



Legislative Assembly of Alberta

The 30th Legislature  
Second Session

Standing Committee  
on  
Alberta's Economic Future

Tourism Industry Association of Alberta

Wednesday, October 21, 2020  
12 p.m.

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**Legislative Assembly of Alberta  
The 30th Legislature  
Second Session**

**Standing Committee on Alberta's Economic Future**

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Gochring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair  
Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UCP)  
Barnes, Drew, Cypress-Medicine Hat (UCP)  
Bilous, Deron, Edmonton-Beverly-Clareview (NDP)  
Dang, Thomas, Edmonton-South (NDP)  
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Reid, Roger W., Livingstone-Macleod (UCP)  
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Stephan, Jason, Red Deer-South (UCP)  
Toor, Devinder, Calgary-Falconridge (UCP)

\* substitution for Nate Horner

**Also in Attendance**

Gotfried, Richard, Calgary-Fish Creek (UCP)  
Long, Martin M., West Yellowhead (UCP)

**Support Staff**

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## **Standing Committee on Alberta's Economic Future**

### **Participants**

Tourism Industry Association of Alberta  
Darren Reeder, Board Adviser  
Alida Visbach, Board Chair



12 p.m.

Wednesday, October 21, 2020

[Mr. Neudorf in the chair]

**The Chair:** Good afternoon, everyone. I'd like to call this meeting to order. Welcome to members and staff in attendance at this meeting of the Standing Committee on Alberta's Economic Future.

My name is Nathan Neudorf, and I'm the MLA for Lethbridge-East and chair of this committee. I'd ask that members and those joining the committee at the table introduce themselves for the record, starting to my right with the deputy chair.

**Ms Goehring:** Good afternoon. I'm Nicole Goehring. I'm the MLA for Edmonton-Castle Downs. Welcome.

**Mr. Barnes:** Good afternoon. Drew Barnes, MLA, Cypress-Medicine Hat.

**Ms Armstrong-Homeniuk:** Good afternoon. Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

**Mr. Reid:** Good afternoon. Roger Reid, MLA for Livingstone-Macleod.

**Mr. Toor:** Good afternoon. Devinder Toor, MLA, Calgary-Falconridge.

**Ms Fir:** Hello. Tanya Fir, MLA, Calgary-Peigan.

**Mr. Stephan:** Hello. MLA Jason Stephan, Red Deer-South.

**Mr. Reeder:** Good afternoon. Darren Reeder, Tourism Industry Association of Alberta.

**Ms Visbach:** Good afternoon. I am Alida Visbach, and I am the chair of the board of the Tourism Industry Association of Alberta.

**Mr. Gotfried:** Good afternoon. Richard Gotfried, MLA for Calgary-Fish Creek and a guest at today's committee meeting.

**Ms Rosin:** Miranda Rosin, MLA for beautiful Banff-Kananaskis.

**Mr. Bilous:** Good afternoon. Welcome. Deron Bilous, Edmonton-Beverly-Clareview.

**Mr. Dang:** Hello. Thomas Dang, Edmonton-South.

**Member Irwin:** Hello. Janis Irwin, Edmonton-Highlands-Norwood.

**Mr. Koenig:** Hello. I'm Trafton Koenig with the Parliamentary Counsel office.

**Ms Robert:** Good afternoon. I'm Nancy Robert, research officer with the Legislative Assembly Office.

**Mr. Roth:** Good afternoon. Aaron Roth, committee clerk.

**The Chair:** I would like to note for the record the following substitution, that Ms Fir is substituting for Mr. Horner, and I would like to acknowledge MLA Martin Long from West Yellowhead, just in the back.

A few housekeeping items to address before we turn to the business at hand. Based on the recommendations from Dr. Deena Hinshaw regarding physical distancing, attendees at today's meeting are advised to leave the appropriate distance between themselves and other meeting participants. Please note that the microphones in the committee room are operated by *Hansard*. Committee proceedings

are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Pursuant to the August 24, 2020, memo from the hon. Speaker Cooper I would remind everybody that outside of those who have an exemption, those observing the proceedings of the Assembly or its committees are required to wear face coverings.

At this point I would like to have an approval of the agenda, if someone would be willing to move that. I see the deputy chair. Just reading it in for the record, moved by MLA Goehring that the agenda for the October 21, 2020, meeting of the Standing Committee on Alberta's Economic Future be adopted as distributed and revised. All in favour, please say aye. All opposed, please say no. Hearing none, the motion is carried.

Agenda item 3, approval of the minutes of July 31, 2020. We have the minutes from the July 31, 2020, meeting of the committee. Are there any errors or omissions to note?

We might just be experiencing some technical issues. We're just making sure.

Having seen no errors or omissions brought forward, would a member move that the minutes of the July 31, 2020, meeting of the Standing Committee on Alberta's Economic Future be adopted as circulated? Thank you, MLA Armstrong-Homeniuk. All in favour, please say aye. Any opposed, please say no. Seeing none, that motion is carried.

Agenda item 4. The Tourism Industry Association of Alberta is here. Hon. members, the subcommittee on committee business met on October 5, 2020, to consider a request from the Tourism Industry Association of Alberta to make a presentation to this committee. The subcommittee has recommended that the committee meet to hear from this association. Today we have with us, as introduced, Ms Alida Visbach, board chair, and Mr. Darren Reeder, board adviser with the Tourism Industry Association of Alberta.

I would now invite Ms Visbach and Mr. Reeder to make their presentation to the committee. You have up to 25 minutes.

**Ms Visbach:** Thank you, and good afternoon, Chair Neudorf and Members of the Alberta Legislative Assembly. Thank you for inviting us here today to present our call to action report on behalf of the Tourism Industry Association of Alberta. By way of background, TIAA, which is short for it – and I'm going to be using that; it's just easier – was created in October 2019 with five founding industry members, including myself. The momentum behind TIAA was twofold. We recognized that Alberta was one of the only provinces in Canada without a co-ordinated provincial tourism industry voice to advance its sector's needs, and we saw that the only way the government could realistically achieve its bold vision to create a \$20 billion tourism industry by 2030 was if industry was working in lockstep with government, a public-private sectors partnership in the true sense of the word.

It will not come as a surprise to you that our industry has suffered greatly from the impacts of COVID-19. This comes on the heels of the industry weathering the difficult recessionary effects of the energy industry over the past five years. However, there is hope that we will regain strength in this sector with the support of our partners in government and the sheer volume of natural and built resources that we have in this province. Granted, we have work to do, but we are confident that the recommendations put forward in our call to action report will result not only in a recovery from COVID-19 related challenges but will provide a path forward to achieve our collective goal of reaching that \$20 billion goal in the visitor economy by 2030.

In times like these we are certainly encouraged by the government's commitment to fiscal prudence while also ensuring a balanced

approach to reinvestment and risk taking to stabilize and grow the economy. A good example from another sector of our economy is the recent announcement on the joint funding of \$815 million for increased irrigation in our agriculture sector, with an anticipated annual return of \$360 million.

From the seat I occupy as chair and as a passionate tourism industry professional who has worked hard to elevate an understanding of all that Alberta has to share with visitors, I firmly believe that the visitor economy is a sector that is still in its infancy and presents unlimited opportunity for growth, new businesses, and new jobs if we simply set our intentions to make this a reality. We are here today to share our insights on the state of the visitor economy, to present recommendations to recover and grow the industry, and to receive your questions and feedback.

Tourism is an industry of industries. Alberta's visitor economy is literally everyone's business. It is an ecosystem of interconnected businesses that depend on one another, from transportation, public and private attractions to accommodations and amenities and service providers such as restaurants, service stations, retail, and tour operators, to name but a few. What's amazing about the visitor economy is that it's everywhere. If you're on main street in an Alberta community, you are likely near to the heart of the visitor economy and the attractions, experiences, cultural resources, and/or heritage sites that are a source of community pride. 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 natural environment.

State of tourism. Tourism is one of the hardest hit sectors. A coalition of Canada's hardest hit tourism businesses has been advocating that 2 million Canadian jobs, or 1 out of every 10 jobs in the country, are at risk because the current guidance on safety measures means some businesses can't recover their operations fully. Of the businesses most impacted, 80 per cent are small businesses. The industry was encouraged that the recent Speech from the Throne recognized the immense challenges being faced by the travel and tourism industry. We were also pleased with the government's response to our coalition's ask, which was to extend the wage subsidy until summer 2021.

Destination Canada, the country's leading marketing and research organization charged with growing and supporting the visitor economy, has been helping businesses make sense of the COVID-19 crisis. Three areas of uncertainty continue to drive their views on future demand. Health restrictions: restrictions on international and domestic mobility and travel, gatherings, including leisure and business group activities, and health insurance coverage. Economic conditions: economic lockdown implemented world-wide as initial control measures, impact on GDP, employment, government spending, and trade. And, finally, consumer sentiment: high unemployment, uncertainties on near-future income prospects, and compromised disposable income.

Tourism as an economic growth engine. At its core tourism is a green, renewable, and sustainable industry that can positively alter the condition of communities going through economic transition. Of the industry's \$8.9 billion economic contribution in 2017, \$1.2 billion flowed to government in tax revenue, of which \$592 million went to the federal government, \$387 million to the provincial government, and \$186 million to local government. The visitor economy also generated \$90 million in tourism levy receipts arising from revenues generated from overnight lodging stays.

## 12:10

Though all visitors make important economic contributions to the visitor economy, not all visitors generate the same economic impact: 83 per cent of person-visits in Alberta are made by Albertans, but Albertans contribute just 54 per cent, or \$4.8 billion, of total visitor expenditures. Canadian visitors account for 11 per cent of person-visits but contribute 22 per cent, or \$1.967 billion, of total visitor expenditures. While international visitors represent only 5 per cent of total person-visits, they contribute 24 per cent, or \$2.14 billion, of total visitor expenditures. Collectively, long-haul, domestic, and international travel account for 46 per cent of visitor spending in Alberta but just 16 per cent 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, these efforts will not be able to replace the full 46 per cent, or \$2.1 billion, of visitor spending contributed by long-haul, domestic, and international travellers. Replacing lost long-haul, domestic, and international visitor spending in Alberta will require the industry to stimulate Albertans into spending much more locally than their \$157 average spend. We will have more to say on this a little later in our presentation.

COVID-19 recovery risks, business liquidity. Research completed by McKinsey & Company and Destination Canada reveals that without government support, 61,000 tourism businesses are projected to fail, with a potential of 166 million tourism sector employees laid off. Programs like the Canada emergency wage subsidy and the Canada emergency business account have been and will continue to be important tools to save our industry. However, we're also aware, through the Tourism Industry Association of Canada, that programs like the business credit availability program haven't worked well in the tourism sector, with 43 per cent of survey respondents indicating their application had been flat out denied. TIAA also wishes to express its gratitude to the government of Alberta for its support in offering deferrals and waivers on items like corporate taxes, WCB instalments, and the Alberta tourism levy. The small and medium entrepreneur relaunch grant was also a welcome announcement to help get some tourism businesses back on their feet for the summer.

Predictable market access. Key to recovering the industry is moving forward with the adoption of rapid testing protocols and relaxing border and travel restrictions in a safe and responsible manner.

Longevity of fiscal stimulus measures. The only thing harder on businesses than being closed down or unable to operate at the level your business was designed for is not knowing what the policy intentions of government are. Many businesses are now taking it week by week, but that is not a long-term strategy. It tests both the liquidity and the personal and mental resilience of operators. In the same way that the federal government has now extended the CEWS program out into summer 2021 given its views on a slow economic recovery from COVID-19, TIAA believes that the government of Alberta should consider ways it can support the entire provincial economy to weather through until at least next summer or until such time that restrictions on borders, air travel, and social distancing requirements can be relaxed.

The viability of our airports and airlines. Air travel is key to supporting Canada's economy: attracting investment, reunifying families, facilitating personal and business travel, and moving cargo. A recent Statistics Canada report reveals that since COVID-19 appeared, overall passenger numbers on Canadian airlines are down between 90 and 97 per cent. For context, in the months that

followed the 2003 SARS outbreak and the aftermath of September 11, passenger numbers only dropped about 26 per cent and then, predictably, began to recover. At present billions of dollars in aircraft remain parked on Canadian runways. Airline recovery forecasts have not really improved since the outset of the crisis. It could be 2024 or 2025 before the industry returns to pre-COVID levels. From a tourism perspective, Alberta is extremely fortunate to have a global hub carrier in WestJet, based out of Calgary, but the pandemic has hugely impacted their and other airlines' business model, and it won't be a quick return to business as normal once the pandemic eases.

Alberta's tourism aim of a \$20 billion industry by 2030 is simply a pipe dream without the continuation of lift capacity that we have had in the pre COVID-19 business environment. Airports like Calgary are also under immense financial pressure to maintain core operations and service debt as a function of the cratered volume of passengers. Ensuing costs from this crisis such as the 30 per cent increase in Nav Can fees as of this September will ultimately be borne by the consumer. It is unfortunate that the government of Canada has not provided Nav Can any financial support, particularly when the core of its mandate is to ensure the safety of Canadians.

Intensified domestic and global competition. Alberta will not emerge from this crisis the same province, the visitor economy included. The concern, from a tourism perspective, is that we would emerge unprepared to deal with the aggressive marketing campaigns and financial incentives offered by many other markets around Canada, the U.S., and the world that will be aimed at luring more Albertans to those markets and, even worse, undermining Alberta's ability to attract world-class events, conferences, and festivals to the province. Ensuring Travel Alberta is funded appropriately has never been more important to supporting the future of our visitor economy.

I'd like to speak a bit about sector impacts. Food and beverage. Even with government support like CEWS, Restaurants Canada reports that 51 per cent of quick-service restaurants and 68 per cent of full-service restaurants are still operating at a loss and accumulating debt. There is a long road ahead to return to positive cash flow for this segment, that represents 11,000 mostly small businesses here in Alberta.

Meetings. The business events and conferences segment has been decimated, with an approximate 82 per cent drop in event revenues from 2019 levels. That the booking window for many business events and conferences can be up to five years in advance speaks to the importance of getting this sector back up and operating quickly. There is a lot of concern here about the inconsistent application of social distancing policy, where consumer and trade shows allow for higher numbers and people can be safely seated in close proximity on airplanes, yet meetings and conferences above 100 are not permitted even if social distancing measures are in place.

Accommodation. Alberta's lodging sector has and continues to suffer the consequences of COVID-19 and is already reeling from the collapse of Alberta's energy sector revenues and an oversupply of hotel rooms. In the latest data presented to the Alberta Hotel & Lodging Association by the commercial real estate experts CBRE, forward-looking forecasts for Canada's lodging sector show that there will be no net cash flow to make debt payments on interest or principal until approximately June 2021. As a part of finding a path to financial survival, some properties are looking at options such as converting to affordable housing for seniors or low-income earners.

Skiing. Thirty per cent, or approximately \$131 million, of Alberta's annual \$437 million in ski-sector revenues were lost as a result of COVID-19 and requirements to end the season early. Some ski operators with summer operations chose to remain closed over

this past summer due to operational capacities and travel restrictions.

Indigenous. Indigenous tourism faced a decline of 60 per cent in employment, or 1,763 full-time jobs, compared to 2019. As of June 22, 46 per cent of indigenous tourism businesses were closed temporarily, with 16 per cent closed permanently for the season.

Sports events. Thirty-three per cent of sport event professionals have been laid off as of the start of summer, with approximately 140,000 hotel room cancellations across Canada as a result of these cancellations.

I would now like to turn the microphone over to my colleague Darren Reeder to speak a little bit about setting the stage for our recovery.

**Mr. Reeder:** Thank you, Alida, and good afternoon again, committee members. When we talk about setting the stage for recovery, this 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. Alberta needs a holistic approach to destination management and promotion and to stimulate new activities in developing regions of our province.

**12:20**

TIAA believes the development of new regional destinations that deliver world-class, sustainable, and export-ready experiences to visitors is key to extending the average length of stay within different areas of Alberta and important to help disperse the benefits of the visitor economy more broadly throughout different regions of Alberta.

The pandemic is providing an opportunity to take meaningful steps towards embracing sustainability as a key market differentiator. If we consider our Canadian commitments to biodiversity and protecting more inland area and marine areas over the next decade and if we look to the United Nations' 17 sustainable development goals and their application to tourism and travel, there are opportunities coming out of this crisis that could help Alberta position itself as a leading innovator and provider of sustainable tourism products and experiences.

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 enhanced destinations and visitor experiences and services. Infrastructure such as signature trails, rural cellular and Internet services, utilities, wayfinding, highway rest stops, and scenic lookout points represent some of the greatest opportunities for stimulus infrastructure investment, and now, in the midst of a crisis, is a good time to be looking at those public works efforts. Alberta could strengthen opportunities for regional economic development for tourism and travel by leveraging \$100 million in federal funding commitment that has been made through the federal tourism community infrastructure fund.

If any of you have had a chance to look at our call to action report, you will have noticed there are a total of 40 recommendations. It's certainly not my intention to go through all of those today, but there are some, as we look at the depth of the crisis we're in the midst of, that we believe rise more to the top in terms of strategic priorities and the timing that they need to be considered in. Our recommendations are organized into eight thematic areas and from a short-term, medium-term, and long-term horizon, short-term being in the next six months, medium-term being the next six to 24, and long-term being the next 24 to 36 months.

With that in view, what I'd like to do is just walk you through the recommendations at a high level. There's really no supporting

detail on what we mean in those recommendations, and that's where we would hope that there would be opportunity for conversation today through question and answer. Mr. Chair, if that's acceptable to you, I will just quickly illustrate what those priorities are, and then I think that in our Q and A we would have some time to illuminate some of those.

Area 1 would be support, sustain, and fund. The aim here is to ensure the survival of Alberta's visitor economy until travel starts to return to normal. We also need to set the table for recovery and the expansion of the visitor economy. Our recommendations in this area are, firstly, to ensure fiscal stimulus supports are available on a sliding-scale basis until business levels return to 75 per cent of their pre-COVID levels. I would hope this is pretty obvious after the length of time that we've been closed down, which is for very understandable reasons. Government has had to intervene and limit the performance of the economy, but in a very similar way that it's made that social decision, economically it has a responsibility to continue to sustain and support and advance the livelihood of Canadian businesses and jobs for as long as necessary.

The next priority recommendation is to amend the Tourism Levy Act and prescribe that 100 per cent of the Alberta tourism levy will flow to Travel Alberta to support an expanded destination planning, development, management, and marketing mandate. We simply cannot grow the size of our visitor economy from \$8 billion to \$20 billion on good intentions alone. It requires investment.

The next recommendation section is open and entice. To get the visitor economy moving will require consumer confidence and incentives that remind travelers that it is safe and socially responsible and acceptable to travel. Our recommendations in this area are to incentivize the rescheduling of Alberta-based events, meetings, and conventions by introducing a \$100 Travel Alberta voucher for delegates attending events held in 2021; work with the government of Canada and others to ensure a harmonized, risk-based approach to managing interprovincial trade restrictions; and, to encourage Albertans to travel and spend within the province in 2021, create a \$200 per household tax incentive and/or credit for travel occurring at least 40 kilometres from an individual's home residence.

The next thematic area is lead and align. Greater and more formalized leadership at the regional and local levels is needed to drive the recovery, growth, and management of the visitor economy throughout the province. Our two recommendations we'd like to highlight here are the importance of developing a crossministry tourism secretariat to set the stage for the accelerated recovery, growth, and resiliency of the visitor economy, with the second being to amend the Travel Alberta Act to formally evolve the mandate of the Travel Alberta corporation from a destination marketing organization to a destination management organization.

Section 4, plan and manage. Better planning at the provincial and regional destination levels can lead to a more strategic and prioritized approach to support the \$20 billion tourism stretch goal by 2030. Our recommendations here are to develop and maintain an innovative GIS-based inventory of tourism resources to better enable trip planning, product development, and land planning and management decisions to support tourism and to ensure the interests and needs of the visitor economy are fully integrated into future provincial emergency management planning and disaster assistance programs.

Theme area 5 is invest and create. Alberta has many regions, as we know, with tourism development potential, but strategic investments in infrastructure and aligned policy and decision-making will be needed if we're going to make change. Our five recommendations in this area are to prioritize and develop new regional destinations, delivering sustainable, export-ready

experiences; to create an Alberta signature trail program; to increase capital funding to create, expand, or modernize visitor infrastructure and experiences in Alberta destination parks and recreation areas; to create an Alberta events attraction incentive program; and to introduce an Alberta tourism investor tax credit program.

Theme area 6. Public lands and provincial parks represent a strong and under-realized opportunity to grow world-class tourism experiences that motivate travel domestically but also from around the world. Our recommendation here is to modernize Alberta parks and relevant public lands legislation, regulations, and policies to support that aim.

Theme area 7 is to promote. Marketing and promotion play a hugely important role in compelling Alberta domestic and international markets to experience our province. Our recommendation is to construct domestic leisure and business travel marketing campaigns to entice Albertans and short-haul interprovincial visitors to travel and spend within our borders and to help rebuild host community confidence.

The final theme area, area 8, is to evaluate. Research, as I think we all know, drives the visitor economy, and good decisions flow from the use of timely and sound data and market intelligence. Our two recommendations here we'd like to highlight are to ensure the co-ordination and dissemination of timely research to support the recovery and growth of the visitor economy and to develop a robust visitor economy index to help support investment decisions and improve performance management at a destination level.

With those comments, Mr. Chair, I would like to turn it over to you. We would be happy to receive any questions or points of clarification that members of the committee might have.

Thank you.

**The Chair:** Fantastic. Thank you, Ms Visbach and Mr. Reeder.

We will now open the floor to questions, and I'm just going to provide some context for our committee members. I would like to suggest a bit of a back-and-forth style between the government and the opposition, with a format of predominantly one main question with one or two supplementals, a back and forth with a maximum of approximately 10 minutes so that we may ensure that everybody has fair access to that.

If that's agreeable to everyone, I would like to open the floor for perhaps between 40 and 50 minutes of questions, beginning with our opposition committee members if they would like to start. Deputy Chair.

**Ms Goehring:** Thank you. I'd like to thank you, both, very much for the presentation. I had an opportunity to review it before coming today, and I think that it's a robust presentation, and it's very much appreciated.

I'm looking at this from the culture perspective. I know that our arts and culture community is also hit hugely by tourism, and unfortunately the lack of those festivals and sporting events and all of that is impacting travel within the province. I heard you mention sporting events and festivals. I'm curious if there's been a strategy to work with the culture and arts sectors – I didn't see them highlighted in the sectors impacted – to try and work together to create a better travel industry. I think that's what draws people to the province, so seeing them engaged in the strategy with you is something that I would see as being very important. I'm just curious what the strategy of your organization has been to date.

**12:30**

**Mr. Reeder:** Thank you for the question, and that's an excellent question. We, I think, when looking at various strategies going



forward, have said that we need to look at the visitor economy for the size it is. There's not a one-size-fits-all approach that's going to work, so we have a supporting dimension to who we are. We have heritage and culture. We have nature-based sport activities. We have culinary. And we've said that we really need to get prescriptive about those types of strategies that we want to employ in the regions of the province that can best support that. I appreciate that we didn't really illuminate that in the presentation today, but know that inside the report we were definitely trying to look at all the dimensions that support culture, tourism, sport recreation, and say that we need to be sector- and region-specific to know what we're trying to build and what we're trying to encourage more of.

**Ms Goehring:** Perfect. Thank you.

A follow-up if I may.

**The Chair:** Yes.

**Ms Goehring:** I think that when we look at encouraging Albertans to travel Alberta, we need to encourage the beautiful landscape and things that we offer right now. I know that through my summer we really spent a lot of time as a family going throughout the province and exploring. Unfortunately, there are so many organizations that have been closed. When you look at some of the activities that you could experience as an Albertan: the museum in Banff was closed due to COVID, the train that has a robbery on it was closed, those little theatre groups are not available. So when we're looking at supporting Albertans to travel – I love the local incentives – what kinds of strategies are you doing to work with those beautiful culture, arts programs that we currently have that are not able to thrive? They're closing their doors.

**Mr. Reeder:** I think the starting point, if I may, is ensuring that there's business liquidity. To the examples you gave of some of those businesses that were not open, some of those are choices about operational capacity or a health assessment risk that those organizations have chosen to make. But the underlying conditions, aside from health guidance and social distancing requirements, are business liquidity related.

A big concern we of course have as we go into the fall is that most tourism businesses have made the majority of the income that they're going to for the year. For those unfamiliar with this industry, anywhere from two-thirds to three-quarters of annual income is booked from the months of May through October. So even in a good year that's the cash store shed that people fill up in the hope that they will be able to survive the winter months and return next summer. So those that are idling or not open are at risk for a whole number of reasons. When we talk about the survivability of our industry, I would ask you to think of tourism as Main Street, Alberta, and the visitor economy as main street small and medium-sized businesses. Those are the ones that are struggling right now.

I think as we look to next summer and recovery, it's going to be a desperate and competitive field of business. And as provincial and international borders begin to reopen, we're going to have to have our A game ready to go. We're going to have to enter a more competitive, determined innovator in product development and be prepared to invest in that area.

I hope that at least in part answers the question. But I would say that it really comes back to starting with assurance of policy, certainty of policy, and business liquidity.

**Ms Goehring:** Thank you very much.

Thank you, Mr. Chair.

**The Chair:** There are approximately five minutes – but again that was a maximum time – if anyone else has a follow-up question. Otherwise, we will go back and forth.

**Mr. Bilous:** Yeah. Sure, Mr. Chair. I'll happily take the few minutes. I just want to echo MLA Goehring's initial comments. Thank you for joining us today and presenting to this committee. I appreciate that you folks have come with the challenges, very succinctly articulated, that the tourism industry is facing in Alberta, but you've also come with a suite of proposals, which I think is absolutely critical, and my hope is that the ears of government are listening to how to support the tourism industry. I mean, as you folks know, you're absolutely critical to our economy and also to the well-being and livelihood of Albertans and Canadians, for that matter.

Now, you touched on rapid COVID testing, and I just want to ask a bit of a question and make a comment. That rapid testing, I believe, is absolutely critical to opening borders and to flights and to welcoming international tourism or tourists here. I'm sure that you saw this morning's announcement that the EU is now closing its border to Canadian travellers because of our numbers of COVID. So we need to absolutely manage that. You know, the comment is really around that it's absolutely critical to the tourism sector that we very, very quickly work to manage our COVID numbers. Now, with that border being closed to Canadians, my question to you folks is: which markets should we be targeting right now, and what are the time frames on those markets?

**Ms Visbach:** That's a very good question. I think part of the challenge that we're facing here in Alberta, which many jurisdictions within the country are also facing, is that there are inconsistencies in the quarantining, self-isolation requirements. If you go to the Atlantic bubble – and I can speak of that from personal experience – it's a two-week quarantine period. We don't necessarily have this here.

I mean, obviously, we feel that we need to promote first to within our borders, and that's part of our recommendation. Really, the lowest hanging fruit in our mind is the Canadian market, but there are so many inconsistencies from jurisdiction to jurisdiction on what requirements there are on the travel restrictions, the distancing. It's not a cohesive exercise across the country. That is one of the challenges. We need leadership in that. We need that here in Alberta. Perhaps we can lead in that in order to show that if there is rapid testing, how we can reduce some of these restrictions so there's consistency across the country so we can welcome Canadians here.

As a transplanted east coaster I see that Alberta has huge potential to be able to attract Canadians. We have a very unique product, we have a very unique culture here, and we just need to get Canadians into our province but make it safe and responsible for them. I think the fear is the inconsistency.

Please, feel free to add.

**Mr. Reeder:** No. I think you've covered it well. Thank you very much.

If I may just to supplement, though, to that, I mean, I think that as we look at short-term markets, clearly our own backyard has never been more important for very obvious reasons, but as Ms Visbach has illustrated, Albertans on average spend \$157 a visit. As they leave our province and go elsewhere, they spend much more generously, and when they go international, they spend like international tourists. In the absence of international tourists we need Albertans to spend at a 10 and 11 to 1 ratio.

This is why we're really, I'm going to suggest, imploring the government to consider the need for additional fiscal stimulus in the form of a travel voucher or credit system as we go into the winter

months. For reasons that I've said, this is not a high-demand time of year, and we do need Albertans to start to think of their home province as maybe a once-in-a-lifetime experience to experience in ways they never have before. We want people to consider this not as a way to do it on an inexpensive approach for the weekend but to spend generously, understanding that by doing that, they're also supporting the Alberta economy coming back to life, supporting Alberta communities and Alberta jobs.

We really think there's an opportunity here to ensure the survival rate of the SME sector through to next spring and to unlock – and I want to make this point – the \$7.4 billion that is spent by Albertans on extraprovincial and international travel each year. Those are trapped dollars. Those are intentions to spend dollars in the future that aren't going to get spent this winter. We have an opportunity, if we incentivize people to think differently, to unlock those dollars. I'm suggesting there's an economic opportunity here, and it's incredibly timely that we make some decisions.

**Mr. Bilous:** Darren, if I can jump back in here; I think I only have a few seconds left. When it comes back around, I'd love to hear, when we're talking international markets, the medium- and long-term strategies. I appreciate that right now we're dealing with COVID, but we do need to keep our eye to the future of: which markets are we pursuing when international travel opens back up? The other thing is that it may be beneficial for our colleagues to hear about – I know that other jurisdictions have used those types of vouchers, other jurisdictions within Canada but also internationally, and how that's worked to stimulate or incentivize, in our case, Albertans to spend their dollars here at home through things like travel vouchers.

**The Chair:** Perfect timing. That's about one second left. If only we could stimulate the weather to be warmer so we could swim in those wonderful lakes that we have.

Government side, would someone like to ask some questions? Ms Rosin.

**Ms Rosin:** Thank you, Chair. Well, thank you guys so much for being here today. Mr. Reeder, from one Bow Valley representative to another, we both know how incredibly important tourism and hospitality is to our communities, so I'm really grateful to have you as a representative on TIAA. I think it's great to have your voice here, and you as well, Alida.

12:40

I wanted to talk about the current regulatory environment we find ourselves in with relation to tourism. As you mentioned in your presentation, tourism and hospitality contribute over 1.8 million jobs in Canada, and I think the number is about 70,000 in Alberta. If you look at visitor numbers, I believe that Banff alone welcomed 4.2 million tourists just last year. We know that this is incredibly important to our communities; 89 per cent of our GDP now is comprised of tourism out in our neck of the woods.

I'm wondering if you have any recommendations for how the government can help tourism and hospitality in the immediate near future without stimulus, so kind of more looking at the regulatory framework. Obviously, borders opening is a conversation that needs to be had, but that's more at the federal level than it is provincial. I'm curious if you guys have any recommendations for what we could do on a regulatory framework, whether that's going down to one metre of distancing to allow more capacity at restaurants, bars, or events, whether that is easing or even just streamlining capacity limits, since there seems to be some overlap between events that can be held, you know, in a building, whereas if the event is a wedding or a funeral, those guidelines change

suddenly. I'm just curious if you have any recommendations on what regulatory changes we could make to help you guys without the need for fiscal stimulus.

**Mr. Reeder:** If I may start – and thank you – both really good points. I think that on the immediate and what we could do with distancing, absolutely. We're going into a challenging time of year, as already has been stated, and today is a foreshadowing of how much colder it's going to get. People are not going to queue outside of restaurants in the winter months, right? In the summer they were prepared to do that for 40 minutes to get in. They're not going to do that when it gets to be 20 below with a wind chill. Restaurants don't have the benefit of patio operations to extend the season and to give them additional opportunities to distance people. It's going to have to go back indoors.

In the same way that – and I think Alida had raised it earlier – we have been able to safely put people to larger capacity limits on airplanes, we need to look at equally socially distanced, responsible ways of allowing more people to be seated at restaurants and in convention rooms. It has to be done in a manner that is following health guidance and, I think, our health data, but it can be and it should be done. I think that's in response to that question. Yes; if we can distance to a lesser degree, that would be important. Canada, I think, is one of two countries that has a two-metre requirement. I know that many other countries are following a one-metre guidance, and I think that is World Health Organization guidance, that one metre is sufficient. That would do a great deal if you think of the average restaurant footprint that is hugely distanced right now, to assist with operational liquidity during the winter months.

On land regulation – maybe I'll try to answer that quicker. That is a really complex answer, but I think the government making some decisions to extend the tenure of lease to 60 years was great. It's symbolic of a commitment to support tourism investment, but we still have all sorts of disconnects in our land-use policy that do not create certainty of path for investors or an easy way to navigate the process of making an investment decision. I mean, I have examples of that that I'd be happy to share.

But we need to get serious. If we're in the business of building tourism product, we need to break down the regulatory barriers and probably put a ministry like Jobs, Economy and Innovation in charge of providing an investor concierge-type service. So we assist people from conception through to delivery of product so they're not left in the wonderland of: is government committed to supporting this? I've heard horror stories about the picking up of investment leaving the province from project proponents that just get exhausted trying. That's unacceptable, especially in these times.

Thank you.

**Ms Rosin:** Thank you. I have one more follow-up before I pass it on. Until the border is fully reopened – and we've talked about this a bit already today, the need to capitalize on Albertans and bringing Albertans to experience our own province. You know, communities like ours – Banff, Canmore, Lake Louise – we've always been very fortunate in that while other places around the world have tourism economies rooted in man-made attractions, we've got the God-given beauty that has really made us quite resilient against previous market downturns and economic downturns across the province and country. We've been fortunate the last few years to sustain and remain resilient, but now suddenly we've hit our crash, and the borders are closed, and we're scrambling a little bit.

We've talked about how, on average, international tourists spend 7.5 times that which Albertans spend in their own province, and we've talked a bit already about the potential voucher you're recommending for the government to implement. I think areas such

as Italy and other areas in Europe have done similar vouchers, whether that's paying for food and beverage tabs at restaurants, and I think Italy was paying 50 per cent of flights for people to come and visit over the summer.

I'm curious to hear what other recommendations you have either from the government or ideas that you would encourage industry to implement themselves that we could start to push for or promote to help kind of capture and incentivize that spend from Albertans in their own province, that they start treating vacations in Alberta the same way they would treat a vacation to Asia or Europe. It's very easy, especially given that we're only an hour from Calgary, to just zip out, go for a hike or a mountain bike, grab a Tim Hortons coffee on the way back, and not spend in the beautiful areas we get to call home. Aside from a voucher system, I'm curious if there are any ideas you would recommend or encourage industry to adopt themselves to help encourage a visitor spend within Alberta or if there are any other ideas you have for the government.

**Mr. Reeder:** Again, another great question. Thank you. I think it's really incumbent on the different regions and destinations in the province to think about Albertans in a new way. We've been very good, I think, at fine-tuning the value proposition for the international audience, but how do you speak to an Albertan in your home corridor or encourage someone from the northeast to go into the southeast for a long weekend? I do think commitments like a travel credit or a voucher will electrify industry's response and thought process around how they will bundle that and work more collaboratively in a region to get people into the region. As I think we know, the power of tourism is when someone comes in for not a night, but they end up spending two or three nights. It leaves more dollars sprinkled within the connective region. Those are the opportunities before us this winter season. I think a tax credit or voucher stimulates that creative thinking, but it's going to start with a policy commitment and some real dollars to get business moving. I would almost lay money on the fact that people will respond quickly if they see a government leading with that commitment.

**Ms Rosin:** I have one final follow-up question, and you actually may not have the answer to this. I'm just curious. As you probably are very well aware, Travel Alberta launched their Worth the Wait campaign this summer, which was all about convincing Albertans to stay in our province – it was worth the wait to travel internationally – to travel at home instead. I'm just curious. From your perspective as industry, how has that campaign been effective? Have you seen Albertans spending more in our province as a result of that campaign, or do you think there would be room to maybe shift that message to encourage Albertans to spend more while they're staying? I'm just curious if you have any perspective on how that campaign has gone over for the summer from a ministry perspective.

**Ms Visbach:** All I can say is that anecdotally, as a spender myself and not having been able to go on the trips that I was supposed to do, having retired just this year, I find that there are pockets of success around Albertans spending – I experienced that in your hometown, in Banff; very busy – but a different kind of consumer and a different kind of spend.

I think what we need to do – Darren alluded to it earlier. Albertans are spending \$7.4 billion on sun and sand destinations, et cetera, on an annual basis. They don't look at going from Calgary to Banff as a similar type of thing. They don't stay for the three or four days. What we need to do is change that mindset. How to do that is with aggressive campaigns and incentivizing and working with all of the regions of the province to be able to share that business around because we do have an embarrassment of riches

when it comes to experiences here. Not that we don't need more, but Albertans haven't seen their own province.

I can't speak to whether or not the Travel Alberta campaign was successful. I mean, I would have to see the statistics, and I am sure that they are tracking that response. As an Albertan and consumer I'm not sure it did a whole lot to me other than say that, well, we're temporarily closed, and we're worth the wait. I'm not sure if that was targeted at Albertans. I suspect it was targeted at somebody else. If it was targeted at Albertans – am I allowed to say that? – I don't think it was very successful. That's just me talking, having been in the industry for 40 years.

**Ms Rosin:** I appreciate your candid response.

Those are all my questions. I'll pass it off. I'm not sure if there are more. How much time is left?

**The Chair:** There are about 30 seconds left, so I'll leave it up to the government whether they just let the opposition take their turn.

**Mr. Gotfried:** I'll just preface my questions later. I think what we've heard here very much is that tourism is an export and that the money we spend overseas is an import. Some of the questions that I'll follow with will highlight why we need to do some import replacement. I'll be interested in some of your thoughts on that as we go forward now that I'm at the end of my time.

**The Chair:** Wonderful. Again within seconds.

An opposition committee member? Mr. Dang.

**Mr. Dang:** Thank you, Mr. Chair. Thank you for your presentation today. I think it's really good that you brought some different recommendations to us. I have a particular interest in some of the aspects you were talking about around how to incentivize more Albertans to get involved. I think you've made it very clear to this committee that you believe there needs to be some sort of stimulus or injection to help support the industry. I guess I'm looking for some interest on how you think it might be best implemented or logistics around that.

12:50

I mean, in your presentation you talked a little bit about a \$200 travel credit for people travelling. Would you envision that to be, like, a tax-refundable travel credit or a deductible or Travel Alberta bucks or something that you could go spend at a hotel or a restaurant? What's the method that you think is actually most effective to get people travelling and spending within their own province?

I think – on top of that, do you sort of have a perspective on: is there a replacement for that? I mean, I think that very clearly the unemployment rate in Alberta right now is in the double digits, right? People are having trouble in many cases even paying their own bills, so if we're going to be trying to incentivize people to spend within the province, do we have any other options, or is basically some sort of government support required?

**Mr. Reeder:** Certainly, from our report we are recommending that there be government support, a real financial commitment in this. Again, we're trying to recover an \$8.9 billion industry. Even at present with the amount that's spent annually on marketing for Travel Alberta, I think it works out to about four-tenths of 1 per cent of the value of that economic engine. I guess I would start with the supposition: is that enough? Is that enough in any industry to sustain its well-being, let alone set it on a path to growth?

I would say that that serves as guidance, but as it relates to vouchers, there are so many approaches right now by different parts

of the world, and I don't think we have enough insight yet on the data that they've seen from those efforts to know what's going to be most successful.

But I would suggest that we don't have the luxury of time to think about this and mull the effects of what other markets have done and think about what might be the right approach next spring. There will be a cataclysmic failure of many more businesses by then, so we have to, as the old adage goes, Fire, Aim, Ready. I'm not suggesting that as a licence for reckless spending as much as it is to say: if you have a potential \$100 million commitment to fiscal stimulus in the form of travel incentives and vouchers, you have to believe that, paired with good marketing campaigns that are strategic, that have some value attached to them by those regions that are calling people to come in, you're going to get a multiple economic return on those dollars.

I've heard as of I think the last week that the Ontario provincial government is looking seriously at the encouragement of their tourism industry and a travel credit program. New Brunswick, for those of you that are familiar, did lead with a program earlier this summer. I can't confirm this officially, but I had heard from a colleague out east that they'd renewed or extended that program. All of that against the backdrop of – again, dollars that Albertans have that could be really helpful circulating in our home economy right now would not only address this historical challenge of economic leakage out of the province, but it would do a lot to support and recover our economy if we unlock some of those trapped dollars.

**Mr. Dang:** Just a quick follow-up before I pass it on to my colleague here. I guess, just to be very clear, there is no replacement for government stimulus right now? We need a stimulus package, I guess.

**Mr. Reeder:** We're suggesting that, you know, fiscal stimulus and the commitment of supporting operational costs is a known and committed area of governance. They realize they're in that business now for some time. We're suggesting that fiscal stimulus also needs to come in the form of compelling consumers and changing the mindset to go, "I can," not for all but for those that can risk and do have that ability to spend within their own province. We need to move in, we need to lean in with this idea that it is the right thing to do to support the recovery of our Alberta economy.

**Mr. Dang:** Thank you.

**The Chair:** You have five minutes, 40 seconds.

**Ms Goehring:** Mr. Chair.

**The Chair:** Oh, yes. Go ahead, Deputy.

**Ms Goehring:** Thank you very much. I'd just like to circle back to the arts, culture, music industry. We talked about summer and spring festivals, but we know that because of the province that we live in, we have many winter festivals that occur all across the province. I'm curious if there's been a marketing strategy to enhance Albertans and perhaps Canadians to come and participate in some of those winter festivals that happen.

**Mr. Reeder:** I really can't speak to that. I'm sorry. I don't have enough information. I know from where we sit today, as we talk about bringing events back, there is no clear indication of when those might be possible, but if we look at provinces that know that they're in the event business, have incentivized it well, attract people from across the country to do it, I'd look no further than

Quebec. From a winter and a summer festival perspective, they know they're in that business, and they have a long history of financial commitment in this area.

I think there's a lot we can learn from looking at markets like that, so we're suggesting even in the report summary we have here that, whether we're trying to bring back meetings and conventions to Alberta, the competitive landscape is going to be much more difficult to navigate in the future, and we're going to need to create a reason to bring those people here. To give a delegate travel voucher or a travel credit is going to be key to getting them here.

If we talk about bringing events back on stream, I mean, some of the overhead costs of trying to run events are going to become exponentially more expensive as we go forward. Commercial insurance risk: I'm not sure if we will get into that today, but a fast and evolving area of concern is some people not being able to get insurance or premiums doubling or tripling. I'm hearing these stories daily now. We're going to need to look at those factors, but we're also going to need to look at what kinds of incentives we put in market to both build capacity in the areas of new cultural and culinary and sport events and to incentivize those that have produced them in the past to again risk trying to produce those, knowing that the odds are really stacked against them in the foreseeable future.

**Ms Goehring:** Thank you.

I'll hand it over to Mr. Bilous.

**Mr. Bilous:** Sure. How much time do I have left, Mr. Chair?

**The Chair:** Three minutes, 20.

**Mr. Bilous:** Excellent. I do have quite a few questions, but I would like to, for the duration of the time, anyway, from our side – I think it's critical to talk about the immediate need, you know, the pandemic-induced crisis that our tourism sector is facing, but I think it's equally important to look beyond that, talk about what is our mid- to long-term strategy, whether it's to promote Alberta as a winter destination, to promote Alberta within Canada. We've talked about Albertans, which I appreciate. I'd like to talk a little bit about: how are we working with Canadian partners to promote Alberta as a tourism destination? I know that you're not from Travel Alberta, but I'm curious to know what work both TIAA is doing on the Canadian front to promote our province but also: what more could we be doing to attract those visitors, especially from our neighbouring provinces, to Alberta?

**Mr. Reeder:** I thank you for your question. I think you kind of prefaced it by saying that you know we're not Travel Alberta. It would be difficult to step into that landscape and speak on their behalf, so I would really choose not to.

I do think this commitment to work across the country, work at a national level has never been more important. I know from the partner relationships we have in the Rocky Mountains and elsewhere in the province that we have a very close alignment with Travel Alberta and Travel Alberta's relationship with Destination Canada, so leading with brand and those signature and iconic experiences is going to be key to getting people moving back around within Canada.

Certainly, as we come back – I mean, I illustrated it earlier, the principle of sustainability. I think that's a lot of what Alberta has in spades. The backdrop of a lot of what we present to the world is these nature-based experiences, these wide open space experiences. How we embolden that approach to marketing our natural assets is really going to be key in future strategies aligned with Travel Alberta and with Destination Canada.

**Mr. Bilous:** Do you folks work with other entities, though, outside of the province, or do you leave that completely to Travel Alberta and you're only focused within the province?

**Ms Visbach:** The Tourism Industry Association of Alberta is not a marketing entity per se. We are an advocacy group that represents various interests. Our membership comprises numerous other associations, be it the Outfitters Association, the Alberta Hotel & Lodging Association. They are members of the organization. Our job, we believe, is to work with government and with the industry to make sure that we are consistent in the direction that we are recommending going forward and that it works for all of our members, which thus will work for all Albertans when it comes to the visitor economy.

The call to action report is fairly exhaustive in terms of immediate, medium-term, and long-term strategies to be able to position Alberta as a world-class destination, which we believe it already is, but a way to market it. Some of the recommendations in that very large report do include revisiting the Travel Alberta mandate and looking at the act and making changes so it's more fulsome and encompassing.

As Darren already alluded to, Travel Alberta works very closely with Destination Canada. They do co-operative advertising campaigns. We need to continue to do that and leverage that. We recognize that we don't have an infinite pot of money here in Alberta. We need to work smarter and work with partnerships. I know that that's happening at the Travel Alberta level, but we . . .

1:00

**The Chair:** I hate to interrupt. Sorry.

**Ms Visbach:** Sorry.

**The Chair:** That concludes that time set. I gave you a few extra seconds to wrap up the thought.

We have done two sets of 10 minutes for the opposition. We'll do one more set, 10 minutes, for the government side. I'd like to propose two additional sets of five minutes each if there are additional questions from the opposition. I think we are having a good discussion and would like to make sure that we maximize that time.

The government side. Mr. Gotfried, please go ahead, with 10 minutes.

**Mr. Gotfried:** Thank you, Chair. I'd like to just preface my comments by saying thank you to you and your partners, your members for their creativity, innovation, and resilience during this very difficult period. Make no mistake; this is a crisis for the industry. I was in the industry and lived through 9/11 and SARS and various other things, and those do not compare to what you're facing today. So I'd like to thank you and also recognize all those employees who have lost their employment in the industry, which I'm sure is in the thousands if not greater, which is something that we all need to be cognizant of. You know, of course, this is an issue and a problem for all Albertans to face because tourism is important to all of us. It lives in every community that we represent.

I just have a few questions with respect to, you know, our conversation around the expenditure and the focusing on the greatest opportunity, which I think is to get Albertans travelling more, to then go to broader Canadian markets and short-haul, I guess, rubber-tire trade, those who can drive to destinations, but also the short-haul air markets within Canada, that you referenced as well.

You know, I think, again, that we need to build those experiences that will attract those people. I believe that the industry has that creativity and innovation to do that. However, I would like you to

comment on what the strategy is. Have you taken that next step in terms of putting a strategy in place, in co-operation with Travel Alberta and the other destination management organizations, to ensure success of a voucher system or what I think may be an end-of-year Alberta tax credit system that you're proposing?

**Mr. Reeder:** Thank you for the question. We've not yet had any real engaged discussions with Travel Alberta on this topic. I really do believe it starts with some tipping of the hat by the government, that there are dollars willing to commit to this. I think that would lead to a very quick assembly of what the program details might look like, but it's hard to go too far down a path of constructing opportunities without knowing that this is the business we're in.

I would agree with you. I think that for the time of year we're getting into, the potential of a travel credit tied with one's year-end tax filing would put a lens on: do I want to do some travel in January, February? That might not necessarily be quick enough if we're thinking about this fall season and trying to incentivize some Christmas-related travel. It doesn't have to be an either/or; perhaps it's a combination of voucher and travel credit.

I would also suggest that these aren't necessarily short-term measures, right? This might get us through until spring if we had a stimulus program in place. We might need something for next summer as well. So travel credits, I think, have less attractiveness if I think of it as a tax filer, the further out I am from my year-end considerations. Again, a ski trip planned for February: you've got my attention with a travel credit, but a voucher would really help right now because it would allow me to consider anywhere in Alberta and the call to action that those communities are presenting.

**Mr. Gotfried:** In the interest of time, maybe you could share some other examples around the globe where vouchers or incentive systems have been done, and maybe share that with the committee after this meeting if I could ask you that.

With respect to the tourism levy and, you know, where there has been obviously a very deep impact, the tourism levy is only as good as the number of people that actually are paying it, which is deeply impacted through COVID-19. Obviously, we hope that to recover. Can you tell us why this allocation of a levy is so important to the sector's survival, I think first, and the recovery plan and why you believe that that levy deserves to be directed to Travel Alberta to work with you and other partners?

**Ms Visbach:** I have quite an opinion on that, so I'm going to share that with you. Being an industry member and having been here in Alberta for the last 15 years running Heritage Park, I think that I have watched the funding to Travel Alberta deteriorate over the years. I know that the levy pre-COVID, in 2019, generated \$90 million. I know that of that amount, \$38 million went to Travel Alberta. To give you a field of reference on that, the city of Vancouver has \$65 million to spend. The city of Vancouver. The city of Las Vegas spends \$155 million. The city. I realize that we're not exactly comparing apples to oranges, but if we really are serious about not just recovery of this industry from COVID but, in fact, to grow this based on the 10-year strategy that is, I hope, to be soon released, working hand in hand with Travel Alberta, there has to be more investment. Goodwill is not the only thing – that is not the thing that's going to make this succeed. I believe it's an achievable goal but not without both industry and government working together and a serious investment; \$38 million is not going to cut it.

**Mr. Gotfried:** Okay. Just as a clarification, you referenced some indexing of that to maybe past averages or historical numbers to ensure that there is adequate funding to get us not only through the

survival phase but the recovery phase. Is that part of what you're advocating for as well?

**Mr. Reeder:** Absolutely. You know what? As the industry grows, there should be a commensurate investment in supporting its expanded growth. I think, as Ms Visbach has said, you know, the original intention of what those dollars were meant for has been frittered away. I understand some of the fiscal lens through which those decisions were made, but if we're serious about building an industry, we can't get there through good intention; we have to invest in it.

**Mr. Gotfried:** I've got one other question, but I just also want to make a comment. I mean, we're seeing globally the decimation of the industry – the airline industry, airports, et cetera, the operators, the assets, the operations – and we're seeing around the globe government support at many levels. I know there's great risk in putting ourselves at a very serious disadvantage. Most of us, you know, on the conservative side don't always advocate for these types of supports. However, when we're competing directly against jurisdictions that are pumping their own government and federal dollars into it – we talked about Singapore, I know, previously, that one little island has a voucher program and also has an airline that is essentially owned by the government, et cetera, et cetera. I know that those are big challenges we have to face if we want to have the connectivity and the assets to sell in the future, let alone in the survival phase we're through.

I know that one of the things you referenced here was a liability challenge as well. I know that in some of my work in the seniors field as well they're facing a similar one, where it's a 200, 300, 400, 500 per cent increase in COVID-related insurance. Maybe you can just give us a little bit more information on what you're seeing, I mean, the anecdotal stories of what's happening to some of your operators in terms of that liability risk that they're facing, in terms of increased costs at a time when they have almost no revenue and what you think some of the solutions to that are.

**Mr. Reeder:** A very important and timely question. Thank you very much. It seems to be a conversation this week that has grown in wildfire proportions, the number of people experiencing insurance declinations or statements that their commercial policy could increase 100 to 300 per cent. These are business-ending value decisions, when we talk about that kind of cost structure.

I do understand that the government of Ontario is now looking at some potential indemnification of businesses from civil liability to the extent that their commercial operator won't insure or put such fences around what they will and won't insure from a commercial risk perspective. I think this is something that the Alberta government is going to need to pay some very fast attention to, that business liquidity is going to be further stretched as we go into this fall and people are up for insurance renewal and unable to insure the risks. I mean, clearly, you might find a way to make the dollars work to get you to the end of the month, but if no one is willing to write the policy, you're done immediately.

**Mr. Gotfried:** Thank you.

You know, again, I want to just reiterate that this is a crisis for the industry, broad, full spectrum, from the airlines to the operators to our local hospitality industry operators, that are the backbone of some of our rural tourism. So thank you for that.

With that, I'd like to pass my time over to MLA Reid.

**Mr. Reid:** Thank you, and thank you for your presentation today. I appreciate your advocacy. I relate wholeheartedly. About 10 years ago I worked for a little Canadian airline based out of Calgary, and

I've seen lots of my co-workers make their announcements about careers that have come to an end. My wife and I have made our living off quick service and hospitality the last 10 years, so we understand it first-hand and understand the breadth of the crisis.

You're exactly right in terms of revenues to get our businesses through the winter. I toured several operators in my riding this summer who had a phenomenal June, July, and August, but we are talking about a different spend, and they are facing a very real crisis in terms of just surviving the winter to be able to get back to what is, hopefully, a prosperous summer season for them again.

**1:10**

We did outline in our Alberta recovery plan that new products and emphasis on tourism are absolutely essential, and I think it's an important part of diversifying our economy.

Speaking about the immediate, new experiences, new products, I saw some creative things happen with my tour operators this summer as they adapted to the changes. I think a lot of them are willing to look at new challenges, to even look at a winter season, where they may not have operated in that space before. Can you maybe tell me what kind of trends or . . .

**The Chair:** I hate to interrupt, but we have a very short time frame.

I will give four minutes and then come back for four minutes, just to finish up. Mr. Bilous.

**Mr. Bilous:** Great. Thank you very much. I'll start with, again, immediate, and then I would love to spend just a couple of minutes again on the medium to long term. I know that it's critical for government support today to ensure that we don't continue to lose businesses and lose jobs and permanently affect our tourism industry. You know, government response is critical. I can tell you at the outset that I'm disappointed with the federal government's lack of leadership on this file, supporting our airports as economic drivers, supporting the tourism sector. So my hope is that the provincial government will step up and really step in.

I mean, to start my comment, you know, I think it's important to draw a distinction between corporate tax cuts. I think you folks would agree that even though we've reduced our corporate tax rate, that is not helping these struggling businesses that simply aren't producing revenue. So what we need, as you've indicated, are these either tax credits or travel vouchers that will get Albertans spending money within the province.

Now, the question I wanted to ask is: I recognize that Travel Alberta is a separate entity and that there are a number of local destination marketing groups, including federal agencies and tourism bodies like Destination Canada. You know, from previous comments I'm just wondering if a more collective approach and strategy would help to amplify not only your voices but to really have a Team Alberta approach to promoting and supporting a tourism sector.

**Mr. Reeder:** I think you're a hundred per cent right. I mean, as we come back, as I illustrated earlier, we're going to come back as an international tourism destination. As a destination we're going to have to collaborate and find a way to present the best of and access to the best of in a way we've never done before. There are going to be some very hungry markets that want that same business. So we're going to have to innovate. We're going to have to lead with what we believe are our best signature experiences that people are going to identify with and market them aggressively; that is, of course, as soon as we can do that. I mean, in the short term we're still consumed – I mean, I want to. I want to have those discussions. I know that my industry partners want to have those discussions about the recovery. But we're still in a survival state, so it's very

much about the strategies we can employ to unlock the dollars that are within our markets that are possible for the next tourism season.

**Mr. Bilous:** Right.

**The Chair:** You have a minute and 15 seconds.

**Mr. Bilous:** Oh, great. Can I ask: what steps or strategy do you have to work more closely with entities like Travel Alberta, who I know work with Destination Canada? Of course, Travel Alberta and Destination Canada: that relationship is critical because it's Destination Canada that decides which jurisdictions within Canada it markets internationally. But, again, if we're looking at how we can amplify our voice, you know, can you talk a little bit about the work that you do within Alberta with other tourism entities in order to promote not only the province but – what relationship do you have? I know that you speak on behalf of all of Alberta, so what work are you doing specifically with municipalities or regions within the province to help market?

**Ms Visbach:** Our board is comprised of 11 sector representatives, one of which is destination marketing organizations. So we are very aware of the voice that the DMOs have at the table.

**The Chair:** Sorry to interrupt. We just have a little bit of business to do, so I have to be very careful on the time frames right in here.

Mr. Reid, if you'd like to finish or allow Ms Visbach to finish answering that question.

**Mr. Reid:** Sure.

If you want to go ahead and finish up with the DMOs, I've got some great ones up in my area, so I'd like to hear . . .

**Ms Visbach:** Sure. We are working very closely with the DMOs through TIAA. But just to be clear, we aren't a marketing organization although we do work with Travel Alberta, and we are very much looking forward to working with the new president and CEO, that we anticipate will be announced very shortly.

We also looked forward to activating the 10-year strategy on tourism because most of us have worked on that strategy collaboratively with Travel Alberta and various entities and all the DMOs in the province. We need to start moving forward on that. The 10-year strategy is a long-term strategy, but it ties in very well with our report, which is the call to action, and I think that between both of those, if we can activate those two studies and those reports, we'll be a long way ahead. That's how I see our role as TIAA, advocating to move forward with those recommendations and make them real, because right now they're words on paper. We need to activate them.

To answer your question, we do work very closely with the DMOs, be they large ones in Edmonton or Calgary or Lethbridge or in the smaller communities, and there are a lot of them in this province. But we need to co-ordinate those efforts into one central voice that works with Travel Alberta and with the government. There are basically three entities.

**Mr. Bilous:** Thank you.

**The Chair:** You have about one minute, Mr. Reid.

**Mr. Reid:** Just to follow up where I left off, again thinking of the urgency of the coming months for survivability for the industry. Over the summer we worked with government to improve opportunities for restaurants to expand patio capacity or find new ways to deal. We

worked with Environment and Parks to change some regs for the outfitters to be able to deal with some of their draws. What are some potential regulations that you could see that may need to be addressed by government to help industry be nimble, to maybe create new opportunities this winter, again, to create cash flow to get them through to next spring and summer? Any ideas or thoughts from the industry?

**Mr. Reeder:** Yeah. This might be more of the long tail on the question you're asking, but we have all sorts of policy impediments. I think a starting point would be the one recommendation I shared, which is that we need a whole-of-government approach to building this industry, so the notion of a tourism secretariat that spans the policy capacity and deputy ministers of different ministries that connect to what we can do.

But I would say that in practical terms we need to determine that we want to be in this business of tourism product development. Let's be really clear. We're not going to get anywhere close to \$20 billion if we don't have a lens on building new, shiny objects in this province. I will give you the personal illustration of the fact that, living in the mountains, I love to mountain bike, but it is shameful – and I use the word intentionally – that I have to go to British Columbia and leave dollars in British Columbia, that has multiple biking resorts because they understand the business they're in. We have all sorts of people that leave this province for that reason. We have land-use impediments.

**The Chair:** Thank you. Sorry to interrupt, Mr. Reeder.

We do have some business to finish within the next three minutes, so I would very much like to thank Ms Visbach and Mr. Reeder for meeting with the committee today and for your presentation. I think we've taken this to the extent of what we have time for today. Thank you very much for your presence. We do have some committee business to finish, which you do not need to stay for, so thank you very much for your time today.

**Mr. Reeder:** Thank you kindly.

**Ms Visbach:** Thank you.

**The Chair:** Hon. members, as you are aware, the practice of the legislative policy committees after receiving presentations of the kind we have today is to report to the Legislative Assembly on the information received. These reports contain introductory remarks about how the committee proceeded with the hearing, the presentation, also a summary of the presentation itself. At this time I would open the floor to any comments, questions, or motions in relation to the committee reporting to the Assembly on today's presentation except that we don't have time for that, so I would just jump to . . .

**Mr. Roth:** You'll need a motion.

**The Chair:** Yeah. I'm going to the motion.

I would like to present the motion if someone is willing to move that

the Standing Committee on Alberta's Economic Future direct research services to prepare a draft report to the Legislative Assembly summarizing the presentation heard by the committee at its October 21, 2020, meeting and that the committee authorize the chair and deputy chair to approve the final report after its distribution to the committee.

Is that acceptable, to have somebody move that? Mr. Reid.

No discussion? You guys are fine? Thank you very much. All in favour of this motion, please say aye. Thank you. Any opposed, please say no. Hearing none,

That motion is carried.

Are there any other issues or discussion before we wrap up? Unfortunately, please table that with the chair because there's no time for that today.

The next meeting will be at the call of the chair.

If I could have a member move that the October 21, 2020, meeting of the Standing Committee on Alberta's Economic Future be adjourned. Ms Armstrong-Homeniuk. All in favour, please say aye. Thank you very much. Anybody opposed? Seeing none, that motion is carried.

Thank you, everyone. I appreciate you allowing us to maximize our time today.

[The committee adjourned at 1:20 p.m.]









