

Standing Committee on Alberta's Economic Future

**Report on Presentation by the Tourism
Industry Association of Alberta,
November 18th, 2021**

Thirtieth Legislature
Second Session
December 2021



Standing Committee on Alberta's Economic Future

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STANDING COMMITTEE ON ALBERTA'S ECONOMIC FUTURE

December 2021

**To the Honourable Nathan Cooper
Speaker of the Legislative Assembly
of the Province of Alberta**

I have the honour of submitting, on behalf of the Standing Committee on Alberta's Economic Future, its report respecting the presentation received from the Tourism Industry Association of Alberta by the Standing Committee on Alberta's Economic Future on November 18, 2021.

Sincerely,

[Original Signed]

Nathan Neudorf, MLA
Chair, Standing Committee
on Alberta's Economic Future

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MEMBERS OF THE STANDING COMMITTEE ON ALBERTA'S ECONOMIC FUTURE

30th Legislature Second Session

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Jordan Walker, MLA
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Substitutions on November 18, 2021, Pursuant to Standing Order 56(2.1-2.4):

Rod Loyola, MLA²
Edmonton-Ellerslie (NDP)

Members also in Attendance on November 18, 2021:

Leela Sharon Aheer, MLA
Chestermere-Strathmore (UC)

¹ Formerly Michaela L. Glasgo

² Substitution for Deron Bilous

1.0 INTRODUCTION

The Standing Committee on Alberta's Economic Future is one of three Legislative Policy Committees appointed by the Legislative Assembly of Alberta. Standing Order 52.01(1)(b) indicates that the Committee's mandate is related to the areas of Advanced Education; Culture, Multiculturalism and Status of Women; Jobs, Economy and Innovation; Labour and Immigration; and Infrastructure. Under Standing Order 52.08(1) the Committee has the ability to hold public meetings on any matter within its mandate.

On September 3, 2021, the Standing Committee on Alberta's Economic Future received a request from the Tourism Industry Association of Alberta to make a presentation to the Committee. On October 21, 2021, the Committee decided to invite the Tourism Industry Association of Alberta (TIAA) to present to the Committee on the Alberta's Crown Land Outdoor Recreation Economy¹ report as per their request to the Committee Chair.

The Committee held a meeting on November 18, 2021, and received a presentation from the Tourism Industry Association of Alberta.

Pursuant to Standing Order 52.08(3) the Committee directed that a report be prepared summarizing the presentation heard by the Committee on November 18, 2021, for tabling in the Assembly and distribution to relevant Government of Alberta Ministers.

52.08(3) A Legislative Policy Committee may report to a Minister or responsible public official on issues arising from a public meeting.

This report contains a summary of the presentation received by the Standing Committee on Alberta's Economic Future on November 18, 2021. This report is not intended to be a comprehensive record of the Committee's proceedings. For a complete record consult the transcripts of the Committee proceedings, including the oral presentations made to the Committee, which are available online at assembly.ab.ca.

2.0 SUMMARY OF COMMITTEE RECOMMENDATIONS

The Standing Committee on Alberta's Economic Future makes the following recommendation with respect to the Tourism Industry Association of Alberta's (TIAA) presentation to the Committee:

- 1. That the Ministry of Jobs, Economy and Innovation implement recommendations from the report of the Tourism Industry Association of Alberta on Alberta's Crown Land Outdoor Recreation Economy as part of the Ministry's commitment to double tourism spending in Alberta by 2030.**

¹ Tourism Industry Association of Alberta, Alberta's Crown Land Outdoor Recreation Economy: Driving Sustainable Economic Growth, Diversification & Job Creation, [TIAA: Calgary, August 2021] available at <http://silkstart.s3.amazonaws.com/53871da4-c2ad-4589-b73a-7569e930d2ac.pdf> (accessed on November 24, 2021).

3.0 SUMMARY OF PRESENTATION

Tourism Industry Association of Alberta

Darren Reeder, Board Adviser with the Tourism Industry Association of Alberta, provided an update on the state of Alberta's visitor economy within the context of the COVID-19 pandemic. According to Reeder, "tourism expenditures were at their lowest in 2020"; however, by the end of the summer in 2021 tourism expenditures were increasing to within "35 per cent of 2019 performance levels." To encourage an increase in international visitors to the province, Reeder advocated for the removal of PCR testing requirements, which he suggested are "both an unnecessary cost and administrative burden on travellers." To support tourism's economic recovery in Alberta, Reeder argued that the industry requires "more funding agility through the federal tourism relief fund, clarification on the criteria around the tourism and hospitality recovery program, and more supports to assist with liquidity." Reeder explained that the average increase of COVID-19 related debt for small tourism and hospitality businesses is \$333,000, which is almost double that of small businesses in other sectors. In addition, the industry is also facing a labour shortage.

Reeder presented findings from TIAA's report entitled Contributions of Alberta's Crown Land Outdoor Recreation Economy. He noted that Alberta currently has 397,000 square kilometres of Crown lands, which are "public lands managed under the Public Lands Act and provincial parks and protected areas managed under a variety of pieces of legislation." The outdoor recreation economy includes "nonmotorized and motorized recreation activities, land- and water-based activities, consumptive activities like fishing and hunting, and a variety of summer and winter activities."

Reeder explained that TIAA decided to study Alberta's outdoor recreation economy in response to the Government of Alberta's aim to grow tourism into a \$20 billion industry by 2030 and "craft a new vision for Crown lands." Comparing Alberta's tourism industry with British Columbia's, Reeder argued that British Columbia is Alberta's "biggest competitor in the outdoor recreation space," noting that "two and a half more Albertans visit B.C. than B.C. residents come to Alberta," which in 2019 amounted to an estimated export deficit of \$1.05 billion. Reeder pointed to the ski industry as an example, stating: "[w]hereas B.C. ski areas received 6.8 million visitors in the year 2018-19, Alberta only saw 2.4 million. Direct revenues and jobs attributable to B.C. ski areas were approximately four times greater than Alberta ski areas." Reeder suggested that British Columbia's success is in part due to their government's "all seasons resorts policy," which "clearly and with purpose outlines policy, process, and the requirements to set proponents up for success." He argued that without an Alberta outdoor recreation strategy investment that could otherwise remain in the province instead goes across the border. In addition, TIAA believes that enhancing outdoor recreation aspects of the visitor economy will improve the well-being of Albertans by contributing to "greater social cohesion, community engagement, all the while supporting more businesses and jobs."

Reeder explained that, historically, outdoor recreation on public lands in Alberta has received "little infrastructure investment and [is] not supported through proactive outdoor recreation planning or management frameworks that consider the evolving needs of outdoor enthusiasts." Thus, TIAA advocates for the prioritization of "new regional destinations that can deliver world-class, sustainable, and market export-ready experiences that better disperse the benefits of the visitor economy throughout the province." Reeder stated that while current spending on outdoor recreation trips to Crown lands only accounts for 0.8 per cent of Alberta's GDP, employment from this spending is six times greater than from the forest and logging industry and "equates to 63 per cent of the number of jobs in the agricultural industry," which, he argues, shows that there is opportunity for outdoor recreation as a growth industry. According to TIAA's survey Albertans spent \$2.3 billion in trip-related expenses for outdoor recreation. Reeder explained that the tourism industry's "pre-COVID economic contribution was in the order of \$8.2 billion per year."

According to Reeder, TIAA's report is the "first to consider motorized and nonmotorized activities in every land-use segment and across the full spectrum of outdoor recreation pursuits," and he emphasized the report's key findings:

- Hiking/walking/running: 4.17 million visits, which represents 24.9 per cent of outdoor recreation expenditures with an average trip spend of \$298 and an annual contribution in the order of \$581 million.
- Skiing and snowboarding: 1 million visits with an average trip spend of \$467, which equates to an annual contribution of \$233 million.
- ATV: 460,000 trips, which represents approximately \$1,300 per trip and an annual contribution around \$83 million.
- Hunting: 556,000 visits with an average spend of \$1,011 per trip and an annual contribution of \$263 million (domestic market only).

TIAA's report also noted that over \$376 million was spent on a wide range of equipment and clothing accessories related to outdoor recreation, which translates into a "measurable economic impact" on Alberta businesses. Furthermore, the report claims that households spend an average of \$10,782 annually on these types of purchases.

In his written submission provided to the Committee, Reeder explained TIAA's regional analysis of where recreational trips occurred in the province to illustrate that untapped opportunities exist in some regions. In his view, these opportunities could be advanced with more investment and supportive policy decisions. A regional breakdown of where trips occurred by percentage is as follows:

- South Saskatchewan region 61.1 per cent
- North Saskatchewan region: 23 per cent
- Upper and lower Athabasca region: 9.2 per cent
- Upper and lower Peace region: 3.5 per cent
- Red Deer region: 3.1 per cent

TIAA's report also disaggregated spending on trips for public lands, provincial parks and national parks. The results showed that the average total spending on trips to national parks was approximately \$597 per trip, which is greater than trips to public lands (\$277) and provincial parks (\$250) combined. In his written remarks, Reeder argued that higher spending for national parks, which have "fixed-roof accommodation and in-restaurant dining," illustrates "some of the economic impacts that could be possible in other land use regions if there were simply the potential to lean in to offer more boutique, luxury resort, or glamping accommodation options coupled with other supporting tourism infrastructure and complementary business activities."

4.0 RECOMMENDATIONS

4.1 Implementation of Recommendations from the Tourism Industry Association of Alberta Pertaining to Alberta's Crown Land Outdoor Recreation Economy and the Government's Commitment to Double Tourism Spending by 2030

The Committee considered the presentation of the Tourism Industry Association of Alberta and endorsed the six recommendations included in TIAA's report, Alberta's Crown Land Outdoor Recreation Economy. These recommendations are summarized as follows:

1. A Co-ordinated and Unified Voice

TIAA recommends the establishment of a "coordinated and unified voice" in order to bring together outdoor organizations, businesses and not-for-profit organizations affiliated with Alberta's outdoor recreation sector.¹ This will ensure "strong and effective government advocacy for supportive policy and investment" in the sector.²

2. Supportive Crown Land Policy

TIAA recommends the establishment of Crown land policy that supports Alberta's outdoor recreation sector. To achieve this, in the view of TIAA, the Government must prioritize the growth of the outdoor recreation industry and become proactive in land use planning "that establishes clear objectives for the outdoor recreation economy and ensures the integrity of and access to outdoor recreation resources."³ In particular, the Government should increase and improve visitor amenities and services on public lands in order to "elevate the economic benefits of outdoor recreation."⁴

3. Investment in New and Renewal of Existing Crown Land Outdoor Recreation Infrastructure

TIAA notes that in provincial parks Alberta's outdoor recreation infrastructure is aging. On public lands infrastructure is lacking and limited. Investment in infrastructure will make outdoor recreation in Alberta more competitive both nationally and internationally. TIAA therefore recommends that the Government, the private sector, and users invest in new and renewed outdoor recreation infrastructure on Crown land in order "to provide novel, inclusive, accessible and equitable opportunities" for all users.⁵

4. Inventorying of Crown Land Outdoor Recreation Resources

TIAA recommends that the Government of Alberta create an inventory of Crown land outdoor recreation resources and amenities. This inventory would facilitate the inclusion of outdoor recreation opportunities in land-use decisions made by Government.

5. Measure and Monitor the Outdoor Recreation Economy

TIAA recommends measuring and monitoring the performance of the Crown land outdoor recreation economy to facilitate informed Crown land policy decisions. TIAA suggests that this

¹ Tourism Industry Association of Alberta, Contributions of Alberta's Crown Land Outdoor Recreation Economy, available at <https://silkstart.s3.amazonaws.com/25002cd9-1381-4778-9a6e-f73616386c3c.pdf> (accessed on November 18, 2021).

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

monitoring will “help the sector demonstrate its positive contributions to communities, Albertans, and the economy.”¹

6. Office of Outdoor Recreation

TIAA recommends the establishment of an “Office of Outdoor Recreation” by the Government of Alberta to provide “dedicated attention to coordinating and creating the policy environment, business attraction, investments in, and prioritization of the outdoor recreation economy on Crown lands.”² This Office would co-ordinate initiatives related to outdoor recreation across Government departments and between levels of government and the private sector. The Office of Outdoor Recreation would listen to “public concerns, remove barriers to access, and prioritize programs that encourage growth of the industry and protection of recreation resources.”³

According to TIAA the implementation of these recommendations will provide and enhance outdoor recreation opportunities on Crown land in Alberta and in turn generate sustainable economic growth, diversification and employment across the province.

In addition, the Committee noted that the Ministry of Jobs, Economy and Innovation has made a commitment to double Government spending on tourism in Alberta by 2030. According to the Ministry's Annual Report 2020-2021 it will do so by working closely with internal and external stakeholders and partners to grow the sector “by diversifying Alberta’s tourism destinations, product offerings and seasonal visitation.”⁴

The Committee therefore recommends:

That the Ministry of Jobs, Economy and Innovation implement recommendations from the report of the Tourism Industry Association of Alberta (TIAA) on Alberta’s Crown Land Outdoor Recreation Economy as part of the Ministry’s commitment to double tourism spending in Alberta by 2030.

¹ Ibid.

² Ibid.

³ Ibid.

⁴ Alberta, Ministry of Jobs, Economy and Innovation, *Annual Report 2020-2021*, [Edmonton: Jobs, Economy and Innovation, 2021], p. 39.

APPENDIX: LIST OF PRESENTERS

Individual	Organization
Darren Reeder, Board Adviser	Tourism Industry Association of Alberta

