

January 16, 2020

Hon. Tanya Fir, Minister, Economic Development, Trade & Tourism  
425 Legislature Building  
10800 – 97 Ave NW  
Edmonton, Alberta T2K 2B6

**RE: Observations with Respect to the Development of the 10-Year Tourism Strategy**

Dear Minister Fir:

The Tourism Industry Association of Alberta (TIAA) commends the Government of Alberta on its commitment to develop a 10-year tourism strategy that will help guide the province toward meeting its \$20B growth target by 2030.

This past week, many of the industry's most knowledgeable and experienced leaders attended the 10-Year Tourism Strategy stakeholder engagement sessions held in Calgary and Edmonton; this included many of TIAA's members and representatives of the board of directors.

As you're aware, TIAA is a new industry advocacy voice for Alberta's tourism industry. Being able to inform and support the development of the new 10-year strategy is foundational to our association efforts to advocate for policy that will work in support of Alberta's tourism industry.

Accordingly, TIAA would like to offer some feedback – as well as some potential solutions for consideration - that flow from our shared industry experiences, including participation in this past week's 10-year tourism strategy engagement sessions.

Our commentary falls under the following six issues areas:

- Impediments to Tourism and Outdoor Recreation Development on Crown Lands;
- Regional Economic Capacity is Lacking Coordinated, Long-Term Planning and Strategic Investment
- Tourism Careers, Labour and Housing
- Stemming Economic Leakage
- Future Direction of the Alberta Tourism Levy (ATL)
- Modernize and Establish Sustainable Research and Data Management

TIAA thanks you for this opportunity to provide commentary on the future of Alberta's tourism industry.

Sincerely,



Alida Visbach  
Chair



Darren Reeder  
Board Advisor

## ISSUE I

### IMPEDIMENTS TO TOURISM & OUTDOOR RECREATION DEVELOPMENT ON PROVINCIAL CROWN LANDS

#### AT ISSUE

Current Public Lands and Provincial Parks legislation, regulations, policies and operational practices continue to present barriers and impediments to tourism development - from outdoor recreation initiatives and activities, to nature-based tourism products, services and experiences. This places Alberta at a competitive disadvantage with other provinces, like British Columbia, that are better positioned to support those with tourism investment capital. To achieve \$20 billion in tourism revenues by 2030, targeted action will be required on policies, legislation, and regulations that are inhibiting tourism development and investment in the province.

#### CONTEXT FOR CONCERNS

- A majority of the tourism and outdoor recreation development opportunities required to meet the \$20 billion target by 2030 will require greatly improved access to Crown lands (i.e. including both public lands and provincial parks).
- Whereas Alberta's land use policies appear to support proponents of large-scale industrial and natural resource projects navigate a path toward a project approval, the same cannot be said when it comes to tourism-based project proposals.
- The current planning mechanisms and policy regime does not afford proponents a clear path through the policy decision-making process; consequently, product development and investment opportunities are being lost to other provinces where the policy and regulatory frameworks readily embrace tourism investment. These same impediments can slow-down, or bring to a complete halt, viable, revenue-generating outdoor recreation development proposals initiated by communities and/or non-profit organizations.
- At present, proposals for tourism and outdoor recreation development on provincial crown land are reviewed by government officials with training primarily in conservation and within a legislative and regulatory framework that does not take into consideration a balanced review of all social, economic and environmental factors.
- Without structural policy changes, the new 60-year lease policy<sup>i</sup> on public lands may be largely ineffectual in helping the government achieve its \$20 billion growth target.
- A planning approach that focuses on the sustainable growth of Alberta's tourism industry is an imperative. The Sustainable Livelihoods<sup>ii</sup> planning approach advanced by the United Nations stresses that future community survivability is rooted in a balanced approach to managing human, natural, social, physical and financial capital.

## ITEMS FOR CONSIDERATION

1. Initiate a comprehensive review of Alberta's Provincial Parks Act and Public Lands Act to consolidate, and/or amend the legislation, regulations, policies and operational practices to ensure they fully support government aims to create a \$20B industry. Such a process could be guided by an independent advisory panel that provides a full report to Executive Council.
2. As part of a review, consider the development of a land use operational policy for Nature-based tourism, similar to what B.C. has developed for its Adventure Tourism sector<sup>iii</sup>.
3. Update and amend targeted management plans to identify land bases that position tourism & outdoor recreation development opportunities.
4. Consider rescinding all existing Protective Notations (PNTs), identified in regional planning exercises, that are holding public land for new and expanded conservation areas<sup>iv</sup>. The intent of the PNT is to change the designation from public lands to that of provincial wildland parks, provincial parks and/or provincial recreation areas.
5. Ensure amendments are aligned with the proposed Alberta Trails Act<sup>v</sup> to enable effective, sustainable and strategic tourism and outdoor recreation development investments that are aligned with the 10-Year Tourism Strategy.
6. Identify an inventory of crown lands suitable for various scales of tourism development within each land use region, making this information readily available to support early-stage project analysis by entrepreneurs, investors, and community stakeholders.
7. In close consultation with Alberta Environment and Parks, explore whether Alberta Economic Development, Trade & Tourism should become the lead ministry responsible for reviewing tourism and outdoor recreation development proposals on all provincial crown lands to bolster investor confidence.

## ISSUE II

### REGIONAL ECONOMIC CAPACITY IS LACKING COORDINATED, LONG-TERM PLANNING AND STRATEGIC INVESTMENT

#### AT ISSUE

The Travel Alberta RFP identified that, 'the province needs a holistic destination management and promotion approach". To this end, Alberta could benefit from a sustainable tourism planning and development approach and organizational structure and governance model that would be more efficient, and practical, at a regional level. The development of a modern and dynamic structure is not only anticipated to work more effectively in support of key stakeholders – the resultant effect being that more visitors would come to experience the various regional and rural parts of Alberta. Such a focus could greatly contribute to the goal of growing and diversifying the provincial economy.

There is evidence that effective coordination amongst regional industry stakeholders has contributed to a number of jurisdictions' success as a tourism destination. While regional tourism models have worked effectively in markets such as BC, Ontario, Colorado, Oregon and Queensland, and New South Wales in Australia, Alberta, comparatively, lacks a coordinated and strategic approach to attract investments in new product and destination development.

It could also be said that Alberta lacks a coordinated and strategic approach for the provision of sustainable transportation and enabling infrastructure that services the visitor economy, which could be addressed at the regional level. This is particularly relevant in corridors of high tourism and outdoor recreation value that experience above normal seasonal visitation volumes.

Targeted investment in roads, rail and air development and improvements including other public infrastructure will be required to enable achievement of increasing tourism revenues to \$20 billion by 2030.

### CONTEXT FOR CONCERNS

- Strategically aligning investment along corridors with high tourism and outdoor recreation potential will help clarify where future product development is most likely possible, beginning with an understanding of those corridors that have a high concentration of export-ready product, export-oriented product, and those products that are supporting of a primary corridor, but unlikely to become export-oriented.
- Coordinating and aligning infrastructure, transportation, and long-term capital planning is necessary to optimize the distribution of visitor intensity and outdoor recreation activity so that the visitor and outdoor recreation economy can flourish while also maintaining a sustainable long term and common-sense conservation strategy.
- Efficient transportation systems are key to supporting worker, resident and visitor needs and require the coordinated and collaborative efforts of regional trading partners such as DMOs, Chambers of Commerce, EDOs, Community Futures, etc.
- Staging areas and public transportation infrastructure for accessing outdoor recreation activities and tourism facility development on provincial crown land has not kept pace with a growing population base. High intensity use areas (e.g. Kananaskis Country) have had very few road, parking or infrastructure investments in the last 30 years while the surrounding region population using this area has grown exponentially.

### ITEMS FOR CONSIDERATION

1. As part of Alberta's strategic capital plan, ensure the proposed Alberta Infrastructure Act<sup>vi</sup> is designed to support coordinated and strategic tourism and outdoor recreation infrastructure investments, including air, road, and other public infrastructure necessary to support building a variety of tourism products in regional economic corridors.
2. Ensure that the long-term capital planning and transportation strategies and policies help break-down barriers to inclusive and accessible tourism for visitors and Albertans, while improving access to provincial crown lands for related private, public, and/or non-profit transportation initiatives.

3. Work with tourism industry partners to advocate to the federal government for expanded direct air access to and from international markets including enhanced competitiveness through reduction of taxes and regulations, and, through improved processing times through border security.
4. Consider the development of a regional tourism planning framework including the types of organizational structures and governance models that would be most responsive to planning, development, marketing and management of tourism needs at a regional level.
5. Strengthen opportunities for regional economic development by leveraging the \$100M in funding available through the new Federal Tourism Community Infrastructure Fund<sup>vii</sup>.
6. Ensure destination management plans integrate with local and regional tourism initiatives; are rooted in sustainable development objectives that balance economic, social and environmental objectives; and, support the strategic aims of the new 10-year tourism strategy.
7. World class visitor experiences begin when visitors are welcomed to Alberta visitor information centres that present the best face of the province. The government should give consideration to modernize visitor information centres, equipping them with features, such as:
  - leading-edge interpretative and public safety information;
  - expanded WiFi connectivity;
  - electric vehicle (EV) charging stations; and,
  - improved and modernized signage programs
8. Prioritize transportation corridors currently experiencing high-intensity tourism and outdoor recreation visitation to improve and expand road, staging areas and other supporting infrastructure (e.g. surface improvements to the Smith-Dorian Highway and enhancement of related staging and parking infrastructure).

## ISSUE III

### TOURISM CAREERS, LABOUR & HOUSING

#### AT ISSUE

There are more people that work in Canada's tourism industry (1.8M) than the combined industries of finance and insurance; agriculture, forestry, fishing and hunting; real estate, rental and leasing; and, mining, quarrying and oil and gas extraction. But, as Tourism HR Canada (THRC) identified in its 2019-21 Strategic Plan, "Canada is poised to gain a much larger share of the global tourism market and increase its global standing and competitiveness **only if** it can attract, develop and retain talent.'

While THRC estimates Canada will require 64,000 additional jobs filled to meet federal tourism vision objectives by the year 2025, the unfortunate reality is that Canada is on a path that will see 240,000 tourism jobs go unfilled for the period 2010-2035.

To break-away from this pattern, Alberta will need to develop a tourism workforce strategy that promotes lifelong tourism career opportunities, promotes labour force resiliency through enhanced education and certification requirements and addresses affordable housing issues (housing shortages) from a rural, urban and resort destination perspective.

### CONTEXT FOR CONCERNS

- It has long been identified that there is a need for an overarching tourism HR strategy and sustained marketing campaign to support provincial tourism labour force development in ways individual employers lack the scale and budget to influence.
- There is much that needs to be done to better integrate Alberta's Indigenous communities within a provincial tourism workforce development plan.
- Lack of affordable housing supply constrains the tourism industry's ability to attract, develop and retain talent, which ultimately comes at the expense of being able to induce additional visitor spending that drive provincial economic benefits.
- Seasonality of employment is one of the biggest challenges to overcome to build a stable, long-term tourism labour force<sup>viii</sup>. There is no one solution, rather a multiplicity of strategies that can assist - from extending the length of the summer tourism season and adding greater product and service offerings in the winter and shoulder seasons, to more flexible labour sharing arrangements and access to foreign students and young adults looking for an authentic western Canadian work experience.

### ISSUES FOR CONSIDERATION

1. Focus on a comprehensive workforce support system that enables creative private, community and non-profit tourism housing options; that aligns with post-secondary educational institutions to ensure that an appropriate supply of well-trained tourism and outdoor recreation personnel (including consideration of new university degree program(s)); and which integrates Indigenous communities in its development.
2. Consider developing a comprehensive tourism jobs attraction and retention marketing strategy that connects to all facets of employment needs within Alberta's visitor economy, with sustainable funding provided over the long-term to support a resilient tourism labour market.
3. Focus on innovative policy solutions and partnerships that build tourism labour market capacity (eg. regional job-sharing exchanges to increase hours provided to part-time workers, particularly during periods of low tourism demand.)
4. Assist interested businesses in accessing the federal government's proposed Municipal Nominee Program (MNP), which provides opportunities for local communities, chambers of commerce and others to sponsor permanent immigrants.
5. Advocate to the federal government on the Alberta tourism's industry behalf for changes to policy that are responsive to labour market conditions by region, by season and by occupation (eg. explore the creation of an Alberta-based seasonal tourism worker program modelled after the Seasonal Agricultural Worker Program).

## ISSUE IV

### STEMMING ECONOMIC LEAKAGE

#### AT ISSUE

Alberta has suffered considerable economic impacts as a function of foreign direct investment that has left our province's energy sector<sup>ix</sup>. This makes achieving the \$20B tourism industry target all the more important as tourism, as the 'industry of industries,' is one of the market levers government can pull to summon an entrepreneurial response for economic renewal in struggling communities.

#### CONTEXT FOR CONCERNS

- The tourism and outdoor recreation sectors have experienced guarded investment interest due to the many existing barriers, impediments and uncertainty that still exists compared to competing jurisdictions. Alberta's policy regime needs to be modernized as a priority to shift investment attention to Alberta, first.
- A recent report of the Auditor General of Canada estimated that the country has foregone approximately \$169M in sales tax revenues because the federal government's policies have not kept pace with the growth and sophistication of the digital marketplace<sup>x</sup>.
- Economic leakage that is occurring within the sharing economy could be eased by ensuring foreign-owned businesses pay their fair share of taxes for income generated within Alberta. To illustrate, the government has already identified that Alberta is missing out on at least \$5M in revenue<sup>xi</sup> that could be generated from short-term rentals simply by applying the Alberta Tourism Levy to all short-term room rentals.
- At another level, it has long been argued that Online Travel Agencies (OTAs) are not paying their fair share of taxes in Canada based on their Canadian earnings<sup>xii</sup>. With many in the OTA sphere charging in excess of 20% in commissions, there is a considerable amount of dollars leaving the province that could otherwise be reinvested in strengthening Alberta's visitor economy.

#### ISSUES FOR CONSIDERATION

1. To optimize the new 60-year lease on public lands, focus priority on the retention and recruitment of tourism and outdoor recreation industry investments with a model that incorporates the entire supply chain of the sectors' related industries.
2. As a priority in the Spring legislative session, introduce – and enable policy and regulatory amendments – that ensure the application of the Alberta Tourism Levy to all short-term rentals.
3. As part of ensuring a Fair Deal for Albertans, direct advocacy efforts to the federal government and, in taking a lead role at future meetings of the provincial, territorial and federal finance ministers, to ensure Canada's tax laws are modernized to ensure that foreign-owned businesses that generate income within Alberta's visitor economy are paying their fair share of taxes.

4. That the minister responsible for Service Alberta consider the creation of an Advisory Panel of private sector experts to provide guidance on legislative or regulatory amendments to the Fair Trading Act that would ensure additional protections for consumers by making Online Travel Agency (OTA) rate parity clauses illegal in Alberta.

## ISSUE V

### FUTURE DIRECTION OF THE ALBERTA TOURISM LEVY (ATL)

#### AT ISSUE

The Alberta Tourism Levy has experienced numerous governance and distribution changes since its introduction. This has reduced confidence, consistency and predictability of funding, and has largely negated the reliability of long-term planning for capacity, access, or product development strategies.

#### CONTEXT FOR CONCERNS

- Alberta's competitive position in key Canadian and international markets needs to improve to embolden Alberta's overall brand as a welcoming and open place for all to visit, do business and live.
- Strategic governance, alignment, allocation and oversight of ATL funding needs to be enabled and sustained in order to achieve the 10-Year Tourism revenue target of \$20 billion by 2030.
- Marketing, industry development, supporting product, business and destination development, and, the calculation and communication of the return-on-investment responsibilities that are key to Alberta's 'remember to breathe' brand should be provided by Travel Alberta.
- Destination planning, policy development, product/business development supports, research, data collection and analysis responsibilities that are key to informing strategic regional tourism planning and provincial policy decisions and help to guide investors along the path of increased activity in Alberta and, which are in strategic alignment with Travel Alberta corporate objectives, should be provided by Economic Development, Trade & Tourism.

#### ISSUES FOR CONSIDERATION

1. That 100% of Alberta Tourism Levy (ATL) funds are directly allocated to the Travel Alberta Corporation on or before Budget 2021/22 to support the development of tourism businesses and sustainable destinations and, to market Alberta to the world.
2. That funding decisions supporting investments in marketing, product and business development, destination development, and the calculation and communication of the return-on-investment of these funds is stewarded by those with industry expertise who are appointed to the Travel Alberta Corporation Board of Directors.

3. That expanded funding is available in Budget 2020/21 for Alberta Economic Development, Trade & Tourism to support efforts to grow Alberta's tourism economy to \$20B by 2030. In support of the 10-year strategy and \$20B growth target, funding should be guaranteed for no fewer than five years and, fully funded through government appropriations.

## ISSUE VI

### MODERNIZE AND ESTABLISH SUSTAINABLE RESEARCH AND DATA MANAGEMENT

#### AT ISSUE

A more current and robust data set is required to capture all dimensions of visitor activity and visitor spending, and to additionally provide valuable information for economic development and trade enhancement.

Alberta needs to ensure a consistent approach to identifying the economic value of tourism and outdoor recreation when trying to position new development on crown lands across Alberta's seven Land Use Framework regions.

#### CONTEXT FOR CONCERNS

- The province needs to be in a better position to collect, disseminate and analyze effective and actionable research and data that is designed to provide knowledge and understanding of new trends in tourism demand & competitive behavior. For example, the work Destination Canada did to support market segmentation research vis-à-vis the introduction of the Explorer Quotient (EQ) model has had measurable impact on Alberta's marketing efforts, and success in attracting visitors.
- Private and public sector stakeholders must be able to understand the competition, what visitors want and how to enhance performance. They must also be able to obtain an accurate measurement of the impact of tourism at the provincial level but especially at the regional level.
- Business investment decisions rely on access to timely market data, and insights. More needs to be done in this area to support Alberta's reputation as a place to invest risk capital. For example, while the Alberta Tourism Market Monitor provides some valuable insights on the current performance of the tourism industry, it falls short in providing a comprehensive view of the tourism industry's performance across all regions (and sectors) of Alberta's visitor economy. And, whereas a more fulsome picture is made available through Statistics Canada's data collection efforts, the delays in obtaining such data – which can be often be 'years' – does little to inform timely, business investment decisions.
- The U.S. is now measuring their outdoor recreation economy under an Outdoor Recreation Satellite Account using an activity-centred and supply-chain underlying methodology. The results of the U.S. data indicates that their outdoor recreation economy is approximately 2.1% of their National GDP; with individual States indicating between a low of 1.2% of GDP to a high of 5.4% of GDP<sup>xiii</sup>. Additionally, the growth of their outdoor recreation economy has been measured at over 6%

annually since 2012. ***In their data it is generally stated that approximately 50% of their outdoor recreation economy is contributing to their “tourism” economy.***

- TIAA understands that a key feature of the U.S. outdoor recreation and tourism economic strategy has been to base their measurement on including all revenues from all sources within the supply chain that contribute to the tourism and outdoor recreation industries. They consequently capture all private, public, and non-profit expenditures and related supply chain investments.

## ISSUES FOR CONSIDERATION

- Using the methods and models recently used in the U.S. for their outdoor recreation and tourism economy, conduct a comprehensive study to verify the scope, diversity, and size of Alberta’s outdoor recreation economy and its relative contribution to the overall tourism visitor economy.
- In support of encouraging strategic tourism and outdoor recreation development opportunities, commit long-term, sustainable funding (through appropriations) to update, maintain and enhance its GIS-based modelling and resource data system of inventories and other tools to ensure a consistent planning approach.
- Consider creating a cross-sector Outdoor Recreation and Nature-Based Tourism Advisory Panel with private and public sector experts to map out the inter-relationship between Alberta’s Tourism Visitor Economy and Alberta Outdoor Recreation Economy and to provide policy recommendations on how to jointly steward sector objectives. Western Australia’s 2019-2020 plan for Nature-Based Tourism could be instructional from a planning process and strategic outcomes perspective<sup>xiv</sup>.

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<sup>i</sup> Public Lands Administration Regulation, Table A1, Alberta Environment and Parks (AEP) PLAR Dispositions, November 1, 2019

<sup>ii</sup> Guidance Note, Application of the Sustainable Livelihoods Framework in Development Projects, United National Development Programme

<sup>iii</sup> Land Use Operational Policy, Adventure Tourism Policy, Government of British Columbia (effective February 23, 2015)

<sup>iv</sup> An Alberta Land-Use Framework Integrated Plan, South Saskatchewan Regional Plan 2014-2024, Amended May, 2018 and Recommendations Document from the North Saskatchewan Regional Advisory Council: Advice to the Government of Alberta for Consideration in the Development of the North Saskatchewan Regional Plan.

<sup>v</sup> United Conservative Party: Alberta Strong & Free, Getting Alberta Back to Work, Conserving Our Environment, page 85

<sup>vi</sup> <sup>vi</sup> United Conservative Party: Alberta Strong & Free, Getting Alberta Back to Work, Building Public Infrastructure, page 29

<sup>vii</sup> Minister of Economic Development and Official Languages Mandate Letter, December 13, 2019

<sup>viii</sup> Creating Middle Class Jobs: A Federal Tourism Growth Strategy

<sup>ix</sup> C.D. Howe Institute, A Crisis of our Own Making: Prospects for Major Natural Resource Projects in Canada

<sup>x</sup> 2019 Spring Reports of the Auditor General of Canada to the Parliament of Canada, Report 3: Taxation of E-Commerce

<sup>xi</sup> Standing Committee on Alberta’s Economic Future, Consideration of Main Estimates, Ministry of Economic Development Trade and Tourism, November 6, 2019

<sup>xii</sup> Alberta Hotel & Lodging Association, Online Travel Agencies (OTAs) policy position

<sup>xiii</sup> Bureau of Economic Analysis, U.S. Department of Commerce, Outdoor Recreation Satellite Account, U.S. and Prototype for States, 2017

<sup>xiv</sup> Two Year Action Plan for Nature-Based Tourism in Western Australia 2019 & 2020, Department of Biodiversity, Conservation and Attractions, Government of Western Australia,