



2022

State of the Industry Report

May 2022

22



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Intent

Welcome to the first of what is expected to be annual state-of-the-industry reports for the Alberta tourism industry.

As with similar reports in the corporate sector, the TIAA state-of-the-industry report will provide a factual, straight-forward summary of past performance and future opportunities for Alberta's tourism industry.

Information is key to decision-making. Our hope is to gather, interpret and apply information relevant to Alberta visitors and our tourism businesses, our competitors, government entities (and their actions) affecting tourism and industry trends likely to shape our future.

We are living through a once-in-a-lifetime business disruption. The past two years have changed, in some cases permanently, market composition, product offering, marketing/sales approach and operational characteristics of tourism.

We need to learn from what's happened. Address the changes.

Adjust fundamental components (such as marketing, use of public assets, and governance structure) in order to position Alberta tourism to regain ground and thrive.

In this inaugural state-of-the-industry report, we address the impact of COVID-19 and consider the players required and steps necessary to address the current situation.

The report looks at major areas of concern, provides background and comparative data that provides insight into these areas and concludes with a formal request for action by the Alberta government.

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1 A New Starting Point

Pre COVID-19, the Alberta tourism industry was relatively strong with respectable year-over-year growth in visitation and revenue. The Alberta government recognized tourism as a significant potential contributor to the provincial economy and had been taking steps to strengthen the industry.

2 Operating Context

COVID-19 has caused devastatingly negative impacts on Alberta tourism, but much of the impact was a result of systemic issues, made more dire by the across-the-board drop in visitation and revenue caused by COVID-19.

3 Role of Government

Government needs to play a role in any post-pandemic solution not only given the financial influence (including control of the Tourism Levy) but also policy, regulatory and ownership control over key tourism assets.

4 Role of Industry

TIAA and related sector-specific associations play a key role in ensuring government is aware of and responsive to industry needs.

5 Travel Alberta

As the official tourism marketing, and now also management, organization, Travel Alberta will set the direction for tourism recovery.

A New Starting Point

From a position of relative strength in 2019 (visitation growth, reasonably strong operational performance, renewed government interest in tourism as a key component of the provincial economy), the pandemic has caused (possibly irreparable) damage across all industry sectors.

2019



2021



Support was Offered

At the urging of national and provincial tourism (and related hospitality) industry associations, both federal and provincial governments stepped up to support the “hardest hit businesses.” The supports were significant but longer-term impacts from Covid are still likely to have a negative impact over the short to medium terms.

Given these longer-term impacts, and despite the financial supports put in place, tourism operators are facing challenges such as:

- Permanent job losses resulting from tourism staff switching career and industry focus.
- Limited new investment in tourism product as well as limited reinvestment in ongoing capital maintenance requirements. As with any highly competitive industry with a consumer focus, tourism requires new product, refreshment and creativity to remain relevant. Not only have investment levels been constrained through Covid but the significant operating losses will also create reinvestment pressure for some time.
- Provincial (and state) governments offering incentives for residents to travel within the jurisdiction. While such programs are advantageous with the jurisdiction (i.e., incenting Albertans to travel within the province), less populous provinces are disadvantaged if the historical visitor base is constrained.

The innovation and creativity for which Alberta’s tourism industry is known is in danger of being replaced with devastation and despair without targeted programs to sustain the financial support provided during the pandemic.

Government of Canada

- Canada Emergency Wage Subsidy
- Highly Affected Sectors Credit Availability Program (HASCAP)
- Canada Emergency Rent Subsidy (CERS)
- Canada Emergency Business Account (CEBA)
- Tourism Relief Fund
- Tourism and Hospitality Recovery Program (THRP)
- Hardest Hit Business Recovery Program (HHBRP)

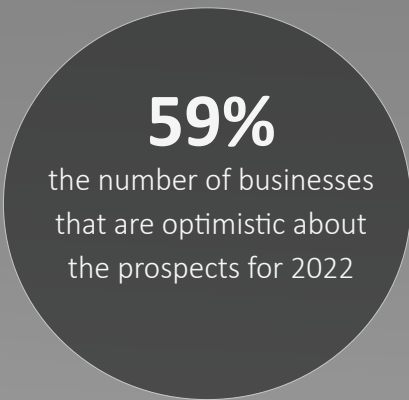
Government of Alberta

- Small and Medium Enterprise Relaunch Grant
- Alberta Tourism Levy deferral
- Local government property tax deferrals

Support was Needed

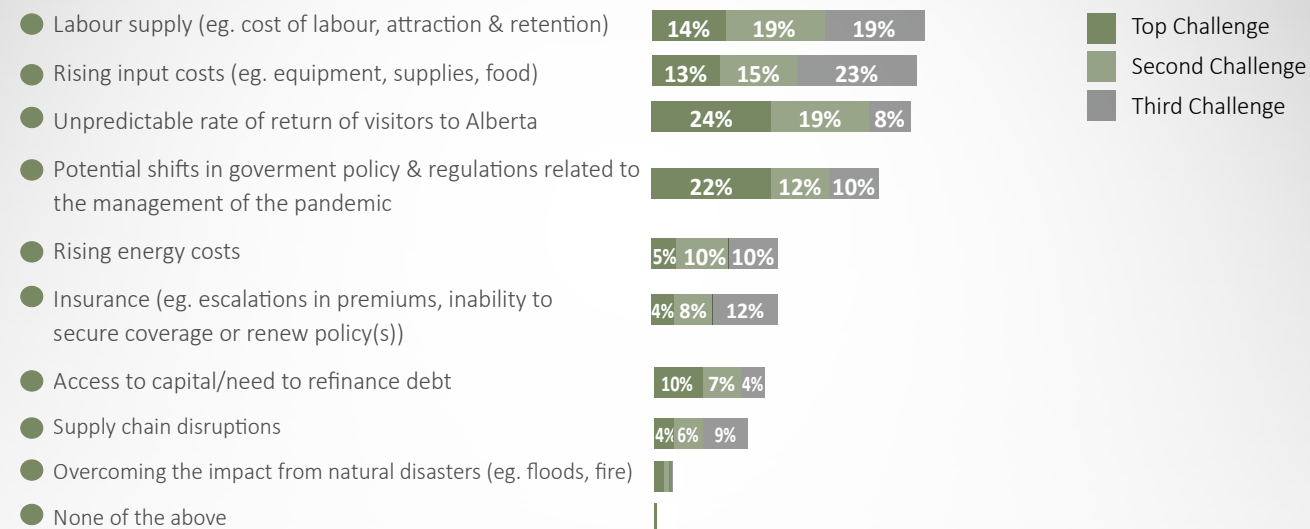
In early 2022, TIAA and Travel Alberta completed the last of a four-phase survey of Alberta tourism operators to gauge the impact from Covid. The final results indicate that:

- 75% continue to feel negative impacts from COVID-19
- On average, operators have returned to 60% of pre-COVID-19 staffing levels
- The Canada Emergency Wage Subsidy (CEWS) was the most accessed government support program and the one considered most useful
- About half of the industry respondents has taken on COVID-19-related debt, with 34% of those increasing debt by over 50% from 2019
- Marketing (to recover demand) and labour force are the areas where operators would like to see government support as the pandemic comes to a close
- Despite the impact of COVID-19, almost two-thirds of respondents were positive about industry prospects in 2022



Despite the recovery and loosening of COVID-19 restrictions, a number of issues will plague the industry through 2022 and beyond, including a general tightness of the labour market, rising operating costs and, most importantly, the unpredictability of the return of international visitors to the province.

Top Challenges Facing Organizations in the Alberta Tourism Industry in 2022



Job Creation in Alberta's Tourism Sector

The United Conservative Party platform leading into the 2019 provincial election addressed tourism as a key component of the provincial economy.

The platform set out seven specific action steps consistent with its "getting Alberta back to work" theme. Since the election victory of the UCP, progress has been made. Travel Alberta has a broader mandate with an increased budget. A growth target has been established, although given pandemic-related events over the past two years, it may need to be revisited.

Work still needs to be done, however. Incentives are necessary to spur tourism infrastructure and development; critical examination of provincial policies are also necessary to ensure the best use of Crown land and assets by residents and visitors alike. Industry stakeholders still face an array of intrusive regulations that delay (or prevent) development and impede operation.

TIAA will continue to play the role of watchdog through the upcoming election and thereafter to ensure government actions support the province's tourism industry.



UCP Tourism Platform (2019) - Election Platform Commitments

Commitment	Status
<ul style="list-style-type: none"> • Direct Travel Alberta to work with tourism stakeholders to develop a new 10-year Tourism Strategy (10YTS) recognizing the role that the private sector can play in assisting government in promoting Alberta as a tourist destination 	10YTS consultation undertaken/completed; Travel Alberta's 3-Year Bootstrap plan announced by government April, 2022
<ul style="list-style-type: none"> • Reorient the mandate of Travel Alberta towards more active facilitation of private sector funding and public-private partnerships for its tourism marketing and promotion activities 	Legislative changes approved to reprofile Travel Alberta as a destination management organization
<ul style="list-style-type: none"> • Reprofile a portion of existing government funding for tourism into a Tourism Partnership Incentive Fund (TPIF), managed through Travel Alberta, to attract and identify sources of private sector support for tourism 	Travel Alberta funding increased to \$63M in an effort to double tourism's impact by 2030. This includes investments in cooperative investment and capital investment programs
<ul style="list-style-type: none"> • Remove intrusive laws, rules, and regulations which impede the development of Alberta's tourism sector 	Progress being made to streamline tourism policies and regulations vis-a-vis red tape reduction panel on tourism and hospitality issues
<ul style="list-style-type: none"> • Work with the federal government and airport authorities in Calgary and Edmonton to expand air transport agreements and get more flights to Alberta from tourist source countries 	Travel Alberta Bootstrap plan focuses on development of direct air access to key domestic and international markets
<ul style="list-style-type: none"> • Establish a target to double tourism spending in Alberta to \$20 billion by 2030 	Travel Alberta Bootstrap plan aims to recover tourism revenues to pre-COVID19 levels by 2024
<ul style="list-style-type: none"> • Make tourism the responsibility of the Minister of Economic Development and Trade 	Government announced a Parliamentary Secretary for Small Business & Tourism

Future Tourism Spending

In 2019 in a pre-COVID-19 environment, the Alberta government set the ambitious goal of more than doubling tourism by 2030.

Two years of COVID-19-related impacts have created and will continue to create challenges in achieving this goal.

Government predictions are that tourism spending will not return to 2019 levels (\$10.1B) until 2024, with the potential to double within the next 10 years.

A Road Map for Recovery

In 2019, the Alberta government commenced the process of preparing a 10-year tourism strategy. The process incorporated widespread industry consultation with a view to supporting development of Alberta as not only a sustainable tourism destination but also becoming a more significant contributor to a diversified Alberta economy. The 10-year plan was never released.

A Call for Action | Tourism Industry Association of Alberta

In 2020, just six months into the pandemic and recognizing that a provincial tourism strategy was not immediately forthcoming, the Alberta Tourism Industry Association Advisory Panel developed its own take on an industry strategy. The Call to Action report included a series of recommendations, with a common theme of a “whole-of-industry” approach to accelerate the recovery, ensuring sustainable growth and resiliency. The Call to Action recognized that the steps taken (by industry and government) to address issues arising from the Covid pandemic will shape the Alberta tourism industry for decades. Further, the report acknowledges the ability for tourism to be one of three pillars underpinning the Alberta economy.



The Bootstrap Plan | Travel Alberta

In 2021 Travel Alberta, now with a broader destination marketing and management mandate, released The Bootstrap Plan, a three-year strategic plan for Alberta tourism spanning 2021 to 2024. The Plan acknowledges Travel Alberta’s new role and puts forward a three-part plan designed to “retrench”, “renew” and “refresh Alberta tourism. Further the plan identifies the three strategic pillars of Marketing (working with strategic partners to regain market share), Access (principally a focus on rebuilding air routes) and Place (working with new and identifying new tourism assets with the province and ensuring tourism activity, and benefits, are more evenly distributed.)



Operating Context

Arguably, COVID-19 has demonstrated, or at least made more obvious, some of the systemic challenges facing the Alberta tourism industry. Despite iconic destinations and events, a strong business and major event base, a multitude of indigenous tourism products and extensive natural recreation amenities, Alberta tourism faces challenges.

Growing Alberta tourism, particularly from the viewpoint of the tourism being a pan-provincial economic engine, requires a critical assessment of these challenges.

Some, like the reliance on domestic visitors and domestic competition, are here for the long term. Others, like air access and seasonality issues, can

be addressed over time. While still others, such as labour, are facing tourism industry operators and marketers across the country and internationally.

A clear and honest assessment of these challenges, however, should ultimately lead to a timely and effective strategy.

Strengths/Opportunities

- Iconic destinations (e.g., Rockies, Drumheller)
- Iconic events (e.g. Calgary Stampede)
- Indigenous culture, attractions and activities
- Major event venues
- Strong business demand (corporate and convention)
- Recreation and park land (Crown land suitable for further development)
- Acknowledgement by government of tourism's potential for economic diversification

Challenges

- Reliance on domestic visitors (land locked)
- Expensive and (somewhat) limited air access
- Seasonality (limited winter/off-season product)
- Concentration of tourism assets
- Labour, labour, labour
- Domestic competition
- Investment and reinvestment
- Uneven economic recovery



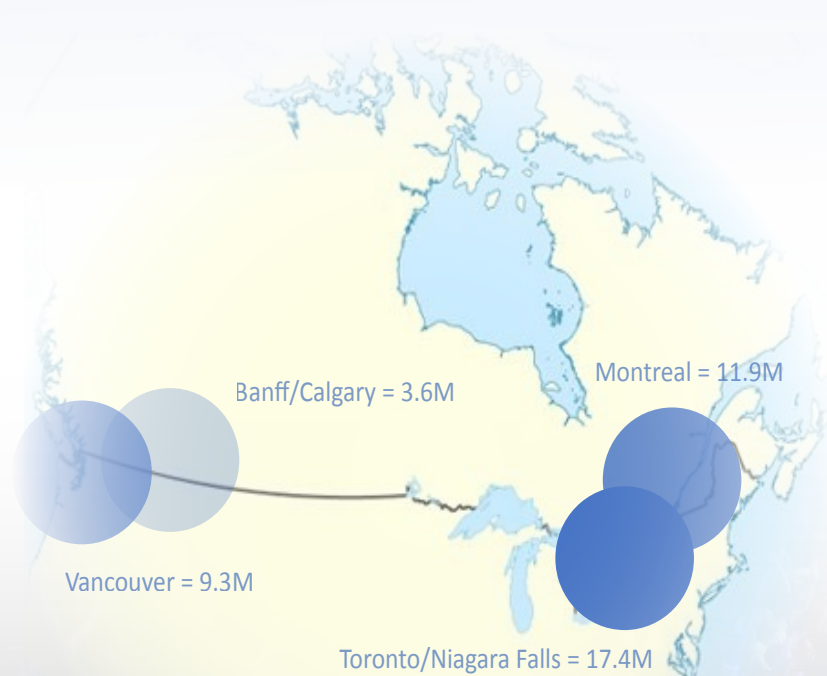
Reliance on Domestic/Local Demand

Alberta, and its principal existing visitor destinations, face market access issues not shared by the likes of Toronto/Niagara Falls, Montreal and Vancouver.

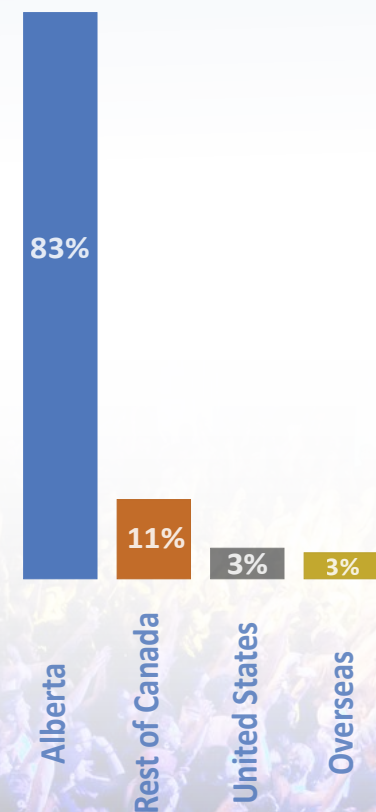
Using Banff/Calgary as an example, the population base within a 500-kilometre radius is about 3.6 million, with 80% located within the province of Alberta. At the other end of the spectrum is Toronto-Niagara Falls with more than 17 million people with a 500-kilometre radius, more than a third of which are U.S. residents. Montreal and Vancouver, together with several other Canadian destinations in B.C. Ontario Quebec and the Maritimes, enjoy substantial “back yard” demand. Such demand, together with domestic population density permits the development and operation of major attractions that sustain a vibrant tourism economy.

Addressing these locational challenges requires improvement to access modes, targeted tourism product where demand can be created that offsets travel logistics and/or greatly improved (and marketed) critical mass of tourism infrastructure. What does Alberta do best? What attributes does Alberta offer that can overcome these challengers?

Population Within 500Km Radius (Million)



Alberta Visitor Origin



Air Access

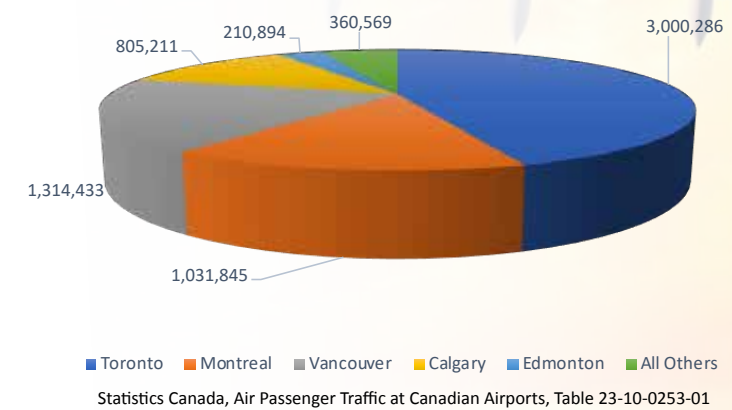
About 90% of all international air traffic, and 75% of all transborder (U.S.) traffic to/from Canada goes through Toronto, Montreal or Vancouver airports.

The reliance on domestic demand is exacerbated by the lack of air connectivity to principal Alberta destinations. This limited access has become more limited as a result of COVID-19.

International (non-US) Air Arrivals to Canada by Airport



U.S. Air Arrivals to Canada by Airport



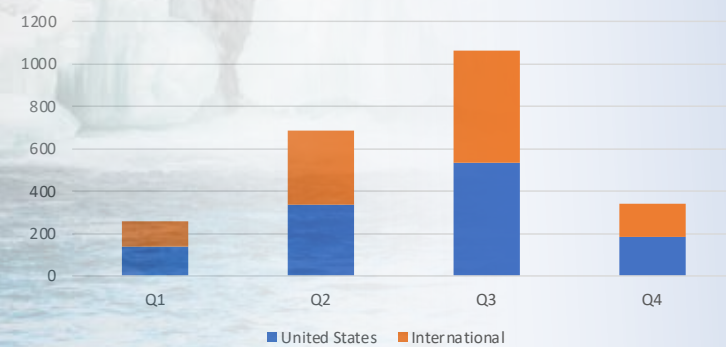
Seasonality

Seasonality is not a problem unique to Alberta or Canada. In fact, seasonality is an issue faced by many visitor destinations. However, Alberta's seasonal variations seem even more marked, particularly when looking at the visitation patterns of United States and international visitors.

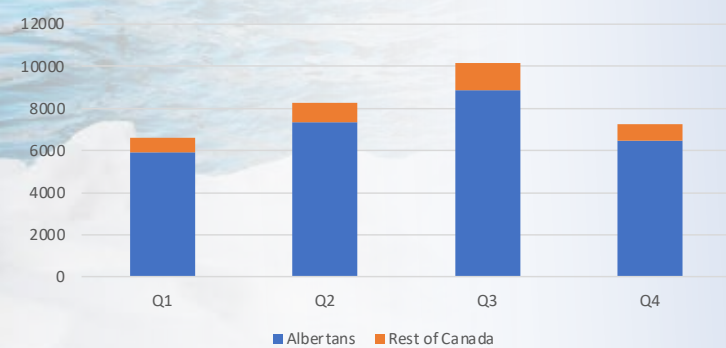
These peaks and troughs of demand have ramifications reaching beyond day-to-day operational issues. Inconsistent demand calls into question the financial viability of the investment necessary to ensure a critical mass of tourism infrastructure: infrastructure that, in many cases, could serve to extend the season.

Without all-season infrastructure it's not realistic to bank on all-season demand. Without all-season demand, the ability to create a permanent workforce is problematic, relying instead on seasonal and contract workers (requiring expensive onboarding and training each operating year). This situation results in a vicious cycle of chicken and egg: a systemic problem in many visitor destinations.

U.S. & International Visitors (000's)



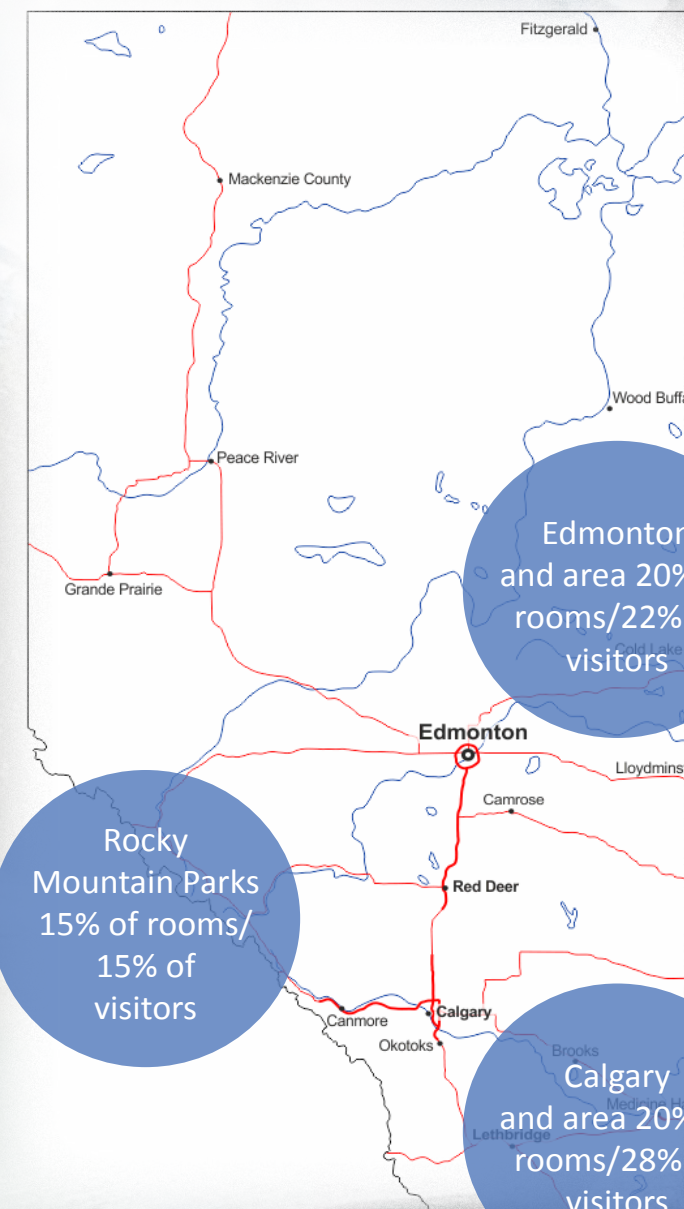
Albertan & Rest of Canada Visitors (000's)



Concentration of Tourism Assets

Visitor activity is concentrated within Alberta's principal urban centres (dominated by Calgary and Edmonton) as well as the Rocky Mountain parks.

Some 65% of all Alberta visitors are drawn to Calgary, Edmonton and/or the parks. Commercial lodging is equally as concentrated with 28% of all Alberta hotel rooms located in Calgary and an additional 20% and 15 in Edmonton and the Rocky Mountain parks respectively.



Labour

Labour is the lifeblood of the visitor industry. The ability to attract and retain qualified labour is a “must have” for operations and growth.

Historically, labour is a primary challenge for all manner of tourism businesses from hotels to food and beverage to attractions and events.

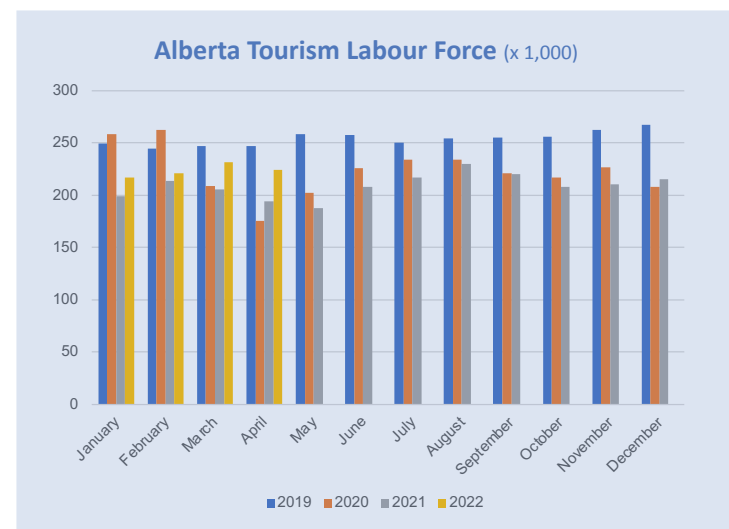
Tourism businesses are often the first stop for minors and young adults entering the workforce, providing a range of life skills for future employment. But these can be tough jobs and COVID-19 has demonstrated an industry weakness resulting in an exodus of industry employees.

Some have found other work in the absence of employment brought on by reduced demand while others have decided to pursue work in other industries.

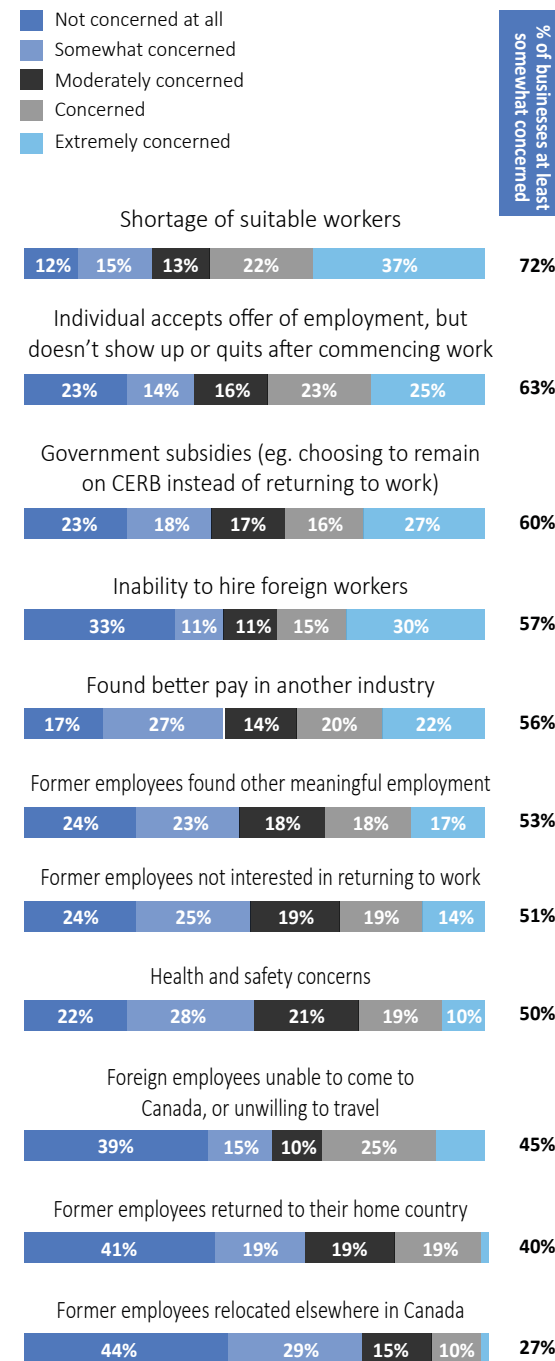
Pre-Pandemic Employment Levels Not Expected Until 2025-2028

SOURCE: Tourism HR Canada

Tourism, which has perennially relied on foreign workers to fill gaps by the domestic workforce, is likely to become even more dependent on labour sourced from outside the country.



Level of Concern with Staffing Challenges



TIAA, Tourism Business Conditions Survey, Leger, March, 2022

Domestic Competition

In addition to the Alberta tourism industry's reliance on domestic visitors—given distance from major population concentrations and a situation made worse by limited air access—Alberta tourism operators face strong competition for the in-province market from British Columbia.

The Okanagan, Kootenays, Revelstoke/Golden all compete for Alberta visitors. However, the dominant player is the Okanagan valley which has a thriving, multi-season tourism

	Visits	Spending (\$Million)
Alberta Visitors to B.C.	3,741,000	1,600
B.C. visitors to Alberta	1,508,000	518
Alberta Travel Deficit with B.C.	-2,233,000	(1,082)

industry supported by multiple recreation real estate options. Fully one-quarter of the Canadian visitation to the Thompson Okanagan, more than 500,000 visits/year, is generated by Albertans.

Regardless of region, the British Columbia government has taken a much more proactive stance towards tourism and recreation development across the province.

The Mountain Resorts Branch has a mandate to “...provide timely decisions for new mountain resort proposals, major resort expansions and other existing projects, such as large marinas.” This approach has seen the creation of large and medium-scale projects offering a range of recreation, accommodation and related tourism activities.

The Mountain Resort Division works within a written Resort Strategy and Action Plan. Four significant projects (new or expansion/redevelopment) are currently being considered. British Columbia is fully invested in supporting the visitor industry. This leaves Alberta lacking in product and experiences when compared with our western neighbour.

Investment and Reinvestment

COVID-19 has had a predictably negative impact on new investment and in reinvestment across the tourism and hospitality industry. Separate from COVID-19, however, the visitor industry receives less investor support than other industry sectors.

Once the centre of hotel construction in Canada, the Alberta market reported a net reduction in the total number of hotel rooms in 2021 (the only province to do so). New construction activity is similarly limited as is planning for future hotels.

Reinvestment in visitor infrastructure is an ongoing and expensive requirement in high-volume, consumer-facing businesses.

Drastically reduced revenues and free cash flow throughout Covid will have a limiting effect on funds available to undertake necessary capital upgrades, technology improvements and related purposes.

Alberta Government Non-Tourism Economic Diversification Initiatives

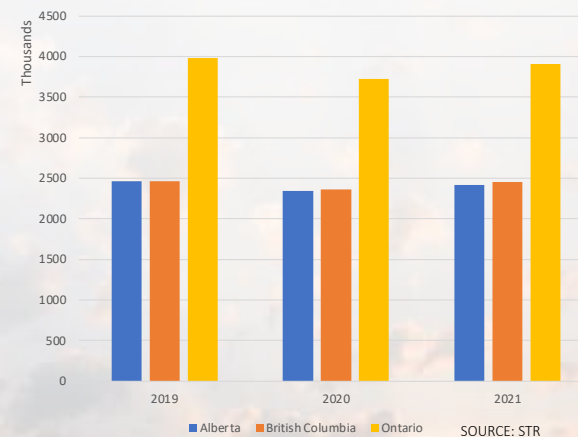
(2022-2025 Strategic Plan and Ministry Business Plans)

- \$359 million associated with the Agri-food Sector Investment and Growth Strategy
- \$67.5 million to implement the Alberta Technology and Innovation Strategy
- \$41 million associated with the Hydrogen Roadmap
- Pharmaceutical and Life Sciences Strategy
- Natural Gas Strategy and Vision

The Government of Alberta is increasingly focused on economic diversification. Resource-based industries have dominated the provincial economy for decades and, despite the opportunities possible through tourism many of which have been acknowledged by government in various promotional addresses, continue to be a government focus as indicated by the 2022-23 provincial budget.

The budget (and associated documents) identified a number of diversification initiatives, most still tied to resources.

New Hotel Room Supply



Uneven Economic Recovery

Rising oil prices have and will continue to buoy the Alberta economy and shore up provincial finances. In fact, the pace of recovery has been quicker than forecasted at the beginning of 2022 as illustrated by the 2022 Alberta budget which appears to have underestimated royalty revenue.

Not all sectors of the Alberta economy will recover at the same pace, and tourism will be one of the slowest.

A number of factors will prevent Alberta's tourism industry from sharing the same growth outlook as resources, agriculture, real estate and manufacturing.

Of the seven sectors of the Alberta economy outlined in the Invest Alberta plan (i.e. Agriculture, Aviation & Logistics, Energy & Clean Tech, Financial Services, Petrochemicals, Technology & Innovation and Tourism), tourism recovers at a slower pace because:

- International travel (not only to Canada and Alberta but generally) is not projected to recover to 2019 levels until 2024, according to a UNWTO Panel of Experts (45% believe recovery will not occur until 2024).
- Albertans will be more likely to travel out of the province to traditional tourist and recreation areas (e.g., British Columbia, Montana) once Covid restrictions are fully removed.

ATB
Alberta Economic Outlook November 2021

Key Indicators	2020	ATB Forecast		
		2021	2022	2023
Real GDP (Annual % Change)	(7.9)	6.3	4.0	2.5
Employment (Annual % Change)	(6.6)	5.0	3.0	2.4
Unemployment Rate (Average Annual %)	11.4	8.9	7.9	6.8
Retail Sales (Annual % Change)	(5.7)	13.0	7.9	5.9
Annual Housing Starts (000s)	24.0	29.7	30.0	28.5

"The uneven nature of the recovery will continue with output in some sectors higher ... while others were still doing worse (e.g., restaurants and bars, tourism, the arts)." ATB, Alberta Economic Outlook, November 2021

Role of Government

Industry Structure and Support

Tourism can play an integral role in diversifying the provincial economy, with the potential to be another significant export commodity for Alberta.

While domestic travel accounts for a majority of visits and tourism spending, the per visit spending of international visitors is much higher. Growing Alberta tourism should focus on the export potential and, as such, should be seen as an investment opportunity aligned with Alberta's other economic development activities.

The Government of Alberta's decision to broaden the mandate of Travel Alberta (and maintain its allocation in the 2022 budget) signals the recognition of tourism as an economic diversification vehicle. TIAA welcomes and supports this initiative. But the approach must be broader.

The Government's 2021-24 Capital Plan proposes a systematic approach to evaluating future capital spending priorities in a manner that supports the province's

Recovery Plan. To support the government's aim of more than doubling the value of the tourism economy by 2030, TIAA observes that there is a need to better align the government's capital spending priorities for municipal infrastructure, roads and bridges, sport, recreation, cultural community facilities, etc. to Travel Alberta's strategic aims to help develop new tourism destinations regions and products and services that contribute to new businesses, jobs and tax revenues for the government.



Funding

The 2022 Alberta budget recognized the importance of the tourism industry by maintaining Travel Alberta’s operating budget in the face of cuts for other provincial crown corporations. The Tourism Industry Association of Alberta (TIAA) appreciates this commitment to tourism.

Building on this commitment, TIAA believes that 100% of the funds raised through the Tourism Levy should be allocated to the industry on a permanent basis. But further, given the target to double tourism spending in Alberta by 2030, simply allocating 100% of the Levy to tourism may not be enough.

Enhanced marketing alone will be insufficient to address the infrastructure, product, service, access and support requirements to support this vital economic sector.

Additional funding may be necessary to ensure appropriate investment in those activities with direct and indirect impact on tourism.

Indirect activities include those that benefit Albertans as well as enhancing visitor experiences such as transportation infrastructure, parks and recreation enhancements, internet connectivity and the like.



Source: Travel Alberta, Alberta 2021 and 2022 Government of Alberta Budget, Fiscal Forecast

Tourism Assets

Alberta has an abundance of assets that could be put to better use, with necessary protections and guidelines, for the benefit of Albertans and visitors alike.

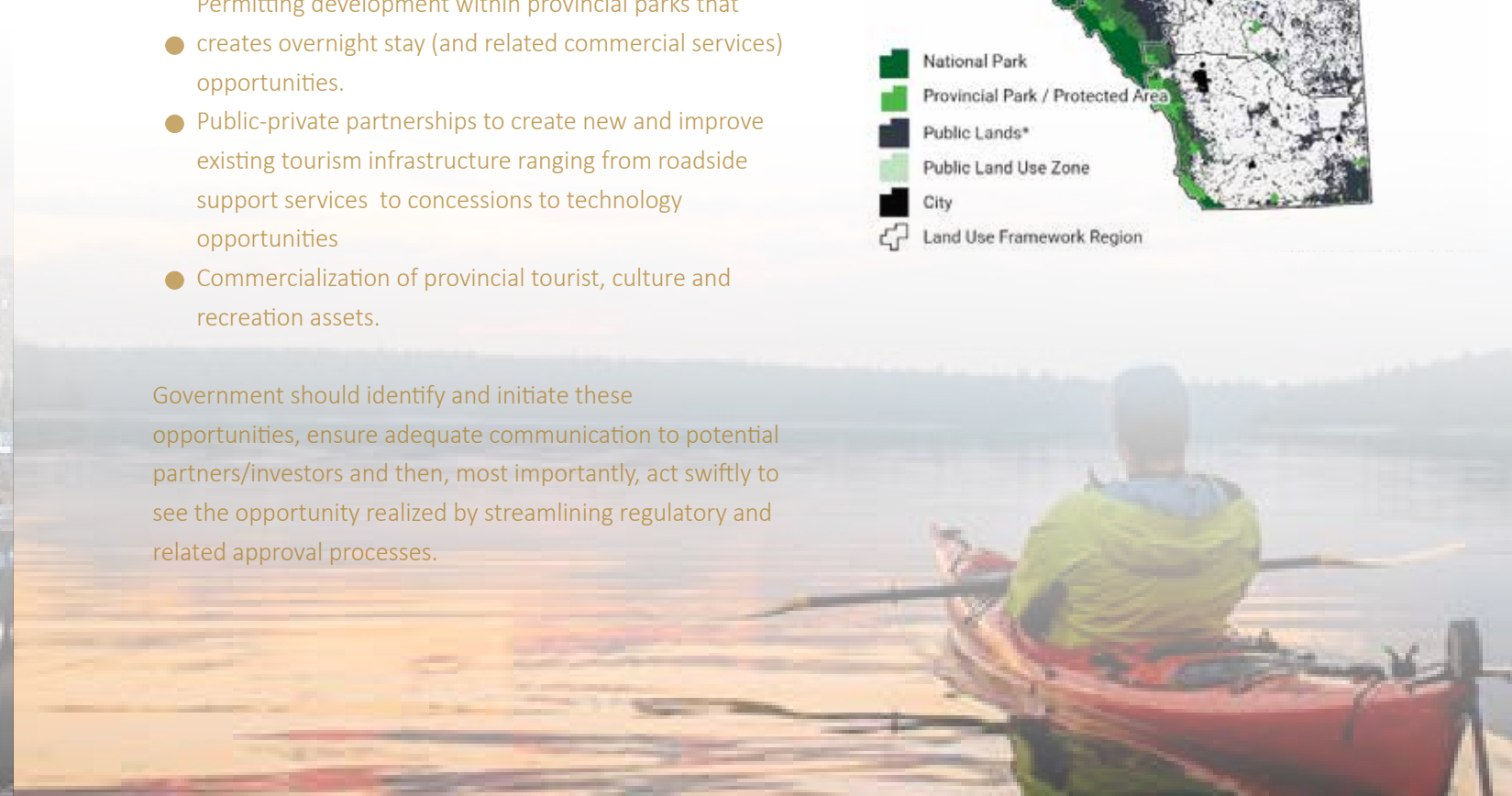
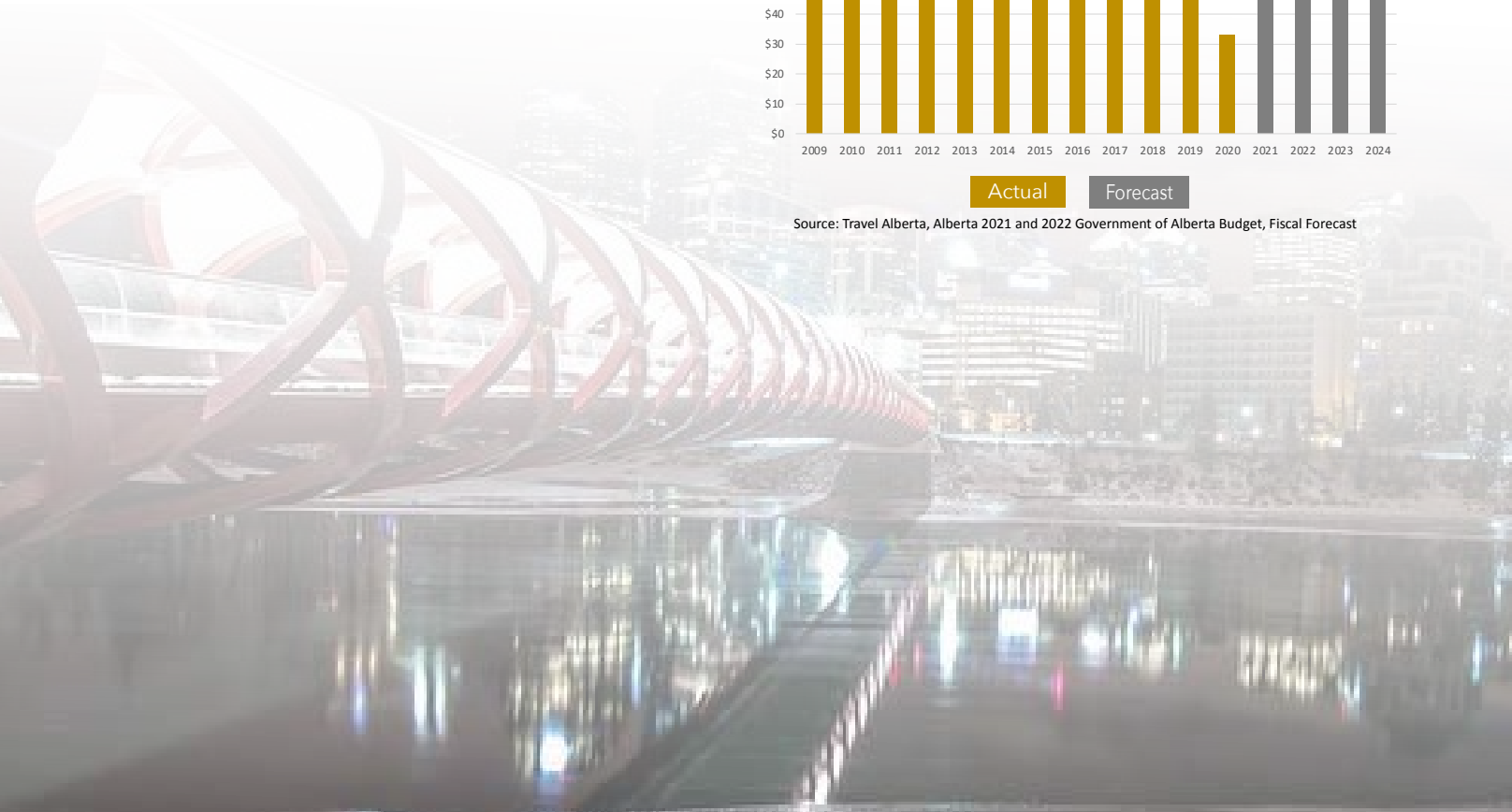
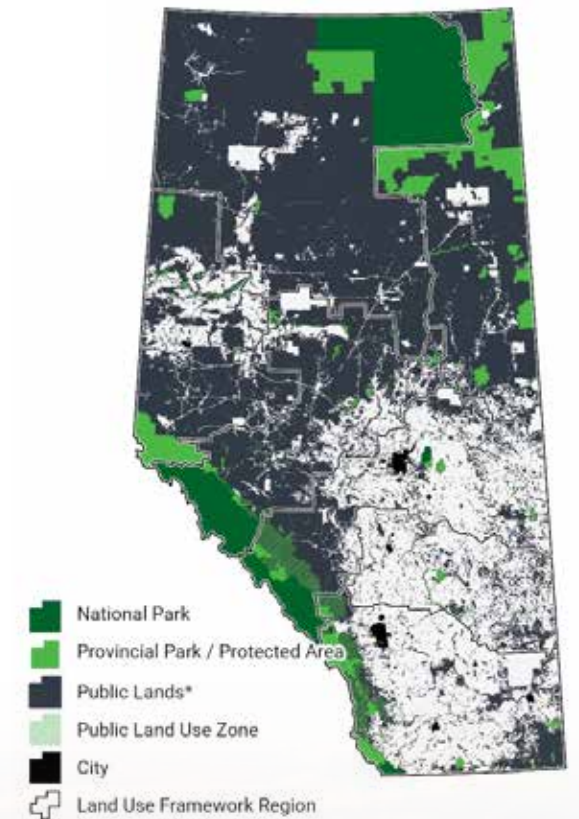
Provincial assets include land, historic and cultural facilities, business concessions and recreation facilities. Such assets could be used as a means to increase capacity in popular tourist areas and/or to entice visitors to explore other parts of the province (not just Calgary, Edmonton and the Rocky Mountain parks). Intensification of provincial assets could also serve the need to smooth the seasonality pattern by opening up visitation options and associated activities in historically down periods.

Approaches to capitalizing on provincial assets to support tourism growth might include:

- Opening new land licences on recreation and provincial park land. Permitting development within provincial parks that creates overnight stay (and related commercial services) opportunities.
- Public-private partnerships to create new and improve existing tourism infrastructure ranging from roadside support services to concessions to technology opportunities
- Commercialization of provincial tourist, culture and recreation assets.

Government should identify and initiate these opportunities, ensure adequate communication to potential partners/investors and then, most importantly, act swiftly to see the opportunity realized by streamlining regulatory and related approval processes.

60%
of Alberta is
Crown Land



A Re-Profiled Travel Alberta

Transitioning from the TIAA Call to Action Report to the Travel Alberta Bootstrap Plan

The TIAA Call to Action, published in June, 2020, identified 40 recommendations across eight focus areas. Stabilization, ensuring the very survival of tourism businesses together with the corresponding support networks, was the focus of Focus Area #1: “Support, Sustain and Fund.”

Beyond this, attention must be turned to medium and longer-term changes to Alberta tourism. Some changes are minor, others will require commitment of time and financial resources, still others will necessitate fundamental policy changes. All are designed to ensure that Alberta tourism comes through the pandemic with a stronger base, greater independencies and better positioning for future growth.

For ease of discussion, the recommendations contained in Focus Areas 2 through 8 have been grouped to align with the Bootstrap Plan and fall into three areas:

- Marketing
- Access
- Place

6. Enable 7. Promote 8. Understand

5. Invest & Create

2. Open & Entice 3. Lead & Align 4. Plan & Manage

1. Support, Sustain & Fund

Marketing

With pandemic-generated restrictive measures now being removed, the immediate recovery plan starts at home with Alberta residents. From here, marketing efforts will branch out to the United States and other international visitors.

Outcome

Objectives:

- **Align with strategic partners**
 - Key tourism players include Destination Canada, airlines, Destination Marketing Organizations, Indigenous Tourism Alberta, and, Invest Alberta
 - Travel Alberta seen as key contributor among national and international stakeholders
- **Engage high-value visitors**
 - Use data to drive incremental revenue from high-value audiences
 - Modernize digital channels
- **Increase consideration of Alberta as a travel destination**
 - Create a competitive destination brand
 - Increase online search for Alberta as a destination
 - Drive Alberta visitors to more regions and in more seasons

Outcome	Metric	Target 2021-22	Target 2022-23	Target 2023-24
Consideration of Alberta as a travel destination has increased	Search growth for Alberta destinations	17% domestic only	9% domestic and U.S.	5% domestic, U.S. other international
Marketing investments generate revenue from high-value visitors	Direct economic impact based on attributable room nights	\$7.8M U.S. only	\$9.7M U.S. only	\$13.5M U.S. and other international
	Attributable revenue	Baseline year	TBD	TBD

Access

Prior to the pandemic, Alberta sat in second place in terms of domestic air seats/capita and fourth internationally. U.S. and international air seat supply has fallen by as much as 90%, and domestic seats by over 70%. Regaining air access is key to delivering on the tourism growth in Alberta.

Objectives:

- **Prioritize domestic, U.S. and international routes with a focus on access for high-value visitors**
- **Develop stimulus and/or incentive programs to drive air service recovery**
- **Clarify how best to position Travel Alberta and its programs to ensure more and sustained air service between Alberta and target origin points**
- **Ascertain research and data needs to inform air service business and investment decisions**
- **Set targets for new seats and destination served by Alberta airports**

Outcome	Metric	Target 2021-22	Target 2022-23	Target 2023-24
Air service to key origin points is: - Re-established - Frequency on key routes is increased - New origin points are added	New/Recovered domestic origins and seat capacity	+ 2 routes + 46,000 seats	+ 2 routes + 33,000 seats	+ 2 routes + 18,000 seats
	New/recovered Transborder destinations and seat capacity	+ 4 routes + 40,000 seats	+ 2 routes + 32,000 seats	+ 30,000 seats
	New/recovered international destinations and seat capacity	+ 12,000 seats	+ 1 route +20,000 seats	+ 1 route + 30,000 seats

Place

Travel Alberta’s revised mandate goes beyond pure marketing to address destination development, with a focus on building more compelling project clusters and visitor corridors. Such an approach is designed to broaden tourism activity across the province and to flatten the seasonality.

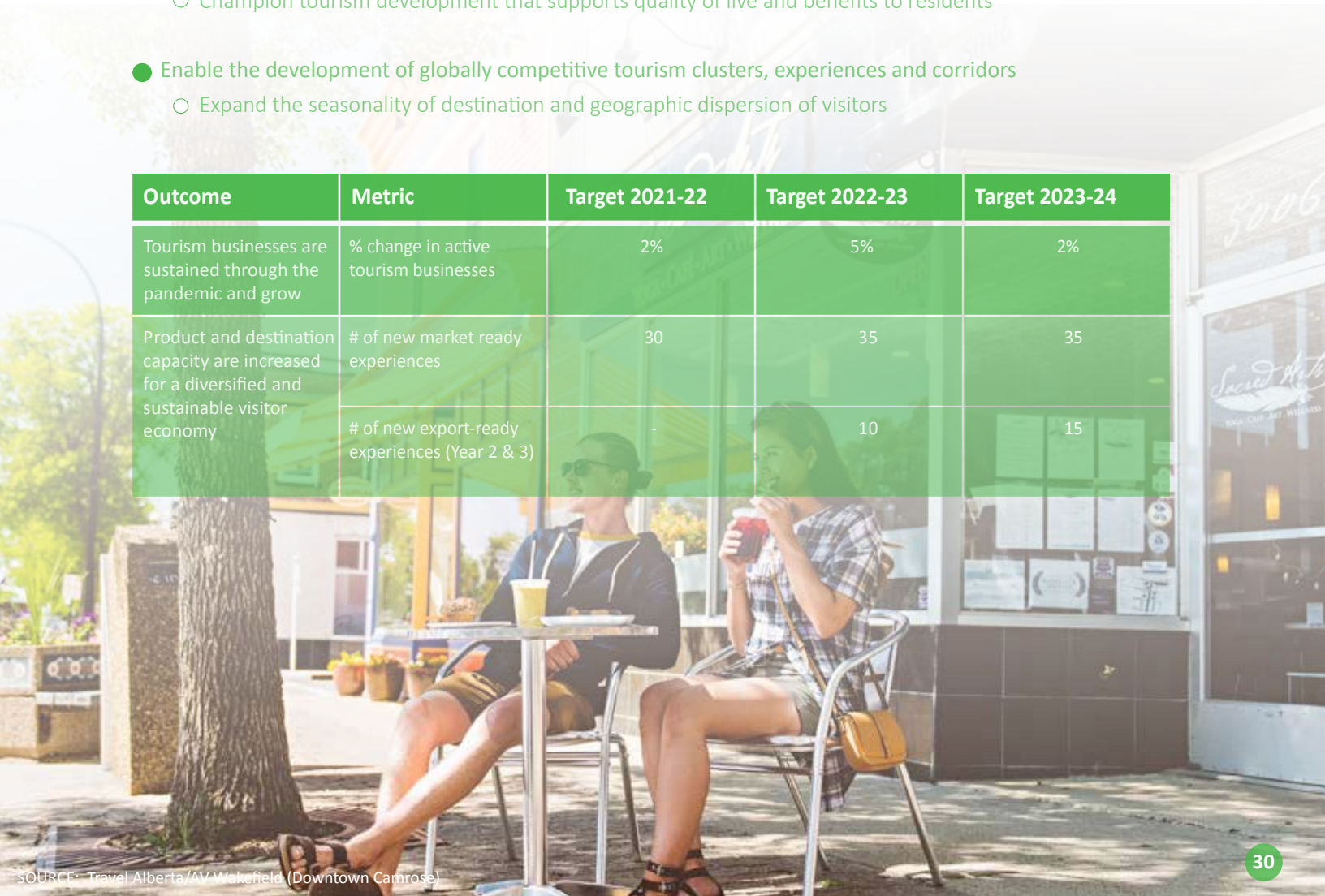
Objectives:

- **Invest in the sustainability and growth of tourism businesses**
 - Develop products and experiences targeted to high-value visitors, based on research insights
 - Travel Alberta seen as key contributor among national and international stakeholders
 - Advance tourism’s bench strength through target training aligned with Alberta’s strategic priorities

- **Build destination capacity to ensure a future in tourism**
 - Initiate a tourism investment program supporting industry’s recovery and provide stimulus for future growth
 - Advance the appreciation of the visitor economy in Alberta communities
 - Champion tourism development that supports quality of life and benefits to residents

- **Enable the development of globally competitive tourism clusters, experiences and corridors**
 - Expand the seasonality of destination and geographic dispersion of visitors

Outcome	Metric	Target 2021-22	Target 2022-23	Target 2023-24
Tourism businesses are sustained through the pandemic and grow	% change in active tourism businesses	2%	5%	2%
Product and destination capacity are increased for a diversified and sustainable visitor economy	# of new market ready experiences	30	35	35
	# of new export-ready experiences (Year 2 & 3)	-	10	15



Seizing Opportunity

Tourism, in Alberta and around the world, has faced a once-in-a-lifetime tragedy with the COVID-19 pandemic. The abrupt and long-lasting negative impact has demonstrated not only the importance of tourism from a jobs and taxation perspective but also its value in motivating people and animating cities, resorts and rural areas.



Tourism at a Crossroads

Tourism is a vital contributor to the Alberta economy. The Alberta (and other levels of) government stepped up to support the industry in a time of need. Now is the time to build on that by stabilizing the industry and using tourism as a key component to economic diversification. To confidently advance growth in Alberta's visitor economy, Alberta's elected officials- and those considering a run in the next provincial election- need to consider the following:

- 1 Take a systematic whole-of-government approach to building Alberta's visitor economy**
Tourism is a pillar of Alberta's future and diversification. Inbound investment and interest needs to be welcomed with a cross-ministry approach, recognizing that we are in a worldwide competition for investment capital and, for reasons referenced earlier in this document, we need to compensate our geographic disadvantage with an opportunistic competitive edge.
- 2 Focus on new destination development to support regional economic diversification and drive visitor spending.**
As noted earlier, tourism in a province the size of Alberta is dominated by only a handful of destinations. Government, working with investors and the tourism industry, can be the catalyst in unleashing innovation and investment to create new destinations, opportunities and economic pathways.
- 3 Labour force development**
A systemic challenge long before COVID-19 then amplified by the worldwide pandemic has caused our industry to be among the first to shut down and certainly among the last to recover. The last two years have shown that this is a once-in-a-generation opportunity to reset conditions, learn our lessons, and take a critical look at ourselves to consider how we can resolve this volatile issue for the long term.
- 4 Data, data, data**
Research, insights and forecasting are needed to inform effective destination planning, new product development and investment decisions. Data-based public policy formulation will, in turn, ensure objectivity, rigour and timeliness — thereby accelerating Alberta's post-pandemic recovery and economic diversification.
- 5 Invest in a rural development fund to support economic stimulation in smaller communities**
Focus on the goal of complementing Alberta's recovery and accelerating economic diversification. One pathway is an expanded funding envelope to Travel Alberta, targeting and incentivizing new entrepreneurs with promising tourism projects and ideas. Acting as the seed funder, this will signal to the market that the government and industry welcome risk-taking — inspiring today and tomorrow's entrepreneurs to innovate and invest.
- 6 Strategically build air links and capacity to targeted destinations**
It is frequently said that air service is our industry's pipeline for bringing travellers to Alberta. Indeed, non-stop air service has shown, time and again, to be critical in Alberta's pre-pandemic success in attracting targeted high-value visitor markets — with longer-term benefits for foreign direct investment attraction and economic diversification. This imperative is reinforced by our relative geographical isolation when compared to our competition.
- 7 Sustainable and predictable investment to support provincial marketing and destination management**
By already leading nationally in new product development and innovation, Travel Alberta is poised to capitalize successfully on this competitive edge — but only with the appropriate funding for the expanded mandate. That can be fulfilled simply: dedicate the full value of the Alberta Tourism levy to Travel Alberta based on pre-pandemic 2019 benchmarked levels.
- 8 Support the expansion of Alberta's outdoor recreation economy on crown lands**
Currently, Alberta's outdoor sector is fragmented and lacks a unified and coordinated voice. A supportive policy framework for outdoor recreation is needed to elevate the economic benefits of this resource-based industry. It is imperative that Alberta invests in world-class outdoor experiences in order to compete on the national and international outdoor recreation economy stage. TIAA calls for the creation of an Office of Outdoor Recreation to provide dedicated support for policy, business attraction, investments in and prioritization of outdoor recreation activities on crown lands.

