that. You mentioned Beakerhead. I was glad you mentioned Open Farm Days as well because I think that's a good initiative. One we haven't talked about yet is Red Bull Crashed Ice, which was also huge in downtown Edmonton back in March.

Mr. Eggen: It was, yeah.

Dr. Starke: I guess my question on all of these is – the government of Alberta does make contributions to all of these, and in most cases the contribution is intended to get the event off the ground, but then there's a weaning-off process that sometimes is the more difficult part of it, certainly for the groups that are hosting. I'm just wondering: is that part of your overall plan in terms of creating a business plan that makes all of these events self-sustaining so they are no longer dependent on government subsidies?

11:50

Mr. Eggen: Yes. That's very important to our ministry and department. We have been insisting that we get a comprehensive business plan that's enhanced for the circumstance where people come back for extra funding for extenuating circumstances like we had with the Ironman Triathlon people. At the 11th hour they needed some more money because of the exchange rates, the lower Canadian dollar, whatever it was. You know, we will ensure that we will only do that if they have a coherent business plan that balances within the first three years of the program. It's never easy. I mean, sometimes that 11th hour kind of plays your hand a little bit. Someone comes back and says: we need more money. At every juncture I look to mitigate that because the idea behind CFEP and all this initiative grant funding is to stimulate new, sustainable growth in our culture industries. So that's the bottom line, that I refuse to deviate from.

Dr. Starke: Great. On to a slightly different topic. I note that in the recreation budget there was a reduction by \$3 million with regard to support for the Canada Winter Games in 2019. Now, I'm pretty sure that reduction in support is part of the statutory agreement that we have as the hosting province for the Canada Winter Games in 2019. We're excited, of course, to host because we haven't hosted since Grande Prairie hosted, in 1995. I guess I'm more interested in: what is your plan as minister and being sort of the main liaison for the province in the recreation field as far as liaising with Alberta Sport Connection, and what is the goal for Team Alberta at the Canada Winter Games in terms of performance?

Mr. Eggen: First of all, our funding: we just simply spread it over three years instead of two. That's all that happened there.

Dr. Starke: I suspected something along those lines.

Mr. Eggen: We know that the Canada Winter Games in Red Deer is a very important and exciting time for our province to showcase

the development and vibrant community we have here in Red Deer and across the whole province, too. Certainly, we have a participatory arm of Sport Connection to get people more active, but then we also have an elite element too.

Dr. Starke: High performance.

Mr. Eggen: High performance, yeah. I went back in this budget to ensure that we made a constant investment in performance athletics. I can get you that specific number if you want it. I just don't have it at my fingertips here.

Dr. Starke: Okay. Do we have a specific target? I was approached by a number of stakeholders that wanted me to specifically say that we were going to finish first in the medal count.

Mr. Eggen: Own the podium, yes. Well, you know, I had a very hard lesson at the Fort McMurray games. The larger population province just seems to usually jump out at us. Although we did very well in the Western Canada Games this last summer in Fort McMurray, B.C. just kind of had a little bit of an advantage in the raw population they have to draw from. We will do extremely well. Alberta outperforms on a per-person basis, I think, in elite athletics. We have lots of existing facilities like the Canmore Nordic Centre and all of the legacy from the Winter Olympics in Calgary, that have produced wonderful elite athletes, not to mention all of our hockey players.

Dr. Starke: Certainly, with over 50 per cent of our Winter Olympic athletes, if not residing in Alberta, training in Alberta at our facilities like, as you mentioned, the Canmore Nordic Centre and the Olympic Oval and other places.

Minister, you probably won't have time to fully answer this, but I'll put it into the record so that you have an opportunity to send us a written response. When we were discussing a little earlier the funding from the other initiatives program, Mr. Orr identified a \$5.586 million increase over the \$2.1 million. That's line 3.4 on page 56. You started to enumerate things like the additional monies for the world triathlon, \$325,000; the Memorial Cup in Red Deer at \$315,000; the Ukraine genealogy grant, \$75,000; and the Syrian refugees at \$150,000. I started to add these up, and that enumerated up to \$865,000. So there's still about \$4.7 million of additional funding that was channelled through other initiatives that is unaccounted for. You know, you have indicated – and I think this is very good – that you want to strive towards a greater level of transparency and clarity in how taxpayer funds are administered. I mean, I'd like to see a full breakdown of how that \$7.686 million was spent, and if you could provide that to us in writing, that would be great. I know that's probably a long list of things.

Mr. Eggen: I've got it, yeah. Here it is, and it adds up . . .

Dr. Starke: Quickly.

Mr. Eggen: Yes. It does add up quickly as well. Again, you know, I'm looking forward to helping to rationalize that somehow. There are some other big-ticket items. The city of Edmonton's Commonwealth Games bid took a lot of money. You know, there's a considerable investment in Hockey Canada and the Northern Alberta Curling Association. Yeah. I mean, I'll give you the sheet of paper, and away you go, right?

Dr. Starke: Okay. Great. Minister, thank you very much, I appreciate it.

Mr. Eggen: No problem.

The Chair: Moving on now to the government caucus. Mr. Shepherd.

Mr. Shepherd: Thank you. I also just want to say thank you. I've appreciated the opportunity to work with your ministry and certainly all of the opportunities that I've had to attend several cultural events as part of that. I appreciated the opportunity to really get a good sense of many of the fantastic things that are happening around the province and the breadth of this ministry. I also very much appreciated the questions from the other members here today. It's fantastic to see that culture really is something that brings all Albertans together, even across political lines, and gives us many things in common that we can appreciate and discuss.

That said, I just had a couple of other things that I did want to ask about. I'm also very happy to see the increased investment and commitments for CIP and CFEP, both excellent programs that have directed many of my community members towards some of their projects. With this additional investment I'm imagining that there's going to be an increased uptake, then, so there are going to be increased needs for processing. Reading the estimates from last year, I did note that some people did express concerns regarding delays with the process at times. I'm just wondering if this is something that you've accounted for. With the increase in funding coming up, are you sort of planning for dealing with more applications?

Mr. Eggen: Thanks for the question. Certainly, we need to ensure that we have sufficient support staff to move considerably more projects. We had between 500 and 600 projects with \$38 million, so we can do the math to see what will happen when we effectively increase that by substantial amounts. So, yes, certainly within our department we will ensure that we have sufficient support staff to both evaluate and move applications in an expeditious manner. We have moved to a quarterly application deadline now to get a more even flow of applications. I think that was part of the logjam that we saw over the last number of years. I think that if we have more of a continuous flow of application turnover, then that's going to help us a lot, too. But you're right. If we put more money in, we've got to make sure that we support it and get it out in a timely manner because people make plans around the CFEP money, and it often stimulates matching grants and other revenue, too.

Mr. Shepherd: Excellent. That's great to hear. I know that the AFA has been using the quarterly model for quite some time . . .

Mr. Eggen: Yes, they have.

Mr. Shepherd: . . . and it's been fairly effective, so it's great to hear that we're going to adapt that here as well.

One of the other thoughts that occurred to me: as Mr. Smith was speaking, he noted the initiative to try to have more collaboration, I guess, across departments and between areas of government. I was wondering, especially since you're conveniently the minister of both Culture and Education, if there has been any thought given to, I guess, collaboration between the two ministries on that front, trying to promote more of these cultural industries and through the education system make them something that's more common for people to experience so that when they do get into their careers and have disposable income, they're interested in putting it towards, I guess, our cultural industries.

12:00

Mr. Eggen: Yeah, for sure. You know, one of the most compelling things that I've found so far is our integration between the education curriculum, program of studies, and our heritage sites. So we're

working to develop curriculum and program of studies so that you have a more direct linkage between our physical heritage sites like the provincial museum and so forth and curriculum at all levels. Certainly, it's a way by which I can exponentially increase my responsibilities to First Nations, Métis, and Inuit culture.

Infusions to our education system are to use the natural, vast heritage assets that we have in Culture and Tourism. There are just so many ways to be creative around this in regard to sports and physical activity, in regard to tourism and the natural world, in regard to all forms of human heritage that we have available to us. To integrate that into K to 12 education is not just a creative thing to do, but it's smart money, too.

Mr. Shepherd: Absolutely. And I did want to echo sort of the comments earlier. I believe it was Mr. Orr who suggested that it would be great to involve the cultural industries in government functions and government events. Certainly, I was very encouraged to see at the swearing-in ceremony that we brought in a local band, 100 mile house, and had them perform. I like those guys a lot. It's great to see that we are investing some of our own dollars in supporting those cultural industries.

Certainly, that's been true of other conversations I've had with individuals from Royalty Records, with Dick Wong, who's had some experience with Alberta Culture going back many years, I know, where they're reaching out to markets in Asia and really encouraging that, I guess, when we're involving trade missions and other groups and stuff, yeah, we try to find an artistic component that we can include with those as well to promote more of our arts and culture resources.

Mr. Eggen: Yeah. I think it's a responsibility that we have. But when you are trying to not just show what we have in regard to cultural assets but also to demonstrate to the world the new Alberta as well, that we're a very urbanized population, that we have quite a diverse and very strong postsecondary component to us, that we have strong and diverse cultural institutions – right? – to show, you know, that 2015 side of the province to the world, it helps us to enhance economic opportunities and trade. It helps us to sell our energy around the world, and quite frankly I think it helps to boost our prestige as not just a place to come to but just our place on the world stage. So I take those responsibilities seriously, and with careful use of public monies at Alberta Culture and Tourism we can do lots of creative and great things.

Mr. Shepherd: Excellent.

I'm not sure how we're doing for time. Are we getting close?

The Chair: You have three minutes left.

Mr. Shepherd: Three minutes. Okay. Excellent. I'll see if I've got anything else here.

I guess just one last quick question, then, might be on a particular personal passion. Do you know if there have been any further efforts that are being made on the part of Travel Alberta in terms of encouraging bicycle tours within the province?

Mr. Eggen: Well, that's something that I'm interested in, too. I mean, perhaps my knees might say otherwise. I think that I can get back to you on that. Obviously, with the Tour of Alberta we had bicycles roaring through the mountains this summer. You know, when I gave out some of the trophies and put my arm around these guys, they're like superathletes, that don't reflect the average bicycle tourist. But we have lots of potential with that, I think, in regard to the beautiful landscape we have in the countryside. I know in Europe it's very big, and it's something I actually like to do as well.

Mr. Shepherd: Absolutely. And it can be a great boost for some of our rural communities as well, I think, if we promote some of the great things that there are to see in some of our smaller centres and the opportunities that people have to enjoy a lot of the nice flat prairies that we've got or even some of the hillier areas and the mountains, that sort of thing.

Mr. Eggen: Yeah. Again, working in synergy with Open Farm Days, you know, hitting an event or two within bicycle-striking distance – I mean, I used to go on the MS tour down to Camrose and so forth – you have a string of lovely towns and perhaps events that could be taking place in conjunction with a leisurely bike tour. I mean, that's a very creative idea. We always have to keep an open mind, right? I said that there's no monopoly on good ideas. My door is always open to any creative initiatives that people have. Certainly, we have high expectations to ensure that our government is listening and providing something that we all can be proud of.

You know, a forum like this: it's the first time for me to be doing budget estimates like this. I usually sat on the other side, just lounging about and casting some insightful questions here and there. But this has been a great experience, and we're taking away lots of useful ideas that, hopefully, can bear some fruit in the future.

The Chair: Thank you very much.

We have two minutes left. I believe, Mr. Yao, you had a question.

Mr. Yao: Thank you. Minister Eggen, I just want to reiterate some points by the third party here, their questions regarding philosophies of business, regarding the measures of quality and effectiveness, really. They touched on some points, but based on this line of questioning, I'm a little bit disappointed that they did not have any measures in place for a lot of these things. I guess, for one aspect: when does an event become profitable enough that the government would stop issuing the grants for such things? Again, a lot of different agencies rely on the funds from your group, and you

did express that there is an overlying desire to nurture them to the point where they become self-sufficient like the rodeos, film festivals, museums, things like that. I'd certainly like to understand that a bit more.

The question on the government of Alberta offices that are overseas, that do promote tourism and our industries and whatnot: is there a measure of effectiveness with those? In my previous life the most I knew about these sorts of other embassies was from the newspapers and that they were, you know, places for ex-members of our previous government to go, as an example. I'm wondering about how efficient and effective they are. Is there any thought as to any synergies with the government of Canada, recognizing that our federal cousins do have these very same agencies out there? Yeah, I was just looking for measures, analytics. This is business.

Mr. Eggen: Yeah. The latter question is in regard to the intergovernmental affairs ministry, so you certainly can ask them. You know, we're trying to employ the trade missions that we have now. I believe there are 11 of them.

Mr. Yao: Twelve.

Mr. Eggen: Twelve altogether? Okay. Yeah. It's not my ministry, right? You know, we try to use them as effectively as we can.

The Chair: Minister, I apologize for the interruption at this time, but I must advise the committee that the time allotted for this item of business has now concluded.

I would like to remind committee members that we are scheduled to meet tomorrow, Wednesday, November 4, to consider the estimates of the Ministry of Service Alberta from 9 a.m. till 12 noon and from 3:30 to 6:30 p.m. to consider the estimates of the Ministry of Education.

Thank you, everyone. This meeting is now adjourned.

[The committee adjourned at 12:09 p.m.]

