# First Session – Forty-Third Legislature

of the

# Legislative Assembly of Manitoba Standing Committee on Crown Corporations

Chairperson Mr. Diljeet Brar Constituency of Burrows

# MANITOBA LEGISLATIVE ASSEMBLY Forty-Third Legislature

Member	Constituency	Political Affiliation
ALTOMARE, Nello, Hon.	Transcona	NDP
ASAGWARA, Uzoma, Hon.	Union Station	NDP
BALCAEN, Wayne	Brandon West	PC
BEREZA, Jeff	Portage la Prairie	PC
BLASHKO, Tyler	Lagimodière	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian, Hon.	Keewatinook	NDP
BYRAM, Jodie	Agassiz	PC
CABLE, Renée, Hon.	Southdale	NDP
CHEN, Jennifer	Fort Richmond	NDP
COOK, Kathleen	Roblin	PC
CROSS, Billie	Seine River	NDP
DELA CRUZ, Jelynn	Radisson	NDP
DEVGAN, JD	McPhillips	NDP
EWASKO, Wayne	Lac du Bonnet	PC
FONTAINE, Nahanni, Hon.	St. Johns	NDP
GOERTZEN, Kelvin	Steinbach	PC
GUENTER, Josh	Borderland	PC
HIEBERT, Carrie	Morden-Winkler	PC
JACKSON, Grant	Spruce Woods	PC
JOHNSON, Derek	Interlake-Gimli	PC
KENNEDY, Nellie	Assiniboia	NDP
KHAN, Obby	Fort Whyte	PC
KINEW, Wab, Hon.	Fort Rouge	NDP
KING, Trevor	Lakeside	PC
KOSTYSHYN, Ron, Hon.	Dauphin	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom, Hon.	Flin Flon	NDP
LOISELLE, Robert	St. Boniface	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya, Hon.	Notre Dame	NDP
MOROZ, Mike	River Heights	NDP
MOSES, Jamie, Hon.	St. Vital	NDP
MOYES, Mike	Riel	NDP
NARTH, Konrad	La Vérendrye	PC
NAYLOR, Lisa, Hon.	Wolseley	NDP
NESBITT, Greg	Riding Mountain	PC
OXENHAM, Logan	Kirkfield Park	NDP
PANKRATZ, David	Waverley	NDP
PERCHOTTE, Richard	Selkirk	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REDHEAD, Eric	Thompson	NDP
SALA, Adrien, Hon.	St. James	NDP
SANDHU, Mintu	The Maples	NDP
SCHMIDT, Tracy, Hon.	Rossmere	NDP
SCHOTT, Rachelle	Kildonan-River East	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SIMARD, Glen, Hon.	Brandon East	NDP
SMITH, Bernadette, Hon.	Point Douglas	NDP
STEFANSON, Heather	Tuxedo	PC
STONE, Lauren	Midland	PC
WASYLIW, Mark	Fort Garry	NDP
WHARTON, Jeff	Red River North	PC
WIEBE, Matt, Hon.	Concordia	NDP
WOWCHUK, Rick	Swan River	PC

# LEGISLATIVE ASSEMBLY OF MANITOBA THE STANDING COMMITTEE ON CROWN CORPORATIONS

Tuesday, February 6, 2024

TIME - 10 a.m.

LOCATION - Winnipeg, Manitoba

CHAIRPERSON – Mr. Diljeet Brar (Burrows)

VICE-CHAIRPERSON – MLA David Pankratz (Waverley)

ATTENDANCE - 6 QUORUM - 4

Members of the committee present:

Hon. Mr. Simard

Mr. Brar, MLAs Khan, Moroz, Mr. Narth, MLA Pankratz

# APPEARING:

Mr. Karl Loepp, Chair of the Board, Manitoba Centennial Centre Corporation

Mr. Robert Olson, President and Chief Executive Officer, Manitoba Centennial Centre Corporation

# **MATTERS UNDER CONSIDERATION:**

Annual Report of the Manitoba Centennial Centre Corporation for the fiscal year ending March 31, 2023

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Clerk Assistant (Ms. Katerina Tefft): Good morning. Will the Standing Committee on Crown Corporations please come to order.

Before the committee can proceed with the business before it, it must elect a Chairperson.

Are there any nominations?

MLA Mike Moroz (River Heights): I'd like to nominate MLA Brar.

**Clerk Assistant:** Mr. Brar has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Brar, will you please take the Chair.

**The Chairperson:** Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Hon. Glen Simard (Minister of Sport, Culture, Heritage and Tourism): I'd like to nominate MLA David Pankratz.

**The Chairperson:** MLA Pankratz has been nominated. Are there any other nominations?

Hearing no other nominations, MLA Pankratz is elected Vice-Chairperson.

This meeting has been called to consider the Annual Report of the Manitoba Centennial Centre Corporation for the fiscal year ending March 31, 2023. Before we begin, I would like to remind everyone that the questions and comments must be put through the Chair.

Are there any suggestions from the committee as to how long we should sit this morning?

Mr. Konrad Narth (La Vérendrye): I recommend that we sit for two hours.

**The Chairperson:** It has been suggested that we sit for two hours. Agreed? [Agreed]

Does the honourable minister wish to make an opening statement, and would he please introduce the officials in attendance?

**Mr. Simard:** Yes, I'd like to make an opening statement today.

The Chairperson: Minister Simard.

**Mr. Simard:** It is my pleasure to be here today as Minister of Sport, Culture, Heritage and Tourism, alongside senior officials from the Manitoba Centennial Centre Corporation, to present the corporation's 2022-2023 Annual Report for the fiscal year ending March 31, 2023.

As a new minister, I want to first to thank all of the hard-working people in my office and our department for their work to prepare us for this meeting, as well as the work they do on an ongoing basis to help make our province a better place to live. We often talk about our department as being wide-reaching, as being the area that enriches the quality of life in our province; and certainly this is felt across all aspects of our department, which has had an impact that reaches every corner of our great province.

I would also like to take the opportunity to introduce Karl Loepp, chair of the board of directors, and Rob Olson, chief executive officer. Also joining us today is deputy minister Jeff Hnatiuk and assistant deputy minister Veronica Dyck and our staff, including our director of Legislative Affairs, Heather Laube; my director of Ministerial Affairs, Zach Fleisher.

The Manitoba Centennial Centre plays a central role in supporting access to arts and culture in Manitoba, and in providing essential services for several of Manitoba's largest and most renowned arts and heritage institutions. The M-triple-C has played a tremendous role in cultural policy and experience, and, with our government's support and the team that we have, will continue to build on that history while also paving a path for a sustainable future.

The Centennial Cultural campus is home to our largest and most renowned performing arts and heritage organizations, and since taking office just under four months ago, I've had the pleasure to meet with many of the tenants and patrons of the M-triple-C facilities. I want to thank them for bringing forward their passion, and for echoing our Premier's (Mr. Kinew) vision of one Manitoba; a Manitoba where welcome ideas are welcome from across the province.

The Manitoba Centennial Centre's facilities programming and partnerships, with resident tenants make important contributions to the cultural life and experiences of all Manitobans. I am pleased to be here as we look to some of the successes and achievements of the Manitoba Centennial Centre over the past year, and I look forward to continuing our work with this Crown corporation to enhance their contributions in years to come.

Thank you, and I look forward to our discussions this morning, and I'll pass my time to the board chair, Karl Loepp.

The Chairperson: Thank you, Minister Simard.

Does the critic for the official opposition have an opening statement?

**Mr. Narth:** Yes, thank you for the opportunity. I am MLA Konrad Narth; I am the critic for Sport, Culture, Heritage and Tourism, and I welcome members from the Manitoba Centennial Centre Corporation here today, especially CEO Rob Olson and Karl Loepp, the board chair. So, nice to meet you, and thank you for this opportunity today.

This is a portfolio that I think is very important. This Crown corporation adds significant value to Manitoba and is what makes Manitoba a unique place within our country, specifically the strong cultural and arts presence that the City of Winnipeg has with your centres.

So I'd like to thank you. I'd also like to thank the rest of the board that you have, welcome the new board members that are present and serving with you today, and to thank the previous board members who had contributed significantly to the organizations over the years.

Today as I was getting prepared to come here, I saw that CTV News was actually doing a whole morning presentation on the Royal Winnipeg Ballet, and the upcoming shows that you're going to be having, so that signifies the pride that Manitobans have in the organizations that you represent. So, yes, I look forward to going through the annual report and learning more about the organizations.

The Chairperson: Thank you, Mr. Narth.

Do the representatives from Manitoba Centennial Centre Corporation wish to make an opening statement? Mr. Loepp?

Mr. Karl Loepp (Chair of the Board, Manitoba Centennial Centre Corporation): Mr. Karl Loepp, yes.

The Chairperson: Mr. Karl Loepp.

\* (10:10)

**Mr. Loepp:** Yes. Thank you, first, all, to the MLAs, the minister and other standing committee members here today. It's a pleasure to be here.

My name is Karl Loepp. I am the chair of the Manitoba Centennial Centre Corporation and I've had the honour and privilege over the last almost seven years, maybe plus, to be chairing this organization, and echo many of the comments that have been said already about the importance about this facility for our province.

I'm also very proud to have worked with our CEO, Rob Olson, to move this corporation into a direction that has really given us the opportunity to be in a position that we are today. And I think you'll see that, through the reports that are presented, that we've done a tremendous job of sustaining some very difficult conditions through COVID and other challenges that have been faced in the industry.

So, we've prepared a report here that I'm going to ask our CEO, Rob Olson, to go through.

And, again I just want to say thank you for having us and happy to answer any questions.

The Chairperson: Thank you.

**An Honourable Member:** Mr. Chair, I call a point of order.

### Point of Order

The Chairperson: MLA Khan, on a point of order.

MLA Obby Khan (Fort Whyte): Mr. Chair, sorry to interrupt early off but, you know, we are in a very important meeting here and we're–just–that's a lot of things. And I believe it's inappropriate for staff members who have their phone out to what appears to be taking pictures of the procedures that are happening today.

So, I just request if we could maybe put our phones away at the table so that that doesn't happen going forward.

The Chairperson: So, the members are allowed to keep their phones out, but they're not allowed to take any pictures. So nobody noticed any pictures being taken, so I think this is not a point of order but it's a gentle reminder to everybody to—not to take pictures.

Thank you.

\* \* \*

Mr. Robert Olson (President and Chief Executive Officer, Manitoba Centennial Centre Corporation): So I—we prepared a little bit of a presentation that summarizes a bit of our annual report from the previous fiscal year, and I'd be happy to answer any questions regarding the information that's provided in that report.

But if I can, for the purposes of this meeting, just briefly go over the report and sort of highlight, you know, the significance of the previous year and some of the touch points of the previous year, I'd be happy to do so, and thank you for having that opportunity.

Just as a point of matter in history, this corporation was founded in and around 1963. You know, I'd like to say that it's the second oldest Crown corporation in the province of Manitoba but probably the least known.

But none the lest, it's a—we play an important role in the arts and cultural community. And for more than 50 years, we've been supporting this industry through

our endeavours to make sure that there's adequate infrastructure for the broader arts community to participate in. And that's what we take great pleasure in doing, is preserving that asset.

And as you can see from our report, it's quite farranging. We manage a number of properties that benefit the arts, including the Centennial Centre proper, which is right downtown, on Main Street. But we also have some relationship with the Royal Manitoba Theatre Centre, the warehouse theatre, Artspace, which is in the east Exchange, and a movie production studio. So, we're engaged in that industry, as well, and trying to support the economic industry as best as we can by making sure those assets are in good working order and can satisfy the needs of the industry.

This past year, we returned to what we would-sorry—I did it again. We returned to pre-pandemic levels. As many of you may have known, during the pandemic, it was very difficult for our organization to sustain itself. We essentially had to shutter the Centennial Centre, which meant that any earned revenue opportunities that we had were essentially paused.

And we want to recognize the Department of Sport, Culture and Heritage during that period. They did provide some additional support for our organization, which we previously had not received, which was about \$1.4 million. So we thank the Department of Sport, Culture and Heritage for that. But we are now at restored normal operating levels and so this '22-23 fiscal year actually generated a net profit of about \$162,000. And we're very proud of—I'm very proud of our administration, in co-operation with our board, for the ability to navigate the pandemic and the ability to be somewhat assertive in trying to restore earned revenues.

So, we're thankful for the outcomes there. I would like to touch on one interesting organization that may or may not have been known in the past, but we've recently created what we call a new strategic business unit and that's a ticketing agency. It's called TobaTickets. That agency allows us to ticket any event in the province of Manitoba for any organization. And we have several external customers. It's not just for concert hall events. We have a drive-in theatre in Morden that we ticket their events. We're doing quite a bit of work with the Assiniboia Downs right now with some of their events that are programmed over there.

Anyways, it's an asset, I think, for the benefit of the province. Going forward, if there's any sort of reason to ticket an event or to control access to an event, we certainly have the company that can do that going forward.

Last year, we realized \$5 million in earned revenue. For us, when you consider that and pre-pandemic levels—it was \$4.3 million in 2019—so as you can see, we've definitely rebounded with about \$600,000 more in earned revenue. Our operating grant makes up another portion of that revenue, and—of \$2.5 million. We also had expenses of about \$7.4 million and that's where you get this excess revenue of \$162,000 for the fiscal year.

With regards to our statement of operations, I think that's just an overall capture of the last, oh, 11 years or so from 2011 to present day, and it gives you a brief overview of, you know, the yearly activity of the organization from a financial perspective. And there are many years where the corporation is profitable, but there are some challenging years, you know, that we have to deal with from time to time, that may result in a deficit.

We do receive an operating grant from the Province of Manitoba, an annual operating grant. It's pegged at \$2.5 million, approximately. There is an additional \$440,000 that comes from government services that helps us support the capital investment in the facility. If I had to make a comment about that, it's—probably a need to increase that number going forward when you consider the facility is 55-plus years old.

The operating grant has been fixed at the 2.5 level since approximately 2017. I might have misspoke when I said 2016 in the report. And of that operating grant, I think it's critical for us to point out that the corporation as a Crown corporation, a revenue-generating Crown corporation, receives this operating grant because of historical commitments that we've made, that the government has made, to support the assets of the Manitoba Museum, some of the resident—what we call resident companies: symphony, ballet and opera. We also have a pension deficit that we have to factor in and consider.

And we-as I mentioned earlier-we look after the Manitoba Production Centre, which is a film studio, and we incur some costs for property taxes, which, of course, the rest of the Centennial Centre properties do not have to pay.

As a result—and we highlight it in our report—if we just honour the commitments that have been asked of us to honour, there's about 116–120 million dollar, or \$120,000—excuse me—shortfall on an annual basis, each year.

And again, it's worth pointing out, in 2011, the operating grant, from our operational perspective, represented about 58 per cent of our total revenue. In today's world, where we're more reliant on our earned revenue, it only represents about 35 per cent of gross revenues.

I want to touch on a few of the highlights, perhaps, for argument's sake—for discussion. So, a couple of corporate highlights: we are in negotiations with the Manitoba Museum on an extended long-term lease. So the museum, if you're not familiar, leases the space on the north end of the campus from M-triple-C. That lease expired in March 2023. We asked the museum for a one-year extension. It was granted and we're currently negotiating a new long-term lease with the museum to be part of the Centennial Centre going forward.

\* (10:20)

Our organizations, in partnership with Government Services, have commissioned a building condition assessment for the Centennial Centre properties. That building condition assessment is in its review stage. There are a number of issues that Government Services have asked us to take a look at to ensure that there isn't anything that's been overlooked, but we're encouraged by that report, the potential of that report, to map out an investment going forward.

So, with that in mind, one other thing that, quickly just to report on, we've received about \$660,000 of approved funding—\$330,000 of approved funding from the Arts, Culture and Sport initiative, and we're very thankful for that because in previous years our Crown corporation would not have been entitled to that.

So I'll leave it at that, and if there are any questions, be happy to answer them.

The Chairperson: Thank you, Mr. Olson.

The floor is now open for questions.

**Mr. Narth:** Thank you, Mr. Olson, for going through that report with such detail. There are many questions that you were able to answer through your description of that report, but I also have some others of clarification.

Also, there were some, you know, obviously, unique financial constraints with the pandemic and the

shutdown of operations, so I think some of those can be easily answered.

But one that we obviously notice first and foremost and also in your report, was the \$162,000 operational surplus that was reported. And do you anticipate that if funding was to remain similar, revenue stream remain similar, earning potential similar, that this is something that's attainable moving forward?

Mr. Olson: Thank you, Mr. Narth.

Well, going forward, our challenge is that with inflationary factors being what they are, there's been more and more reliance on our organization to be more and more creative with respect to earning revenue. So the operating grant plays a diminished role to some extent, in terms of balancing our obligations to these organizations. However, we recognize this is as an obligation of the government to be able to support those organizations.

As you'll know, we don't recover anything from the operations of the museum, so it's strictly an expense going forward, and right now—well, as of last year, \$1.9 million of that \$2.5 million was devoted—or directed to museum costs.

So without that—a leverage of generating any kind of return off the museum, I don't know that this is sustainable; we hope so. Every year we work towards a balanced budget, as we're obligated to do so as a Crown. *[interjection]* And we are in a competitive market, as Mr. Loepp reminds me.

**Mr. Narth:** Again, supplemental question to that. So with–I think you had stated \$120,000 a year shortfall–not \$120 million, right?

Floor Comment: A hundred and nineteen thousand, correct.

**Mr. Narth:** Hundred, yes; so roughly \$120,000 shortfall is what you see. So that's—that would be what's projected as potential shortfall, moving forward, if earning potential was to remain similar, right?

**Mr. Olson:** Well, Mr. Narth, I don't know. As I mentioned earlier, inflationary pressures are escalating, no more so than they have in the last two years. So it's rapidly overtaking our ability to sustain the facility with earned revenue.

And I think, for the purpose of this report, we're highlighting the shortfall, because we're trying to emphasize to government that there probably is a need for additional investment in the Centennial Centre just

to manage the obligations that we've been asked to manage historically.

The Chairperson: Thank you, Mr. Olson.

And before we proceed, just a gentle reminder to the members to ask the questions through the Chair, please.

Mr. Narth: My next question would be, then, to the minister.

As Mr. Olson had stated that roughly 35 per cent of the revenue is made up of provincial grant funding, with a projected shortfall of \$120,000, is it the government's plan to increase funding or have funding remain stable moving forward for M-triple-C?

Mr. Simard: Yes, thanks for the question.

As the member is aware, we are currently working through the Estimates process and preparing submissions to Treasury Board, and that process is ongoing. And a budget will be tabled in the near future through which that question will be answered specifically.

The Chairperson: Thank you, Minister.

Mr. Narth: My next question, back to Mr. Olson.

Would you think that operations grants are needing to increase, and what will happen if they don't increase, if funding remains the same or funding is cut by the Province? Just strictly on the operational grant side.

Mr. Olson: Thank you, Mr. Narth.

Going forward, we'll address this issue like we do on an annual basis. We'll look at our expenditures going forward, we'll look at our capacity to generate earned revenue, we will make adjustments in our operations accordingly.

As I stated earlier, we have a mandate to present a balanced budget at the beginning of every year. Sometimes the board will approve a deficit budget with the recognition that, as we know more about our earned revenue capacity, we can make up those shortfalls or, in fact, adjust our budget going forward by reducing expenditures.

But typically, those are the two tools available to us: increasing earned revenue or adjusting our expenses accordingly.

The Chairperson: Thank you, Mr. Olson.

Mr. Narth: Thank you, Mr. Olson, for that response.

I think we all realize that inflation is outpacing revenues in many different sectors of the economy, so it's a realistic concern. Along with that, I notice that in your—in the report it had stated that there was a three-year strategic plan which had focused on opportunities to generate self-sustaining revenue.

Would you be able to expand and elaborate on what those may be, as we're talking about needing to generate additional revenues?

Mr. Olson: Well, going forward we have completed a three-year strategic plan that sort of outlined what we might expect over the course of next year. One of the priorities we've established—and we touched on this a little bit—is the creation of a foundation. That foundation will be a charitable organization that will be established to help—well, to address some of the capital deficiencies—not all—and to bring the community back into the presentation of the Centennial Centre: How the community wants to see some capital initiatives addressed.

One of the things that is difficult for us, as an organization, is finding various levels of funding for equipment. We are very fortunate in that our partnership with Government Services has led us to fairly significant investment in some capital initiatives but, as you know, our facility relies on our ability, from a technical perspective, to address the entertainment industry. There's some deficiencies there that we're looking forward to. And then, we're hoping that this foundation, going forward, can alleviate, to some extent, some of those concerns going forward.

**Mr. Narth:** When would that report be made public, or at least to the government?

The Chairperson: Mr.–

**An Honourable Member:** Yes, that's—the three-year strategic plan.

The Chairperson: Mr. Olson.

An Honourable Member: I can answer that question.

The Chairperson: Minister Simard.

\* (10:30)

Mr. Simard: The three-year strategic plan is on the M-triple-C website and it's accessible to all-everyone in the world, and the—I would be remiss if I didn't mention the fact that the board chair and the board and—under the direction of the CEO, are constantly working on the objectives and solidifying the mission and vision of their organization.

The Chairperson: Thank you, Minister.

Mr. Narth: So I guess we'll stay on the theme of finances right now, and then we'll move on, so it's organized.

One thing that I noticed through the financial report was a significant difference between term deposits in 2022 and 2023, and also a significant difference on the capital grant. So we'll keep those two separate, but maybe if you can elaborate on what those significant differences would be—would've been made up with.

**Mr. Olson:** Mr. Narth, you know, there's probably a reasonable explanation for that. The introduction of our new strategic business, TobaTickets, now allows us to recover tickets that are purchased in advance of an actual performance.

And so that revenue sits in a particular fund and is drawn on after the performance has been completed and there's a settlement with the promoter of that particular event. So if you pick any artist that you can imagine that sells a ticket, that ticket revenue might come into our hands six to 12 months in advance of a performance; that money's typically parked until the event is staged. Afterwards there's a settlement with the promoter. All expenses are deducted; what's owing the artist is paid out of that particular fund. And that's probably where you see the elevated rise in reserves: it's ticket revenue.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** Great. Thanks for explaining that, and that does make sense. I want to elaborate a little bit on TobaTickets after, but could you also elaborate on the difference in the capital grant in the report?

**Mr. Olson:** When you mention capital grant, are you talking about the \$440,000 that we consider as part B capital that is advanced to us or made available to the corporation through Government Services?

**Mr. Narth:** Just was going to find it; it's in the KPMG audited report. What page was that now?

Yes, so there was roughly a \$700,000 difference, \$1.8 million for 2023 and only \$439,000 for 2022, and it was outlined in assets as capital grant received from Province of Manitoba.

The Chairperson: Thank you, Mr. Narth.

**Mr. Olson:** Sure, from time to time, the department of Government Services may approach our organization

and suggest that there's some additional revenue available to our organization for investment in the facility, strictly for capital investment.

You know, there are usually conditions around that additional support. In that particular year that's what happened. We were approached from Government Services. It was indicated to us that there might be some additional support that they could offer—were there any particular projects that we wanted to address with respect to capital? And in that particular year, a little bit more than normal was advanced.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** So that would lead me naturally into a question to—for the minister. Has there been any commitment by your government and your department for Government Services to provide additional revenue for ongoing projects through M-triple-C?

Mr. Simard: Thank you for the question.

The department is committed to supporting the long-term sustainability of the M-triple-C. We know the important role that the facilities play as performance venues and as home to so many of our crown jewel performing groups. And it's one of the most—it's the largest and most renowned art and heritage organization in Manitoba.

So yes, the M-triple-C is an important player in this field, and we want to ensure its long-term financial stability.

The Chairperson: Thank you, Minister.

Mr. Narth: Thank you, Minister Simard.

I guess, then, that supplemental to that would be, does the long-term sustainability, then, explicitly outline an increase in the operational grant funding moving forward?

Mr. Simard: Well, going back to my prior comments, we are in very early stages of government. We've been in this position for four months. And, as you can imagine, the breadth and width of the department and its many, many players across Manitoba has, you know, tasked me with going out there and meeting with thousands of Manitobans and getting their sense of what's going on within the Manitoba and in, specifically, the arts and culture centre.

So, in this information-gathering mode, our department is in the process of-well, in the process of preparing submissions to Treasury Board, and as-and then we will include those final decisions in our budget going forward.

The Chairperson: Thank you, Minister.

**Mr. Narth:** So, next question back to Mr. Olson. I guess, since we're hearing that there may be some concern that an increase in operational budget may not be reality, it brings me to exploring a little bit more about TobaTickets. And it seems like there's great potential there for that to be a revenue stream.

Is this service viewed as a potential revenue stream, outside of your organizations?

**Mr. Olson:** Absolutely, it is. We're quite excited about its potential. Ticketing really is, for the most part, an online service. It's not too often that people will actually approach a box office to buy a hard copy of a ticket. So, given its online presence, our ticketing company can virtually sell—you know, I limit it right now to Manitoba—but can sell any event for anyone in the world, quite frankly, if we wanted to be that brazen.

But we feel its a tremendous asset for the province of Manitoba, particularly smaller art organizations. This is an expensive proposition for a lot of smaller organizations to take on. There are less expensive software solutions out there, but they don't give the full breadth and width that this system can do. And the–probably the easiest way that I can articulate the capabilities of TobaTickets and the software system we provide–first of all, it's Canadian-based. We're using a software provided by AudienceView out of Toronto. We're not using, well, anyone outside of the–Canada.

But whatever Ticketmaster can do is what we can replicate. And so that gives you 'prossibly' an idea of the breadth and width of our ticketing ability.

Now, the only this that we may be limited to, to some degree, is staffing. You know, as we get a little bit more involved, engaged with other organizations, we probably have to staff up accordingly. But it's profitable right now. We're primarily ticketing most of the events at the concert hall but, as I said, there are a few examples where we're already reaching out to other organizations and demonstrating how we can make this profitable for them as well; advantageous.

Mr. Loepp: So in addition to the ticketing system that was put in place, you know, with management's direction to go and look for efficiencies in the operations of our facility, we have other opportunities that include infrastructure within the facility, be it sound, lighting, monitoring systems that we would love to expand our business practice in. Where we're now renting equipment rather than owning it and renting it

back to the performers, which is a business opportunity in itself.

\* (10:40)

Where we're restricted is the source of capital, again, which has always been our cause for a number of years, just the source of capital.

So whether it's the ticketing system or any other equipment piece, we do have an intention of maximizing returns and limiting expenses when it comes to instruments or pieces of equipment like that, or operating systems.

The Chairperson: Thank you, Mr. Loepp.

**Mr. Narth:** Don't really want to dwell on it, but I think there—it seems like there's great potential there. So, wondering if you foresee—do you have any projection on what the potential earnings and profitability of TobaTickets could be if you were to expand it to where there is a need and, let's say, that staffing is a possibility to obtain?

Mr. Olson: Thank you, Mr. Narth.

Yes, absolutely we are projecting some increased revenue off of our ticketing agency. There are some limiting factors right now, not the least of which is the dominance of the private sector. Ticketmaster is the No. 1 ticketing agency in the world; they have a dominance in that they're also the—owned by the largest promoter in the world, Live Nation.

So we have to compete against agencies like that for local business, and that's why we're limiting our scope and range right now to anyone within the province of Manitoba because it—we believe it fits with our mandate to support those arts organizations any way forward. We've worked with Winnipeg Convention Centre recently on hosting sporting events inside the Convention Centre and ticketing those.

We see great potential in this industry, and we are looking forward and—to what might emerge. A big portion of that job is sales, and it's getting the word out that we're available to various organizations through a forum such as this and an official recording of the availability of TobaTickets to the province—that's my sales pitch. We're hoping that many other organizations, particularly organizations that might be supported by government, would first look to M-triple-C to see about the capacity and capabilities of TobaTickets as we go forward. There are many festivals and organizations that are either hosted by the Province or supported by the Province where we

feel we could play a role in those events going forward as well.

So there's tremendous potential here. We'll scale up accordingly, as Mr. Loepp had alluded to. We are now taking an approach where most of our investments are based on return on investment, so that we can demonstrate the viability of those investments.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** Again, question for Mr. Olson. It looks as though \$300,000 more was budgeted for investment into maintenance in this last fiscal year. Why did this overreach the initial budget?

Mr. Olson: Very easy explanation: deferred maintenance during the pandemic and our inability to make significant investments in any of the infrastructure. We were able to use and leverage some of our earned income to address long-standing issues in our movie studio, for example. You'll see that year over year there was a \$100,000 increase in investment in capital infrastructure just for the movie studio itself as we tried to address mechanical and safety issues.

Safety, life-cycle issues of those natures are becoming quite prominent. Our ability to address accessibility issues is becoming quite prominent, and so as we came out of the pandemic and we looked at our financials for the year, we determined that we were able to make a more comprehensive investment in the infrastructure. And so we chose to go that route that year. But most of it is deferred, and some of it we just couldn't hold off on any longer.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** I guess a supplemental to that is how much more deferred maintenance is there, and what are the costs associated with that moving forward now?

The Chairperson: Mr. Olson? Minister Simard.

**Mr. Simard:** I can briefly answer, is that the M-triple-C is in the process of having a review done and that has not been reported back to Crown services, who basically have managed the asset and oversee it. And so the asset management division basically does the condition assessments for the entire Centennial campus. And that has not arrived on my desk at this point. However, did you want to elaborate or?

**Mr. Olson:** Mr. Simard, no; I mean, I think that's accurate.

We're in the process of completing a building condition assessment. The review is still ongoing, and we are, you know, ironing out some questions that we might have with respect to the report and working with our partners in Government Services to make sure that when it does become public, it's a comprehensive report.

**Mr. Narth:** So I'm new to this role, but to my understanding, there was a plan by the previous government for building—a building maintenance fund, and will this new government commit to that same plan for commitment to the building service maintenance plan?

**Mr. Simard:** Yes, my department is working alongside the colleagues in the protection—the Consumer Protection and Government Services and with the leadership at M-triple-C that we will review these assessments and support the development of short-, medium- and long-term goals.

The Chairperson: Thank you, Minister.

**Mr. Narth:** Just to clarify, then, I'm understanding that there may be a new plan, but there is no commitment to the previous plan by the new government.

But I will move on to my next question, and that's around the Foundation of the Future Fund.

And how many grants were awarded under the Foundation of the Future Fund this fiscal year, and what are the criteria for projects being supported under this fund?

**The Chairperson:** Thank you, Mr. Narth.

**Mr. Olson:** None. That's the quick answer from the Foundation of the Future. The Foundation of the Future Fund is by application. We did not receive any applications in the previous fiscal year, and so none were awarded last year.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** Earned revenue, as we had stated, kind of circling back to finances, has been stabilized back more ahead of pre-pandemic levels as you had compared to 2019.

In your opinion, what would you say interest levels in the services provided by M-triple-C and its organizations—have they gone back to a baseline?

**Mr. Olson:** I'm not sure I understand the question, Mr. Narth.

**Mr. Narth:** You had expressed that revenue has gone back to a baseline, right?

Has interest in the same type of services that—or presentations and performances, has the interest remained the same for those performances by your organizations? Has that remained the same pre-pandemic?

The Chairperson: Thank you, Mr. Narth.

**Mr. Olson:** Well, I can say 'unequivocably' the demands of our organization have not changed, COVID or no COVID. We were expected to deliver on some of our contractual commitments, for example, to the museum. Certainly some of the performances that were deferred over the pandemic didn't require an investment. I mean, we simply shuttered our doors.

But the ongoing operations of the museum were still sustained, for example. And, as you can see from our report, that takes up about 80 per cent of the annual operating grant that we do receive from the Province.

So we honoured those commitments throughout COVID. We are very fortunate in, from our perspective, good management of any surplus that we do incur in any particular year is held in a strategic reserve, and that's what partially allowed us to get through this COVID—unexpected switch in COVID.

So, with that reserve, we were able to continue to provide those services to the various organizations that asked us to provide those services.

The Chairperson: Thank you, Mr. Olson.

\* (10:50)

**Mr. Narth:** I guess my question was more trying to dive deep into—is there a change in what the appetite is for performances and services through the different organizations, as things change in society?

An example that I had pulled was that the concert hall had successful performances and productions, together with an increase in culturally diverse performances, which is something that I found to be unique, or it was at least highlighted to be unique, so it drew some attention.

So, then my question was, from that is: is there room for, and potential for new, culturally diverse shows and is there an opportunity to attract a new audience as a result of that, if there is a shift and change in what the appetite is amongst spectators?

The Chairperson: Thank you, Mr. Narth.

Mr. Simard: Yes, I can answer that.

The total performances pre-pandemic were, and you know, if we were-look at their report that's before you; well, the presentation that was made, we're at about 215. And last year, the concert hall was 175.

So, it is—are the partners and companies looking to diversify their offerings? I'm certain of it. And the M-triple-C, as managers of the facility will work very hard to make sure that they can accommodate those future projects.

The Chairperson: Thank you, Minister Simard.

Mr. Narth: Thank you, Minister Simard.

My next question would be around staffing challenges. So, the report lists retaining and attracting staffing and talent as a concern. Would maybe you be able to elaborate that?

And this would be to Mr. Olson: elaborate on what some of those challenges are and what you foresee those staffing challenges being, as we move forward, specifically, just the human resource aspect and then the financial aspect that that human resource challenge would have.

The Chairperson: Thank you, Mr. Narth.

**Mr. Olson:** Staffing is an issue. I think, universally, across the board, it's well-known that emerging from the pandemic, staffing, particularly for events that we would host at the concert hall; and we have event staff that are specific to what goes on in the concert hall; has been challenging.

We've had to retrain quite a few people because they left the industry in its entirety. As I said. We're possibly the only Crown that had to shut down during COVID and so we lost a lot of experienced staff on the event side to COVID, as they found other employment.

And so, we've had to retrain, going forward, and it's been a bit of a challenge for us. It's actually increased—it's actually resulted in some increased labour costs because on some days we have double the staff as we're training new staff with experienced staff. So, it is a challenge for us, but I believe that's a common challenge for most industries that we can see.

So we're right in there, fighting for talent and offering the best opportunities that we can for employment with our organization.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** So, my next question then will be to the Minister.

So, Minister Simard, as you heard from Mr. Olson, the challenges, and possibly unique human resource retention and attraction challenges that M-triple-C and its organizations could be facing, is

there something that your government will be doing to further support these staffing shortages and attracting the specifically-trained labour for this industry and also others?

The Chairperson: Thank you, Mr. Narth.

Mr. Simard: Yes, thanks again for that question.

We, as a government, recognize staff shortages and challenges across all sectors and specifically from the Manitoba–or from my department, Sport, Culture, Heritage and Tourism, focused on increasing the quality of life for people in Manitoba, to make Manitoba a place where people can go to the theatre, go to the symphony and see these world-class performers perform in facilities that are taking care of responsibly and with an eye to the future.

So in trusting the M-triple-C in being able to carry out the work of the strategic plan and to carry out the many outcomes they have identified throughout that strategic plan, to be able to continue to, you know, facilitate best practices in the way that they treat the staff, train the staff, retain the staff, I think is absolutely important, So, as a whole, my department is working hard in increasing the quality of life in this province to attract people to come work here, not just for the M-triple-C, but for all of the province.

The Chairperson: Thank you, Minister Simard.

Mr. Narth: Just wondering if there's anything specific that your department has planned for addressing the staffing challenges for, specifically, the arts. Is there anything specific, you know, narrowing it down from the broad scope of, yes, that we have staff shortages across the entire province, but is there any specific support that will be given for human resource shortages and potential challenges for the arts and culture?

The Chairperson: Thank you, Mr. Narth.

Mr. Simard: Yes, well, just bringing the focus back to the annual report for '22-23, I think I can just underline the fact that the M-triple-C and its partners are doing great work with the staff that they have; I would say punching above its—their weight given some of the constraints they were operating under for the past few years.

And our government is a government that invests in arts and culture, and obviously referencing back what I was saying earlier, with respect to the budgeting process and submissions to Treasury Board, our department is—recognizes those challenges that they operate under.

Mr. Narth: My next question would go back to M-triple-C and Mr. Olson, and just to highlight the acknowledgement of the arts, culture community fund that had provided a \$250,000 grant in a—obviously in a time of need, and you had listed that that made a significant impact and difference to your organization, and this specifically was to support the concert hall.

Could you please provide details on the project associated with this funding? I know what it had listed, but can you explain in a bit more detail what that was able to provide and what difference that made in this last year for the organization?

Mr. Olson: I'd be happy to elaborate.

So, as I mentioned earlier, equipment is one of our challenges. There are various outlets that we can go to for capital, but the equipment, particularly for the concert hall or for the entertainment industry is expensive; there's no way around it. So we—and if you can imagine, in the concert hall one of the key elements that we have to deliver on is sound and the visual experience, lighting.

So two main pieces of equipment were purchased: a sound board, which cost us approximately \$260,000; and a lighting board that I think was about—I might've mentioned it—but \$140,000 for a lighting board.

The sound board, we have, and we are in the stages of training our staff to operate on something that's new. The previous sound board was approximately 20, 25 years old and it was being maintained by our technical staff very well, but it surpassed its useful life. The lighting board is still with the manufacturer. It's one of those very chip-sensitive, chip-heavy pieces of equipment, and it's in the production stage, and we're hoping to have that here before the end of this fiscal year so that we can improve our lighting capabilities at the concert hall.

\* (11:00)

And then the third item was a general overhaul of some stage rigging so that we could continue to host events at the concert hall safely. So things like new aircraft cable that supports a lot of the lighting infrastructure, the sets, the design above the stage. There are new code requirements for safety on the stage, so we've had to make improvements in those areas.

So a lot of technical stuff on the stage side is taking up the remaining 250.

**Mr. Narth:** So I guess just to dive a little deeper into that, then, the ACSC fund had obviously provided significant assistance in that specific need, right, for

upgrades within a facility. As we move forward with financial challenges, revenue challenges—and we've identified a potential shortfall in the funding model—would you say that having a specific grant as that, that can be used for specific improvements, to be beneficial to M-triple-C and its organizations?

Mr. Simard: So I appreciate the question.

Without a doubt, any investment in the M-triple-C will be welcomed by the Chair and the CEO. Acknowledging the investment that you referenced was after the operating grant was reduced and then maintained through that seven-year period, I think it's important to note that the M-triple-C will take any avenue, or any fund, or any dollar that is redirected to them.

So that is something for which this department is acutely aware. And we'll be working toward supporting our Crown corporation and ensuring its future financial and performance success.

Mr. Narth: I guess the question to M-triple-C was more so that specific funding avenues—when we look at specific grants for improvements within the organization aside from the blanketed operational grant, does that have value to the organization? Or is it that, as the minister had stated, that they'll take whatever money is available and use it as needed? Is there any value in a model that has specific granting to specific projects?

**Mr. Olson:** Certainly. As any organization will tell you, when there's some cost certainty built into your annual budgeting process, that allows us to project with some certainty on what we can advance and what we can't advance.

Historically, you know, we find out usually in April what our operating grant is going to be for the next year. But you have to recognize that our budget is already established prior to finding out what our operating level of funding is.

And so we—any cost certainty or any budgeting certainty would be welcome, because it would let—allow us to budget that much more in advance, and probably take advantage of a few things that might be on the horizon.

Mr. Narth: My next question, then, will be directed to the minister. With that being said, specific funding—whether it be to M-triple-C as a Crown corporation or others around Manitoba—can you confirm that the ACSC fund will continue, or confirm that it will be cut?

Mr. Simard: I can confirm that we will continue to support the M-triple-C and make sure that they can reach their financial stability and predictability, something that was lacking, and it's all part of the consultation process that I was referencing before. Talking to the arts and culture sector to understand the particular challenges that exist within that sector, and to create a sustainable, predictable fund, if there is to be one, that they can rely on.

The Chairperson: Thank you, Minister Simard.

Mr. Narth: Thank you, Minister Simard.

The M-triple-C had noted in their report—this is now moving on from finances—that drug use and crime is being an increased concern for operations around that facility, and an item of increased expenses also, on security and monitoring.

So, what will the government do to tackle the crime downtown, specifically to assist M-triple-C and their organizations to continue safe operations and attract people to these facilities?

The Chairperson: Thank you, Mr. Narth.

**Mr. Simard:** I can say that, personally, I visited several of the venues for performances in the last four months. I can definitely say that my attendance at these events, I felt safe and welcomed by the efforts of the groups that operate down there.

And as the—as you're aware, Mr. Narth, we are ongoing, whole-of-government approach to be able to address addictions, homelessness and housing issues in the downtown, and we will continue to take that whole-of-government approach to make sure that people continue to feel safe when they attend performances at these great venues.

The Chairperson: Thank you, Minister.

**Mr. Narth:** I guess then, that same question will be directed to Mr. Olson with having, you know, a great understanding and explicitly listing it in the report.

Would Mr. Olson say that there is concern? We heard from the minister that felt safe, and I'm sure I would too. I usually don't have a problem walking downtown but I know that it is concern of many people that are attending facilities downtown. Is this something that is impacting M-triple-C and the various facilities?

**Mr. Olson:** The short answer is yes, it is having somewhat of an impact on our operations. It's something that we have to manage. It's becoming an increasing concern but we are managing it as best as possible.

Where we can, we're making investments in technology to at least assist us with some of the activity that is going on in and around that area.

It's a broader societal issue. I mean, I don't want to limit it in any way, shape and form to the Centennial Centre, but as a public space, we'd like to be able to hold our doors open to the public at all times as best as possible.

It's becoming increasingly challenging, and we're finding we're devoting more of our energy and resources to address those issues that we will not solve, but we have an obligation to at least protect our patrons, and protect, of course, the hundreds of people that work within that complex and with our—in and around that campus as well. And we can't neglect that, because employer-employee safety is paramount to our organization as well.

The Chairperson: Thank you, Mr. Olson.

**Mr. Narth:** So then, as you've answered many of my financial questions, and now we're diving a little deeper into the organization itself and the facilities that it encompasses.

Obviously, we appreciate what arts and culture provides to Manitoba, and we're hopeful to see an expansion of that moving forward, and not just seeing the status quo and worrying about how we're going to keep things alive, but growing and flourishing it within our province.

So my question to Mr. Olson is: Are there any plans for expansion of any of these facilities in the near future or future?

The Chairperson: Thank you, Mr. Narth.

\* (11:10)

Mr. Simard: I can answer that broadly; that the M-triple-C is working at looking at the campus and looking at opportunities that may exist. They operate in the context of the provincial fiscal picture and advocate for future opportunities. And that's something that, again, in the early stages of our government, that we are trying to get a handle on and being able to pivot towards building to the future, of which their strategic plan is a big part.

**The Chairperson:** Thank you, Minister. Mr. Simard? Oh, Mr.–sorry–Mr. Narth.

Mr. Narth: Thank you, Minister Simard.

One thing that—obviously, I don't know the organization in extreme depth. I appreciate it and acknowledge it, and I've had the opportunity to enjoy some of the performances. So one thing that I wanted to shed some light on and maybe have explained in a little more detail is MPC.

And my question would be to the minister, if the minister feels that the way it's being currently run is in the best model.

Mr. Simard: Yes, what I can offer as a response is that the MPC is a high-quality facility for which it was busy rebounding from the pandemic, given the context of the writers' strike and actors' strike in the US, was operational for 10 of the 12 months. That Manitoba's film industry is strong, given the tax credit that the producers enjoy. And obviously, having a facility like the MPC available to producers and filmmakers is a vital piece of keeping that industry that is growing, that is vibrant, in this province, as an industry leader across Canada—continue to thrive. And the MPC is a large part of that.

The Chairperson: Thank you, Minister.

**Mr. Narth:** I guess a bit of a supplemental to that is, would the minister feel that this could potentially raise some concerns with competition with private industry in the future, as we're trying to attract that film industry to Manitoba?

**The Chairperson:** Thank you, Mr. Narth.

**Mr. Simard:** My department and its—Manitoba Film and Music are working tirelessly to continue to bring the best and brightest to Manitoba, to employ Manitobans and—creating these productions, and employ Manitobans to continue to work in that industry and give opportunities to youth. It just signals, I think, the important role that that industry plays in Manitoba's future.

The Chairperson: Thank you, Minister.

**Mr. Narth:** That wraps up the questions that I specifically had, but my colleague MLA Khan, I think, has some as well that he'd like the opportunity to ask.

MLA Khan: It is an honour to speak here in front of this fantastic department—I would say probably the best department in this province—here with the hardest working deputy, assistant deputy, new current minister and just all the staff that goes along with the department. I've had the pleasure and humility to work with them first-hand, and they are nothing but A++ on that agenda. So hats off to you, Minister, for that, and to all the staff as well.

And I'd be remissed if I didn't acknowledge the great work that the Chair, Mr. Karl Loepp, does, and the CEO, Mr. Olson, and all of your staff, and your board, and your volunteers, and your ticket takers, to your performers, to all of Manitoba who support all of the industry and M-triple-C. So it's really an honour to stand here—to sit here—and ask some questions on the, you know, the performance and the sustainability and the future of M-triple-C.

So those are some of my opening remarks. I will go back and then just touch on a couple questions that my colleague Mr. Narth asked–MLA Narth.

But the big one is around the finances around—if we look at the finances of operations in M-triple-C. And Mr. Olson, you had said numerous times, and Mr. Loepp has mentioned as well, that the operational grant needs to be increased. And that with inflation, cost of salaries, other expenses, equipment aging, maintenance of the building, that that operational grant has not been increased.

So, I mean, the simple question to you, Mr. Olson, is: Do you think that this operational funding needs to be increased?

The Chairperson: Thank you, MLA Khan.

**Mr. Olson:** First, on behalf of Mr. Loepp and myself, I want to thank you for those kind words. They were generally appreciated. Sometimes we operate in a vacuum, and hearing those comments, I think, is rewarding. So thank you very much for that. I appreciate it.

Operational funding, of course—of course—there's room for improvement in that area. You know, if we want to look at this historically, you know, regrettably, in 2018, '17, when our grant was reduced, it basically brought us back to 1999 levels of funding.

So when you consider what we've been asked to do as a corporation, which is—it's historically been support the arts; more particularly, you know, underwrite the operating costs of the Manitoba Museum—when I say operating facility, costs of the Manitoba Museum, not the administration. Support the arts through discounted rental rates to the concert hall; promote the Manitoba Production Centre as best as possible, making sure it remains a viable facility.

We're doing that with the support of the operating grant, but we're also doing it under the leadership of Karl and the board, and placing greater emphasis on our business acuity to raise or to earn—or generate, excuse me—more earned revenue.

And so we've managed to do that. Is it sustainable, I think was the question earlier. I don't think it is sustainable, primarily because we need to invest more in our business operations to increase our business and earned income. And right now we're doing everything we can to manage our expenses and manage our earned revenue, and what can help us quite a bit is a continuation of the government's request of us, which is to support these various organizations and perhaps not lean on our earned revenue to do so.

The Chairperson: Thank you, Mr. Olson.

MLA Khan: Thank you very much for that, Mr. Olson. And you and your team and your board and all of—everyone involved there's done a fantastic job given coming through the pandemic and, you know, extremely happy to see that back to pre-pandemic levels as far as audiences go, which is absolutely amazing, and the future is bright and hopefully continues to rise and rise and rise and money won't be an issue.

But, as we all know, in this world we live in, that finances are an issue. And, you know, again, bearing in mind, you know, increased expenses, you know, you guys trying to decrease those, try to increase revenue at the same time, inflation, interest costs; what operations—given that the operational grant has been stagnant for years, that the ACSC played a vital role in not only your organization but other organizations around—encompassed within M-triple-C.

The Chairperson: Thank you, MLA Khan.

Mr. Simard: There's—I'd like to acknowledge the question. I think what we're hearing from the M-triple-C is that they'll welcome any fund that will contribute to them achieving their goals as an organization. But what we also heard from the M-triple-C is that any fund that would contribute or be available to the arts and culture community should be sustainable, predictable and sourced in a manner that these groups can access equitably, and it's important to sustain the arts and culture, sport, tourism industry in Manitoba, that the department of which I am the minister realizes inherently and will be working tirelessly to be able to get people what they need.

The Chairperson: Thank you, Minister Simard.

**MLA Khan:** Thank you very much, Minister Simard, for that.

And, yes, that is also what I'm hearing, that the M-triple-C was grateful for any funding that they got and that would've included the ACSC funds.

So, again, the question just simply to Mr. Olson was, you know, was, in his expert opinion, being that he is the CEO, that the ACSC funding was critical for operations for M-triple-C and organizations around that. Bearing in mind that the minister does say any funding is great, this is specific to the ACSC funding.

\* (11:20)

**Mr. Olson:** So the simple answer is yes. I might change the narrative a little bit and remove the word critical. It was very helpful, extremely helpful. As I addressed earlier, it allows a—it allowed us to invest in certain pieces of equipment that otherwise would have been a challenge for us to invest in.

And so, I think I can speak with—from my experience with a lot of the other industry partners as well, too: it was very helpful for some of their initiatives going forward, too. So it was very welcomed. And as the—Minister Simard noted, we will take whatever we can get. So it's very helpful in that respect.

The Chairperson: Thank you, Mr. Olson.

MLA Khan: I thank Mr. Olson for that.

You know, in regards to the comment on funding and then, wherever we can get funding, if we look at some funding relationships or grants that are awarded: Manitoba Museum, \$700,000, his-said Manitoba centre concert corp.—or the hall advancements, \$79,000; auditorium renewal of \$250,000; Winnipeg ballet, 269–\$296,000 and on and on. I can list off dozens more that the arts sector in the province benefitted over the last few years. So that's great that that funding is available.

Now, the minister, to quote, said that they need to look at sustainable, predictable, and equitable funding. So would the minister here, today, commit to sustainable, predictable, equitable funding for the arts, culture organizations in the province of Manitoba?

Mr. Simard: Thank you for the question.

What I can commit to is that we will continue the work that we've been doing in the past four months to review the context in which all of these organizations are operating. And when we go back through the annual report of the M-triple-C, we can see that there are opportunities, perhaps, to restore historical funding, and it's something that we are continued—continuing to look at when we go through our organizational reviews of all of our OREs.

But the point here being, is that when we want to operate as a government, we want to operate in a government where we don't do just one-offs, where organizations can't count on them. So, part of the review is saying, where do those one-offs, where can they be beneficial? But more importantly, how do we lay the foundation for future successes of these organizations?

So in the 16 weeks, four months and the thousands of people that we're meeting in the review of the department, we definitely are going to formulate a strategy to be able to present in future budgets, in future governments to do just that.

The Chairperson: Thank you, Minister.

**MLA Khan:** So, Minister Simard, if I could again, paraphrasing what you said, but to quote, you said, your government needs to look at not only funding one-offs but also an increase in continued support.

So, is the minister today, committing to going forward with the programs that will provide one-off funding for arts, culture organizations, M-triple-C, and an increase in continued support as he just answered in the previous question?

**The Chairperson:** May I just remind all members, gently again, that please put the questions through the Chair.

**Mr. Simard:** Well, in bringing the focus back to the annual report of the M-triple-C, the M-triple-C is operating under the context of trying to operate by increasing revenue opportunities and relying on provincial operating grants, full stop. The context in which they were operating is that.

So, as the member opposite knows, currently within the department of Sport, Culture and Heritage, notwithstanding a fund that was created recently, there are a number of opportunities for community initiatives, heritage initiatives, sport initiatives through our OREs, to which these organizations can access. So those funds of which you reference already exist within the department.

The Chairperson: Thank you, Minister.

**MLA Khan:** Thank you very much, Mr. Chair and thank you for the reminder to voice all the questions through the Chair.

So, you know, again, the question is a pretty simple question to the minister. And it's regards to the finance and operations of organizations like M-triple-C. The minister has emphasized the importance on one-

off funding, an increase in continued support, and along with the existing programs that already exist.

So the question is fairly simple: With organizations like M-triple-C stating that they do need an increase in funding and operational grant funding, and that the future is, although optimistic, is going to have some hurdles, is the—just some clarity from the minister, is the minister committing today to an increase in funding for organizations like M-triple-C through one-off programs and increased continued support? It's a simple yes or no for the minister.

The Chairperson: Thank you, MLA Khan.

**Mr. Simard:** Well, I'll reference what I was saying before. We are a new government. It's a new day in Manitoba. We were elected to look at the context in which the departments operate.

And before committing, what we need to do, as any responsible government would do, is review the finances, continue with the discourse that we have with our organization and continue to look at what is needed.

So that is the work of the department currently, and as the work that we are going to continue to do.

The Chairperson: Thank you, Minister Simard.

MLA Khan: So I will move on here, but I think it's clear, for the record, that the minister will not commit to increased funding and that he will commit to a review, but he will not commit to increased one-off funding or an increase in continued support. And that is, you know, this government's prerogative and this minister's initiative with arts, culture in this province.

Question for Mr. Karl Loepp here, as we'll switch gears. In your message from the Chair—which was very well written, thank you very much—you mention that, you know, in paragraph, I believe, five here, and I'll just kind of skim right down to the bottom, and my colleague touched on this.

On new opportunities to generate self-sustaining revenue, revenue which will be invested in the Manitoba Centennial Centre for the arts, you had kind of spoken about that a little bit, but can we talk a little bit more about the self-sustaining revenue and what you're referring to there specifically?

Mr. Loepp: Thank you, Mr. Khan, for the question.

You know, this is really a mandate that was presented to us a number of years ago, and a number of Crown corporations, to become a self-sustaining organization. We've never really moved away from

that mandate. And the history has shown and demonstrated itself in some of the initiatives we've done, from the ticketing systems to producing shows, to gaining more outside sources of revenue.

So we are focused on that direction and being careful to maintain our relationships with our existing resident tenants, that being the opera, the symphony and the ballet. So there's a lot of work that Rob and his team have to do to do that.

But, you know, and I mentioned this earlier in the hearing here, is that examples like buying equipment that we don't have to rent any more, we can now use that as a revenue source on a number of levels for many of the performances. But what we don't have is the resource, the capital to go and buy it, whether it's in the form of a line of credit or just grant monies or other sources of income.

So we want to get to that point where it is selfsustaining within a reasonable limit of where we can maintain the balance of what's in our act to provide for the resident tenants. In addition to that, within our act, it states that we are in-obliged within the act to develop our facilities.

So yes, we do like to look at studying the opportunities for other developments around the campus. We get approached on many occasions, unsolicited, to look at what could be done, whether that's in combination and partnership with the Manitoba Museum, that has its own vision and dream for other developments within the facility, or other uses that benefit things like RMTC, like parking and other infrastructure.

So we continue to actively look at those opportunities. They're not small opportunities, but they're something that is incumbent on us, within our act, to explore. So, certainly, we would like to find other sources of revenue so that we're not continuously, literally living day to day, you know, when you need to buy an improvement. We're trying to work together with everybody to find that source of revenue.

**The Chairperson:** Thank you, Mr. Karl Loepp.

MLA Khan: Thank you, Mr. Loepp, for that answer.

And you're right, self-sustaining revenue is, I think, the dream model for every organization, or should be the dream model for every organization in this province, to have self-generating, sustaining revenue coming in.

\* (11:30)

Currently, the revenue is about 34.9 per cent from provincial grants. That's a big chunk—on page 22 you can see the pie chart—it is a large chunk from provincial grants. And in your opinion, do you think that the self-sustaining revenue model that you're—is—want to eliminate that entire provincial grant funding, or are you just want to subsidize that—like, part of that? What's the plan for M-triple-C when it comes to that revenue?

Mr. Loepp: Thank you for the question, Mr. Khan.

I think it's important to highlight that of that percentage of revenue that is received in that provincial grant is the breakdown of how it's distributed within our campus. There's a large portion of that, basically–Rob, you can quote me on this–probably, 80 per cent of that funding would go to the operating expenses of the museum campus.

So effectively, out of the biggest chunk of money that we get, we really only get between four and five hundred thousand dollars that goes towards the Centennial Concert Hall itself and the—and our organization. We are in discussions with the new leasing agreement with the Manitoba Museum that may present some opportunities.

But realistically, our organization, if it stood on its own—we'd almost be there. So there's a little bit of an imbalance there, and if the museum chooses to do a physical expansion of some sort, the responsibility of the operating expenses of that facility falls within our agreement.

MLA Khan: Thank you very much, Mr. Loepp.

And again, you know, I cannot reiterate enough the great work that M-triple-C and your organization, the board, do with the money that you are given. And it is really an asset to this province, the tremendous work you do. And I think everyone in this room wants to help you guys do more—more, better work, and grow this within the province.

So when you talk about the campus and developing facilities and, you know, buying the equipment—I think buying equipment is fantastic—but, you know, the revenue generated from that, I don't know if it's going to be in the millions. But developing facilities, unsolicited, that—any—can you maybe elaborate a little bit more on what that means within the campus of M-triple-C?

Mr. Loepp: Thanks for the question.

I think if you look at the infrastructure and the campus site itself, and you go back to-previous to

when I was on the board—there was a master plan that was presented to the board from the previous board and administration. That was a bit of a dream plan for what this campus could be in the long run; it was probably—Rob can correct me—a two-to-three-hundred-million-dollar expenditure that created all the wish-list needs for many of our resident groups, be it RMTC, what their provisions were required, the symphony's rehearsal, outdoor studios and museums, display centres and so on.

So that's probably 10 years old, now, that plan that was presented, including the science centre and parking facilities. So the asset that M-triple-C really does own is the surface parking lots and some of the antiquated infrastructure that exists around it.

And I would say this as a board, we've always maintained that those are opportunities. And whatever they look like, we don't know today; and that would obviously be something we would consult with the Province with, because it's the Province's land. So it's just our responsibility to bring the opportunity forward and provide the metrics for it, and say does this make sense as a sound investment.

The Chairperson: Thank you, Mr. Loepp.

MLA Khan: Thank you for that.

I've got to dig up this master plan from, I guess, 10 years ago I think you'd mentioned. So we've got to take a look at that and see how far we're off from there.

The development of surface parking lots, is that something that the M-triple-C would be in favour of, for obtaining self-sustaining revenue?

Mr. Loepp: Yes, thank you for the question.

If you go back into the history of studies that have been provided to M-triple-C from various different engineering enterprises over the years, there's numerous of–studies that have been provided that do support some type of investment. Besides the absolute need that has been demonstrated by every one of the arts performing groups that goes to the area–I don't think anybody can argue that we don't need parking there—we need parking.

So yes, we would support it. Yes, would—so would every other resident tenant group as well as some of the merchants and local businesses that are part of that community there. Parking is a reality. This is a driving city; we all know that, and I think it could address a number of aspects of safety, convenience, comfort, because—especially for patrons that are needing

mobility access or just a difficulty in getting in and out of the facility would be a big benefit.

MLA Khan: Thank you, Mr. Loepp, for that.

And, Minister Simard, so we hear today from the board chair for M-triple-C of studies, resident tenant groups, that they would be in favour of developing facilities within the campus, master-plan campus, possibly. Is the Province open or is the minister open to developmental projects like that?

Mr. Simard: Yes, my government, the Province, is committed to making sure that the M-triple-C and the downtown campus not only survives but thrives. And as referenced by the chair, they have a plan that was sitting on their desks for 10 years, and being a government for all of four months, I think—as I stated earlier—it's continue these conversations with the M-triple-C and with other stakeholders throughout the province to see what's the best course of action. So.

The Chairperson: Thank you, Minister.

**MLA Khan:** So, Mr. Chair, I just want to confirm—I'm not hearing the minister ruling out the development of facilities within the campus and that it's something that his department and his team are—will or are actively looking at to further support the M-triple-C.

**Mr. Simard:** To reiterate, before we can look at grand projects, we need to talk to the people who will be affected by them, and that's what we're doing.

The Chairperson: Thank you, Minister.

MLA Khan: Yes, okay, thank you, Minister Simard.

And, you know, just listening to the CEO, sounds like they're in favour of it. The resident tenancy board, all of the other organizations that use that, so, you know, again, we hear time and time that this is a government of listening, and you guys are listening, so, you know, maybe now it's time to actually get some stuff done in supporting them.

When it comes to supports for M-triple-C, we see in the report a couple times referenced—and today it was brought up—with security concerns as a issue in the operations and the future growth for M-triple-C. The minister references that he's not overly concerned. My colleague, MLA Narth, is not, but I am when I'm walking with my 11-year-old son to go watch a show there at times.

So the question then, I guess, is will the minister commit to security support for M-triple-C? As they mentioned, that is a major concern for them going forward in this post-pandemic world we live in.

**Mr. Simard:** I'll reiterate what I said earlier. When looking at the M-triple-C's concerns over safety, what are they doing now? What do they require to solidify their safety needs on their campus? And we will sit with them and talk to them about what they need.

But like the CEO referenced also, earlier, we're talking, you know, about a broader societal issue through which our government is hyper focused on working on, and-by engaging not just the arts and culture community but all the communities that exist in Manitoba. How do we make people feel safe? How do we make sure that people get what they need and supports they need to be able to thrive individually but also to thrive as a community?

MLA Khan: And, again, I appreciate those remarks from the minister and from the CEO and the chair that there are larger societal concerns and issues that factor here, but we're here, we're—specifically to talk about M-triple-C as the minister responsible for that.

So again, the question gets back to in the report it clearly states that security, vandalism, drug, homelessness, vandalism is a concern, and that's a major concern going forward for their operations, for their revenues, for the viability of this organization.

So will the minister commit today to doing what is asked in the report, and that is to add—to support M-triple-C with the issues they're facing around security?

\* (11:40)

Mr. Simard: The answer is still the same: that we continue to discuss with the partners downtown, with municipalities, with the federal government, across all government departments; how can we make the regions in this province that require support to be able to make these things happen, happen? It's not just related to the department of Sport, Culture and Heritage, but it's also in Municipal Relations; so, Justice, et cetera, et cetera.

So this is—as again, like I mentioned—this is a whole-of-government approach for which we will continue to hyper focus our efforts on. And when we look at the annual report for which—the reason for which we are here, we recognize the work that the M-triple-C is doing to make sure that viewership returns to post-pandemic, which they are well on their way of achieving; that the product that is offered by the tenants and companies at the M-triple-C remain to be first class, world-class performances.

So the draw of the expertise of the companies and people who work in that environment continues to be supported.

The Chairperson: Thank you, Minister.

MLA Khan: Again, I appreciate where the minister is coming from. It's four months. I mean, a simple answer to anyone listening or reviewing this is that the M-triple-C clearly states that they need an increase and one of their major concerns is security, vandalism, drug use around the facility and they are concerned that that will affect—and the simple answer is that, yes, that this minister will commit to doing that, and instead, we get a, you know, a long-winded answer on how the minister will not commit today to directly taking what's in this report and addressing that concern for them.

So we'll move on from security. Seems the previous government had mentioned that they will fix that in 100 days. So we'll move on to MPC. MPC, in the report, vital piece of operations within the M-triple-C. MPC-maybe this is a question, actually for maybe the board chair or the CEO on how MPC operates within the ecosystem of film and TV and music production in this province. Maybe we can start there, as a high level.

**Mr. Olson:** Sure, I'm happy to answer that—thank you, Mr. Chair. I'm happy to answer that question.

So MPC plays a vital role. It's the only—or up until just recently—it was the only purpose-built film and television studio in the province of Manitoba.

There were some challenges in late '90s, at which point the government of the day decided that we have to maintain that facility and make sure it's available to the film industry. And so, because our act allows us to hold real property, we were asked as an organization if we'd be responsible for maintaining, supporting and programming to some degree. And by programming, that means sitting down with various producers from around the world, quite frankly, who may have an interest in coming to the province, to the city of Winnipeg, to produce a film or television series.

And so what we do is we typically negotiate on the appropriate costs for rental of that facility and the tenants agree to pay those rates, or not, at which point they move on. But we are in a very fortunate position, pandemic aside, writers' strike aside, there is a demand for that space, and we have multiple inquiries into utilizing that space and short of a pandemic or writers' strike, which are out of our control, it has been operating at near capacity for the last few years.

So, going forward, we anticipate that the film industry, as it gets back on track, will require more of that space. And I can tell you right now, we are booked fully for the next six months and we have people waiting to get into that facility after June, when this current film company leaves.

So we—future projections are positive and strong from our perspective. There are issues that we want to address, that we think we can address through earned revenue, such as some of the capital deficiencies in the facility, but not everything, obviously, because there are some limitations that we have in terms of resources.

But it's projected to be fully functional, barring any additional strike or unforeseen catastrophe. It's in demand, and, you know, whenever the question, and I'm adding, the question of competition comes up, we welcome it.

This industry requires more space for the film industry to thrive in this province, so we're happy to play a part in that, and our facility is very much welcomed by that industry.

The Chairperson: Thank you, Mr. Olson.

**Mr. Loepp:** In addition to that, I think there's some really big, important developments that have happened over the last year that are going to have a profound impact on the industry.

Number one is direct flight connections from Los Angeles that we have now. We've never had that before. And Rob has the opportunity to speak directly with producers and directors and talk about the challenges of getting to Winnipeg. We have one of the best and highest skilled trade community that is in that entire industry, and they're stable. They're not, like, evolving parts in other regions that will try and compete with this on the tax credit.

And then, you know, there is a real volume of business that is going to happen now, the backlog of requirements there. So if anything, we'd probably have a shortage, which is probably going to spur some private sector investment to compete with us. But we truly do have an asset there that surprises us to some extent of how we operate.

MLA Khan: Thank you, guys, both for that answer.

It's—the film and movie industry in this province is booming. It's a fantastic province to be with the tax credits and the direct flight to L.A., as you referenced. The previous government was fantastic, and there's more work to be done.

MPC is an asset of M-triple-C, if I understand correctly, and it's mentioned that this is the only film and television production facility. However, there are other film and TV production facilities in this province, we all know. There's a list of maybe half a dozen of them.

And when we mention competition, does the CEO believe that the government, M-triple-C, sorry–sorry. Let me back up a little bit just to get to that.

Is MPC—is funded by, is subsidized by the government, correct? So there is funding lying within M-triple-C that goes to the MPC? Just if I can just—I'm trying to clarification on how the funds flow through there.

**Mr. Olson:** No, not at the moment. It is—at one point it was, when we acquired the asset, there was an understanding between the department of Sport, Culture and Heritage. In subsequent years, in recent years, all that funding was pulled. And so it's entirely self-sustaining through the revenues that we can generate.

MLA Khan: And just to be clear, the rent is—sorry, Mr. Chair, just want to clarify that—when you say, so it's not, is the renting—is the rental rates, or the rent at MPC subsidized at all by the government? Reduced rates at all?

**Mr. Olson:** No, it's not. It's set by the market and by the corporation.

**MLA Khan:** So the question is then to the minister here, is the minister–does the minister believe that MPC, which is an asset to M-triple-C, should be competing, as it's a government asset, against the free market, purpose-built television and production facilities?

Mr. Simard: Just, can you repeat the question?

MLA Khan: Sure. So the question is to the minister. MPC is an asset that is run, I guess, by M-triple-C, within their portfolio, and it is an asset of theirs, and therefore funding through the current government and previous governments goes to M-triple-C; that MPC is the—this minister agree, or, sorry, believe, that an asset owned by M-triple-C should be competing on the free market with other purpose-built independent television and production facilities?

\* (11:50)

**Mr. Simard:** Thanks for repeating that question.

I think I will go back to the comment where the CEO mentioned that rents are set by the market. As for the asset that the M-P-M-triple-C currently owns, they are operating in the context of which they exist,

and, again, going back to the whole review, consultation, new government, new day for Manitoba is getting an assessment of where the MPC and triple-C exist in this space.

**MLA Khan:** So, again, I know this is a-there's a lot of layers here. But to be clear, the MPC was an asset that was purchased by this government, previous government, and now the government is an active player in the film and TV production facilities. I just want to make sure that the minister agrees with that model, philosophy, that government should be involved in that space, competing against other film and television production facilities.

Mr. Simard: The—what I'm prepared to comment on is the M-P—M-triple-C, with its asset, the MPC, which—of which they have now, operate in the context that you describe, and responsible governments, people who take the time to consult, to look at the Manitoba film and music landscape will come to future decisions on this matter. But right now it's—we're still in the beginning of a government, tabling budgets and creating a future that is bright for all Manitobans. So that's where we are right now.

MLA Khan: Thank you, Minister, for that.

And, you know, the answer of we're here for four months, here for four months, here for four months, and we're got to look and we're going to listen, by the time, you know, Estimates and next year's committee run around, I hope we have a different answer to that.

In the KPMG, economic dependence, if you look at bullet point No. 12 here, it references the importance of provincial funding, one third of the revenue. I know we have talked about self-sustaining revenue and how that would look for the Province, and I just want to go back to this question here when we talk about historic funding for this M-triple-C. Mr. Olson's opening remarks, you know, he thanks the department of SCH for support and previous government for \$1.4 million—that was never done beforeabove and beyond what the operational funding was of 1.4—an increase of \$1.4 million.

You know, can Mr. Olson just quickly talk about that, in the presence of time, that—what that \$1.4 million in additional supports in previous years meant to M-triple-C and how important that was?

**Mr. Olson:** Well, it was critically important, as I stated earlier. Of the four, what we consider to be commercial Crown corporations, we were the only one that had to shut down completely whilst our sister corporations, Hydro, Liquor & Lotteries, MPI or

MPC-excuse-MPI, were all able to continue business somewhat normally. We weren't.

And so this required us to reach out and do our due diligence and present a fiscal picture for the government that indicated that we can sustain ourselves for a period of time utilizing the reserves that we had set aside.

But at some point, and not knowing how long this was going to go, the pandemic, eventually that was going to be exhausted. And so the government of the day did step forward and made two separate contributions to M-triple-C, first a \$1 million and then a \$400,000 in the next year. And so those allowed us to restore our reserves, and we were able to continue to operate until we could open back up and resume normal operations.

MLA Khan: Thank you very much for that, Mr. Olson.

And, you know, it's recognized here that the previous support was critical, as your words, and, you know, we hope and we are optimistic that this new government will continue in that path to support the funding needs and requirements by M-triple-C and all of its organizations, whether it be through the ACSC or another fund, to support in one-offs and an increase in continued support.

That is bringing us to the end of our time here, and I'm going to leave off on one very important question, and it's one that I'm very excited for, my son is very excited for, as we sit down and go through the roster of the year, and I said, Son, what's your—what are you looking forward to most this year of going to the arts performances? And he said, Dad, that's a no-brainer: Star Wars: A New Hope in Concert, on May 3, on—at the Centennial Concert Hall.

So, very much looking forward to attending that.

And my question is to the minister, to the chair and to the CEO, what are they most excited for, for their 2024 performances?

**Mr. Simard:** Yes, absolutely. One of the things that excites me quite a bit—go back to Star Wars, is the translated version of that picture in different languages, and to be able to have that opportunity to reach out to Indigenous communities, to be able to go and hear their language on screen, I think, is a fantastic opportunity.

Mr. Loepp: Thank you. Great question, by the way.

And I can't help but to think immediately of getting excited about some of the big Broadway shows that we bring in. And the reason is, they are really big revenue for us. We can do two Broadway shows in a year and that sets our year. So the more we can get those—and plus, the run is long and the performances are spectacular, no matter which one you go to, they're all high-quality, high-talent Broadway shows. That gets me very excited.

And then on the heels of what the minister is saying about some of the multicultural events we're getting now, they're becoming so diverse and integrated that that's a new chapter for us, I think, that we can really build on.

Mr. Olson: Mr. Loepp stole a bit of my thunder. The diversity and the full range of the performances that we're now staging within our arts centre are tremendous. We just struck a little bit of an agreement with the Manitoba Métis Federation to display some of the artifacts of their peoples inside the Centennial Centre. We remind everybody we're a public space and we're not just a concert hall. We have, well, 850,000 square feet of infrastructure to manage. So that excites me, as we find new ways to be able to use that facility to

promote the diversity of our province. And we're looking forward to more of that.

While I was off yesterday, I signed two new contracts for two new artists that are coming in, both of a diverse background. So we're getting more and more uptake and I'm very excited by that.

The Chairperson: Thank you, Mr. Olson.

Are there any further questions?

Seeing no further questions, I will put the question on the report.

Annual Report of the Manitoba Centennial Centre Corporation for the fiscal year ending March 31, 2023–pass.

The hour being 11:58, what is the will of the committee?

Some Honourable Members: Adjourn.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 11:58 a.m.

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