



Legislative Assembly of Alberta

The 29th Legislature  
Fourth Session

Standing Committee  
on  
Public Accounts

Culture and Tourism

Tuesday, March 13, 2018  
8:30 a.m.

Transcript No. 29-4-1

**Legislative Assembly of Alberta  
The 29th Legislature  
Fourth Session**

**Standing Committee on Public Accounts**

Cyr, Scott J., Bonnyville-Cold Lake (UCP), Chair  
Dach, Lorne, Edmonton-McClung (NDP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)  
Carson, Jonathon, Edmonton-Meadowlark (NDP)  
Fildebrandt, Derek Gerhard, Strathmore-Brooks (Ind)  
Gotfried, Richard, Calgary-Fish Creek (UCP)  
Hunter, Grant R., Cardston-Taber-Warner (UCP)  
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)  
Luff, Robyn, Calgary-East (NDP)  
Malkinson, Brian, Calgary-Currie (NDP)  
McKittrick, Annie, Sherwood Park (NDP)\*  
Miller, Barb, Red Deer-South (NDP)  
Nielsen, Christian E., Edmonton-Decore (NDP)  
Panda, Prasad, Calgary-Foothills (UCP)  
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Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)

\* substitution for Jessica Littlewood

**Also in Attendance**

Orr, Ronald, Lacombe-Ponoka (UCP)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)

**Office of the Auditor General Participants**

Merwan Saher	Auditor General
Eric Leonty	Assistant Auditor General

**Support Staff**

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
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Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Culture and Tourism

Pam Arnston, Senior Financial Officer and Executive Director, Financial Services

Chris Heseltine, Assistant Deputy Minister, Tourism and Recreation

Meryl Whittaker, Deputy Minister

Tracy Wyrstiuk, Assistant Deputy Minister, Creative and Community Development

#### Alberta Sport Connection

Lloyd Bentz, Chief Executive Officer

#### Travel Alberta

Shelley Grollmuss, Vice-president, Industry Development



**8:30 a.m.****Tuesday, March 13, 2018**

[Mr. Cyr in the chair]

**The Chair:** Good morning, everyone. I would like to call this meeting to order of the Public Accounts Committee and welcome everyone in attendance.

My name is Scott Cyr. I'm the MLA for Bonnyville-Cold Lake, and I am the chair of this committee. I would like to ask that members, staff, and guests at the table introduce themselves for the record, starting on my right.

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

**Mr. Barnes:** Drew Barnes, MLA, Cypress-Medicine Hat.

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

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

**Mr. Hunter:** Good morning. Grant Hunter, Cardston-Taber-Warner.

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

**Ms Grollmuss:** Shelley Grollmuss, Travel Alberta.

**Mr. Heseltine:** Chris Heseltine, ADM of tourism and recreation.

**Ms Whittaker:** Meryl Whittaker, deputy minister, Culture and Tourism.

**Ms Arnston:** Pam Arnston, senior financial officer for the Ministry of Culture and Tourism.

**Ms Wyrstiuk:** Good morning. Tracy Wyrstiuk, assistant deputy minister for creative and community development, Culture and Tourism.

**Ms. Saher:** Merwan Saher, Auditor General.

**Mr. Leonty:** Eric Leonty, Assistant Auditor General.

**Ms Renaud:** Marie Renaud, St. Albert.

**Ms Luff:** Robyn Luff, MLA for Calgary-East.

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

**Mr. Nielsen:** Good morning. Chris Nielsen, MLA for Edmonton-Decore.

**Ms McKittrick:** Bonjour. Annie McKittrick, Sherwood Park. I'm substituting for MLA Littlewood.

**Dr. Turner:** Bob Turner, MLA, Edmonton-Whitemud.

**Mr. Malkinson:** Brian Malkinson, MLA for Calgary-Currie.

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

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

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** A few housekeeping items to address before we go to the business at hand. Please note that the microphones are operated by *Hansard*. Please set all of your cellphones and other devices to

silent for the duration of the meeting. The committee proceedings are being streamed live on the Internet and broadcast on Alberta Assembly TV. The audio- and video stream and transcripts of the meeting can be accessed via the Legislative Assembly website.

Let's move on to the approval of the agenda. Are there any changes or additions to the agenda? Seeing none, would a member like to move that the agenda for the March 13, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed? Ms Miller. All in favour? Any opposed? That is carried.

Approval of minutes. Do members have any amendments to the December 12, 2017, minutes? If not, would a member move that the minutes for the December 12, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Mr. . . .

**Mrs. Sawchuk:** Nielsen.

**The Chair:** I'm sorry, Mr. Nielsen. I apologize. Obviously, this is early in the morning here.

Any discussion on the motion? All in favour? Any opposed? Thank you. That is carried.

I'd like to welcome our guests from the Ministry of Culture and Tourism to discuss the film production grant program and to address the outstanding recommendations of the Auditor General and the ministry's 2016-2017 annual report. Members have the research report prepared by research services, the Auditor General briefing as well as the status of the Auditor General's recommendations document completed and submitted by the ministry.

I would like to invite the deputy minister to provide opening remarks not exceeding 10 minutes. Ms Whittaker, if you will please take the floor.

**Ms Whittaker:** Thank you, Mr. Chairman. I'm pleased to be here this morning to present highlights from the 2016-2017 annual report and to provide a status update on the one outstanding recommendation from the office of the Auditor General.

I'd like to begin by providing a brief overview of some of the success stories and achievements of our department during the '16-17 year. It's the rare Albertan indeed whose life has not been touched by the work of Alberta Culture and Tourism. Such is the scope of our ministry. From support of community-based organizations to the preservation and promotion of Alberta's rich history and heritage and through efforts to strengthen and grow the province's reputation as a world-class tourism destination, Culture and Tourism is working with stakeholders in communities across the province to make life better for Albertans.

At the heart of our communities, nonprofit organizations are delivering important social, cultural, and recreational programs and services that matter to Albertans. Through the community grants program of Alberta Culture and Tourism these organizations accessed more than \$62 million in grant support in the '16-17 year. More than \$24 million in funding through community initiatives program grants was provided in support of programs and services and to support capacity building toward a stronger, more sustainable nonprofit sector.

A further \$38 million was provided to assist organizations in the development and enhancement of public use facilities through our community facility enhancement program. In order to improve the effectiveness of our community grants program, an optimizing community grants initiative was rolled out in two phases beginning in the '16-17 year. Along with ensuring greater transparency and accountability, changes have provided greater clarity and a more streamlined grant application process. Feedback from stakeholders has been very positive.

Another key initiative undertaken by the ministry in support of the nonprofit, voluntary sector was the launch of a redesigned volunteer screening program. The revised program provides access to a suite of tools to support more rigorous screening of prospective volunteers, meaning greater safety and security for vulnerable Albertans who access programs and services offered by those nonprofits. The work of nonprofit organizations is helping to build stronger, sustainable, and more inclusive communities.

Alberta's strength is found in its diversity, and the province took an important step toward the development of a French policy. Reflecting the input of Albertans, the new policy will help to improve access to programs and services for the province's rapidly growing French-speaking population, one of the largest and fastest growing in the country outside of Quebec. The ministry's Francophone Secretariat led the development of the policy during the '16-17 year.

Sharing the stories of Alberta's rich history is a primary focus of the ministry's heritage division. In 2016-17 almost 800,000 visitors to Alberta's 20 provincial historic sites and museums experienced our province's past. Royal Tyrrell Museum of Palaeontology led the way, with attendance of almost 470,000 people. Among those visitors were many of the evacuees from the May 2016 wildfires, who were welcomed with free admission. In '16-17 the Royal Alberta Museum was closed, but we expect attendance numbers to see an increase once the doors open to our new, state-of-the-art facility later this year.

The ministry continues its effort to support the preservation of Alberta's valuable historic resources with funding through the Alberta Historical Resources Foundation and through technical support through the historical resource management branch. Albertans recognize the value of heritage conservation, with 93 per cent of the province indicating the importance of historic resources to contributing to the overall quality of life.

Alberta's arts and cultural industries sector also plays a pivotal role in telling Alberta's stories and showcasing our province to the national and international audiences. Through the Alberta Foundation for the Arts and the Jubilee auditoria, Culture and Tourism is supporting the development of talented artists and providing opportunities for all Albertans to participate and experience the vitality and vibrancy of the performing arts.

On September 6, 2016, the AFA celebrated its 25th year of supporting arts in Alberta and during the anniversary year established a new major arts presenting grant to support Alberta's major festivals like the Edmonton Folk Music Festival and the Calgary International Film Festival. In total the ministry provided \$22.5 million to support the arts, recognizing that an investment in the arts is an investment in the strength of Alberta.

In 2016 Alberta's visual and applied arts and live performance industries contributed over \$1 billion to Alberta's GDP and employed more than 3,400 people. Alberta's cultural industries sector is another key economic driver, with the province's audiovisual and interactive media industries contributing over \$2 billion to Alberta's GDP. Encompassing screen-based media, book and magazine publishing, and sound recordings, Alberta's cultural industries have established an outstanding reputation around the world. In support of this sector Alberta Culture and Tourism introduced a new screen-based production grant, and I'll speak about that in a bit more detail in a moment in the context of the Auditor's recommendation.

8:40

The tourism sector is a key economic driver in the province, providing new opportunities to grow Alberta business and showcase our province to the world. Direct investment in tourism

development programs and services to support the industry and internationally recognized marketing through Travel Alberta is paying off in visitation and sector growth. In 2016-17, as a result of Travel Alberta's in-market promotions, industry education, and familiarization tours with tourism professionals, approximately 1 and a half million room nights were sold by North American and overseas tourism operators.

Additional highlights of '16-17 include the announcement of the expansion of both Fort Edmonton Park and the Calgary Zoo. The Alberta government provided \$10 million in capital plan funding to the Calgary Zoo's panda passage habitat. The expansion is expected to boost attendance to more than 1.6 million visitors and increase the zoo's annual economic impact from the current \$79 million to more than \$95 million.

The Fort Edmonton expansion will feature development of the indigenous people's experience along with expansion of the midway and the Hotel Selkirk and a new guest services and admissions area. Expansion of the park is anticipated to increase summer attendance by 76,000 visitors. An estimated 455 full-time jobs will be created during construction, with 57 full-time park-related jobs following completion. Summer attendance at the park is expected to increase by 76,000 annually to 245,000 people by 2021, resulting in an estimated increase in economic activity of \$7.3 million locally and \$23.3 million provincially.

Additional investment in expansion of the province's Royal Tyrrell Museum will further enhance the province's reputation as a world-class tourism destination.

Many of those travelling in and to Alberta have been attracted to major sporting events each year in the province. Sport and recreation are characteristic of Alberta culture. Alberta athletes continue to shine on the national stage, inspiring the next generation of podium hopefuls who are developing their own talents. From local recreational programming to initiatives like Podium Alberta the ministry, through the support of Alberta Sport Connection, is helping Albertans to discover and pursue a more active, healthy lifestyle.

In 2016-17 over \$21 million in funding helped to support all levels of sport development in the province. More than 250 athletes received Podium Alberta funding totalling nearly \$1 million to pursue their goals of athletic excellence; 2018 Olympic Games medalists like Ted-Jan Bloemen and Alex Gough are among Alberta's athletes who turned support from Podium Alberta into gold and silver in Pyeongchang and fuelled the pride of Albertans in communities throughout the province.

As I mentioned earlier, Culture and Tourism introduced a new grant program to support our province's film and television industry. The screen-based production grant replaces the older Alberta production grant and introduces new funding criteria, specific application intake periods, and stricter financial controls. These changes address the issues our ministry had identified, which were then confirmed by the Auditor General's report and recommendation. The audit provided great value to Culture and Tourism by delivering third-party insight into our program and process and verifying our own findings and assessment of the program.

Moving forward, the program will continue to support an industry that offers tremendous potential for continued growth. Culture and Tourism is known by many as the people's ministry for the impact that it has upon individual Albertans and communities that they call home. Within the ministry we're proud of our role in helping nonprofits achieve their mission of building strong communities, in working behind the scenes to support artists, performers, and skilled technicians to share their creativity and talents, in helping to develop and shine a spotlight on our province's

wealth of travel opportunities, in supporting champion athletes and champions in the making, and in sharing our province's proud past toward an even brighter future.

Thank you for your time, and I'm pleased to answer questions.

**The Chair:** Thank you, Ms Whittaker.

I will now turn it over to the Auditor General for his comments.

**Mr. Saher:** Thank you, Mr. Chairman. The deputy minister has made reference to the recommendation we made to the department with respect to work we did on the Alberta production grant program. The deputy minister has indicated that that program has been replaced with the screen-based production grant, and we look forward to receiving word from the department that they are ready for us to come back and do a follow-up audit to ensure that the recommendation we made has in fact been implemented in the context of this new grant program.

Thank you.

**The Chair:** Thank you, Mr. Saher.

We will now follow our usual time allotment format for an hour and a half meeting for questions from the committee. The first rotation will be 10 minutes each for the Official Opposition and government members. Our second rotation will be an additional 10 minutes for the Official Opposition and government members, followed by five minutes for an independent committee member. The final rotation is five minutes for any Alberta Party, Liberal, Progressive Conservative, or independent member in attendance wishing to participate. Any time remaining will rotate equally amongst the Official Opposition and government members, with the final few minutes designated for any outstanding questions to be read into the record and to consider any other business which may be brought forward.

We ask that officials at the table as well as those seated in the gallery provide their names before responding to questions. This is for the benefit of members who may be participating via teleconference, for those listening online, and for those that are listening to *Hansard* recordings.

I will now open the floor to questions from members. Mr. Orr.

**Mr. Orr:** Thank you, Mr. Chair, and thank you to the deputy minister and her team here today. Good to have you here with us. I think I'd actually prefer to focus mostly on the annual report today. There are lots of other questions, but there's also another opportunity with estimates to get into some of those. Anyway, first of all, maybe I'll just begin with sort of a – I don't know – 30,000-foot general impression kind of program. On page 4 of the annual report it says that "the ministry focused on delivering programs and services that enabled tourism to grow." Do you believe that according to this annual report tourism has in fact grown?

**Ms Whittaker:** Yes. Tourism is growing every year. In 2016-2017 tourism employment as a percentage of all employment in the province increased from 9.1 per cent the previous year to 9.4 per cent that year.

**Mr. Orr:** Okay.

**Ms Whittaker:** We also measure the economic impact of tourism in the number of jobs created and the impact on GDP across the province, and I have those numbers.

**Mr. Orr:** That's good for now. Maybe we'll come back to the jobs issue if there's time.

I'd like to look at some of the details, actually. On page 26 the report talks about the percentage of those who visited a heritage facility. Year over year it's actually down by 12 per cent and off the goal by 11 per cent. So I guess my question is: how do you interpret that to be growing when, in fact, the numbers appear to show the opposite?

**Ms Whittaker:** Heritage sites in that particular year had a couple of reasons, I think, why the attendance may have been down. First, the Royal Alberta Museum was closed for the entire year – and it is still closed – as we are shifting all of the collections to the new museum. The Royal Alberta Museum has very high attendance, but there was no attendance in 2016-17. Also, visitation at the Oils Sands Discovery Centre was significantly impacted by the Fort McMurray wildfire between May and September.

**Mr. Orr:** Okay. On page 27 the percentage of those who attended arts activities or events is also down 3.6 per cent over last year, 6 per cent lower than target. Again, I find it a little bit difficult to suggest that it's a growth industry diversifying Alberta's economy when the attendance facts are in fact down, in decline.

**8:50**

**Ms Whittaker:** Again, I can only say that I think attendance was possibly down in '16-17 due to the economic situation in that year. We had in 2016-17 a negative GDP growth and higher unemployment, and that impacts, I think, people's ability to attend arts events.

**Mr. Orr:** Okay. But you would agree that the two numbers I've cited are in fact actually down, then?

**Ms Whittaker:** Yes, they are.

**Mr. Orr:** Page 33: "The Tourism Entrepreneurship Program helps create a favourable business environment." By every measure, actually, the business environment has declined. Foreign investment is down three years in a row as reported federally. Minimum wage expenses are up. Labour law compliance costs are up. Carbon tax is new and now up again. So I guess my question is: what has your department been able to do to advocate for actual favourable business environments for many of these small businesses, to advocate with a government that really seems to be bent on eroding the business environment?

**Ms Whittaker:** The tourism entrepreneurship program that you mentioned is something that we're working on and were working on in the 2016-2017 year. In that program we work with up-and-coming and existing tourism entrepreneurs to help them. We give them business planning advice. We provide them with coaching. We assist them in building up their programs.

We also have a number of other initiatives under way. We work with different levels of government and with the two airports to try to improve air access to bring more visitors to Alberta. We are continuing marketing support for tourism business and communities across the whole province through the co-operative marketing program. We're supporting indigenous tourism product development and the growth of indigenous tourism business as . . .

**Mr. Orr:** I'm aware of that. That's a positive move.

Page 34 talks about supporting international investment attraction. It sounds laudable, but international investment, as I've already cited, is actually down. Actually, I believe it was down by 26 per cent. While you provided information to 60 companies, how many actually made investments and how many international dollars of investment flowed into Alberta, if any?

**Ms Whittaker:** I don't have the numbers of the particular businesses. I don't have that with me at the moment.

**Mr. Orr:** I wonder if you could provide that later for us, please. Thank you.

Page 39, total tourism expenditures. I believe the Auditor General referred to this in his report as well. Total expenditures are actually down by \$200 million. Because the data collection has changed, it could be actually more than that. Contrary to government messaging, it appears that the tourism industry is actually down and not necessarily, at this stage anyway, a key driver of Alberta's economic diversification. Can you comment on that decline of \$200 million, please?

**Ms Whittaker:** Which number?

**Mr. Orr:** On page 39, the graph. We're talking billions there. It's down from \$8.3 billion to \$8.1 billion.

**Ms Whittaker:** Okay. I see. Those are the measurements for 2015. The 2016 numbers should be out very shortly. We expect that the numbers will actually be up from the \$8.1 million so that we're back on track.

**Mr. Orr:** That would be good. Looking at the report had raised these questions.

Page 41, tourism person-visits. Once again, the numbers are down. Indeed, the highest level actually goes way back to 2011. Again, I struggle to see how these numbers parallel with the storyline that indicates a growth industry. I just wonder how you interpret to get to that storyline. How do we claim that tourism at this particular stage with the data that we've got here is in fact such a growing bright spot in Alberta's economy when in fact the numbers seem to portray something that is either stagnant or possibly even, according to this report, somewhat in decline?

**Ms Whittaker:** Well, my response would be similar to the last graph. We do expect that the updated numbers will be increasing. These are Statistics Canada figures, and there's a bit of a lag in the numbers. We do do our own interim measurement. We monitor visitation and produce a monthly market monitor that is showing that visitation has been up ever since those 2015 numbers.

**The Chair:** One minute.

**Mr. Orr:** Oh, wow. Well, let's do one last one. The 4 per cent levy charged on accommodations has long been considered a good measure of the industry. You report that it's declined the last three years in a row. I just received numbers yesterday from the Hotel & Lodging Association that continue to show a decline. The occupancy rate is down. The room rate is down. Again, I struggle to see how this creates the storyline that tourism is flourishing.

**Ms Whittaker:** Tourism across the province, when it comes to hotel occupancy, is very different in different regions. So hotel occupancy in the Rocky Mountains and the resort areas . . .

**The Chair:** Thank you, Mr. Orr.

Mr. Carson.

**Mr. Carson:** Thank you, Chair, and thank you to the department for joining us today. Just looking at the Auditor General's report, on page 33 the Auditor General stated that "unclear guidelines . . . allowed grant recipients to claim ineligible expenses" under the previous Alberta production grant program. How has your department addressed some of these concerns?

**Ms Whittaker:** The department has completed a complete redesign of the program and replaced APG with the screen-based production grant, that we refer to as SPG, and launched it last October. We have new guidelines in the SPG that are much clearer in relation to eligible expenses. The guidelines include examples of specific expense types and descriptions of what is and is not considered eligible for the purpose of the grant calculation. Some of the clarifications included outlining that the value of in-kind contributions is not considered an eligible Alberta expense, specifying that fees for goods and services subcontracted by Alberta companies to out-of-province companies are not eligible, and that goods and services must be receipted that are performed in Alberta.

We have a number of other clarifications. Expenses directly associated with a live performance or awards show are not eligible, insurance costs have to be pro-rated to the number of production days actually in Alberta, and travel costs are considered eligible Alberta costs only if the origin and the destination are within Alberta boundaries.

**Mr. Carson:** Thank you.

It's a little surprising to me, this program and the administration of these funds, you know, and the lack of financial controls in place in the first place. How long was it functioning this way before these changes were made?

**Ms Whittaker:** Well, there were always financial controls in place for the grant program. It always included program reporting requirements such as a third-party audit production cost statement, and grant payments were only made upon receiving required financial reporting. But we did create some additional measures to improve the reporting in 2014. So this was prior to the first audit that was done on the program and included a limitation on the total in unpaid Alberta expenses at the time of reporting and increased confirmed financial requirements and clauses. We also made a number of clarifications around out-of-province vendors paying through subcontractors in 2014. We had eight files audited in 2014 that actually predated those revisions.

9:00

**Mr. Carson:** Okay. Thank you.

The office of the Auditor General notes again on page 33 that on top of the lack of financial controls there was also ineffective monitoring. What has the department done to improve that process?

**Ms Whittaker:** The new screen-based production grant addresses that recommendation by defining and documenting clear, easy-to-understand criteria for expenses and also creating and communicating program guidelines to stakeholders, enhancing monitoring of the grants, and developing a structured risk assessment framework for it. We've introduced a much more robust and rigorous evaluation to ensure that we're investing responsibly in areas that will bring the largest economic and cultural benefit to Alberta. The SPG applicants must include in their final reporting a report on the application of specific audit procedures, so we've really beefed up the audit requirements in the applications. It's an audit procedure that was developed for us by Meyers Norris Penny and documents audit procedures and the extent and nature of different categories of expenses claimed under the program.

**Mr. Carson:** Thank you.

On pages 35 and 36 of the report it's noted that the department was having difficulty getting funds back from a few of the companies for ineligible claims. What does the department plan to do to make sure, moving forward, that you can recover these funds?



**Ms Whittaker:** There are a couple of changes in the new program. First, the new guidelines include a clause that empowers the minister to decline funding if an applicant is associated with or related to an entity that in the past claimed ineligible expenses, so right from the beginning the minister can even decline the application. Then if we do have a situation where we discover that expenses have been claimed improperly, we are tightening up our processes for trying to collect those funds. Within three weeks of becoming aware that an amount is to be repaid, we'll be issuing a demand letter and requesting repayment within 30 days. If we don't have payment within 30 days, then we'll be sending it directly to Crown debt collections for collection to make sure that it's a more timely process than it has been in the past. In the past we've taken several months or even years to try to collect on an unpaid amount.

**Mr. Carson:** Okay. This kind of touches on that as well but more on the controls restricting applicants. On page 37 the Auditor General notes that the department was still giving grants to applicants who had filed ineligible claims. Moving forward, is there a process to ensure that that's not happening as well?

**Ms Whittaker:** Yes. We have a new risk assessment framework, and in that framework we will be keeping a log of organizations and individuals associated with projects who have claimed ineligible expenses in the past. Then as part of the application review process our staff will check that list, and if someone has been associated with making improper claims in the past, they can be declined funding. During the application process budgets will also be scrutinized in a lot more detail and clarified up front with the applicants, and once the final reporting is received, we will go through all of the expenses in more detail than we have in the past according to our risk assessment framework and assessing risk as high, medium, or low. If assessed as high, then another further level of scrutiny will be undertaken.

**Mr. Carson:** Okay. Thank you, Chair.

**The Chair:** Okay. Ms Miller.

**Ms Miller:** Thank you, Chair. I understand that part of the new guidelines under the screen-based production grant are designed to ensure that we're supporting Alberta's film and television industry, creating good jobs here at home, and investing responsibly in areas that will bring the largest economic and cultural benefit to Alberta. Can you explain a little more about how this program supports jobs and economic growth for Albertans?

**Ms Whittaker:** Funding for the SPG included an increase of \$15 million to support the screen-based production sector, so it now totals \$45 million a year, which really recognizes the value of this sector in terms of job creation and economic impact. With these new funds the department has also implemented a set of economic and cultural evaluation criteria such as job creation, dollars spent in Alberta, percentage of the crew that is Albertan, diversity and inclusion, and reaching Albertans. So funds are prioritized on the high-scoring applications to ensure that our finite funding is directed to the projects with the highest potential.

In 2016-17 the program supported job creation and economic diversification as follows: 166 and a half million dollars . . .

**The Chair:** Thank you, Ms Miller.  
Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair, and thank you to our presenters today for being here to answer our questions. First, I

want to just say that, obviously, I think there are some great opportunities for some economic growth. I spent two years with Calgary Economic Development, and I'm very familiar with the team there promoting film production.

In October of last year the Ministry of Culture and Tourism replaced the APG with the SPG, which was the subject of the Auditor General's report in October 2017, and that's what we're here to find out about and ensure that this is being administered well. On pages 4 and 37: a couple of the issues were that the department used unclear guidelines that allowed grant recipients to claim ineligible expenses, did not use a risk-based approach in selecting audits of the grant recipients, and continued to fund individuals when the companies they owned or those they were associated with claimed ineligible expenses. What specific changes have been made to improve the administration of this program to ensure that Alberta's taxpayer dollars are invested well?

**Ms Whittaker:** We've made a number of changes. We have scheduled grant intake periods. We're using evaluation criteria. We've added additional internal controls. I can go through those in a little bit more detail.

Additional internal controls include funding envelopes, so certain amounts for certain types of productions. We have set intake periods, so we're taking applications in three times a year. In the past we just took applications all year, and those . . .

**Mr. Gotfried:** Excuse me, Ms Whittaker. The details, I think, are important. I guess maybe I'll move ahead and say: where are you in terms of implementation of these improvements?

**Ms Whittaker:** We've had our first intake already in the fall, so we received a number of applications in the fall. We have processed them under all of these new processes, new evaluation criteria and have approved and started paying out funds under those applications. Currently we have live our second intake, so we are receiving applications right now until the end of this March.

**Mr. Gotfried:** Noted in your response to the Auditor General was that stricter financial controls are being implemented, and obviously you have some new intake coming in. One of my concerns in looking at this, also within those comments, is that we wouldn't have any really hard data on this process until April of 2019. However, also referenced is the fact that you're going to go back and look at the APG grants and some of the inconsistencies there. Why is it going to take until April 2019 when we actually have all of those numbers? This isn't on new grants, the SPG, but on the APG side. Why are we not diligently going back on those? And if you are doing that, where are we in that process?

9:10

**Ms Whittaker:** We are going back. In 2017 we audited five files from the APG, and we're processing those. In one of those we discovered some ineligible expenses, so just very recently, this past couple of months, we've ordered five more audits related to that. The problem is that many of these files are very complex. They're big productions. The audits themselves take quite a long time to go through all of the documentation, so that's why the length of time that it takes.

**Mr. Gotfried:** Okay. It just concerns me that we have data and we have some inconsistencies that we're not going back to to ensure that we're not continuing to forward funds to some of those organizations. It also concerns me, I guess, that, you know, we've got an opportunity here to learn from the past. It seems to me that we're spending time on collections procedures rather than

possibly ensuring that expenses are properly filed in the first place and not paying out and having to collect those. What is being done to be diligent with those files, looking back through the audits that you've done, to ensure that as you go forward, we're not paying out and then having to collect? That seems like a real waste of time and energy for your department.

**Ms Whittaker:** Yes. I agree. Those are some of the changes that we've made in the new program. Absolutely. Rather than focusing on trying to get money back, we are changing our processes right up front. That's where the new guidelines come in. They're very much more clear and precise about what's an eligible expense and what's not an eligible expense. We are hoping that going forward, because it's much more clear, no one will be claiming ineligible expenses right from the beginning. We'll be reviewing those applications as they come in in a more diligent . . .

**Mr. Gotfried:** I would assume that these production organizations have fairly detailed statistics on their usage, room nights and things like that as well. So is that advanced reporting going to be part of the approval process in the future, or are you going to continue to go back and try and find out detail when you find inconsistencies?

**Ms Whittaker:** Well, they do have to present at the outset a detailed budget that they're expecting, so we will be going through that in greater detail up front. We are paying money in instalments, and we will only pay once they reach a certain milestone and have accomplished certain tasks. We'll be going back and looking to make sure they've done that before we pay out the funds.

**Mr. Gotfried:** Okay. I mean, I think that there are some good investments to be made here, but obviously diligence is key.

The ministry website states that film, TV, and digital media contribute to the province's economy and create economic spinoffs from production-induced spending like hotels and restaurants. Has the ministry been able to calculate this economic spinoff claim, and do they have detailed statistics to back this up?

**Ms Whittaker:** I'm going to let my ADM who's responsible for the program deal with that question.

**Mr. Gotfried:** Okay. Thank you.

**Ms Wyrstiuk:** Thank you. In developing the new program, we were diligent in looking at the economic impact of this industry. We had the Canada West Foundation do an independent report for us. For '16-17 we had a \$40 million investment by the province, which equated to \$166.5 million in direct Alberta spending in the province, so it's a leverage of about 4.2 for direct leverage. But there are also those spinoffs that you just referenced in the tourism, in the catering, in the costumes and the music. All of that equates to about for every \$1 invested a \$6 return. Those are the numbers that we've had validated by the Canada West Foundation. We have, you know, 1,700 jobs in this industry, \$194 million in GDP, \$109 million in labour income . . .

**Mr. Gotfried:** Pardon me for interrupting, but, you know, if we could actually get a copy of that report, maybe table it with the committee, it would be very helpful for us.

I guess one of my questions here in terms of the economic spinoff, again sort of back to the reporting by these organizations that are getting the grants: is there a requirement for them to report the number of room nights used and other expenditures on hospitality and service industries in that process?

**Ms Wyrstiuk:** They are accountable for providing to us detailed reporting. Part of that is that they do rely on a third-party audit to go through their various invoices and receipts and follow our guidelines, that we've developed through Meyers Norris Penny. Part of that is to show what kind of costs have been incurred: labour costs, hotel rooms, travel costs, costs for caterers. All of that is documented in their expenses, that they would submit to their third-party auditor. Then that report gets submitted to us, and if it is a high-risk file, in that we think this particular file might have some ineligible expenses, our own staff then will do some extra internal review of those expenses to see if they're valid or not.

**Mr. Gotfried:** Now, given that there have been some inconsistencies on some of these expenditures – obviously, it sounds like there are some collections going back – is there any spectre of the possibility of criminal charges based on fraud for some of these ineligible expenses?

**Ms Wyrstiuk:** At this point, I mean, we do have files under audit right now with AGLC. Should there be any indication of fraud, we would have to look into what that means by way of reporting and following the proper due diligence and processes.

**Mr. Gotfried:** Thank you.

Since we know that the money available to the SPG has been boosted from \$30 million to \$45 million and that the available cap has increased from \$5 million to \$7.5 million under the SPG program, how does the ministry plan to measure the economic impact of this new and improved and enhanced grant program?

**Ms Whittaker:** We measure it on the basis of jobs created, impact on GDP. We'll be measuring it in the same way that we have over all the years.

**Mr. Gotfried:** Thank you.

**The Chair:** Thank you, Mr. Gotfried.  
Ms Miller.

**Ms Miller:** Thank you, Chair. Ms Whittaker, I'm wondering if you would continue answering the original question I asked about how the program supports jobs and economic growth for Albertans.

**Ms Whittaker:** Yes. Where was I? I think I was about to talk about the impact of the numbers in 2016-2017. The program resulted in \$166.5 million in spending by production in Alberta. It's created 1,682 FTEs. It had an impact on GDP of \$194.5 million. There was \$109.7 million in labour income, and it generated \$13.3 million in provincial taxes. The film and video production generates 10.14 direct, indirect, and induced jobs per \$1 million spent by the industry in the province.

**Ms Miller:** Thank you.

I'm really happy to hear that the ministry has fixed the problems of the previous film grant program and that the new program is off to a great start. Can you speak to how many projects are supported by this grant? Are there any more big picture films coming in from out of province or more local productions?

**Ms Whittaker:** In 2016-17 a total of 82 productions were supported by the grant. Included in those 82 were some of the larger productions like the movie *The Revenant*; the TV series *Fargo*, season 2; and *Heartland*, season 9. About 80 per cent of the 82 projects were actually smaller, Alberta-owned projects, things like documentaries, and then there were also some feature TV movies

and TV series. An example of a series is *Young Drunk Punk*. Season 1 was filmed in 2016-17.

9:20

**Ms Miller:** Thank you.

My understanding is that the reporting for the production grant is done as a whole and not individually for each one. Are there plans to report this kind of economic impact data for the grant?

**Ms Whittaker:** Yes. A program evaluation plan and logic model has been developed for the new grant as a whole, including clear metrics for evaluating and reporting on the effectiveness of the program. These metrics include the dollars spent in Alberta, the dollars spent on Alberta labour, the number of Albertans employed, the number of shoot days, measures like that. We'll be tracking those metrics in the year that the activity actually takes place. In the past we weren't tracking it in the year it took place; we were tracking it in the year that the funds were actually paid out. Also, the evaluation criteria that we're using when we process the applications will help us to track the economic and the cultural impact on a project-by-project basis although we don't have plans to report on a project-by-project basis. We'll be reporting on the basis of the whole program.

**Ms Miller:** Thank you.

Chair, I'd like to pass my time on to Ms Renaud.

**The Chair:** Please, Ms Renaud.

**Ms Renaud:** Thank you. Obviously, it's great to hear that the grants, particularly the Alberta culture grants, are focused on the importance of diversity and inclusion, which are really tough to measure. For years we've heard from communities that they wanted clarity in terms of the criteria used, selection, and timelines. In the application package – and I'm talking specifically about the community facility enhancement program grant – the desired outcomes are to enhance the lifespan and support the creation of public-use community facilities, stimulate economic activity in the communities across the province, but, also, more important are the set of principles that are used to help guide decision-making, and those principles are: community-driven public benefit, transparency, equity, accountability, flexibility, and simplicity. I'm wondering if you could expand on how you use these guiding principles to select grant recipients.

**Ms Whittaker:** Are you asking about all of our community grants or a certain one?

**Ms Renaud:** I focused on the CFEP, the community facility enhancement program grant.

**Ms Whittaker:** Okay. Could I ask my ADM who's responsible for that, Tracy Wyrstiuik, to answer that question?

**Ms Renaud:** Sure. That would be great.

**Ms Wyrstiuik:** Thank you very much for the question. As you've said, the community facility enhancement program is there to foster healthy and vibrant communities. We, with our optimizing community grants, looked at this program and actually developed two streams, CFEP large, which is for grants that are up to a million dollars, and CFEP small, which also deals with community facility enhancement grants.

When we were looking at our criteria, we did develop a set of principles and outcomes when we looked at our optimizing community grants to decide: where should we be allocating our

dollars, and how best do we fill some of the gaps that might exist? When we look at the community facility enhancement program, we're really looking to facilities that provide financial assistance to build, purchase, or repair community facilities. We're looking for people that are trying to carry out major renovations or repairs, electrical or mechanical, and really to increase public use of facilities. When we developed our guidelines, it really was about making sure that nonprofits are vested in these community facility enhancements that are contributing to the public overall.

**Ms Renaud:** Okay. Thank you.

Just a follow-up to that question. You've talked a lot about the risk assessment that you're using. It's great that you're using this to, I guess, identify potential risks in the application or the person applying for the grant. I'm wondering if you could just elaborate on what specifically you're looking for when you're using this risk assessment as it applies to these grants.

**Ms Wyrstiuik:** The risk assessment we were talking about previously was with relation to the new screen-based production grant, but we do also apply a risk matrix for our community grants. With our community grants we're looking at the project viability, the financials of the organization by way of: do they have matching funds? We're also looking to see: is the project ready? Is there regional equity? Is there available funding? Also, do they have the ability to actually complete the project? Are there any other special considerations? Those will all be taken into account before we determine whether to accept a particular grant for community grants.

**Ms Renaud:** Thank you. That's great. Actually, I think there were a lot of questions before about how those decisions were made across the province or which projects would be funded.

I just had one other quick question. With the community facility enhancement program they are sort of tangible things that are funded, whether it's a building or a project like that. I'm just wondering how that particular asset is, I guess, monitored after the first year or two that the financial reporting comes in from the organization. Is there a requirement, let's say, for an organization to inform, you know, if the asset is sold or if it's transferred?

**Ms Wyrstiuik:** Definitely, on reporting, when we're asking the organization to report back on the use of the funds, how it was utilized, and the uptake of the facility, we are asking for that reporting information. As far as whether it's sold in future years, I don't believe we're capturing that, but I'd have to verify that.

**Ms Renaud:** Okay. Thank you.

That's all, Mr. Chair.

**The Chair:** Thank you.

All right. We have Dr. Starke, if you're ready for your rotation.

**Dr. Starke:** Thank you, Chair, and thank you to the ministry officials that are here joining us and to the Auditor General. My lines of inquiry are primarily going to be in terms of measuring up the performance of the department and the results that have been obtained against long-term plans that have been put in place but have been seemingly ignored by the department. Those are specifically the tourism framework, which set out a plan to build our tourism industry to \$10.3 billion by 2020, and also the Alberta sport plan, *Going the Distance*, which was set out from 2014 to 2024, giving a very specific road map as to how we build amateur sport in the province.

I guess what I'd like to know is: what is actually being done to monitor progress against those long-term documents? There is little or no reference to the documents in any of the ministry communications. When the minister is questioned on them either in the House or at estimates, you know, the responses are vague at best. We were stunned last year at estimates when we were told that the statistical information for tourism specifically wasn't being tracked anymore because it just wasn't any good. Now, I know there are challenges, and I know that Stats Canada is giving us very old data, and I know that there has been work done amongst the tourism ministers across the country to improve the timeliness of the information that's being received. But what exactly is the department doing to monitor progress on those two key performance indicators?

**Ms Whittaker:** The tourism framework that you refer to: we've moved beyond the framework. Although the priorities and actions that are identified in the framework have been incorporated to influence our business and operational plans, we don't use the framework anymore to assess our progress in growing Alberta's tourism industry.

The stats that you refer to: we do have a lag in statistics from Statistics Canada, but we are currently running our modelling on the 2015 tourism numbers to produce the economic impact figures, and we'll have those ready for Committee of Supply in a few weeks. So we will have some updated numbers from what we had last year.

Similarly, we are rolling out a new funding and accountability framework as part of the Alberta sport plan. It was developed over about a two-year period in consultation with stakeholders, and it's based on a three-year funding cycle, which is going to be phased in over three years starting this year coming up. Alberta Sport Connection staff are currently meeting with stakeholders to discuss the new framework and how it affects their funding going forward.

9:30

**Dr. Starke:** Okay. You know, I'm stunned to hear that you've moved beyond the framework. This was a document that was developed by industry, largely, and it was their document. I'm not sure that they're aware that you've moved beyond the framework, and if they are, I wonder how much input they've had in this next phase of moving beyond the framework.

I'm going to turn back to the Alberta sport plan. I appreciate that there's a new three-year funding model, but I guess I'm wondering about the progress on specific objectives that were outlined in the sport plan that were supposed to take Alberta out to 2024 with regard to the development of fitness and amateur sport programs within the province. Where are the measurements? Where are the indicators of whether we are meeting the objectives within the sport plan, and how is the sport plan guiding the activities of the recreation division within the department?

**Ms Whittaker:** I would ask Lloyd Bentz, our CEO of Alberta Sport Connection, to just talk about some of the actions that they're taking with respect to the industry.

**Mr. Bentz:** Yeah. A couple of things in terms of the Alberta sport plan. Within our annual report we do have some indicators looking at participation both in adults and children. Some of the specific actions we've been taking, working with Sport Canada and the federal government, are around looking at underrepresented groups and some very specific actions around those, whether those be women in sport, individuals with disabilities, looking at the indigenous community.

**The Chair:** Thank you, Dr. Starke.

Mr. Barnes, you have eight minutes, sir.

**Mr. Barnes:** Eight minutes. Thank you, Mr. Chair, and thanks to all the officials and the Auditor General for being here today. I want to go back to my colleague from Calgary-Fish Creek's questions around potential fraud, potential misappropriation of money related to the grant program. Ms Wyrstiuk, I believe that you were saying that it's been referred to another organization, but I'm wondering if you know of any specific criminal charges that have been laid?

**Ms Wyrstiuk:** No, there are no charges that have been laid against any of the files that we've audited at this point through the Alberta Gaming and Liquor Commission.

**Mr. Barnes:** Okay. Thank you for that answer.

I want to turn my attention now to nonprofit and fitness facilities. On page 60 of your 2016-2017 annual report it states, "The purpose of the Ministry is to diversify the economy, help create jobs and make life better for Albertans" and that this is accomplished by working towards desired outcomes, one being that "Alberta has resilient and engaged communities supported by a strong nonprofit/voluntary sector." Again, on the website it states that it "supports the development and sustainability of Alberta's . . . nonprofit [and volunteer] sector."

My first question: if these quotes are correct, can you explain, then, why the nonprofit organizations of small towns all over Alberta are saying that the impact of the provincial carbon tax is threatening their existence? For communities that rely on them, for people that are excellent stewards of volunteers and community dollars, this is very concerning. Can you draw a comparison between those two competing ideas, please?

**Ms Whittaker:** Well, in our ministry we are focused on providing grants to community and nonprofit organizations to help them with their operations and their projects, and we're focused on capacity building, so helping to train boards of nonprofits and helping nonprofit organizations with things like their strategic planning. The carbon levy is not something that's within the mandate of our ministry, so we can only focus on what we do to help the nonprofit organizations.

**Mr. Barnes:** Okay. Thank you for that.

A lot of these nonprofits, especially in small communities, are saying that they're at risk. Do you have some analysis in effect right now? Are you looking at this problem? I'm wondering how many of these nonprofits from all communities in Alberta has your department heard from?

**Ms Whittaker:** If you're asking if we have statistics on how many may be suffering financially, no, we don't have that kind of data. When an organization applies to us for grant funding, they do provide us with information about their financial situation. But we're not tracking the financial health of the sector as a whole.

**Mr. Barnes:** Okay. Have you ever talked to the minister about the financial health of the sector as a whole or even individual not-for-profits?

**Ms Whittaker:** We look at them individually when we're processing the grant applications and have discussions with the minister at that level, but no, we haven't had discussions at the sector level.

**Mr. Barnes:** Do you agree that the carbon tax is a hardship for a lot of these community not-for-profits?

**Ms Whittaker:** I don't really have an opinion on the carbon levy. I'm really here to answer factual questions about my ministry's mandate.

**Mr. Barnes:** Okay. Thank you for that.

Again on page 60 of the annual report the ministry's desired outcome is for Albertans to "enjoy improved health and wellness and strong communities through recreation, active living and sport," but, again, they are suffering under the load of the carbon tax, one example being Sundre's aquaplex getting hit hard, in excess of \$700 a month on carbon tax alone. Do you think your ministry can achieve its goal of fitness centres being a stronger part of Albertans' lives and Albertans' culture when we're all feeling the pinch and the hardship of the carbon tax so severely?

**Ms Whittaker:** Again, I think my response would be similar to the last time. We can only really focus on what we do to help recreational facilities and physical activity organizations. We do that through our grants to them for their projects and for their teams and for their coaching and for their operations. That's really what our focus is.

**Mr. Barnes:** Okay. Thank you.

Again, have you tracked and followed up on specific concerns and complaints from fitness and sports and recreation centres?

**Ms Whittaker:** No, we haven't.

**Mr. Barnes:** Okay. Thank you.

I can't remember if it was in 2012 or 2013 in the Legislature, but a Wildrose motion was passed and accepted that the government look into a tax credit system for the movie industry rather than the grant system. Are you aware of that, and has any follow-up, any analysis been done?

**Ms Whittaker:** When we reviewed the entire Alberta production grant program this past year, and it was changed to the screen-based production grant, the question at that time was whether it would continue as a grant or change to become a tax incentive, like you mentioned. The policy decision was made by the decision-makers that it would continue as a grant, and that's what we're administering now.

**Mr. Barnes:** Okay. Thank you.

Other jurisdictions like British Columbia, Ontario, and Quebec do use the tax credit system. Of course, it has the potential, you know, to be more picked up on a broad basis, and it also has the potential to enhance Alberta's competitiveness in the movie and film industry. Have you ever thought of those things or done any analysis on how our current grant system hurts or helps our competitiveness in the film industry?

**Ms Whittaker:** Yes, we have analyzed our program in comparison with other provinces, and yes, some of the other provinces have tax incentive programs. We were very focused when we were restructuring the program on making sure that there were caps placed on the program. Tax incentives tend to be open, and there aren't any caps on them, so the production companies spend the money and then the following tax year make their application for their tax incentive. So it's very difficult to put a cap on that. And because of oversubscription there's just kind of an endless demand from production companies for funds. We wanted to ensure that we had a cap and capped our spending at the \$45 million per year.

9:40

**Mr. Barnes:** Okay. Thank you.

Do you know where Alberta fits in comparison to other provinces? Are we the fourth- or fifth-biggest industry provider?

Thank you.

**The Chair:** Okay. Thank you, Mr. Barnes.

Ms McKittrick.

**Ms McKittrick:** Thank you, Chair. I for one have noticed a lot of tourists in Alberta. What's really pleasing to me is that I see a lot of French-speaking tourism through a lot of the efforts that have been made such as translating the tourism information.

I wanted to speak a little bit about the work that you've done on the Francophonie file as a ministry. As you can tell from my accent, this is something that is very close to me as a francophone. I know that many in Alberta are really pleased that the Ministry of Culture and Tourism recognized March as francophone month, so I wanted to thank you for that.

I have a question about the Francophone Secretariat. I noticed that the budget was increased in 2016-17, and I'm intrigued as to why that was. What is the money going towards?

**Ms Whittaker:** Thank you for the question. The increase in the secretariat's budget was as a result of additional funding from the federal government to support the first year of a three-year project to expand services within the provincial francophone parent link centre pilot project. That pilot is a three-year project from 2016 to 2019, where through this federal funding Children's Services and Culture and Tourism are collaborating to solidify two service hubs, one in Edmonton and one in Calgary, and to leverage existing community organization networks to offer more accessible early childhood services and parent supports in French across the province, including to many French newcomers. We have a lot of immigrants who are French speaking. The number of clients served under the pilot has almost doubled from 2016 to 2018. At the end of the pilot project the partners will evaluate the outcomes and determine the future of the services. That's where the additional funding went to in 2016-2017.

**Ms McKittrick:** I'm gathering that there is other federal money coming to the provincial budget around Culture and Tourism?

**Ms Whittaker:** Yes.

**Ms McKittrick:** I'm not sure if all of my colleagues are aware of that.

**Ms Whittaker:** Yes. We get some significant funding from the federal government for French services, and much of it is applied in the Education department for education in the school system in French. We're hoping that with our new French policy that just came into effect, we may be able to obtain even more federal funding to help us improve our services in French.

**Ms McKittrick:** Merci.

**The Chair:** Mr. Malkinson.

**Mr. Malkinson:** Thank you very much, Mr. Chair. You know, I have a few specific questions about the tourism portion of your department. I know we spend a lot of time talking about tourism in terms of the outside visitors we have coming in to experience all that this beautiful province has to offer, but I know that many Albertans, myself included, you know, skiing and going for drives out to Drumheller and other places, like to take in and seek out Alberta destinations. With that, I'm interested in the economic

impact that Albertans themselves have on our tourism industry. Do you have any stats or information on that?

**Ms Whittaker:** Yes, we do. The ministry uses a number of performance measures and indicators to evaluate the performance of the tourism industry. Total tourism expenditures and visitation are the widely accepted measures for looking at the size and the growth in the sector, and these measures are taken from Statistics Canada on an annual basis. They measure international travel, and they measure travel of residents of Canada. According to the most recent travel survey of residents of Canada, Albertans represented about 84 per cent of visits across the province, but they only generated 55 per cent of tourism expenditures in the province. While the percentage of visits has remained relatively consistent over recent years, the total spending by Albertans has dropped percentage-wise. It was 65 per cent in 2014. So it's the U.S. and overseas and the rest of Canada markets, actually, that are driving increases in total visitation and expenditures.

Travel Alberta does quite a bit of work to encourage Albertans to have stay-cations and to stay within the province. We're focusing also on improving tourism in rural areas to increase hotel stays and instill pride in travelling within Alberta for Albertans. We also in 2016-17 had 10 provincial visitor information centres providing trip-planning services, so that's sort of itinerary services for tours around Alberta.

**Mr. Malkinson:** Sounds good.

I know that a priority for our government when it comes to reconciliation is implementing the UN declaration on the rights of indigenous peoples. How are you tackling that work in Culture and Tourism?

**Ms Whittaker:** We have a dedicated indigenous tourism team that's available to support indigenous communities and indigenous entrepreneurs who are interested in starting tourism businesses. Targeted capacity growth includes access to capital, business development, tourism market readiness, and customer/visitor readiness. So we provide training on how to be ready for your tourism market.

We also support indigenous tourism entrepreneurs and operators through the Indigenous Tourism Association of Canada. This support is an opportunity for indigenous people to tell their stories. Tourists right now are very focused on experiential touring. They want to really experience the indigenous experience and stories, so there's an enormous opportunity there.

We are also supporting indigenous storylines at some of our attractions that are nonindigenous such as Fort Edmonton Park and Heritage Park. We're facilitating access to the tourism industry for indigenous artisans also. [A timer sounded]

**Mr. Malkinson:** I was going to ask how much time I had left, so that answers that.

**The Chair:** I'm going to say less than a second.

**Mr. Malkinson:** Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Malkinson.

We are going into the questions read into the record for a response. I would encourage members to make sure that they keep their questions to one question, not multiple questions packed into one. We have two minutes.

We can start. Mr. Hunter, you have a question?

**Mr. Hunter:** Thank you, Mr. Chair. My question, I guess, is anecdotal. Have you found that any of the nonprofits have asked for an increase in grants due to the carbon tax?

**Dr. Turner:** How are you recognizing and celebrating the significant contributions of individuals, organizations, and municipalities to the protection, preservation, and promotion of Alberta's heritage?

**The Chair:** Thank you, Dr. Turner.  
Mr. Barnes.

**Mr. Barnes:** Thank you, Mr. Chair. I'm just wondering about the tourism monies, the levy that's collected. I'm wondering if the department has any process for trying to put similar amounts of money back into the regions that they came from? I understand there are some regions like the Peace region where it seems like considerably more is collected than goes back into the area. Is there a process?

Thank you.

9:50

**The Chair:** Thank you, Mr. Barnes.  
Mr. Orr, you have a question?

**Mr. Orr:** Yes, please. Thank you. My question is with regard to the timeliness of the delivery of grant funding. There have been a number of nonprofits who received the grant funding late over the last year. I'm wondering if you can explain what happened there, specifically with regard to the Alberta rural tourism conference. I understand their grant funding was late. It made it difficult for them to function. So if you could give us some answers as to what's happening in terms of the timeliness of funding.

**The Chair:** Thank you, Mr. Orr.  
Mr. Nielsen

**Mr. Nielsen:** Thank you, Mr. Chair. The total budget for the recreation and physical activity project grant program is \$28.3 million. Can you tell us how this is being spent and if the measuring of its performance is being done as well?

**Mr. Gotfried:** As 2018 is the Canada-China Year of Tourism, I'd like to hear specifically from your department on what the initiatives and expenditures and outreach will be to ensure that we take full advantage of that.

**Ms Miller:** Could we get some clarification on the employment and GDP numbers considering it's been reported that they're up, what the numbers actually are?

**Ms Whittaker:** In relation to?

**Ms Miller:** To the GDP and employment numbers for tourism.

**The Chair:** Okay. Mr. Malkinson, did you have a final question?

**Mr. Malkinson:** Yes, I did. Your report mentions Open Farm Days. My question was related to, just a statistical question, 2016-17. The question was: how many people attended those events in 2016-17, and was there an increase in visits and sales to go with it? I'm just looking for numbers on that one.

**The Chair:** Thank you, Mr. Malkinson.

I'd like to thank the ministry officials who attended today and responded to the committee's questions. I would ask that the responses to outstanding questions from today's meeting be provided in writing and forwarded to the committee clerk within 30 days.

Other business. I wish to note for the record the following written responses received with respect to questions outstanding from previous meetings: Labour on November 7, 2017; Municipal Affairs, November 14, 2017; Indigenous Relations, November 28, 2017; Seniors and Housing, December 5, 2017; Treasury Board and Finance, Public Service Commission, December 12, 2017. In keeping with the usual practice of the committee, these documents will also be posted to the external committee website.

I also want to draw to the members' attention that there are draft committee reports for 2016-2017 which have been posted on the internal committee website for members' review prior to our next meeting.

Are there any additional items for discussion under other business?

If not, the date of the next meeting. The committee will meet on Tuesday, March 20, with the Ministry of Environment and Parks, the Science Advisory Panel, the Professional Outfitters Society. The committee meeting is scheduled from 8:30 a.m. to 10 a.m., and the premeeting briefing will be at 8 a.m.

Would a member move to adjourn this meeting? Mr. Malkinson. All in favour? Any opposed? Carried.

Thank you very much.

[The committee adjourned at 9:53 a.m.]











