

2022 – 2023

ANNUAL REPORT



Land Acknowledgement

In the spirit of respect, reciprocity and truth, we honour and acknowledge the traditional territories of the many First Nations, Métis, and Inuit in Alberta. We value these sacred gathering places and aim to inspire others to appreciate and embrace stewardship of the land as they explore our great province.

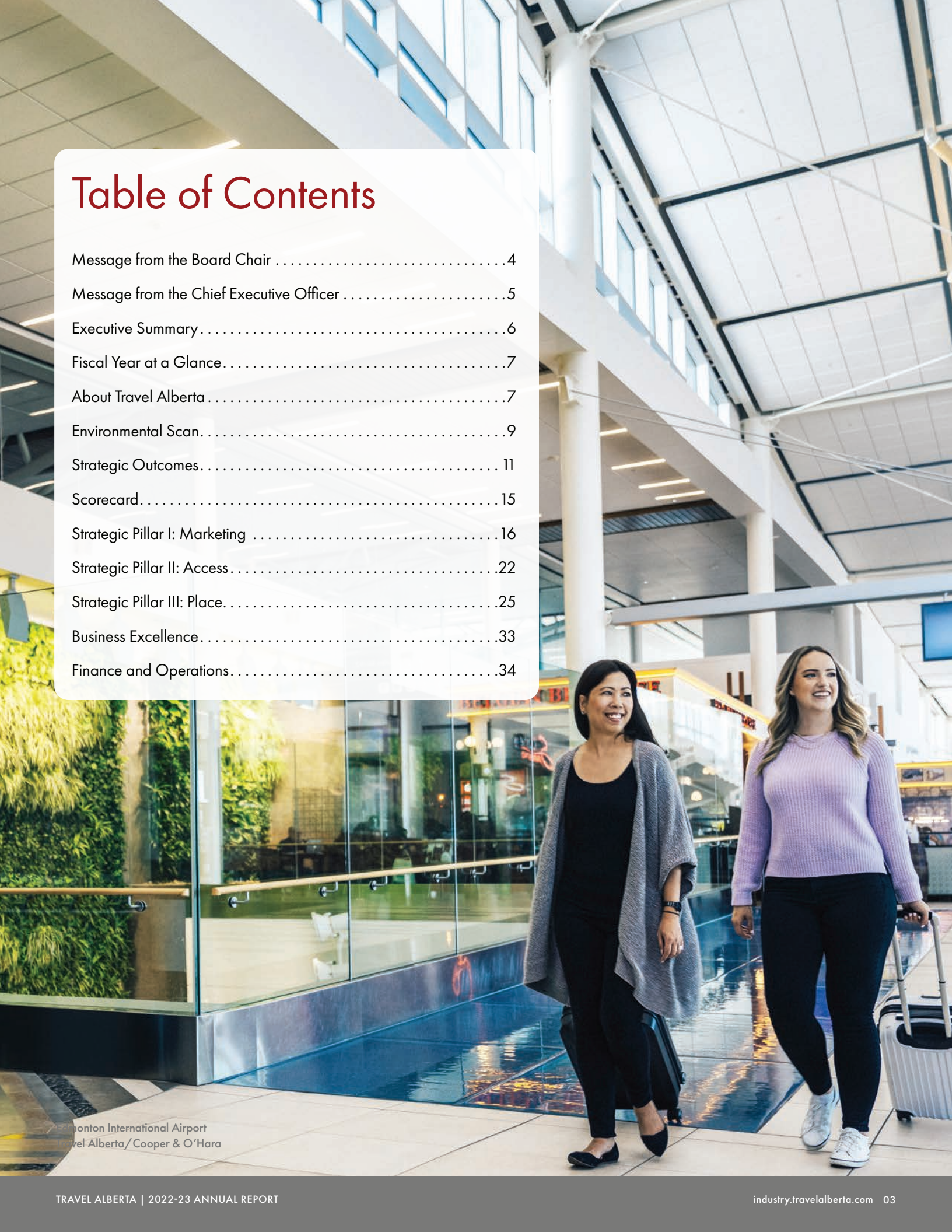
Alberta is situated within historical and present-day lands that Indigenous Peoples have cared for and lived on for generations. We honour the territories of Treaty 4, 6, 7, 8, and 10 and their signatories, including the Blackfoot Confederacy, Cree, Dene, Nakota Sioux, Saulteaux, Stoney Nakoda, Tsuu T'ina, Dakota, Nakota, and Lakota homelands. We also honour the homelands of the Métis, including the eight Métis Settlements and the six Métis Regions within the historical Northwest Métis Homeland. We acknowledge the many Indigenous Peoples living in urban areas throughout the province. We appreciate that modern borders do not align with traditional land use, and we honour the neighbouring Indigenous communities outside of Alberta who have travelled and inhabited this land throughout history.

Front Cover:
Charmed Resorts, Crowsnest Pass
Travel Alberta/Colin Way

Edmonton Folk Music Festival, Edmonton
Travel Alberta/Roth & Ramberg

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Edmonton International Airport
Travel Alberta/Cooper & O'Hara



MESSAGE FROM THE BOARD CHAIR

On behalf of Travel Alberta's Board of Directors, I am pleased to present our 2022-23 Annual Report. This was the first year where Alberta's tourism industry could truly see a future beyond the impacts of the COVID-19 pandemic. International and domestic travel volumes have stabilized, and Canadian border restrictions were lifted at the start of the second half of the fiscal year, positioning the country and our province to welcome the expected influx of travellers from international markets.

In the past year, Travel Alberta has matured into its expanded mandate as a destination management organization. The organization has broken new ground in destination development and is exemplifying holistic stewardship to grow a visitor economy for the benefit of all Albertans. Moving forward, the organization is well positioned to build on the successes and incorporate the learnings detailed in this report.

The Government of Alberta, together with Travel Alberta, remains committed to growing the visitor economy to double its value compared to 2019. This has been and remains an ambitious goal, one that will transform the local economies of Alberta communities. But as Albertans, we do not shy away from a challenge. We are resourceful, purposeful and hardworking, and so I am confident that together as Team Alberta we will capitalize on the opportunities and overcome the challenges before us.

A handwritten signature in black ink, appearing to read 'Linda A. Southern-Heathcott', written over a light grey circular background.

Linda A. Southern-Heathcott
Board Chair
Travel Alberta Board of Directors



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

This report represents the Travel Alberta team's performance in our second year of the Bootstrap Plan — Travel Alberta's plan to recover tourism revenues to 2019 levels by 2024.

The resilience and commitment of the team to deliver on the Bootstrap Plan have been key to the successes of our second year. These results instill optimism for the future of our industry as we strive to double the value of our visitor economy by 2035.

Now is the time for us to reinforce our approach, as we set the stage to transition from recovery to long-term sustainable resilience.

Our sector is on track to recover past pre-pandemic levels by the end of 2023 — one full year ahead of schedule. And while this accelerated recovery was driven largely by a high rate of domestic travellers, international travel is returning. This marked our first full year back in international markets, as we encouraged travellers from across the world to choose Alberta, spend more, stay longer and visit more areas across the province.

As our industry recovers we're facing new challenges. These complex challenges, including labour shortages, capacity issues, and a highly seasonal sector, will take complex solutions to transition our sector from *survive* to *thrive*. They need a nuanced approach that considers tourism's role in our economy, but also as a key driver of cultural preservation, a leader in innovation, and a tool to uplift resident quality of life. Our continued investments in and support for Indigenous tourism will be a critical factor in building a successful and sustainable visitor economy.

This year, I once again had the immense pleasure of visiting operators in all corners of our province to meet face to face and experience these world-class tourism products first-hand. I was consistently blown away, not only by the quality of these experiences, but also by the immense passion and tenacity of Alberta's tourism entrepreneurs.

Together with our valued partners, we're building a visitor economy for everyone, so that visitors, operators and residents alike can enjoy the many benefits of Alberta's ever-evolving tourism industry.

More than 220,000 Albertans are employed in tourism. When our visitor economy works, we all do.

A handwritten signature in dark ink, reading "David J. Goldstein". The signature is written in a cursive, flowing style. The name "David" is written in a larger, more prominent script, followed by "J." and "Goldstein".

David Goldstein
Chief Executive Officer

Executive Summary

Travel Alberta attracted high-value travellers to experience Alberta, made it easy for these travellers to visit our destinations, and invested to develop new destinations and experiences that will build the future of our visitor economy.

Alberta's visitor economy experienced rapid growth in 2022-23, driven largely by increased travel from Albertans and other Canadians through the summer and into the winter months. Travel Alberta capitalized on this recovery through a wide range of destination management and development strategies to encourage travellers to stay longer, spend more, visit more often, travel off-season and explore more parts of the province.

In addition to this high rate of domestic travel, 2022-2023 was defined by a broad re-entry into international markets. Our strategy targeted high-value travellers in U.S. and key international markets, differentiated Alberta through stories featuring our unique spirit and inspiring landscapes, and forged new relationships with travel-trade and media organizations, welcoming important stakeholders from the U.S., U.K., Germany, Australia, Japan and Canada.

We partnered with airlines and Alberta's international airports to increase capacity in new and existing routes (125,000 seats), built stronger relationships with partner airlines (resulting in a 6.1:1 return on investment), and engaged in numerous international partner marketing campaigns to promote flights to Alberta. We also purposefully engaged with other government departments to increase consideration for improved intra-provincial transportation and digital connectivity throughout the province.

Our destination development focus transitioned from short-term survival of the industry to long-term resilience and growth. This enabled us to make significant progress in our long-term vision for Alberta's visitor economy, with a key focus on rural and Indigenous experience development. We invested in 173 projects across 73 communities, supported 12 destination organizations (DOs), and began long-term destination development plans in high-potential parts of the province.

Bears Hump, Waterton Lakes National Park
Travel Alberta

WE INVESTED IN

173
PROJECTS ACROSS
73
COMMUNITIES

SUPPORTED

125K
NEW AIRLINE SEATS
TO ALBERTA

COMMITTED

\$6M
OVER THREE YEARS TO
INDIGENOUS TOURISM



Fiscal Year at a Glance: The Road to Resilience

April 2022

- **2022-25 Business Plan:** Continued momentum for sector recovery
- **U.S. marketing campaigns resume**, leading with refreshed brand: Canada's Alberta

June 2022

- **"Summer of Love" tour:** CEO David Goldstein visits 106 tourism partners in communities across the province to connect face to face with Alberta's tourism entrepreneurs

October 2022

- **Government of Alberta signs Memorandum of understanding with WestJet** establishing Calgary as the airline's hub for long-haul international flights, enabling greater access to Alberta from key tourism markets
- **National Geographic's "Best of the World" list** features Alberta's Indigenous tourism operators — the only Canadian inclusion on the list

January 2023

- **Six tourism town halls** held across the province, in partnership with Indigenous Tourism Alberta, the Tourism Industry Association of Alberta and regional partners, create dialogue and feedback on long-term tourism strategy

March 2023

- **\$6 million commitment over three years to Indigenous Tourism Alberta**, the largest-ever provincial commitment to grow Indigenous tourism announced at one time
- **Sales missions to London and Paris with regional tourism partners**, in alignment with increased air service to Alberta from these priority markets

May 2022

- **\$5.6 million in annual funding allocated** to regional destination organizations with a specific focus on rural development
- **Tourism investment programs** open for applications
- **Real-time online tourism indicators** — a single source of truth for up-to-date tourism data
- **500 international buyers meet with Team Alberta** at Rendez-vous Canada international marketplace in Toronto — the first in-person tourism marketplace since 2019

September 2022

- **New investment streams open** for applications
- **Multiple in-community tourism planning sessions** begin across rural Alberta

November 2022

- **The first Canadian destination** to promote travel at the United States Travel Operators Association Conference in Austin, Texas

February 2023

- **New investment application streams open** for 2022-23 funding
- **37 travel-trade buyers visit** from U.S., U.K., Germany, Australia and Canada to experience Alberta at first immersive marketplace
- **HBO's The Last of Us brings international attention to Alberta**, driving record visitation to our website through our interactive location map
- **PrairiesCan announces \$3.25 million co-investment** in support of TDZ project

About Travel Alberta

OUR MANDATE

As a destination management organization, Travel Alberta drives the growth of the province's visitor economy, developing and promoting must-visit destinations throughout the province. We do this by helping businesses develop memorable products and experiences, marketing those products and experiences to the world, and ensuring visitors have access to them.

According to the *Travel Alberta Act*, the purposes of the Corporation are to:

- market the tourism assets, attractions, and opportunities present in Alberta in domestic, national, and international markets,
- promote the development and growth of the tourism industry in Alberta to increase revenue and employment in, and the economic benefits generated by, the industry,
- promote Alberta as a destination for tourists and other visitors,
- assist Alberta communities and tourism industry operators to develop and market their products,
- provide visitor services, and
- exercise or perform any other powers, duties and functions authorized by the Lieutenant Governor in Council.

To support this mandate, the Government of Alberta provided \$60 million to Travel Alberta in funding in 2022-23. Travel Alberta aligns with the Forestry, Parks, and Tourism (FPT)'s strategic direction to support Alberta's vibrant tourism industry and nature-based tourism in our provincial parks and public recreation areas for the enjoyment of Albertans and visitors.

THE BOOTSTRAP PLAN

In 2021, Travel Alberta developed the Bootstrap Plan — a three-year plan to recover tourism revenues to 2019 levels by 2024. The Bootstrap Plan's three-pillar approach links destination promotion (marketing); air access, broadband and transportation initiatives (access); and destination development and support for tourism businesses (place).

KEY STAKEHOLDERS

Alberta's tourism industry is an interconnected and multidimensional network comprising nearly 24,000 tourism-related businesses¹.

In 2022-23, we worked to strengthen communication and relationships with key stakeholders to drive alignment on destination management priorities. This helped solidify Travel Alberta's role as an industry convener, bringing disparate groups together to drive sector alignment. Groups include:

The Alberta NorthStar Group

These destination organizations (DOs) represent Alberta's legacy destinations, including mountain communities and the province's two largest cities.

The Alberta Constellation Group

These destination organizations (DOs) represent rural and emerging destinations outside of the Rockies and major cities.

Indigenous Tourism Alberta (ITA)

ITA is a non-profit organization devoted to growing and promoting authentic, sustainable, and culturally rich Indigenous tourism experiences.

The Tourism Industry Association of Alberta (TIAA)

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.

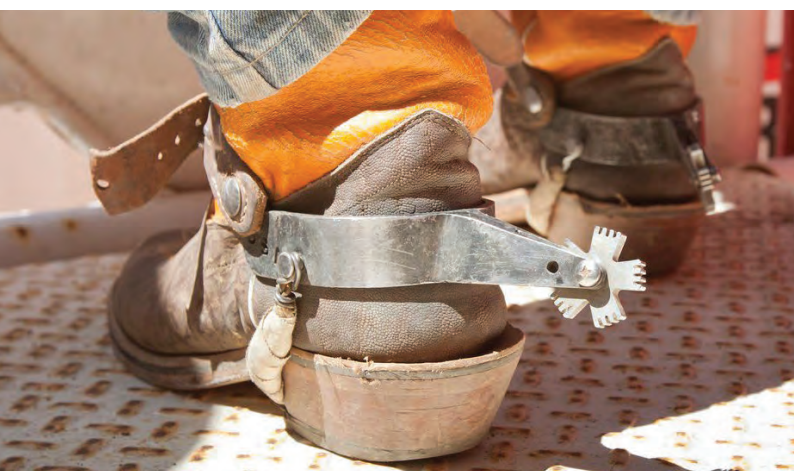
Industry Advisory Committees

Travel Alberta meets twice a year with advisory committees composed of business leaders across the province. Members of the Marketing Insights and Access and Product Development advisory committees provide a business perspective on Travel Alberta's strategies and plans.

Government and industry stakeholders

Travel Alberta works closely within the Government of Alberta and with municipal and federal tourism entities to ensure strategic and program alignment. Travel Alberta also consults with sector associations (such as the Alberta Hotel and Lodging Association and the Alberta Hospitality Association) and airlines and airports on areas of mutual interest.

¹ Statistics Canada



Environmental Scan

ALBERTA'S VISITOR ECONOMY

While Alberta's tourism industry is recovering faster than originally projected, tourism expenditures remain 8 per cent below pre-pandemic levels. In 2022, Alberta's tourism expenditures reached approximately \$9.3 billion, up 47 per cent from the previous year (Figure 1)². Key contributing factors were:

- Pent-up travel demand led households to prioritize travel, despite economic uncertainties^{3,4}.
- High domestic travel persisted through the summer and into the winter months (Figure 2).
- Business travel continued to rebound with revenue in the second quarter (April-June) of 2022 reaching over 80% of 2019 Q2 levels⁵.
- Blended travel (combined business and pleasure trips) is a rising trend among young affluent⁶.
- The strong U.S. dollar encouraged Canadians to travel domestically, while attracting in-bound American and overseas travellers.

The removal of travel-related restrictions (proof of COVID-19 vaccination requirements, pre-board testing, quarantine after entering Canada and mandatory ArriveCAN tracking) led to a higher-than-expected surge in travel demand in the summer and the December holiday period. However, the air transportation sector experienced labour shortages and as a result struggled to handle the demand. This contributed to significant travel disruptions.

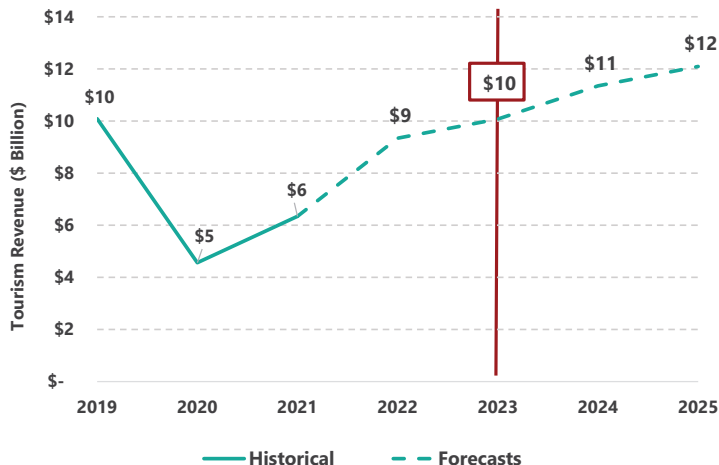
Figure 2 shows the recovery in inbound air passengers to Alberta; domestic passenger volume is hovering at the pre-pandemic levels while international has not yet fully recovered.

Overall, industry recovery from the impacts of the pandemic was positive but inconsistent across regions and sectors. In 2022, the Canadian Rockies attracted a considerable share of the overall travel spend in Alberta (22% compared to 17% in 2019), drawing travellers with its open spaces and opportunities for outdoor recreation⁷.

MACROECONOMIC CONTEXT

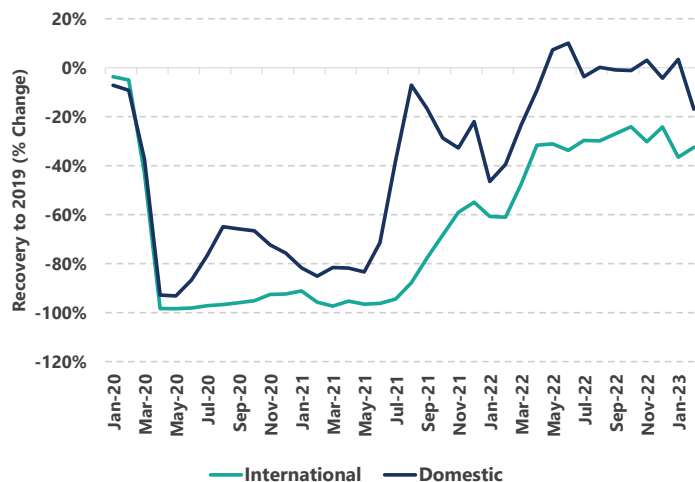
High commodity prices were at the core of Alberta's solid economic performance in 2022. With an estimated 4.8 per cent real GDP growth last year, the province's economy has now fully recovered from the pandemic-induced downturn and surpassed its 2014 peak⁸.

Figure 1: Tourism Revenue and Forecasted Recovery



Source: Tourism Economics. Alberta's Visitor Economy, Forecast Scenarios & Spending Segmentation, January 2023

Figure 2: Incoming Air Passengers to Alberta – Recovery to 2019



Source: Cirium DIIO, May 2023

² [Tourism Spend Forecasts | Travel Alberta](#)

³ Destination Canada. US Sentiment for Travel to Canada, May 2022.

⁴ Destination Analyst. The State of the American Traveler, July 2022.

⁵ Statistics Canada. National Travel Survey, 2022 (preliminary data).

⁶ YouGov. [Global Travel & Tourism Whitepaper 2023](#).

⁷ Statistics Canada. National Travel Survey, 2022 (preliminary data)

⁸ [2023-26 Fiscal Plan \(Alberta Budget 2023\) – February 28, 2023](#)

INFLATION

Following sharp increases over the past year, inflation is beginning to trend downwards in most advanced economies. In Canada and the U.S., core inflation — measured as the year-over-year percentage change in the consumer price index (excluding food and energy) — has dropped after reaching a 40-year high in mid-2022 (Figure 3).

High inflation eroded disposable incomes for many consumers; however, overall industry performance in 2022 was positive due to pent-up travel demand.

CONSUMER CONFIDENCE

As inflation surged through the second half of 2022, consumer confidence declined steadily. In recent months, as inflation has begun to decrease, more Canadians became optimistic about their current and future financial situation (Figure 4). While the index has been recovering steadily since November, it remained down 19 points year-over-year at fiscal year-end.

WORKFORCE AND LABOUR

Workforce availability remains a limiting factor of industry growth — a challenge that has been exacerbated by a mass exodus of tourism workers into other industries during the COVID-19 pandemic. The number of active tourism businesses in Alberta (Figure 5) has nearly returned to the 2019 levels (in July 2022, 3 per cent below July 2019), but the number of employees in those businesses is lower than pre-pandemic.

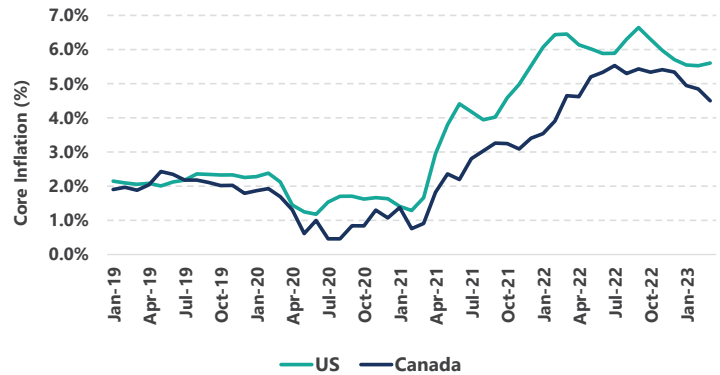
The Tourism Industry Association of Canada identified attracting and retaining a sustainable tourism workforce as the top pillar of growth for the industry⁹. Nationally, the tourism sector labour force in March remained nearly 5 per cent below its pre-pandemic size, with just over 99,000 fewer people¹⁰.

As a result, many tourism businesses reduced operational capacity to maintain service levels that meet travellers' expectations.

⁹ TIAC, Destination Marketing Association of Canada Visitor Based Assessment Study, February 2020

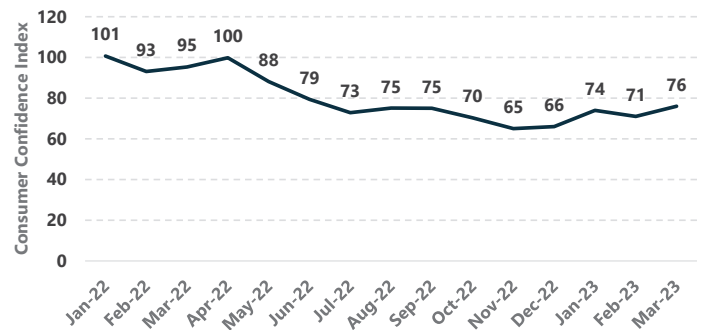
¹⁰ Tourism HR Canada, Canadian Tourism Labour Market Snapshot, March 2023

Figure 3: Inflation Stabilizing



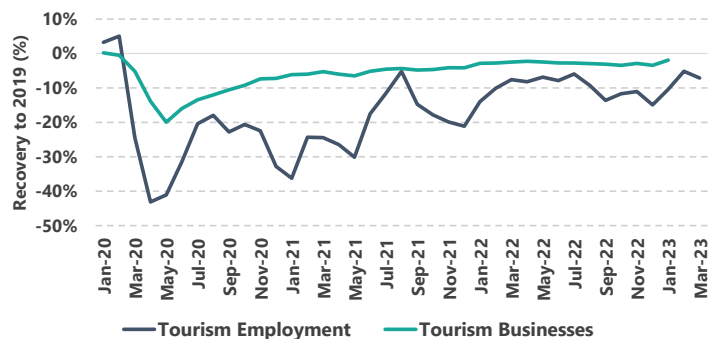
Source: Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted; Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPILFESL>.

Figure 4: Canadian Consumer Confidence Index



Source: Conference Board of Canada. The Index of Consumer Confidence, April 2023

Figure 5: Tourism Employment and Active Tourism Businesses Per Cent Change Relative to 2019



Source: Tourism HR Canada, Statistics Canada

Strategic Outcomes

TARGETING HIGH-VALUE INTERNATIONAL TRAVELLERS

Generally, the farther away a traveller lives, the more time and money they will spend per person per visit to Alberta. Research shows that regional travellers — those from Alberta — spend an average of \$242 per person per visit, domestic travellers from other areas in Canada spend \$567 per person

per visit, travellers from the U.S. spend \$828 per person per visit, and overseas travellers spend \$1,119 per person per visit¹¹. We specifically target foreign markets with more potential high-value travellers. Every dollar spent by foreign travellers contributes to the export value of Alberta’s visitor economy.

TAKING A COMMERCIAL APPROACH TO AIR INVESTMENT

Alberta is a distinctly fly-to destination. In fact, more than 70 per cent of U.S. travellers and 85 per cent of international travellers arrived by air in 2019¹². In 2022-2023, we increased the number and frequency of direct inbound seats to Alberta from target markets to ensure Alberta remains a competitive destination for business and leisure travellers.

The air services in Alberta’s two major international airports in Calgary and Edmonton provide essential connections to the province’s most compelling destinations, bringing millions of visitors annually from our key U.S. markets and from across the globe. In October 2022, the Government of Alberta signed a Memorandum of Understanding with WestJet, establishing Calgary

as the airline’s hub for long-haul international flights, enabling greater access to Alberta from key tourism markets.

In 2022-23, we established a competitive air investment framework. To ensure the best use of limited funding, airlines “bid” on routes for which they wanted marketing and operational support. This program resulted in over 125,000 incremental seats from international markets.

For details on our access strategy and detailed results, see *Strategic Pillar II: Access*.

REINFORCING STRONG INDIGENOUS PARTNERSHIPS

Indigenous tourism supports the livelihoods of Indigenous entrepreneurs, preserves Indigenous culture and language, and offers reconciliation opportunities to non-Indigenous travellers.

Authentic Indigenous tourism is a competitive advantage for Alberta. One in three international travellers are seeking authentic Indigenous experiences. One in two Albertans are interested in Indigenous tourism¹³. Indigenous tourism is projected to contribute \$133 million in GDP in 2024¹⁴.

In 2021, we made a significant commitment to grow Indigenous tourism through a 3-year grant agreement between Travel Alberta and Indigenous

Tourism Alberta (ITA). We have since built on this partnership, collaborating to grow and enhance Indigenous tourism offerings across the province. On March 10, 2023, Travel Alberta signed a Memorandum of Understanding with ITA committing \$6 million in direct and in-kind support for ITA — the largest-ever provincial commitment to Indigenous tourism announced at one time.

¹¹ Government of Alberta. Alberta Visitor Profiles, Tourism in Alberta 2019

¹² Statistics Canada. Table 24-10-0055-01: Non-resident visitors entering Canada, by country of residence, mode of transportation, arrival type and traveller type.

¹³ Indigenous Tourism Alberta, May 2022

¹⁴ Conference Board of Canada. The Economic Impact of the COVID-19 Pandemic on Indigenous Tourism Businesses in Alberta, 2023

Multi-faceted support for Mahikan Trails

Mahikan Trails shares traditional Indigenous teachings and land-based skills through nature and medicine walks in Sundre, Canmore, and Banff. In 2022-23, the operator received \$100,000 in funding to build cabins for year-round programming.

With earned media support from Travel Alberta, Mahikan Trails was featured in National Geographic’s “Best of the World 2023” list. Alberta was the only Canadian destination featured and was specifically highlighted as a leader in Indigenous tourism.



“ Working with Travel Alberta, whether it’s financially or non-financially, has been incredible — especially on the non-financial side. The amount of support that I have received has been phenomenal and is useful in so many different aspects of my business. I feel like I have a whole team behind me, and that feels pretty good.”

Brenda Holder,
Founder, Mahikan Trails

DRIVING RURAL TOURISM DEVELOPMENT

Travel Alberta's tourism investment programs support the development of unique experiences, accommodations, rural development and promotion, and events and festivals. In 2022-23, across the co-operative and product development funds, we invested in 173 projects across 73 communities. Approximately 70% of that budget supported development in smaller urban and rural areas of the province.

Rural tourism drives economic development, supports cultural preservation, generates infrastructure, and creates amenities that improve resident quality of life. And, as a primary employer of people under the age of 35¹⁵, it creates year-round employment opportunities that keep communities young and vibrant.

¹⁵Tourism HR Canada, Canadian Tourism Labour Market Snapshot, 2022

In 2022-23, we deepened our commitment to developing rural tourism in a variety of ways, including:

- Providing \$5.65 million in annual funding for Constellation DOs.
- Providing \$1.4 million in support for ITA and investing over \$1 million in Indigenous tourism operators.
- Investing \$5.2 million in tourism product in rural areas and smaller urban centres.
- Engaging in destination development planning in rural areas (tourism development zones) with support from local communities.

For program details and results, see *Strategic Pillar III: Place*.

Elevated Escapes boutique glamping in Bragg Creek

Elevated Escapes partners with local landowners to build boutique glamping accommodations. The Bragg Creek location is located on the property of David and Ginger Onespot, Indigenous owners/operators of the Onespot Crossing Campground. The Onespots also offer Indigenous land-based workshops on site.

In 2022-23, Travel Alberta invested \$100,000 to support the purchase of several geodesic domes with built-in fireplaces. These sturdy, warm structures allow the glamping site to remain open year-round, welcoming high-value travellers to experience the stunning landscape.

“ Before the domes, we were only operating seasonally for about four months out of the year. We’re now able to operate in all seasons, which has increased the number of visitors we have coming as well as our annual revenue. We’re now able to take on a broader range of clients — people who may not have gone camping when they were young, but now are able to get out and experience nature in the comfort of a dome.”

Jenna Walsh,
Owner/Operator



Elevated Escapes, Bragg Creek
Travel Alberta/Katie Goldie

INSPIRING COMMUNITY SUPPORT THROUGH ENGAGEMENT

As a destination management organization, we collaborate with many stakeholders to develop a shared vision for the visitor economy that benefits both visitors and residents. This ensures that our tourism development strategy amplifies the benefits of tourism while addressing challenges felt at the community level. Throughout 2022-23, we engaged with and sought in-person feedback from Alberta residents through:

- “Summer of Love” CEO tours to connect face-to-face with Alberta’s tourism entrepreneurs
- Tourism industry town halls
- Tourism development zones (TDZs) engagement (See *Strategic Pillar III: Place* for details)

Resident Sentiment surveys

Travel Alberta conducts bi-annual surveys to measure Albertans’ perspective on tourism and the visitor economy. We share our findings with our stakeholders across the sector and use the insights to help inform our approach to development across the province.

In 2022-2023, we learned that 70% of Albertans feel tourism is important to their community, and that a larger proportion believe that tourism is important to the province and the country. We also found statistically

significant differences between regions on the importance of tourism at the community level.

As community engagement and support are critical to the success of any initiative, we will continue to measure resident sentiment to ensure our activities are in alignment with Albertans’ vision for the future of their communities.

Table 1: Resident Sentiment Survey Results

TOURISM IS IMPORTANT TO...	TOTAL	CALGARY	EDMONTON	THE ROCKIES	RURAL NORTH	RURAL SOUTH	RURAL CENTRAL
My community	70%	74%	68%	93%	60%	76%	64%
Alberta	93%	93%	91%	90%	98%	96%	97%
Canada	94%	95%	92%	84%	98%	95%	96%

“Summer of Love” CEO tours

Throughout summer 2022, Travel Alberta CEO David Goldstein travelled the province to connect first-hand with Alberta’s tourism entrepreneurs.

The purpose of this tour was to engage directly with operators in all corners of the province, experience the depth and diversity of tourism product available in Alberta and understand the unique challenges and opportunities facing tourism businesses and DOs in different regions.

2022-23 “SUMMER OF LOVE” CEO TOUR

MET WITH
106
PARTNERS

SAMPLED
20
EXPERIENCES

TRAVELLED
4,790
KILOMETRES



CEO David Goldstein at Eau Claire Distillery, Turner Valley

Tourism industry town halls

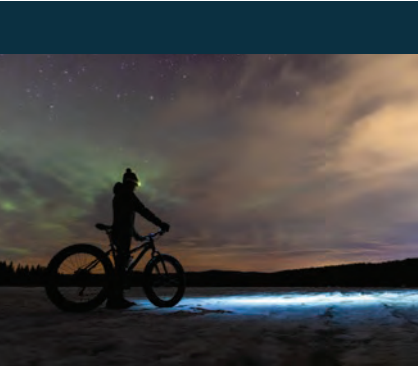
In 2022-2023, we hosted six town halls across the province in partnership with the Tourism Industry Association of Alberta (TIAA), Indigenous Tourism Alberta (ITA), and local destination organizations. The purpose of these town halls was to:

- Share our vision for Alberta’s visitor economy
- Answer questions from tourism industry operators
- Collect industry feedback on key issues to help inform Alberta’s long-term tourism strategy

We hosted town halls in Calgary, Edmonton, Hinton, Sylvan Lake, Fort McMurray and Crowsnest Pass. More than 750 tourism operators, DOs, associations and government officials attended the events.

Several themes emerged across all town halls, including:

- **Additional funding** — Tourism investment programs are oversubscribed. Operators would like to see more funding opportunities to support experience development.
- **Navigating regulation** — Land use policies and other regulatory processes create ongoing challenges for operators.
- **Seasonality and labour challenges** — Building a year-round sector is important to help attract and retain staff.
- **Indigenous partnerships** — How to respectfully connect and build partnerships with Indigenous operators.



Jarvis Lake, Hinton
SkiNorthAB/Paul Lavoie



Claus Rieger, Sylvan Lake



The Pass Beer Co., Crowsnest Pass
Travel Alberta/Chris Amat



Aurora Borealis Indigenous Village, Fort McMurray
Travel Alberta/Katie Goldie



West Edmonton Mall, Edmonton
Travel Alberta/Colin Way



Bow River, Calgary
Travel Alberta/George Simhoni

Scorecard

Travel Alberta uses a Corporate Scorecard approach to setting targets and measuring results for our strategic pillars.

STRATEGIC PILLAR	BUSINESS PLAN 2022-25 OUTCOMES	METRIC	2021-22 RESULT	2022-23 TARGET	2022-23 ACTUALS	RESULTS
Marketing	Expenditures by high-value travellers from target markets return to 2019 levels by 2024.	Incremental change in searches for Alberta destinations in U.S. target regions versus control markets	19% baseline from winter 2021/22 campaign	25%	26%	1 point above target
Access	Visitors have access to Alberta's destinations and experiences.	Return on Investment (ROI) ratio on new/recovered air routes and additional frequency	4:1 (\$16M incremental revenue)	6:1 (\$36M incremental revenue)	6.1:1 (\$31.9M incremental revenue)*	Achieved
Place	Alberta's visitor economy is recovering through strengthened businesses, experiences and communities, attracting high-value travellers.	Impact on Gross Domestic Product (GDP) from total investments of projects funded by the Product Investment Fund	\$8.5M direct impact \$33M total impact	\$9.5M direct impact \$37M total impact	\$42M direct impact \$113M total impact	Exceeded (see Strategic Pillar III: Place for details)
		Ratio of private sector investment driven by Travel Alberta's investment in the Growth Program	1:2.6	1:2.6	1:9.7	
		Per cent of Albertans who feel tourism is important to their community	63%	63%	70%	7 points above target

*The incremental revenue is lower than targeted as a portion of investments spanned multi-fiscal years and will be measured and reported in the following fiscal year.



Horseback Adventures Ltd., Brule
Travel Alberta/Ryan Bray

STRATEGIC PILLAR I: MARKETING

OUTCOME:
Expenditures by high-value
travellers from target markets
return to 2019 levels by 2024.



High Level Bridge, Lethbridge
Roth and Ramberg

Key Objectives:

- Lead alignment efforts with key partners to ensure a competitive position in the tourism market.
- Implement promotional campaigns (direct to consumer, media, and public relations) and travel trade (business to business) activities to increase the consideration of Alberta as a travel destination.

In 2022-23, our marketing targeted high-value travellers in U.S. and key international markets.

Travel Alberta was one of the first Canadian destination organizations to re-enter the U.S. market with a promotional campaign after the COVID-19 pandemic. Stories featuring Alberta's people and places set us apart from other destinations and allowed us to capitalize on pent-up demand for travel in the U.S. and key international markets, ahead of competing destinations.

We also met with international buyers and media in the U.S., U.K., France, Germany, and Japan to develop partnerships, to encourage international travellers to choose Alberta. Our team strengthened and forged new relationships with travel-trade and media organizations, welcoming important stakeholders to experience all that Alberta has to offer.

Dark Sky Guides, Waterton Lakes National Park
Travel Alberta/Colin Way



Organizational Initiatives:

COLLABORATE WITH STRATEGIC PARTNERS TO INCREASE CONSIDERATION OF TRAVEL TO ALBERTA.

PROGRAM:

PROMOTION CAMPAIGNS TO LEAD U.S. MARKET RESTART AND RECOVERY

In 2022-2023, Travel Alberta promoted Alberta in Los Angeles, San Francisco, San Diego, Sacramento, Dallas, Houston, Austin, San Antonio and New York. We selected these markets because residents are most likely to travel to Alberta, spend more, and stay longer.

When planning a trip, travellers use online search engines as a primary tool. Travel Alberta created geo-targeted online marketing campaigns in target zip codes designed to inspire potential travellers from those areas to search for Alberta locations and experiences. We tracked the results against a “control group” — areas in which we did not deliver marketing creative. The difference between the control and target markets allowed us to measure how effectively we created awareness of Alberta as a destination, and ultimately, inspired travellers to search (and book) Alberta experiences.

These campaigns were executed in partnership with Destination Canada, NorthStar DMOs, Indigenous Tourism Alberta and tour operator partners.

Results:

- **Total incremental change in search:** 26% (1 point above target)
- **Leads to NorthStar partners:** 2,343,261 (29% above target of 1,822,344)

What we learned:

- **Increase value to NorthStar partners:** Our direct-to-partner campaigns exceeded targets by 29%. To build on this success, our 2023 program will expand U.S. partner marketing by establishing individualized buy-in campaigns for each DO partner. This will increase the impact and efficiency of this initiative.
- **Adjust campaign timing and spend:** U.S. travellers booked trips further in advance than last year (with an approximate 60-day booking window for summer travel). In 2023, we will concentrate media spend across fewer months to drive greater impact on bookings during this crucial window.
- **U.S. markets are still recovering:** Despite a high rate of domestic travel driving industry recovery, international travel is still recovering. Higher volume markets, specifically in the U.S., will not make a full return to Alberta until 2024. Moving forward, we must continue to prioritize U.S. marketing to stay top of mind as travel rebuilds.

Winter and ski marketing campaign

Travel Alberta launched a winter and ski campaign during the crucial booking period for the U.S. market with the goal of driving American travellers to visit Alberta during winter. This was one of Travel Alberta’s largest winter campaign investments to date and resulted in a quicker post-pandemic recovery for Alberta’s ski industry.



“ Our quick recovery post-pandemic would not have been possible without the Travel Alberta-led Awareness Campaign across key markets. Their approach to being in-market early allowed industry to capture real-time winter bookings quickly and efficiently in both direct and travel trade channels. A huge win for our local economy.”

Pete Woods, President,
SkiBig3: Banff Sunshine, Lake Louise, Mt Norquay

ALBERTA ON THE SMALL SCREEN: HOW *THE LAST OF US* BROUGHT INTERNATIONAL ATTENTION TO SOME OF ALBERTA'S LESSER-KNOWN DESTINATIONS

HBO's *The Last of Us* (TLOU), was shot in over 180 locations across Alberta. It premiered in January 2023 and created a massive cultural moment, with over eight million viewers per episode. For Travel Alberta, *The Last of Us* became our "pilot project" for film tourism promotion, to determine whether this strategy was feasible for future productions.

Our ability to stay nimble and move quickly allowed us to capitalize on the show's unprecedented success. We collaborated with the Alberta Film Commission, the Government of Alberta, and local creators to highlight locations featured in the show.

We developed a web page and interactive map, hosted on travelalberta.com, identifying the real-life filming locations for each episode.

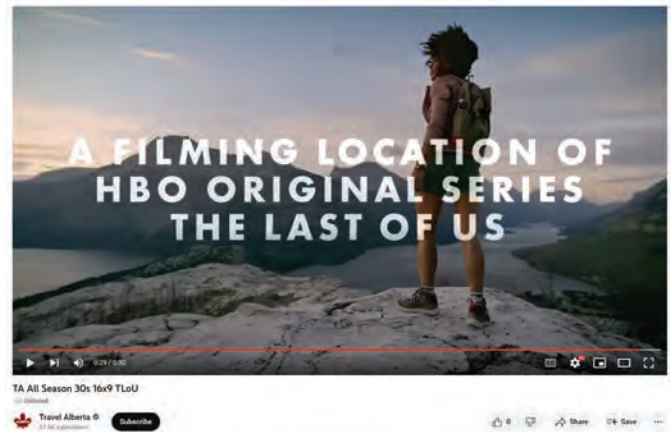
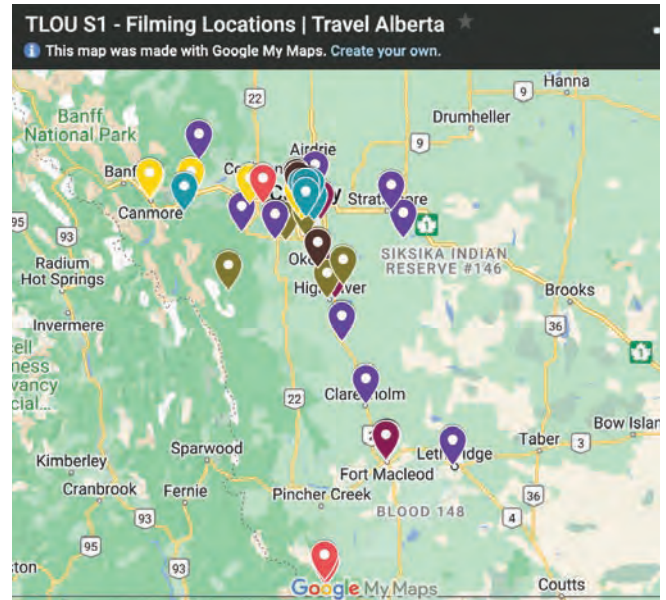
Results:

During the months when the show aired, traffic to our channels was higher than average and hundreds of media mentions of Alberta were generated.

- **Website page views:** 171,634, 20% increase month over month
- **Social media engagement:** 778% increase month over month
- **Article mentions (Travel Alberta and TLOU together):** 335
- **Global media impressions:** 618,537,259

What we learned:

- **Leverage pop-culture moments:** This campaign achieved higher impressions and engagement than other top performing Travel Alberta campaigns in U.S. markets. Moving forward, we will meet quarterly with the Alberta Film Commission to review upcoming productions and determine whether they are a fit for the Alberta brand.
- **Create meaningful content:** The blog post and interactive map are almost solely responsible for the earned media coverage we received.



DURING THE MONTHS WHEN HBO'S *THE LAST OF US* AIRED

WEBSITE
PAGE VIEWS

171K

20% INCREASE MONTH
OVER MONTH

SOCIAL MEDIA
ENGAGEMENT

778%

INCREASE
MONTH OVER MONTH

ARTICLE
MENTIONS

335

(TRAVEL ALBERTA AND
TLOU COMBINED)

GLOBAL MEDIA
IMPRESSIONS

619M

EVOLVE THE TRAVEL ALBERTA BRAND TO CREATE PRIDE OF PLACE FOR ALBERTANS AND APPEAL TO HIGH-VALUE TRAVELLERS.

PROGRAM:

ROLL OUT NEW TRAVELLER BRAND STRATEGY AND CREATE ASSETS THAT BRING IT TO LIFE

In 2022-23, after extensive research and testing, we evolved our consumer brand to stand out in a highly saturated landscape. We set out to discover:

- What differentiates Alberta
- How to positively influence perceptions of Alberta
- How to increase urgency to visit Alberta

Results:

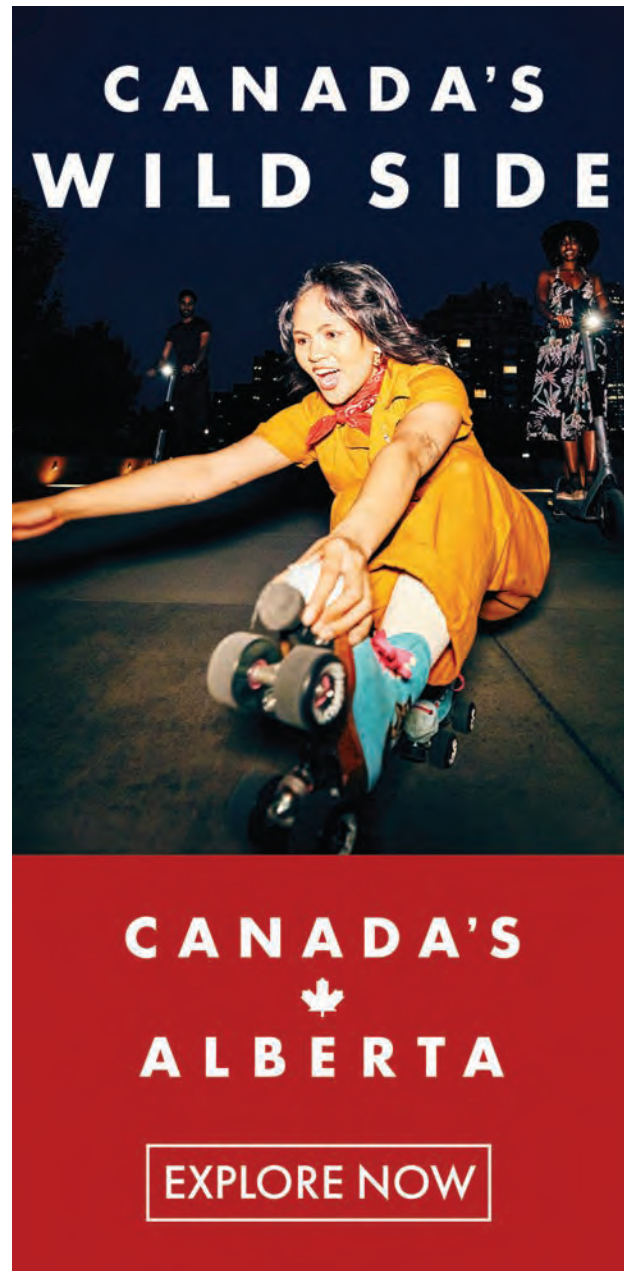
We launched our consumer brand evolution in April of 2022 with a renewed focus on Alberta's people and unique personality.

In 2022, we conducted a study to understand the extent that high-value travellers are aware of, familiar with, or considering travel to places within Alberta. We surveyed potential travellers in October across key markets in the U.S. We will measure twice a year moving forward to establish a baseline metric.

Our first survey found that 15% of American respondents were considering travel to a place in Alberta. In comparison, 34% responded with B.C. locations and 54% with Ontario locations.

What we learned:

- **Adopt a long-term approach:** Developing a strong brand requires a long-term investment to engage consumers repeatedly over time. We will continue to invest in brand activities to grow Alberta's brand equity.
- **Differentiate Alberta within the context of Canada:** U.S. travellers are less likely to consider travelling to Alberta over B.C. and Ontario. Moving forward, we will build Alberta's brand and unique Alberta personality to capture international interest and awareness.



STRENGTHEN DISTRIBUTION PARTNERSHIPS TO GROW SALES AND PRODUCT OPPORTUNITIES THAT WILL DRIVE REVENUE FROM INTERNATIONAL MARKETS.

PROGRAM:

WORK WITH TRAVEL TRADE AND MEDIA PARTNERS TO GROW SALES AND PRODUCT OPPORTUNITIES IN INTERNATIONAL MARKETS

In 2022-23, we worked with a wide range of partners in key markets across the U.S., U.K., France, Germany, and Japan to increase room night bookings across the province. To support this, we:

- Suggested travel itineraries to expand product offerings and increase winter representation.
- Trained 8,000 travel-trade agents in 72 training sessions in U.K., Germany, U.S., Canada.
- Built trade-led multimedia marketing campaigns to raise awareness of Alberta.
- Hosted 109 travel-trade tour operators and agents to experience Alberta first-hand.

Results:

- **Travel-trade partner booked room nights:** 381,200 (24% below target)
- **Tourism revenue from travel-trade activities:** \$125.1M

What we learned:

- **Anticipate and proactively respond to shifts in international demand:** Our ability to predict international travel trends allowed us to engage early with partners and keep Alberta top of mind.
- **Invest in Indigenous experiences:** International demand for export-ready authentic Indigenous experiences is outstripping supply. We must continue to build this capacity to capitalize on the growing interest in Indigenous tourism.
- **Increase air access:** International travel recovery was slower than expected due to air travel staffing issues, fewer connecting flights, and pandemic-related border control measures. The reduced air access impacted our ability to meet our marketing targets.

Columbia Icefield, Jasper National Park
Pursuit/Mike Seehagel



Immersive marketplace 2023

In February 2023, we were the first destination organization in Canada to welcome back international buyers to our province and re-introduce them to Alberta places and experiences.

We hosted 37 travel-trade buyers from U.S., U.K., Germany, Australia and Canada to experience Alberta’s destinations and meet with Alberta businesses. The group travelled to six destinations and sampled 120 experiences, hosted by 71 Alberta businesses from Calgary, Edmonton, Canmore, Banff, Lake Louise and Jasper, building valuable relationships with travel trade partners in over 2,000 one-on-one meetings.

FOLLOWING THE EVENT, WE SURVEYED ALBERTA BUSINESSES IN ATTENDANCE. WE FOUND THAT:



“The immersive marketplace was such an incredibly unique and beneficial experience for us. We were able to build relationships with more new partners than ever before in a single day, and we are in the process of getting listed with five more. Without the Immersive Marketplace’s innovative new format, I don’t think the success would have been the same.”

Danielle Fortin, Owner/General Manager, Nordegg Adventures



Travel-trade international sales trips

In January 2023, WestJet announced new and expanded direct flight service to Alberta from London (Gatwick and Heathrow) and Paris.

To capitalize on these new routes and ensure Alberta experiences were top of mind in these new destinations, Travel Alberta led a travel-trade sales mission to Paris and London with key NorthStar DO partners and Indigenous Tourism Alberta in March 2023. The organizations formed key relationships with buyers in these markets, highlighting authentic, Indigenous experiences as Alberta’s unique advantage.

The trip included meetings with publications that would feature stories about Alberta in upcoming issues, namely: National Geographic, Wanderlust Traveller, Audley Travel, Trailfinders, Jonview, London Times, L’Equipe, LeFigaro, Odigeo, Cercle Des Voyages, Miles Attack, Prisma Media and Evaneos. We hosted two events for media and trade to generate awareness and ensure WestJet and Alberta are top of mind in these destinations.



Top: Travel Alberta, ITA, and DO partners at the National Geographic office in London.



Bottom: Travel Alberta, ITA, and Indigenous performers with the Canadian Ambassador to Paris.

STRATEGIC PILLAR II: ACCESS

OUTCOME:

Visitors have access to Alberta's destinations and experiences.



Edmonton Airport YEG
Mike Seehagel

Key Objectives:

- Partner with airlines to increase air connectivity with U.S. and international destinations to attract high-value travellers in all seasons.
- Partner with other government departments to increase transportation access and digital connectivity throughout the province.

In 2022-23, we partnered with airlines and Alberta's international airports to increase seat capacity in new and existing routes, building stronger relationships with partner airlines and engaging in numerous international partner marketing campaigns to promote flights to Alberta.

These partnerships supported new and more frequent direct flights to Alberta from key international markets. To ensure the best use of limited funding, we established a competitive air investment framework allowing airlines to "bid" on route development support.

Enabling access also means making it easier for travellers to move around the province once they arrive. This year, we engaged with other government departments to increase consideration for improved intra-provincial transportation and digital connectivity throughout the province. We also included access and transportation priorities in our destination development planning process, building mutually beneficial relationships with Alberta Transportation officials.



Alberta Birds of Prey Foundation, Coaldale
Travel Alberta/Katie Goldie

Organizational Initiatives:

STRENGTHEN AIRLINE ROUTES TO INCREASE DIRECT FLIGHTS TO ALBERTA, FOCUSING ON U.S. AND INTERNATIONAL MARKETS.

PROGRAM:

BUILD ROUTE CAPACITY AND FREQUENCY FROM TARGET MARKETS THROUGH AIRLINE PARTNERSHIPS

Travel Alberta is focused on growing direct air service to Alberta's two major international airports (Calgary and Edmonton).

In 2022-23, Canadian airlines (WestJet, Air Canada, Flair and Lynx) submitted investment requests to support air route development and promotion in priority markets. Travel Alberta evaluated each request to optimize our investment level while striving to achieve a targeted return on investment (ROI) of 6:1.

We received a Government of Alberta investment of \$3.5 million in the middle of our fiscal year. This allowed us to invest in multiple long-haul routes for the first time.

Results:

Through our competitive investment framework, we secured:

- **Incremental seats:** 125,000
- **Return on investment:** 6.1:1 (102% of target)
- **Marketing leads to partners:** 740,276 (155% of target)

NOTE: Results from our second round of investments in early Q4 of 2022-23, including the Government of Alberta's investment of \$3.5M, will be reported in the next fiscal year.

What we learned:

- **Finalize commitments earlier:** International travellers require longer lead times to book tickets for summer travel. We now permit airlines to submit proposals in Q1 for the upcoming fall/winter and the following summer period.

Airline partner marketing initiatives

To support this initiative, we ran a series of marketing campaigns in partnership with Canadian airlines to drive awareness of these routes in our target markets.



" Our partnership with Travel Alberta has been instrumental in supporting our new strategy and expansion out of Alberta. By working with the team at Travel Alberta we have been able to accelerate the growth of our flights to and from Alberta over the past year and this has had a direct effect on economic growth for the entire province and specifically for the visitor economy."

Chris Avery, WestJet, Vice President, Network Planning, Alliances & Commercial Development

Multimedia ads created for Air Canada and WestJet in partnership with Travel Alberta.

IMPROVE GOVERNMENT COLLABORATION TO ALIGN TOURISM TRANSPORTATION PRIORITIES AND INCREASE BROADBAND CONNECTIVITY.

PROGRAM:

INFORM AND INFLUENCE POLICY THROUGH RESEARCH AND ACTIVE ENGAGEMENT WITH GOVERNMENT OF ALBERTA MINISTRIES ON BEHALF OF TOURISM BUSINESSES AND OTHER STAKEHOLDERS

In 2022-23, we engaged with key ministries to support improved access in areas of opportunity for tourism development. We also supported the Ministry of Forestry, Parks and Tourism by providing input into tourism strategy, collaborating to improve policies and establishing processes to facilitate holistic tourism growth.

Results:

Government planning considered input from Travel Alberta, in alignment with our destination development strategy. Key areas of input included:

- Government of Alberta's Capital Plan including upgrades and new campgrounds in priority development areas
- Parks development planning and other Forestry, Parks and Tourism capital planning processes and priorities
- Heightening awareness within government of broadband requirements for key destinations within the province for both visitors and local businesses

What we learned:

- **Align to capital priorities:** Moving forward, we will continue to provide input and encourage alignment with identified capital priorities such as improved road access, campground development, and trails.
- **Strengthen relationships:** Frequent engagement is important, ensuring that tourism priorities do not get lost or overlooked among competing government priorities.
- **Position input within a destination development framework:** An established destination development framework will allow Travel Alberta to make a more compelling case for the government to invest in infrastructure, capital, and transportation projects and upgrades.

Cypress Hills Interprovincial Park
Travel Alberta/Chris Amat



STRATEGIC PILLAR III:

PLACE

OUTCOME:

Alberta's visitor economy is recovering through strengthened businesses, experiences, and communities, attracting high-value travellers.



Athabasca River
Roam Creative

As the industry began to recover and the need for immediate COVID-19 supports lessened, our destination development focus transitioned from short-term survival to long-term resilience and growth.

Tourism operators, entrepreneurs, communities and destination organizations in all corners of the province received funding through our Tourism Investment Programs. In 2022-23, we funded 173 projects across 73 communities. About 75 per cent of the projects and 70 per cent of the funding were in smaller urban and rural areas of the province, including Indigenous communities.

Key Objectives:

- Develop tourism development zones to increase capacity in priority regions while ensuring sustainable development and growth for the future.
- Implement a tourism investment strategy to stimulate product development, encouraging job creation and sustainable economic growth throughout the province.
- Increase opportunity and reduce red tape for entrepreneurs and small businesses to enable growth of the visitor economy.

Métis Crossing, Smoky Lake
Indigenous Tourism Alberta/
ROAM Creative



Organizational Initiatives:

WORK WITH COMMUNITIES, LOCAL DESTINATION ORGANIZATIONS, AND TOURISM BUSINESSES IN EACH TOURISM DEVELOPMENT ZONE (PREVIOUSLY REFERRED TO AS CORRIDOR) TO CREATE A UNIFIED APPROACH TO DESTINATION MANAGEMENT.

PROGRAM:

INITIATE TOURISM DEVELOPMENT ZONE (TDZ) STRATEGY AND CREATE DESTINATION DEVELOPMENT PLANS IN THE HIGHEST POTENTIAL CORRIDORS

In partnership with tourism consultants and with support from a \$3.25 million co-investment from PrairiesCan, we completed the first phase of stakeholder engagement across all ten TDZs. We engaged with communities, residents, and tourism operators and established ten destination development plans, which will guide our investment priorities in the future.

Results:

- **Plans created:** 10 (target 10)
- **Partners engaged:** 1,445 (target 195)
- **Economic impact analyses completed:** 53 (target 50)
- **Businesses served:** 2,375 (target 2,000)

What we learned:

- **Engage residents early and often:** Our work engaging with residents in TDZs helps ensure tourism aligns with community goals and quality of life.
- **Demonstrate regional value:** Educating Alberta's communities on the benefits of tourism will be critical to the long-term success of our TDZ development.
- **Prioritize regions to maximize effect:** Each TDZ contains unique opportunities and challenges that will require a nuanced approach to development. Moving forward, we will align our resources to the zones with the greatest potential for a high return on investment for long-term success.



How the Grande Prairie Regional Tourism Association leveraged Travel Alberta support and engagement opportunities to plan for the future

In 2022-23, GPRTA began a strategic destination development planning process to support the organization's transition from a destination marketing organization to a destination management organization.

They aligned their planning efforts to the TDZ stakeholder engagement process led by Travel Alberta, partnering with the same consultants working on the Northern Rockies TDZ.

“ Travel Alberta, via the TDZ process, has identified the Northern Rockies/GPRTA tourism region as having tremendous potential for growth in the tourism sector. The opportunity to capitalize on this reality is why the GPRTA is investing the time & resources now to strategically map out a way forward over the next five years.”

Ken Loudon, Executive Director, Grande Prairie Regional Tourism Association

Grande Prairie Heritage Village



TRAVEL ALBERTA SUPPORTS DESTINATION ORGANIZATIONS, COMMUNITIES, BUSINESSES AND ENTREPRENEURS TO GROW ALBERTA'S VISITOR ECONOMY.

PROGRAM:

SUPPORT DOs WITH DEVELOPMENT AND PROMOTION INITIATIVES

In 2022-2023, Travel Alberta supported 12 destination organizations (DOs) to ensure the long-term growth of regional destinations.

Results:

This funding enabled DOs to tailor investments to the strategic goals of their specific region. Accordingly, there is no single metric for success as results will be guided by individual DO initiatives.

For example, Tourism Lethbridge received funding to support a range of operational, marketing and development initiatives. With support from Travel Alberta, they:

- Delivered 229 events with an estimated economic impact of \$57 million (Target: 80 events for economic impact of \$20 million)
- Secured four major business events with an estimated economic impact of over \$400,000
- Established partnership in the Southern Alberta Ale Trail between Lethbridge, Medicine Hat, and South Canadian Rockies DOs

What we learned:

- **Align distribution timing to DO calendars to create a greater return on investment:** DOs operate on a calendar year, meaning they plan their budgets in the fall for summer spending. In 2022-2023, we changed our grant timing to provide earlier notice of funding commitments, so organizations had more time to plan their initiatives.
- **Educate on destination development to drive alignment:** Our work to engage with DOs throughout the destination development planning process, particularly in TDZ regions, drove strategic alignment to ensure the largest possible impact.

Nikka Yuko Japanese Garden Winter Lights Festival
Travel Alberta/Kelly Hofer



PROGRAM:

INVEST IN BUSINESSES TO SUPPORT RECOVERY AND GROWTH

In 2022-2023, Travel Alberta supported 170 tourism operators, entrepreneurs, communities, and associations in all corners of the province. We evaluated applications on a per-project basis, awarding funding to provide the highest possible return on our investment.

This included support for rural development, rural marketing, community event production and experience and product development. There is no single metric for success of rural and event development promotion activities, as results will be guided by individual initiatives.

RESULTS:

TRAVEL ALBERTA INVESTED \$4.5 MILLION TO DEVELOP AND ENHANCE TOURISM PRODUCTS AND EXPERIENCES. THIS RESULTED IN:

PRIVATE INVESTMENT

\$46.1M

TARGET \$11.7M

INVESTMENT RATIO

1:9.7

TARGET 1:2.6

DIRECT ECONOMIC IMPACT

\$42M

TARGET \$9.5M

TOTAL ECONOMIC IMPACT
(direct + indirect + induced)

\$113M

TARGET \$37M

**Another reason to stay in Red Deer:
Canyon Ski Resort in Central Alberta**

We invested \$500,000 in Growth funding towards the installation of an alpine mountain “Canyon Coaster” at Canyon Ski Resort in Central Alberta. The addition of this coaster supports regional, seasonal diversification in the area, creating 12 full-time jobs and several part-time seasonal positions.



Alberta Boot Company, Calgary
Travel Alberta/Roam Creative

Beyond retail: Alberta Boot Experience Centre brings a unique experience to Calgary

We invested \$125,000 to support the development of the Alberta Boot experience centre, offering a fully immersive visitor experience and hybrid retail experience featuring a bourbon bar. This addition provides the perfect setting for business events and add-ons to conferences.

This new experience centre will support the creation of new year-round and seasonal jobs, contribute to Alberta Boot’s annual revenue and support Calgary’s unique destination offerings for high-value travellers.

What we learned:

- **Businesses need more capital:** Tourism Investment programs were oversubscribed this year. We addressed this demand with an incremental \$5 million increase to grant funding in 2023-24, across all four investment funds as well as with Indigenous Tourism Alberta.
- **Re-establish investment criteria:** For the past two years, our co-operative investment fund has not required co-investment. While this allowed smaller funded DOs and communities to apply, it had the opposite effect of limiting alignment across multiple partners. In 2023-24, we will re-introduce a co-investment requirement to encourage collaboration.
- **Maximize cash-in hand:** In 2022-23, we withheld 25% of funding until after project completion. However, this created issues for local businesses who were already dealing with limited cashflow and aggressive construction timelines. Moving forward, successful applicants will receive 100% of funding up front to support timely development.
- **Refine measurement to avoid skewed results:** In 2022-23, we invested in a variety of tourism experiences, ranging in size and value from small projects to large multi-million-dollar projects. Large projects can significantly impact the calculated overall leverage ratio, total economic impact in terms of GDP, and direct impact. For example, if we exclude the largest project supported by Travel Alberta in 2022-23, the leverage ratio is 1:2.5, the total economic impact is \$35 million and the direct impact is \$13 million. This is in line with our scorecard targets. However, by including the largest project, the calculated leverage ratio is 1:9.7, total economic impact is \$113 million, and the direct impact is \$42 million. Going forward, we will use a weighted average method to calculate these metrics so that significantly larger projects do not have a disproportionate impact on the results.

The economic impact of the Carnaval de St. Isidore

Travel Alberta provided \$10,000 investment in support to the Carnaval de St. Isidore. The three-day festival held in February 2023 in the hamlet of St. Isidore celebrates the French-Canadian heritage of the hamlet and surrounding communities. The festival contributes to visitation and stimulates economic activity within the region. The festival had an estimated economic impact of \$188,000.

PROGRAM:

DEVELOP STRATEGIC TOURISM PARTNERSHIPS TO SUPPORT INDIGENOUS TOURISM DEVELOPMENT

In 2022-23, Travel Alberta provided \$1.625 million in financial and in-kind support to Indigenous Tourism Alberta. This investment supports the development of Indigenous owned-and-operated tourism experiences, builds ITA's operational capacity, and increases marketing and visitor attraction across Alberta.

Results:

We expect to receive the full results of this funding, including businesses supported, grant export-ready Indigenous products and revenue growth among Indigenous businesses.

Travel Alberta also provided the following:

- **Micro-grant contribution in support of Indigenous businesses:** \$400,000
- **Investments into Indigenous operators:** \$1 million (18% of Travel Alberta's total investment program budget)

What we learned:

- **Extend and increase commitment:** Authentic Indigenous experiences are a key differentiator for Alberta. In April 2023, we extended our partnership with ITA, committing \$6 million over three years.
- **Support Indigenous product development:** One in three international travellers are seeking an authentic Indigenous experience. To capitalize on this demand, we must bolster supply and support Indigenous operators to ensure a high rate of export-ready experience offerings.

Métis Crossing, Smoky Lake
Indigenous Tourism Alberta/ROAM Creative



“ We're thrilled that our partnership with Travel Alberta continues to grow. It's a truly reciprocal relationship that not only benefits Indigenous entrepreneurs across the province, but supports Travel Alberta and the province's tourism industry on its path toward reconciliation. We've seen incredible growth over the first few years of this partnership, and we are excited to see the benefits continue.”

Shae Bird, CEO of Indigenous Tourism Alberta

WORK WITH GOVERNMENT OF ALBERTA, FEDERAL TOURISM ORGANIZATIONS AND REGIONAL AGENCIES TO ALIGN PRIORITIES AND SECURE SUPPORT FOR ALBERTA'S BUSINESSES AND DESTINATIONS.

PROGRAM:

SECURE FEDERAL FUNDING TO ACCELERATE TOURISM DEVELOPMENT PLANNING

Our destination development strategy supports attraction of both public and private investment to support Alberta's tourism entrepreneurs. We support operators and DOs by connecting them with public funding, from all orders of government, in alignment with destination development priorities.

In 2022-2023, we worked closely with the federal regional development organization, Prairies Economic Development Canada (PrairiesCan) to co-invest and support tourism operators. We helped guide PrairiesCan funding distribution, identifying the most impactful potential projects in alignment with our destination development strategy.

Results:

- **Federal funding invested in tourism partners and operators:** \$28,218,194
- **Number of Travel Alberta tourism partners and operators supported:** 51

What we learned:

- **Optimize resources through collaboration with other funders:** This program was developed in response to the availability of funding through the federal Tourism Relief Program. Moving forward, we will adjust our approach depending on the availability of federal funding to maximize support for partners across the ecosystem.
- **Align funding to long-term strategic goals:** By communicating our strategic destination development objectives with PrairiesCan, we were able to channel additional funding support to Alberta's emerging destinations. Moving forward, we will identify opportunities to collaborate with public and private investors to maximize operator support.

Girth Hitch Guiding, Nordegg
Girth Hitch Guiding/ROAM Creative

Enabling Girth Hitch Guiding to reach new heights

Girth Hitch Guiding offers guided outdoor adventure tours, including rock climbing and via ferrata, in the Nordegg area. With their "intro to rock climbing" course in high demand, the organization applied for funding through Travel Alberta's tourism investment program.

We identified that their expansion could be eligible for additional funding through the PrairiesCan Tourism Relief Fund. To support their application, we worked with the PrairiesCan team to establish a co-funding agreement in which Travel Alberta supplied additional equipment, while PrairiesCan provided resources to support operational costs and hire more guides.

This multifaceted support enabled Girth Hitch Guiding to expand their business, create a year-round revenue stream through the addition of ice climbing tours, and create jobs in the community as they hired additional staff.



PROVIDE EXPERTISE AND BUSINESS DEVELOPMENT SUPPORT TO COMMUNITIES, BUSINESSES AND ENTREPRENEURS BY DELIVERING TRAINING AND COACHING WHILE COOPERATING WITH THE GOVERNMENT OF ALBERTA TO NAVIGATE REGULATORY PROCESSES.

PROGRAM:

BUSINESS DEVELOPMENT AND ENTREPRENEURSHIP SUPPORT

In 2022-23, we provided businesses and entrepreneurs with resources, information, and guidance to support business planning, access to capital, and to navigate regulatory requirements.

This included extensive one-on-one support tailored to the unique needs of each project, such as:

- Helping businesses understand and navigate regulatory processes
- Relationship building with key stakeholders in communities and government
- Collaborating on and building business plans to attract private and public capital
- Providing research and access to our extensive industry knowledge

Results:

- We worked with 35 organizations, representing over \$80 million in capital investment, to support business development and comprehensive planning.

Helping Ridgeback Glamping navigate a complex regulatory environment

Ridgeback Glamping received support to develop sustainable, year-round boutique glamping accommodations in the Bow Valley region. Our partnership included:

- Navigating application processes and environmental regulation
- Supporting Indigenous engagement across the mandatory channels
- Making meaningful introductions and supporting relationship-building with key stakeholders
- Providing a letter of support for the project



“ I can't say enough about the incredible support we received from Travel Alberta for our 'Skyridge Glamping' development in the Kananaskis. From accessing funding programs and navigating and communicating with government departments, to facilitating meaningful introductions.

Their team was incredibly knowledgeable and patient, helping us understand sometimes complex municipal processes and government regulations. Their insight and connections were invaluable in helping us bring our development to life.”

Chrystel Postel, Ridgeback Glamping

Kananaskis Country, Bow Valley Provincial Park
Travel Alberta/Sean Thonson

Business Excellence

SUSTAINABILITY

To guide the organization in executing its mandate from a sustainability lens, Travel Alberta has developed a Sustainability Framework informed by globally recognized sustainable development goals (SDGs).

This Sustainability Framework takes a multi-variate approach to sustainable development and destination management, positioning tourism as an engine that drives job creation and our economy. It also showcases tourism's power to build communities, preserve culture and history, conserve the environment and foster innovation. The Framework helps identify gaps and areas of opportunity across Travel Alberta, and measure progress and results of our sustainability initiatives.

PEOPLE AND CULTURE

Attracting and developing top talent remains a priority, and to that end, Travel Alberta is committed to positioning the organization as an employer of choice, to lead and inspire change across the tourism industry.

With special care for social issues affecting Indigenous communities and other minority groups, our people-focused Reconciliation, Equity, Diversity, and Inclusion (REDI) strategy is foundational to Travel Alberta's journey to become a more diverse and inclusive organization. Activities in 2022-23 included bias training for staff, refining our processes in recruitment, procurement, and other operational practices, and working with agency partners to hire diverse talent and showcase diversity in marketing assets.

Our annual engagement survey continued to yield positive results, reflecting our strong organizational focus on supporting emotional wellness, balancing remote work needs with optimizing team productivity, and recognizing team member contributions toward our strategic objectives. We continue to develop and implement programs and training to build skill and expertise for our people as well as our industry stakeholders.

TECHNOLOGY AND DIGITAL ENABLEMENT

Our digital enablement strategy drives value for three distinct audiences: industry partners, travellers, and team members. Continued enhancement supports our ability to deliver on our business objectives, as well as improving user experience, increasing operational efficiency, managing costs, and protecting our people and technology assets.

We continuously evaluate emerging technologies to enable our compliance with the Government of Alberta's Cyber Alberta protection initiatives. Far from just updates to software and hardware, enhancements to our technology ecosystem also have implications on governance, access and data protection, asset management, response and recovery, and third-party vendor management. Investments in 2022-23 yielded improvements to the industry website, a grant application tool, building a new consumer website, designing an inventory tool to market tourism products, and third-party assessment of the organization's cyber exposure risk.

Mahikan Trails Guided Tours, Sundre
Travel Alberta/ROAM Creative



Finance and Operations

ACCOUNTABILITY STATEMENT

The Travel Alberta Annual Report for the year ended March 31, 2023, was prepared under the Board's discretion in accordance with the Travel Alberta Act and the ministerial guidelines established pursuant to the Alberta Public Agencies Governance Act (APAGA) and the Fiscal Planning and Transparency Act. All material economic, environmental or fiscal implications, of which we are aware, have been considered in the preparation of this report.



Linda A. Southern-Heathcott
Board Chair
Travel Alberta Board of Directors

DISCLOSURE

Travel Alberta is committed to enhancing accountability and transparency in our reporting to support public confidence. This includes routine public disclosure of information in alignment with legislation administered by Alberta Treasury Board and Finance. Detailed reports of expenses for Travel Alberta's Board of Directors, CEO and Vice Presidents are publicly available at industry.travelalberta.com.

FINANCIAL TRANSPARENCY

Travel Alberta utilizes holistic measurement, monitoring, and reporting processes to maintain strong financial transparency with both our shareholder and Alberta taxpayers. Our commitment to financial accountability ensures that investment activities are directly tied to value generation and result in a strong return on investment across all projects. By adhering to strict budget practices aligned to competitive business objectives, we will achieve our long-term vision for Alberta's visitor economy.

Travel Alberta's four lines of business (Destination Promotion; Destination Development; Strategy, Research and Communications; and Corporate Operations) work together to deliver on the three strategic pillars of Marketing, Access and Place, as set out in Travel Alberta's 2022-23 Business Plan.

YEAR-END FINANCIAL RESULTS 2022-23

Financial Overview

The financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). The following paragraphs provide the context for our 2022-23 Financial Statements contained in the subsequent section. Detailed notes of our financial statements are provided below.

Statement of Operations

The corporation reported a \$1.7 million operating deficit for the year ended March 31, 2023. The corporate plan reported an initial operating budget of \$59.9 million (\$59.7 million operational grant). Total revenues exceeded the budget by \$6.5 million primarily resulting from an additional \$3.5 million in financial assistance from the Government of Alberta to support Alberta's aviation investment and \$2.4 million in federal funding for the development of destination management plans in emerging and rural destinations across Alberta.

Revenues

The corporation is funded by Government of Alberta operational grant. In 2022-23, the corporation received a total of \$62.9 million in grant funding, comprised of \$59.7 million in initial funding commitment and a supplementary \$3.5 million grant, less \$332,000 in unspent deferred contributions (operational grant). To deliver on Alberta's long-term tourism strategy, the corporation's base funding is projected to be \$71.9 million, \$74.5 million and \$70.3 million each year for the next three years, starting in 2023-24. The increased operational grants included additional allocations to 2022-23 base funding for the purposes of aviation investment, enhanced marketing initiatives primarily in international markets and additional funding dedicated to investment in rural destinations. In addition to the projected funding, the corporation continues to seek enhanced operational efficiencies to deliver our mandate in a scalable, effective, and adaptable way.

Expenses

Total expenses increased by \$3.5 million to \$67.9 million in 2022-23, a five per cent increase over previous year. Almost 50 per cent (\$32.6 million) of total expenses was directed to destination development activity in the form of tourism investment grants, aviation investment and the creation of long-term destination management plans in partnership with legacy and emerging rural tourism destinations. Approximately 40 per cent of expenses (\$26.2 million) was directed to destination promotion investment to drive consideration to travel to Alberta among high-value travellers in the U.S. and key international markets. Corporate services represent core enterprise services, including finance, technology, human resources, legal and procurement, as well as facilities expenses and costs associated with governance and oversight. The total expense (\$6.2 million) represents an operating expense ratio of 9% (target: 10%), and approximately \$3 million was invested during the year in research, community engagement and outreach and strategy development.

Statement of Financial Position

Financial Assets decreased by \$1.6 million, or 14 per cent, driven by a decrease in Cash and Cash Equivalents of \$1.9 million related primarily to the use of the balance of restricted surplus funds (\$1.633 million 2021-22) during the year. Total liabilities (\$10.3 million) were consistent with previous year and include two new liabilities presented on the financial statements for the year ended March 31, 2023. Liabilities in the current year include Debt totalling \$109,000, representing the long-term liability related to the acquisition of leased vehicles during the year and \$332,000 in unspent deferred contributions. Net Assets equal \$141,000, representing a \$141,000 accumulated surplus for the year ended March 31, 2023.

Management's Responsibility for Financial Reporting

The management of Travel Alberta is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements.

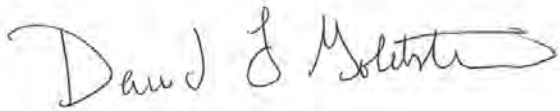
Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards and for the integrity and fair presentation of the information. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining effective internal accounting control systems designed to provide reasonable assurance that financial information is reliable and relevant.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure transactions are properly authorized, assets are safeguarded and controlled, liabilities are recognized and that the operations of the Travel Alberta are carried out effectively.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Directors exercises this responsibility through the Audit, Finance and Risk Committee, composed of Directors who are not employees of the Corporation. The Audit, Finance and Risk Committee meets with the external auditors, both in the presence and in the absence of management, to discuss their audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the Audit, Finance and Risk Committee.

The Auditor General of Alberta, Travel Alberta's external auditor appointed under the *Auditor General Act*, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards, and has expressed an opinion in the accompanying Independent Auditor's Report.



David F. Goldstein

Chief Executive Officer



Kara Claypool

Senior Vice President, Chief Financial Officer

Independent Auditor's Report

To the Board of Directors of Travel Alberta

Report on the Financial Statements

Opinion

I have audited the financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, change in (net debt) net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2023, and the results of its operations, its change from net financial assets to net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Travel Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Travel Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Travel Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Travel Alberta's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Travel Alberta's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Travel Alberta to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 11, 2023
Edmonton, Alberta

Travel Alberta Statement of Operations

YEAR ENDED MARCH 31, 2023 (in thousands)

	2023		2022
	BUDGET	ACTUAL	ACTUAL
	(Note 4)		
REVENUES			
Government transfers			
Government of Alberta grants	\$ 59,680	\$ 62,848	\$ 64,691
Federal and other government grants	–	2,347	–
Investment income	150	550	111
Premiums, fees and licences	–	24	–
Revenue from partners	–	519	–
	59,830	66,288	64,802
EXPENSES (Note 2(b), Schedule 1)			
Programs			
Destination Promotion	23,963	26,213	24,228
Destination Development	26,952	32,605	31,979
Strategy and Research	3,265	2,965	2,868
Corporate Services	5,745	6,202	5,431
	59,925	67,985	64,506
ANNUAL OPERATING (DEFICIT) SURPLUS	(95)	(1,697)	296
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	1,838	1,838	1,542
ACCUMULATED SURPLUS AT END OF YEAR	\$ 1,743	\$ 141	\$ 1,838

The accompanying notes and schedules are part of these financial statements.

Travel Alberta Statement of Financial Position

AS AT MARCH 31, 2023 (in thousands)

	2022	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 5)	\$ 9,724	\$ 11,654
Accounts receivable (Note 6)	506	190
	10,230	11,844
LIABILITIES		
Accounts payable and other accrued liabilities (Note 7)	9,918	10,309
Debt (Note 8)	109	–
Unspent deferred contributions (Note 9)	332	–
	10,359	10,309
(NET DEBT) NET FINANCIAL ASSETS	(129)	1,535
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	250	205
Prepaid expenses	20	98
	270	303
NET ASSETS	\$ 141	\$ 1,838
NET ASSETS		
Accumulated surplus (Note 11)	\$ 141	\$ 1,838
Contractual obligations (Note 12)	–	–

The accompanying notes and schedules are part of these financial statements.

Travel Alberta Statement of Change in (Net Debt) Net Financial Assets

YEAR ENDED MARCH 31, 2023 (in thousands)

	2023		2022
	BUDGET	ACTUAL	ACTUAL
ANNUAL (DEFICIT) SURPLUS	\$ (95)	\$ (1,697)	\$ 296
Acquisition of tangible capital assets (Note 10)		(118)	(213)
Amortization of tangible capital assets (Note 10)	95	73	29
Decrease/(Increase) in prepaid expenses		78	(59)
(DECREASE)/INCREASE IN NET FINANCIAL ASSETS	-	(1,664)	53
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	1,535	1,535	1,482
(NET DEBT) NET FINANCIAL ASSETS AT END OF YEAR	\$ 1,535	\$ (129)	\$ 1,535

The accompanying notes and schedules are part of these financial statements.

Travel Alberta Statement of Cash flows

YEAR ENDED MARCH 31, 2023 (in thousands)

	2023	2022
OPERATING TRANSACTIONS		
Annual (deficit) surplus	\$ (1,697)	\$ 296
Non-cash items included in annual (deficit) surplus		
Amortization of tangible capital assets (Note 10)	73	29
	(1,624)	325
Contributions restricted for operating (Note 9)	332	-
(Increase)/Decrease in accounts receivable	(316)	59
Decrease/(Increase) in prepaid expenses	78	(59)
(Decrease)/Increase in accounts payable and other accrued liabilities	(391)	6,467
Cash (applied to) provided by operating transactions	(1,921)	6,792
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets (Note 10)	(9)	(213)
Cash applied to capital transactions	(9)	(213)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,930)	6,579
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,654	5,075
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 9,724	\$ 11,654

The accompanying notes and schedules are part of these financial statements.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 1: AUTHORITY AND PURPOSE

Travel Alberta (the “Corporation”) operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008.

The purpose of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets;
- promote and support the development and growth of the tourism industry in Alberta to increase revenue and employment in, and the economic benefits generated by, the industry;
- promote Alberta as a destination for tourists and other visitors;
- assist Alberta communities and tourism industry operators to develop and market their products;
- provide visitor services; and
- exercise or perform any other powers, duties and functions as may be regulated from time to time by the Lieutenant Governor in Council.

The Corporation is an agent of the Crown in right of Alberta and as such has a tax exempt status.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(A) REPORTING ENTITY

The reporting entity is Travel Alberta, which is part of the Ministry of Forestry, Parks and Tourism (Ministry) and for which the Minister of Forestry, Parks and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry’s operations for which the Minister is accountable.

(B) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Revenue from partners is received or receivable for specific destination promotion and marketing projects. The revenue is recognized as the projects take place.

Government transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation’s actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Investment income

Investment income includes interest income and is recognized as revenue as earned.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grant expense

Grants are recognized as expenses when the transfer is authorized and eligibility criteria, have been met by the recipient and when a reasonable estimate of the amounts can be made.

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalent	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost
Debt	Amortized cost

The carrying value of these financial assets and liabilities approximates their fair value.

The Corporation does not have any transactions involving financial instruments that are classified in the fair value category, has not engaged in any significant foreign currency transactions, and has no remeasurement gains and losses; therefore a Statement of Remeasurement Gains and Losses has not been presented.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, as well as cash at year end.

Cash and cash equivalents

Cash comprises of cash on hand. Cash equivalents are short term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issuance costs.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Corporation's rate for incremental borrowing or the interest rate implicit in the lease. Note 12 provides a schedule of repayments and amount of interest on the leases.

The cost, less residual value, of the tangible capital assets is amortized on straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware and software	3 years
Leasehold improvements	Term of lease
Leased vehicles	Term of lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing existing tangible capital assets is \$5,000.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement.

Funds and Reserves

Certain amounts, as approved by the Corporation's Board of Directors, have been set aside in accumulated surplus for future operating purposes. Transfers from funds and reserves are an adjustment to the respective fund, when approved by the Corporation's Board of Directors and the Government of Alberta.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount, whenever estimates are used. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization of tangible capital assets is based on the estimated useful lives of tangible capital assets. Other accrued liabilities are based on management estimates of expenses incurred but not invoiced to the Corporation at March 31, 2023. Other accrued receivables are based on management estimates of revenues earned but not received by the corporation at March 31, 2023.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 3: FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2023, the Corporation will adopt the following new accounting standards approved by the Public Sector Accounting Board:

- **PS 3400 Revenue**

This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

- **PS 3160 Public Private Partnerships**

This accounting standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

Management is currently assessing the impact of these standards on the financial statements.

NOTE 4: BUDGET (in thousands)

A preliminary business plan with a budgeted deficit of \$95 was approved by the Board of Directors on March 10, 2022 and the full financial plan was submitted to the Minister of Forestry, Parks and Tourism. The budget reported in the Statement of Operations reflects the original \$95 operating deficit.

NOTE 5: CASH AND CASH EQUIVALENTS (in thousands)

Cash and cash equivalents consist of:

	2023	2022
Cash ⁽¹⁾	\$ 9,610	\$ 11,603
Cash equivalents	114	51
	\$ 9,724	\$ 11,654

Cash and cash equivalents consists of cash funds held in operating bank accounts and demand deposits in the Consolidated Liquidity Solution (CLS). Effective July 4, 2022, the CLS replaces the Consolidated Cash Investment Trust Fund (CCITF) as the Province's cash pooling structure. The new CLS structure will enhance the effectiveness and efficiency from Province's cash management perspective. A CLS participant is paid interest on monthly basis on their cash balance at an interest rate based on 12 week rolling average of the Province's 3 month cost of borrowing.

⁽¹⁾ The Cash of \$9,724 includes an amount of \$0 (2022: \$1,633) that is Restricted Accumulated Surplus (Note 11).

NOTE 6: ACCOUNTS RECEIVABLE (in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2023	2022
Accounts receivable	\$ 70	\$ 183
Other receivable ⁽¹⁾	436	7
	\$ 506	\$ 190

⁽¹⁾ The Other receivable \$436 includes an amount of \$434 Federal grants that were earned but not received by the Corporation at March 31, 2023.

As of March 31, 2023 there is no provision for doubtful accounts.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 7: ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES (in thousands)

	2023	2022
Accounts payable	\$ 3,344	\$ 2,900
Other liabilities	174	170
Other accrued liabilities	6,400	7,239
	\$ 9,918	\$ 10,309

NOTE 8: DEBT (in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2023		2022	
	Maturity	Interest Rate	Book Value	Book Value
Debentures ⁽¹⁾			\$ 109	\$ -
	2027	5.93%	\$ 109	\$ -

⁽¹⁾ The Debentures of \$109 are payable to ARI Financial Services Inc.

Interest expense on Debt is \$1.00 (2022: \$0.00) and is included on the Statement of Operations

Principal repayments in each of the next five years and thereafter are as follows:

2023-24	\$ 26
2024-25	27
2025-26	28
2026-27	28
Thereafter	-
	\$ 109

NOTE 9: DEFERRED CONTRIBUTIONS (in thousands)

	2023	2022
Unspent deferred contributions		
Deferred operating contributions (i)	\$ 332	\$ -
	\$ 332	\$ -

(i) Deferred operating contributions

	2023			2022	
	Government of Alberta	Other	Total	Total	
Balance at beginning of year	\$ -	\$ -	\$ -	\$ -	-
Cash contributions received during year	63,180	-	63,180	64,691	-
Less: amounts recognized as revenue	(62,848)	-	(62,848)	(64,691)	-
Balance at end of year	\$ 332	\$ -	\$ 332	\$ -	-

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 10: TANGIBLE CAPITAL ASSETS (in thousands)

	Computer Hardware and Software	Leasehold Improvements	Furniture and Equipment	Leased Vehicles	2023 Total	2022 Total
Estimated Useful Life	3 years	Term of lease	5 years	Term of lease		
Historical Cost						
Beginning of year	\$ 395	\$ 433	\$ 92	\$ -	\$ 920	\$ 707
Additions ⁽¹⁾	7	-	-	111	118	213
	402	433	92	111	1,038	920
Accumulated Amortization						
Beginning of year	211	416	88	-	715	686
Amortization expense	52	17	2	2	73	29
	263	433	90	2	788	715
Net Book Value						
at March 31, 2023	\$ 139	\$ -	\$ 2	\$ 109	\$ 250	
Net Book Value						
at March 31, 2022	\$ 184	\$ 17	\$ 4	\$ -		\$ 205

⁽¹⁾ \$111 of the tangible capital assets additions was financed through a capital lease. The lease amount paid during the year ended March 31, 2023 is \$2 (2022: \$0).

NOTE 11: ACCUMULATED SURPLUS (in thousands)

Accumulated surplus is comprised of the following:

	Investment in Tangible Capital Assets	Restricted Accumulated Surplus ⁽¹⁾	Unrestricted Surplus	2023 Total	2022 Total
Balance at beginning of year	\$205	\$1,633	\$-	\$1,838	\$1,542
Annual surplus (deficit)	-	(1,697)	-	(1,697)	296
Net investment in capital assets	(64)	64	-	-	-
Balance at the end of year	\$141	\$-	\$-	\$141	\$1,838

⁽¹⁾ The usage of the internally Restricted Accumulated Surplus allowed sustainability of programs in future years when declines in funding would have otherwise required reductions in the program spending or supported investment in new strategically aligned initiatives. Transfers to and from this fund were approved by Corporation's Board of Directors and the Government of Alberta. As of March 31, 2023 the Corporation's Board of Directors discontinued the usage of the Restricted Accumulated Surplus.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 12: CONTRACTUAL OBLIGATIONS (in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2023	2022
Operating leases	\$ 4,396	\$ 1,056
Capital leases	125	-
Service contracts	95,030	49,007
	\$ 99,551	\$ 50,063

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Operating Leases	Capital Leases	Service Contracts	Total
2023-24	\$ 965	\$ 32	\$ 37,345	\$ 38,342
2024-25	958	32	32,117	33,107
2025-26	851	32	25,302	26,185
2026-27	811	29	134	974
2027-28	811	-	132	943
Thereafter	-	-	-	-
	\$ 4,396	\$ 125	\$ 95,030	\$ 99,551

NOTE 13: BENEFIT PLANS (in thousands)

The Corporation participates in the following multi-employer pension plans: the Management Employees Pension Plan (MEPP), Public Sector Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$848 for the year ended March 31, 2023 (2022: \$837). The Corporation accounts for their multi-employer pension plans on a defined contribution basis. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2022, the Management Employees Pension Plan reported a surplus of \$924,735 (2021: surplus of \$1,348,160), the Public Service Pension Plan reported a surplus of \$4,258,721 (2021: surplus of \$4,588,479) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$25,117 (2021: deficiency of \$20,982).

The Corporation does not have sufficient plan information on the MEPP/PSPP/SRP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the MEPP/PSPP/SRP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

Travel Alberta Notes to the Financial Statements

MARCH 31, 2023

NOTE 14: FINANCIAL RISK MANAGEMENT

The Corporation has the following financial instruments: accounts receivable, accounts payable and accrued liabilities.

The Corporation is exposed to a variety of financial risks associated with its use of financial instruments; interest rate risk, liquidity risk, other price risk, credit risk and foreign currency risk.

(a) Interest Rate Risk

Interest rate risk is the risk that the rate of return and future cash flows on the Corporation's cash and cash equivalents held in bank accounts will fluctuate because of changes in market interest rates. As the Corporation holds bank deposits that are interest bearing and accounts payable which are non-interest bearing, the Corporation is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Corporation's future net cash flows for the possibility of negative net cash flow. The Corporation manages the liquidity risk resulting from its accounts payable obligations by maintaining cash and cash equivalents resources in interest bearing bank deposits.

(c) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation's financial instruments are not exposed to changes in market prices.

(d) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The Corporation is not exposed to any significant credit risk from potential non-payment of accounts receivable. As at March 31, 2023, the balance of accounts receivable does not contain amounts that are uncollectible.

(e) Foreign Currency Risk

The Corporation is exposed to foreign currency risk associated with accounts payable that are denominated in currencies other than the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk relating to its liabilities.

NOTE 15: COMPARATIVE FIGURES

Certain 2022 figures have been reclassified, where necessary, to conform to the 2023 presentation.

NOTE 16: APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on May 11, 2023.

Schedule 1

Travel Alberta Expenses - Detailed by Object

YEAR ENDED MARCH 31, 2023 (in thousands)

	2023		2022
	Budget	Actual	Actual
Salaries, wages and employee benefits	\$ 9,790	\$ 8,937	\$ 8,789
Supplies and services	27,790	33,451	26,881
Grants (1)	22,250	25,523	28,786
Financial transactions and other	-	1	21
Amortization of tangible capital assets (Note 10)	95	73	29
TOTAL EXPENSES	\$ 59,925	\$ 67,985	\$ 64,506

(1) Grants include the Corporation's Co-operative Marketing Investment Program, Tourism Product Investment Program, Community Investment Program and other grants.

Schedule 2

Travel Alberta Salary and Benefits Disclosure

YEAR ENDED MARCH 31, 2023 (in thousands)

	2023			2022	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors	\$ -	\$ 11	\$ -	\$ 11	\$ 14
Members of the Board of Directors ⁽⁴⁾	-	33	6	39	37
Chief Executive Officer	249	15	47	311	308
Executive/Vice-Presidents:					
Senior Vice President, Chief Marketing Officer	204	13	40	257	214
Vice President, Destination Development ⁽⁵⁾	-	-	-	-	372
Senior Vice President, Chief Financial Officer	204	13	42	259	213
Vice President, Economic Development and Community Relations ⁽⁶⁾	-	-	-	-	260
Corporate Counsel ⁽⁷⁾	189	-	40	229	171
Vice President, Strategy, Research and Communications ⁽⁸⁾	170	-	34	204	148
Senior Vice President, Chief Commercial Officer ⁽⁹⁾	235	-	49	284	14
	\$ 1,251	\$ 85	\$ 258	\$1,594	\$1,751

⁽¹⁾ Base salary includes regular salary.

⁽²⁾ Other cash benefits include honoraria, vehicle allowance, severances and vacation payouts. There were no bonuses paid in 2023.

⁽³⁾ Other non-cash benefits include the Corporation's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, professional memberships and tuition fees.

⁽⁴⁾ The board consists of six independent members including the Chair, whose honorarium is disclosed separately. The seventh member resigned from the board as of September 13, 2022.

⁽⁵⁾ The position was only partially occupied previous the year. As of November 3, 2021 the position was abolished and a severance payment was included in the 2022 Total.

⁽⁶⁾ The position was only partially occupied during previous year. As of November 3, 2021 the position was abolished and a severance payment was included in the 2022 Total.

⁽⁷⁾ The position was only partially occupied previous the year. The Corporate Counsel was hired on July 5, 2021.

⁽⁸⁾ The position was only partially occupied previous the year. The Vice President, Strategy, Research and Communications was hired on May 3, 2021.

⁽⁹⁾ The position was only partially occupied previous the year. The Senior Vice President, Chief Commercial Officer was hired on March 14, 2022.

Schedule 3

Travel Alberta Related Party Transactions

YEAR ENDED MARCH 31, 2023 (in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation.

The Corporation paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

As at March 31, 2023, related parties included:

Three private companies that have directors and/or officers who also serve as Directors of Travel Alberta. One of these organizations received an Investment Program Grant from Travel Alberta amounting to \$20, during the year. This Grant was provided on normal commercial terms and in accordance with Grant program guidelines. All other transactions incurred with these organizations were conducted on normal commercial terms.

As at March 31, 2022 and March 31, 2023, there were no related parties transactions associated with:

- Key management personnel and close family members of those individuals in the Corporation.

The Corporation had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2023	2022
REVENUES		
Grants	\$62,848	\$64,691
Interest ⁽¹⁾	38	-
Other	-	-
	\$62,886	\$64,691
EXPENSES		
Grants	\$ 20	\$ 691
Other services	130	31
	\$ 150	\$ 722
Receivable from/(Payable to)	\$ (100)	\$ -

⁽¹⁾ Interest earned on Consolidated Liquidity Solution (CLS)

TRAVEL ALBERTA LEADERSHIP

BOARD OF DIRECTORS

AS OF MARCH 31, 2023

The primary duty and responsibility of the Travel Alberta Board of Directors is to provide appropriate governance and strategic oversight, such that Travel Alberta fulfills its statutory mandate by following good corporate governance practices. Members of the Board, appointed by the Government of Alberta, were recruited from qualified applicants who collectively have the full range of competencies, experience, or personal attributes required to provide effective governance of the corporation. The Board is subject to the provisions of the Public Agencies Governance Framework.



**LINDA A. SOUTHERN-
HEATHCOTT BEM**
Chair



NEIL YEATES
Vice-Chair



JUANITA MAROIS



M. RYAN ROBB



KIREN SINGH CFA, ICD.D



GAIL STEPANIK-KEBER, ICD.D

SENIOR LEADERSHIP TEAM



DAVID GOLDSTEIN
Chief Executive Officer



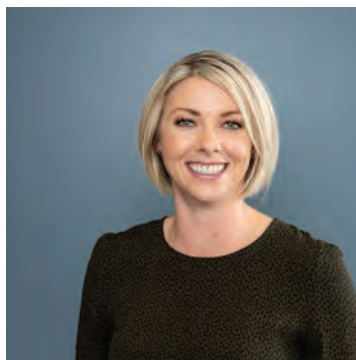
JON MAMELE
Senior Vice President,
Chief Commercial Officer



KARA CLAYPOOL
Senior Vice President,
Chief Financial Officer



TANNIS GAFFNEY
Senior Vice President,
Chief Marketing Officer



DANIELLE VLEMMIKS
Vice President, Strategy, Research
and Communications



KYLA STOTT-JESS
Corporate Counsel

BOARD OF DIRECTOR COMMITTEES

GOVERNANCE & HUMAN RESOURCES

Governance and board nomination oversight duties:

- Monitor and make recommendations to the Board to enhance the effectiveness of Travel Alberta's corporate governance
- Monitor and make recommendations concerning applicable legislation, regulations and Ministerial direction or Memorandum of Understandings (MOU) concerning the governance of Travel Alberta
- Monitor and make recommendations concerning recruitment, compensation, performance evaluation and succession planning
- Make other reports as the Board may request or as the committee may deem appropriate

Chair

Neil Yeates

AUDIT, FINANCE & RISK COMMITTEE

- Provide oversight and accountability to financial management processes
- Monitor and make recommendations to the Board on quarterly and annual financial statements and management, discussion, and analysis of the organization
- Review and assess internal financial controls
- Provide oversight and accountability for accumulated surpluses
- Address matters referred to it by the Board and report to the Board or as the committee may deem appropriate

Chair

Kiren Singh



Urban River Adventures, Parkland County
Travel Alberta/Cooper & O'Hara

TRAVEL ALBERTA

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