

A Call for Action

Recommendations to Accelerate the Recovery,
Sustainable Growth & Resilience of Alberta's
Visitor Economy





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Executive Summary



Alberta's Visitor Economy

Before the COVID-19 pandemic, thousands of international visitors and tens of thousands of Canadian travellers flowed into Alberta everyday, drawn by the province's friendly people, diverse industries, appealing cities, engaging events and remarkable parks, wildlife, and natural spaces. At the same time, hundreds of thousands of Albertans were travelling daily throughout the province for leisure, business and to visit their friends and relatives. Everyday, these visitors were welcomed and supported by over 23,000 businesses and 72,500 full time equivalent jobs in the provincial visitor economy.

In Alberta, the visitor economy is literally "everyone's business". Growing faster than the provincial economy and generating over \$8.9 billion in direct visitor expenditures annually, the visitor economy is one of Alberta's most significant economic engines and the backbone of many local and regional economies. Despite its organic growth, the reality is that Alberta's visitor economy is only just scratching the surface of its true potential to better the lives of Albertans and our economy.

ALBERTA'S VISITOR ECONOMY

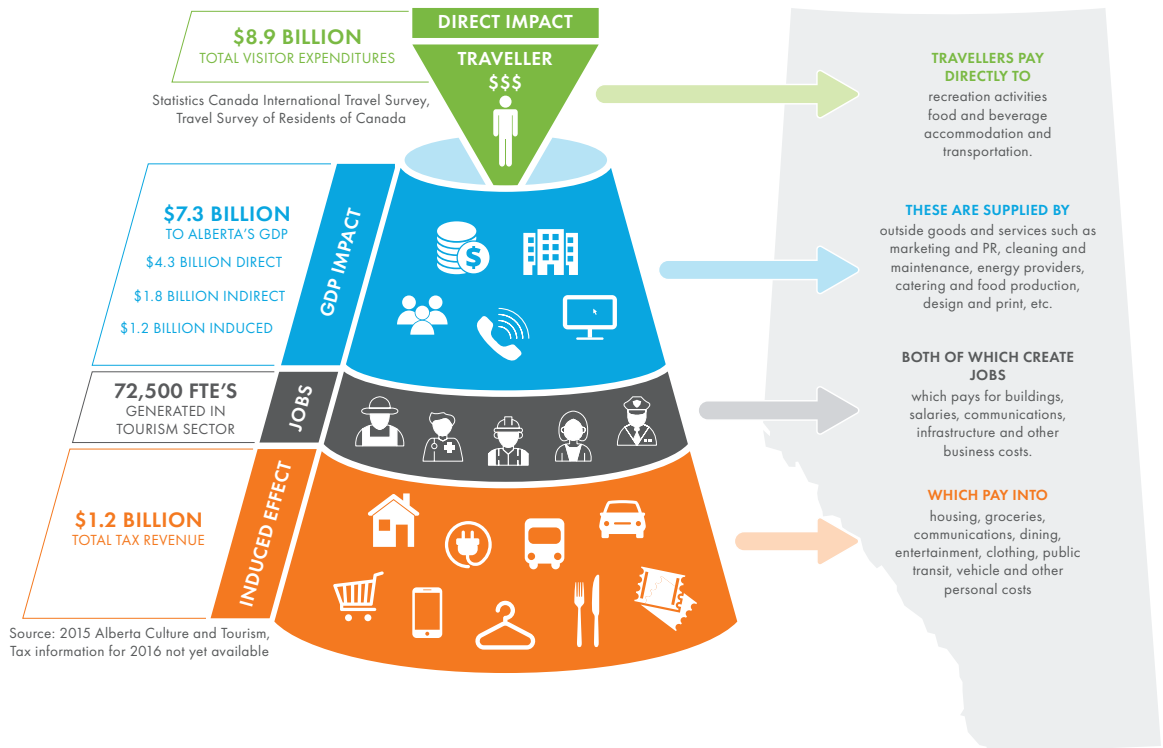


Figure ES1 - Alberta's Visitor Economy

Considerable and Strategic Government Action & Support is Needed Immediately and into the Future

The pandemic has dramatically impacted Alberta's visitor economy. This report is a Call to Action for the Government of Alberta to accelerate the recovery, sustainable growth, and long-term resilience of Alberta's visitor economy. Presented on behalf of the entirety of Alberta's visitor economy, and representing many of its industry associations, this report details a comprehensive suite of actions that the government needs to take over the short, medium, and long-term. The actions that have already been taken by the Government's of Alberta and Canada have been appreciated and extremely helpful in the short-term. However, further action is needed.

The actions called for in this report are about making deliberate and strategic investments in the future of the industry and creating the legislative and policy conditions that will enable the true potential of our visitor economy to be unlocked. As an interwoven ecosystem of visitor centered businesses, investments in the visitor economy will directly and indirectly stimulate the recovery, growth and success of tourism businesses as well many other industries in Alberta.

Developed collaboratively, we are confident that the investments and policy actions we have outlined will generate a positive return on the investments that we are asking the government to make. The government's commitment to accelerating the recovery and sustainable growth of Alberta's visitor economy is a commitment to:

- Generating new jobs and greater employment for Albertan's,
- Stimulating and unlocking foreign and domestic investment in Alberta,
- Growing revenue to governments at all levels (provincial, local, federal),
- Attracting new industries and enterprises to Alberta and stimulating the growth of other industries,
- Improving the lives of Albertans and our communities, and
- Celebrating and conserving our cultures, heritage, and natural environment.



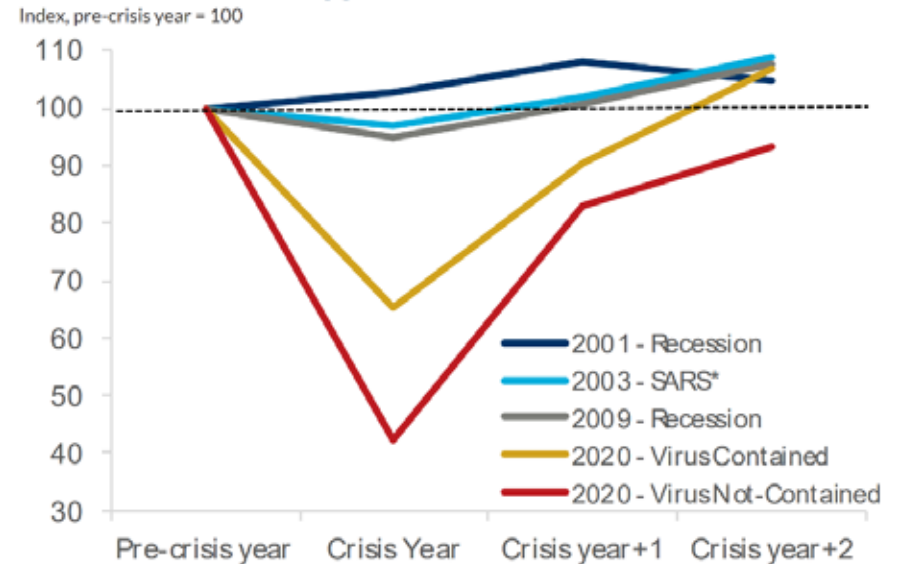
Figure ES2 - Alberta's Visitor Economy Ecosystem

The most significant challenge in its history

Alberta's visitor economy is facing the most significant and unprecedented challenge in its history. The COVID-19 virus, and the measures introduced to contain its spread, have had an immediate and catastrophic impact on Alberta's and the global visitor economy. Millions of Albertans, Canadians and international visitors have stopped travelling. Thousands of businesses, large and small, have closed or reduced their services and tens of thousands of employees have already lost their jobs or been laid off.

Despite this set back, past shocks (e.g. SARS, Recessions) to the economy have proven the resiliency of the visitor economy and its ability to rebound rapidly and sustain continued growth into the future. Though this shock is more significant than any we have seen (Figure ES3) and may take longer to recover from, the industry is optimistic that if the government provides meaningful and strategic investments and supports now, we will return and exceed our 2019 performance and deliver on the Government's stated priority for tourism become one of the three principal industries behind the diversification of Alberta's economy¹. The measures that the government puts in place over the coming months will truly shape Alberta's visitor economy not just for the coming year, but for the decades to come.

Canadian tourism spending growth in crisis years



*The Loonie gained considerable strength against the US Dollar in 2003, which led to less US inbound travel and more Canadian outbound travel to the US. So this analysis likely overstates (perhaps greatly) the impact of SARS on tourism spending in Canada.
Sources: Tourism Economics; StatCan

Figure ES3 - Canadian Tourism Spending growth in crisis years

Known Impacts from COVID-19 on Alberta's & Canada's Visitor Economy

The impacts from COVID-19 have been severe, but the worst may be yet to come

The full extent of the pandemic on Alberta's visitor economy is not yet known and will not be for some time. But there is widespread agreement that the visitor economy was one of the first hit and will be one of the hardest hit industries. All sectors in the visitor economy ecosystem are experiencing sharp downturns and are being deeply impacted (Figure ES4). Unfortunately, with the likely loss of the peak summer season, the true impacts on the visitor economy are just beginning.

The majority of visitor economy spending occurs in the peak summer season (Q3). The summer season is when most visitor economy businesses generate much of their annual cash flow. These cash reserves carry these businesses through the shoulder and off seasons and into the next peak season. As prospects grow that the 2020 peak summer season will also be deeply impacted due to the restriction on international travel and hesitant and uncertain long-haul domestic travel, many businesses will not be able to generate the cash reserves this summer that they require to bridge until the peak season in 2021. Though Albertans spent approximately \$7.3 billion travelling outside of Alberta in 2017, the reality is that they only spent \$157 per visit within Alberta compared to spending \$1,026 per international visit. Replacing lost long-haul domestic and international spending through the Alberta market will require Albertans to spend dramatically more on a local trip than they normally would. Though some of the impact may be offset by increased spending by Albertans, the industry believes that this spending will not offset lost spending and the liquidity crisis is still ahead of us. Without significant and strategic government intervention, the impacts on businesses and jobs that we have already seen will intensify.

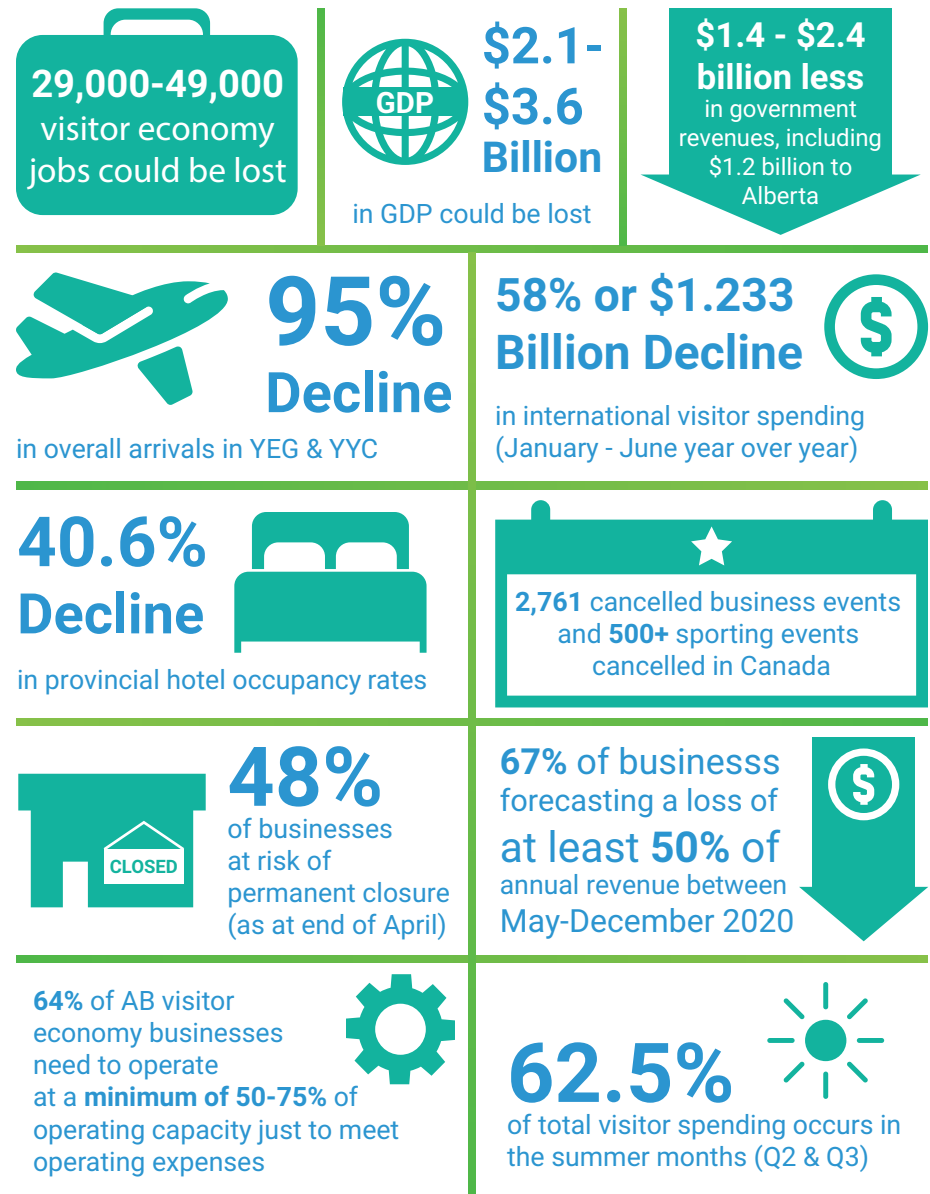


Figure ES4 - COVID-19 Impacts on Alberta's Visitor Economy

Our Greatest Threats & Opportunities

The pandemic has introduced new threats to the future of our visitor economy and, at the same time, generated new opportunities that we must move forward on. Though there are many, the greatest threats and opportunities include:

Threats

- Travel restrictions from highest yield markets
- Business & investment uncertainty
- Visitor confidence & demand stimulation
- Retaining a critical mass of visitor experience & services
- Host community confidence
- Reduced operating capacity & increased operating expenses
- Timing & longevity of government stimulus measures
- Lack of an integrated and coordinated whole of government response
- Access to labour
- Variability & inconsistency of pandemic response measures
- Intensifying global & domestic
- Competitive & Affordable Air Access
- Viability of destination management organizations and visitor economy sector organizations
- Under funding, aging and lack of public tourism infrastructure

Opportunities

- Embrace the role and potential of tourism in Alberta's economy
- Transform and facilitate the strategic planning & growth of the visitor economy
- Mainstream sustainability
- Invest in tourism infrastructure
- Invest in under realized destinations & experiences
- Industry coordination & partnerships

Recommended Actions & Supports

The actions that the industry is asking the government to take are organized into 8 focus areas and are summarized below. Each action has been assigned an implementation priority. *Please review the full report for greater details on each action and implementation timeframe.*

01 Support, Sustain & Fund

- Ensure existing federal stimulus funding programs continue beyond current timelines on a sliding-scale basis until business revenues return to at least 75% of their pre-COVID-19 levels.
- Introduce a “Tourism Business Adaptation Grant program”.
- Immediately repeal and replace the “Tourism Levy Act” with a new Tourism Levy Act that prescribes 100% of the funds to support Travel Alberta with implementing the expanded destination planning, development, management, and marketing mandate and enhance accountability.
- Increase funding to Travel Alberta to support business resilience, recovery, destination development and research.
- Waive unpaid provincial commercial land rents on Crown Land.
- Advocate the Government of Canada to implement the measures contained in the Tourism Industry Association of Canada’s report “Summary of Tourism Recovery Measures to Support Canada’s Visitor Economy” (May 20, 2020).
- Support the development of, and publicly endorse, sector safety protocols / guidelines.

02 Open & Entice

- Introduce a Alberta Travel Voucher program for business event delegates.
- Encourage the Government of Canada to responsibly and safely remove border and travel restrictions for international travelers from priority international markets that have successfully implemented measures to address the pandemic and the risk for transmission of COVID-19 is low.
- Establish a coordinated, harmonized and risk-based pan-Canadian approach to interprovincial travel and travel restrictions.
- Ensure future response measures are implemented in an area / regional specific manner and avoid province wide travel restrictions to the extent possible.
- Work with local elected officials and indigenous communities to build local political support for restarting travel.
- Build visitor confidence in travel through marketing campaigns that promote the national leadership and success of Alberta’s pandemic response and the measures that are being taken to keep visitors safe.



03 Lead & Align

- Develop a whole of government Tourism Secretariat to lead the cross-ministry coordination and implementation of efforts to accelerate the recovery, sustainable growth and resilience of the visitor economy.
- Amend the Travel Alberta Act to formally evolve Travel Alberta’s mandate from a “destination marketing organization” into a comprehensive “destination management organization”.
- Develop formalized network of industry led regional destination management organizations to champion the sustainable growth and management of the visitor economy locally. Ensure a sustainable funding model is created through Travel Alberta.
- Appoint the Minister of EDTT as the Minister responsible for engagement on National Parks issues and advocacy.



04 Plan & Manage

- Review and update the 10 Year Tourism Strategy to ensure it is responsive to COVID-19. Accelerate its release.
- Develop, fund, and implement a regional Destination Development & Management Planning program.
- Develop and maintain a comprehensive spatial inventory of tourism assets, features, settings, and scenery.

- Develop sector specific strategies for the:
 - » Nature-based & Adventure sector,
 - » Business Events sector,
 - » Sports Tourism sector,
 - » Indigenous Tourism sector (developed but requires consistent support),
 - » Arts and culture, and
 - » Agri and Culinary sector.
- Ensure the interests and needs of the visitor economy is fully integrated into provincial emergency management planning and disaster assistance programs.



05 Invest & Create

- Introduce a “Growing Tourism Infrastructure Fund”.
- Create a network of new regional destinations that will deliver world class, sustainable, and market and export ready experiences.
- Create the Alberta Signature Trails program.
- Increase and strategically prioritize Alberta Parks’ capital funding to develop, expand or modernize travel motivating visitor infrastructure and experiences in Alberta’s destination parks, recreation areas and on public lands.
- Introduce a “Alberta Events Attraction Incentive program”.
- Introduce a “Alberta Tourism Investor Tax Credit Program”.
- Prioritize and support innovative P3 partnerships.

06 Enable

- Immediately identify at least 10 sites on public lands and in Alberta Parks that are suitable for the development of sustainable export ready nature based, adventure and indigenous tourism experiences. Expedite investor attraction and fast track approvals.
- Ensure that high value and high potential tourism and outdoor recreation areas on public lands are identified and steps are taken to ensure their value and potential are maintained through Land Use Framework regional and issue specific plans.
- Modernize all Alberta Parks and Public Land legislation, regulations and policies to support and enable world-class sustainable nature-based, adventure and indigenous tourism.
- Ensure federal and provincial policy supports and increases access to temporary foreign workers.
- Ensure that the proposed Alberta Infrastructure Act provides a dedicated, coordinated, and strategic funding stream for tourism infrastructure.

07 Promote

- Devise domestic leisure and business travel marketing campaigns to entice Albertans and short-haul interprovincial markets to travel in Alberta.
- Devise marketing campaigns that help to rebuild host community confidence and support for opening travel.
- Maintain relations with priority international travel partners to keep Alberta top of mind with travellers and event organizers.

08 Understand

- Ensure the timely implementation and dissemination of essential visitor economy research.
- Develop a comprehensive visitor economy index to monitor performance of the visitor economy.

Great Opportunity Remains

Despite the challenges we outline in this Call to Action, great opportunity remains. Alberta is blessed with a rich mix of cultures, vibrant cities, strong heritage, world leading businesses and industries and a diverse landscape that is every bit, if not more, appealing to visitors than our competition. Alberta's biggest competitor destinations have taken purposeful steps to elevate their visitor economy before COVID-19 and are actively supporting it through the pandemic. Dedicated and ongoing investments, industry supports, strong destination planning and leadership and supportive and enabling policy environments have propelled their visitor economy ahead of Alberta's. However, with strategic, coordinated, and dedicated effort and investment in implementing the actions we outlined above, we can recover Alberta's visitor economy and greatly enhance the benefits it can bring to Albertans and our provincial economy. Travel will return. And, albeit in a more competitive global marketplace, we need to take steps today that will ensure Alberta is able to unlock its place as an even more prominent domestic and international destination for sustainable tourism.

Readers are encouraged to review the full report for further details on the impacts to the visitor economy and descriptions of the threats, opportunities, desired outcomes, focus areas and actions.

About the Alberta Tourism Industry Associations Advisory Panel



Championed by the Tourism Industry Association of Alberta, the Alberta Tourism Industry Associations Advisory Panel was assembled to articulate the impacts that the pandemic has had on Alberta's major visitor economy sectors and to collaboratively develop whole-of-industry recommendations for accelerating the recovery, sustainable growth and resilience of the visitor economy. The panel was comprised of senior leaders from the following industry associations:

- Tourism Industry Association of Alberta
- Alberta Hotel & Lodging Association
- Restaurants Canada
- Meetings Mean Business Canada
- National Airlines Council of Canada
- Indigenous Tourism Alberta
- Canada West Ski Areas Association

The above associations fully endorse the actions identified in this report.

The work of the panel and preparation of this report was led by the consulting team from RC Strategies.

Industry Engagement

In addition to the ATIAAP members, the following associations also provided input that helped inform the recommendations in this call to action:

- Alberta Professional Outfitters Society
- Professional River Outfitters Association of Alberta
- Professional Association of Mountain Guiding
- Alberta Small Brewers Association
- Parks and Campground Owners Association of Alberta
- Arts Touring Alliance of Alberta
- Canadian Sport Tourism Alliance
- Tourism Calgary
- Recreational Vehicle Dealers Association of Alberta
- Alberta Museums Association
- Ride the Rockies Society
- Alberta Off-Highway Vehicle Association
- Alberta Media Production Industries Association
- Calgary Economic Development
- Retail Council of Canada
- Various Destination Marketing Organizations



1.

Introduction

Before the COVID-19 pandemic, thousands of international visitors and tens of thousands of Canadian travellers flowed into Alberta everyday, drawn by the province's friendly people, diverse industries, appealing cities, events and remarkable parks, wildlife, and natural spaces. At the same time, hundreds of thousands of Albertans were travelling throughout the province daily for leisure, business and to visit their friends and relatives. These visitors, whether international or domestic, were welcomed and supported by over 22,000 businesses and 72,500 full time equivalent jobs who work in the province's visitor economy.

In Alberta, the visitor economy is literally "everyone's business". Growing faster than the general economy prior to the pandemic, the visitor economy is one of Alberta's most significant economic engines and the backbone of many local and regional economies. As a prominent service export industry, the visitor economy brings new spending into the province and generates significant local employment, drives economic growth and diversification, generates important tax revenues, stimulates investment in community infrastructure and services, elevates the quality of life for local residents and deepens the appreciation and celebration of Alberta's unique cultures and the natural environment.

At a time when visitors were clearly seeking more of Alberta's incredible experiences, the visitor economy now finds itself facing the most significant and unprecedented challenge in its history. Though the industry has proven its ability to rebound quickly and effectively from past crises, the COVID-19 virus, and the measures introduced to contain its spread, has had an immediate and catastrophic impact on Alberta's visitor economy. This impact greatly exceeds those of the past shocks. Millions of Albertans, Canadian's and international visitors have stopped travelling. Many businesses in all sectors of the visitor economy have closed or have significantly reduced their services, events have been cancelled and thousands of Albertans who were once employed in the industry have lost their jobs or been laid off. The visitor economy was one of the first hit industries and is one of the hardest hit industries.

What is a Visitor?

A traveller taking a trip to a destination outside of his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country of place visited.

– UNWTO, 2008

What is the Visitor Economy?

Includes all direct, indirect, and induced economic impacts stemming from the interactions of a visitor with a determined location.

– World Travel & Tourism Council, 2017

The pandemic is first and foremost a humanitarian and public health crisis. Response measures were and continue to be necessary to protect the health and safety of Albertan's, Canadians and our visitors. Our industry supports and applauds the efforts that governments, at all levels, have made as well as the sacrifices that health care professionals, front line workers and everyday Albertan's and Canadians have made to contain the virus. Recognizing that travel has been a primary mechanism for the spread of the virus, our industry acknowledges the responsibility we hold to ensure our businesses implement measures to prevent the further transmission and resurgence of the virus. The ongoing containment of the virus is of paramount importance to industry and to the communities in which our businesses operate.

Provincial government initiatives such as payment deferrals on WCB premiums, utilities and tourism levy and relaunch funding combined with federal program supports such as the Canadian Emergency Wage Subsidy, Canada Emergency Business Account, Regional Relief and Recovery Fund and Canada Emergency Commercial Rent Assistance have collectively supported many visitor economy businesses since the crisis began. However, we now know that the material recovery and re-imagining of the visitor economy will be much slower than previously anticipated and even greater supports and bold actions are required now and will be required well into the future.

Despite the discouraging and alarming short-term outlook for the visitor economy, the industry is confident in its ability to rebound and unlock the true tourism potential of Alberta. However, the measures that are put in place over the coming months will shape Alberta's visitor economy not just for the coming year, but for the decades to come and we look forward to working hand in hand with the government through a committed all of government approach.

© Wilson Hui - Ukrainian Cultural Heritage Village, flickr.com

Important Fact!

The measures that are put in place over the coming months will shape Alberta's visitor economy not just for the coming year, but for the decades to come.

2.

The Purpose of this Report



This report is a Call to Action for the Government of Alberta to accelerate the recovery, sustainable growth and resilience of Alberta's visitor economy. The timing and context for this call to action is not only necessary in response to COVID-19, but in support of a provincial economy that continues to seek opportunities for economic diversification amidst significant downturns in its energy and resource sectors.

Presented on behalf of the entirety of Alberta's visitor economy, and representing the vast majority of its industry associations, this report details a comprehensive suite of actions that the government needs to take over the short, medium and long-term to restore and responsibly grow the essential benefits that our visitor economy brings to our communities and our residents.



3.

Alberta's Visitor Economy



Alberta's visitor economy is a complex, interwoven, and dynamic ecosystem (Figure 1). Driven by the economic activity of visitors, the visitor economy is an industry of industries and inclusive of all private and public businesses and service providers that support a visitor's trip, such as:

- Transportation services (aviation, rail, busing, taxis / ride hailing, public transit etc.),
- Public and private attractions and activities (meeting / conference spaces, events and festivals, parks, trails, ski areas, museums, indigenous cultural facilities, sport facilities etc.),
- Public and private accommodations (hotels, resorts, eco-lodges, campgrounds, peer to peer rentals etc.),
- Amenities and services (e.g. food and beverage, tour operators, guides, equipment rentals, service stations), and
- Destination marketing and promotion agencies.

A successful and resilient visitor economy is one where every industry subsector is also stable, successful and resilient. If one subsector fails, the entire visitor economy can be constrained and put at risk.



Figure 1 - Alberta's Visitor Economy Ecosystem

ALBERTA'S VISITOR ECONOMY

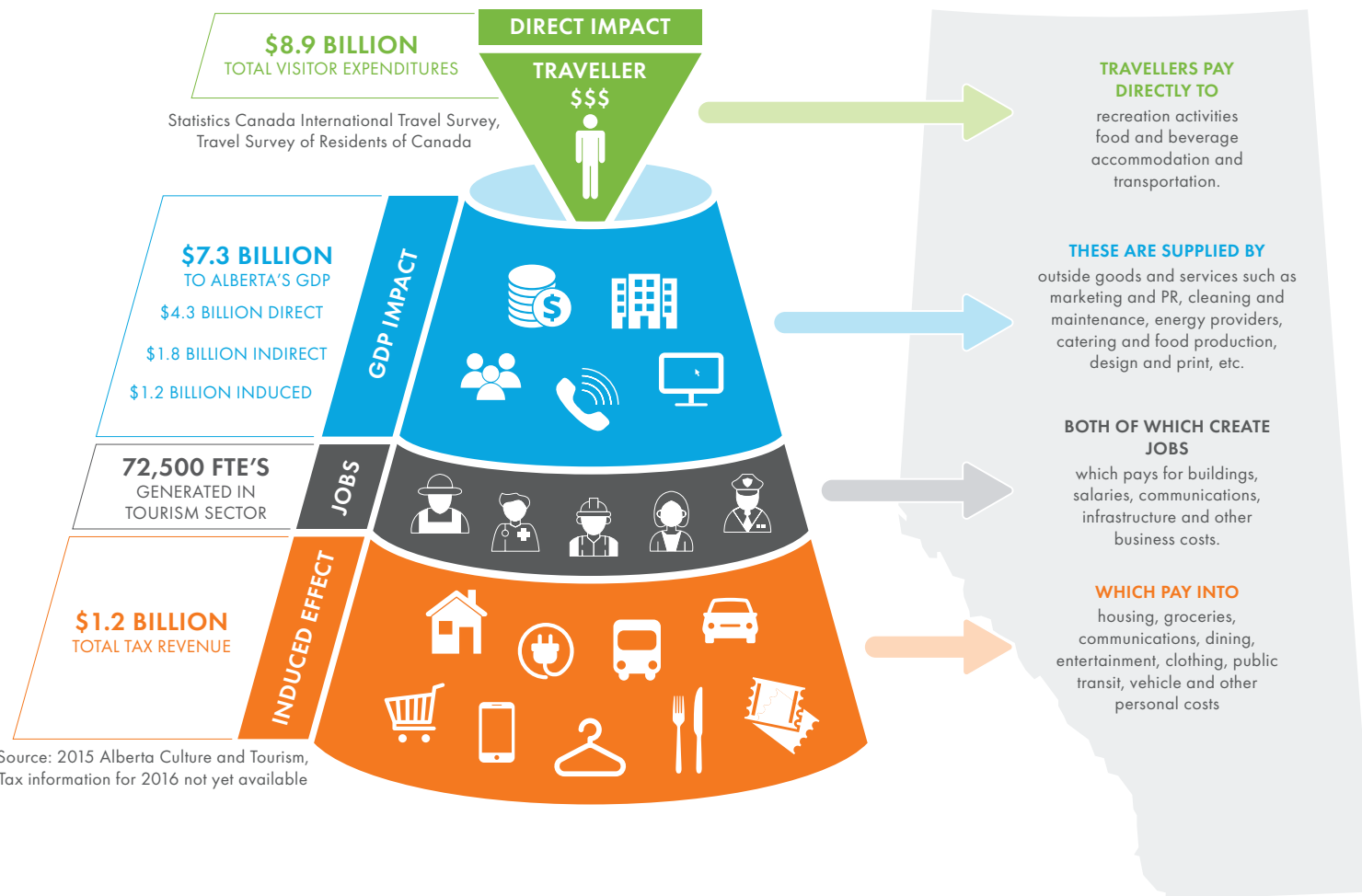


Figure 2 - Alberta's Visitor Economy

3.1 Alberta's Visitor Economy is a Significant Economic Engine & Quality of Life Generator

Growing at a rate of 2.2% (CAGR) since 2011, Alberta's visitor economy contributed \$8.9 billion to Alberta's economy in 2017. And, following years of strong performance, the Government of Alberta, through the UCP platform, challenged the industry to grow visitor spending to \$20 billion over the next ten years (2020-2030)ⁱ. In 2017, the visitor economy contributed \$7.3 billion to Alberta's GDP and \$1.2 billion to government tax revenue, including \$592 million to the federal government, \$387 million to the provincial government and \$186 million to local government. In 2018, the visitor economy also generated \$90 million in tourism levy receipts.

Alberta's visitor economy is comprised of over 23,000 businesses, most small businesses, and represents over 4% of the total number of businesses in the province. The provincial visitor economy generates approximately 72,500 full-time equivalent jobs, accounting for 3.2% of all full-time equivalent jobs in the province.

In 2017, the visitor economy supported 37 million person visits which was a 6.1% increase over 2016. 30.8 million of these person visits were made by Albertans, 4.1 million were made by Canadians and 2 million by international visitors. 2.3 million room nights were booked at accommodations throughout the province and over 160,000 direct flights arrived in Albertaⁱⁱ.

Domestically, the majority of visitation occurs in the quarter 2 (spring) and quarter 3 (summer) (Figure 3). 54.2% of visits occur between April and September with 24.3% occurring during between October and December and 21.4% between January and March. Similarly, international visitation is greatest in quarter 2 (spring) and quarter 3 (summer) at 29% and 49.3% respectively.

Though all visitors make important economic contributions to the visitor economy, not all visitors generate the same economic impact. 83% of person visits in Alberta are made by Albertans, but Albertans contribute just 54% (\$4.8 billion) of total visitor expenditures. In comparison, Canadian visitors account for 11% of person visits but contribute 22% (\$1.967 billion) of total visitor expenditures. And, international visitors represent just 5% of total person visits but 24% (\$2.14 billion) of total visitor expenditures. Collectively, long-haul domestic and international travel account for 46% of visitor spending in Alberta but just 16% of person visits. Albertans typically spend around \$157 per person visit compared to \$471 for Canadians, \$900 for Americans and \$1,180 for visitors from overseas. Though the current efforts to pivot the focus of Alberta's visitor economy to short-haul travel by Albertans are important, it is equally important to recognize that these efforts will not be able to replace the full 46%, or \$2.1 billion, of visitor spending contributed by long-haul domestic and international visitors.

Important Fact!

Long-haul domestic and international travel account for just 16% of visits to Alberta but 46%, or \$2.1 billion, of visitor spending. Though the current efforts to pivot the focus of Alberta's visitor economy's to increasing travel and spending by Albertans are important, these efforts will not be able to make up lost visitor spending by long-haul domestic or international markets.

Like visitation, most of the domestic and international visitor spending occurs in quarter 2 (spring) and quarter 3 (summer) (Figure 3). Quarter 2 generates 22.7% of all domestic spending in the province and 29% of all international spending. The greatest domestic and international visitor spending occurs in quarter 3 34.8% and 49.3% respectively.

The travel restrictions that have been imposed directly overlap the industry's most significant operating seasons which is exacerbating the effects and posing greater risks to many visitor economy businesses.

Visitation, Visitor Expenditures and Severity of Travel Restrictions by Season

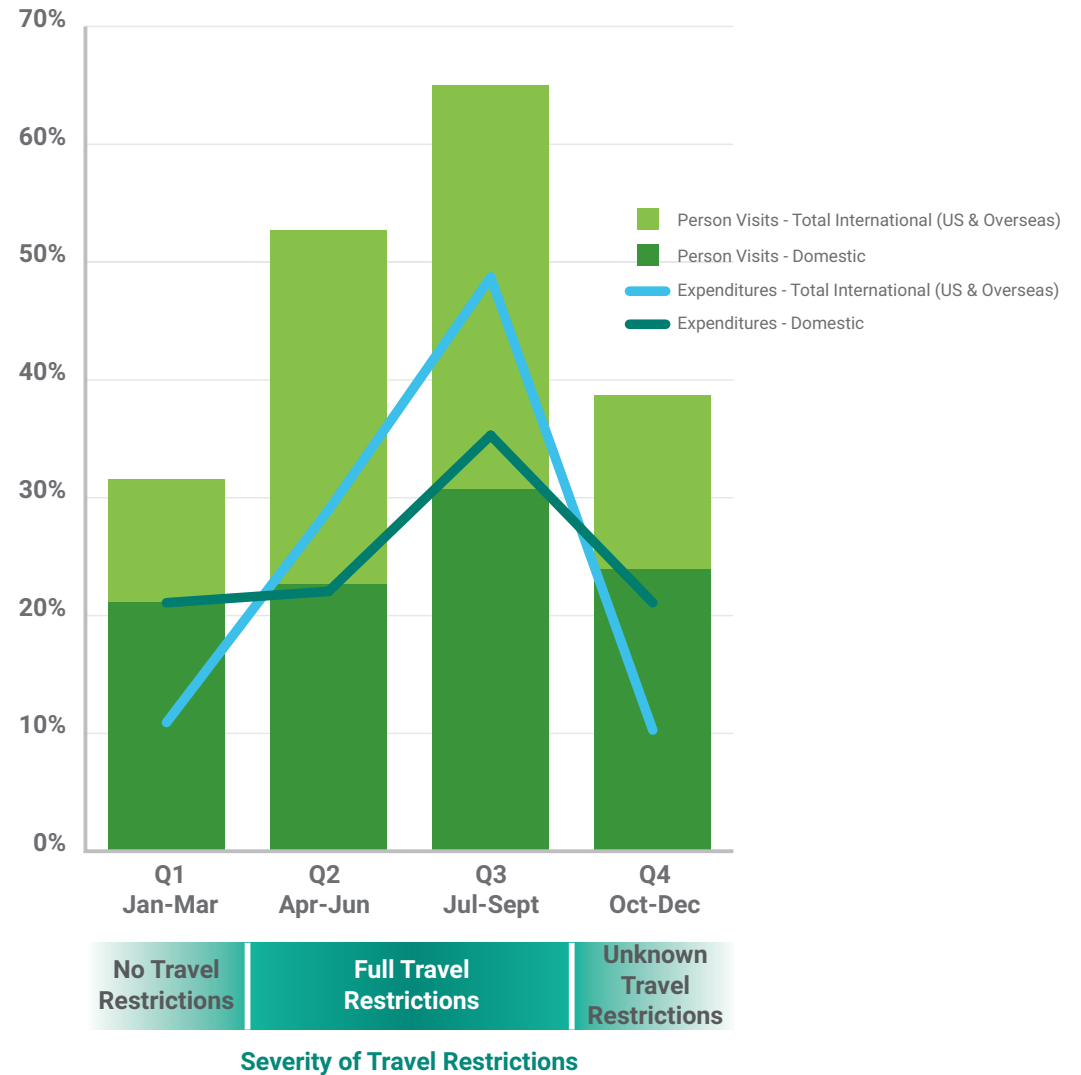


Figure 3 - Source: Statistics Canada, International Travel Survey and Travel Survey of Residents of Canada.

3.2 Alberta's Visitor Economy Stimulates Investment

Alberta's visitor economy stimulates capital investment in the province. Peaking in 2015, the industry contributed 64 major projects (\$5 million or greater) valued at over \$3.8 billion. Between 2014-2019, the visitor economy has accounted for an average of 2.2% of the value of all major projects (\$5 million or greater) that were under construction in province. However, as seen in Table 1, the visitor economy's share of under construction projects has been declining at a time when demand for visitation to the province has been rapidly growing. With an improved policy and regulatory environment that provides greater certainty, there is significant opportunity to grow visitor economy-based investment in both major projects as well as smaller, but equally important, projects that do not meet the definition of "major".

Table 1 Investments in Major Tourism Projects

Year	Value of Tourism projects Under Construction	Year over year change (U/C)	Tourism share of all U/C Capital Investment	Number of Tourism Projects U/C	Value of Tourism projects Proposed	Year over year change (proposed)	Number of Tourism Projects Proposed
2014	\$2,805,600,000		2.47%	44	\$2,383,000,000		81
2015	\$2,881,200,000	14.80%	3.23%	64	\$3,895,100,000	63%	65
2016	\$1,528,520,000	-46.90%	1.75%	41	\$4,410,500,000	13%	56
2017	\$1,521,160,000	-0.50%	2.07%	45	\$2,723,400,000	-38%	40
2018	\$1,100,300,000	-27.70%	2.06%	37	\$3,186,300,000	17%	44
2019	\$1,283,000,000	16.60%	1.63%	27	\$3,440,800,000	8%	44

The visitor economy also stimulates broader Foreign Direct Investment (FDI) for the Province. For example, business events drive interactions between Alberta and global business leaders which lead to many of the inward investments that grow and expand our economy. Restrictions on travel are likely to correlate to a downward and Inward FDI trend for Alberta.

3.3 Albertan's Spending on Travel Outside of Alberta

Albertans undertake significant travel and spending outside of Alberta. Preliminary data from the National Travel Survey and Visitor Travel Survey suggest that Albertans took 10.3 million person visits and spent approximately \$7.3 billion in 2018 travelling outside of Alberta throughout the rest of Canada and internationally (Table 2). When travelling outside of Alberta, Albertans typically spent \$485 per visit in other destinations within Canada, \$918 per visit to the US and \$1,026 per visit overseas compared to \$157 per visit within Alberta. Replacing lost long-haul domestic and international visitor spending in Alberta will require the industry to stimulate Albertans to spend much more locally than the \$157 that they spent in 2017.



Table 2 Spending by Albertans Outside of Alberta (2017)

	Inside Alberta	Outside Alberta - Rest of Canada	Outside Alberta - US	Outside Alberta - Overseas	Total - International	Total - outside Alberta (Rest of Canada, International)	Grand Total (In and outside of Alberta)
Spending (\$,000s)	\$4,824,267	\$2,659,723	\$2,642,043	\$2,054,043	\$4,696,549	\$7,356,272	\$12,180,539
Visitation (000s of person-visits)	30,806	5,488	2,879	2,003	4,882	10,370	41,176
Spending/visit (\$)	\$157	\$485	\$918	\$1,026	\$962	\$709	\$296

* Same-day and overnight visits included for Alberta and Rest of Canada, overnight visits included for all international visits.

Source: Statistics Canada, International Travel Survey and Travel Survey of Residents of Canada.

4.

Impacts of COVID-19 on Alberta's Visitor Economy are Deep & Persistent



The full extent of the pandemic's impact on Alberta's visitor economy is not yet known and will not be for some time. However, all segments of the visitor economy – transportation, accommodations, attractions and activities, amenities and services and marketing and promotion– are experiencing sharp downturns and are being deeply impacted.

Alberta's visitor economy is particularly vulnerable as it is comprised largely of small to medium sized enterprises (SME). With limited resources and access to capital, SMEs have a much lower ability to survive this economic shock than larger enterprises. Many of these businesses were viable before the pandemic, but the loss in revenue during the closure periods, ongoing loss of revenue due to capacity constraints and increased operational costs due health and safety obligations may make these businesses vulnerable or unviable in the near future. The potential for widespread collapse of visitor economy SMEs introduces substantial uncertainty for the industry should SMEs go bankrupt because of containment measures and limited visitation from our highest yield markets. This could create cascading impacts on the ability of Alberta to attract visitors to the province which will mitigate the visitor economy's potential to support the broader economic diversification priorities of the province and the government's target of \$20 billion in visitor spending. As a result, and even if travel restrictions are lifted in short order, the visitor economy is at a higher risk of a protracted recovery.

Destinations tend to be disproportionately vulnerable to the effects of such crises due to their high reliance on the tourism sector. Destinations most dependent on international markets are likely to be most affected (particularly long-haul), as are urban destinations. More remote and rural destinations and natural areas are likely to be more attractive to visitors, at least in the short term.

– Tourism Policy Responses to COVID-19 - OECD, 2020

The extent of the long-term impacts to the visitor economy will be determined by:

- the duration of the pandemic and the duration of public health measures such as travelling and gathering restrictions and capacity constraints,
- the potential long-term changes in travel behaviours and visitor expectations in response to COVID-19, \
- the willingness of host communities to embrace visitation, and
- the investments and supports the government takes.

Though we are in the early stages of understanding the impacts of COVID-19 on the visitor economy, the following insights begin to tell the story of how our industry has and is expected to be impacted into the future.

4.1 National Impacts

At a national scale, Destination Canada's modelling^{iv} suggests that:

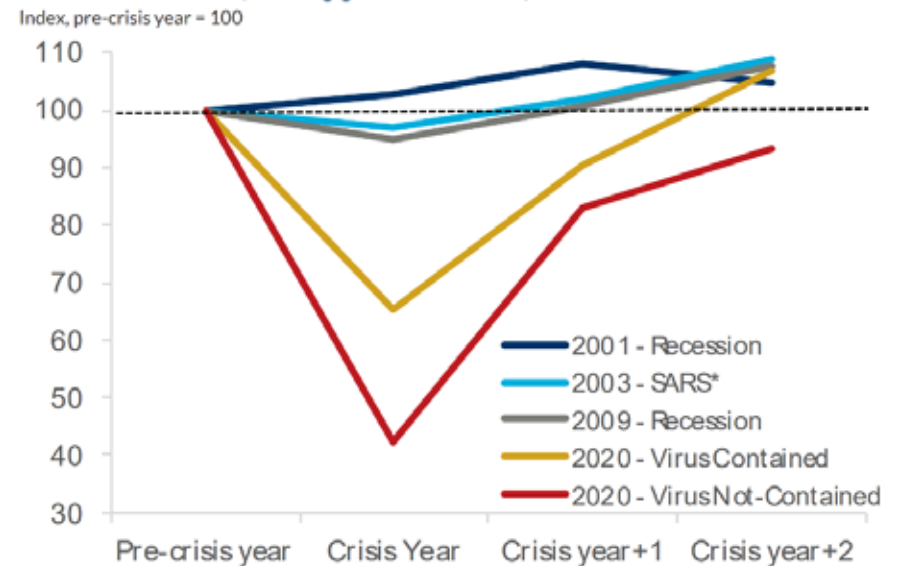
- Total tourism spending in Canada could fall by 35% - 59% in 2020, down from \$105 billion spent in 2019,
- The reduction in spending could represent a loss of \$36-\$62 billion in visitor spending, and
- 263,000-450,000 visitor economy jobs could be lost across the country.

In the first 5 months of this year (January-June), tourism export revenue across Canada has already declined by \$5.1 billion compared to 2019 representing a 60 - 73% reduction^v.

As can be seen in Figure 8, impacts to Canada's visitor economy are anticipated to greatly exceed, and last longer, than those of previous crises that have challenged the industry. Past industry downturns typically lasted one year before spending surpassed previous spending highs. It is estimated that the impacts from COVID-19 could last between 2 and 4 years (Tourism Economics, 2020).

In terms of recovery, Destination Canada predicts that the "domestic market will experience the smallest decline in 2020 and recover faster than the international markets in the short-term. However, over the long-term, international markets will grow faster" but the province must be positioned to compete effectively for these higher yield markets through exceptional visitor destinations and experiences. The rate and timeframe of the growth will depend on how the pandemic progresses and how well the province can grow and strengthen its visitor experiences and destinations.

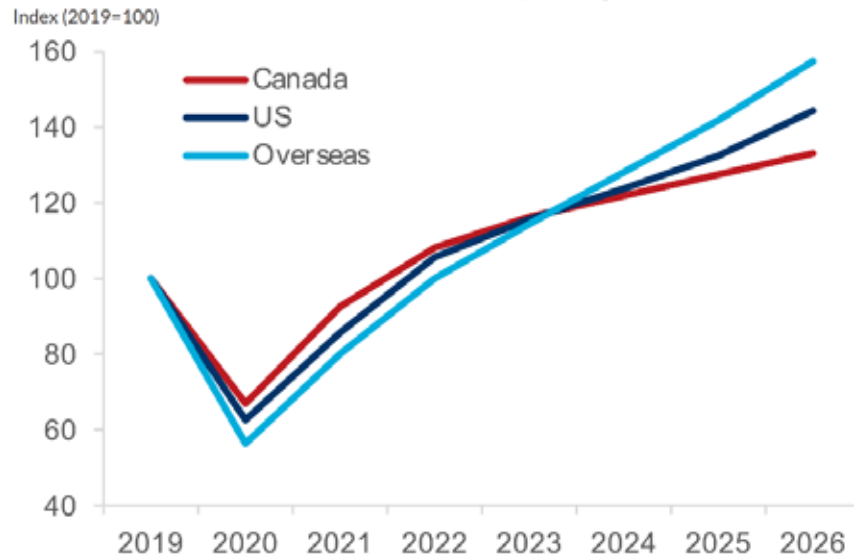
Canadian tourism spending growth in crisis years



*The Loonie gained considerable strength against the US Dollar in 2003, which led to less US inbound travel and more Canadian outbound travel to the US. So this analysis likely overstates (perhaps greatly) the impact of SARS on tourism spending in Canada.
Sources: Tourism Economics; StatCan

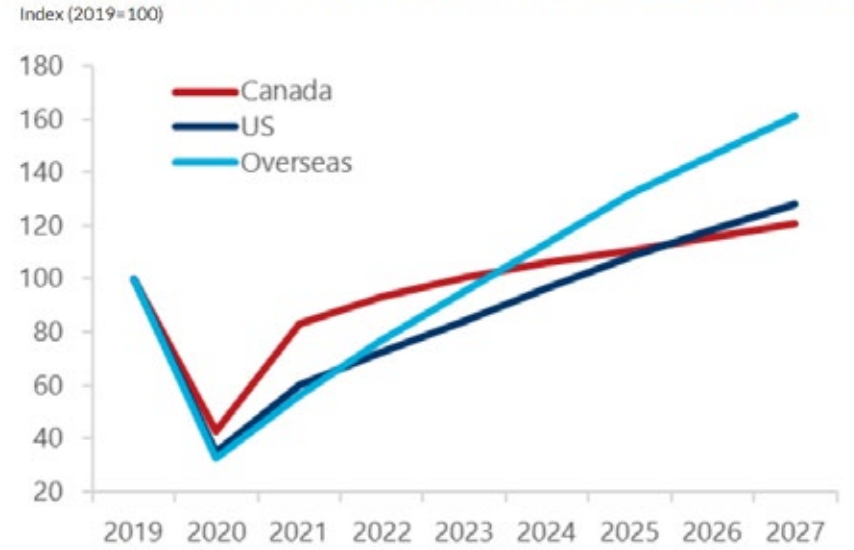
Figure 4 - Canadian Tourism Spending Growth in Crisis Years (Tourism Economic, 2020)

Virus Contained COVID-19 related tourism spending losses in Canada



Sources: Tourism Economics; StatCan

Virus Not-Contained COVID-19 related tourism spending losses in Canada



Sources: Tourism Economics; StatCan

Figure 5 - Virus Contained COVID-19 related tourism spending losses in Canada (Tourism Economic, 2020)

Figure 6 - Virus Not-Contained COVID-19 related tourism spending losses in Canada (Tourism Economic, 2020)



4.2 Provincial Impacts

Research into the impacts of COVID-19 on Alberta's visitor economy are limited at the provincial scale. Changes in visitation to Alberta were not available at the time of this report. However, the industry has effectively experienced a stoppage of all travel from all market origins.

Destination Canada's insights suggest:

- In the first 5 months of 2020 (January – June), international visitor spending in Alberta dropped by \$1.233 billion, or 58% of annual international visitor spending^{vi},
- Between 29,000-49,000 visitor economy jobs could be lost in Alberta representing 23%-39% of total visitor economy jobs in the province (based on 2017 tourism employment data),
- Government tax revenues could drop by \$1.4 - \$2.4 billion in total, including a reduction of \$700 million to \$1.2 billion in provincial tax revenues and \$100 million in municipal tax revenues, and
- \$2.1 – \$3.6 billion in provincial GDP could be lost.



Travel Alberta's recent survey^{vii} of 339 visitor economy businesses found that:

- 67% closed temporarily,
- 47% laid off staff
- 33% reduced staff hours,
- 33% reduced services,
- 6% put their businesses on hold / postponed,
- 2% closed permanently, and
- 48% of businesses reported being at risk of permanent closure including 17% reporting a significant risk, 16% reporting at moderate risk and 15% reporting a low risk. Businesses that have been in operation for 5 years or less and seasonal businesses were more likely to report greater risk of closure. 28% of businesses, particularly those that have been in operation for 11 years or more and operate year-round, reported that they were not at risk of closure.

In terms of lost revenue (as at April 2020), the survey found that:

- 43% of responding businesses had lost more than 50% of their total business revenue including 36% who reported losing 76% to 100% of their total business revenue.
- Looking forward from May to December 2020, 67% of responding businesses expected to lose over 50% of their total business revenue, including 39% who expect to lose 76% to 100% of their business revenue.
- 64% of responding businesses reported that they need to operate at 50% to 75% of their business capacity in order to generate enough revenue to meet their operating expenses while nearly a quarter indicated that they must operate at more than 75% of their capacity to break even.

Important Fact!

67%

of visitor economy businesses expect to lose more than half of their total business revenue between May and December 2020.

– Travel Alberta Survey,
May 2020

4.3 Impacts by Sector

The above sections presented available insights on impacts at the national and provincial scale. However, recognizing that destination success is reliant on the viability and success of all sectors of the industry, it's important to understand how the pandemic and response measures have and are expected to impact individual sectors. The following quick facts illustrate the impacts, though it should be recognized that data was not available for all sectors of the industry at the time of preparing this report.

Modelled Visitor Spending Losses by Sector



Transportation

-\$1.5B - \$2.7B



Lodging

-\$0.9B - \$1.5B



Food & Beverage

-\$0.9B - \$1.6B



Recreation

-\$0.3B - \$0.5B



Other

-\$0.9B - \$1.5B



Aviation^{viii}:

- 95% of Canada's major airline carrier capacity has been removed from the market.
- Canadian air traffic in May was, on average, 74% lower than the previous year.
- YYC and YEG experienced a 95% reduction in overall passengers in April. YYM saw a 92% reduction.
- Calgary International Airport is projecting 65% fewer passengers in 2020 compared to 2019, representing a reduction from 18 million passengers to 6.4 million. Edmonton is forecasting a drop from 8.15 million passengers in 2019 to 2.7 million in 2020.
- The sector is expecting it to take upwards of 3 years to return to 2019 passenger levels with Canada.
- Overall global aviation revenue is expected to drop by 50% or more.
- Projected 2020 financial losses in the global aviation sector are estimated to be more than 3.2 times higher than the losses incurred following the global financial crisis in 2008/09.

Figure 7 - Destination Canada & Tourism Economics, 2020



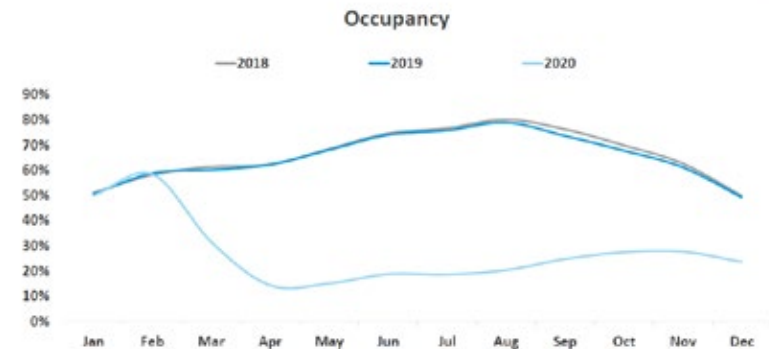
Accommodations:

- 50,843 or 58.7% of guest rooms in the province are estimated to have been closed (as of May 10, 2020)^x.
- 24,057 or 84.9% of employees in the accommodations sector are estimated to have been laid off (as of May 10, 2020)^x.
- Occupancy rates in Alberta dropped 40.6 percentage points in April compared to 2019. Declines of 36.3 – 52.3 percentage points have been experienced by all property types (limited service, full service, Suite, Resort).
- Hotel occupancy rates vary from month to month. The average annual occupancy rate in Canada is 65%. At 49%, December is typically the lowest average occupancy rate of any month. As a result of COVID-19, monthly occupancy rates across the country are forecasted to remain around 20% until the fall or early winter which is approximately 45-50 percentage points lower than 2018/19 levels (Figure 12). Alberta accommodation providers anticipate even lower occupancy rates than national projections due to the compounding energy sector decline.
- Average daily rate has dropped by 23% and the revenue per available room has declined 81.8% compared to April 2019 and is not anticipated to recover to 2019 levels until 2023. At \$70 per room, Alberta's revenue per available room was already substantively compressed compare dot regional and national levels going into the pandemic, with many properties facing insolvency.

“The devastation that the COVID-19 pandemic has on our family owned business is unprecedented. We have seen cancellations in a two-week period that represent 30% of our budgeted revenue for the month of March alone. Our business has been forced for the first time in our almost 21 years of operation to lay off staff. We have laid off 50% of our team and expect to see another round of layoffs in the coming weeks and we are seriously considering having to close our doors as we see projected occupancy dropping into the single digits before the end of the month.”

– Hotel Operator

Projected Occupancy for Total Canada



Source: STR, 2020 © Colliers Proactive Information, Inc. 31

Figure 8 - Projected Occupancy Rates for Canada (STR, 2020)



Business Meetings & Events^{xi}:

- As of May 31, 2,761 scheduled events have been canceled across the country including events scheduled between 2020-2025.
- Cancellations have resulted in a loss of 1.08 million delegates and \$921.81 million in direct spending.
- With gathering restrictions, potential border closures and uncertainty over air service, events for September–December 2020 are at risk. These events represent more than 237,027 delegates, 486 events and approximately \$190.26M in direct spending. Of these events, 130 are international (primarily from the US), with more than 77,000 international delegates (primarily US based organizations). The remaining September-December events represent another 25% of 2020's planned events and (24% delegates).
- As of January 31, 2020, an additional 983 business events representing an additional 266,863 delegates and \$230.35 million in direct spending, were being pursued by the sector for delivery in 2020. All opportunities were cancelled.
- No new bookings are expected between July – December 2020.



Food & Beverage^{xii}:

- 23% of Alberta restaurants surveyed were temporarily closed as of June 7, 2020.
- The sector in Alberta is forecasting a loss of \$2.9 billion to \$5.8 billion in foodservice sales which represents a 24.4% - 48.4% reduction from the \$11.9 billion in sales 2019.
- 70,000 foodservice employees remain out of work.
- 70% of Alberta restaurants surveyed are very or extremely worried that they do not have enough liquidity over the next three months.
- 10% of Alberta's independent restaurants surveyed have closed permanently and most multi-unit restaurants will permanently shut down at least one location.
- Typical table service restaurants will face more than \$90,000 in lost revenues and will take 17-35 months to return to positive cash flow.
- 6 out of 10 restaurants surveyed are operating at a loss with the remainder just breaking even. Less than half of restaurants that have reopened said doing so has had a positive impact of their operators while more than a third report reopening has had a negative impact on operations.



Indigenous^{xiii}:

- Estimated 65%, or \$1+ billion, decline in GDP and 59.4% decline in direct employment nationally (21,400 lost jobs) from 2019 with impacts expected into 2021 and beyond.
- 62% decline in GDP from indigenous tourism in Alberta from 2019.
- 46% of Alberta's indigenous tourism business are closed temporarily with 16% closed permanently for the season (as of June 22, 2020).
- 60% decline in indigenous tourism employment in Alberta representing an estimated loss of 1,763 full time jobs from 2019.



Skiing / Outdoor Adventure^{xiv}:

- 30%, or approximately \$131 million, in annual revenue were lost from Alberta's \$437 million ski sector. The seasonal nature of the ski industry makes the timing of closures even more impactful.
- 50% of sector revenues could be lost for the 2020/21 season pending the duration and timing of travel and school program restrictions which could result in the closure of some operations.
- Some ski area operators with summer operations have remained closed due to increased operational cost, limited operational capacities and travel restrictions.



Sports Tourism^{xv}:

- 33% of sport tourism professionals in Canada have been laid off.
- 500+ International, national and provincial sporting events cancelled (as of May 2020)
- Approximately 140,000 hotel room cancellations across Canada as a result of event cancellations.



Professional Outfitting^{xvi}:

- Loss of \$201.8 million in gross economic activity, \$116 million in GDP and \$22.2 million in government revenues.
- 2,121 jobs have been lost.



Media Production^{xvii}:

- \$2.5 billion in production volume is at risk across Canada. Alberta accounts for approximately 4% of the national total spend in the film and television sector and is anticipated to be impacted proportionally with national impacts.
- \$1.4 billion in spending on labour is at risk and 172,000 jobs could be impacted across the country.

5.

The Threats & Opportunities Facing Alberta's Visitor Economy

The pandemic has introduced many threats to the future of the visitor economy. At the same time, new opportunities for the industry have opened. It is essential that government actions and supports deliberately target these threats while helping the industry seize the greatest opportunities that it has been presented.

5.1 Threats

The most serious threats include:

Travel Restrictions

The visitor economy is entirely dependent on visitors' ability to travel to their destinations of choice. Initial travel restrictions, and those that remain in place, are the biggest threat to Alberta's visitor economy. These restrictions have severely constrained Alberta's market reach and shut off access to the visitor economy's highest yield markets – international and long-haul domestic. Recently working toward a yield-based model, the industry is now shifting mid stride to a volume based low yield model focused on hyper local travel. With local visitors spending just 16% of what international visitors spend per visit, this shift has the potential to exacerbate tourism impacts such as crowding, consumption, waste management among other challenges if travel restrictions to higher yield markets endure.

Business & Investment Uncertainty

To enable operations and support investment, businesses and investors need to be relatively confident in their ability to foretell the future of their business and the likely consequences and outcomes of decisions. Many uncertainties are inhibiting the confidence of visitor economy businesses and investors; the most significant of which include:

- Knowing whether there will be a resurgence of the virus and, if so, how serious it will be relative to the current outbreak,
- What public health measures will be taken in response to a resurgence and how broadly they will be applied across the industry and its markets,
- The undetermined duration of restrictions on travel, gatherings, and mandated physical distancing measures, and
- Intentions to introduce new and or evolve existing regulatory frameworks (e.g. health and safety, labour).

Visitor Confidence and Demand Stimulation

Visitor permission to travel is the fundamental threat to the industry. However, simply permitting visitors to travel will not be enough to stimulate visitor demand and, ultimately, their decision to travel in / to Alberta. Personal safety, as well visitors' broader social commitments to preventing the spread of the virus, will be front and center in visitor decision making. A lack of visitor confidence in their safety or concerns that they have the potential to contribute to the spread of the virus within the host community will continue threaten the recovery of travel.

Retaining a Critical Mass of Visitor Experiences & Services

Attracting visitors and delivering on their expectations requires a critical mass of quality and desired transportation services, accommodations, attractions, and amenities. The province, as well as many of its destinations, are at risk of losing a significant number of businesses in these sectors. If this happens, many destinations will lack the critical mass of visitor experiences and service that are essential to attracting and serving our visitors and, thereby, threaten the recovery and future resiliency of the industry.

Important Fact!

Alberta has seen significantly positive shifts towards welcoming visitors from other parts of their province. Alberta also saw positive shifts for welcoming visitors from other parts of Canada and from foreign destinations outside of the US. The level of welcome towards foreign visitors is driven more strongly by urban Albertans.

- Destination Canada Resident Sentiment Survey, June 9, 2020



Host Community Confidence

Receptive host communities are fundamental to accelerating the restart, recovery, and long-term resilience of the visitor economy. Host communities are understandably concerned about welcoming visitors for fear of introduction or further spread of the virus. At the same time, unapproving local sentiment can weaken political support, resident support and deter visitors who look to feel welcome in communities they choose to travel in. Reluctant resident sentiment may slow the re-opening of communities and the return of the visitor economy. Though low, Albertan's sentiment towards supporting travel is growing and remains the highest of any province in Canada. Continuing to rebuild host community confidence and support will remain fundamental to recovery and future growth.

Table 3 Alberta Resident Sentiment - Trended (Destination Canada, June 9, 2020)

% Somewhat/Strongly Agree % Tout à fait d'accord/Plutôt d'accord	May 11 11 mai (n=200)	May 18 18 mai (n=202)	May 26 26 mai (n=200)	Jun 2 2 juin (n=200)	Jun 9 9 juin (n=211)
From other communities near me / ... des visiteurs de collectivités voisines	41%	47%	47%	52%	60%
From other parts of my province / ... des visiteurs d'autres parties de ma province	38%	38%	39%	39%	59%
From other parts of Canada / ... des visiteurs d'autres régions du Canada	32%	27%	32%	22%	40%
From the United States / ... des visiteurs des États-Unis	16%	15%	15%	10%	14%
From other countries / ... des visiteurs d'autres pays que les États-Unis	18%	17%	11%	5%	16%

Reduced Operating Capacity & Increased Operating Expenses

Public health and safety regulations have mandated the reduction in the operating capacities of many visitor economy businesses, services, and events. Even as regulations are being relaxed, the requirement to enable consumers to remain physically distanced is indirectly creating capacity reductions. And, these capacity reductions will reduce the number of visitors that can be serviced and the overall spend of visitors. In addition to capacity reductions, visitor economy businesses are facing significant increases in operating costs (e.g. PPE purchases, enhanced bio-safety protocols, increased staffing requirements). Reduced operational capacities and increased operational costs are threatening the viability of many businesses.

Timing & Longevity of Government Stimulus Measures

Existing government stimulus measures have provided invaluable help to many visitor economy businesses. Recognizing that many businesses rely on their peak season summer revenues to support operations during shoulder and off seasons and that most businesses expect to experience serious declines in summer season revenue, emergency stimulus measures will need to evolve into longer term recovery and stimulus measures that can support viable visitor economy businesses that are vulnerable, but are key to the recovery and future resiliency of the visitor economy. Curtailing government's emergency stimulus measures too early will threaten recovery.

Lack of an Integrated, Coordinated Whole of Government Response

The crisis is also revealing the crucial need to adopt an integrated all of government approach to the recovery and growth of the industry. Such an approach would ensure that response measures are consistent and complementary and a supportive policy and regulatory environment that embraces, enables and champions the development of enhanced visitor experiences and new destinations is created. The lack of a coordinated all of government approach and leadership structure is not a new threat to the visitor economy. However, the significance of this threat has been amplified as the industry needs the coordinated support of all government departments and agencies right now to ensure support measures for SMEs and for workers are appropriately delivered, stimulus funding to highest return tourism investments and essential infrastructure is provided, and approvals for product development and the creation of new destinations are expedited.

Access to Labour

The ability to efficiently and effectively source labour is essential to the operations and growth of the visitor economy. The visitor economy regularly struggles to source enough domestic labour to meet its needs. The sector relies on temporary foreign workers to address these domestic labour shortfalls. Ensuring efficient access to domestic and temporary foreign labour is fundamental to the industry and government changes to labour access, especially changes that make securing temporary foreign labour more difficult, will constrain the recovery and growth of the visitor economy.

Variability & Inconsistency of Pandemic Response Measures

There has been, and remains, a high degree of variability in regulations, guidelines, and communications from governing jurisdictions at the national, provincial, and local levels. This variability is creating confusion, complications, and uncertainty for travellers. This in turn, becomes a barrier to visitors and the choice to travel and can unintentionally temper visitation.

Intensifying Global & Domestic Competition

The visitor economy was already an intensely competitive industry domestically and internationally prior to the pandemic. Competition for higher yield long-haul domestic and international visitors, whether for leisure or business, will become even more profound as travel restriction are relaxed and eventually removed. Without an exceptionally strong and diverse product mix and a strong presence in the global marketplace, the ability to attract higher yield leisure and business travel to the province will remain a threat.

Competitive & Affordable Air Access

The rising costs associated with low capacity flights, airport operations (e.g. rising airport improvement fees), costs of health screening etc. are expected to increase the cost of air travel. Increased flight costs combined with longer check in and boarding periods and health screening processes will add further barriers to travel and challenge the recovery of the industry and its growth into the future.

5.2 Opportunities

Viability of Destination Management Organizations

Many local and regional DMO's face financial instability and COVID-19 has exacerbated this challenge. DMO's are typically funded through some combination of tourism levy, destination management fees, memberships and local government. With occupancy rates and daily rates expected to remain low and businesses curtailing membership expenses, the viability of some DMO's, who are essential to the marketing and, in some cases, management and development of destinations, are uncertain. Though marketing is not going to resolve the immediate challenges facing the visitor economy, the leadership provided by DMO's is vital as the industry works to recover and position for resilience and marketing will soon become vital to ensuring Alberta can compete effectively in the global marketplace.

Underfunding of Public Tourism Infrastructure

Public tourism infrastructure such as parks, trails, sports facilities, and museums have faced budget declines. Many of these public assets are critical visitor economy attractions. Efforts by government to reduce funding to these assets will marginalize their quality and visitor appeal when many of these assets are facing significant demand increases. Underfunding, or limiting investments in enhancing the visitor appeal of public assets such as parks and trails, is likely to promote visitor leakage to Alberta's competitors.

Privately operated or not for profit attractions have been impacted both by the issues facing the rest of the industry, but also by a significant reduction in corporate sponsors and private donations. The ongoing decline in these critical sources of operating revenues is threatening the ability of the assets to survive and continue their important contributions to the visitor economy.

The greatest opportunities created for the visitor economy include:

Embrace the Role of Tourism in Alberta's Economy

Ever since the Banff hot springs was discovered, Alberta's visitor economy has created substantial economic, employment, quality of life and cultural and environment benefits for Albertans and the province. To date, the industry has not been truly recognized, supported, and invested in as one of Alberta's most significant industries. As a result, our industry has yet to realize its true potential despite the abundance of opportunity. As broader economic forces continue to challenge our energy sector, now is the time to redefine the role of tourism in Alberta's provincial economy. It is an opportune time to support and invest in a sector that has the potential and the power to drive the recovery, diversification, and growth of the provincial economy.

Transform & Facilitate the Strategic Planning & Growth of the Visitor Economy

Alberta's visitor economy has emerged and grown organically but not always strategically. Despite considerable opportunity throughout the province, the industry has organically grown to focus on 3 primary destinations – Mountain National Parks, Calgary and Edmonton. There is significant opportunity to invest strategically in stimulating the growth of new destinations throughout the province, disbursing the benefits of tourism more widely. It is essential that the visitor economy emerges from this crisis and moves forward in a much more strategic, planned and purposeful way – one that is based upon a shared provincial vision for the creation of new destinations, clear sectoral strategies (e.g. events, nature based & adventure, indigenous, agri & culinary, sport) and executed through a partnership between Travel Alberta and new formalized regional level destination development and management organization model.

Mainstream Sustainability

The pandemic has put the industry on pause. This pause provides an opportunity to make meaningful steps towards sustainability and avoiding the easy desire to return to “business as usual”. The market is expecting this. Overtourism related concerns (e.g. overcrowding, pollution and waste generation, gentrification, aging visitor infrastructure, conflicts with residents) were growing in many of Alberta’s most significant destinations. These concerns were challenging the social license of tourism and challenging support for the future growth of the industry. These concerns will remain post pandemic. Moving forward, and grounded in the UN’s 17 Sustainable Development Goals, there is an imperative that the industry continue shifting its focus toward a yield rather than volume-based business model based on proactive and well-planned visitor management. Doing so will ensure that Alberta emerges from this crisis as a world leading sustainable tourism destination that makes an even more meaningful contribution to the lives of Albertans and our visitors.

Invest in Tourism Infrastructure

Investing substantially in tourism infrastructure, especially in new areas of the province that hold significant tourism potential, would generate much needed construction employment in the short-term. These public sector investments will also establish a long-term infrastructure legacy that will remove known barriers to investment and stimulate the creation of new or enhancement of existing destinations, visitor experiences and services. Infrastructure such as signature trails, parks, rail, urban active transportation, rural cellular and internet services, utilities, wayfinding, and highway rest stops / scenic lookouts are the greatest opportunities for stimulus infrastructure investment.

Invest in Under Realized Experiences

The pandemic has created an unparalleled demand for domestic outdoor recreation and adventure as new domestic markets seek outdoor spaces and outbound markets are not permitted to travel. Alberta’s public lands, trails and provincial parks and the communities that are adjacent to them are underrealized tourism assets and, given limited investments and understanding of their tourism importance, are not meeting their economic potential and tourism yield. These under realized destinations host millions of person visits each year and are experiencing even greater demands now. Investing in the enhancement of existing or creation of new destination parks, signature trails and adventure tourism opportunities on Public Lands and in Parks and their adjacent communities are an opportunity to greatly increase the yield from domestic travel. These investments will also be highly desirable with long-haul international markets when borders re-open and will build the competitiveness of Alberta as a whole.

Industry Coordination & Collaboration

The pandemic has brought the visitor economy together like never before. Greater coordination, collaboration, and openness of the sectors in Alberta’s visitor economy provides an important opportunity to enhance the industry’s coordination and alignment and drive the industry forward successfully. Strong leadership is needed to realize this opportunity.

6.

Outcomes



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If implemented, the bold actions contained in this report will enable the visitor economy to effectively address the threats it faces, seize the opportunities before it and help the industry achieve the following outcomes:

Visitor & Resident Health

- Protect visitor and resident health by minimizing the risks for transmission of COVID-19 through tourism. Restore visitor and host community confidence in, and support for, travel.

Recognition & Commitment

- The visitor economy is recognized and invested in as a priority industry for the diversification and recovery of Alberta's economy.

Accelerate Recovery & Avoid Long-term Impacts

- Long-term economic, employment and social impacts on the visitor economy from COVID-19 are prevented and recovery and resilience of the industry is accelerated.

Improve Lives & Communities

- The lives of Albertans and their communities are improved by the visitor economy.

Sustainability

- Alberta will become a show case for leadership in sustainable tourism and the implementation of the UN's 17 Sustainable Development Goals.

\$20B in 2030

The NexTen – though it may take a little longer than planned, the industry is still committed to working toward achieving a \$20B industry. This stretch target, if developed wisely and sustainably, gives our industry focus and pushes us towards our potential.

Celebrate & Conserve Cultures, Heritage & the Environment

- Alberta's cultures, heritage and natural environment are celebrated and conserved through the visitor economy.

Strong Leadership & Accountability

- Strong and accountable leadership ensures our shared vision for the accelerated recovery and sustainable growth and resilience of the visitor economy is championed.

World Class Destinations & Visitor Experiences

- Alberta's competitiveness as a destination of choice for Canada and the world is elevated through the development of new world class regional destinations including David Thompson Country, Crowsnest Pass and Castle and Lakeland Country. Existing destinations continue to be enhanced.

An Enabling Business Climate

- The enabling policy and regulatory environment on public lands, in Alberta parks and in municipalities within priority destinations recognizes the importance of the visitor economy and supports private sector investment, creation of new destinations and visitor experiences and creation of jobs.

© Wilson Hui - Lougheed Grain Elevator Museum, flickr.com











7.

Focus Areas & Recommended Actions



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Eight key focus areas, aimed at accelerating the recovery, sustainable growth and resilience of the visitor economy, require action from the Government of Alberta. The focus areas include:

-  **01 Support, Sustain & Fund**
-  **02 Open & Entice**
-  **03 Lead & Align**
-  **04 Plan & Manage**
-  **05 Invest & Create**
-  **06 Enable**
-  **07 Promote**
-  **08 Understand**

The actions identified by the industry have been organized by focus area. Each action has been assigned to a timeframe for implementation.

Implementation Timeframe

Indicates the timeframe within which the government should implement the recommendation.

Short-term

- 0-6 months

Medium-term

- 6-24 months

Long-term

- 24 - 36 months



Focus 01 Support, Sustain, Fund

Description:

The survival of Alberta's visitor economy requires timely and ongoing support and funding to sustain the industry until travel can begin to return to normal. International visitation and visitor spending is highly dependent upon international air connections. The role of YEG, YYC and YMM airport are paramount to the success of the province's visitor economy, as well as Alberta's international trade and investment. Continued federal and provincial government support will be essential to recovery and future growth. Ensuring our industry weather's this economic crisis is vital to its recovery as well as its ability to support broader provincial economic diversification objectives.

What actions should the GoA take to support and sustain the visitor economy?

Short-Term

- Ensure existing federal stimulus funding programs continue beyond current timelines on a sliding-scale basis until business revenues return to at least 75% of their pre-COVID-19 levels.
- Introduce a "Tourism Business Adaptation Grant Program" to provide grants to assist micro, small and medium sized visitor economy businesses, who have been significantly impacted by the pandemic, with adapting and sustaining their businesses. The program should fund expenses such as capital costs to adapt / meet COVID-19 health requirements; personal protective equipment; professional fees for business / strategic planning, diversification, and operations; financial and business counselling; and training / re-training employees.
- Increase provincial funding to Travel Alberta, and require the reallocation of a proportion of international marketing budgets, to:
 - » Fund the Tourism Operator Resiliency Program that would provide ongoing and direct one-on-one support to visitor economy businesses to assist in understanding and accessing federal and provincial funding and supports; provide expert advice on business operations and obligations, support health and safety planning and human resource management, support transition of business models / markets / products; prepare shifts towards embracing the 12 Sustainable Development Goals and result in a Resiliency Plan for each business,
 - » Develop, enhance, or evolve new and existing experiences and products,
 - » Entice greater travel and spend by domestic markets,
 - » Generate up to date market and consumer insights, and
 - » Understand and monitor the short and long-term impacts on the visitor economy
- Waive unpaid commercial land rents for visitor economy businesses on Crown Lands (Alberta Parks, Alberta Public Lands) and return rents already paid for 2020.

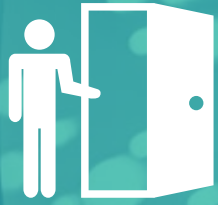


Focus 01 Support, Sustain, Fund

What actions should the GoA take to support and sustain the visitor economy?

Medium-Term

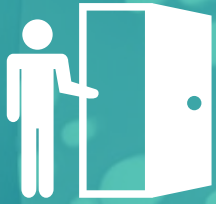
- Advocate the Government of Canada to implement the federal focused recovery measures as prepared by and presented in the Tourism Industry Association of Canada's Recovery Committees report "Summary of Tourism Recover Measures to Support Canada's Visitor Economy (May 20, 2020). Advocacy emphasis should be placed on:
 - » Broadening the Canada Emergency Wage Subsidy to accommodate seasonal visitor economy businesses and scaling the subsidy to ensure the risk of losing access to the subsidy when businesses are still operating at a loss doesn't become a disincentive to improving sales,
 - » Extending the duration of the Canada Emergency Wage Subsidy for hardest hit visitor economy businesses until 2021 or until at least a 30% revenue decline has been recovered; gradually reduce the subsidy over time as businesses recover rather than the sudden elimination of the subsidy,
 - » Providing tax deferrals until 2022 for employees under the Canada Emergency Wage Subsidy
 - » Ensuring that any extension of the Canada Emergency Response Benefit contains eligibility criteria that encourages, rather than discourages, employees to return to work in the visitor economy,
 - » Creation of a \$2000 per household federal tax incentive / credit to promote domestic travel within Canada in 2020,
 - » Reinstate Canada's visitor rebate program (GST rebate) and permit arrivals duty free to promote made-in-Canada products at airports with international traffic,
 - » Eliminate airport ground lease rents,
 - » Lower federal fees and levies related to air travel costs,
 - » Provide 24-month reprieve from Air Transportation Security air navigation fees, and excise tax on jet fuel, and
 - » Establishing incentives for airlines to maintain service into smaller communities.
- Stimulate and support the development of, and publicly endorse, COVID-19 health and safety protocols / guidelines from national and/or provincial visitor economy sector associations.
- Immediately repeal and replace the "Tourism Levy Act" with a new Tourism Levy Act that prescribes 100% of the funds to support Travel Alberta with implementing the expanded destination planning, development, management, and marketing mandate and enhance accountability. Alone, the tourism levy funding is not substantive enough to recover the industry or unlock the true economic potential of the visitor economy. Though temporarily reduced, this revenue source, which is generated by the visitor economy for the benefit of the visitor economy, will provide an important supplemental and predictable source of funding and will compliment other direct government tourism infrastructure funding programs identified in this report.



Focus 02 Open & Entice

Description:

The freedom for visitors to arrive and move about the province is critical to the visitor economy. Responsibly reopening Alberta's and Canada's borders to international travel and enticing travel are foundational to the recovery and future sustainable growth of the visitor economy. The ability to sustain many visitor economy businesses and the industry in 2020 will be dependant on immediately incentivizing Albertan's to undertake leisure and business travel in the province and increase their spending during that travel while building both visitor and host community confidence that it is safe and socially acceptable to travel.



Focus 02 Open & Entice

What actions should the GoA take to open and entice visitation?

Short-Term

- To incentivize the rescheduling of Alberta based business events, meetings, and conventions and enhance the global appeal of Alberta for these events, introduce an Alberta Travel Voucher program to provide all delegates to these events with \$100 travel vouchers to businesses within the visitor economy for events held in 2020 and 2021.
- Encourage the Government of Canada to responsibly and safely remove border and travel restrictions for international travelers from priority international markets that have successfully implemented measures to address the pandemic and the risk for transmission of COVID-19 is low.
- Encourage the Government of Canada and all provincial and territorial governments to establish a coordinated, harmonized and risk-based approach to inter-provincial travel and travel restrictions and response planning for a potential second wave of infections.

- Should new outbreaks or a second wave of infection occur, ensure travel restrictions and response measures are implemented in a targeted area / region specific manner to the maximum extent feasible. Province wide travel restrictions and measures should be limited to the extent possible.
- Work with local elected officials through the AAMDC, AUMA and Indigenous community leaders to build the confidence and support of local host communities for restarting travel, particularly higher yield domestic and international travel.

Medium-Term

- To encourage Albertans to travel and spend within Alberta in 2021, create a \$200 per household tax incentive / credit for households who travelled within Alberta and at least 80km (one way) from their household.
- To build visitor confidence in travelling, direct public health to work collaboratively with Travel Alberta to devise visitor and event organizer focused marketing campaigns that promote the national leadership and success of Alberta's pandemic response and the measures that are being taken by visitor economy sectors, destinations, and businesses to keep visitors safe.
- Advocate federally for the harmonization and coordination of, and clear traveller focused communication of, travel restrictions throughout Canada.



Focus 03 Lead & Align

Description:

The visitor economy needs the GoA to embrace a strong enabling role in the success of the industry. The visitor economy is governed and influenced by a wide range of government ministries, legislation and policies. Though Tourism may be championed by the Ministry of Economic Development, Trade and Tourism, the reality is that Ministries such as Alberta Environment and Parks, Transportation, Infrastructure, Municipal Affairs, Trade and Labour and others have a significant influence on the success of the industry through the policy environments and programs they create. Accelerating the recovery, sustainable growth and resilience of the visitor economy requires strong, efficient, and coordinated cross-ministry leadership and clear mandates between the Government ministries and with Travel Alberta. Additionally, the visitor economy is delivered at the local and regional scales. Greater and more formalized leadership at the regional and local is needed to drive the recovery, future growth and management of the visitor economy throughout Alberta.



Focus 03 Lead & Align

What actions should the GoA take to lead and align the visitor economy?

🕒 Medium-Term

- Develop a cross-ministry Tourism Secretariat, accountable to both the Jobs and Economy and the Resource and Sustainable Development Cabinet Policy Committees, to lead the cross-ministry coordination and implementation of legislative and policy reforms, determination of government investment priorities in both government owned and private sector infrastructure, land access and approvals etc. Such a coordinated whole of government approach will set the stage for the accelerated recovery, sustainable growth, and resilience of the visitor economy.
- Amend the Travel Alberta Act to formally evolve Travel Alberta's mandate from a destination "marketing" organization to a comprehensive destination "management" organization with responsibility for all destination planning, development, management, and marketing programs, training, and grant funding and an enhanced accountability to industry.

🕒 Long-Term

- Travel Alberta should work collaboratively with industry stakeholders to develop, and provide a sustainable funding model for the operation of a formalized network of industry-led regional destination management organizations. These organizations will work in partnership with local industry, local governments, Travel Alberta, the Government of Alberta, indigenous communities and residents to champion the sustainable growth of the visitor economy locally and lead and coordinate the implementation of destination planning, development and management priorities as identified in their destination management plans.
- Appoint the Minister of Economic Development, Trade and Tourism as the Minister responsible for engagement on National Parks issues and advocacy. Alberta's national park communities contribute significantly to provincial tourism revenue and employment yet there is no formal mechanism to support government-to-government engagement, nor to advocate for the interests and priorities of Albertans, and Alberta tourism businesses. Alberta should advocate for the interests and priorities of Albertans, and Alberta tourism businesses within Alberta National Parks. It is critical that Alberta keep a careful eye on federal policies that have a material impact on the security and tenure of all institutions and businesses located in National parks located in Alberta.



Focus 04 Plan & Manage

Description:

The growth of Alberta's visitor economy has occurred organically over time. This organic approach to development has resulted in the significant growth of a few select destinations (e.g. mountain national parks, Calgary, Edmonton) but has led to unrealized potential in many other areas of the province. As illustrated by the leading destinations around the world, better planning at the provincial and regional destination scale together with deliberate planning by sector will provide a strategic, deliberate, and prioritized approach to growing the industry. And, collectively, this will better ensure that the true potential of the visitor economy will be realized, and its benefits distributed more widely across the province.



Focus 04 Plan & Manage

What actions should the GoA take to plan and manage the visitor economy?

🕒 Medium-Term

- Review and update the draft 10 Year Tourism Strategy to ensure it is relevant and responsive to the implications of COVID-19 and integrates actions included in this report. Accelerate the release of the provincial strategy.
- Travel Alberta should design, fund, and implement a regional Destination Development and Management Planning program to grow regional visitor economies through informed strategic planning, identification and alignment of shared priorities and coordination of resources. Encourage and provide funding support to existing destination regions as well as new priority destination regions, to develop, or update Destination Management Plans.
- Develop and maintain an innovative GIS based inventory of tourism resources (experiences, features, settings, and scenery) to enable the development of trip planning tools, product development and land planning and management in support of tourism.

🕒 Long-Term

- Travel Alberta should work with regional and local destination management organizations, industry, indigenous communities, and Albertan's to develop, and support the implementation of, sector specific strategies with priority on:
 - » Nature-Based & Adventure sector,
 - » Alberta Business Events Strategy sector,
 - » Sports Tourism sector,
 - » Indigenous Tourism sector (developed but needs consistent support),
 - » Culinary & Agri-Tourism sector, and
 - » Arts & Culture sector.
- Ensure the interests and needs of the visitor economy is fully integrated into provincial emergency management planning and disaster assistance programs.



Focus 05 Invest & Create

Description:

The concerted investment in the development of tourism infrastructure and the creation of new destinations has never been more important. Alberta's visitor economy is overly reliant on the mountain parks and Calgary and area regions. The province is fortunate to have several regions with high tourism potential. However, many of these regions lack the critical mass of demand driving and visitor supporting infrastructure to truly optimize their contribution to the visitor economy. In these new destination regions, strategic investments are needed to enhance the market appeal of government owned tourism assets, provide basic infrastructure that will attract and enable private sector developments to proceed, and help smaller tourism reliant municipalities to continue to support and sustainably grow the visitor economy.

What actions should the GoA take to invest in and create a stronger visitor economy?

Short-Term

- Introduce a "Growing Tourism Infrastructure Fund". Eligible to private sector, not for profit organizations and local governments, this fund is to be comprised of a significant and dedicated proportion of the Government's capital infrastructure budget and will be used to 1) fast track the planning, design and construction of export ready sustainable attractions and experiences, 2) enhance the market readiness and sustainability of existing visitor attractions and experiences, 3) fund the development of utilities and servicing infrastructure where this infrastructure is need to activate and unlock planned private sector investment and development (e.g. bringing utilities, cellular service to Tourism Development Nodes along the David Thompson Corridor). Funding would prioritize project proposals that focus on creating sustainable export ready products that appeal to target markets and are proposed in new priority destinations regions of the province. This fund will create new jobs in construction and in operations, activate private sector investment, help to disperse the benefits of tourism more widely in the province and enhance the global competitiveness of Alberta through an expanded mix of export ready experiences.

Demand Driver Infrastructure

Infrastructure that creates and encourages visitation and visitor experiences and helps to extend visitor length of stay and spending.

Visitor Support Infrastructure

Infrastructure that is necessary to support the visitor as they undertake their experience but does not directly related to the visitor experience.



Focus 05 Invest & Create

What actions should the GoA take to invest and create the visitor economy?

🕒 Medium-Term

- Prioritize the development new regional destinations that will deliver world class, sustainable, and market and export ready experiences and disperse the benefits of the visitor economy more broadly throughout the province. Though there is great potential throughout the province, limited resources require prioritization and a phased approach. The first phase should focus on the following priority destination regions:
 - » David Thompson Country & Bighorn Backcountry
 - » Crownsnest Pass & Castle
 - » Kananaskis Country
 - » Badlands
 - » Lakeland Country
- Create the Alberta Signature Trail program. Develop a granting program to fund the planning, construction, and marketing of mixed use, motorized and non-motorized trails that can provide outstanding and travel motivating experiences on public lands, in Alberta Parks and on other lands in the province. These trails would be planned to stimulate private sector investments along the trail and the growth of the visitor economy in rural regions of the province. Recognizing the well-established network of hiking experiences in the province, the initial priorities should include creation

of a hut to hut signature trail, mountain biking signature trail, off-highway vehicle signature trail, and snowmobiling signature trail.

- Increase and strategically prioritize Alberta Parks' capital funding to develop, expand or modernize travel motivating visitor infrastructure and experiences in Alberta's destination parks and recreation areas within parks and on public lands. Capital investments should be prioritized to areas identified as new priority destination regions.
- Introduce a "Alberta Events Attraction Incentive program". The program will provide grants to stimulate the return or creation of global business and entertainment events to Alberta that will attract local, interprovincial and international visitation.
- Introduce a Alberta Tourism Investor Tax Credit Program, to encourage private investment in visitor economy businesses to enable new product or service development, product or service enhancements, sustainability enhancements.

🕒 Long-Term

- Prioritize support for innovative P3 partnership proposals from private sector tourism developers where these partnerships would a) generate new or sustainably expand the capacity of existing market and export ready visitor experiences, b) improve the sustainability of host destinations and minimize the impacts of visitation on the natural environment and cultural values in host communities, and c) elevate the benefits that local communities experience from the visitor economy.



Focus 06 Enable

Description:

An enabling and supportive policies, legislation and regulations are fundamental to accelerating the sustainable growth and resilience of Alberta's visitor economy. Ensuring tourism is incorporated into provincial infrastructure priorities, access to labour and access to land on which new destinations and experiences will be developed or enhanced is vital to growing our competitiveness and to disbursing the benefits of tourism throughout the province. Public lands and Alberta Parks represent a strong and underrealized opportunity to grow world class sustainable tourism experiences that motivate travel domestically and from around the world.



Focus 06 Enable

What actions should the GoA take to enable the visitor economy?

Short-Term

- The visitor economy relies heavily on temporary foreign employees to address labour shortages that are not filled domestically. Without these employees, the visitor economy faces significant labour shortages. Ensure federal and provincial policy supports the needs of Alberta's tourism industry and that there is a clear path to immigration for all streams and skill levels.

Medium-Term

- Immediately undertake a market-driven assessment of Public Lands and Alberta Parks to identify at least 10 sites that are suitable for the development of export ready sustainable nature-based, adventure and indigenous tourism experiences. Expedite investor attraction to these areas and fast-track approvals and infrastructure development and provide certainty that the tourism appeal (e.g. scenery, tourism features and tourism settings) of these areas will be retained over the long-term.
- Ensure that high value and high potential tourism and outdoor recreation areas on public lands are identified and steps are taken to ensure their value and potential are maintained through Land Use Framework regional and issue specific plans.

Long-Term

- Modernize all Alberta Parks and relevant public lands legislation, regulations and policies to a) support and enable world class sustainable nature-based, adventure and indigenous tourism development, b) remove unnecessary barriers and impediments to tourism development, and c) provide a clear, simple, efficient and timely approvals process that builds investor confidence and certainty and enhances the investment appeal of these lands.
- Ensure that the proposed Alberta Infrastructure Act provides a dedicated, coordinated and strategic funding stream for investment in both visitor supporting and demand driving tourism and outdoor recreation infrastructure in priority destination regions.



Focus 07 Promote

Description:

Marketing and promotion will play an important role in compelling Albertans and domestic markets to experience Alberta. Marketing and promotion will also strengthen the host community confidence and support for re-opening their local visitor economies while ensuring Alberta remains top of mind in long-haul domestic and international destinations. However, marketing and promotion alone will not activate Alberta's true tourism potential and need to be supported by strong investments, destination and sectoral planning and expansion of appealing destinations and experiences.

What actions should the GoA take to promote Alberta to its markets?

Short-Term

- Travel Alberta should devise domestic leisure and business travel marketing campaigns and support the implementation of local and sector specific marketing efforts, to entice Albertan's and short-haul interprovincial visitors to travel within Alberta and increase spending with Alberta's visitor economy businesses.
- Travel Alberta should devise marketing campaigns that help rebuild host community confidence and support for re-opening their destinations to short and long-haul domestic and when appropriate international travel.

Medium-Term

- Travel Alberta should maintain relations with essential international travel partners and event organizers and devise and implement marketing strategies in priority international markets that keep Alberta top of mind and ensure Alberta is positioned to rapidly launch marketing as travel restrictions are eased and incentive programs are launched.



Focus 08 Understand & Evaluate

Description:

Research drives the visitor economy and good decisions require sound data and market intelligence that is timely, accurate and insightful. The industry also requires timely insights on whether the actions they are implementing are working. In this time of uncertainty, timely research and intelligence has never been more critical to enabling the success of the sector.

What actions should the GoA take to understand and evaluate Alberta's visitors and visitor economy?

Medium-Term

- Ensure EDTT Tourism Research staff and Travel Alberta effectively coordinate and ensure the timely implementation and dissemination of essential research including market travel intentions, visitor sentiments, destination sentiments, destination performance and COVID-19 impacts on the visitor economy.
- Develop a robust visitor economy index based complimentary measures (industry conditions, visitation and spend, industry perceptions, host community perceptions, visitor perceptions) that provide an informed understanding of destination performance and enable informed planning and investment, performance measurement and policy and regulatory decision making.

A.

Appendix A: Accountability Framework



Action	Responsible Ministries	Implementation Timeline
Focus 01 Support, Sustain & Fund		
<ul style="list-style-type: none"> • Ensure existing federal stimulus funding programs continue beyond current timelines on a sliding-scale basis until business revenues return to at least 75% of their pre-COVID-19 levels. 	EDTT	Short-Term
<ul style="list-style-type: none"> • Introduce a “Tourism Business Adaptation Grant Program” to provide grants to assist micro, small and medium sized visitor economy businesses, who have been significantly impacted by the pandemic, with adapting and sustaining their businesses. The program should fund expenses such as capital costs to adapt / meet COVID-19 health requirements; personal protective equipment; professional fees for business / strategic planning, diversification, and operations; financial and business counselling; and training / re-training employees. 	EDTT	Short-Term
<ul style="list-style-type: none"> • Increase provincial funding to Travel Alberta, and require the reallocation of a proportion of international marketing budgets, to: <ul style="list-style-type: none"> » Fund the Tourism Operator Resiliency Program that would provide ongoing and direct one-on-one support to visitor economy businesses to assist in understanding and accessing federal and provincial funding and supports; provide expert advice on business operations and obligations, support health and safety planning and human resource management, support transition of business models / markets / products; prepare shifts towards embracing the 12 Sustainable Development Goals and result in a Resiliency Plan for each business, » Develop, enhance, or evolve new and existing experiences and products, » Entice greater travel and spend by domestic markets, » Generate up to date market and consumer insights, and » Understand and monitor the short and long-term impacts on the visitor economy 	EDTT, Travel Alberta	Short-Term
<ul style="list-style-type: none"> • Waive unpaid commercial land rents for visitor economy businesses on Crown Lands (Alberta Parks, Alberta Public Lands) and return rents already paid for 2020. 	AEP	Short-Term

Action	Responsible Ministries	Implementation Timeline
<ul style="list-style-type: none"> • Advocate the Government of Canada to implement the federal focused recovery measures as prepared by and presented in the Tourism Industry Association of Canada’s Recovery Committees report “Summary of Tourism Recover Measures to Support Canada’s Visitor Economy (May 20, 2020). Advocacy emphasis should be placed on: <ul style="list-style-type: none"> » Broadening the Canada Emergency Wage Subsidy to accommodate seasonal visitor economy businesses and scaling the subsidy to ensure the risk of losing access to the subsidy when businesses are still operating at a loss doesn’t become a disincentive to improving sales, » Extending the duration of the Canada Emergency Wage Subsidy for hardest hit visitor economy businesses until 2021 or until at least a 30% revenue decline has been recovered; gradually reduce the subsidy over time as businesses recover rather than the sudden elimination of the subsidy, » Providing tax deferrals until 2022 for employees under the Canada Emergency Wage Subsidy » Ensuring that any extension of the Canada Emergency Response Benefit contains eligibility criteria that encourages, rather than discourages, employees to return to work in the visitor economy, » Creation of a \$2000 per household federal tax incentive / credit to promote domestic travel within Canada in 2020, » Reinstate Canada’s visitor rebate program (GST rebate) and permit arrivals duty free to promote made-in-Canada products at airports with international traffic. » Eliminate airport ground lease rents, » Lower federal fees and levees related to air travel costs, » Provide 24-month reprieve from Air Transportation Security air navigation fees, and excise tax on jet fuel, and » Establishing incentives for airlines to maintain service into smaller communities. 	Premier’s Office, EDTT	Short-Term
<ul style="list-style-type: none"> • Stimulate and support the development of, and publicly endorse, COVID-19 health and safety protocols / guidelines from national and/or provincial visitor economy sector associations. 	Alberta Health, EDTT	Short-Term
<ul style="list-style-type: none"> • Immediately repeal and replace the “Tourism Levy Act” with a new Tourism Levy Act that prescribes 100% of the funds to support Travel Alberta with implementing the expanded destination planning, development, management, and marketing mandate and enhance accountability. Alone, the tourism levy funding is not substantive enough to recover the industry or unlock the true economic potential of the visitor economy. Though temporarily reduced, this revenue source, which is generated by the visitor economy for the benefit of the visitor economy, will provide an important supplemental and predictable source of funding and will compliment other direct government tourism infrastructure funding programs identified in this report. 	EDTT	Medium-Term

Action	Responsible Ministries	Implementation Timeline
Focus 02 Open & Entice		
<ul style="list-style-type: none"> To incentivize the rescheduling of Alberta based business events, meetings, and conventions and enhance the global appeal of Alberta for these events, introduce an Alberta Travel Voucher program to provide all delegates to these events with \$100 travel vouchers to businesses within the visitor economy for events held in 2020 and 2021. 	EDTT	Short-Term
<ul style="list-style-type: none"> Encourage the Government of Canada to responsibly and safely remove border and travel restrictions for international travelers from priority international markets that have successfully implemented measures to address the pandemic and the risk for transmission of COVID-19 is low. 	Premiers Office, EDTT	Short-Term
<ul style="list-style-type: none"> Encourage the Government of Canada and all provincial and territorial governments to establish a coordinated, harmonized and risk-based approach to inter-provincial travel and travel restrictions and response planning for a potential second wave of infections. 	Premiers Office, EDTT	Short-Term
<ul style="list-style-type: none"> Should new outbreaks or a second wave of infection occur, ensure travel restrictions and response measures are implemented in a targeted area / region specific manner to the maximum extent feasible. Province wide travel restrictions and measures should be limited to the extent possible. 	Albeta Health, EDTT	Short-Term
<ul style="list-style-type: none"> Work with local elected officials through the AAMDC, AUMA and Indigenous community leaders to build the confidence and support of local host communities for restarting travel, particularly higher yield domestic and international travel. 	EDTT, Travel Alberta, Municipal Affairs	Short-Term
<ul style="list-style-type: none"> To encourage Albertans to travel and spend within Alberta in 2021, create a \$200 per household tax incentive / credit for households who travelled within Alberta and at least 80km (one way) from their household. 	EDTT	Medium-Term
<ul style="list-style-type: none"> To build visitor confidence in travelling, direct public health to work collaboratively with Travel Alberta to devise visitor and event organizer focused marketing campaigns that promote the national leadership and success of Alberta's pandemic response and the measures that are being taken by visitor economy sectors, destinations, and businesses to keep visitors safe. 	Alberta Health, Travel Alberta, EDTT	Medium-Term
<ul style="list-style-type: none"> Advocate federally for the harmonization and coordination of, and clear traveller focused communication of, travel restrictions throughout Canada. 	Premiers Office, EDTT	Medium-Term

Action	Responsible Ministries	Implementation Timeline
Focus 03 Lead & Align		
<ul style="list-style-type: none"> Develop a cross-ministry Tourism Secretariat, accountable to both the Jobs and Economy and the Resource and Sustainable Development Cabinet Policy Committees, to lead the cross-ministry coordination and implementation of legislative and policy reforms, determination of government investment priorities in both government owned and private sector infrastructure, land access and approvals etc. Such a coordinated whole of government approach will set the stage for the accelerated recovery, sustainable growth, and resilience of the visitor economy. 	Premiers Office, EDTT	Medium-Term
<ul style="list-style-type: none"> Amend the Travel Alberta Act to formally evolve Travel Alberta's mandate from a destination "marketing" organization to a comprehensive destination "management" organization with responsibility for all destination planning, development, management, and marketing programs, training, and grant funding and an enhanced accountability to industry. 	EDTT	Medium-Term
<ul style="list-style-type: none"> Travel Alberta should work collaboratively with industry stakeholders to develop, and provide a sustainable funding model for the operation of a formalized network of industry-led regional destination management organizations. These organizations will work in partnership with local industry, local governments, Travel Alberta, the Government of Alberta, indigenous communities and residents to champion the sustainable growth of the visitor economy locally and lead and coordinate the implementation of destination planning, development and management priorities as identified in their destination management plans. 	Travel Alberta	Medium-Term
<ul style="list-style-type: none"> Appoint the Minister of Economic Development, Trade and Tourism as the Minister responsible for engagement on National Parks issues and advocacy. Alberta's national park communities contribute significantly to provincial tourism revenue and employment yet there is no formal mechanism to support government-to-government engagement, nor to advocate for the interests and priorities of Albertans, and Alberta tourism businesses. Alberta should advocate for the interests and priorities of Albertans, and Alberta tourism businesses within Alberta National Parks. It is critical that Alberta keep a careful eye on federal policies that have a material impact on the security and tenure of all institutions and businesses located in National parks located in Alberta. 	EDTT	Long-Term
Focus 04 Plan & Manage		
<ul style="list-style-type: none"> Review and update the draft 10 Year Tourism Strategy to ensure it is relevant and responsive to the implications of COVID-19 and integrates actions included in this report. Accelerate the release of the provincial strategy. 	EDTT	Medium-Term
<ul style="list-style-type: none"> Travel Alberta should design, fund, and implement a regional Destination Development and Management Planning program to grow regional visitor economies through informed strategic planning, identification and alignment of shared priorities and coordination of resources. Encourage and provide funding support to existing destination regions as well as new priority destination regions, to develop, or update Destination Management Plans. 	Travel Alberta	Medium-Term
<ul style="list-style-type: none"> Develop and maintain an innovative GIS based inventory of tourism resources (experiences, features, settings, and scenery) to enable the development of trip planning tools, product development and land planning and management in support of tourism. 	EDTT, Travel Alberta	Medium-Term

Action	Responsible Ministries	Implementation Timeline
<ul style="list-style-type: none"> • Travel Alberta should work with regional and local destination management organizations, industry, indigenous communities, and Albertan's to develop, and support the implementation of, sector specific strategies with priority on: <ul style="list-style-type: none"> » Nature-Based & Adventure sector, » Alberta Business Events Strategy sector, » Sports Tourism sector, » Indigenous Tourism sector (developed but needs consistent support), » Culinary & Agri-Tourism sector, and » Arts & Culture sector. 	Travel Alberta	Medium-Term
<ul style="list-style-type: none"> • Ensure the interests and needs of the visitor economy is fully integrated into provincial emergency management planning and disaster assistance programs. 	EDTT, Alberta Emergency Management Agency	Long-Term
Focus 05 Invest & Create		
<ul style="list-style-type: none"> • Introduce a "Growing Tourism Infrastructure Fund". Eligible to private sector, not for profit organizations and local governments, this fund is to be comprised of a significant and dedicated proportion of the Government's capital infrastructure budget and will be used to 1) fast track the planning, design and construction of export ready sustainable attractions and experiences, 2) enhance the market readiness and sustainability of existing visitor attractions and experiences, 3) fund the development of utilities and servicing infrastructure where this infrastructure is need to activate and unlock planned private sector investment and development (e.g. bringing utilities, cellular service to Tourism Development Nodes along the David Thompson Corridor). Funding would prioritize project proposals that focus on creating sustainable export ready products that appeal to target markets and are proposed in new priority destinations regions of the province. This fund will create new jobs in construction and in operations, activate private sector investment, help to disperse the benefits of tourism more widely in the province and enhance the global competitiveness of Alberta through an expanded mix of export ready experiences. 	AB Infrastructure, EDTT	Short-Term
<ul style="list-style-type: none"> • Prioritize the development new regional destinations that will deliver world class, sustainable, and market and export ready experiences and disperse the benefits of the visitor economy more broadly throughout the province. Though there is great potential throughout the province, limited resources require prioritization and a phased approach. The first phase should focus on the following priority destination regions: <ul style="list-style-type: none"> » David Thompson Country & Bighorn Backcountry » Crowsnest Pass & Castle » Kananaskis Country » Badlands » Lakeland Country 	EDTT, AEP, Travel AB, Municipal Affairs, Transportation, Infrastructure	Medium-Term

Action	Responsible Ministries	Implementation Timeline
<ul style="list-style-type: none"> • Create the Alberta Signature Trail program. Develop a granting program to fund the planning, construction, and marketing of mixed use, motorized and non-motorized trails that can provide outstanding and travel motivating experiences on public lands, in Alberta Parks and on other lands in the province. These trails would be planned to stimulate private sector investments along the trail and the growth of the visitor economy in rural regions of the province. Recognizing the well-established network of hiking experiences in the province, the initial priorities should include creation of a hut to hut signature trail, mountain biking signature trail, off-highway vehicle signature trail, and snowmobiling signature trail. 	AEP, EDTT	Medium-Term
<ul style="list-style-type: none"> • Increase and strategically prioritize Alberta Parks' capital funding to develop, expand or modernize travel motivating visitor infrastructure and experiences in Alberta's destination parks and recreation areas within parks and on public lands. Capital investments should be prioritized to areas identified as new priority destination regions. 	AEP, EDTT	Medium-Term
<ul style="list-style-type: none"> • Introduce a "Alberta Events Attraction Incentive program". The program will provide grants to stimulate the return or creation of global business and entertainment events to Alberta that will attract local, interprovincial and international visitation. 	EDTT	Medium-Term
<ul style="list-style-type: none"> • Introduce a Alberta Tourism Investor Tax Credit Program, to encourage private investment in visitor economy businesses to enable new product or service development, product or service enhancements, sustainability enhancements. 	EDTT	Medium-Term
<ul style="list-style-type: none"> • Prioritize support for innovative P3 partnership proposals from private sector tourism developers where these partnerships would a) generate new or sustainably expand the capacity of existing market and export ready visitor experiences, b) improve the sustainability of host destinations and minimize the impacts of visitation on the natural environment and cultural values in host communities, and c) elevate the benefits that local communities experience from the visitor economy. 	EDTT, Infrastructure, Transportation	Long-Term
Focus 06 Enable		
<ul style="list-style-type: none"> • The visitor economy relies heavily on temporary foreign employees to address labour shortages that are not filled domestically. Without these employees, the visitor economy faces significant labour shortages. Ensure federal and provincial policy supports the needs of Alberta's tourism industry and that there is a clear path to immigration for all streams and skill levels. 	EDTT	Short-Term
<ul style="list-style-type: none"> • Immediately undertake a market-driven assessment of Public Lands and Alberta Parks to identify at least 10 sites that are suitable for the development of export ready sustainable nature-based, adventure and indigenous tourism experiences. Expedite investor attraction to these areas and fast-track approvals and infrastructure development and provide certainty that the tourism appeal (e.g. scenery, tourism features and tourism settings) of these areas will be retained over the long-term. 	EDTT, AEP	Medium-Term
<ul style="list-style-type: none"> • Ensure that high value and high potential tourism and outdoor recreation areas on public lands are identified and steps are taken to ensure their value and potential are maintained through Land Use Framework regional and issue specific plans. 	EDTT, AEP	Medium-Term

Action	Responsible Ministries	Implementation Timeline
<ul style="list-style-type: none"> Modernize all Alberta Parks and relevant public lands legislation, regulations and policies to a) support and enable world class sustainable nature-based, adventure and indigenous tourism development, b) remove unnecessary barriers and impediments to tourism development, and c) provide a clear, simple, efficient and timely approvals process that builds investor confidence and certainty and enhances the investment appeal of these lands. 	AEP, EDTT	Long-Term
<ul style="list-style-type: none"> Ensure that the proposed Alberta Infrastructure Act provides a dedicated, coordinated and strategic funding stream for investment in both visitor supporting and demand driving tourism and outdoor recreation infrastructure in priority destination regions. 	EDTT, AB Infrastructure	Long-Term
Focus 07 Promote		
<ul style="list-style-type: none"> Travel Alberta should devise domestic leisure and business travel marketing campaigns and support the implementation of local and sector specific marketing efforts, to entice Albertan's and short-haul interprovincial visitors to travel within Alberta and increase spending with Alberta's visitor economy businesses. 	Travel Alberta	Short-Term
<ul style="list-style-type: none"> Travel Alberta should devise marketing campaigns that help rebuild host community confidence and support for re-opening their destinations to short and long-haul domestic and when appropriate international travel. 	Travel Alberta	Short-Term
<ul style="list-style-type: none"> Travel Alberta should maintain relations with essential international travel partners and event organizers and devise and implement marketing strategies in priority international markets that keep Alberta top of mind and ensure Alberta is positioned to rapidly launch marketing as travel restrictions are eased and incentive programs are launched. 	Travel Alberta	Medium-Term
Focus 08 Understand & Evaluate		
<ul style="list-style-type: none"> Ensure EDTT Tourism Research staff and Travel Alberta effectively coordinate and ensure the timely implementation and dissemination of essential research including market travel intentions, visitor sentiments, destination sentiments, destination performance and COVID-19 impacts on the visitor economy. 	EDTT, Travel Alberta	Medium-Term
<ul style="list-style-type: none"> Develop a robust visitor economy index based complimentary measures (industry conditions, visitation and spend, industry perceptions, host community perceptions, visitor perceptions) that provide an informed understanding of destination performance and enable informed planning and investment, performance measurement and policy and regulatory decision making. 	EDTT, Travel Alberta	Medium-Term

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