



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Culture and Tourism
Consideration of Main Estimates

Wednesday, May 11, 2016
3:30 p.m.

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**Legislative Assembly of Alberta
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Second Session**

Standing Committee on Alberta's Economic Future

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Schneider, David A., Little Bow (W), Deputy Chair

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Connolly, Michael R.D., Calgary-Hawkwood (ND)
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Standing Committee on Alberta's Economic Future

Participant

Ministry of Culture and Tourism
Hon. Ricardo Miranda, Minister

3:30 p.m.

Wednesday, May 11, 2016

[Mr. Sucha in the chair]

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

The Chair: All right. Good afternoon, everyone. I'd like to call this 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, 2017.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce the staff that are joining you at the table.

But first I'd like to note for the record that Mr. Rodney is an official substitute for Ms Jansen and that Dr. Starke is an official substitute for Mr. Gotfried.

I am Graham Sucha, MLA for Calgary-Shaw and chair of this committee.

Mr. Schneider: Dave Schneider, MLA for Little Bow and vice-chair.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake.

Mr. Taylor: Wes Taylor, MLA, Battle River-Wainwright.

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

Mr. Panda: Prasad Panda, MLA, Calgary-Foothills.

Miranda: Ricardo Miranda. I'm joined today by Acting Deputy Minister Chris Heseltine along with members of the senior leadership team, including Brian Fischer and Carol Moerth. Supporting us are Roger Kramers, Yvette Ng, Cindie LeBlanc, David Middagh, and Beryl Cullum.

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

Mr. Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Mr. S. Anderson: Hello, Chair. I am Shaye Anderson from Leduc-Beaumont.

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

Mr. Carson: Jon Carson, Edmonton-Meadowlark.

Ms Fitzpatrick: Maria Fitzpatrick, MLA, Lethbridge-East.

Mrs. Schreiner: Kim Schreiner, MLA, Red Deer-North.

Mr. Coolahan: Craig Coolahan, MLA, Calgary-Klein.

The Chair: I also note for the record that Dr. Starke has joined the committee, the Member for Vermilion-Lloydminster.

Dr. Starke: Thank you, Chair.

The Chair: No problem.

Please note that microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and not placed on the table 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 exceeding 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, 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 following 20 minutes private members of the government caucus and the minister may speak. 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. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined.

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 for consideration of 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 of the meeting; however, the three-hour clock will continue to run. Is anyone opposed to having a break?

Dr. Starke: Mr. Chair, I'm opposed.

The Chair: All right. That is noted, so we will be omitting the break.

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

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery area. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. However, 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 6:30 p.m.

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

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

Again I will remind all participants to address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on May 17, 2016.

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 May 17, 2016. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of amendments must be provided at the meeting for committee members and their staff.

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

Miranda: Thank you, Chair. Hon. members, I am pleased to be with you today to present the details of Budget 2016. As I mentioned earlier, joining me today is Acting Deputy Minister Chris Heseltine along with members of my senior leadership team, including Brian Fischer and Carol Moerth. Supporting us are Roger Kramers, Yvette Ng, Cindie LeBlanc, David Middagh, and Beryl Cullum. These individuals have played a critical role in developing a prudent, thoughtful plan that not only addresses the serious fiscal challenges facing our province but does so in a manner that ensures that Alberta's Culture and Tourism stakeholders have the support they need to continue to deliver the programs and services that matter to Albertans and that represent a key component of the Alberta jobs plan and our strategy to diversify and strengthen the economy.

Alberta Culture and Tourism's total 2016-17 budget, including operating and capital investment spending, is \$342.3 million. Overall, Budget 2016 represents a decrease of \$2.7 million from the 2015-16 budget while providing \$339.6 million in operational funding for ministry programs and services and \$2.7 million for capital expenditures. Through thoughtful investment Budget 2016 continues to provide funding supports so that our sector partners can continue vital community, cultural, and social programming while creating new economic opportunities and jobs for Albertans.

At the heart of our communities are the individuals and organizations that make up our province's nonprofit, voluntary sector. Ours is a plan that will help the sector in their efforts to support local community development by identifying and responding proactively to the needs of Albertans. Employing more than 175,000 Albertans in the delivery of social, cultural, and recreational programs and services, the nonprofit sector not only enhances the quality of life of all Albertans but is an important contributor to the provincial economy. Matching grants available through our community grants program will continue to allow nonprofit organizations to leverage funds raised from individual donations and corporate sponsorship.

Budget 2016 allocates \$24.6 million to the community initiatives program to assist nonprofits in the delivery of community-based programs and services ranging from front-line support to assist our most vulnerable citizens to the hosting of cultural and sporting events, that generate spinoff businesses for local retailers and create new opportunities within the local and provincial economies.

Recognizing this economic impact, Budget 2016 maintains the major fairs program funding of \$15.3 million to support the program initiatives of the Calgary Stampede and Edmonton Northlands, two major tourism draws in our province.

Funding of \$38 million for the community facility enhancement program will be maintained in Budget 2016 to help address the infrastructure needs of local nonprofits.

Funding for the other initiatives program will be maintained at \$2.1 million to support worthwhile Alberta projects that fall outside the criteria set by the CFEP and CIP grants.

Our government will continue to maintain the charitable tax credit as a means to further encourage Albertans who are able to do so to support their favourite registered charity.

Our government recognizes the important contribution of Alberta's artists and arts organizations and the potential of the arts sector to support a more diversified Alberta economy. In light of fiscal realities, however, our priority must be in providing core services such as health care and education to Albertans. As such, an increase to the Alberta Foundation for the Arts funding, that was included in the election platform, will be delayed until there is sufficient improvement in the province's finances. Budget 2016 provides \$26.6 million in funding to the AFA and maintains Alberta's place among the leaders in provincial per capita funding for the arts. I should note that the funding decrease of \$65,000 noted within the budget information represents a transfer of responsibility for the funding of CKUA from the AFA to the department, which took place on April 1.

3:40

By employing the same innovation and creativity that has become the hallmark of Alberta's arts community, we can continue to grow the success of the sector into the future. Creativity and innovation are seen in our province's cultural industry sector. Investment of approximately \$140 million by the government of Alberta has resulted in roughly \$500 million in direct spending in Alberta over the last five years by productions supported through the Alberta production grant. With more than 3,000 Albertans employed in the film and television industry and with a 6 to 1 ratio of return on investment through the Alberta production grant, film and screen-based production represents incredible potential for increased economic diversification and opportunity to showcase Alberta and Alberta's culture.

Budget 2016 provides \$37 million in support to the Alberta media fund, representing an increase of \$265,000, to allow us to address previous funding commitments and help us sustain momentum in a sector that will help us achieve our goal of economic growth and diversification. We are also following through on reinvestment in mentorship and training as well as efforts to attract investments and support trade development with two pilot projects that will help stimulate growth in this sector. These initiatives have been developed in concert with Economic Development and Trade, and we are continuing to work with our EDT colleagues and industry stakeholders to identify opportunities that meet the needs of the sector while at the same time providing the best possible returns on investment.

In order to realize the full potential of the sector, we are continuing work on our cultural industries action plan. Working closely with Economic Development and Trade, this strategy will help the development of programs and initiatives that will contribute to the growth and sustainability of the book, magazine, music, and film and television industries while at the same time enhancing job creation and diversifying the economy.

In terms of tourism, by providing marketing and development support that is amongst the highest in Canada, Budget 2016 and the Alberta jobs plan will help our partners in the tourism sector take full advantage of the increased visitation resulting from the lower Canadian dollar. Tourism is a pillar of the provincial economy, generating over \$8 billion in annual visitor spending, employing 127,000 people province-wide, and supporting over 19,000 small and medium-sized businesses in 2013. A total budget allocation of \$62 million includes \$49.5 million to support tourism marketing through Travel Alberta and \$11.5 million for industry development through the tourism division in my ministry. Our Alberta jobs plan will help us to sustain and capitalize on this

momentum by making the kinds of investments that will help to create jobs for Albertans now and to grow the economic impact of the sector into the future.

Our commitment to invest in world-class tourism infrastructure and facilities is seen in support for projects like the panda exhibit at the Calgary Zoo, Fort Edmonton Park's indigenous peoples exhibit, and the expansion of the Royal Tyrrell Museum. These projects will provide affordable, engaging, and educational opportunities for families right here in Alberta, help to attract more visitors to our province, and enhance our reputation at home and abroad, made all the more timely as we get set to welcome even more visitors from China, the world's largest outbound tourism market and the world's second-largest economy. Combined with our provincial parks, leading attractions, and the world-class cultural and sporting events, these projects will help grow and diversify our tourism offerings.

As you can clearly see, Budget 2016 has a strong focus on the economy and creating jobs, and there are a number of new business programs that will help us encourage new growth in the tourism and cultural industry sectors; for example, an Alberta investor tax credit that will provide support for start-up entrepreneurs and small businesses, a capital investment tax credit with a lowered minimum investment to make it more accessible, and other grant programs that will soon emerge to support tourism development initiatives in regions and communities across the province that are looking to create or expand projects and grow visitation.

Our focus on job creation and economic diversification, as articulated in the Alberta jobs creation plan, is a thread that runs through our fiscal plan and that binds the operations of my ministry and this government together in a concerted effort to get Alberta working and keep Alberta growing.

These efforts will be further supported through funding of \$55.5 million to help ensure the continued success of our museums, archives, and historic resources. This includes an additional \$835,000 to ensure a successful transition to the opening of the new Royal Alberta Museum, an amazing new facility that will attract visitors from across Canada and around the world. Albertans are sharing their pride in our rich history through the preservation and protection of Alberta's heritage, building pride in our communities and creating new economic opportunities.

The Chair: I hesitate to interrupt, Minister, but your 10 minutes have expired.

For the hour that follows, the members of the Official Opposition may speak. Would you like me to set the timer for 20-minute intervals so that you're aware of the time?

Mr. Orr: No. That's okay.

The Chair: Okay. Would you like to go back and forth with the minister?

Mr. Orr: Please, if that's appropriate with you?

Miranda: Absolutely.

The Chair: Please proceed.

Mr. Orr: Okay. Thank you. I think that first I do need to recognize the people of Fort McMurray. It truly is a difficult time for them, yet it's amazing. We get to celebrate the volunteers that have already jumped forward. I can't help but notice that that is part of Culture and Tourism. The volunteers have done amazing things already. I know you already have thoughts about how to help support them in that, too, so that's good.

Also, I'd like to thank all the staff who, I know, have put a great deal of time into preparing for today. In difficult financial times it's tough to look for where you can keep costs in line, so my thanks to staff.

I do want to say that our goal as an opposition would be to see stable and sustainable government while we all wrestle with the challenges of controlling spending and migrating toward a balanced budget.

One further opening comment. As I've discussed with the minister before, I appreciate the opportunity to meet with the various cultural departments. It does cover a very large footprint, a lot of different groups, individuals, organizations, associations. Having the opportunity to meet with them helps me to understand their mandate, their goals, their struggles, their limitations. In the opposition role I think it's important to understand those so that we can actually be helpful, that we don't fulfill our role of critic in ways that are unfair or unhelpful. So I would appreciate any further opportunity to continue to engage with them when those opportunities come.

Anyway, let's begin. A couple of just general questions. In the estimates, page 55, last year's budget, before the adjustments for this year, was \$301 million. This year the amount we're voting on is \$316 million. I'm just wondering if you could elaborate. What programs did the Ministry of Culture and Tourism take on or what changes occurred to raise that by \$15 million this year?

Miranda: First of all, I want to echo the amazing work that the volunteers in this province are doing. I think it's outstanding.

In terms of the increase, as you may be aware, we had a transfer of the major fairs programs into the Ministry of Culture and Tourism. They used to be in Agriculture before. Now Northlands and the Calgary Stampede were transferred into Culture and Tourism. That is reflected as an increase in the budget as well because, of course, with that comes the funding that is allocated to them. For example, the specific amount for the fairs is \$15,348,000. That also is now reflected, and that's why you will see an increase from the previous year.

Mr. Orr: Okay. Basically, then, the \$15 million is reflected pretty much by those transfers in?

Miranda: For the most part, absolutely. There were some changes from last year. I could highlight those.

3:50

Mr. Orr: No. I think that's okay.

To follow up on a little bit of a different angle on that, though, do you feel there were some efficiencies by transferring those into Culture and Tourism from where they were in Agriculture? Was there anything gained?

Miranda: I think they actually fit really well with Culture and Tourism, specifically when we're talking about growing the tourism sector and incorporating rural Alberta and having all those connections with rural Alberta. I think tourism itself is a perfect opportunity to highlight that. The grant program, specifically, was originally administered by Culture and Tourism and was actually transferred to Agriculture and Forestry in 2011.

Mr. Orr: Just to be clear, do you feel like there were any financial efficiencies gained doing that, or is it more of a philosophical switch?

Miranda: I think it's more strategic because they are such a very important part of tourism and they attract so many visitors. So it just made sense to bring them back to Culture and Tourism.

Mr. Orr: Yeah. So from the forecast column for 2015-16, you actually have saved \$3 million, roughly. Is that not something you could have maybe seen carried forward into the next year as well?

Miranda: Which page are you talking about? I'm sorry.

Mr. Orr: On page 49 the forecast on expense for 2015-16 has two columns, budget and forecast. Under forecast you've saved \$3 million, roughly. I am just wondering if that might have been saved in 2016-17 as well.

Miranda: Well, like every department, every ministry was asked to look at their budgets and make sure that we could find efficiencies. The ministry did that. You know, we are using all available monies to support the services that Albertans are depending on. We have realized savings by ensuring that we're looking at salaries, service, supplies and trying to, as best we can, become a more lean and efficient ministry, one that, I would say, is already efficient, to be honest with you.

Mr. Orr: Thank you. That's good.

So along that line, estimates line 1.3 is the only line in that section that actually increased, for human resources.

Miranda: Right.

Mr. Orr: How many people were added and in what roles?

Miranda: Sure. As you know, this ministry was split and actually combined to be run by one ministry, so two offices are running out of the same ministry. So now having split that, we had to increase the number of staff and people that are going to support us in that work. To answer your question specifically, it was one full-time equivalent that was increased in the budget.

Mr. Orr: Okay. Does any of that have anything to do with overseeing the ministry's ABCs?

Miranda: No. None of that. It's just that basically when we had, you know, a new office and people having to split . . .

Mr. Orr: I understand that, yeah. I got it. Good.

Line 1.4 of the estimates has an amount there for communications. I've always struggled a little bit with the fact that there is communications in every single department of the government and that they also have a central communications department. I guess I question: does the ministry really need 10 per cent of that budget to provide what might be in some ways a redundant service?

Miranda: I will be honest with you. I can tell you that with the specialized services that are in this particular ministry – there are so many different areas that require a little bit of specialized knowledge – with our ability to communicate with stakeholders and have all that information be part of it, I do believe that it is actually very useful for us in order to establish those. It provides strategic internal and external communications counsel to the office. It gives us an ability to keep current with all the different issues and, you know, trends that are coming up without necessarily having to expand and having to go to different places to find the information.

So it's actually very useful. I've actually relied on them to provide me with a good sense of where things are, a good sense of the trends that are emerging and what have you and, again, also facilitating communication with stakeholders, you know, which is very useful to have.

Mr. Orr: Okay. Where in the budget would I find the budgeted amounts for the Premier's Council on Culture?

Miranda: The Premier's Council on Culture would be under line 1.5, corporate services.

Mr. Orr: Can you identify how much the cost for maintaining the council is?

Miranda: The ABC reviews were done, and it will be \$100,000 to maintain the council.

Mr. Orr: The Premier's council?

Miranda: Yeah.

Mr. Orr: Okay. Can you identify when they last met? Are there any initiatives in a report? I guess I'm asking: what value are our taxpayers getting from the Premier's council at this time?

Miranda: As you know, we did a review of ABCs so that we could strategically go in and see what benefits they provide, the value that they have in size and overall cost. As a result we have actually been able to save \$100,000. You know, when it comes to having the Premier's Council on Culture, it will be able to give us a bit more of a handle on the priorities based on sector advice, and then it will continue to achieve the plan that we have going forward. And it is actually a very good way to solicit direct feedback.

Mr. Orr: Do they meet on a regular basis?

Miranda: Can you just give me one second?
They do meet quarterly

Mr. Orr: Okay. I appreciate that.

Travel expenses within the ministry: what line item would that be under?

Miranda: Well, they are all over in here.

Mr. Orr: Okay. So they're spread around?

Miranda: Yeah. They are spread around because – can I give you an example?

Mr. Orr: Please.

Miranda: For example, with museums we have highly specialized PhD, doctorates, who will go, let's say, to a conference. They would require travel for that, right? The same situation would be for tourism. They would have the ability to go to conferences or learning opportunities. Travel comes through the ministry, and it's approved before they go.

Mr. Orr: Do you keep any kind of a consolidated total of what that is costing your overall budget?

Miranda: What I have received is a plan for the year, and it tells me how much travel there is planned. They'll give me, for example, the reasons why they're going, how much it will cost for the airline, hotels, registration, and what have you. Most often these are learning opportunities to go to conventions. So I'm able to keep track of those as the year progresses. Other opportunities may show up that were not included in that, so then we would just take it into account. But there is a yearly plan.

Mr. Orr: So is that a figure that you could table or provide to us later?

Miranda: I think it should be available soon, and then I'll table it, of course, in the Legislature for the benefit of all members.

Mr. Orr: Okay. I appreciate that. Thank you.

Along the same vein, is the ministry sending delegations to some of the larger culture and tourism trade shows, particularly maybe the American ones? I know there are some big ones there.

Miranda: I actually went to one very recently. There was one in Montreal, RVC, Rendez-vous Canada, where you have people from all over the world come in and participate in buying and selling tourism products, which is fantastic. So we do have delegations for that.

Mr. Orr: Are you doing any of the American ones?

Miranda: I haven't personally, but I know that Travel Alberta has a strategy, so we can get that information for you if you'd like.

Mr. Orr: Thank you. I think it's valuable.

When not just culture ministers but ministers generally from the government are on delegations to other countries, is there a plan or a budget to bring culture-related delegates or to promote Alberta Culture and Tourism on those junkets, if I can use that word?

Miranda: I can only speak for my ministry. I can tell you that, as any other minister, I would have to present a case for actually why . . .

Mr. Orr: I guess I'm suggesting that you should sell it to them.

Miranda: Absolutely. Honestly, I can see the benefit because with . . .

Mr. Orr: I would see that as part of your role.

Miranda: Yeah. Well, there will be no shortage of that.

Mr. Orr: Okay. I guess a related question: is there a Culture and Tourism – I don't know – presence at any of the international trade offices that are maintained by the government around the world?

Miranda: I can tell you that within China, being one of our target markets and destinations right now, we do have people from Travel Alberta who work out of the Destination Canada offices as well, which are part of the trade missions from the federal government. So there are opportunities for – yeah, with the partnership as well with Economic Development and Trade, they also participate in delegations and are part of the embassies and missions around the world.

4:00

Mr. Orr: Okay. According to alberta.ca, on the sole-source contract disclosure site, Culture and Tourism has had 46 sole-source contracts in the 2015-16 fiscal year. Those sole-source contracts add up to over \$3 million. Could you explain that for me?

Miranda: Okay. Most of them are because of museums, friends of museums, for example. The smaller centres would actually have the ability. That's where the sole sources are being done.

Mr. Orr: I don't quite follow you. Museums are providing services, or you're providing services to them?

Miranda: Friends-of organizations, nonprofits, are the ones who are providing the services in rural areas. Because they're much more central, I should say, much more unique in where they are, there's not a lot of opportunity to go elsewhere for museums.

Mr. Orr: Okay. So because of the rural nature, that is why they're not tendered. That is what I'm hearing you say. Is that correct?

Miranda: Let me get back you. I want to check before I answer that question. I just want to get a little bit more information.

Mr. Orr: I guess that in that regard there are a couple of those contracts that are close to half a million dollars in a single one, and they're identified as for interpretive services. Can you detail that one a little bit, please?

Miranda: Yes. My understanding is that these are all okayed by trade agreements that are taking place, so some of these are part of that. These are ones providing services such as visitor services, interpretive and highly specialized services.

Mr. Orr: Why should they not be tendered, especially when they're half a million dollars? That's pretty substantial.

Miranda: These are nonprofit organizations. That's why it's going to them, as a way to basically elicit specialized services from them.

Mr. Orr: Okay. I appreciate the answer. Thank you.

Estimates line 1.5: can you explain what that encompasses, just a brief summary for me? It's corporate services.

Miranda: Right. Here we have: directs, plans, and co-ordinates the ministry's strategic support services in areas of financial services; policy, planning, and legislative services; information management and technology services.

Mr. Orr: Okay. Within that subject area Service Alberta said at their estimates that they are moving toward consolidating IT departments sort of across all systems for all ministries. Will this department see savings from some of those initiatives, and is Service Alberta co-ordinating with Culture and Tourism for IT services and information services?

Miranda: My understanding is yes, and actually we will be actualizing \$300,000 in savings by doing so.

Mr. Orr: Okay. That's what I wanted to ask next. Thank you.

In section 2 from the estimates, community and volunteers, could you outline for me what community engagement in line 2.2 involves?

Miranda: It provides facilitation, consultation, and skill development services to develop capacity in addressing community needs; provides leadership on nonprofit, voluntary sector issues to support Alberta's quality of life, including leading the Alberta nonprofit, voluntary sector initiative; and leads research and planning to support branch activities.

Mr. Orr: Okay. Thank you.

Line 2.7 we've already talked about. The major fairs program shifted from agriculture. Did you say already how much was saved from that? I don't think we had a dollar figure, did we?

Miranda: I don't think there were any savings. Basically, the program was transferred from one to the other.

Mr. Orr: Okay. It was strategic. Thank you.

Miranda: Strategic, yes.

Mr. Orr: We did talk about it, but I do have a question on that. How do you determine which fairs are major fairs? Obviously, there

are various levels of size and influence there, and not all fairs are included here.

Miranda: Absolutely. My understanding is that these have had their beginnings by having monies allocated to them from the lottery fund. They were part of government, I guess, events or festivals, so they just became part of the government in that regard. They had such a huge economic impact that, basically, they stayed within government so that you could continue to promote them and support them.

Mr. Orr: I understand the need to sort of get them going in the early days. There are pretty high-level financial managers running those things these days. Do you think that they're to the point where they really don't need that funding?

Miranda: You know, I think that the question is very pertinent. I think, however, that with the amount of tourism that they generate and the amount of revenue that comes from them, it is actually in our interest to ensure that they have all the things that they need in order to succeed and continue their continued growth and success. In the case of the Calgary Stampede, for example, when you think of Calgary, you think of the Calgary Stampede. It's one and the same in many respects in the minds of many people. So I think their benefit to the province justifies the investment.

The other one, of course, is that both organizations are producing and facilitating events which have strong cultural and community connections. The Stampede, for example, will have, you know, the Young Canadians and actually provides ongoing education throughout the year to different schools in the city. Northlands, for example, as you know, has just opened their doors to thousands of evacuees from Fort McMurray. They do provide a service that goes beyond just the fairs during either K Days or Stampede days, so for that reason alone I think they provide a service to the province, and that is the reason why we would keep them in the budget and support them.

Mr. Orr: As you mentioned, Northlands has been taken over by the ministry. Simultaneously, horse racing at Northlands is coming to an end. It seems simultaneous, anyway. Since horse racing provided funds to Alberta sports, I believe, through the lottery fund, is the loss of revenue from this program going to impact sports in any way in Alberta?

Miranda: Specifically, horse racing was in a different ministry. It wasn't actually in Culture and Tourism.

Mr. Orr: That's true.

Miranda: So the revenues were not tied to one another in that respect.

Mr. Orr: Okay. That clarifies that for me, yeah.

Will there be any lost revenue to sports, then? No, there won't be – will there? – because of Northlands.

Miranda: I can't comment on that because I have not actually dealt with that particular issue myself.

Mr. Orr: Yeah. The next question I don't need to ask because I know the answer already.

Just briefly, the media fund, section 3. In section 3 the media fund is the only one to see an increase.

Miranda: That's right.

Mr. Orr: I recognize the value of the media fund, but, I guess, why the increase?

Miranda: The increase was actually to meet previous commitments that we had within the ministry to the media fund itself. There's a total of \$37 million in the Alberta media fund. You know, it provides the kind of revenue in return on investment that is quite substantive. It's a 1 to 6 return on investment. I do believe that we have an opportunity here to see more diversification, and it's a great opportunity for Alberta to continue. We also had \$65,000 for CKUA transferred into it.

Mr. Orr: Oh. That's included in there? Okay.

Miranda: Yeah. That's right. There are two things: the \$265,000 for previous commitments that we had through the media fund and the CKUA transfer.

4:10

Mr. Orr: Last year at estimates – sorry; it was a previous minister – we had asked the question about whether or not the government would consider moving the media fund from grants to a tax credit system. What's your position on that one?

Miranda: There are so many different opportunities that I've had to meet with stakeholders, many of whom see the benefit in that. There are many, many, many things to consider. There are, in my opinion, increased opportunities. At this time the finances don't permit us because it would require a much more substantive investment on our part. We do require an expanding media fund, really, in order to actually have the kind of results that we would want.

Mr. Orr: Any idea what percentage of grant requests, if I can put it that way, you're actually able to fill?

Miranda: Well, I can tell you that it would be an endless number, to be fair, because we have some movies that can go into the \$600 million range – right? – and everything in between. Giving those kinds of projects a tax credit as opposed to having a grant with a cap would actually require a lot more money than what we have right now. It would be substantive. I would hope that one day, when we have that kind of money in the budget, we could seriously consider that.

Mr. Orr: Okay. In section 5, heritage, can you explain why the Royal Tyrrell and the Alberta museum have their own line items in relation to all the other museums around?

Miranda: I'm sorry. Which ones? The Royal Tyrrell and the Royal Alberta Museum?

Mr. Orr: The Royal Alberta Museum, yeah.

Miranda: Well, the Royal Alberta Museum has additional funds because, as you know, it's going to be the largest one in western Canada. It's double the size of its previous site. With the increase in size, we've allocated six new full-time equivalent positions specifically to deal with the new venue, which is, like I said, going to be substantially larger.

For the Royal Tyrrell Museum, I believe it does stay the same. There has not been any increase. Again, it's just the size of the venue itself – right? – in the amount of money that it receives directly from the government.

Mr. Orr: Then line 5.4, other museums. I guess a small percentage goes to many of the other museums around the province, or are those grants that they apply for?

Miranda: Well, they go to museums throughout the province, specifically. There are about 18 sites that we have: Grande Prairie, Wetaskiwin. Everywhere in the province where there is a historic museum that has ties to the province, they will receive money from us.

Mr. Orr: Okay. Still with regard to history and heritage, on page 52, line 5, you identify environmental liability. What environmental liability are we dealing with at those sites?

Miranda: Okay. We are dealing with the Turner Valley gas and Greenhill mine cleanup.

Mr. Orr: Okay. I wondered.

Has there been a solid estimate on that? I mean, those cleanups can be horrendously expensive.

Miranda: We do have an obligation as well, at the end of the day, as a province to ensure that those sites are cleaned. This is the budget that we are proposing. Like with everything else, we will be keeping an eye on the costs to make sure that we are trying to do it in the most cost-efficient way, but at the end of the day we need to have the line budget in order to ensure that the money is allocated. We are in fact working with Infrastructure and environmental protection to determine the ongoing costs and ultimately make a more accurate estimation on the final cost.

Mr. Orr: Is it fair to assume that if that site is being cleaned up, the long-term plan will be, in fact, to develop it more as a tourist location, as has sort of been on the burner for a quite a few years?

Miranda: Yeah. You know, I won't speculate because it takes a lot of different things coming together in order to develop a tourism destination. You have to have people on the ground that are willing to do the work and take that on. Then, of course, whenever those things happen, we send people from our ministry to develop the tourist destinations and do whatever. So I won't speculate at this time, but of course if the situation at one point presents itself where the site is clean and there are people willing to do the work, then of course we will be willing to have the conversation, to sit down and see what they have to say.

Mr. Orr: Okay. Let's talk about sports a little bit here: sports, rec, physical activity. A number of questions there, I guess. I've run across a discrepancy that I need to understand a little bit. According to provincial budgets Alberta has the third-highest expenditure on recreational activities, but several of the sports associations have pointed out that from their point of view Alberta funds their sports the least out of every province in Canada. They say that the next lowest province spends twice as much as Alberta spends on sports. In your interpretation does that seem true? Does that seem correct? How do you read that one?

Miranda: You know, when I look at the incredible work that Alberta Sport Connection is doing, reaching out and creating amateur sports and reaching out and talking to the different organizations and the incredible work that they do, I think they do very productive and responsive work.

Mr. Orr: I mean, I think Alberta Sport Connection seems to be well funded. I guess the issue is: how much of that is trickling down to

all of the 80-some sports associations in the province that feel like they're being overlooked? Maybe that money isn't getting to the "front lines," if I can use those words.

Miranda: Sure. But I wanted to just clarify one point. Alberta is the least funded in recreation and about fifth when it comes to sport in relation to other jurisdictions.

Mr. Orr: Okay. Well, that helps clarify that.

Miranda: Thank you.

Yes. I have not had that feedback directly to me. I've had the opportunity to meet with Alberta Sport Connection and hear about the kinds of things that they are doing for sports in Alberta. It provides \$29.3 million overall in support to sports and recreation activities around the province. Direct funding has been reduced by \$300,000 for programs through Alberta Sport Connection. The program support for Alberta Sport Connection does continue, and \$8 million specifically goes directly to associations around the province.

Mr. Orr: Okay. I guess the question for you to wrestle with, and this is maybe more a ministry question to work with, quite frankly, is: why do these organizations feel like they're being overlooked or underfunded? I don't know that you'll be able to answer that right now.

Miranda: Well, you know, I think we're doing an incredible amount of good work, and I am proud of the work that the Alberta Sport Connection is doing, to be frank. They've stepped up in many respects. Just recently with Fort McMurray they were able to come up with 2,000 cots that they were able to bring to Northlands, so they do a lot of good work, I think. They were part of an independent review when we did the ABC review, because they are the largest one in the ministry, and the recommendations that came back indicated that they were doing a very good job in the governance piece. There were no recommendations, exactly, to disband them or to change them in any way.

You know, as with anything I'm sure that there are different opinions when it comes to how much money any organization should get, but this is the budget that we have to work with. This is the budget that we've given to them, and they have to make the best decisions based on that. We can always do more, of course.

Mr. Orr: Thank you.

Is it possible to get a breakdown on your comment before about the amount spent on recreation versus the sports? I think that would be helpful for us to understand.

Miranda: Sure. We will have that ready, and I will table it for you.

4:20

Mr. Orr: Okay. Sports is a priority for this ministry as seen on page 20 of the business plan. Compared to other provinces, how are we actually going about encouraging Albertans to engage in sports and to be physically engaged in life, I guess?

Miranda: Well, when we're talking about sports, it's incredibly important, especially when it comes to childhood development – right? – and getting kids moving and healthy and what have you. According to a Stats Canada survey Albertans spend the most money per capita on recreational goods and services. So it means we are, you know, having a very good engagement when it comes to recreation activities, purchase of recreation equipment. In a recent analysis of cross-Canada spending on recreation and

physical activity as well as sport Alberta ranks ninth of the 10 provinces in spending on recreation and physical activity.

We're seeing, basically, especially when it comes to sport – I've had the opportunity to go to a few of the sporting events around the province, and I see that Albertans are engaged, the Medicine Hat games being an example. Soon that will be in Leduc.

We are going to continue working with the Alberta sport action plan, which is being led by Alberta Sport Connection. You know, the objective of that is to become much more of a leader in this area.

We are also doing a partnership with Alberta Recreation and Parks Association to develop a three-year action plan, which is going to be outlining strategic activities that are being taken through the municipal recreation engagement strategy, which targets municipalities to be the primary public providers of direct recreation services. It has undertaken work over the past few years to engage these municipalities through a series of events and provide direction for the municipal recreation engagement strategy, which supports, basically, all of the other things.

Mr. Orr: Okay. Thanks. That's good.

Again along that line, performance measure 1(f) on page 22 of the business plan shows that you're not actually setting goals to encourage more people to be active currently. Is there a reason there are not goals there and should there be?

Miranda: Well, the rationale for the target itself is that it targets all age groups, which have been established based around the last actual results and trends that are observed in recent years. For most age groups the targets are higher than the average result over the last five years. For those the age of 65 and over the target has been set around the last actual due to the high results observed in 2013, which inflated the average. All of this is going to talk about the levels of physical activity for all age groups, potentially increasing individual activity levels.

Mr. Orr: But if there were goals set in that target area, wouldn't it – I don't know – incentivize more progress in that area so that we reduce some of the strain on our health care system and those kinds of things? I think we need performance measures in that area is what I'm asking.

Miranda: Well, I would say, initially, that when it comes to the business plan that we have in front of us today, it's one where we have specifically put in a reduced number of targets and, I guess, condensed the number of strategies that we want to achieve. I get what you're saying, but it allows us an ability to be focused specifically on quality-of-life issues as well as economic diversification, which is really one of the main visions of the ministry overall.

Mr. Orr: Yeah. Okay. Thank you.

Let's move on to section 7, tourism. How are visitor centres in Alberta funded?

Miranda: Visitor centres?

Mr. Orr: Tourism visitor centres.

Miranda: Just give me one second. Okay. Infrastructure currently owns 10 of them, and then the ministry operates them. Yeah, 10 provincial.

Mr. Orr: Those 10 the ministry would operate?

Miranda: Yes.

Mr. Orr: Okay. And the others across the province?

Miranda: They are training. Give me one second. Okay. For the other ones we provide training materials and tools in order to operate them, but we don't operate them directly.

Mr. Orr: Okay. How much is tourism expected to decrease in this next year considering the current economic situation in Alberta, and what effect will this have on revenue?

Miranda: Actually, it's the contrary. We have seen that tourism is the one very good spot in the economy right now. We've seen an uptake in visitation. We are going to have flights that are increasing to the province. So we're not actually expecting tourism to decrease to the province, to be fair.

Mr. Orr: I ask the question because on pages 57 and 58, statements of operations, under revenue from fees and those kinds of things it actually shows a decrease. So if there's an increase in tourism and an increase in gate traffic, why is the revenue from premiums, fees, and licences on both of those pages actually falling, not increasing?

Miranda: Excuse me. Can you ask me the question one more time?

Mr. Orr: Sure. On page 57 in the revenue section, about the fourth one down, is premiums, fees, and licences. It actually shows a decrease and so does the actual total for revenue.

Miranda: Yes.

Mr. Orr: If you look at the total ministry revenue, it's decreasing.

Miranda: That's right. Okay. In one specific instance it was a result of the closing of the Royal Alberta Museum, that basically did not allow for revenue because it's closed.

Mr. Orr: All right. I get that. Thank you.

On the next page, page 58, it's exactly the same scenario. Both the line item and the total show a decrease.

Miranda: Under which one?

Mr. Orr: Page 58, department.

Miranda: The department. The Francophone Secretariat itself? Is that what you're talking about?

Mr. Orr: No. Page 58, the Department of Culture and Tourism statement of operations, under revenue, the fourth one down. Premiums, fees, and licences are falling and so is the total revenue.

Miranda: It's exactly the same reason. We had to close the RAM. Then, also, it's a decrease . . .

Mr. Orr: Because of the museum in both cases?

Can you clarify for me, since I'm a little confused, the difference between the ministry statement of operations and the department statement of operations? Page 57 versus page 58.

Miranda: One question at a time. Give me one second, okay? All right. There's a decrease primarily due to cancellation of partner buy-in and programs under Travel Alberta as well as a decrease in dedicated revenue from the Alberta Foundation for the Arts, the Alberta Historical Resources Foundation, and the elimination of the Wild Rose Foundation and the Government House Foundation. So that's where the changes are.

Mr. Orr: Okay. So it's spread all across a bunch of different things.

Miranda: Yes. That's what it is. That's right. The ministry includes all of the ABCs while the department only the grants to ABCs. That's what it is.

Mr. Orr: Okay. Thank you for that clarification.

All right. We'll move on. On January 12 a grant to CDÉA to promote Alberta tourism in Quebec markets. How much revenue is that grant projected to leverage for Alberta?

Miranda: I'm sorry. A grant to Travel Alberta?

Mr. Orr: No. A grant to CDÉA was announced to promote Alberta tourism in Quebec.

Miranda: Oh, yes. Okay. I was actually last night at the launch of the realization of that project. Basically, we're trying to increase the number of visitors and tourists from Quebec, French speakers. So we gave a grant to CDÉA to go and promote Alberta to the French-speaking parts of Canada and also to Europe.

4:30

Mr. Orr: My question: is there any projection of how much leverage that's going to bring back to Alberta in terms of tourism revenue?

Miranda: Well, right now, it's a pilot project, to be fair. Part of that is to develop agricultural destinations by including an écomusée. It actually takes artisans and the products that they produce and turns them into tourist destinations. I got the chance to visit one of them. It's actually very useful.

Mr. Orr: Okay. Thanks.

Airlines have opened up new direct flight paths to China or China to Alberta, back and forth. How much do you anticipate this will increase revenue for Alberta?

Miranda: Well, I can tell you right off the bat that it's not just one airline. Hainan, for sure, is having three weekly flights from Beijing to Calgary, but also WestJet is having direct flights starting out of Edmonton and Calgary to Gatwick and back, London being a major destination and a major partner in terms of business exchange. China is, you know, the largest of the tourism markets. We are investing in making sure that we have a very good relationship with them to take it from having a flight three times a week to having it daily. Of course, we want to grow this industry.

As far as economic impact, it will generate the equivalent of about 625 full-time jobs and \$31 million in wages, generating approximately \$76.2 million in gross domestic product each year. That is the projection.

Mr. Orr: Okay. That kind of answers my next question, which relates to the fact that the tourism snapshot from December showed a decrease in visitors. But I think you're hoping that some of that will be made up from China traffic.

Miranda: Absolutely. We're going to be working with partners. The opportunity that I had to accompany Travel Alberta and a lot of our sellers of tourist products to RVC, Rendez-vous Canada, in Quebec was very productive.

Mr. Orr: Thank you.

If it's okay with the chair, I'd like to give my next question to Member Prasad Panda.

The Chair: Please proceed.

Mr. Panda: Thank you. Thank you, Mr. Orr. Thank you, Minister, for being here with all your staff to answer our questions. I heard recently the jokes about Miranda panda, but it's serious business here. You know, Calgary recently sent Panda to Edmonton, and now Edmonton is bringing pandas to the Calgary Zoo, and you're spending \$10 million as an investment. Do you have performance measures on how many visitors it's going to attract from India, China, the U.S.? How are we going to ensure the return on our investment?

Miranda: I can tell you right off the bat that 200 jobs will be created just by the investment of expanding the zoo in the first place. In addition to that, it's going to create 26 full-time jobs going forward.

In 1988 the Calgary Zoo was hoping to increase attendance by 1.6 million visitors as a result of the expansion. There's an estimated 200 jobs, like I was saying before, with 40 new zoo-related jobs as a result of it as well.

So, you know, it's one of those things. You grow the tourism – we know that the Calgary Zoo is a major tourism attraction. By expanding it and basically attracting more visitors not just from China but also from the province itself, I think it's a very good investment for the money that we put in.

Mr. Panda: Minister, these 1.6 million visitors: in what time frame is that?

Miranda: That was based on a yearly number of visitors.

Mr. Panda: Yearly?

Miranda: A yearly number of visitors to the Calgary Zoo. It's a very popular destination in the city of Calgary. People come from all over. With having pandas in 1988, the year that I came to Canada, I can tell you that it stayed for many, many years after. The excitement is going to continue to build around it. I think, honestly, that it's going to be an incredibly good opportunity. There is a 10-year growth projection out of that as well. We are not building the panda exhibit just to accommodate pandas. It will actually be used afterwards, repurposed for other animals, right?

Mr. Panda: These 40 jobs you talked about: after the 10 years they disappear, or will they sustain those jobs?

Miranda: Again, 200 jobs created off the bat from the construction jobs, and then afterwards 40 jobs are maintained from the expanded exhibit in the Calgary Zoo.

Mr. Panda: Yeah, but after 10 years will they continue?

Miranda: I can't really say about 10 years from now. I guess it depends. Well, obviously, if the zoo keeps growing, it will actually create more jobs – right? – and create more opportunities and more visitors. The more the attraction grows, the more world renowned it gets, the more people you're going to have visiting, an increase in traffic, I guess.

Mr. Panda: Thank you.

I'll turn it back to Mr. Orr.

Mr. Orr: I have questions and concerns about the issue of online bookings and the loss of revenue to Travel Alberta and the hotel industry. What progress has been made since last year in terms of getting the government's booking up, and how are we dealing with the free trade American giants?

Miranda: Are you talking specifically when it comes to Airbnb? Is that what you're referring to?

Mr. Orr: Well, we talked about expedia.com bookings. Some of them bypass the tourism levies, which reduces the revenues for government and for the hotel industry.

Miranda: My understanding is that they do not, actually. If they are booking hotels in Alberta, those taxes are built into it. The levies also are built into it.

Mr. Orr: They didn't used to be. Is that correct? I don't think they were.

Miranda: I believe that they have been for a while. I mean, it's been a while since I've actually used those.

Mr. Orr: We addressed this in the last estimates, and the previous minister was concerned about it and was working to address it. That's why I asked what the progress has been on that.

Miranda: I can tell you, for example, specifically, that when it comes to programs like Airbnb, other jurisdictions have either introduced legislation or are exploring legislation. Here we are looking at best practices to see what repercussions there may be. That's where we are in that respect.

Mr. Orr: Okay. Thank you.

Alberta is a huge province, and we have only a couple of main international airports.

Miranda: Very good ones, too.

Mr. Orr: Yeah.

We know that it takes a long time, though, to drive from those areas to our tourist destinations. With the increase in gas prices that go with that, will tourists be more or less likely to rent a vehicle due to the gasoline price increases that have been introduced?

Miranda: Absolutely. The first thing that I would think about when we're talking about growing the tourism industry, especially looking at the airports, is making sure that when we get people to Calgary, they stay in Calgary. One of the things that we're looking at is ensuring that we are having attractions and the opportunity to keep those tourists in Calgary, you know, or Edmonton when they're coming to these international airports. Then the strategy that we have in terms of the Castle region, exploring expanding . . .

Mr. Orr: Yeah. We won't go into that right now. Our time is running out. Thank you.

Miranda: Oh, sorry.

Mr. Orr: I'd like to give the last couple of minutes of my hour to Member Wes Taylor.

Mr. Taylor: What I'd like to do, actually, is provide the committee with an amendment to the main estimates of the Ministry of Culture and Tourism. We have the required 20 copies, and we have given the proper 24-hour notice for this one. Did you want me to read this while we're handing it out?

The Chair: Yeah. Please proceed.

4:40

Mr. Taylor: Okay. I move that the 2016-17 main estimates of the Ministry of Culture and Tourism be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 50 by \$14,000
 - (b) for the deputy minister's office under reference 1.2 at page 50 by \$16,000
 - (c) for human resources under reference 1.3 at page 50 by \$212,000
 - (d) for communications under reference 1.4 at page 50 by \$42,000
 - (e) for corporate services under reference 1.5 at page 50 by \$56,000
- so that the amount to be voted at page 49 for expense is \$316,436,000.

Thank you. I'll cede it back to Mr. Orr.

Mr. Orr: How much time do I have? Time for another question? Oh, I've got a few minutes. Wonderful.

Again, thinking about the impact of the carbon tax, aviation fuel prices will go up. Will tourists be more or less likely to actually buy a ticket as they experience price increases, and will those projections affect your budget? I guess I'm asking: have you taken any of that into account in planning your budgets moving forward?

Miranda: What I've seen so far is an increase in visitors to the province. Tourism, like I mentioned before, is actually a bright spot in the economy right now. We've seen business travel down, but we've definitely seen leisure travel going up. In terms of tourism the impact that the levy may have will depend on many factors, and we do not have all that information right now to fully predict what that impact will be within Alberta. We don't know, for example, how much of the costs will be passed on to tourists by tourism operators or how sensitive travellers will be to the change and how the levy will impact other sectors like food or entertainment or any other stuff. We expect that we will have the opportunity to explore that a little further based on information on expenditures that we do have. We do have, like I said before, the highest attendance at the Tyrrell right now, in 2015-2016, 485,000 people, which is 20 per cent higher than the past five-year average.

Mr. Orr: Okay. Thank you.

The minimum wage will affect tourism providers. Having to pay summer students substantially more, they may not be able to hire as many at entry-level cost. If the quality of tourist sites decreases, will the revenue to this ministry decrease in an equal kind of way? How is your ministry looking after dealing with the potential loss of quality to tourist sites due to the increased minimum wage?

Miranda: I can tell you, like I said before, that within tourism what we're seeing, actually, is the opposite of what's happening in the rest of the economy right now. It's actually increasing. People are wanting to go to and are willing to pay for authentic destinations, places where they are going to have a truly unique opportunity that is unlike any other place. Within tourism itself we've seen, you know, places where they cannot find enough people to hire because there's a shortage of workers. I don't know that I can give you an exact answer to that question because that's not the situation that I'm seeing right now on the ground.

Mr. Orr: On page 23 of the business plan you have the total tourism levy for Alberta. In the past 30 per cent of that levy was allocated to general revenue. Is that going to be the case moving forward? I guess related there: is that total actually the total, or is it minus the 30 per cent?

Miranda: Okay. Just give me one second. Can you tell me which page in the business plan?

Mr. Orr: Sure. Page 23.

Miranda: Okay. Through Budget 2016 we have a \$62 million investment in tourism marketing through industry development. The department's financial commitment remains amongst the highest in the country. Culture and Tourism is also investing \$7 million in the capital plan specifically.

Mr. Orr: But is 30 per cent of that levy still going to general revenues and not back to the tourism industry?

Miranda: As I was trying here to point out, we are investing in travel and tourism by ensuring that we're also enhancing capital investments such as, you know, the Calgary Zoo, Fort Edmonton as well as the indigenous peoples exhibit. But the current fiscal situation necessitated an overall 10 per cent decrease in funding. I still allocated \$62 million to tourism marketing and industry development, amongst, like I said, the highest in the country.

The numbers that I'm given are that the percentage of the levy to tourism in 2015-16 remains 77 per cent.

Mr. Orr: Okay. Do you have a choice as to whether that money would be allocated to general revenue, or can you direct it to the ministry of your choice, whatever, wherever?

Miranda: No, I do not.

Mr. Orr: That's outside of your . . .

The Chair: I hesitate to interrupt, but the time allotted has expired.

Mr. Orr: Thank you.

The Chair: We will now proceed to the third-party opposition, the PC caucus. Would you like to share your time with the minister?

Dr. Starke: Yes, please, if it's acceptable to the minister.

Miranda: Of course.

The Chair: Please proceed.

Dr. Starke: Well, thank you, Minister. Thank you, Chair. Minister, thank you for your introductory comments and to the departmental officials, many of whom I recognize and are familiar faces to me. Now, as you're aware, Minister, I have a particular interest in the Culture and Tourism ministry, and I fervently believe that this ministry has tremendous potential for improving the quality of life of Albertans. I further believe that pursuing a strong, well-coordinated, collaborative approach to tourism can be a key component to the economic diversification your government claims to be committed to.

Now, Minister, on April 5 I asked you in question period if you would include the Alberta tourism framework, *A Pathway to Growth*, in your business plan for this year – I have *Hansard* in front of me here – and your response was: "I will be taking all the information and making the best decisions going forward." Now, it seems that your decision was to not include the tourism framework in the business plan. Why not?

Miranda: Actually, I can tell you that I looked at the framework, and some of the framework has been incorporated into the business plan. The tourism framework itself, which was, as you know, released in 2013, gave a target for growing tourism to a \$10.3 billion industry in Alberta by the year 2020.

Dr. Starke: I'm very familiar with that, yes.

Miranda: Absolutely. Culture and Tourism has moved beyond the framework document and is working on specific strategies and initiatives. For example, there's work under way on the development of the Castle region tourism strategy, which will help identify specific actions that we can take to support development in the area and make it a successful tourism destination. We're also working with Travel Alberta, destination marketing organizations and industry associations, airports to deliver travel market ready tools.

Dr. Starke: Well, Minister, with respect, all of those things were incorporated in the tourism framework. This is nothing new. I guess what my concern is, Minister – and I've heard from tourism stakeholders across the province. The tourism framework was developed by the industry. It was to be the blueprint and the framework for going forward to take us to that goal that you just mentioned. When it's not mentioned in any of your business plans or in any of your foundational documents, they wonder what your commitment to that document is. I guess what I'm asking you to do today, on the record, is to clarify to the tourism industry, that wrote the document: are you committed to the Alberta tourism framework? Yes or no?

Miranda: I am committed because it's now actually being implemented in the work that we're doing.

Dr. Starke: Okay. Then it's curious that it's not being mentioned.

Let's move on to the tourism levy, because the questions from my colleague the Member for Lacombe-Ponoka are interesting. Now, you mentioned before that tourism – and the numbers, of course, are familiar: the \$8 billion industry with 19,000 businesses, 127,000 employees. I guess my question, Minister, is: what is the amount that flows into provincial coffers directly because of tourism activity? What is that dollar figure for the most recent year you have it?

Miranda: As you know, actually, the information lags behind a few years, so the most recent one that we have is 2013.

Dr. Starke: We're going to get to that.

Miranda: Thank you. It was \$8 billion.

4:50

Dr. Starke: Well, no, no. That's the overall economic activity; that's not how much flowed into provincial coffers. I want to know: what was the provincial tax revenue for tourism business activity in the province in the most recent year that you have the statistics for?

Miranda: For this year we had \$91 million.

Dr. Starke: No. That's the amount of the tourism levy, Minister. Again I'm asking: how much money has flowed into provincial coffers as a result of tourism activity? I don't mean the tourism levy. I mean at all levels: corporate tax, personal income tax. What is that number? You know, if you don't have it at your fingertips, you can report it back to me at a future date.

Miranda: Okay. Give me one second. We have approximately \$1.2 billion in provincial taxes in addition to that.

Dr. Starke: I'm hoping that that number is \$1.2 billion because it was \$1.15 billion two years ago.

Miranda: Sorry. Billion.

Dr. Starke: Good. Okay. That's great. For a second there I was really worried.

Minister, I guess my question, then, and follow-up to the question have to do with the tourism levy. Now, as you know, the history of the tourism levy is that it was instituted in 2005 as a 4 per cent levy on all fixed-roof accommodations in the province, and it is a model for all provinces, that many provinces have followed in order to fund their tourism promotional activities. Up until very recently every single dime went to tourism promotion and to industry development. Every dime. Now, last year it was \$9 million that was siphoned off into general revenue. This year you're saying that it's 23 per cent that's siphoned off. So exactly how many dollars from the tourism levy are being siphoned off into general revenues?

Miranda: As I mentioned before, when we're talking about the tourism industry and the importance the tourism industry has in our province, I can tell you that we're not just talking about the actual marketing; we, in fact, are investing in capital projects in this province. I think that needs to be highlighted because it is an important part. As you can imagine, having capital investments in tourism destinations is going to allow us to grow that market share and gives us an opportunity to grow the tourism industry, which is our objective.

Dr. Starke: Well, Minister, certainly, I'm well aware of capital investments that have been made in tourism. I'm well aware of the millions of dollars that have been spent in tourism facilities all across the province. That has been ongoing. That is nothing new, Minister. Again I am asking you: how many million dollars is being taken from the tourism levy and moved into general revenue this year that are not going to fund the operations of Travel Alberta and the tourism department?

Miranda: We have collected in 2016-17 \$91,527,000. We have an actual target of \$60,925,000, giving a percentage of the levy to tourism of 67 per cent – okay? – and the split of 33. There you go.

Dr. Starke: So the levy went from \$87 million to \$91 million, which in my rough numbers is roughly a 5 per cent increase in the levy. You've cut the tourism budget by 10.7 per cent, and all of the additional funds have gone into general revenues to be used for other purposes by your government. Minister, given that the return on investment for tourism-invested dollars is roughly 20 to 1, why is it, then, that – you know, first, it was 23 per cent; now it's 33 per cent. Regardless, many millions of dollars are being taken from the tourism levy. Why aren't those being invested into tourism marketing through Travel Alberta or through the tourism department for industry development?

Miranda: Like I said, we are in a situation right now where the fiscal reality that we are looking at and living in requires us to ensure that we are protecting the services that we provide to Albertans. We are still funding tourism specifically, among the highest in the country. Like I said as well, we are investing in growing the markets and investing in capital projects. We're still providing \$44 million, in fact, in new capital projects. We are working with industry to ensure that we are growing every opportunity we can, doing the shoulder season, increasing the market share . . .

Dr. Starke: Minister, thank you.

I'm certainly familiar with the strategies for improving tourism, but I guess I still come back to the question, and I would appreciate a direct answer: if each dollar invested in tourism results in an additional \$20 in revenue to the provincial treasury, the provincial treasury that funds all of those things you just talked about, why are those dollars being subsumed in general revenue rather than being

invested into tourism? If your government is committed to diversification through the tourism industry, why aren't you properly funding it?

Miranda: We are actually supporting and growing tourism and not just through Culture and Tourism. Economic Development and Trade is also providing investment taxes, and it's actually providing supports to the culture and tourism industry, so we are, in fact, still very much committed to growing tourism. We have partnerships, like I mentioned before, with Economic Development and Trade. You are, in fact, aware of these and many others, as you know. Again, it's the government's priority as well in that framework to ensure that we're still providing services to Albertans like health care and education. So this is where the priorities are in the government.

Dr. Starke: Minister, I just want to clarify. It's everybody's priority to provide key government services, and one of the ways to fund those government services is through a robust, money-making tourism sector.

I want to move on now. You've mentioned a number of times that tourism is increasing, that it's one of the bright spots in the economy and that sort of thing. Then just a couple of minutes ago you said that there's about a two-year lag in getting tourism statistics. I'm aware of this, and I'm really frustrated by it. You say that tourism is growing. Are you sure? How do you know for sure?

Miranda: One of the things we hear about is the actual number of bookings that industry is reporting to us. Also, overall, we're getting information in different ways. I can tell you, however, that one of the things we're working on across jurisdictions is to come up with, well, number one, information a lot faster so that we have real life. I'm sure that you can appreciate how frustrating a process that can be sometimes. But there is absolutely a lot of willingness on the part of different jurisdictions to work much more on getting that information out so we can better plan and better assess the situation.

In the next few weeks 2014 will be out from Stats Canada. Really, it's something that is outside of our jurisdiction. It's basically Stats Canada that provides us the information.

Dr. Starke: Well, you're right, Minister, but I guess my question, then, would be: in order to do proper tourism planning – and I know this very well because I had the same problem. We're making decisions based on two-year-old data. Is the department contemplating any kind of push to move to another way of measuring the overall size and impact of the tourism industry that is much more in real time as opposed to the dribs and drabs of anecdotal information that you're currently collecting?

Miranda: Absolutely. One of the things that I am personally frustrated with, being a former researcher myself, is not having a comparison of apples to apples within the different jurisdictions. The way that we do some of the benchmarking is not the same as other provinces because they fund things differently, and it just becomes an extremely frustrating process. Then you get that at the federal level, and I'm sure you can appreciate it. One of the things we're working on is ensuring that we can develop a common language and a common way to quantify things.

Dr. Starke: I think that would be a fantastic achievement, Minister, quite frankly. I have to confess that I am very envious of the P.E.I. tourism minister, who has his exact monthly tourism statistics two weeks after month's end because they can count every traveller coming in and out of P.E.I. because they have to either cross the bridge or fly in or row in.

Miranda: The other difficulty, too, is that when they come, there are people that land, for example, in Vancouver, and then we don't know. But they're actually coming to Calgary.

Dr. Starke: You're right. Minister, on that note, though, again, you've said that tourism is growing, and that's wonderful. I really hope that you're right. I mean, quite frankly, we won't know for a couple of years. Yet the tourism levy, on page 113 of the government's fiscal plan, which you mentioned was \$91 million, collected in the '14-15 fiscal year, is in '15-16 budgeted to drop down to \$80 million. It's budgeted this year to only stay at \$80 million. Next year it's only supposed to grow to \$84 million. Minister, we're not going to hit \$91 million again until 2020. So if you say that we're growing, how come the tourism levy is shrinking?

Miranda: Well, one thing is the fact that leisure travel is up while business travel is down. Again, we're going to do everything we can to continue working with our partners and growing the industry and destinations the best way we can. We're starting to have a lot of movement in sharing of information – it was not happening before – so that's always very useful to have. Ultimately, you're absolutely right; the information is lagging a year. So these are the best-case scenarios, putting forward the best business plans that you can.

5:00

Dr. Starke: Okay. Well, Minister, on that note, given that the information upon which you make decisions has a time lag – and that is frustrating, as you say – we have to look at all possible ways of getting the best information from the tourism industry. I was very disappointed to see that your government made the decision to dissolve the Alberta Strategic Tourism Council. These are 17 individuals that have a wealth of experience from all across the province, including Mr. Creasey, who you mentioned today, who you've set up an office for for Fort McMurray Tourism. Mr. Creasey was on the tourism council, as were 16 other Albertans that had between them close to 500 years of collective industry experience. I guess my question is about the Alberta Strategic Tourism Council. First of all, we're told that it was a cost-saving measure to wind down these agencies, boards, and commissions. What did the Strategic Tourism Council cost the department?

Miranda: I will start off by letting you know that with the establishment of the Ministry of Economic Development and Trade and the Premier's Advisory Committee on the Economy, there is a better opportunity to integrate tourism into the government's overall strategy so that we have a government-wide economic diversification strategy, which, of course, tourism will be an integral part of. Maintaining a separate tourism council may have been counterproductive to the future.

Dr. Starke: Oh. Wow.

Miranda: So we have an ability, instead, to have the Premier's Advisory Committee on the Economy, the Ministry of Economic Development and Trade as well as our partners provide us information and give us better – well, I guess the advice that they will provide us will still be there, will still be part of the government's decision-making, but when we did the overall . . .

Dr. Starke: Okay, Minister. I just asked you how much it cost. That was my question.

Miranda: Sorry. It's \$100,000.

Dr. Starke: A hundred thousand dollars. Okay. This council cost \$100,000, and now you've basically said or implied that you're going to get better quality information through these other bodies that you described. I find that astonishing, quite frankly. I find it astonishing that you can suggest that to the 17 dedicated individuals that sat on this board.

I'm going to ask, then, the question: how often did you meet with these individuals in order to make the assessment that you could get better quality information from other sources?

Miranda: We conducted an ABC review . . .

Dr. Starke: No, Minister. How many times did you meet with the council?

Miranda: I did not personally meet with the council.

Dr. Starke: Okay. When the decision was made to wind down – okay; then I'll ask another question. If you didn't personally meet with the council, how do you feel you were qualified to make a decision that the council was no longer able to give you valuable information on tourism?

Miranda: I would not say – and perhaps I should clarify this point. It's not that I believed they would not be able to give me the information. I believe that there was a savings to be realized. Every ministry has been asked to realize savings, and we felt that it was the most cost-efficient way, to have the information channelled through the Premier's council on tourism and as well through the ministry of . . .

Dr. Starke: Minister, how many tourism stakeholders or people with tourism expertise sit on the Premier's advisory council on economic development?

Miranda: I will have to get back to you on that.

Dr. Starke: Okay. Please do.

My next question, Minister. Okay. These 17 individuals, who had worked hard on tourism, many of them for their entire lives: how were they informed that their services were no longer needed?

Miranda: I made a phone call to the chairs as well, and people in the different organizations that were dissolved received calls prior to the announcement being made.

Dr. Starke: Okay. Specifically with regard to the 17 people on the Alberta Strategic Tourism Council, how were they informed?

Miranda: There was a telephone call.

Dr. Starke: From?

Miranda: From the DM. That's right.

Dr. Starke: So, Minister, you did not call them?

Miranda: We all had a different list, and we just called different people from that list to inform them of changes to the budget, for example, or inform them of decisions that had been made for capital funding.

Dr. Starke: Minister, do you think it's appropriate that you delegate the role of firing someone?

The Chair: Hon. members, I would remind us that we stay on the task at hand, which is consideration of the main estimates.

Dr. Starke: Chair, with respect, the dissolving of these boards and commissions is a big thing that has been talked about as being a cost-saving measure, so it is completely within the realm of the discussion of estimates to talk about this issue.

The Chair: We are starting to slide into a procedural manoeuvring right now as well. So while speaking in regard to the dissolving of agencies, boards, and commissions is within the realm of the discussion, the process may not necessarily be within the realm of discussion.

Dr. Starke: Well, I see that my time is just about up. You know what? I think what we'll do is just ask one additional question. The Alberta Winter Games, Minister, are coming up in 2019 in Red Deer, as you know. Is it your goal to have Alberta be the number one province in that competition?

Miranda: We are going to continue supporting sports. We're going to continue doing what we can to support, you know, sports in Alberta. It is, of course, my desire for us to be number one – why wouldn't anybody? – but that's not entirely in my hands to do.

The Chair: I hesitate to interrupt, but the time allotted has now expired.

I'll use this opportunity to remind all committee members as well to direct their comments and questions and the answers through the chair.

Because there is not an independent member or other political party available, we will now move to the government caucus.

Mr. Connolly: Great. I'll start. Thank you very much, Chair.

The Chair: Would you like to go back and forth with the minister as well?

Mr. Connolly: Yes, please. However, I would suggest that if it's possible, we as well as the staff members and the minister take a five-minute break and take the time out of the government caucus's time.

The Chair: Okay. We'll set the time for five minutes and alert you when that has expired.

Mr. Connolly: Thank you.

The Chair: Thanks.

[The committee adjourned from 5:07 p.m. to 5:13 p.m.]

The Chair: All right. We will proceed. I will state for the record that the clock for the government side has continued to run, so it's currently sitting at 13 minutes and 40 seconds.

Please proceed with your questioning.

Mr. Connolly: Thank you very much. Thank you, Chair, and thank you, Minister. Minister, just to start us off, outcome 2 on page 23 of the ministry business plan and line 7, page 51, of the government estimates speak to the role of tourism and cultural industries as being central to Alberta's economic diversification.

I enjoy how you talk about tourism as being a pipeline for our province. As someone who worked in the hospitality industry in Calgary for a number of years as a bellman, a doorman, a valet, and a concierge, I can tell you that our tourism industry has been booming for a number of years. Truly, nothing can compare to Calgary during Stampede, as you know. As you and possibly other people on the committee may be aware, I was a member of the Young Canadians, which you mentioned earlier, for a couple of

years. I see Dr. Starke laughing. That's why I'm so peppy and happy all the time. I can't tell you how much money I saw being pumped into Calgary and the Alberta economy in those short 10 days.

My question is: can you tell me about initiatives that you have undertaken to bolster the tourism industry and how this is reflected in Budget 2016?

Miranda: Thank you. Yes. You know, when I think about tourism especially, I too have spent many years travelling and working in the tourism industry. To bolster, the greatest opportunity that we have right now in our province is to diversify the economy and provide economic growth across, especially, a broad section of subsectors. Tourism can play a specific role in developing a rural development agenda and create awareness about Alberta internationally, especially.

In terms of programs and services we have services that support tourism entrepreneurs and investment attraction, including growing the shoulder and winter seasons. Some of this work is actually being done with Economic Development and Trade, who are working at creating a job-creation program through the capital investment tax credit program, which will actually allow us to increase Alberta's supply of tourism products and facilities.

There is also a visitor services strategy that will help our industry and stakeholders, especially, respond to the challenges that they are facing in visitor behaviours brought on by social media and technological changes, especially.

We have been working, of course, with industry on developing a China tourism action plan, just to get the destinations ready for the arrival of these tourists that will be coming and creating cultural awareness, for example, and making them aware, of course, and also being able to have the opportunity to, for example, accept money in the different forms of payment that are unique to the Chinese market. Again, it's part of the overall strategy that we have to work with the different stakeholders, get them ready for these visitors that are going to come to the province, and just, you know, building on that and going forward with other opportunities, especially.

In terms of the work that we're doing with tour operators and attractions, it is to strengthen, of course, like I mentioned, the winter and shoulder season and experiences to generate more visits during the low period. We are doing the Winterstart men's and women's downhill ski competitions in Lake Louise and Edmonton's Ice on Whyte winter festival, which bring domestic and international visitors to our communities.

Of course, we're talking about economic diversification in rural areas. Alberta's Open Farm Days is another one. That's entering into its fourth year. It's just another example of the kinds of things that we can work on and we can continue to build so that we can in fact diversify, grow the economy and continue with our plan to have greater economic diversification.

Mr. Connolly: Great. Thanks.

Page 63 of government estimates indicates that the ministry will have a \$9.4 million expense for regional industry marketing and a \$35.8 million expense for global marketing. As you know, because of our low dollar and a number of other factors, we have had an increase in tourism. The European and Asian markets are very large, and we have had an enormous number of Europeans and Asians come to Alberta at all times of the year, whether that be for skiing, the Calgary Stampede, to visit a number of museums like the Royal Tyrrell, or even the petroleum show in Calgary. Minister, how will these investments in marketing encourage tourism?

Miranda: Well, it's important that we continue to grow our tourism revenues by directing the Alberta tourism brand at high-potential markets. Travel Alberta, specifically, is responsible for marketing and continues to do an increasingly amazing job of making sure that the Alberta brand is key in international markets. In the U.S., for example, it's working with Destination Canada on the Connecting America campaign, which is an important one, too. Like I mentioned, with China it's supporting Alberta's first direct flights between Calgary and Beijing. It's targeting, specifically, the marketing efforts in China and building the industry knowledge and skills in both, actually, Japan and Korea as well. The U.K., Germany, Australia, Japan, and Korea continue to be also strategic international markets.

Travel Alberta basically works to support local and regional destination marketing organizations and supports destination marketing strategies, and it does it by accomplishing different levels of approaches. You know, it would use local information. It would generate products as well. Overall, I think that by us doing that, it just, you know, puts us much more visibly in the market. The other thing, too, is that once you've had market growth, you don't necessarily want to not continue to invest because you do want to maintain your presence and just continue to grow it. All those things together, I believe, are very useful in bolstering tourism and increasing our footprint.

5:20

Mr. Connolly: Great. Thanks.

You touched on this a little bit before. Key strategy 2.4 on page 23 of the ministry business plan and line item 7.2 on page 51 of the government estimates package highlight the ministry's commitment to develop and implement a China tourism action plan. You talked quite a little bit about China, so can you please share some of these details with the committee about the China tourism action plan?

Miranda: Yeah. You know, it was actually something that I personally experienced reversed. Travelling to China, for example, different hotels had different tools so that those people that didn't speak the language could actually navigate throughout and were able to make their way through Beijing and other destinations in China, so I understand how important it is for creating a positive experience, right? If they do have a positive experience, they're likely to go home and tell their friends, and it's just the kind of thing that you want to have happen.

The actual plan uses existing resources to co-ordinate action within the tourism division in my ministry. It does so with Travel Alberta and industry partners to address the Chinese visitor preferences and seizes market opportunities to continue growing the number of travellers coming from China. It actually includes an action plan along an entire path from purchasing to marketing to end-destination preparations for the Chinese visitor.

According to our friends at the Calgary Airport Authority the full implementation of direct air service between Calgary and Beijing is expected to create an equivalent of 625 full-time jobs and \$31 million in wages, generating over \$76 million in gross domestic product. We want to sustain the momentum of this from the launch of the product, from these direct flights to continue not just having them three times a week but, of course, having them daily. That, of course, is the ideal situation to happen and tacking on all the different products around that so that we have a more comprehensive, more cohesive plan so people have the kind of experience that they go home and talk to their friends about and encourage everybody else to follow them here.

Mr. Connolly: Thanks.

How much time is left, Mr. Chair?

The Chair: You have three minutes and 30 seconds left.

Mr. Connolly: Thank you. I'll give my time to Mr. Dach.

Mr. Dach: Thank you, Mr. Connolly. I want to first express my sincere gratitude to all those who assisted in the evacuation in Fort McMurray, all of the first responders who have my sincere admiration. I think we rewrote the book on how to attack a wildfire that surrounds a municipality, and that lesson will be something that I think globally will be shared amongst firefighting organizations. I must say that my first job was getting picked up off the highway close to Anzac after graduating from high school, and I was promptly conscripted to be a firefighter around Fort McMurray in June of 1975. Fortunately, the fire got put out by rain. We never got out of the holding camp, but it was an interesting first job experience.

You've got an interesting first job experience as well. I call you the minster of fun, but fun is serious business, and that's what we're seeing here today. The ministry that you lead is definitely serious business for Alberta, and I think we recognize the huge contribution to the economy that your Department of Culture and Tourism has to the province.

My questions revolve around investment priorities for tourism. Now, Minister, key strategy 2.1 on page 23 of the ministry business plan and line 7.3 on page 51 of government estimates focus on the need to develop programs and services needed to support tourism, entrepreneurs, and investment attraction. The current economic climate, of course, has created an opportunity for Alberta's tourism industry to grow, and our government's commitment is to ensure the industry's long-term sustainability by attracting investment in new tourism products and destinations. Minister, what are the investment priorities, in your view, that will grow tourism in Alberta?

Miranda: Thank you. Well, I would say, first of all, that it's certainly the perception that it is, quote, unquote, a fun ministry, but there's so much actual incredibly sophisticated work that's being done by the people in the ministry and the people that we work with. Just to give you an example, the amount of research that is done in museums and what have you contributes dramatically to the knowledge that is generated. Our museums are only second to schools in educating children in this province. Definitely there is a leisure aspect to the ministry, but there's certainly another aspect of the work that we do that is very serious and I think contributes very much to the province.

The national parks continue to receive a growing number of tourists every year, of course, creating congestion during the peak summer months. My ministry is recognizing the importance of destination diversification. We want to draw visitors to communities and regions that are across the province in order to address the issues of congestion and capacity in some well-known areas, right? We want to make sure that people get to see the south as much as the north.

The Chair: I hesitate to interrupt. We will now proceed with five-minute speaking times. We will resume the same rotation and start with the Wildrose Official Opposition caucus.

Would you like to continue to go back and forth with the minister?

Mr. Orr: Please. Thank you.

The Chair: Please proceed.

Mr. Orr: Minister, the cultural industries action plan I understand is not yet available. When will that report be available to the public?

Miranda: We're still working on that. The information that is being gathered I can tell you right now is being developed to guide the government's approach to sustaining the growing cultural industries, which will be consistent with our jobs plan. We want to continue working with various postsecondary institutions, so we are looking at options to continue enticing different sectors to work with us within the action plan.

Mr. Orr: Any idea when it will be available?

Miranda: At this point, no. I don't.

Mr. Orr: Okay. On page 21 the business plan speaks about planning for Canada's 150th anniversary. Is there a budget figure for what that planning work is going to cost?

Miranda: Right now we have a crossministry working group that is going to be, for example, working with protocol and other ministries within government, basically across the government, but it is being led by people within Culture and Tourism. We're looking at opportunities, keeping in mind that there are very serious financial restraints in the amount of money that's available. Right now I believe we have zero dollars assigned to the 150th. What we're going to do instead is seize upon different activities and events that are taking place within that year to highlight and to be part of that, but at this time we do not have any dollars assigned to it.

Mr. Orr: Okay. Thank you. Good.

Miranda: I just want to correct something. It is being done within the projects that are already existing in the budget, right? It's not specifically being ...

Mr. Orr: Right.

Does all advertising or promoting for Alberta tourism fall under Travel Alberta, or are there other places where there's some of that covered?

Miranda: Well, from the pilot project that we launched yesterday – there will be some advertising done in the French language through the pilot project that we have with CDÉA. They themselves have utilized a lot of the same mechanisms and platforms that Travel Alberta uses; for example, having people's Twitter pictures being used as part of the marketing so that people are connected to the places they're visiting.

Mr. Orr: That expense comes through the ministry, then, rather than Travel Alberta?

5:30

Miranda: Those are pilot projects, like I said, because it's specifically in the French language. Travel Alberta does have marketing, but historic sites and museums advertise their own sites as well. They, of course, work through Travel Alberta to make sure that their sites are known.

Mr. Orr: Does the ministry actually spend any money on advertising?

Miranda: The ministry itself? The ministry provides money to historic sites and museums, and they themselves actually advertise. So, yes, in fact, the ministry does.

Mr. Orr: Okay. Does the ministry pay for advertising at hockey games?

Miranda: Yeah, Travel Alberta. Those things can be quite costly and become quite onerous.

Mr. Orr: I mean, there are many ways to effectively advertise, and I wouldn't claim to be a marketer ever. Alberta tourism has created some great advertisements, some great videos in the past. A lot of that stuff is good. I guess I am a little bit concerned just to see the Alberta government on the boards and things at hockey games. Is there not a more effective way to advertise to target audiences than to just put the Alberta government on the boards at hockey games, things like that?

Miranda: Well, like I mentioned with Travel Alberta specifically, they're making very good use of social media, for example, to get a lot of their messaging out. They're using, basically, interaction by having visitors who go to Banff and have a beautiful picture of Banff post them ...

Mr. Orr: But I do want to focus on that piece about having the Alberta government logo on the boards at hockey games. How does that promote tourism?

Miranda: It creates a brand name, right? If we are talking about recognition, when you think about Canada, you're thinking of a maple leaf. There is a brand that's being developed within marketing, and from what I'm told, it's one of those things where the more consistency you have in the name and the recognition that is created, the more recognition it creates. Of course, it's a desirable thing to do.

Mr. Orr: I won't belabour it, but I think there might be more effective ways to spend the money. But we'll leave it alone.

Now that I have a few moments, let's talk about the Castle area. We passed over it earlier. Your business plan does talk about a strategy there. Is the government's plan to increase tourism in the Castle area to replace the income that was lost through the logging contracts?

Miranda: The tourism strategy in the Castle area, like tourism strategies all over, is to increase travel and visitation. It is to seize on the natural beauty and destinations and different attractions to basically provide people more opportunities to spend more time here. I don't think that there is any specific, you know, trade-off that's being looked at. We're looking at everywhere where we can actually grow tourism and wherever the opportunities are to partner with stakeholders on the ground and maximize our impact.

Mr. Orr: What's happened, then, to actually promote tourism for the Castle area? Is there a plan there? What's the strategy?

Miranda: Well, right now, because it's not entirely within the Ministry of Culture and Tourism – of course, there are other ministries that are involved, other issues that are being looked at – we are definitely having an overall discussion of the development of the plan. It's something that we have to work on in conjunction with parks, specifically, because there are legislative constraints. We have to first work through those.

Mr. Orr: All right. Are there any revenue projections to make up some of that lost income from logging for the people in the area?

Miranda: Right now we're developing a plan. I think it's a little bit early to speculate on that. Certainly, a lot of the different stakeholders have come forward and expressed concerns. The development plan will be out. The next year will be able to inform us about the future development in the region. Of course, there is going to be public consultation. That still needs to take place before we can give you a much more comprehensive answer on that, but we are working with local stakeholders to see what's actually possible for tourism in the region.

Mr. Orr: Okay. Thank you.

My time is running away from me here very quickly. I'll give the next minute to Member Prasad if that's okay with the chair.

The Chair: Please proceed.

Mr. Panda: Minister, you talked about the importance of diversification of the economy and promoting tourism as one of the main things for your government, and also from the previous minister we heard how important that is. Are you targeting any niche markets? In the Culture and Tourism ministry are you encouraging any niche markets to flourish, and which markets are you targeting?

Miranda: Sure. During my visit at Rendez-vous Canada one of the markets that is specifically being looked at is indigenous tourism. Because people are looking for very authentic experiences, things that they themselves can experience, it's one thing that we would very much like to work with. We are going to try and reach out and encourage that and work with partners on the ground to do that.

In terms of product development there is a strong demand for new products and outdoor adventures such as zip lines, luxury guest ranches, and cultural and nature-based attractions, like I was mentioning specifically with indigenous people, and destination diversification, too, encouraging tourism across the province in regions such as the badlands and northern Alberta. People come to Calgary, and they go very quickly to the mountains. We want to make sure that they spend a couple of days in Calgary and then perhaps direct them to the south, to the north, you know, just trying to get them to circulate a little bit more. That's another part of an area that we need to work on and that we want to work on to make sure that we are maximizing our tourism opportunities.

With seasonal diversification, like I was mentioning, working with Travel Alberta and industries themselves, we are looking for . . .

The Chair: I hesitate to interrupt, but the time allotted has now expired.

We will now proceed with the PC caucus. Would you like to continue going back and forth?

Dr. Starke: If that's acceptable to the minister, that would be great.

Miranda: Absolutely.

The Chair: Please proceed.

Dr. Starke: Minister, I want to move to a slightly different topic but one that I know you'll be very familiar with, and that is the issue of air access. As you know, one of the critical elements in expanding our competitive position as a province as a tourism destination, especially for international visitors, is improving direct air access. One of the drawbacks that we currently have is the fact

that many flights end up stopping either in Toronto or in Vancouver rather than flying directly to Calgary or to Edmonton. That's part of the reason why we were so thrilled to see the direct flight to China, which had been, of course, an objective for many years.

Actually, in 2013 the World Economic Forum's travel and tourism competitiveness report ranked Canada 136th out of 140 countries in ticket taxes and airport charges. We're not really competitive. We only beat out four countries. Minister, Alberta has always been the lead on this file at the federal-provincial-territorial tourism ministers level. What have you been doing on it since being named to the ministry?

Miranda: Thank you for that very important question. I can tell you, personally having been in the airline industry, that I absolutely understand that landing fees and landing taxes basically, you know, make up half of plane tickets sometimes. It's quite astonishing. Of course, as you know, those are outside of our jurisdiction. They're federally regulated in many respects, the landing fees and also the leasing fees for airports.

On that specifically, we are working with Alberta Transportation to influence the federal policy on that issue. I've had an opportunity to briefly speak to the different federal ministers. We did not get a chance, of course, to talk specifics, but it's one of the issues that I would like to bring forward. Yeah, absolutely, the more affordable air travel becomes – the regulation has different effects on the industry, specifically, and that's created a lot of challenges. It's sometimes even cheaper to fly to Europe than it is to fly to Newfoundland, for example, out of Calgary.

5:40

Dr. Starke: Although it doesn't affect Alberta travellers as much, the leakage to cross-border airports, for example in Buffalo and Seattle and Minot, North Dakota, is massive, and it creates a major challenge for us.

Minister, I'm glad that that's firmly on your radar screen. A few things, though, that do contribute and that are within provincial control that I would encourage you to take a close look at, then, are taxes on jet fuel and carbon taxes on fuel in general. When those were removed, for example in British Columbia, British Columbia saw an increase in their number of direct air traffic connections to other countries, so I would certainly encourage you to take a look at that. Yes, there is revenue from these taxes, but in fact the cost to the tourism industry is much higher, as the province of Ontario found out the hard way.

Moving on to a slightly different topic, the topic of recreation, which is part of your responsibility, I was glad to see that the Alberta sport plan is still referenced on page 21 under key strategy 1.5, that the Alberta sport plan is going to continue to go ahead. I see that Mr. Kramers is here. I do wonder: what is the status on the implementation of the Alberta sport plan? This was, again, a broad stakeholder consultation process that resulted in what I think was a very robust strategy for the development of amateur sport in our province.

Miranda: Yes. If I may just add one little thing. In terms of air travel there are other discussions that are taking place, and I'm happy to tell you that it's something that I understand completely is going to benefit our province greatly. Being from that industry, I can appreciate how beneficial it is.

To your question, we have continued to work with the Alberta sport action plan, which is being led by Alberta Sport Connection, which will support Alberta in becoming, you know, the leader in sport with co-ordinated, adaptive systems and promoting excellence and fostering opportunities. We are going to be

continuing this partnership with the Recreation and Parks Association and continue with the development of a three-year action plan. Alberta Sport Connection is currently developing a plan for my consideration, and I'm awaiting the results of that plan being, you know, within the current realities of our budget.

But I think that there are many things we can do, and that's where we're going to have to get down and actually look at the different options. As I'm sure you can imagine, there are a lot of fiscal restraints on how much we can implement a plan.

Dr. Starke: Agreed, but as the Member for Lacombe-Ponoka pointed out, I think it's in all of our interests to encourage a greater level of physical activity because of the cost savings to the Health department.

I want to move to another area now briefly, and that has to do with the culture portfolio and, specifically, with the Royal Alberta Museum. We're excited about the completion of the new Royal Alberta Museum in downtown Edmonton, but with the existing structure, which is a magnificent structure in the Glenora region of the city of Edmonton, we're concerned about rumours – and I hear regularly from people concerned about this – that the old building is going to be demolished. Can you confirm today that there's no plan to demolish the existing Royal Alberta Museum?

Miranda: I would say to you, sir, not to listen to rumours because sometimes they are not the best way to convey information. I will say to you that right now it currently houses the collections that have not been moved, as you know. That process will continue once the new facility is completed. The ministry that will be looking into that is the Ministry of Infrastructure, and I believe they have also issued tenders. If I'm incorrect, I will correct myself. I believe that's where the stage is at right now. Personally, I understand that the moving of all the pieces and the artifacts hasn't even started yet, so right now there is no immediate plan.

Dr. Starke: Well, I appreciate that, and I'm glad to hear you say that it was only a rumour because it's my understanding that there has actually already been an RFP issued – and perhaps that RFP has now been withdrawn – an RFP for the demolishing of the structure. That is of concern, of course, to all Albertans, who consider the Royal Alberta Museum in its current location to be an asset that we all would like to maintain. I'm glad to hear that.

I have a question about the Alberta culture artists in residence program. I'm familiar with this partly because they just did a program in a local school. I'm just curious to know: where in the culture budget is the line item for the artists in residence program? Is it continuing, and what is the current amount that's budgeted for the artists in residence program?

Miranda: Funding for the Alberta Foundation for the Arts, as you know, in our platform is not being implemented in Budget 2016 as a result of, you know, issues that we are facing right now.

Dr. Starke: Yes. You mentioned that.

Miranda: A reduction to the artists in residence program grant was implemented in 2015-16. That will be maintained. You know, we have supported through the Alberta Foundation for the Arts approximately 500 organizations in this province. The grant was reduced, as were several other grants, but the AFA does continue to be committed to providing support.

Dr. Starke: Minister, that's great.

A couple of other programs that I just want to ask about their continuation, and those are Alberta Culture Days and the Vitalize conference held every June to encourage volunteers. Are those both continuing?

Miranda: The Vitalize conference, I can tell you, is one that we are currently looking at and trying to find a different way to deliver to make sure that we are consistent with the objectives. The staff in the ministry are working with a group of nonprofits right now in the voluntary sector to gather input for options for a new model of delivering the training needs being provided. The voluntary sector, of course, is critically important to the communities and the government. We want to continue supporting that community-based organization, so we are going to continue with that investigation.

Culture Days, on the other hand, does continue. We have the same budget allocation as '15-16.

Dr. Starke: Okay. I mean, I'm not sure if it's worth anything, but the Vitalize conference, I thought, was outstanding, and certainly the volunteer organizations that I spoke with absolutely enjoyed that. If you do decide to replace it with something else or come up with some other mechanism, I certainly hope there's something comparable because this was something that was valuable to our volunteer sector right across the province. And you're quite right. We depend on them a lot to deliver services, and I think it's something that they deserve support for.

Thank you.

The Chair: We will now proceed with the government caucus. Would you like to share your time with the minister?

Mr. Dach: Yes, please. I'll continue to go back and forth with the line of questioning.

The Chair: Please proceed.

Mr. Dach: Thank you, Mr. Chair. I'm delighted to have the opportunity to continue our discussion, speaking about the economic vitality of Culture and Tourism and the importance of it to the province. A key driver of Alberta's tourism industry, as we know, is our successful mountain parks. But, as we're aware and I think you alluded to earlier, Minister, our province is home to a beautifully diverse ecological landscape. Are there any potential areas that you're looking at now as new tourism destinations? If so, how are these areas being supported in Budget 2016?

Miranda: Thank you. You know, we have the designation of two new parks in the Castle region, so we have a lot of opportunity there. As I mentioned before, there's going to be some consultation that needs to take place to grow that specific market.

We also want to support the Canadian Badlands tourism organization, which has 64 municipal shareholders. I think the badlands is another one. The Dinosaur Trail is another one that a lot of people have talked to me about, and I have had the opportunity to meet stakeholders. I see it, as many others do, as another potentially enriching destination for growth, so it's exciting to be a part of that.

As I was saying, we also want to continue to grow the other areas of the province, including the lower Athabasca regional plan, which was an undertaking, a lakeland destination development plan.

In all of that what we're trying to do is develop product whenever we can by partnering up with local stakeholders, boots on the ground, basically, which allows us the opportunity to grow the

products that they have and turn them into export-ready cultural tourist destinations.

Seasonal diversification is another issue that we want to look at. Of course, right now we know we have increased visitor travel. We're looking to increase visitor travel during the winter season by actually having different products offered in these destinations that would attract people during those times.

5:50

Market diversification is another one, which is being led, actually, by Travel Alberta, specifically, to direct key high-yield markets such as China, Japan, and Germany. Also, the internal market, bringing French-speaking Canadians to our province, is another one. As I mentioned, we have a pilot project.

So there are different things that we're doing. Tourism is definitely a way to diversify the economy. The opportunity I had, for example, to visit écomusée in Quebec: they've turned artisan work, like, from planting to production, and they have a lot of products that they're selling. In the span of the hour and a half that I believe we were there, we saw people coming from the States, just driving up. It's part of a tourism trail.

All these different things that you can build upon, you know, is absolutely something that we want to work on. But it does take time, of course, and it takes a little bit of hard work. I have no doubt that our partners will be able to help us with that.

Mr. Dach: Fantastic.

Let's turn our attention for a few moments to your ministry's support to indigenous communities. This past Sunday, you will probably be aware, the 35th annual Ben Calf Robe Traditional Powwow was held in Edmonton. A few government caucus MLAs, including myself, attended there. It was an incredibly colourful and really rewarding event to attend. The amount of organization that went into that was tremendous and the number of people that were there from all over the province, and the First Nation communities presenting their dance and music was pretty impressive.

Minister, with respect to support to indigenous communities for events such as the 35th annual Ben Calf Robe Traditional Powwow, on page 19, paragraph 5 of the ministry business plans it references the ministry's commitment to "forging respectful relationships with Indigenous populations and promotion of their unique communities and heritage." Line items 3.4 and 3.5 on page 50 also indicate the same. What kind of support is being provided to indigenous artists and creative industries, for example, through the Alberta media fund or the Alberta Foundation for the Arts? I think they're highly important efforts to support our indigenous communities, which I think was demonstrated by the event that I saw on Sunday.

Also, I'm quite interested personally, too, because I'm holding a summer festival myself and inviting the indigenous community to be dancers, drummers, and to promote and display their culture. Up to 30 per cent of the population of some of the schools in my riding are First Nations, and I want to draw that community out and be respectful in doing so. So I'm interested to hear what supports we have.

Miranda: Thank you. Absolutely, you hit something that's extremely important, and that is to have a dialogue that is nation to nation and that you are respectful of what the community's vision for itself is so that you're not imposing, you know, things that, well, are not desirable by the communities.

Within the scope of the work that the ministry has done or will continue to do through, for example, the Alberta media fund and the Alberta Foundation for the Arts, we have supported indigenous projects like the television series *Blackstone*, which has recently

completed its fifth and final season on APTN. It was produced and directed by local talent Ron Scott. The series supported indigenous communities in Alberta and employed local talent.

Other ways include the movie *The Revenant*, for example, which recently employed a lot of people from the Siksika First Nation and allowed a lot of local talent. So it allows us to again provide different venues for people to, you know, participate in the economy in ways that they are interested in doing.

The indigenous individual art project grant is another one that supports indigenous art, specifically art projects and training opportunities, especially with traditional arts. All of these are supported by the Alberta media fund and the Alberta Foundation for the Arts.

There's another strategy development that is going to help within the ministry, and that's within heritage. The United Nations declaration on the rights of indigenous peoples calls for governments to identify, protect, and carefully manage burial sites associated as well with the unfortunate history related to residential schools in the province and, indeed, the country.

The staff to date have identified relevant archival materials. We've done crossjurisdictional research on the management of indigenous remains. We've engaged, of course, the indigenous communities and survivors, with the National Centre for Truth and Reconciliation, to continue to explore ways and appropriate means of identifying and managing specifically burial sites associated with residential schools. And we've developed a few approaches to locating, preserving, and commemorating these burial sites, specifically.

In the recent budget we have committed our support to indigenous tourism through investment in the redevelopment of Fort Edmonton Park, which will include an indigenous peoples' experience exhibit. Actually, a part of that requirement is that traditional knowledge seekers and interpreters are hired, and I believe the number of them now in the project is set at 22, full-time, from Treaty 6.

Those are all different things that we are trying to do, again, to promote employment, to promote tourism, recognizing that this is a nation-to-nation dialogue, you know, one that requires a level of engagement and discussion – right? – to understand where the possibilities lie.

Like I mentioned, in Montreal I happened to come across an expert from the B.C. region who has helped a lot of indigenous people in B.C. to develop tourism products and get them to export readiness. Again, in terms of tourism, you know, people are looking for those very authentic experiences, those very unique experiences, too, that in our province, of course, are something that our indigenous population has absolute mastery over. And it's like no other. I've had the opportunity recently to see some of the art and some of the culture, and it's always magnificent to be able to be a part of that. It's very incredible.

Mr. Dach: Excellent. Well, I think I'll finish my block of time . . .

The Chair: I hesitate to interrupt, but the time allotted has expired.

We will now repeat the same rotation and proceed with the Official Opposition caucus. Would you like to continue going back and forth?

Mr. Orr: Please.

The Chair: Please proceed.

Mr. Orr: Thank you. I'd like to talk for a minute about Alberta fishing tourism. Are there any dollar . . .

Miranda: Sorry. One more time.

Mr. Orr: Alberta fishing tourism.

Miranda: Okay.

Mr. Orr: Are there any dollar figures kept on the value of that industry for fly-in fishing camps, gear sold, American tourists coming up for fishing? Any dollar tracking on that one at all?

Miranda: I have not seen any, but that doesn't mean that . . .

Mr. Orr: Okay. Fair enough. Fishing tourism is a big part . . .

Miranda: Sorry. We can get that information for you if you'd like.

Mr. Orr: Sure. I would like to know that, actually, what it amounts to.

Miranda: Okay. We'll get it for you, then.

Mr. Orr: Fishing tourism is a big part of many communities, especially near trophy lakes up north and for tournaments in the south, more so. Small businesses are going to suffer from the lack of recreational dollars spent in local shops, et cetera, where these lakes have had fish kills this last winter. What is the ministry doing to support these tourist attractions that are going to be losing money because of the fish dying? The communities can't attract anglers. Is there anything there?

Miranda: Well, I am not completely aware of where exactly that is happening right now, so can you please elaborate a little bit?

Mr. Orr: Yes. In the Edson area I know there was great concern there from one of the fishing stores because the lakes were no longer populated.

Miranda: Okay. Yeah. I guess one thing I can think of off the top of my head is, of course, working with them to deal with and to promote diversification in the product that they're offering like hunting or sightseeing or camping.

I'm not particularly certain what it is that has produced the death of the fish, so if you could elaborate on that.

Mr. Orr: Well, it's mostly related to the change of aeration strategies this last winter, but we'll let that go.

Are there any dollars allocated in the budget at all in terms of replenishing the fish stocks for tourism? No?

6:00

Miranda: That's not part of our ministry.

Mr. Orr: Okay. Fair enough.

Miranda: That has to do with Environment and Parks.

Mr. Orr: Let me change gears, then, a little bit. Preserving Alberta's history, of course, is important. One of the initiatives is the Royal Alberta Museum, page 21 of the business plan. What timeline can we expect in terms of looking at the completion of that project?

Miranda: Well, I can tell you that I took a tour, and I heard two beautiful things: on time and on budget.

Mr. Orr: Wow. That's good news.

Miranda: I know.

Mr. Orr: The only thing better is on time and under budget.

Miranda: Yeah. But I'll take on time and on budget any day.

The completion of the Royal Alberta Museum is on time and on budget, like I said, and we will take possession of the building in the coming summer. We have an anticipated opening date of December 2017, which coincides with the museum's 50th anniversary.

Mr. Orr: Okay. Let me move on to page 56. The estimates talk about two foundations that have been dissolved, the Government House Foundation and the Wild Rose Foundation. Can you tell me why they were dissolved or melded in or whatever it was that was done with them?

Miranda: Okay. In terms of the Wild Rose Foundation – of course, there was no discriminatory practice for the name, just to be clear about that – it effectively ceased in 2009. There were no other members of the board assigned to the foundation since then. It was originally designed to provide community grants, a function that is now basically the ministry's role – right? – the CIP and CFEP grants. We haven't had anybody sitting in that agency since 2009. There have been no meetings or anything like that. You know, to duplicate the work that's already being done in the ministry by repopulating the board and starting it up again didn't make sense. Savings could be realized by doing that, and it just made sense to wind it up.

Mr. Orr: Sure. And the other one?

Miranda: The Government House Foundation? I would say that specifically, again, when we did the ABC review, we were looking at efficiencies everywhere. We found in that particular situation that we could move a lot of the work into the ministry itself and realize savings. We are of course making sure that wherever we can, we are maintaining the people that have graciously volunteered their time to remain engaged. So we're working with them to make sure that they're still part of it, that they're still part of Government House, but are not necessarily assigning a budget line and funding them specifically.

Mr. Orr: Do you have any idea how much money might have been saved?

Miranda: Specifically, with the Government House Foundation it's \$49,000.

Mr. Orr: Okay. Thank you.

Where was that money reallocated to, then? If you were able to save that \$49,000, where does it go?

Miranda: It went back into general revenue.

Mr. Orr: Okay. And you've already answered the staff question, so I'll leave that one alone.

Let's talk about ABCs for a moment. Are there going to be on the horizon, in your understanding, any further cost-saving mergers of Culture and Tourism, ABCs, somewhat like Alberta Innovates did?

Miranda: That I can see right now? No. The ABC review that was conducted gave us a lot of good feedback. The ones that we felt we could dissolve, we did. On the other ones we were given recommendations, that we're going to implement. You know, for the most part, they're doing an extremely good job of serving Albertans. We found, for example, that the Alberta Foundation for the Arts and the Historical Resources Foundation are doing well in

achieving their respective mandates, and they're having a very good impact on communities and the economy. Whether they're doing preservation heritage or support for the arts – and I'm talking visitors to the province – all of these agencies will be maintained as they are.

Mr. Orr: On pages 19 and 20 of the business plan you talk about the five main language groups in Alberta. Four of them are sort of passed over. What is the ministry doing in support of these other main language groups in Alberta?

Miranda: Well, to start off, when we're talking about language in Alberta, we have actually had an ongoing dialogue with the francophone community to develop, you know, strategies and policies, French being one of the recognized languages of this nation. As you can imagine, implementing policies in different languages can be prohibitive in terms of cost. What we do in terms of promoting languages and culture is to actually provide grants for cultural activities within the different communities to promote preservation of the language and culture specifically.

Alberta Culture Days is another one that allows us to celebrate and support that. Personally, I can tell you that, you know, I enjoy languages, and I understand a few of them. But I can tell you that . . .

Mr. Orr: Okay. Thank you. I'm running out of time.

I'm going to give the last minute here back to Mr. Panda.

Miranda: Sure.

Mr. Panda: Thank you.

Minister, you've spoken a lot about tourism. The other side of your ministry is culture. There are many cultural groups. Usually they come here to do fundraisers, say, for example, now for the Fort Mac situation. In bringing those cultural artists from overseas, they are always looking for direct flights like the member mentioned before. Do you know if, other than these, there are any other discussions with the Emirates? I was talking to the Emirates the other day, and they said that they're looking at direct flights from Dubai. Do you have any information on that? Are we going to have any connections with India directly, I mean, instead of going through Toronto or Vancouver?

Miranda: Yeah. My understanding is that there is a New Delhi flight starting from Vancouver, I believe, next month. Of course, it's going to provide that. But you're right about the direct flights.

Mr. Panda: What about Calgary and Edmonton? Any plans?

Miranda: I have not been informed of any of those, but as you can imagine, the airports are always working on attracting that kind of business. The destination licensing, you know, is federal jurisdiction. But, of course, lobbying by the different airports is continuing.

Mr. Panda: So which ones are close to . . .

The Chair: I hesitate to interrupt, but the time allotted has expired.

We will now proceed with the PC caucus. Would you like to continue going back and forth?

Mr. Rodney: Yes. Thank you, Mr. Chair, and thank you for doing a great job this morning. We had a delivered exchange that was respectful back and forth, and I trust that we can do the same. I just want to have, perhaps, the minister know that my intention is simply to make a couple of quick points of information and then ask two

short, related questions. So I will hold the floor for that time and then pass it over to you, just for the sake of efficiency, if I may.

The first point is that the very first government bill that I was honoured to spearhead was indeed the Tourism Levy Act, of course, with a great deal of support from amazing experts in the field. For those that weren't around the table, which is just about everyone now, the bill was designed to decrease the tax – and everyone appreciates a decrease in a tax – while earmarking every dollar for reinvestment in marketing in Alberta.

Now, everyone in the industry loved it from the start and to this day, and it has become the envy of jurisdictions around the world and has been copied. Yet the government is now siphoning these resources away from the very destination, if you'll pardon the pun, for which it was originally intended, and I find this particularly alarming. I just strongly urge you, Minister, and your government to resist the temptation to turn the tourism levy into a cash cow that would be utilized to fulfill unsustainable promises in other areas of the economy rather than reinvesting them in tourism, which just keeps multiplying these dollars by in the neighbourhood of 20 to 1.

I'm also gravely concerned that I've heard the minister say today that the take has gone from zero per cent, the original intention, to 20 or 33 per cent, and I just can't help but wonder if it will go to 43 per cent or 53 per cent or whatever. So that's point 1.

6:10

Point 2. I was personally honoured to serve on the strategic tourism marketing council with dozens of incredible volunteers who selflessly shared their invaluable experience and expertise. It was a labour of love with them for six years. I just feel the need to go on record as saying that. With great respect, Minister, I think it's a huge mistake to dismantle STMC without having sat in on even one of their meetings and with no courtesy call to say thank you or goodbye. I can't help but wonder where you now will get the advice, that they used to provide, in their absence.

Now for the two questions. Number one, Alberta Get Outdoors Weekend, or GO Weekend, was one of my private members' bills, that was passed by all parties in the Legislature. It was extremely successful in the past and is an incredible opportunity going forward and not just for tourism but literally for all the ministries and far beyond. I wonder if you can explain to those folks who have helped plan and have enjoyed the event in the past why your department and every other department did absolutely nothing to promote it last month and if there are any plans at all to promote it in the future. That's question 1, on Get Outdoors, or GO, Weekend.

Question 2. Obviously, you can tell I care very much about tourism issues, as you do, as my colleague from Vermilion-Lloydminster does, and as does our colleague from Calgary-Fish Creek, who pointed out with great experience in the field that foreign airline services are always in a delicate balance with respect to economic viability, as can be witnessed by the more than decade-long process that we all watched and played a part in in securing direct passenger service to and from China. Given the softening economy and therefore the likelihood of a soft outbound demand required to ensure year-round passenger traffic and the cost pressures being introduced by the carbon tax, Minister, would you consider a rebate or an exclusion of the carbon tax and other provincial taxes for aviation fuel, as we've hinted at, particularly to transborder or international destinations, just to mitigate the risk of service loss? Because – and, Mr. Chair, perhaps you're aware of this as well – it's well known in the aviation industry that if you lose a service, it's unlikely you'll ever attract it or the same airline back in the future.

Those two points are given with respect and those two questions: on the Get Outdoors Weekend and, the second one, on aviation.

Miranda: Okay. Thank you. I totally understand that the questions are coming from a place of appreciation of the tourism industry and culture, specifically, as well. I can tell you, for example, that many of us recognize that same importance that tourism has.

What we have here is an issue of how to finance given the circumstances that we're in right now. I think that it does bear to say that my understanding is that the initial levy itself did not intend to specifically direct money but was as a result of a ministerial – the levy act itself did not say that the money was to be used for tourism. It was, in fact, a ministerial report that made the recommendation, so those changes were made.

The fact that we are investing money in capital projects to grow those tourism products and, you know, to provide the opportunity to grow and increase the attendance of people in these different destinations I think bears reminding because it is part and parcel of the strategy that we're talking about.

Mr. Rodney: We appreciate that, but the two questions are on the Get Outdoors Weekend and flights.

Miranda: Sure. In terms of the flights, as I mentioned before, we don't have an understanding of the implications right now. It's something that's going to have to be done before we can, you know, discuss any other options. I don't think it is the time right now to be able to commit to an answer on that issue in particular simply because we don't know, right? We have to do the investigation.

Mr. Rodney: How about the Get Outdoors Weekend?

Miranda: The Get Outdoors Weekend. We're still pursuing opportunities to encourage activity throughout the year and evaluating the best way to do this. We are continuing to support, through the Alberta Sport Connection, different programs and trying to promote children being active.

Mr. Rodney: But specifically the Get Outdoors Weekend.

Miranda: Specifically, Travel Alberta is offering co-op marketing dollars. I will have to check with them, but I believe that the tourism division is as well.

Mr. Rodney: Okay. I just want to encourage it because it's extremely cheap and extremely effective and extremely fun.

With that, I'll pass it back to my hon. colleague from Vermilion-Lloydminster.

Miranda: Thank you.

Dr. Starke: Thanks. Minister, just a couple of very quick questions. You mentioned a couple of times – and it's certainly in your business plan – that you're going to embark on the development of a plan, a Castle region tourism strategy. You know, that's exciting. It's a beautiful part of the province. I was actually very pleased when the Minister of Environment and Parks announced the Castle region. But the challenge that we have is that there's a lot of conflict in terms of potential uses in the Castle region. I guess my question is: what is your approach going to be to those – and it's a very strong group of individuals – who feel very strongly that the Castle region should not be developed for tourism but, rather, conserved in its natural state? You can't have it both ways. If you're going to promote tourism, it's going to be very difficult to meet, let's say, the objectives of those who wish to have the area completely conserved. So what is your approach to that going to be?

Miranda: I'm going to continue the dialogue I've already had with different ministries. Like you said, there's a competing interest

sometimes in the development of regions and the ecological impact that it may have, right? I think that you can achieve a balance in which you can protect the environment and have very little impact on the ecology while at the same time being able to produce tourism products that are actually marketable and export ready. From my end I've seen examples of that in many places where you can have ecotourism and it be specifically the reason why people go. If you maintain pristine lakes and beautiful mountains, people are attracted to them. So I think we are going to do our best to strike that balance. I get what you're saying, that there are very strong competing interests.

Dr. Starke: One question that I know I was asked – and I'll ask you the same question – is: what about off-highway vehicle and all-terrain vehicle use in the Castle region? That is an activity that is very popular amongst Albertans and certainly could potentially provide a lot of recreational activities, yet there are a lot of people who are opposed to off-highway vehicle use in the Castle region. What is your position on that?

Miranda: You know, we have to conduct the consultation with Environment and Parks. I think we need to come up with a common strategy between different ministries, and in order to achieve that, we have to do the consultation. I'm interested in anything that will allow us to grow the tourism market, at the same time maintaining the ecological impact to a minimum, if possible none whatsoever. I think we can achieve both, but it's something that we still have to work on.

Dr. Starke: Okay. Minister, thank you. I appreciate the dialogue that we've had this afternoon.

Miranda: Thank you.

The Chair: All right. With 10 seconds remaining, we'll now proceed to the government caucus. Would you like to continue to share your time with the minister?

Mr. Connolly: Yes, please, and thank you for those 10 seconds. They are very appreciated.

The Chair: Please proceed.

Mr. Connolly: I have a couple of questions about the film and television industry in Alberta and a couple about le Secrétariat francophone. I'll start with the film industry. On line 3.4, page 50 of the government budget estimates, it talks about the film and television industry in Alberta. The low price of oil has invigorated certain businesses, including small-scale film and television production. However, I've spoken with a number of individuals in the film industry, mostly in Los Angeles, who have said that they often look at places like Vancouver or Toronto before looking at Alberta even though we have lower taxes and sometimes a bit more incentive. So what are the options being looked at to continue enticing the film and television production community to come to Alberta?

Miranda: Thank you. It's a very interesting question and one that has a lot of very complex issues that kind of sometimes interrelate. The actual cultural industry's action plan is being developed as a guide to our government's approach to sustain growing cultural industries and screen-based production, digital, books, magazines, music, television, and film. To be consistent with the plan that we have to diversify our economy and create more jobs, we need to foster a sustainable cultural industry sector because they do actually

have the impact of contributing a great deal to our economy. This, of course, includes continuing our work with postsecondary institutions, union and guild representatives, indigenous communities, having a sector-capacity increase, just having an overall increase in the capacity for our industry to grow within that sector.

6:20

We have different pilot projects that we're now implementing related to training and mentorship, trade development, and also investments. As part of a broader job-creation strategy we have the capital investment tax credit, and we will see a targeted funding for postproduction, which is a visual effects and interactive digital media grant, which is quite exciting. I've had the opportunity to meet with stakeholders, and we'll continue to work with them. It is, again, the reality of where we are right now in terms of the finances that the province has, but it's one that I think has a lot of potential. We're going to have to look at it a little bit more closely as finances permit.

Mr. Connolly: Great. Thank you very much.

Minister, line 3.4, page 50 of the government estimates, talks about movies and television projects. We have some of the best outdoor filming locations in Alberta. This kind of ties in with the previous question, but as I'm sure you know, we have had quite a lot of success in the movies that have been filmed here in Alberta. Most recently we've had *The Revenant* filmed here. We had *Brokeback Mountain* and *Hell on Wheels* filmed in Alberta, and one of my personal favourites when I was a child was *Rat Race*, which was filmed right near Priddis and Calgary. I just named some, but can the minister detail some of the movie and television project success Alberta has seen in recent years and potentially give us a hint of what is to come?

Miranda: Absolutely. I can tell you, for example, that not only have we seen film, but we've also seen television. As you know, *Heartland* is going now into its 10th season. It's very exciting to see that continue in the province. Other productions, some of which you've mentioned already, include *Hell on Wheels*, *Young Drunk Punk*, *Blackstone*, *Interstellar*, *Bourne Legacy*, *Diablo*. Recently I was at the AMPA and got to meet some of these very talented Albertans who are producing a lot of really interesting work in screen. They are producing a lot of benefits for our province; there's no question about that.

Like I said, the series *Heartland* not only provides an opportunity to showcase the beauty of the province – it actually airs in 140 countries – but it also has an economic impact because for each season that is spent in this province, there's \$150 million to the province. The town of High River markets itself as the home of *Heartland*, for example, and it actually produces economic and tourism benefits for the series as it's used as a key film location.

Blackstone, which is another one, is completing its fifth and final season on the Aboriginal Peoples Television Network. Again, it's made use of local talent and has contributed, of course, about \$25 million to the Alberta economy.

Inception was another one mentioned, you know, with its very own fortress mountain. The fortress was destroyed at the end of the movie. It took about six months to build, providing employment to local crews even before the film came to Alberta to be filmed.

Again, these are all opportunities that create a lot of jobs locally. One of the things that I learned very early on from talking to stakeholders is the reputation that the crews in this province have in the industry. They are second to none. It's not a question of talent, and it's not a question of whether we're on the scene. The fact

remains that there are other challenges, of course, so we're trying to work through Economic Development and Trade to provide incentives in different ways. Again, it's another economic diversification tool that I'm excited to be a part of.

Mr. Connolly: Thanks. I actually have some friends who are in *Young Drunk Punk*. That's kind of interesting as well.

Just to continue, what will be done to increase the competitiveness of the film industry in Alberta?

Miranda: Again, we are working with Economic Development and Trade to create a capital investment tax. We are trying to of course maximize every opportunity we can by attracting people here. The demand for funding available through the Alberta production grant has been high since it began. It's actually a very good indication of how positive the actual program is. We are proud to continue to support and be able to provide the industry with the Alberta media fund as well. For every dollar we invest in this industry, we get \$6 in return. It's a great investment. It's a direct economic impact. Budget 2016 has \$37 million supporting the Alberta media fund, which I'm excited about. Again, as I mentioned, the Alberta investor tax credit is one along with the capital investment tax credit and the small-business tax cut. Some of these and the fact that we have a film studio opening in Calgary I believe will be enticing. All of these different things coming together create the kind of environment you want in the province to attract that kind of business.

Mr. Connolly: Thanks.

Just my last question – I don't have very much time left – is about line 4, page 50, which talks about le Secrétariat francophone. As you know, I've done some work since being elected with the Franco-Albertan community. As one of the many MLAs in the House, mostly on our side, who speak French fluently, I've heard from many in the community who say that they did not receive very much attention from previous administrations and that your office is looking to mend that relationship. Can you please explain the funding model for the Francophone Secretariat?

Miranda: I cannot speak for what happened before. I can tell you that personally, you know, being a French speaker myself, I took a lot of interest in the French secretariat, being, of course, the minister responsible for the French secretariat. The way that the ministry is funded is that \$650,000, or 50 per cent, comes from the federal government, and the other part comes from the Alberta government.

We've already started having discussions about different policies, keeping in mind that some of these have to be implemented in a very fiscally restrained environment. We have to be careful about what we can deliver at this point given the economic situation. One of the commitments that I've made to the president of the ACFA, for example, is to have a monthly meeting just to check in with each other and see how things are progressing and being able to find those opportunities to work together, grow the possibility for tourism, especially within francophone Alberta. Just putting us on the map, especially when it comes to tourism, has not come very easily, but I think it can be an extremely beneficial way to increase . . .

The Chair: All right. The time allotted has now expired.

The final one minute and 30 seconds will be allocated to the Wildrose Official Opposition.

Mr. Orr: Thank you. Can we talk about the Tour of Alberta race? Is there a line item in which it's covered?

Miranda: The Tour of Alberta has received grants from the government. We've made a commitment to them since it began. I know that they're having some challenges right now, but we did make our grants available to them. We're going to continue working with them so that they can find the partners that they need and . . .

Mr. Orr: How much would that grant be?

Miranda: The grant itself is \$1.5 million.

Mr. Orr: Okay. How much of their total budget would that be?

Miranda: Specifically in which budget line? Is that what you're asking?

Mr. Orr: Yeah.

Miranda: Of their budget or our budget in this one?

Mr. Orr: No. I mean, your budget would be the \$1.5 million.

Miranda: Right.

Mr. Orr: How much of their total budget would they . . .

Miranda: That's \$5 million that they need in total.

Mr. Orr: Okay. So that's what it costs to run it.

It's a great event, world-wide attention for Alberta. Do you have any figures in terms of what kind of revenue that brings back to the province?

Miranda: Well, you know, the Tour of Alberta does actually allow us to showcase the province. It's watched, so there are a lot of possibilities. The event attracted 125,000 spectators, 3,088 of which were from out of the province, and generated an economic impact of \$10.6 million in revenue for the province.

Mr. Orr: Okay. Thank you.

The Chair: I'd like to apologize for the interruption, but I must advise the committee that the time allotted for this item of business is now concluded.

I would like to remind the committee members that we are scheduled to meet next on May 16, 2016, to consider the estimates for Executive Council.

Thank you, everyone. The meeting is now adjourned.

[The committee adjourned at 6:30 p.m.]

