



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Tourism Industry Association of Alberta

Thursday, November 18, 2021
8 a.m.

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Second Session**

Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

Participant

Tourism Industry Association of Alberta
Darren Reeder, Board Adviser

8 a.m. Thursday, November 18, 2021

[Mr. Neudorf in the chair]

The Chair: Good morning. I would like to call the meeting to order. Welcome to members and staff in attendance for 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 the chair of this committee. I'd ask that members and those joining the committee at the table introduce themselves for the record, and I will start online with the deputy chair.

Ms Goehring: Thank you, Mr. Chair. Good morning. Nicole Goehring, MLA, Edmonton-Castle Downs.

Darren, it's wonderful to see you again. I'm looking forward to your presentation.

The Chair: Thank you, Deputy Chair.
Member Irwin.

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

The Chair: Thank you.
Mr. van Dijken.

Mr. van Dijken: Glenn van Dijken, MLA for Athabasca-Barrhead-Westlock.

The Chair: Thank you.
Ms Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Good morning. Jackie Armstrong-Homeniuk, MLA for Fort Saskatchewan-Vegreville.

The Chair: Thank you.
Then we will go around the table, beginning to my right.

Mrs. Frey: Michaela Frey, MLA, Brooks-Medicine Hat.

Mr. Rowswell: Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

Mr. Walker: Jordan Walker, Sherwood Park.

Ms Rosin: Miranda Rosin, Banff-Kananaskis.

Member Loyola: Rod Loyola, MLA for Edmonton-Ellerslie.

Mr. Roth: Good morning. Aaron Roth, committee clerk.

The Chair: Thank you very much, members.
I would like to note for the record the following substitution: Member Loyola for Mr. Bilous.

A few housekeeping items to address before we turn to the business at hand. I would note for members that masks should be worn in the committee room except when you are speaking, and members are also encouraged to leave an appropriate amount of physical distance around the table.

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set your cellphones and other devices to silent for the duration of the meeting. Please be advised, too, that all committee room public galleries are closed.

Approval of the agenda. Do I have someone who is willing to propose the draft motion that the agenda for the November 18, 2021, meeting of the Standing Committee on Alberta's Economic Future be adopted as distributed? Any comments? Mr. Rowswell, seconded by Mrs. Frey. All in favour? Any opposed? Online, all in favour? Thank you. Online, anyone opposed? Hearing none, that motion is carried. Thank you.

Approval of the minutes from the October 21, 2021, meeting. We have minutes from the October 21, 2021, meeting of the committee. Are there any errors or omissions to note?

Seeing no indication, if a member would move that the minutes of the October 21, 2021, meeting of the Standing Committee on Alberta's Economic Future be adopted as circulated. Mr. Walker. Do I have a seconder? We don't need it? Thank you. All in the room in favour, please say aye. Anyone opposed in the room, please say no. Hearing none, online, all in favour, please say aye. Thank you. Anyone online opposed, please say no. Thank you very much. That motion is carried.

I would like to just note that MLA Leela Aheer is online as well. If she would like to introduce herself.

Mrs. Aheer: Good morning, everyone. Thank you so much for allowing me to attend.

The Chair: Thank you very much.

Now we will proceed to the presentation from the Tourism Industry Association of Alberta. Hon. members, at our October 21, 2021, meeting the committee agreed to a request from the Tourism Industry Association of Alberta to make a presentation to the committee. Today we have Mr. Darren Reeder, board adviser of the Tourism Industry Association of Alberta, to make a presentation to committee members. Just to remind members as to the process when we receive presentations, Mr. Reeder will have 20 minutes to present, and we will have approximately 20 minutes for the committee members to ask questions following. The committee will then consider the preparation of a report to the Assembly summarizing the contents of the presentation and including any recommendations that the committee might wish to make in that regard.

With that, Mr. Reeder, thank you very much for joining us. I know you've been waiting online very patiently. The floor is yours for 20 minutes.

Mr. Reeder: Well, good morning, Chair Neudorf and Deputy Chair Goehring and members of the committee. Is my audio okay? I just want to check that before I get talking away.

The Chair: Yes, it is.

Mr. Reeder: Wonderful. Thank you.

It's an honour to once again be invited to appear before the Standing Committee on Alberta's Economic Future, this time to present the findings from a TIAA-led province-wide study on the contributions of Alberta's Crown land outdoor recreation economy, a study that, I should note, was guided through the input of nearly 20 outdoor recreation organizations representing the interests of motorized and nonmotorized users.

I'm going to trust that Mr. Roth in the room will just advance the slide deck as we go forward. I can't see the screen myself. Mr. Roth, I'll depend on you.

Again, my name is Darren Reeder, and I'm the board adviser to the Tourism Industry Association of Alberta, or TIAA for short. TIAA is a not-for-profit tourism association that advocates on behalf of all segments of Alberta's tourism economy for a

competitive and sustainable business environment that generates substantial economic value for the province.

Before I step into the details of our outdoor recreation study findings, I would like to just briefly circle back on our TIAA presentation to this committee of one year ago to provide a quick update on the state of Alberta's visitor economy. As I'm sure you're all aware around this table all too well, tourism and hospitality has been at the top of the list of businesses hardest hit by COVID-19. We were the first to be impacted and may well be the last sector to fully recover. One point three trillion U.S. dollars: that's the global estimated loss in the international travel world due to the COVID-19 pandemic and an amount that's almost 11 times greater than the losses recorded from the 2009 global financial crisis.

Although tourism expenditures were at their lowest in 2020 and the resumption of international travel really only started to come back to life in the late summer of 2021, Alberta's regional visitor market came back reasonably strong this year, and tourism expenditures started to rebound within 35 per cent of 2019 performance levels. However – and this is a big however – the domestic contribution is really only a temporary benefit in that as international travel restrictions continue to ease, more and more Canadians are expected to seek out-of-country travel, and this is why it's critical that we make it easier for international visitors and those attending meetings and conventions to get back to Canada by completely, not just partially but completely, dropping the current PCR testing requirements, which represent both an unnecessary cost and administrative burden on travellers.

There are many things here that could be said about both the benefits and challenges of the implementation and interpretation of various federal and provincial support programs that have been intended to help businesses through the pandemic, but today I simply want to say thank you to the members of the committee, many of whom I've spoken with personally during this crisis, for your sincere interest and attention to this most important segment of Alberta's economy.

As we seek to work through the details of the recently announced tourism and hospitality recovery program to clarify eligibility criteria and whether seasonal businesses will be included and whether new businesses opened after March 2020 will be included, let me just briefly mention two underlying issues that really impact the broader industry and its ability to effect a quick economic recovery. The first is, really, this issue of debt and liquidity. A recent CFIB study determined that small businesses in Canada now carry a collective \$139 billion in debt due to COVID-19. The average increase in COVID-19 related debt for small businesses, tourism and hospitality businesses, is at about \$333,000, an amount that's almost double the amount that small businesses and other sectors bear, with the majority of these businesses stating that it will take them up to two years to eradicate their pandemic debt load.

We're looking for 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, which could include an option as simple as increasing the forgivable portion that small businesses are required to pay back on their CEBA loans.

Labour shortages are the other issue. The mental health and resilience of the tourism workforce has certainly been tested over the past 20 months, and a survey earlier of this reveals that 50 per cent of those that remain working in the sector are looking to leave our industry entirely. Many of our tourism and hospitality partners have been on the front lines of having to interpret and apply fast-evolving changes in government policy, and it is understandable why people are tired and seeking more balance in their lives and things that are less complicated.

So three primary areas of concern for the industry as we seek to rebuild our labour capacity include labour supply, which is really about whether we have enough of the right workers to meet future demand; skills mismatch, which is about correcting the imbalance of skills needed in the industry; and finally, learner and worker mobility, which is about the types of barriers to employment within tourism and hospitality proper.

8:10

Let me shift to the purpose of today's presentation. It is against the backdrop of the twinned aims of the government of Alberta to craft a new vision for Crown lands and to also grow tourism to a \$20 billion industry by 2030 that TIAA found itself undertaking the study on the outdoor recreation economy early in 2021. While Alberta Crown lands have long been recognized for the economic contribution they make through activities such as oil and gas, mining, grazing, and forestry, the importance of these lands for supporting and growing a robust outdoor recreation economy has largely been overlooked. Instead, outdoor recreation has often been viewed as an activity that just happens; it's organic and one that just simply needs to be managed.

An outdoor recreation opportunity represents the ability for an individual to take part in the desired activity in a desired recreation setting in a chosen region of the province. It sounds simple in theory, but it's quite another thing in application.

Thomas Edison once said, "Discontent is the first necessity of progress." Given all of the possibilities for outdoor recreation in Alberta TIAA has mused as to whether the lack of progress in growing outdoor recreation on Crown lands is perhaps that society does not view this resource the same as others of Alberta's vast resources, or perhaps it is because the government simply hasn't leaned in enough to modernize the legislative framework that would then help legitimize outdoor recreation as another driver of employment and sustainable use of Alberta's natural resources.

In the past the government of Alberta has stated that – and I'm quoting – an integrated planning system takes into account the capability of the land to accommodate renewable and nonrenewable uses, including industry, agriculture, recreation and tourism. The government has also been clear that because of the sheer size and availability of public land, this represents immense potential for tourism development. Now, it's unfortunate for Albertans that this remains as lofty an ambition today as it was in 1985, when those same aims I just referenced were articulated by the government in response to its own industrial science strategy for Alberta.

Alberta's inability to seize upon this agenda over the years has only guaranteed one certain outcome, and that is that an increasing number of Alberta visitor dollars and investment capital are leaving Alberta. British Columbia – and let's be clear – is Alberta's biggest competitor in the outdoor recreation space. The province's strategic market profile of Alberta states that they know Albertans are attracted to B.C.'s natural scenery and nature. Notably, Alberta's tourism export deficit to British Columbia grew in 2019 to an estimated \$1.05 billion. Notable is that nearly two and a half more Albertans visit B.C. than B.C. residents come to Alberta. Fifty-five per cent of Alberta visits are to the Kootenay Rockies and the Thompson Okanagan; 57 per cent of all trips to B.C. are to pursue outdoor and leisure-based activities.

Nowhere is this gap in outdoor and nature product deficiency more evident than in comparing the province's two ski industries. The map on this slide shows both active and proposed mountain resort areas within British Columbia. Whereas B.C. ski areas received 6.8 million visitors in the year 2018-19, Alberta only saw 2.4 million visitors. Direct revenues and jobs attributable to B.C.

ski areas were approximately four times greater than Alberta ski areas.

From a revenue generation perspective, nearly two-thirds of direct revenue is attributable to export markets whereas visits from other regions of Canada and internationally only contribute about 22 per cent. This does underscore the importance of Alberta's need for strong relationships with its air carriers given that we are a landlocked province, with many of our tourism assets located at some distances from the Canada-U.S. land border.

So why has B.C. been so successful? Well, in part, government supports have evolved alongside industry's needs, and there is an entire B.C. mountain resort branch that supports the aims of the province's all-seasons resort policy, a policy that clearly and with purpose outlines policy, process, and the requirements to set proponents up for success. That we do not have our own outdoor recreation strategy to support Albertans' interests remains an open invitation for future visitor dollars and investment capital outflows to migrate not just over the B.C. border but to many others. As a province, if we can't reconcile how to modernize our public lands and provincial park legislation to support the interests of Albertans, then TIAA would at least hope we can try to start having a conversation about what this means in terms of Alberta's domestic travel trade deficit and the fact that the loss of spending and investment to other provinces, irrespective of the industry that may be involved, should always be the first line of defence in any results-based economic strategy.

As TIAA began to contemplate at the outset of the pandemic crisis how we might differentiate ourselves as a province in an increasingly competitive tourism landscape, how we might build back stronger after the pandemic, we invariably came back to what was inspiring most Albertans during the height of the pandemic, and that was to seek refuge, inspiration, and a recentring through nature-based experiences that existed in Alberta's outdoors. Physical inactivity represents a significant health and economic burden, with an estimated annual cost to Canadians in the magnitude of \$2.4 billion in direct health effects and an additional \$4.3 billion in indirect costs such as the loss of workplace productivity. TIAA firmly believes that building out the outdoor recreation dimensions of the visitor economy will not only improve the physical and mental health of Albertans; it will contribute to greater social cohesion, community engagement, all the while supporting more businesses and jobs.

If you've travelled to many regions of Alberta, you already know just how blessed we are with this large canvas of land, much of it well positioned to support sustainable tourism and outdoor recreation development. With 397,000 of Alberta's 661,848 square kilometres that are designated as Crown lands, the time is now to conceive and present strategies that will build upon the value of Alberta's outdoor recreation economy on Crown lands. If you're trying to wrap your head around how big of an area that is, consider that it is bigger than the entire country of Norway.

For those around the table that aren't familiar with what Crown lands are, these are public lands managed under the Public Lands Act and the provincial parks and protected areas managed under a variety of other pieces of legislation. What activities are we referring to when we say outdoor recreation? Well, it includes a host of items like nonmotorized and motorized recreation activities, land- and water-based activities, consumptive activities like fishing and hunting, and a variety of summer and winter activities.

Albertans took over 13.4 million trips to Crown lands. That's what we determined through the study we just concluded. Well over three-quarters of those trips were day trips; the remainder, overnight trips. It is worth noting that 30.7 per cent of those trips occurred in national parks whereas 36.7 per cent occurred in provincial parks and protected areas. The remaining 33 per cent of outdoor recreation trips occur on public lands.

The public lands dimension is really important here because historically these are the areas that have received little infrastructure investment and are not supported through proactive outdoor recreation planning or management frameworks that consider the evolving needs of outdoor enthusiasts. What we know is that underfunding or limiting investments in enhancing the visitor appeal of public assets like parks and trails really does two things. One, it diminishes an individual's ability to truly connect with the landscape, and, secondly, it all but guarantees visitor leakage to Alberta's competitors, again, like British Columbia.

As part of the provincial efforts to grow to a \$20 billion tourism industry by 2030, TIAA has advocated that the province needs to prioritize the development 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. This includes looking more intently at areas such as the David Thompson, Bighorn Backcountry, Crownsnest Pass and Castle, Kananaskis Country, and Lakeland country, to name but a few.

Just like other resource-based dimensions of the Alberta economy, outdoor recreation is heavily reliant on the supply and distribution of outdoor recreation resources. This is the foundation on which a stronger recreation economy can be built. Although spending on outdoor recreation trips to Crown lands may only account for .8 per cent of Alberta GDP, the employment resulting from this spending was found to be 6.1 times greater than the employment in forestry and logging, and it equates to 63 per cent of the number of jobs in the agricultural industry.

I want to be clear. This is not to suggest in any way that outdoor recreation as an industry could grow to possibly supplant the contributions of other sectors I just mentioned. It's quite the opposite. What we believe is that there can be mutually achievable aims for Crown lands that can draw on the province's natural resources in a more sustainable manner that contributes to community well-being and future job creation.

8:20

Consequential to the positioning of the outdoor recreation industry as a growth industry and the complementary aim of Alberta's visitor economy is what we learned through our province-wide survey efforts in this study, and that's that Albertans spent \$2.3 billion in trip-related expenditures on outdoor recreation. We anticipated it was going to be a big number, but this is really a conversation starter in the context of the closely correlated tourism industry, whose pre-COVID economic contribution was in the order of \$8.2 billion a year.

All the work has been undertaken by other industry segments to determine their contributed economic value to outdoor recreation such as outfitting and snowmobiling. The TIAA study was really the first of its kind to consider motorized and nonmotorized activities at the same time in every land-use segment and across the full spectrum of outdoor recreation pursuits.

While time certainly won't permit to talk about all the details of the report today, I would like to look at a few of the primary motivating activities on a per-trip basis. I'm going to just highlight a few here. On the top of our list we learn that hiking, walking, and running are responsible for 4.17 million visits. This represents 24.9 per cent of all outdoor recreation expenditures, with an average trip spend of \$298 and an annual contribution in the order of \$581 million. Skiing and snowboarding were third on the list, generating 1 million visits and an average trip spend of \$467, for an annual contribution of \$233 million. While far from the highest on a visitor-volume perspective at 460,000 ATV trips, off-highway vehicle activity generated approximately \$1,300 per trip and an annual contribution of around \$83 million whereas hunting was an

estimated 556,000 trips generating an average spend of about \$1,011 per visit, for a total of \$263 million in annual expenditures.

I'm going to just pause on that point for a moment to indicate that these spending values are for within the domestic market alone, the Alberta domestic market. This does not consider international contributions. When I give reference to the impact of hunting being about a little over \$1,000, we know that number is exponentially higher with the arrival of high-yielding U.S. visitors that come to hunt in Alberta. Our study does not consider the international contributions, so it would be fair to say that these are understated values of what outdoor recreation contributes to Alberta. That could be the basis for a future study, but this is Alberta specific.

Another important aspect of the study was to understand the wide range of equipment, clothing, accessories that outdoor recreationalists spend as this has a measurable economic impact on the livelihood of many businesses throughout the province. In aggregate, over \$376 million was spent on equipment and accessory expenditures. The average household spent about \$10,782 on these types of purchases although the amounts vary greatly by household. Of the households that did make purchases during the height of the pandemic, some of the notable purchases included outdoor protective clothing, which was about 72.7 per cent of all spending; 41.8 per cent was spent on purchasing fishing and hunting equipment; and 38.86 per cent was purchasing bikes and mountain bikes.

We also sought to understand the distribution of spending by trip-related expenditure category and to understand the distribution of trip expenditures by Crown land type. Top-line results revealed that the top purchases to support Albertans' experiences on Crown lands were gasoline purchases – that was 25 per cent of all purchases – equipment rentals at 17 per cent, and food and beverage store purchases at 13.6 per cent. We were also able to map the spending on the basis of pretrip planning, costs associated with travel to the intended destination, and dollars spent at the intended location. It gives us a much more granular understanding as to how dollars are spent along the path to purchase.

While we learned that all Crown lands support Albertans' outdoor pursuits, not all are pursued equally; 61.1 per cent of all recreation trips occur in the South Saskatchewan region whereas the North Saskatchewan region receives about 23 per cent. The upper and lower Athabasca receives about 9.2 per cent.

The Chair: Mr. Reeder.

Mr. Reeder: Yes.

The Chair: I'm sorry to interrupt, but that does conclude our 20 minutes. I'm sure there may be a member that would in their questioning time maybe ask you to finalize your final thoughts. Unfortunately, I do have to move to questions at this point in time. Thank you for that presentation.

I do have a short list for questions. I will begin with MLA Goehring.

Ms Goehring: Hi. Good morning. Thank you so much for your presentation. I do have two questions, but first I would like to just give you an opportunity to just complete your remarks.

Mr. Reeder: Well, thank you very much. That's helpful.

What I'm going to do is that – there are a few slides that really try to relate the type of spending activity on the Crown lands area. You all have the report, so I think I would be covering ground that is not really necessary. What I would like to do is just advance forward to the slide – I think it's slide 13, Mr. Roth – where we talk about recommendations for the future. This is really a good segue to the six specific policy recommendations advanced in our report

that could fundamentally alter the outdoor recreation economy and stem the hemorrhaging of investment dollars and Albertans' interest to the ever-evolving environment in British Columbia.

Recommendation 1 is that outdoor recreation is an opportunity to help diversify and strengthen Alberta's economy. However, a unified and co-ordinated voice is critical to unlocking the potential of the industry and ensuring strong and effective government advocacy for supportive policy and investment.

The second recommendation is with respect to support of Crown land policy. To date Crown land policy supports traditional industries like oil and gas, forestry, mining. However, we need a supportive policy framework on public lands that views outdoor recreation as an actual industry and one prioritized for growth. An intentional focus on supporting the increase and improvement of visitor amenities and services will help elevate the economic benefits of outdoor recreation on public lands.

The third recommendation. Whether it's trails, campgrounds, boat launches, staging areas, whitewater play parks, or infrastructure, expenditures on outdoor recreation are an investment that yields significant returns. Alberta's outdoor recreation infrastructure in provincial parks is aging, and outdoor recreation infrastructure on public lands is limited and lacking. The province needs to invest in creating world-class outdoor experiences that help us to compete for visitors within Canada and elsewhere in the world.

Recommendation 4. Outdoor recreation resources are the foundation of the outdoor economy, yet Alberta lacks an up-to-date inventory of Crown land outdoor recreation resources and amenities. This lack of inventory puts the sector at great risk of not being able to be effectively or meaningfully included in land-use decisions, and this could negatively impact our sector. It also does nothing to assist with the broader destination planning efforts nor providing those with new product ideas and investment capital to spend.

The fifth recommendation. You can't manage what you don't measure. Data on outdoor recreation is fundamental for informed Crown land policy decisions. We need to be able to measure and monitor the results so we can better demonstrate the positive contributions this sector has on communities, Albertans, and the economy.

Finally – and thank you for indulging me with this time – jurisdictions around the globe have realized that unlocking the outdoor recreation economy requires a deliberate focus. In these jurisdictions they've created offices of outdoor recreation. By creating such an office in Alberta, TIAA believes we could reduce government silos, better listen to public concerns, remove barriers to access, and prioritize programs that encourage growth of the industry and the protection of recreation resources.

Thank you.

The Chair: Thank you very much, Mr. Reeder.

Ms Goehring, you may follow up with your supplemental questions.

Ms Goehring: Thank you so much. I just wanted to start by saying thank you so much for the really robust presentation, Darren. I know that you guys have done incredible research and work to look at how we can really improve the life of Albertans, and I think that your ability to tie in the physical health, the mental health, the economy, job growth, all those things, is absolutely essential when we're looking at travel and tourism. I completely agree with you that we need this. It increases jobs. It provides such a wonderful opportunity for Albertans to enjoy Alberta.

You know, I'm concerned when I hear you talk about leakage into other provinces, especially B.C., and one of the things that really hit home for me was that you had said that B.C. has such a

thriving industry because the government invests in it. So when we talk about the targets of this current government wanting to increase access to tourism and spaces, what do you see as – I mean, your recommendations are incredible – being done to increase tourism where it's currently not happening? We have all this untapped potential. Specifically, I'm curious about what you see in rural economic development and how it relates to tourism.

8:30

Mr. Reeder: Well, again, thank you for the question. This is such a beautiful opportunity agenda for Alberta as we talk about how we would choose to navigate forward. This is an industry ripe for development, and it really represents among our best opportunities to encourage and inspire people. In rural Alberta we have so many cultural and natural resources that we can draw upon to tell the stories of regions. This is scalable, I think, and sustainable to so many of those regions where we find ourselves with untapped potential.

Again, I think the difference between Alberta and British Columbia is that they've been intentional. These things don't happen through good intention, through people agreeing that these are worthy conversations to be had. They start by having a policy framework in which we discipline ourselves to say that we are moving towards these ends. Again, that's why it was really purposeful in my comments to say that if we can't reconcile that this is – and I'm not suggesting that this is an easy topic. I know that there are difficult sustainability and conservation aims to reconcile on Crown lands. I'm suggesting that if we've been able to do it with other Alberta industries, I would think it's possible with this industry. If British Columbia can do it, then it serves as notice to Alberta that we'd better get on with the agenda now.

We can't afford to wait two or three years. This is not a political agenda; this is about what's in the interests of Albertans. We need a clear commitment, I think, by government, and I would certainly look to this committee to help be part of the catalyst for that process so we can begin to study this, contextualize this, because this represents meaningful economic opportunity and job-creation efforts for Albertans.

The Chair: Thank you.

Do you have a follow-up question, Ms Goehring?

Ms Goehring: At this point I don't. I just wanted to say thank you.

I'll open the floor to other members. Thank you.

The Chair: Thank you very much.

Ms Rosin.

Ms Rosin: Thank you, and thank you, Darren. You covered a lot of statistics in your report, which I am very grateful for because I'm a numbers person, but I am going to ask some further follow-up and try to pull some additional numbers out of you. Your report indicates that outdoor recreation is currently only .8 per cent of Alberta's total GDP. I'm wondering if you have the number of what percentage of GDP outdoor recreation represents in other jurisdictions such as B.C. that have supported and developed this industry over the years.

Mr. Reeder: Thank you for the question, and it is a great question. I'm sorry. I don't have those numbers at my fingertips. I mean, if we were to look at the cumulative value and then – this is going a little broader – if we look at tourism in British Columbia, pre-pandemic it was about a 20 and a half billion dollar industry. Alberta's was about \$8.2 billion. Just for comparative purposes I think that's about \$4,200. I'm going off the cuff here, Ms Rosin, but I believe it's about \$4,200 per capita in the B.C. context. In Alberta it's about \$1,800 per

capita. Significant attention to policy and development of outdoor recreation assets in B.C. have had a measurable economic impact. Again, I think if you had the benefit to see the map that was part of the slide deck, you would see from all of the existing and intended resort developments in British Columbia that they're very much on a growth path.

Ms Rosin: Thank you. You also mentioned that Albertans who do participate actively in outdoor recreation and who are passionate about it spend on average just over \$10,000 a year on outdoor recreation equipment. I believe that number is money spent by Albertans. I think you had the number on there, but we didn't have the time to get into it. You had it broken down for how much money Albertans spent along their trip, so how much they spent before they left, maybe on their journey, and when they got to their final destination. I'm wondering if TIAA has done any research into how much of that ten-thousand-dollar spend is spent either in Alberta before they leave for their trip or if any of it is spent at their final destination, in which case Alberta businesses and oftentimes small businesses would be experiencing significant retail leakage from our own people going to British Columbia to recreate. I'm wondering if you have any breakdown of how much of that \$10,000 is spent here versus at the end journey.

Mr. Reeder: I do not have it broken down by, you know, actual category and from a pretrip, posttrip perspective. Again, the reference here would be that this is spending by Albertans within Alberta. You know what? The example I think you were maybe getting at – someone that would be coming from Ontario to Alberta: that individual and those economic considerations were not part of this study. That could be a subsequent study just to consider the other trip planning and spending of visitors coming from other provinces and international, but this just contemplates Albertans. One of the percentages I did give is that with a lot of Albertans travelling to Crown lands, one of the biggest drivers of expenses to take them to the arrival point is on gasoline purchases and then retail and consumptive food and beverage along the way.

One of the things that's on the slide deck that we did not get a chance to go to: total spending on trips within Alberta. I mean, we found it was measured at the greatest within a national park setting. A lot of that is for the obvious reason, which is that there is a fixed room base and a bevy of food and beverage operations that exceed what we would find on other Crown land areas. You know, those numbers are about \$597 per trip to national parks, so it's greater than the combined average total spending on trips to public lands and provincial parks, which I think public lands value was about \$276 per trip, and to provincial parks it was about \$249.

Again, the trip component to national parks is almost double what we have in these other areas, and I guess I would illustrate that as an opportunity agenda. That's not a deficiency. To say that that's just the way it always is with national parks – it does speak to the supportive activities and assets that exist there to support the needs of visitors that would choose to recreate overnight. I think this really speaks to when we look to people that have an interest in the northeast, so when we think of the boreal forest, when we think of northern lights viewing, the potential for tourism asset development there. There is really huge opportunity to drive jobs and regional economic activity when we're clear on what product we're trying to build.

The Chair: Thank you. Sorry. I do have a very full list, and we only have about nine minutes left. I will try to alternate between sides. Mr. Reeder, we could obviously take hours discussing this, and there is interest, but we are limited by time.

Mr. Loyola.

Member Loyola: Thank you very much, Mr. Chair, and thank you, Mr. Reeder, for the presentation. It is a really robust presentation, and obviously it's leading us down this path of engagement. We're so interested in this particular issue because there's so much to be done.

Off the top of my head I'm wondering if there's any specific piece of legislation, regulation, or policy from B.C. that you think would be good for us to adopt, if you've come across anything that you think that we should be looking at specifically in terms of legislation.

Mr. Reeder: Well, thank you for the question. I think it's a fabulous question. You know, British Columbia: again, I think they're the benchmark by which we could learn a lot. We don't always like to say those things publicly, but if it moves us to actually making some economic progress, then let's have that conversation. I think, to answer your question, B.C. adventure and all-seasons resort policies are good examples we can study. They've learned how to support intense abuse in intense abuse areas that provides a level of certainty for project proponents that we simply don't have, whether we're talking about development on all-season mountain resorts to accommodate activities such as via ferrata, mountain biking, hiking, other activities of that nature. These are policies that provide investor certainty, connect with things like long-term leases on Crown land so that investors have this idea that there is a path to get to success.

The Chair: A follow-up, Mr. Loyola?

Member Loyola: Yeah. Thank you very much. Again, you mentioned that the highest cost is actually transportation, getting people to where they need to go. What are the current challenges that we're facing here in Alberta when it comes to that transportation? How do you see us solving that problem?

Mr. Reeder: Great. Thank you. You know what? I would suggest transportation is part of an all-encompassing strategy. I mean, when we talk transportation networks, we're really talking about core infrastructure, things as simple as supporting public washrooms, cell service within areas where people need that as a basic need for safety and navigation, but transportation corridors that are also enhanced in support of other investments that are being made to drive people down a corridor. Again, I give the example of northeastern Alberta. I think if we're really clear on the types of products we're trying to build, those do create economic arguments that create a defensible base for why we need to invest in our technological and core physical infrastructure to support future visitor demand.

You know, this is to the point of the great work Travel Alberta is doing to map some of these opportunity areas where there is potential for destination development, where we have the greatest opportunity to create new product experiences and really connect with the authentic values of the land and the people in those regions. Again, it's an exciting opportunity. It's low-hanging fruit, and this really is the essence of Alberta entrepreneurialism and creativity, I think, to capitalize on this industry.

8:40

The Chair: Thank you very much.

Mrs. Frey.

Mrs. Frey: Well, thank you. Pleasant surprise. I didn't know if we were going to get to me that quickly.

I noticed, Darren, in your report that you had commented on the onerous task of the PCR tests coming back into Canada. I note that

many people in the tourism industry as well as Canadian chambers of commerce across the country have asked for that requirement to be removed in lieu of the fact that many, many Canadians, most Canadians, thank goodness, are fully vaccinated against COVID-19.

We know that this is just an extra layer of protection, but I was just wondering if you could maybe elaborate. I know I am from a community that is about 40 minutes from the border. We see a lot of the U.S. border and the Saskatchewan border, so we see a lot of travellers, a lot of tourists, especially given that we are right on the No. 1 highway. I know that for a lot of us, we've missed being able to cross the border, say, to go to Montana for the weekend or whatever. Now on trips less than 72 hours that PCR test requirement is rumoured to be dropped, according to CTV. I'm just curious if you could elaborate on what your ask is, what the TIAA's ask is on the removal of the PCR test requirement.

Mr. Reeder: Well, again, I'm waiting for confirmation of the formal announcement about the changes to PCR testing, but my understanding is that it's only going to be with a 72-hour requirement. If you're gone greater than 72 hours, nothing has really changed. I would suggest this is the important piece for bringing Canada's tourism economy back to life as we need to create certainty of accessibility for travellers. I mean, if you arrive close to the border and you need to arrange for that test and you're just not sure if it will be completed in time and it's \$250 a person for a family of four, I can tell you unequivocally that is going to tip someone's decision about whether they come up to a place like Banff to ski over the Christmas season or whether they go to Colorado if they're coming from the U.S.

This is really about permeability at the border. We're suggesting that elsewhere in the world people have said the gold standard for travel and resumption to doing things the way we're used to is proof of double vaccination. We're suggesting that is all that is needed. This follows the best global standards out there. It also would have the federal government following the advice of their federally appointed expert advisory panel, who are experts and have said that this is unnecessary and represents a slower recovery for industries like tourism, so we need to get on with removing that entirely. I just think this is a game of increments, of moving it to a 72-hour test requirement or exemption. It doesn't go far enough.

The Chair: Do you have a follow-up?

Mrs. Frey: Yeah. I do appreciate that.

I guess I was just curious – and this is kind of off the cuff – how do you think the expansion of rapid testing would go to create more certainty for tourists coming to Canada and coming to Alberta to recreate?

Mr. Reeder: Well, you know, I'll just speak to a principle, which is that people and businesses in general love nothing more than certainty. Tell me what the rules are that I need to follow, make it accessible, make it consistent, make it affordable, and I will follow whatever the rules are. But I think the counsel to Alberta and any decisions we make is that we don't want to supersede international standards for the resumption of travel in particular. We need to get on with welcoming people back.

At a recent round-table with Minister Schweitzer that was our challenge of the Alberta government, that as first ministers more pressure is applied on the federal government to ensure that we're dealing with that permeability issue at the border we need. It's not just tourism. I mean, this is the flow of people and other products and industries that will help with the resumption of our Alberta economy.

The Chair: Thank you very much.
Member Irwin.

Member Irwin: Good morning, and thank you so much for your presentation. I must admit, I learned a lot, and I read through the slides that you shared as well. I know I don't have a lot of time, but one of the issues that is obviously incredibly important to us in the opposition and to many Albertans is the environment. I know you sort of touched on this a little bit. It's clear, the economic opportunities regarding Crown land, but we know and we saw from Albertans speaking out about how critical it is that we protect our Crown land as well. I wonder: could you just discuss perhaps how, you know, we strike that balance between the economy and the environment and any recommendations perhaps for the government on this front as well?

Mr. Reeder: Thank you for the question. I think that's a very thoughtful and appropriate question to be asking. You know, this is always going to be the concern that comes up, and it can stall out any meaningful discussion because it can suggest that some people are even on the side of development or conservation and that there is no balance.

I think we've seen, I mean, from the United Nations World Tourism organization that the definition of sustainable tourism – and I think we've applied this to other industries – is where you seek a balance between economic, social, and environmental aims. It's not one ahead of the other; it's about accommodating all of those aims together.

I would suggest that if we were to look at a starting point, we really need to look no further than Banff national park. If you were to look at our national parks system, entrenched within federal legislation are principles that we are committed to preserve these places for future generations, but we're also here to present them for the enjoyment of Canadians. Somewhere in there there has been that careful balance adjudicated over the years. It's not to say that it's without its challenges in reconciling the many voices at the table, but I would suggest that the aims of visitation do reconcile with the aims of conservation, because in the case of Banff national park, the dollars spent on park gate fees are wholly reinvested in the improvement of the park.

That's for core infrastructure, facilities, interpretation, education, boots on the ground, so, again, conservation officers and ecological restoration. I firmly believe that the principles of sustainable land use apply completely to outdoor recreation and that this need not be more complicated than is necessary to get on with it. In answer to your question, let's just start by looking at what we've done successfully in our national parks system.

Member Irwin: Okay. Well, that's great to hear. I don't have too much of a follow-up other than that, you know, it's clear we can't have an economy without a healthy, thriving environment, and I want us to really think about all of our decisions, even from an Indigenous perspective of G Seven Generations, right? So I really appreciate that. I think, too, about what we've seen with the eastern slopes, as an example. I wonder if your organization has at all looked at the impact of coal mining in the eastern slopes and if any of that sort of development would have an impact on the industry as well.

Mr. Reeder: Yeah. The short answer is no. We haven't gone in to look at the impact analysis in other sectors. We're really trying to advance a discussion. This being an opportunity agenda, this is about improving the stakes for Albertans. This is about conservation. This is about

keeping dollars at home, creating jobs, helping people connect with the landscape. It's not an either/or. I think this is added . . .

The Chair: Sorry to interrupt. We have gone about four minutes over time. I was trying to accommodate as many questions as I could, but we do have to complete the agenda.

At this time I would like to again thank Darren Reeder for coming to the committee today and making such a robust and full presentation as well as answering our questions. Thank you very much. You are welcome to stay for the final few minutes of the meeting, Mr. Reeder, but if you need to leave, you are welcome to do that as well. You may receive some follow-up questions from committee members on their own at such time.

Mr. Reeder: Thank you very much.

The Chair: Thank you, Mr. Reeder.

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 that is received. These reports contain introductory remarks about how the committee proceeded with hearing the presentation and also a summary of the presentation itself. Standing Order 52.08(3) also provides the ability for the committee to report to a minister or responsible public official on issues arising from a public meeting.

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. Ms Rosin.

Ms Rosin: Thank you, Chair. I actually would like to put forward a motion for today's committee. As many of my colleagues and, I'm sure, members of the opposition actually know, I am extremely, extremely passionate about Alberta's tourism economy and the development, specifically, of our recreational tourism industry here in Alberta, so I have a motion I would like to put forward. Do you want me to read it into the record? Are we ready?

The Chair: Yes, please.

Ms Rosin: Okay. Thank you. I would like to propose that the Standing Committee on Alberta's Economic Future recommend 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.

8:50

The Chair: Thank you very much.

We will work with the clerk to get that up, especially for those online. I am open to hearing a response or comments from the Official Opposition. I don't know, Mr. Loyola or Ms Goehring, if you'd have any thoughts or comments.

There's the motion there. I don't see any hands, but I will give one further opportunity if anybody has any comments.

Seeing none, we have a motion on the floor. All those in the room in favour, please say aye. Any in the room opposed, please say no. Online, all those in favour, please say aye. Any online opposed, please say no. I'm hearing none.

That motion is carried and so moved.

Are there any other motions coming from the floor?

Mrs. Frey: I don't know if this is the appropriate time, Chair, but I would assume that we need to direct research services to prepare a draft report for the Assembly.

The Chair: Yes. That motion from the clerk.

Mrs. Frey: I have the wording here, 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 November 18, 2021, meeting, including any recommendations made by the committee in relation to the presentation and that the committee authorize the chair and the deputy chair to approve the final report after its distribution to the committee.

The Chair: That is on the screen. Any comments on the motion? Seeing none, all those in favour in the room, please say aye. Anyone opposed, please say no. Hearing none, online, all those in favour, please say aye. Anyone online opposed, please say no. Hearing none, that motion is carried and so moved.

We are moving on to the request for Radicle Solutions to make a presentation to the committee. Hon. members, the committee has also received two additional requests from organizations to make presentations to the committee plus a third that is now going to be placed online from SouthGrow. The first was from Radicle Solutions and the second from Health Cities. These were posted on the committee's internal website.

For the record, after reviewing the request from Health Cities, it was determined that their presentation request would more appropriately fall under the mandate of the Standing Committee on Families and Communities, and therefore we forwarded it to the chair and committee clerk for that committee.

At this time I'd like to open the floor to discussion as to whether the committee wishes to accept the request of Radicle Solutions to

make a presentation to the committee at an upcoming meeting. Are there any comments? Mr. Loyola.

Member Loyola: Thank you, Mr. Chair. Having understood the intention of sending it to another committee, I would still be happy to hear from Radicle Solutions at this committee, and I would support a motion to do so.

The Chair: It is now moved that the Standing Committee on Alberta's Economic Future invite representatives from Radicle Solutions to make a presentation to the committee at a future meeting.

Would that encompass that? Thank you, Mr. Loyola.

Any other comments on that? Seeing none, all those in favour in the room, please say aye. Anyone in the room opposed, please say no. Online, all those in favour, please say aye. Anyone online opposed, please say no.

That motion is carried and so moved.

Thank you very much.

Other business. Are there any other issues for discussion before we wrap up today's meeting?

Seeing none, the date of the next meeting will be at the call of the chair. Please be advised that we are discussing Thursday, December 2. That will be put forward.

At this time I would call for a motion to adjourn. Mrs. Frey. So moved. All in favour, please say aye. Any opposed, please say no. Online, all those in favour, please say aye. Anyone opposed, please say no. That motion is carried.

Thank you very much, everyone.

[The committee adjourned at 8:54 a.m.]

