

Federal Tourism Growth Strategy

Explore Edmonton Input

Tourism is a huge economic driver across Canada; it touches the entire country and is the only sector that employs Canadians in every province, territory, and electoral riding. Not only does the tourism industry strengthen our economy, but it also evokes civic pride by creating a vibrant and dynamic city that residents want to engage with and feel a part of. Supporting the tourism and events sector through recovery will be challenging work in the coming years, but there is also exciting, impactful work ahead for our entire industry.

Key Areas of Focus

1. Sustainable Tourism Funding and Investment

Many destinations lack the stable and sufficient investment in tourism necessary to remain competitive and relevant in an increasingly competitive marketplace. The government relief programs that were offered throughout the pandemic helped; many businesses were able to stay afloat because of those supports. However, it wasn't enough. Businesses across the country are still struggling to recover and with the rising inflation and supply chain issues, support is still required and will need to be amplified in order to reach a full recovery and continue to grow Canada's tourism industry. Our sector requires an expansion of sustainable funding, specifically in the following areas:

- **Event infrastructure support for international business event and sport attraction**
By bringing in major events, we generate tourism dollars that support local businesses, help businesses attract talent by increasing the vibrancy of the city, and bring the community together for events that are enjoyed by people of all ages. In 2019, sport tourism generated \$7.4 billion in spending in all provinces and territories from 15.9 million visitors.

In addition, business events was one of the hardest hit sectors, and it will take the longest to recover, but business travelers are one of the highest spending groups of visitors and vital for the economy in many cities across Canada. Business travelers are often repeat guests, returning to a destination for leisure travel following an event.

However, many stadiums and venues require upgrades and improvements in order to be competitive in a global marketplace and effectively attract business and sporting events. These improvements come at a cost that many venues do not have the resources to afford.

Canada as a whole is not competitive enough when it comes to international event attraction. From coast to coast, we have aging sports and convention facilities in need of repair. Because of the lack of funding available for upgrades, many cities are losing out on bids for international events.

Explore Edmonton, for example, spent five years working on a bid to host games for the FIFA World Cup 2026. The Edmonton 2026 team invested thousands of hours into this effort; it was said that Edmonton put in the most work for its bid submission which included a human rights

plan. Edmonton, unfortunately, was not selected as a host city. This decision was due in part because of the state of the Commonwealth Stadium in our city and the hefty number of upgrades that would be required.

This issue is not unique to Canada. There are cities across the country that have crumbling stadiums in need of repair, as well as other venues with high upkeep costs.

As business and sporting events are a huge driver of economic and social benefit across the country, and put Canada on the global stage, these venues require the support from all levels of government in order to make upgrades that can make or break an event bid.

Recommendation: Create funding opportunities for venues across Canada to make the necessary upgrades and improvements in order to remain competitive in attracting international business and sporting events.

- **Festivals and events**

Festivals and events are important contributors to the tourism economy in Canada as they attract visitors to communities and regions across the country. In 2009, the federal government launched the 2-year Marquee Tourism Events Program (MTEP) to provide short-term financial assistance to existing marquee tourism events. The objective of the program was to help events improve their programming marquee, diversify operations, and develop world-class programs and experiences that would attract more tourists from across Canada and other parts of the world, all in the wake of the major financial crisis of 2008.

MTEP's primary focus was on tourism and the visitor economy, complementing other federal support programs and directly supporting marquee programming to drive visitor attendance. In providing targeted financial assistance, this program responded to the need at the time for immediate economic stimulus to the tourism sector. MTEP supported increased spending on activities such as new or enhanced marketing and promotion, product development and programming. This in turn translated into sustained or increased revenue generated, sustained or increased number of attendees, as well as encouraging tourism-related spending to benefit local hotels, restaurants and other local businesses.

If the federal government wants to ensure a rapid economic and tourism sector recovery, along with significant cultural and social benefits, it should consider launching a 2022/2023 version of the MTEP. Such a program could be managed by the regional economic development agencies and built using the lessons learned from MTEP's past program iteration.

Recommendation: That the federal government introduce a new tourism recovery support program to boost tourism driving programming efforts, modelled on the Marquee Tourism Events Program.

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- **Nighttime economy**

The nighttime economy refers to the social, cultural, and economic activities that occur in the evening and throughout the night (generally between 6 p.m. and 6 a.m.), including entertainment, sports and recreation, the arts, bars, food service, hospitality, and more.

World class destinations, such as Vancouver, New York, Paris, and London are investing in their nighttime culture and economy with the goal of nurturing creative industries, developing a sense of uniqueness to a place, and attracting a variety of visitors to a destination. These destinations are taking a proactive management approach to supporting their nighttime economies. New York, for example, has a city department dedicated to the management of their diverse nighttime community. We know that cities all across Canada have vibrant and thriving nighttime cultures that require similar supports and development opportunities.

During the pandemic, the vibrancy of many cities' nightlife in Canada severely declined. Shows were cancelled, doors were closed, and artists and performers lost their livelihoods. This industry is still struggling to recover.

The arts and entertainment industry is a huge economic, as well as cultural, driver in Canada. As an example, Edmonton recently hosted Garth Brooks for two nights of concerts. As this was the only Canadian stop on his tour, visitors traveled to Edmonton from across the country. These visitors didn't just see the show, they also stayed in local hotels, ate at restaurants, and shopped over their weekend visit.

It is not only these large shows that make this industry so vibrant; it is also the small, unique venues and restaurants that each city in Canada has, the local artists, chefs, musicians, performers, and more.

The nighttime economy can offer a competitive edge for cities across Canada with safe, inclusive, and vibrant opportunities for residents and visitors to take part in, but a strategy and increased support is required for the arts, sport, entertainment, and hospitality sectors to help these businesses navigate issues around operating after work hours, as well as to continue their path to recovery following the negative effects of the pandemic.

DMOs can be activated to support cities in the development of their nighttime economy strategies to ensure it aligns with the needs of visitors. Explore Edmonton, for example, is taking point on the creation of a nighttime economy strategy in collaboration with the City of Edmonton.

Recommendation: Encourage and support cities and DMOs in the development and execution of nighttime economy strategies.

- **Agritourism**

Agritourism is simply tourism experiences or activities that support agriculture. These activities can include farm tours, agricultural exhibits, farm-to-table experiences, seasonal farming and

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livestock events, and much more. Agritourism can create an authentic experience for visitors, something that is increasingly important to international travelers. Not only are visitors looking for authentic, natural experiences, but consumer demand for locally grown food is also increasing. This adds to the demand for agritourism.

Agritourism brings with it incredible benefits for the farms, communities, tourism operators, and visitors, including creating additional job opportunities, attracting new consumer markets, and preserving rural land. Agritourism is, therefore, a rapidly growing industry that Canada, with our vast natural landscape and incredible farming community, can tap into.

Recommendation: Create funding opportunities to support destinations, communities, and farmers in developing agritourism experiences that appeal to international visitors.

2. Drive demand to lesser-known areas of Canada

As a country, we have so much more to offer than just our top three destinations. Edmonton, for example, is a vibrant urban centre in the heart of the wilderness and is home to the largest urban park in Canada, with more than 160 kilometers of maintained trails and 20 major parks. Three in four Canadians say time outdoors is even more important to them now than it was before the pandemic according to a survey conducted by Nature Conservancy Canada. Edmonton's river valley therefore offers a unique selling point to help market our city and provide exceptional experiences for visitors.

There are many incredibly moving experiences from coast to coast, but the recognition internationally, and even domestically, is just not there. In a recent study conducted by Destination Canada, residents of the United States were asked which Canadian destinations that would be likely to visit. Over 60% of results were in only three provinces, Ontario (29%), BC (21%), and Quebec (20%). Alberta ranked fourth with 13%, but many other provinces were even lower with New Brunswick only at 6% and Manitoba only at 5%.

A competitive tourism sector requires a commitment to quality and differentiation, so we must work to disperse international visitors beyond the usual destinations, as well as beyond the summer season.

Robust marketing of and engagement with these lesser-known destinations is required. Additionally, there needs to be an increased focus on sharing about the incredible cities in our country. Marketing efforts from national and provincial DMOs often have a sharp focus on natural experiences outside of cities and fail to include significant promotion of the unique and compelling experiences within the cities across the country.

Tourism cannot grow sustainably in just Toronto and Vancouver. It is in the federal government's best interest to drive visitation to regions across the entire country.

Recommendation: Federal tourism organizations such as Destination Canada and the Tourism Industry Association of Canada should develop plans to promote destinations across the entire country and should increase investment in the provinces and cities that have less international recognition, but a great tourism experience for travelers. As a principle of sustainable tourism, and in an effort to support

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more destinations in Canada, marketing efforts should also encourage travelers to visit multiple destinations while in the country.

To further support this idea, improvements to access, mobility, and connectivity are required.

A vibrant visitor economy must contain connections that are equally vibrant. These connections should create a sense of continuity of the visitor experience from one destination to another.

We must ensure that the visitor perspective is considered in transportation planning, including:

- connectivity between the destination and the rest of the world, including air access as well as rail and road
- connectivity between visitor activities within a destination
- the modes of transportation that help visitors connect to places and to one another

Air access, in particular, continues to impact Canada's competitiveness as a destination of choice for international visitors. This is due in large part to the extremely high cost of flights to and within Canada. These costs are deterrents for both international visitors, as well as for domestic travelers.

Recommendation: The Government of Canada should revisit its aviation policy, with particular attention to the cost structure, in order to ensure that our airlines and airports remain competitive in the travel marketplace and stimulate demand.

Edmonton International Airport (EIA) is currently at risk of losing its international badge and the long-haul connectivity it provides. With only KLM as the one long-haul international air carrier that is a stable partner at the airport, there is uncertainty for the future of international travel in Edmonton. As EIA is primarily concerned with traffic, with no specific attention paid to inbound traffic, there is a focus on ultra-low-cost carriers, such as Swoop, Flair, and Lynx, that connect to international sun and sand destinations. However, these are typically only outbound airlines; they do not bring international visitors into Edmonton. This, again, is not unique in Edmonton, but similar issues with attracting inbound international carriers can be seen in airports across Canada. Support is needed to build connectivity and drive visitors to our country.

Recommendation: Build more connectivity and route development with mainline air providers, such as WestJet and Air Canada into markets that align with Travel Alberta and Destination Canada, including California, New York, Texas, and Florida.

3. Labour Shortages

Businesses in the tourism industry are experiencing labour shortages across our entire country. According to Statistics Canada, the unemployment-to-job vacancy rate has decreased in every province in 2022. Small, medium, and large sized businesses in the tourism industry are all feeling the effects of the current labour shortage.

While the pandemic has exacerbated the shortage, there is a long-standing challenge that has always existed. The perception of the tourism and hospitality industry is that it offers short-term, temporary

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positions with a seasonal appeal and/or as a steppingstone for other careers. The reality is that the tourism industry can provide a fulfilling life-long career.

The approach to this issue will need to address both short-term, immediate needs of businesses, as well as plan for more long-term strategic solutions in which we work to change the perception of working in our industry.

Recommendation: Resources need to be allocated to support tourism businesses in hiring, training, and retaining staff.

Recommendation: Make improvements to programs, such as the temporary foreign workers program, making it easier and more streamlined for workers to apply and come to Canada.

Recommendation: Federal investments into and support for programs that help underrepresented groups of Canadians, including Indigenous people, find meaningful work, particularly in the tourism and hospitality industry.

Recommendation: Consistent and collaborative promotion of the tourism industry as a life-long career choice, rather than a short-term job.

4. Expansion of Destination Development

Short-term recovery and the survival of our visitor economy are absolutely critical for the future prosperity of our cities, provinces, and our country. However, we must also utilize this time to think about how we can build back better and create a more resilient visitor economy. We have an opportunity to rethink the way we approach tourism to ensure that it will make Canada a more sustainable place, enrich the lives of all Canadians, and deliver a financially self-sustaining sector in the longer term. An increased focus on destination development across Canada can help us get there.

Explore Edmonton is unique in Canada because over the past two years, we've made the strategic switch to elevate our work in the destination development and management space in addition to our marketing efforts. Destination management is the intentional work to develop and shape tourism experiences, products, events, and the legacy of a destination, that aligns with visitor expectations, responsible management, and a long-term approach.

Within the tourism industry, we are realizing more and more that supports are needed not only to market our destinations, but also to ensure that the destinations provide incredible experiences for visitors, ensuring guests share positively about their time in a destination and consider returning.

As part of our strategic move into the destination development space, we developed a [10-Year Tourism Master Plan](#) to guide us in the development and marketing of Edmonton.

COVID-19 has had dramatic impacts on just about every aspect of life, including how individuals, businesses, and investors think about potential destinations. It is imperative that we enhance our position as a place to live, work, and visit if we are to forge a future of long-term stability, prosperity,

and quality of life for residents. Doing so requires investment in our experiential assets and core tourism industries, and this plan allows us to be strategic in those investments and set forth a clear vision for the future of Edmonton as a destination.

Outlined in the 10-Year Tourism Master Plan are a whopping 57 strategic recommendations that we plan to implement for our city. However, the resources required to execute each of these strategic recommendations are significant and not every destination will have those resources available to them.

Explore Edmonton is now in the implementation phase, having secured a high-level subject matter expert to support. We have submitted an application to PrairiesCAN for approximately \$1.1 million that will help us to focus on the initial elements of our 10-Year Tourism Master Plan, including helping Indigenous tourism businesses and operators to prosper, as well as supporting the nighttime economy strategy for Edmonton, and many other initiatives.

Recommendation: More resources should be invested in supporting DMOs to position themselves as development organizations, not just marketing organizations.

Recommendation: Support will also be needed for these DMMOs to create AND execute destination development plans, with specific attention to developing and delivering year-round transformational visitor experiences, including

- Indigenous tourism
- Cultural tourism
- Culinary tourism
- Outdoor adventure
- Sports tourism
- Winter experiences

5. Regenerative and Inclusive Tourism

The impact of tourism in Edmonton cannot be measured solely in economic terms. We must also measure success against the well-being of the city, considering nature, human health, and community identities. We must be thoughtful about how the quality of the visitor experience can be balanced with the quality of life for residents; about the types of visitors who would provide maximum financial value to our local communities while having the optimal social and environmental impact, and how we can responsibly grow our tourism industry for the benefit of all in our community.

We should not and cannot return to the way things were before the pandemic. We must reassess and move forward in more beneficial ways. Regenerative tourism addresses impacts holistically, from destination and community perspectives as well as environmental.

Not only is it just inherently the right thing to do, but many of the cities with the strongest tourism industries are also known for their diversity and inclusion. The practice of regenerative and inclusive tourism is good for our communities and for our industry.

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Recommendation: We must encourage and support tourism policies and business practices that protect our unique sense of place and not only sustain, but benefit, both our natural and cultural assets in Canada.

Recommendation: We must focus our efforts on recognizing and removing systemic barriers to marginalized and underrepresented communities.

6. Sport Tourism

Sport Tourism is an important part of our business mix in Edmonton and across Canada. Despite still being in a global pandemic, in 2021, sporting events brought in over \$69 million in economic impact for Edmonton accounting for over 70% of the city's total tourism economic impact. This is evidence of how much sport can contribute to Canada's post-pandemic economic recovery.

Not only does sport tourism drive impressive economic impact, but it also provides incredible social benefits, inspiring children and youth to take part in sports and activities and encouraging healthy, active lifestyles in all ages. By investing in sport tourism, we are also investing in the programs and communities that create these opportunities.

A third benefit is the international image and reputational impacts of sport tourism and major event hosting. Currently, there is no Canadian city in the top 10 of BCW's 2022 Ranking of Sports Cities, meaning other destinations are leading the way in terms of event hosting. We are at risk of dropping off this list altogether and losing our status as a premier sport hosting destination if more investment cannot be made in sport tourism and particularly, sport infrastructure. For example, our aging stadium played a major part in FIFA's decision to not host games in Edmonton.

Sport tourism should be included in the mandate for federal tourism organizations, including Destination Canada.

Sport Tourism and major events need to have a more streamlined and broader mandate approach to funding. This is a growth area for our city that brings them to life. With the City of Edmonton and the Province of Alberta investing in these events, we need to see the federal government at the table to support our event aspirations.

Recommendation: Sport Tourism Canada is an important body that supports the development of sport tourism across the country. We believe that the activities of Sport Tourism Canada should be funded and integrated into Destination Canada to support the leveraging and acquisition of events of all sizes and in all markets across the country.