



Medicine Hat  
Economic  
Development



# State of the Industry

AVIATION, AEROSPACE & DEFENCE  
IN SOUTHEAST ALBERTA

2024 Business Retention & Expansion – Industry Specific



# Executive Summary

*In early 2024, Medicine Hat Economic Development launched an industry specific business retention & expansion study focused on supporting the aviation, aerospace, and defence industry in Southeast Alberta.*

This work, spanning nearly one year, was undertaken with the support of several partners including Cypress County, Town of Redcliff, Palliser Economic Partnership, Medicine Hat College, Southeast Alberta Chamber of Commerce, and Careers: The Next Generation. The culmination of this program resulted in *State of the Industry: Aviation, Aerospace & Defence in Southeast Alberta*, a report which aims to provide benchmarking for the current state of the industry, identify key challenges and opportunities for local business, and provide data driven recommendations to support industry growth.

The study followed a five-phase approach to ensure strong industry engagement and data-driven analysis. It began with a roundtable discussion where industry experts identified key priorities, which guided the development of targeted survey questions. The surveys were then conducted through business visitations with regional organizations to gather firsthand insights. Once data collection was complete, an in-depth analysis was conducted, driving the development of draft goals and recommendations. To validate these findings, a second industry roundtable was held, seeking feedback from stakeholders to ensure the recommendations aligned with industry needs. Following the release of this report, ongoing efforts will continue to support the implementation of these goals and recommendations.

The initial roundtable identified priorities related to workforce shortages, investment attraction complementary to current industry, challenges with access to capital, infrastructure limitations, and opportunities to enable industry growth.

The study research validated these findings and the following recommendations have been identified:

1. Support ecosystem development Southeast Alberta.
2. Prioritize investment attraction in the air sectors.
3. Support workforce attraction with strategic additions to the Move to Medicine Hat website.
4. Maximize opportunities for Medicine Hat College and regional school divisions to work with local industry to support program development.
5. Advocate for research and funding supports to be located in Southeast Alberta.
6. Implement a process for information sharing for industry and organizations focused on development in aviation, aerospace, and defence in Southeast Alberta
7. Investigate the development of an industry hub/incubator.
8. Facilitate easier, efficient, and thorough support for access to resources easing processes to gain access to grants, IP support, etc.
9. Study other municipalities located near Defence Research and Development Canada and Canadian Forces Base facilities to determine municipal and regional action that will fuel strategic investment attraction and industry success.

These recommendations serve as a roadmap for regional support organizations to engage in industry validated actions to drive sustainable growth, investment, and innovation.

The next phase involves implementing these recommendations and tracking progress through ongoing collaboration. By working together, industry stakeholders can strengthen Southeast Alberta's position as a hub for aviation, aerospace, and defence, ensuring long-term resilience and global competitiveness.

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# Introduction

*The introduction of a new economic development department within the City of Medicine Hat adds a long-awaited element to the ecosystem of economic development service providers in Southeast Alberta.*

Medicine Hat Economic Development (MHED) is taking a wholistic approach to community growth with a focus on four key pillars: workforce development, business and industry development, investment and growth readiness, and investment attraction. A critical underlying factor of the department and region's success is the prioritization of data driven decision-making. The Business Retention & Expansion – Industry Specific (BREIS) initiative was developed to gather industry specific data to help support MHED programming.

## PURPOSE

### **Business Retention & Expansion in Economic Development**

Business Retention and Expansion (BRE) is often referred to as the heart of economic development. As a strategy, BRE strengthens our relationships and understanding of local businesses through business visitation surveys, data analysis, and targeted projects that address challenges or barriers. Documents prepared for the Southeast Alberta Economic Opportunity Strategy by Deloitte LLP note that BRE programs retain business, facilitate growth, leverage data and intelligence to attract new companies, and foster the creation of new businesses thereby driving economic development and prosperity within the community.

BRE programs are typically done in one of two ways, through a continuous model or a project-based model. The continuous model includes the collection of survey data from businesses on an ongoing basis with no specific end point. The project-based model also includes the collection of survey data from businesses, however there is a defined start and end point, and the project will usually include a report summarizing the data following the survey period. MHED endeavored to undertake a project-based BRE program targeted at generating a deeper understanding of key sectors in Southeast Alberta.

### **Business Retention & Expansion – Industry Specific**

The aviation, aerospace, and defence industries (herein referred to as Air) have a long history in Southeast Alberta and yet the industry is in relatively early stages of its growth journey. Previous BRE studies have considered the business community more broadly, for example the Business Retention and Expansion & Workforce Development study done in Southeast Alberta in 2020. Given the relative size of the sector, there was an opportunity to take a closer look at the Air industry for the purpose of understanding what actions can be taken to best facilitate sector growth.

For more information on the businesses included in the Air Industry in Southeast Alberta, see:

- Local Investment on page 10
- Industry Representation on page 12
- General Indicators on page 14

### **A Regional Approach**

While some BRE programs focus on a single municipality, it is the position of MHED that a regional approach to economic development can result in more impactful programming. Where appropriate, projects are done in collaboration with the trade area of Census Division 1 – Southeast Alberta - including the City of Medicine Hat, Cypress County, the County of Forty Mile, the towns of Bow Island and Redcliff, and the Village of Foremost. Each municipality has unique strengths and assets that support current businesses and potential investors. Utilizing a regional approach for the BREIS creates the opportunity to look at sector challenges and programming solutions through the lens of shared assets, resources and collaboration.

## Program Partners

Economic development service organizations in Southeast Alberta are diverse in their approach to supporting local economic growth. Several organizations contributed considerable time and expertise toward the BREIS – Air as the Core Action Team, including participating in roundtables, engaging in business visitations, contributing to report development, and initiating activities for the betterment of the Southeast Alberta air industry.

The following organizations were Core Action Team members in the BREIS – Air:

- Cypress County
- Town of Redcliff
- Palliser Economic Partnership
- Medicine Hat College
- Southeast Alberta Chamber of Commerce
- Careers: The Next Generation



## Program Identified Goals

The following goals were identified at the start of BREIS – Air.

The primary driving goal of the BREIS was to collect data on the aviation, aerospace, and defence sectors in our region using a survey delivered through business visitations.

Two secondary goals were also detailed, including: to connect with the businesses in our region so they feel appreciated and know where to go if they need support, and to generate a list of projects that would be impactful for the air industries and to initiate some of those projects through organizations, municipalities, or the region.

# Approach

## INDUSTRY RATIONALE

Southeast Alberta and the City of Medicine Hat played an important role during World War II, not just as home to POW Camp 132 – one of the largest Prisoner of War camps in North America<sup>1</sup> but also with a burgeoning defence and aviation presence. Defence Research and Development Canada (DRDC) Suffield was established in 1941 as was No. 34 Service Flying Training School, Royal Air Force<sup>2</sup> that trained many pilots for the Commonwealth from 1941-1944. This history serves as the basis for the aviation, aerospace, and defence industry in Southeast Alberta today.

DRDC Suffield is still operating as the only DRDC center located on a Canadian Forces Base. The facility focuses on “chemical-biological-radiological (CBR) defence in the areas of personnel defence and medical countermeasures, blast protection and injury, advanced energetics and weapons effects, autonomous systems, and training in CBR defence.”<sup>3</sup> This facility has made important contributions to autonomous ground and air systems given the co-location with CFB Suffield, the largest military training area in Canada<sup>4</sup> with protected aerospace to an unlimited altitude. Also located in Southeast Alberta is the Foremost UAS Test Range, one of just two locations for testing of aerial uncrewed vehicles beyond visual line of sight in Canada<sup>5</sup>.

The history of aviation, aerospace, and defence in Southeast Alberta, coupled with the regions strategic assets and the industry’s global growth opportunities, make Air a key sector for growth and thus a priority for study.

For more information on the industry’s growth opportunities, see: Background on page 8

## PROJECT OUTLINE

The BREIS – Air program can be separated into five phases.

1. Community Assessment & Program Preparation
2. Survey Development & Business Visitation
3. Data Analysis & Issue Identification
4. Report, Recommendations & Action Planning
5. Action Plan Implementation

## Phase 1: Community Assessment & Program Preparation

The purpose of Phase 1 was to lay the groundwork for the rest of the program. The first key date in this phase was a meeting of the Core Action Team to clarify project goals, timelines, and answer any questions. Each participating organization has a mandate that drives their operations, so ensuring that each organization is aligned on the purpose and community benefit of a program like the BREIS was important.

This phase included key stakeholder notification (Appendix 4), including municipal councils, industry organizations, and regional businesses, following which there was a public launch of the BREIS program, including a press release from the City of Medicine Hat on date (Appendix 5). The identification of businesses in the industry was also a key deliverable of Phase 1. Participating program members utilized the various resources at their disposal to connect with key organizations in the region. Altogether, 16 businesses were identified in the air industry.

Following stakeholder identification, a meeting was held with an Industry Specific Advisory Panel. Industry representatives were identified and invited to participate with the Core Action Team in a roundtable discussion regarding the state of the industry and priority areas for further research. Questions asked of the Industry Specific Advisory Panel can be found in Appendix 6.

For more information on the work done with the Industry Specific Advisory Panel, see: Industry Specific Advisory Panel Meeting on page 11

## Phase 2: Survey Development & Business Visitation

The second phase of the program focused on data collection. Survey development was undertaken with the identified priority areas guiding the question selection. Upon the completion of survey development, each Core Action Team member took responsibility for a number of the identified stakeholders and engaged in survey completion through site visits where possible (some were done through a virtual meeting with the business due time limitations).

## Phase 3: Data Analysis & Issue Identification

The third phase analyzed the data collected through business visitations. Initial data analysis was completed by the Medicine Hat Economic Development team, with support from the City of Medicine Hat's Corporate Strategic Analyst and Performance Data and Dashboard Developer.

## Phase 4: Report, Recommendations & Action Planning

Following the data analysis, the Core Action Team engaged with the data to determine the best path forward for economic development organizations to support the air sector. This process culminated in the creation of this State of the Industry Report and will see the release of an Industry Profile for Air in Southeast Alberta.

## Phase 5: Action Plan Implementation

The final phase of the BREIS – Air has no defined end date as it signifies the ongoing action of economic development service providers to implement actions and programs that will support the industry in easing or eliminating barriers to growth. Members of the Core Action Team and other business serving organizations should sustain ongoing work to continue strengthening the relationships that have been built and pathfinding solutions to industry challenges.

# Background

## GLOBAL OUTLOOK

The aviation, aerospace, and defence sectors have been experiencing significant growth in the past decade, with investment and expansion expected to increase.

The aviation sector has experienced significant disruption, not the least of which was due to a global pandemic but also changes to technology and global demand. Following the sharp decline and gradual return in industry-wide air passenger traffic, revenue-passenger-kilometers has surpassed its pre-pandemic measurement and continues to increase year-over-year.<sup>6</sup> In fact, the number of global air passengers is expected to nearly double in the next 20 years<sup>7</sup>.

Advanced Air Mobility (AAM) is seeing increased investment into design, testing, and certification.<sup>8</sup> This sector focuses on transporting people and goods utilizing air vehicles. Currently, AAM is scaling up to full manufacturing and operational capabilities. The only limiting factor will be the speed at which federal regulations adjust, however Canada is at the forefront of progressive remotely piloted aircraft system regulation.

## LOCAL CONDITIONS

The Canadian aerospace industry currently receives the most investment in research and development at more than \$1.203 billion invested in 2023,<sup>9</sup> 3.6 times higher than the average amount spent on research and development across manufacturing in other sectors. The most significant role for Western Canada is predominantly in maintenance, repair, and overhaul (MRO) however there has been and is still a role for Western Canada in manufacturing.

Geopolitical tensions have seen increases in global defence spending noted by NATO countries increasing their collective defence expenditure consistently since 2017.<sup>10</sup> Canada has fluctuated its spending on defence; however, the expenditures have been below the 2% NATO target for the last decade. In 2023, Canada came under fire for its spending shortfall, which could contribute to increased spending in the defence industry moving forward.

Talent shortages and supply chain challenges are among the most significant obstacles facing the aviation, aerospace, and defence sectors, requiring the industry to invest heavily into emerging technologies, digitalization, and alternative sources of revenue.<sup>11</sup> This is mirrored with a talent shortage in manufacturing, including aerospace and defence manufacturing, which could have broad cost implications. Currently, there is insufficient institutional programming in Western Canada training individuals to work in the industry and engaging in industry research.

## PROVINCIAL PRIORITY

There have been several announcements in the early 2020's demonstrating the Province of Alberta's commitment to growing the Defence and Aerospace sector. Notably the announcement of De Havilland's newest manufacturing facility location in Wheatland County. This investment is expected to result in up to 1,500 new manufacturing jobs and cited the location as ideal because of "access to a large, young and diverse labour pool in Alberta, family-friendly cost of living, and a world-class international airport that can support efficient parts distribution to our global customer base."<sup>12</sup>

Additionally, the Government of Alberta has signaled it's continued prioritization of aviation and aerospace with the five-year extension of the Strategic Aviation Advisory Council Act.<sup>13</sup> The Council's responsibilities include advising government on infrastructure, programming (such as training, cargo, and research and development), aviation services, and ensuring readiness for future industry development and long-term growth.

Southeast Alberta and Medicine Hat are ideally situated to support a defence and aerospace industry. The protected airspace at CFB Suffield and the Foremost UAS Test Range are distinct competitive advantages of the region for companies innovating with new RPAS and defence technology. While CFB Suffield has been primarily utilized for training exercises run by the British Army Training Unit Suffield (BATUS), the announcement of BATUS intention to curtail operations leaves a void. This creates an opportunity for the CFB Suffield to be utilized for alternative research.

Historically, research done at CFB Suffield through DRDC has had a significant economic impact. Several companies have been started in the region by individuals formerly employed by DRDC. This has supported talent retention and attraction to the community. Alberta has been recognized as a key region for the expansion of air companies, and given the talent located in Southeast Alberta and the City of Medicine Hat, the region is well suited to support these priorities.

The Foremost UAS Test Range includes 700 square nautical miles up to 18,000 feet for testing of unmanned aircraft systems beyond visual line of sight. The area surrounding the Village of Foremost is primarily comprised of agricultural land, and is therefore sparsely populated, making the location ideal for testing remotely piloted aerial vehicles, especially outside of the visual line of sight. The Foremost UAS Test Range is one of only two such test sites in the country, with the other located in Alma, Quebec.

Considering aviation specifically, Southeast Alberta is home to Super T Aviation, an organization that focuses on flight training, aircraft maintenance services, charter flights, and fixed base operations.<sup>14</sup> This organization has worked closely with the Prairie Rose School Division to develop a flight training academy for high school students whereby they are able to obtain their private pilots license upon graduation. Also under development is an aircraft maintenance engineering dual credit program for high school students.

The conditions of the region are unique, the relatively mild climate and days of sunlight are desirable, and the low population density due to vast farmland all lends itself well to educating new pilots and the region's appeal for research and development. There is restricted airspace in the region, but the fact that it is not excessively used provides opportunities for new pilot projects, research, and development to take place in our region.

## LOCAL INVESTMENT

While the regional industry profile may currently seem small, it has attracted both attention and investment from other levels of government.

- In early 2025, the Government of Canada announced a \$752,000,000 investment in CFB Suffield to modernize research the Defence Research and Development Canada laboratories, reinvigorating the base and creating opportunities for industry development.<sup>19</sup>
- In 2024, UVAD received a \$2,000,000 investment through the Industrial and Technological Benefits program from Raytheon to deliver a subscale supersonic UAV.<sup>17</sup> Additionally, UVAD received \$2,600,000 to develop and commercialize an electric fixed-wing uncrewed aerial vehicle.<sup>18</sup>
- In 2019, Qinetiq received a \$51 million contract from the Canadian Armed Forces which would have doubled their business, allowing them to expand staffing and shop size.<sup>15</sup> Recently, the company announced that it had been awarded an indefinite-delivery/indefinite quantity sole sourced contract with an estimated ceiling of \$95 million to provide uncrewed aerial target support services to the United States Government.<sup>16</sup>
- The Foremost UAS Test Range has received just over \$3,000,000 from PrairiesCan/Western Diversification, the Government of Alberta, Palliser Economic Partnership, and the Village of Foremost.
- The Canadian Centre for Unmanned Vehicle Systems (CCUVS) received approximately \$5,000,000 of government investment from its inception through to the organization ceasing operations in 2016.
- Historically, Defence Research and Development Canada has contributed nearly \$50,000,000 per year in infrastructure and salary. Unfortunately, this slowed in 2012 and has since seen significant decreases.

## MUNICIPAL COMPARISONS

Across the province and country there are many municipally funded initiatives to support industry growth. Often, municipal investment will preempt significant provincial and federal investment in the same industry.

The City of Calgary established the Opportunity Calgary Investment Fund<sup>20</sup> with a wholly owned subsidiary to manage its investments. This was seeded with \$100 million and has created or retained 3,300 jobs, supported 809 companies, and has leveraged \$30 million in additional funding from other government partners.<sup>21</sup> This has resulted in an \$878 million in economic activity in the region as of May 2024. Recently, the Opportunity Calgary Investment Fund supported Calgary's Aerospace Innovation Hub with a \$3.9 million investment.

A \$15 million runway expansion of the Red Deer Regional Airport funded by The City of Red Deer, Red Deer County and the Government of Alberta announced in February 2022<sup>22</sup> precipitated a \$30 million additional investment in the airport in March 2023.<sup>23</sup> The Red Deer Regional Airport received an additional \$120,000 in April 2024 to engage in a Land Development Strategy and Implementation Plan.

The City of Brampton, the Government of Ontario, and the Kaneff Group were integral in supporting the expansion of the MDA Global Headquarters and Centre of Excellence for Space Robotics. This resulted in a nearly \$80 million investment into the community resulting in over 700 highly skilled workers in a 200,000 sqft building.<sup>24</sup>

The Region of Waterloo and NAVBLUE launched an aerospace program at the Accelerator Centre<sup>25</sup> in February 2024. Later that month following this initial investment, the Federal government has contributed an additional \$22 million to supporting local projects in the industry.<sup>26</sup>

## WHAT IT MEANS

There is tremendous growth in aviation, aerospace, and defence investment driven by changing consumer and governmental priorities, along with rising geopolitical tensions and technological advancements. Southeast Alberta has a competitive advantage given its strategic assets to capitalize on this global trend, establishing and advancing its reputation globally.



# Methodology

## INDUSTRY SPECIFIC ADVISORY PANEL MEETING

Each industry has different local economic factors that are more or less important to its success. To determine the priority areas for further research in the air industry, the Core Action Team and key experts in the industry met to discuss the resources available in the area, workforce, supply chain, ease of entry, innovation & technology, the state of the current support ecosystem, and available opportunities in the industry. A series of 16 probing questions were asked and roundtable participants were given instruction to respond from a high-level industry perspective and to share freely – the more information shared, the better.

### Discussion

The Industry Specific Advisory Panel meeting provided the opportunity for a robust and engaged discussion. Several challenges were identified, as well as some benefits to the region. The key themes for each subject area are detailed in Table 1.

### Findings and Identified Priorities

Of the discussion themes denoted in Table 1, priorities areas for further research were identified. In this case, the areas of greatest interest were:

- Workforce: determining opportunities to locally address the workforce and training shortages.
- Supply chain: seek more information about potentially complementary businesses to locate in the region.
- Innovation & technology: look more deeply into the challenges with access to capital, understand more about the infrastructure limitations.
- Opportunities: consider survey data looking toward opportunities for strategic, collaborative programming, seek more information about the necessary infrastructure to enable industry growth.
- Other: understand more about opportunities to engage in advocacy to support access to resources for the industry.

Resources	<ul style="list-style-type: none"> <li>• Well suited for flight training and testing</li> <li>• Excellent flight conditions</li> <li>• Adequate infrastructure at the airport</li> </ul>
Workforce	<ul style="list-style-type: none"> <li>• Anticipating acute talent shortage</li> <li>• Currently lacking in training programs</li> <li>• There's a need to develop programming that will support the industry</li> </ul>
Supply Chain	<ul style="list-style-type: none"> <li>• The ISAP didn't have sufficient time to discuss supply chain, so there was an opportunity identified to ask more about this in the survey process.</li> </ul>
Ease of Entry	<ul style="list-style-type: none"> <li>• Overhead costs are a challenge for new entrants</li> <li>• Other jurisdictions are offering incentives</li> <li>• Capital requirement for this industry is high</li> </ul>
Innovation & Technology	<ul style="list-style-type: none"> <li>• Inadequate broadband infrastructure</li> <li>• Capital is challenging to secure for the industry in Alberta</li> <li>• There is a lot of innovation happening in the industry</li> </ul>
Ecosystem	<ul style="list-style-type: none"> <li>• Uncertainty around the future of the ecosystem given previous projects</li> <li>• Opportunity to take inspiration from other air parks/research hubs</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>• Opportunity to be innovative with strategic investments</li> <li>• There is significant need for more training to address potential impending shortages</li> <li>• Build it and they will come – what do we need to build?</li> <li>• Collaboration opportunity around supporting program development</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Unmanned sector is growing quickly</li> <li>• Advocacy on classification (rural vs urban)</li> <li>• Advocacy for ITA in Medicine Hat</li> <li>• Future planning while addressing current state</li> </ul>

Table 1

Underpinning the list of priorities is the awareness that the air industry is growing quickly and there is a lot of opportunity to be capitalized on should the region and its support organizations move quickly.

While the Industry Specific Advisory Panel's discussion focused on high-level, industry wide trends, the purpose of the survey was to look deeper into the individual experience of the businesses in the identified priority areas. Additionally, the survey was intended to be completed with the owner or management at their place of business, which supports the Core Action Team members and Medicine Hat Economic Development in building relationships and expanding networks within the business community.

### **Survey design**

With the priorities identified from the Industry Specific Advisory Panel meeting, questions were developed to increase clarity in the industry picture. From there, questions were divided into two surveys, an Initial Information Collection Questionnaire that a business would complete online before the business visitation; and an Industry Specific Survey that would be completed with the business during the visitation.

The Initial Information Collection Questionnaire includes general questions that, regardless of industry, can be used to determine the economic impact of the sector in the region. A full list of questions can be found in Appendix 1. The Industry Specific Survey includes questions related directly to the identified priorities from the ISAP and includes respective rationale. A full list of Industry Specific Survey questions can be found in Appendix 2.

### **Sampling method**

The full list of stakeholders was shared amongst the Core Action Team, and each team member was asked to prioritize certain contacts based on organizational mandate and/or previous experience with that regional business. From there, the contacts were divided between Core Action Team members, with members taking responsibility for engagement with those businesses. Members of the Core Action Team or MHED met with any business who was willing to give their time.

## **DATA COLLECTION**

### **Data collection process**

Over several months in the summer of 2024, Core Action Team members met with business to complete the BREIS – Air survey. Businesses were asked to complete the Initial Information Collection Questionnaire online in advance of the meeting, however if this was not completed in advance then that survey would be done at the time of the meeting.

The Core Action Team member would attend the meeting at the business operating location whenever possible, however some meetings were completed virtually due to logistical restrictions.

Core Action Team members were given paper copies of surveys to bring with them to the business site. Each survey included the questions, as well as the question rationale to support the surveyor in answering any questions that may arise. All survey respondents were made aware at the outset that they could choose not to answer any questions and could withdraw from participation at any time. Survey respondents acknowledged this as well as the commitment to privacy in an Informed Consent form (included in Appendix 3).

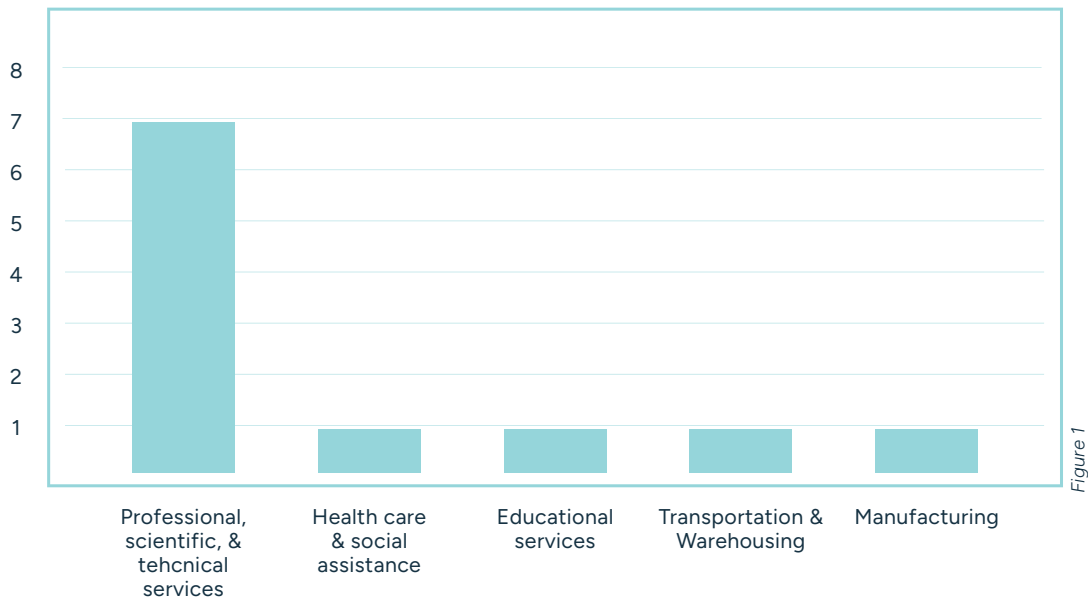
Surveyors were encouraged to add any extra contextual notes in the margins to capture any information shared beyond or in addition to the survey answers. Once completed, the surveyor returned the completed paper copy to Medicine Hat Economic Development for coding and secure storage.

## **INDUSTRY REPRESENTATION**

14 members of the Southeast Alberta air industry were interviewed for an 87.5% response rate. Most (91%) businesses surveyed were locally owned.

One of the first questions that businesses were asked in the Initial Information Collection Questionnaire was, "What is the primary nature of your business in this location?" with answer selections being sectors identified in the North American Industry Classification System (NAICS) Canada 2022 Version 1.0<sup>27</sup>.

## WHAT IS THE PRIMARY NATURE OF YOUR BUSINESS IN THIS LOCATION?



While most respondents noted the primary nature of their business as professional, scientific, and technical services, this category represents the diversity of industry in Southeast Alberta (Figure 1). Businesses interviewed included activities supporting photography and videography, defence manufacturing, health and emergency services, environmental solutions, corporate health and safety, infrastructure development, and more.

The respondents represented a wide range of regional economic contribution through annual revenue and payroll. Some survey respondents were pre-revenue start-ups, while others have been established in the region for many years. Accordingly, some businesses surveyed employ upwards of 70 staff, where others are owner operated.

### DATA INPUT, ANALYSIS, REPORTING

Paper copies of the surveys and virtual survey responses were collected by MHED and assigned a Respondent ID to ensure respondent anonymity. Yes/no, ranked questions, and multiple-choice responses were coded with numerical values to ease in data analysis and limit error. Open-ended question responses were categorized by overarching theme so the data could be used comparatively. From there data was formatted and organized into tables to be loaded into PowerBI. Tables were organized by question type, and whether they were single answer or multiple answer. Questions that included a ranking of Excellent to Poor were assigned a corresponding numeric value so that the data could be weighted and displayed visually.

# Summary of Results/Survey Findings

## GENERAL INDICATORS

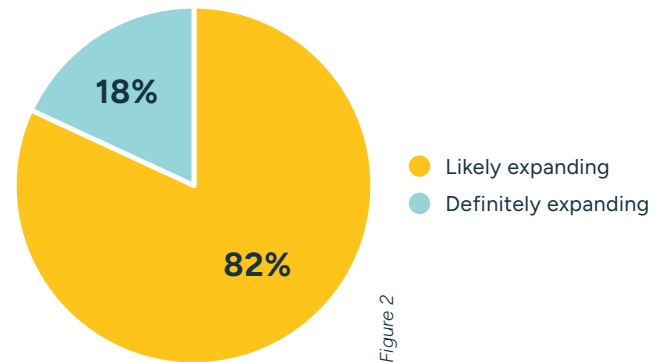
The air industry in Southeast Alberta is very diverse, hosting facilities like the Medicine Hat Regional Airport and Foremost UAS Range, along with target drone manufacturers, air ambulance service providers, drone videography and photography service providers, surveyors, and more. One thing they all had in common was their intention to grow, with 100% of businesses surveyed saying they were likely or definitely going to expand operations in the region (Figure 2).

Businesses were asked to rate a series of 24 local business climate factors as either poor, fair, good, or excellent. In general, businesses rated the various factors as Good or Excellent 58% of the time. Notable exceptions include:

- Air Access was rated Poor 57% of the time
- Workforce Availability was rated Poor 50% of the time
- Federal Regulations, Federal Tax Structure, Housing, and Access to Healthcare also received 4 ratings of Poor each.

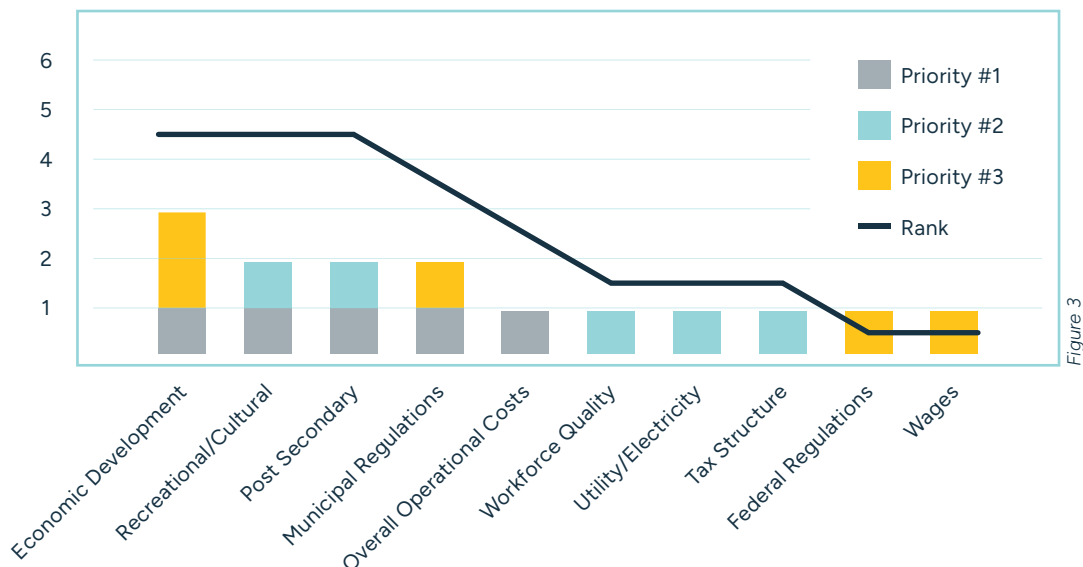
On the positive side, Recreational/Cultural Amenities, Post-Secondary Education, Internet/Broadband, and Phone/Cell Phone all received 3 Excellent ratings.

## DO YOU HAVE PLANS TO EXPAND OR REDUCE OPERATIONS FOR YOUR BUSINESS IN THIS REGION IN THE FORESEEABLE FUTURE?



After rating the complete list, respondents were asked to prioritize the business climate factors with the question, "Which 3 are the most important to your business today?". Those responses were counted and assigned a weighted rank based on their designated priority level, to give each factor a priority score. This data is represented by Figure 3.

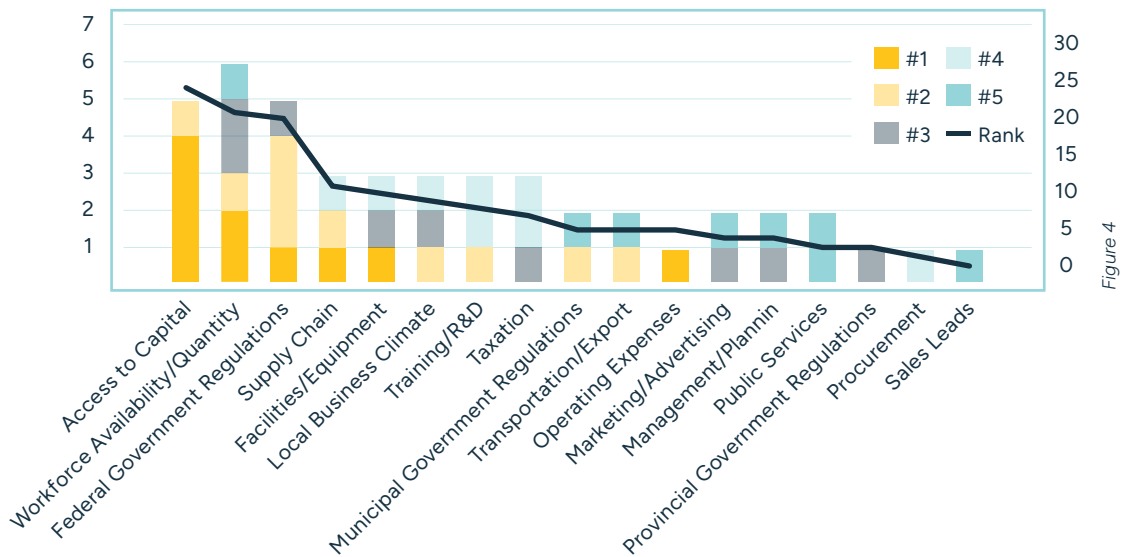
## WHICH 3 BUSINESS CLIMATE FACTORS ARE MOST IMPORTANT TO YOUR BUSINESS TODAY?



For BREIS – Air respondents, Economic Development Organizations, Recreational/Cultural Amenities, and Post-Secondary Institutions all received the highest rank, though Economic Development Organizations was mentioned more often than the others. These top factors are directly related to business success through workforce attraction and retention. Additionally, the focus on economic development organizations relates both to workforce, supply chain, and regional growth.

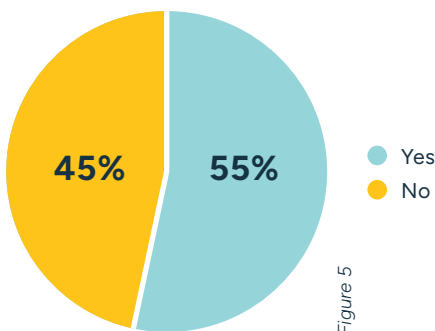
When businesses were asked about their top challenges (Figure 4), their responses also related to these themes, with Workforce Availability/Quantity, Federal Government Regulations, and Supply Chain being listed in the top five. Access to Capital led the ranking as the most significant challenge, as it was mentioned first 80% of the time.

**PLEASE RANK THE TOP 5 MOST SIGNIFICANT CHALLENGES FACED BY YOUR BUSINESS TODAY WITH 1 BEING THE MOST ACUTE AND 5 BEING THE LEAST.**

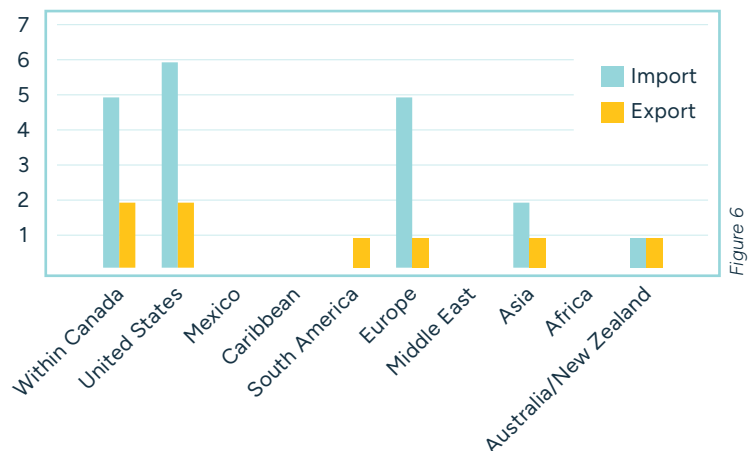


The challenges related to federal regulations and supply chain are particularly important given 55% of air businesses are importers (Figure 5). Typically, these businesses are importing parts to support their operations from Canada, the United States, and Europe (Figure 6). In addition to being costly, supply chain interruptions can cause significant delays to product development.

**DO YOU CURRENTLY IMPORT ANY GOODS AND SERVICES?**



**WHERE DO YOU IMPORT/EXPORT PRODUCTS FROM?**



Survey respondents were asked about the top three opportunities for the region as seen in Figure 7. The top opportunity respondents saw for Southeast Alberta was the Aviation/Aerospace/Defence industry. Comments related to the City of Medicine Hat and region leaning in to support the industry. Additionally the proximity to Foremost UAS Test Range and CFB Suffield, as well as opportunities that exist with the Airport Masterplan currently underway at the Medicine Hat Regional Airport, were noted as opportunities. Finally, the tremendous growth seen in the uncrewed space was identified as an opportunity.

The second, but related, opportunity seen for the region was Transportation/Infrastructure. Remarks on this theme include references to the twinning of Highway 3, expansion of the Medicine Hat Regional Airport, and development of economic corridors. Specifically, this is referenced as enabling infrastructure, allowing respondents better access to national and international markets and supply chains.

Rounding out the top three is technology, specifically related to supporting the advancement of technology related to the air industry.

### WHAT DO YOU SEE AS THE TOP 3 BIGGEST OPPORTUNITIES FOR SOUTHEAST ALBERTA?

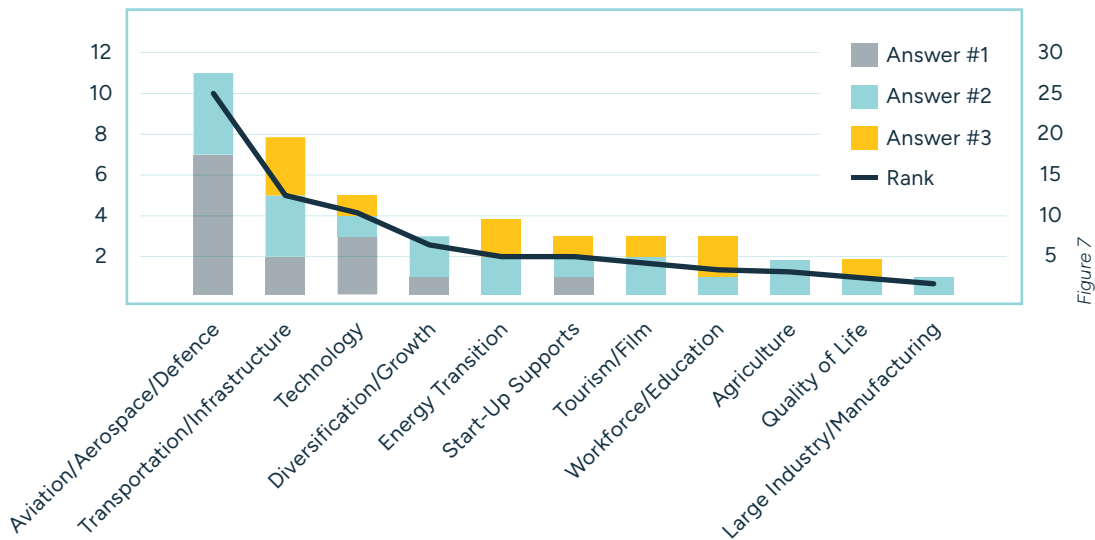


Figure 7

## WORKFORCE

Conversation related to workforce dominated the Industry Specific Advisory Panel roundtable meeting. Therefore, workforce was a primary discussion through the survey. When asked about workforce generally, Workforce Quality was rated Fair 50% of the time, while Workforce Availability was rated Poor by 50% of respondents (Figure 8).

Digging more deeply into the industry experience with workforce, respondents were asked for more detail about challenges related to workforce stability, availability, and skill. The definitions for each criterion were given as follows:

- Workforce Availability refers to the number of local workers who are ready and able to fill job openings in a region (consider the number of resumes you receive for a job posting).
- Workforce Stability refers to the consistency and reliability of the employment situation within a region over time (consider your level of confidence in employee retention).
- Workforce Skill refers to the level of abilities, knowledge, and expertise of the workforce in the area (consider whether your job applicants have the appropriate qualifications).

Respondents were asked to consider skill level of the positions they were experiencing challenges with (Figure 9). Respondents were given the option to choose between the 6 National Occupation Classification (NOC) Training, Education, Experience, and Responsibility (TEER) Categories<sup>28</sup> with the following definitions provided:

## RATE THE FOLLOWING BUSINESS CLIMATE FACTORS AS POOR, FAIR, GOOD, OR EXCELLENT.



Figure 8

- Management occupations (NOC TEER 0);
- Occupations that typically require a university degree (NOC TEER 1);
- Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (NOC TEER 2);
- Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (NOC TEER 3);
- Occupations that usually require a high school diploma or several weeks of on the job training (NOC TEER 4); and
- Occupations that usually need short-term work demonstration and no formal education (NOC TEER 5).

Necessary skills and related workforce challenges appear to be clustered around higher skilled positions requiring more experienced individuals and/ or educated individuals.

## IN WHAT TYPE OF POSITIONS ARE YOU EXPERIENCING CHALLENGES WITH WORKFORCE AVAILABILITY/STABILITY/SKILL?

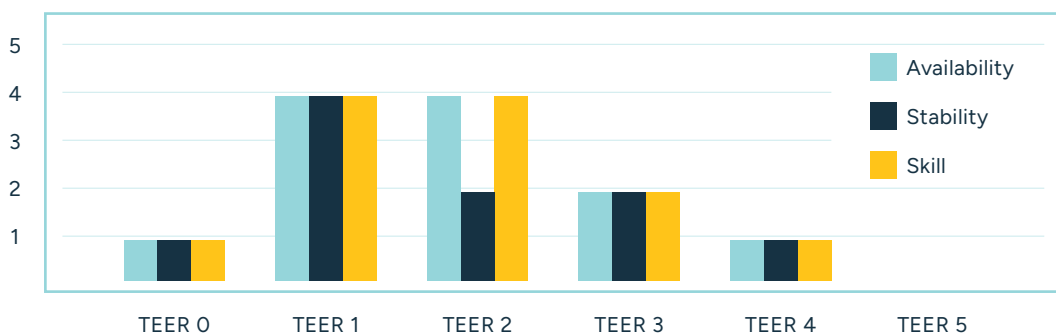


Figure 9

## DO YOU USE THE FOLLOWING TECHNICAL SKILLS IN YOUR FACILITY?

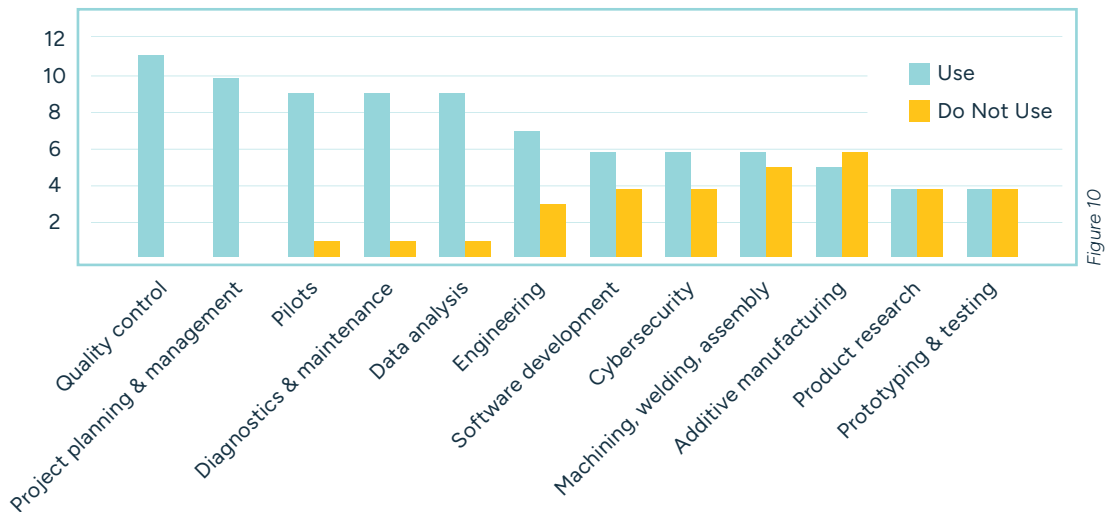


Figure 10

Businesses were asked about the technical skills used in their facilities, with the results demonstrated in Figure 10.

The follow up question related directly to challenges in finding positions (Figure 11), and whether those skills gaps are experienced both locally and globally. Most were identified as global shortages, relating directly to the Industry Specific Advisory Panel comments around acute skill shortages and the need for training.

## DO YOU HAVE ANY CHALLENGES IN FINDING WORKERS WITH YOUR DESIRED LEVEL OF THESE SKILLS?

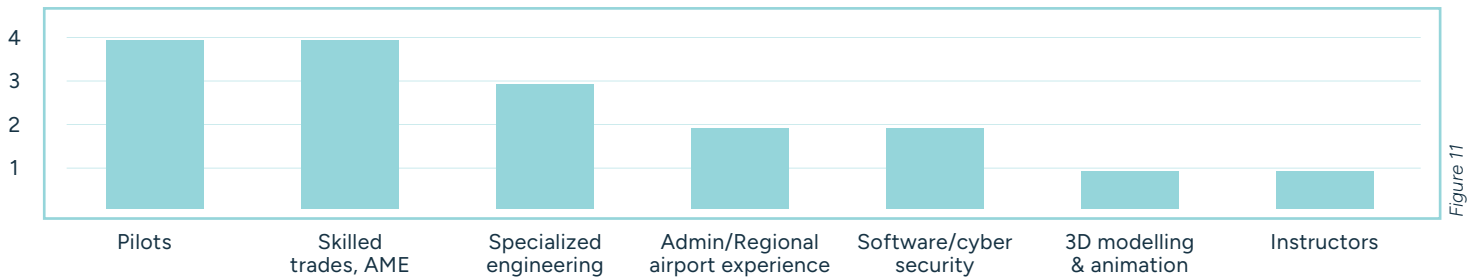


Figure 11

When asked about the cause of these hiring challenges, most employers identified high wage rates and cost of training coupled with global competition for skilled workforce and employee hesitation to relocate. Other responses along the same lines noted a lack of experience and education in the area as contributing factors to recruitment challenges.



## INNOVATION AND TECHNOLOGY

The rate at which the air industry is progressing provides incredible opportunities, however there are several inherent challenges. First and foremost, the air industry is dependent on a significant amount of capital. Challenges to accessing capital were identified in the Industry Specific Advisory Panel, so several questions were asked of survey respondents to get a clear picture of the problem.

### WHICH SOURCES OF CAPITAL HAVE YOU USED TO SUPPORT YOUR BUSINESS LOCALLY?

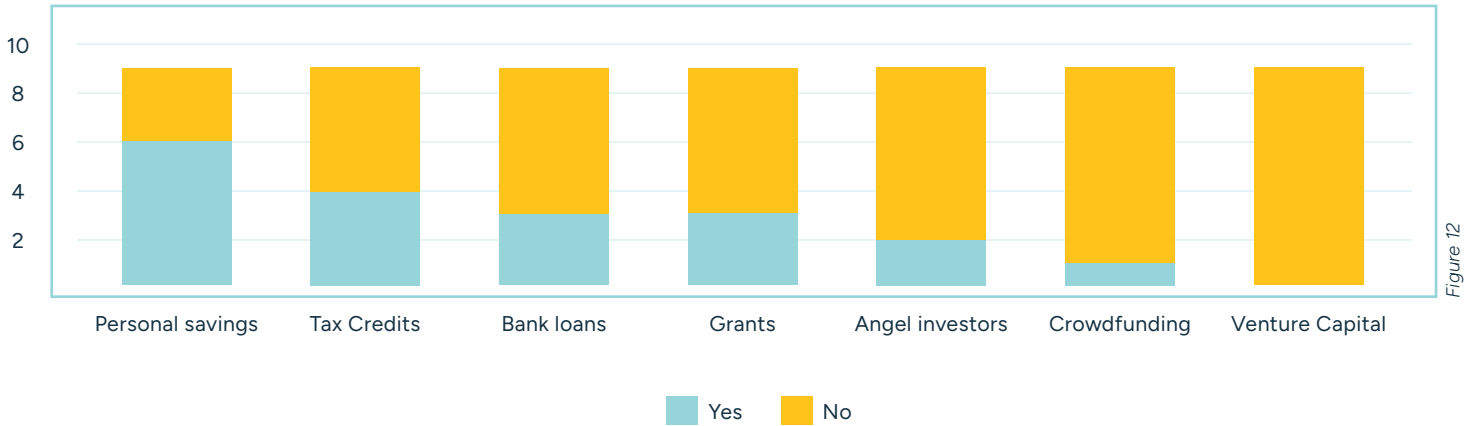


Figure 12

As seen in Figure 12, most survey respondents in Southeast Alberta have supported their business through personal savings. This is followed by the use of tax credits, grants, and bank loans. Few businesses have utilized angel investors in the region and none of the respondents accessed venture capital opportunities.

### WHAT IS THE BIGGEST CHALLENGE YOUR BUSINESS FACES IN SECURING CAPITAL?

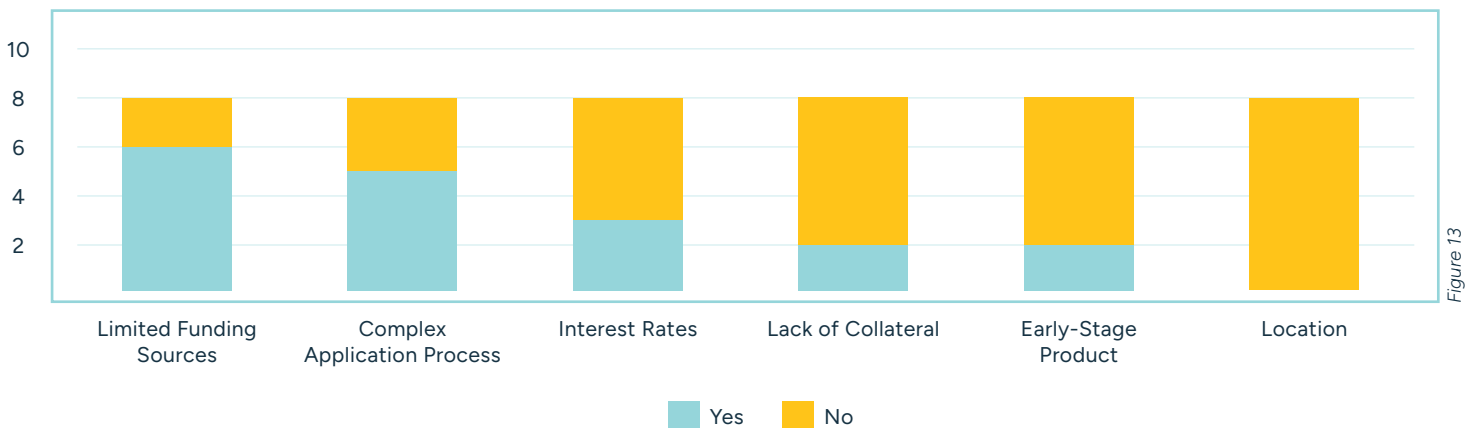


Figure 13

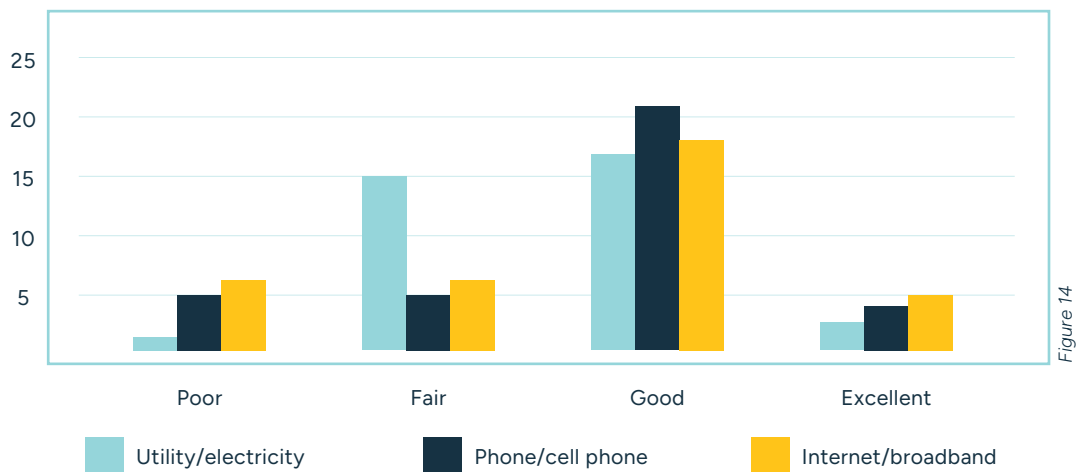
When specifically asked where the challenge is to securing capital in the region (Figure 13), 75% of respondents noted that Limited Funding Sources posed a challenge. This was followed by the acknowledgement that the complex application process to access funding also poses a challenge. Notably, zero businesses responded that locating in Southeast Alberta was an impediment to accessing capital. In fact, one business stated that the strategic infrastructure in the region actually strengthened their case when seeking additional funding.

The follow up question, “What additional support or resources would help your business better access capital?” was asked, with respondents noting the following themes:

- Resources to facilitate effective and successful grant applications;
- Increased local access to funding opportunities (for example, having an ITA<sup>29</sup> located in Southeast Alberta); and
- Increasing the profile of the region to promote economic growth and therefore increased funding opportunities.

In addition to the significant capital requirement needed for the industry, there is also a substantial infrastructure requirement to enable success. When asked about regional infrastructure most businesses reported that the current level of infrastructure servicing is sufficient for their current operations (Figure 14).

### RATE THE FOLLOWING BUSINESS CLIMATE FACTORS AS POOR, FAIR, GOOD, OR EXCELLENT.



Businesses were also asked if the region’s technological and utility infrastructure was sufficient for their growth plans, with 36% saying that it was not. When asked what is needed, responses related to power and broadband infrastructure .

Air businesses were also asked about the type of infrastructure enhancements that would help improve their business operations, with most respondents pointing to upgrades in transportation infrastructure (roads, highways, rail, air), power/energy supply, and broadband/data centers (Figure 15).

### WHAT INFRASTRUCTURE ENHANCEMENTS COULD IMPROVE YOUR BUSINESS OPERATIONS? (ONLY THE YES ANSWERS ARE SHOWN)



Figure 15

### OPPORTUNITIES

The Industry Specific Advisory Panel stressed the need for collective and strategic investments in the industry to foster growth in Southeast Alberta. Specifically mentioned was the need for additional training, collaboration around program development, and more brownfield opportunities specifically related to research and development.

64% of the region’s air businesses are expecting to grow in the next year, with 77% of these businesses expecting to need additional or upgraded facilities in the short term (Figure 16).

There was an unexpected trend that emerged when talking to air businesses in that four separate businesses brought up the fact that there is no suitable brownfield space for their business in the region. Two of these businesses also expressed that they were considering relocation from the region for this exact reason.

Each stated they needed the same key features:

- Office space for their day-to-day administrative work.
- Boardroom space to meet with investors and clients.
- Workshop space with sufficient ceiling height and allowances for noise so they can test their products.

Each business independently told of the same experience trying to find space for growth. They expressed that available space was either far too large or cost prohibitive.

### DO YOU ANTICIPATE NEEDING ADDITIONAL/UPGRADED FACILITIES IN THE NEXT ONE, THREE, OR FIVE YEARS?

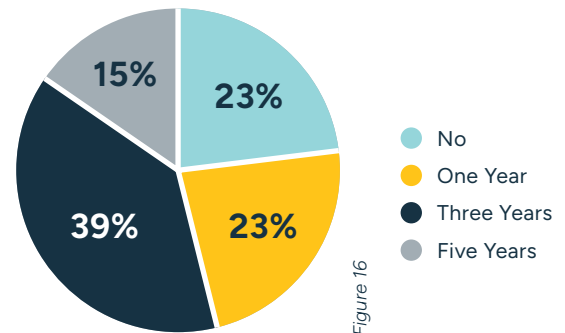


Figure 16

# Analysis

*The data demonstrates that, while the air industry in Southeast Alberta may be relatively small and diverse currently, it presents significant opportunity for the region.*

The growth in the aerospace and defence industry globally, coupled with the provincial focus on development of the aviation industry demonstrates opportunities for cross-governmental industry prioritization and support. Furthermore, given Southeast Alberta's rich history within these industries much of the groundwork has already been done.

## LOCAL INNOVATION

While oil and gas and agriculture have been the primary industries in Southeast Alberta, there is a more than 80-year history in aviation, aerospace, and defence innovation that has been quietly sustaining in the region. DRDC Suffield has been a primary driver of this, leading research efforts on autonomous land and air vehicles which have contributed significantly to both the defence community and to the public commercially. Several of these technologies have resulted in spinoff organizations and companies, with some of those garnering widespread attention through notable acquisitions.

This burgeoning industry was the impetus for the launch of the Canadian Centre for Unmanned Vehicle Systems (CCUVS) in the early 2000's.<sup>30</sup> CCUVS received funding from all levels of government for its national mandate to support all forms of autonomous vehicles. Public funding was withdrawn from CCUVS leading to the dissolution of the organization in 2015 and transferring of most assets to the Village of Foremost. The Village of Foremost and UxS Consulting continued to work on a key project of CCUVS – the launch of the Foremost UAS Test Range. Following federal approval in 2014, the Foremost UAS Test Range was formally launched in late 2016 and is one of only two commercial testing ranges for autonomous, uncrewed, beyond visual line of sight technology in Canada.<sup>31</sup>

These contributions to the industry in Southeast Alberta have been extremely important, however to this point they have not significantly moved the needle in making Southeast Alberta a hub for aviation, aerospace, and defence investment activity. As a comparison Quebec is home to over 61% of manufacturing employment in aerospace<sup>32</sup> which represents 65% of the defence and aerospace industry investment in Canada. Naturally, this makes Quebec a prime location when investment or expansion decisions are being made. With proper nurturing Southeast Alberta has the foundation to be the Western Canadian hub.

## DEVELOPING INNOVATION

In recent years, Southeast Alberta has seen an increase in innovation led by small business, which has inspired the establishment and expansion of business support organizations in the region.

APEX Southeast Alberta, the Regional Innovation Network, has supported a growth in clients of 300%. This represents a doubling of clients each year, with the organization again on pace to double in 2025.

Medicine Hat College opened the Centre for Innovation on October 17, 2022, supporting 41 clients on projects or substantial project discussions in its first 20 months.

Community Futures Entre-Corp has supported the work of an RPAS Advisor for the last two years, resulting in the release of province-wide RPAS Strategy (Alberta's Flight Plan: Unlocking Economic Opportunities with Remotely Piloted Aircraft Systems) and the hosting of a drone conference at Medicine Hat College. This position has transitioned to a Rural Aerospace Development Manager for the next two years, focusing on supporting rural aerospace companies across the province.<sup>33</sup>

In October of 2024, Medicine Hat was announced as the host city for the 16th Annual Aerial Evolution Association of Canada Student UAS Competition.<sup>34</sup> The decision to locate the competition in Western Canada for the first time in the organization's history, was driven by Medicine Hat's history in aerospace and UAS, and the strategic regional assets of the Foremost UAS Test Range and DRDC Suffield Research Centre.

Aviation and defence is a capital-intensive industry that benefits from government investment. Naturally, this leads to investments and innovations gravitating to locations where funding and other support services are abundant to increase their chances of being a successful recipient. Increasing access to funding opportunities and other support services in the region would contribute to its overall attractiveness to future investors.

## CLUSTER DEVELOPMENT

Fragmented work in Southeast Alberta in marketing itself as a destination for investment has been a significant contributing factor to the relative stagnancy of the industry and low skilled workforce availability. Widely sharing the region's key differentiators and actively demonstrating the benefits of the region to both investment and workforce will have a long-term positive impact.

In addition to sharing the message, there are opportunities to institute and advocate for policy change that will support making Medicine Hat and Southeast Alberta a priority destination for research, development, testing, and commercialization of new aerospace and defence technology. Other jurisdictions have amended policy to advance work related to the utilization of drones for police work, fire response, last-mile delivery, advanced air mobility, film, and more. Ensuring Southeast Alberta has industry leading, innovative regulations will support the development of advanced technologies in our region.

Finally, each of these activities together will support the development of an industry cluster. Clusters will typically include organizations that benefit from proximity to one another and often include organizations at various levels of the value chain. Clustering supports increased productivity, skilled workforce attraction, increased competitiveness, driving innovation and stimulating new business.<sup>35</sup> The more that can be done to accelerate cluster development, the more likely the region is to see momentum generated in industry growth.

There are many goals that can be considered given the data gathered by BREIS – Air, however any future actions should be discussed with industry before implementation. This ensures industry support and collaborative efforts at industry development.

# Report Recommendations & Next Steps

## STATE OF THE INDUSTRY ROUNDTABLE

A State of the Industry Roundtable was held with 20 people in attendance on January 21, 2024, to discuss the data generated through the BREIS – Air process as well as proposed report recommendations. Following a brief presentation of the data, attendees separated into breakout groups to discuss four recommendations:

1. Maximize opportunities for Medicine Hat College and regional school divisions to work with local industry to support program development.
2. Investigate the development of an industry hub/incubator.
3. Facilitate easier, efficient, and thorough support for access to resources easing processes to gain access to grants, IP support, etc.
4. Study other municipalities with DRDC and a base to determine municipal/regional actions that will fuel investment attraction and industry success.

For each recommendation, the breakout groups answered the following questions:

1. Would this be impactful for the Aviation, Aerospace & Defence Industry in Southeast Alberta?
2. Would this help your business or organization?
3. What would have to be true to make this initiative impactful?

Breakout groups were then asked to prioritize the recommendations based on what would be the most impactful before returning for a larger roundtable discussion. This industry feedback was incorporated in the State of the Industry goals and recommendations.

## RECOMMENDATIONS & WORK UNDERWAY

Several goals have been identified as practical next steps for the region to support the growth of the air industry in Southeast Alberta, with some work already taking place. The recommendations have been organized by themes identified in the Industry Specific Advisory Panel meeting to ensure the goals identified are aligned with priorities noted by the industry.

### Recommended Workforce Goals

#### 1. Maximize opportunities for Medicine Hat College and regional school divisions to work with local industry to support program development.

There are several ways that regional educational institutions currently engage with industry, which has resulted in the development of several incredible programs for a variety of age groups and levels of expertise. This was identified through the research as a strength of the region, supporting workforce development from an early age through secondary, post-secondary, and continuing education. Increasing opportunities for dual credit, work-integrated-learning, and industry driven programming increases the likelihood that more students will leave their time in education with an interest in pursuing a career in aviation, aerospace, and defence.

Southeast Alberta's regional school divisions as well as Medicine Hat College have consistently demonstrated their willingness to respond to industry needs with program implementation. Through the State of the Industry Roundtable, this recommendation was noted as priority #2 for each of the breakout groups, signifying that there is an interest in collaboration by both industry and education. It was also noted that there needs to be some work toward capacity building to ensure these efforts are successful.

## 2. Prioritize investment attraction in the air sectors.

Successful investment attraction supports workforce attraction and retention through the growth of occupational clusters. These clusters provide the labour force with an opportunity for movement and advancement, thereby making the region a more attractive destination for both industry recruits and those currently working in industry in the region. The data demonstrates that workforce attraction is a key priority of businesses in the air industry in Southeast Alberta, and comments from survey respondents specifically mention that increasing industry prevalence in the region would support realizing this priority. Prioritizing investment attraction in aviation, aerospace, and defence supports the industry's workforce expansion goals.

There is work already underway to support this goal. The Southeast Alberta Economic Opportunity Strategy<sup>36</sup> identified aerospace and defence as a priority for the region, outlining four actions to support the industry. Additionally, the City of Medicine Hat is developing an Investment Attraction Strategy specifically aimed at identifying and engaging in actions to grow the aerospace and defence industry.

## 3. Support workforce attraction by suggesting strategic additions to the Move to Medicine Hat website.

The Move to Medicine Hat<sup>39</sup> website was identified by survey respondents as a useful tool to aid workforce attraction efforts. Regional agencies collaborated to develop the website, which provides helpful content for those looking to move to Medicine Hat to work, live, learn, and play, acting as a source of information for individuals and families who might not be aware of some of the benefits of the region. There is an opportunity to provide additional, industry specific information for those looking to relocate to the region for work in aviation, aerospace, or defence. This information could be found through regional reports such as the BREIS – Air or the APEX Alberta RPAS Report, through engagements with industry, or through other mechanisms.

## Recommended Innovation and Technology Goals

### 1. Support ecosystem development Southeast Alberta.

During the State of the Industry Roundtable discussions, stakeholders identified capacity building as a key factor for the success of several recommendations. To accelerate the growth of the aviation, aerospace, and defence sector in Southeast Alberta, efforts should focus on addressing barriers to industry expansion, strengthening the regional industry support network, and improving access to critical resources such as funding and business development programs. Targeted initiatives in these areas will help create a more resilient and competitive industry ecosystem.

### 2. Advocate for research and funding supports to be located in Southeast Alberta.

Through the research and business visitations, it was frequently noted that the aviation, aerospace, and defence sectors are very capital intensive. Through various mechanisms, we understand that companies engaged in this work are constantly seeking funding for the research, development, and commercialization of new technologies. Those who have more access to resources see their work progress faster than those who face more barriers. One of those such barriers is the location of supports.

An example of a key program in the development of technologies in the air sectors is the Industrial Research Assistance Program (IRAP) run through the National Research Council of Canada (NRC). The mission of this program is to “accelerate the growth of small and medium-sized businesses by providing them with a comprehensive suite of innovation services and funding”.<sup>37</sup> IRAP strives toward this mission through positions identified as Industrial Technology Advisors (ITAs). ITAs are located all over the country, however there are none located in Medicine Hat – two ITAs located in Lethbridge are tasked with serving all of Southern Alberta.

There is currently advocacy work underway to encourage the location of an ITA in Medicine Hat or Suffield to support work being done in Southeast Alberta more directly. This work will continue, expanding beyond just advocacy for an ITA as this is just one example of a support that is less easily accessible for businesses located in the region. Advocacy work needs to continue to ensure that Air businesses can receive support equal to those in larger centers.

## Recommended Opportunity Goals

1. Implement a process for information sharing for industry and organizations focused on development in aviation, aerospace, and defence in Southeast Alberta. Several organizations have been actively supporting this industry for years, and with its recognition as a key economic driver, additional groups may seek to contribute within their mandates. Additionally, local businesses are engaged in investment attraction and advocacy efforts. A formalized communication and coordination process between those engaged in industry development will help ensure alignment, prevent duplication of efforts, and maximize impact, ultimately strengthening the region's industry ecosystem.

This type of initiative was also identified through the Southeast Alberta Economic Opportunity Strategy as a priority, and therefore work initiated toward this goal is expected to intensify.

### 2. Investigate the development of an industry hub/incubator.

This recommendation stemmed from survey responses indicating a lack of suitable rental space for businesses in Southeast Alberta. Through the development of this report, it was noted that this type of facility could house services identified in other report recommendations (such as Workforce Goal 1, Innovation and Technology Goal 2, and Opportunity Goal 3). During the State of the Industry Roundtable, all breakout groups ranked this as the top priority, with several organizations and businesses expressing interest in participating.

Discussion around the development of an industry hub or incubator concept gave way to a conversation around the importance of branding and marketing the region as a premier destination for industry investment and workforce attraction. These actions were suggested as lower hanging fruit and therefore an ideal first step toward the larger goal of the development of an industry hub or incubator.

Objectives similar in concept to the incubator or hub were also identified in the Southeast Alberta Economic Opportunity Strategy, therefore work toward this is expected.

3. Facilitate easier, efficient, and thorough support for access to resources easing processes to gain access to grants, IP support, etc. The Air sectors are heavily supported by government programming and grants as a result of the very high requirement for capital in the research, development, and commercialization of aviation, aerospace, and defence technology. This also necessitates certain activities toward IP protection which can be costly and require a significant investment of time. Any opportunity to facilitate easier access for local innovators to funding, IP support, and other services would serve to accelerate technology commercialization thereby increasing economic activity in the region.

4. Study other municipalities located near Defence Research and Development Canada and Canadian Forces Base facilities to determine municipal and regional action that will fuel strategic investment attraction and industry success. Southeast Alberta has the benefit a DRDC research facility as well as a Canadian Forces Base in its regional boundaries. This brought significant economic benefit to the region in the past, however since the COVID-19 pandemic and associated international response this impact has been lessened. Other locations around the country have capitalized on their proximity to DRDC and CFB locations through other infrastructure, industry supports, and organizational programming. Work should be done to study these other municipalities, identify actions that could be suitable for Southeast Alberta, and determine what activities should be actioned in the region.



## ACTIONS

To ensure the fulfillment of the third program goal – to generate a list of projects that would be impactful for the air industries and to initiate some of those projects through organizations, municipalities, or the region – actions need to be identified to support the implementation of the recommendations identified above.

While some actions are directly related to a single recommendation, there are certain actions that could support multiple recommendations across various identified goals. Several actions are identified below as well as the recommendations they would support.

1. Continue efforts to attract new investment in the aviation, aerospace, and defence industry.

*This will directly support Workforce Goal 2.*

2. Amongst the regional economic development service providers, discuss the feasibility of applying for a Regional Innovations Ecosystem (RIE) grant through PrairiesCan<sup>38</sup> to support Ecosystem Capacity Building.

*This will directly support Innovation & Technology Goal 1 as well as indirectly supporting nearly all of the other recommendations.*

3. Establish an Air Industry Advisory Group to drive initiatives supporting the industry growth.

*This will directly support nearly all goals including specifically Workforce Goals 1 and 3, Innovation and Technology Goals 1 and 2, and Opportunity Goals 1, 2, and 3.*

4. Initiate a branding and marketing exercise for the Air industry in Southeast Alberta.

*This will directly support Opportunity Goal 2 and Workforce Goal 2.*

5. Conduct a feasibility study to determine the best structure for an industry incubator or hub.

*This will directly support Opportunity Goal 2.*

6. Ensure community organization's efforts at supporting business access to grants and other supports (for example APEX Alberta's facilitation of the ElevateIP<sup>40</sup> program) are shared widely to secure maximum program participation.

*This will directly support Opportunity Goal 3.*

7. Continue efforts to advocate for research and funding supports to locate in Southeast Alberta.

*This will directly support Innovation and Technology Goal 2.*

8. Study other municipalities located near Defence Research and Development Canada and Canadian Forces Base facilities to determine municipal and regional action that will fuel strategic investment attraction and industry success.

*This will directly support Opportunity Goal 4.*

The Air industry is quickly evolving, creating challenges for identifying clear timelines for the actions above. To ensure progress on the actions outlined in this report, Medicine Hat Economic Development will commit to reporting on the progress of these initiatives through its website at: [opportunitymedicinehat.ca](http://opportunitymedicinehat.ca).

## Conclusion

This State of the Industry report developed through the BREIS-Air process has provided a comprehensive assessment of the aviation, aerospace, and defence industry in Southeast Alberta, highlighting key challenges, opportunities, and strategic actions to drive growth. Through a comprehensive study including industry roundtables, surveys, and data analysis, stakeholders have identified priorities and developed targeted recommendations to strengthen the sector. However, the success of these efforts relies on ongoing collaboration among businesses, industry organizations, and economic development partners. By taking coordinated action and leveraging regional strengths, Southeast Alberta can position itself as a leader in this dynamic industry.

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# Appendix 1



## INITIAL SURVEY QUESTIONS

### 2024 BREIS Initial Survey

This survey is to gather initial information about your business, allowing us to use our meeting time together most effectively. We anticipate this survey will take 5-10 minutes to complete. Questions on this survey will be regarding the general nature of your business and supply chain. If you have any questions, concerns, or comments, please contact [alewri@medicinehat.ca](mailto:alewri@medicinehat.ca).

### General Business Information Questions

This section will help us gain a clear picture of the economic impact of your business.

1. What is the primary nature of your business in this location? (Please note choice). *Rationale: General business information for categorization. Note – these categories are based on North American Industry Classification System (NAICS) sectors.*

	Agriculture, forestry, fishing, and hunting
	Mining, quarrying, and oil and gas extraction (*)
	Utilities (*)
	Construction (*)
	Manufacturing (*)
	Wholesale trade
	Retail trade
	Transportation and warehousing (*)
	Information and cultural industries
	Finance and insurance
	Real estate and rental and leasing
	Professional, scientific, and technical services (*)
	Management of companies and enterprises
	Administrative and support, waste management, and remediation services (*)
	Educational services
	Health care and social assistance
	Public administration

\*\*if the sector chosen has a (\*) next to it, please ask the next question. If not, please move to question 2.\*\*

What major activities is your facility involved in? (Please select all that apply).

*Rationale: General business information for categorization*

<input type="checkbox"/>	Process design
<input type="checkbox"/>	Product design
<input type="checkbox"/>	Material sourcing & procurement
<input type="checkbox"/>	Additive manufacturing
<input type="checkbox"/>	Subtractive manufacturing
<input type="checkbox"/>	Casting and molding
<input type="checkbox"/>	Forming and shaping
<input type="checkbox"/>	Joining and assembly
<input type="checkbox"/>	Assembly line production
<input type="checkbox"/>	Mineral extraction
<input type="checkbox"/>	Refining and smelting
<input type="checkbox"/>	Chemical processing
<input type="checkbox"/>	Machining and fabrication
<input type="checkbox"/>	Quality control and inspection
<input type="checkbox"/>	Packaging and labeling
<input type="checkbox"/>	Logistics and distribution
<input type="checkbox"/>	Maintenance and equipment management
<input type="checkbox"/>	Other:

2. What are the major products or services offered by your business?

*Rationale: to provide a temperature check on the industry.*

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3. How many people are employed at this location. (Please circle choices)

*Rationale: provides an idea of the economic impact.*

Full-time	0-5	6-20	21-50	51-100	101+
Part-time	0-5	6-20	21-50	51-100	101+
Seasonal	0-5	6-20	21-50	51-100	101+
Contract	0-5	6-20	21-50	51-100	101+

4. What is the estimated value of your total gross annual payroll? (Please circle) *Rationale: provide an understanding of the economic impact of the company.*

Less than \$50,000	\$50,001 - \$75,000	\$75,001 - \$100,000
\$100,001 - \$200,000	\$200,001 - \$500,000	\$500,001 - \$1,000,000
\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	More than \$25,000,000

5. What is the average annual revenue at this facility? (Please circle) *Rationale: provide an understanding of the economic impact of the company.*

\$0 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000
\$500,001 - \$1,000,000	\$1,000,001 - \$2,000,000	\$2,000,001 - \$5,000,000
\$5,000,001 - \$25,000,000	More than \$25,000,000	

6. Do you have plans to expand or reduce operations for your business in this region in the foreseeable future? (Please circle)

*Rationale: forward looking – what should we keep in mind for our business community?*

Definitely expanding operations	Likely expanding operations	Remaining the same	Likely reducing operations	Definitely reducing operations
---------------------------------	-----------------------------	--------------------	----------------------------	--------------------------------

7. Are you considering relocating your operations? (Please circle)

*Rationale: red flag identification.*

Yes	No
-----	----

If yes, which level of your organization makes relocation/expansion decisions? (Please circle)

Local office	Regional office	Head office
--------------	-----------------	-------------

If yes, where are you considering moving to? (Please circle)

Elsewhere in Alberta	Saskatchewan	British Columbia
Manitoba	Elsewhere in Canada	USA
Other International (Please note):		

If yes, what are the top three factors you are looking for in your relocation?

	Better workforce costs
	Friendlier business climate
	Incentives
	Lower taxes
	Lower overall operating costs
	Lower taxes
	More readily available workforce
	Other:
	Other:
	Other:

## Business Operations Questions

The following questions will provide context for how your business operates in the region.

### 8. Did your business begin its operations in this region? (Please circle)

*Rationale: information on business longevity, also startups vs expansions to the area.*

Yes	No
-----	----

If yes, what year? \_\_\_\_\_

If no, where did you move from? \_\_\_\_\_

If no, what year did you move? \_\_\_\_\_

### 9. Does your business have multiple locations? (Please circle)

*Rationale: general business information for categorization.*

Yes	No
-----	----

### 10. Is your business locally owned? (Please circle)

*Rationale: general business information for categorization.*

Yes	No
-----	----

If no, where is your corporate headquarters? \_\_\_\_\_

### 11. Has your local location changed owners/management in the past 5 years? (Please circle)

*Rationale: succession planning, change of focus, indication of turnover.*

Yes – owners	Yes – management	Yes – owners and management	No
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### 12. Does your company have a succession plan in place? (Please circle)

*Rationale: succession planning, change of focus, indication of turnover.*

Yes	No	Uncertain
Other:		



13. In an average year, how much does your company support community initiatives in the region? (Please circle) *Rationale: speaks to community involvement and social + economic impact.*

We typically don't donate to community initiatives	\$1 - \$5,000	\$5,001 - \$10,000
\$10,001 - \$20,000	\$20,001 - \$50,000	More than \$50,000
Other:		

## Workforce Questions

The following questions will help us understand your experience with in the region.

14. Are you experiencing challenges with workforce availability? (Please circle). Workforce availability refers to the number of local workers who ready and able to fill job openings in a region (consider the number of resumes you receive for a job posting). *Rationale: to determine if the availability (number) is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with available workforce? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

15. Are you experiencing challenges with workforce stability? (Please circle). Workforce stability refers to the consistency and reliability of the employment situation within a region over time (consider your level of confidence in employee retention). *Rationale: to determine if retention is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with workforce stability? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

16. Are you experiencing challenges with workforce skill? (Please circle). Workforce skill refers to the level of abilities, knowledge, and expertise of the workforce in the area (consider whether your job applicants have the appropriate qualifications). *Rationale: to determine if skill is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with workforce skill? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

### Supply Chain Questions

The following will provide a clearer picture of the experience of your business within your supply chain.

17. Do you currently export your products? (Please circle) *Rationale: provides information on total exports and supply chain for the sector. Comparable to other sectors*

Yes	No
-----	----

If yes, where do you currently export to? (Please circle)

Within Canada	United States	Mexico	Caribbean	South America
Europe	Middle East	Asia	Africa	Australia / New Zealand

If yes, what percentage of total sales are outside the local market/region? (Please circle)

Less than 5%	5% - 25%	26% - 50%	51% - 90%	More than 90%
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If yes, Do you anticipate exports to increase, decrease or remain the same in the next one, three, and five years? (Please circle)

One year	Decrease	Remain the same	Increase
Three years	Decrease	Remain the same	Increase
Five years	Decrease	Remain the same	Increase

18. Do you currently import any goods and services? (Please circle)

*Rationale: provides information on total imports and supply chain for the sector.*

*Comparable to other sectors. High consideration for import replacement.*

Yes	No
-----	----

If yes, where do you currently import from? (Please circle)

Within Canada	United States	Mexico	Caribbean	South America
Europe	Middle East	Asia	Africa	Australia / New Zealand

19. Have there been any changes in distributor/supplier relationships that have impacted your business in the last 5 years? (Please circle) *Rationale: supply chain consideration.*

Yes – positively impacted	Yes – negatively impacted	No – there have been no impactful changes
---------------------------	---------------------------	---

If yes, can you please explain the changes and impact you have experienced?

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20. Do you anticipate any impact from distributor/supplier changes in the next 5 years? (Please circle) *Rationale: supply chain consideration.*

Yes – anticipating positive impact	Yes – anticipating negative impact	No – not anticipating impact
------------------------------------	------------------------------------	------------------------------

If yes, can you please explain the changes and impact you are anticipating?

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## Ecosystem & Infrastructure Questions

The last section of questions will help us understand your infrastructure needs.

21. How much of your facility’s space are you currently using? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Less than 50%	51% - 75%	76% - 90%	More than 91%
Other:			

22. Is there room for expansion at your current site? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Yes	No
Other:	

23. How much equipment capacity are you currently using (based on 24-hour operations)? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Less than 50%	51% - 75%	76% - 90%	More than 91%
Other:			

24. Is the region's technological and utility infrastructure adequate for your company's growth plan? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Yes	No
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If no, what is needed?

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# Appendix 2

## AIR SURVEY QUESTIONS



### 2024 BREIS Air Survey

#### Contact Information

Organization: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Signed Informed Consent Form:  Yes  No

Answered Initial Survey:  Yes  No



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## Questions

1. Would you rate the following business climate factors poor, fair, good, or excellent? (Please circle choice)

*Rationale: this can give us an idea of what to promote in our Industry Profile, support intergovernmental advocacy efforts, and contribute data to our understanding of infrastructure needs – from roundtable discussion.*

Workforce quality	Poor	Fair	Good	Excellent
Workforce availability	Poor	Fair	Good	Excellent
Municipal gov't regulation	Poor	Fair	Good	Excellent
Provincial gov't regulation	Poor	Fair	Good	Excellent
Federal gov't regulation	Poor	Fair	Good	Excellent
Municipal tax structure	Poor	Fair	Good	Excellent
Provincial tax structure	Poor	Fair	Good	Excellent
Federal tax structure	Poor	Fair	Good	Excellent
Overall operational costs	Poor	Fair	Good	Excellent
Competitive wages	Poor	Fair	Good	Excellent
Recreational/cultural amenities	Poor	Fair	Good	Excellent
Housing	Poor	Fair	Good	Excellent
Access to childcare	Poor	Fair	Good	Excellent
Access to healthcare	Poor	Fair	Good	Excellent
K-12 education	Poor	Fair	Good	Excellent
Post-secondary education	Poor	Fair	Good	Excellent
Economic development organizations	Poor	Fair	Good	Excellent
Highway systems/conditions	Poor	Fair	Good	Excellent
Air access	Poor	Fair	Good	Excellent
Rail services	Poor	Fair	Good	Excellent
Shipping and transport services	Poor	Fair	Good	Excellent
Utility/electricity	Poor	Fair	Good	Excellent
Phone/cell phone	Poor	Fair	Good	Excellent
Internet/broadband	Poor	Fair	Good	Excellent
Other:				

Which 3 are the most important to your business today? (Please make a note of the priority number beside the factor)

2. Has your attitude toward doing business in the community changed during the last 5-10 years? The last 2 years? (Please circle choice)

*Rationale: speaks to optimism and experience doing business in the region.*

5-10 years:	Yes – more negative	No change	Yes – more positive
2 years:	Yes – more negative	No change	Yes – more positive

3. Please forecast the condition of the local business climate 5 years from now. (Please circle choice)

*Rationale: answers demonstrate the optimism of the industry looking forward.*

No opinion	Will be worse	No change	Will be better
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4. What do you see as the top 3 biggest opportunities for the Southeast Alberta?

*Rationale: provides insight into investment attraction, can direct programming.*

*Opportunity to pursue initiatives with strategic investments – priority from roundtable.*

1. \_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_

3. \_\_\_\_\_  
\_\_\_\_\_

5. What type of businesses would it be advantageous to have in closer proximity to your facility?

*Rationale: Complementary business attraction – identify opportunities for co-location.*

\_\_\_\_\_  
\_\_\_\_\_

6. Do you know of any supplier firms, national firms, or other organizations that are considering an expansion into Western Canada? (Please circle)

*Rationale: answers could provide leads for investment attraction.*

Yes	No
-----	----

If yes, who?

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If yes, what do you understand to be the most important factor in their decision making?

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7. What infrastructure enhancements could improve your business operations? (Please circle) *Rationale: Planning for expansion, could consider ways to support co-location opportunities.*

Transportation: roads, highways, rail, air	Public transportation	Logistics hubs / intermodal
Warehousing / distribution	Power / energy supply	Broadband / data centers
Other:		

Can you explain more?

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8. How adequate are your current physical facilities for your operations? (Please circle)

*Rationale: Data to support roundtable discussion of inadequate regional infrastructure.*

Poor	Fair	Good	Excellent
------	------	------	-----------

9. Do you anticipate needing additional/upgraded facilities in the next one, three, or five years? (Please circle)

*Rationale: Planning for expansion, could consider ways to support co-location opportunities.*

No	Yes – one year	Yes – three years	Yes – five years
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10. Please rank the top 5 most significant challenges faced by your business today with 1 being the most acute and 5 being the least. (Please make a note of the priority number beside the factor)

*Rationale: answers can contribute to prioritization of new program implementation.*

Access to capital	
Sales leads	
Opportunities for export	
Taxation	
Procurement	
Supply chain	
Federal government regulation	
Provincial government regulation	
Municipal government regulation	
Transportation/export	
Public services	
Facilities / equipment	
Management / planning	
Workforce availability / quantity	
Training / R&D	
Marketing / advertising	
Local business climate	
Other:	
Other:	

What is the impact of these challenges on your business?

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**11. Do you use the following technical skills in your facility? (Please circle)**

*Rationale: to gather data supporting the question of mid-/high- skilled trades in post-secondary/continuing ed.*

Engineering (aerospace, mechanical, electrical, systems)	No	Employees	Contractors	Both
Software development	No	Employees	Contractors	Both
Cybersecurity	No	Employees	Contractors	Both
Pilots (private, commercial, trainers, unmanned)	No	Employees	Contractors	Both
Air traffic control	No	Employees	Contractors	Both
Machining, welding, assembly	No	Employees	Contractors	Both
Quality control	No	Employees	Contractors	Both
Additive manufacturing	No	Employees	Contractors	Both
Product research	No	Employees	Contractors	Both
Prototyping + testing	No	Employees	Contractors	Both
Diagnostics + maintenance	No	Employees	Contractors	Both
Project planning + management	No	Employees	Contractors	Both
Data analysis	No	Employees	Contractors	Both
Other:	No	Employees	Contractors	Both
Other:	No	Employees	Contractors	Both
Other:	No	Employees	Contractors	Both

Do you have any challenges in finding workers with your desired level of these skills? (Please note a yes/no answer and any additional commentary)

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Which of these skills do you see as being underserved locally? Globally?

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Would you have the ability to send current employees through training to upskill for any of these areas? For other skills? (Please note a yes/no answer and any additional commentary)

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12. What are the top three occupations that you employ? *Rationale: data patters on top occupations in aviation/aerospace/defence.*

Occupation	NOC TEER	Number employed	Average \$/hr.

13. Do you have any or anticipate having any challenges hiring certain occupations? (Please circle) *Rationale: to provide more specific data after talent shortage was brought up as a key issue in the roundtable.*

Yes	No
-----	----

If yes, please specify:

Occupation	NOC TEER	Problem with hiring?	Average \$/hr.

If yes, please identify up to three of the most important challenges for recruitment (Please circle)

Competition for employees	High wage rates for labour	Inadequate labour skills	Lack of childcare
Poor work attitudes	Workers cannot pass screening	High cost of training	Workers lack documentation of legal status
Workers will not commute into the area	Workers will not relocate into the area	Other:	

14. What is the projected sales growth in the next year at this facility?  
(Please circle) *Rationale: indication of the growth in the industry regionally.*

Declining	0%	1% - 9%	10% - 24%	25% - 49%	50% - 99%	100% +
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15. Are you currently considering adding a new product or service to your offerings? (Please circle) *Rationale: indication of the growth/shift in the industry.*

Yes	No	Willing to consider
-----	----	---------------------

16. Which sources of capital have you used to support your business locally? (Please circle) *Rationale: to develop an understanding of the local experience of securing capital.*

Bank loans	Venture capital	Grants
Tax credits	Personal savings	Crowdfunding
Angel investors	Other:	

17. What is the biggest challenge your business faces in securing capital?  
 (Please circle) *Rationale: to develop an understanding of the local experience of securing capital.*

Interest rates	Lack of collateral	Location
Limited funding sources	Early-stage product	Complex application process
Other:		

18. What additional support or resources would help your business better access capital? *Rationale: to develop an understanding of the local experience of securing capital.*

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19. What financial incentives or programs could support your business growth? *Rationale: can support long-term municipal/regional planning.*

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20. What non-financial incentives or programs could support your business growth? *Rationale: to find opportunities for shorter-term programming wins.*

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21. Please rate the local business climate? (Please circle)

*Rationale: goes to the current experience of doing business in the region.*

Poor	Fair	Good	Excellent
------	------	------	-----------

22. What are 1-3 of your company's greatest achievements in the last 3 years?

*Rationale: opportunity to celebrate with the company and grow our understanding.*

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Appendix 3

## INFORMED CONSENT

### Informed Consent

Study Title: 2024 BREIS – Manufacturing + Air



You are being invited to take part in a study of businesses in the manufacturing and air industries in Southeast Alberta. This study is designed to gather data regarding the state of businesses in the industry which will be analyzed to inform economic development projects in the region. Participation in the study involves completion of a survey that asks you questions about your business and its operations. This survey will be completed at your place of businesses with a member of the 2024 BREIS – Manufacturing + Air team.

#### Confidentiality

The information gathered during this study will remain confidential in secure premises. Only the researchers will have access to the study data and information. Surveys will be coded to remove any identifying information for survey analysis. Your names and any other identifying details will never be revealed in any publication of the results of this study. Results of the research will be published in the form of a State of the Industry publication which will be shared digitally. The knowledge obtained from this study will be of great value in guiding economic development projects to support the manufacturing and air industries.

#### Withdrawal

Participation in this study is voluntary. You are free to withdraw consent and discontinue participation in this project at any time without penalty. You are also free to refuse to answer any question we might ask you.

#### Further Questions

You are welcome to ask the researchers any questions that might come up for you during the course of the survey. If you have further questions once the survey is complete, you are encouraged to contact the researchers using the contact information below.

Researcher Contact: Alex Wright, Economic Development Officer  
Medicine Hat Economic Development  
403-502-0687, [alewri@medicinehat.ca](mailto:alewri@medicinehat.ca)

#### Future Use

Following the completion of the 2024 BREIS – Manufacturing + Air, we will be continuing with our research focusing on other industries. Would you be willing to be contacted by our researcher to have your data included in future industry studies?

Yes, I am willing to be contacted

No, I am not willing to be contacted



Freedom of Information and Protection of Privacy

Your name, home or business address or home or business telephone number and email address on this form is collected under the authority of section 33(c) of the Freedom of Information and Protection of Privacy Act, R.S.A. 2000, c. F-25 (FOIP Act).

The personal information being collected on this form is for the purpose of developing a report relating to the state of businesses in the manufacturing/warehousing and aviation/aerospace/defence industries for the City of Medicine Hat and surrounding region. The personal information provided will be protected under Part 2 of the Freedom of Information and the Protection of Privacy Act.

Questions regarding the collection and use of personal information can be directed to the FOIPP Head of the City of Medicine Hat at 403 529 8221

Please acknowledge your consent to participate in the study as explained herein, on the terms set out above, with your signature below.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

# Appendix 4

## STAKEHOLDER NOTIFICATION



Local business is the backbone of our economy, and having a strong business sector is essential to our community vitality, social fabric, and regional identity. In order to better support our business community, a group of municipalities and economic development organizations are working together to engage in business outreach, data collection, report delivery, and program development through a initiative referred to as BREIS. We are reaching out today to ask for your participation.

Business Retention and Expansion – Industry Specific (BREIS) is being led by Medicine Hat Economic Development in partnership with Cypress County, Town of Redcliff, Town of Bow Island, County of Forty Mile, Village of Foremost, Medicine Hat College, Palliser Economic Partnership, Southeast Alberta Chamber of Commerce, Careers: The Next Generation, and Verge Economic Development. Between June 17<sup>th</sup> and July 19<sup>th</sup>, 2024, these partners will be meeting with our local business owners and operators to hear more about what can be done to support our Manufacturing/Distribution and Aerospace/Aviation/Defence sectors. Data will be gathered through a survey and used to inform economic development project priorities for the region.

The first BREIS will result in two deliverables back to the community with the first being an Industry Profile. This will highlight the strengths of the sector in our region, demonstrating the business case for opening, remaining, and expanding within the region. The second publication will be a State of the Industry report, which will include more detail about what we heard from our community. While this document will share our regional strengths, it will also identify barriers our businesses face and some actions that we will take to address and alleviate these challenges. We are anticipating releasing these reports at the start of October.

We are so thankful for all the businesses who choose to contribute to the growth and development of our region through the BREIS. We are looking forward to connecting with you!



# Appendix 5

## NEWS RELEASE

### NEWS RELEASE

FOR IMMEDIATE RELEASE  
May 9, 2024



## Medicine Hat Economic Development launches a focused approach to business retention and expansion

**Medicine Hat** – Medicine Hat Economic Development and regional partners have launched the first phase of their innovative Business Retention and Expansion – Industry Specific (BREIS) program.

The program is a unique take on conventional approaches to business retention and expansion efforts. Unlike past programs, BREIS will gather data and compile reports focusing on one industry per study, rather than taking a broad approach typically used in regional business retention and expansion assessments

“The Business Retention and Expansion Industry Specific program provides us with an opportunity to dive deep into the challenges, needs and opportunities of individual sectors,” states Selena McLean-Moore, Director of Medicine Hat Economic Development. “In this first phase of the program, I look forward to working closely with our manufacturing, warehousing, defence, aerospace and aviation companies in Southeast Alberta to better understand how our department, and the work of our regional partners, can support these industries to capitalize on identified opportunities.”

The project is another instance of regional collaboration from Medicine Hat Economic Development, with BREIS regional partners including the Town of Redcliff, Cypress County, the Southeast Alberta Chamber of Commerce, Careers: The Next Generation, Medicine Hat College and C4i.

The primary objective of this initiative is to understand the present condition of businesses within our region and to build strong relationships with the business community. The deliverables expected at the end of each study include industry-specific benchmarking and actionable insights aimed at fostering sustained growth and prosperity within that industry long-term.

The initial phases of the program will concentrate on aerospace, manufacturing, and warehousing, with plans to expand to additional industries such as agriculture later this year. Business visitations for the aerospace, aviation and defence, and manufacturing, distribution and warehousing stages of the project are slated to commence this June.

Businesses interested in participating in the study are encouraged to reach out to Medicine Hat Economic Development at [opportunity@medicinehat.ca](mailto:opportunity@medicinehat.ca). Learn more by visiting [medicinehat.ca/breis/](https://medicinehat.ca/breis/).

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For media inquiries, please contact:  
[media@medicinehat.ca](mailto:media@medicinehat.ca)

CITY OF MEDICINE HAT • 580 FIRST STREET SE • MEDICINE HAT, AB T1A 8E6

# Appendix 6

## INDUSTRY SPECIFIC ADVISORY PANEL KICKOFF QUESTIONS



403-529-8148 | [opportunity@medicinehat.ca](mailto:opportunity@medicinehat.ca) | [opportunitymedicinehat.ca](https://www.opportunitymedicinehat.ca)

### Industry Specific Advisory Panel Kickoff Questions

2024 BREIS - Air

The discussion in the Industry Specific Advisory Panel Kickoff Meeting is intended to help direct next steps. This meeting serves as the starting point for continued research through the BREIS survey and other mechanisms. We ask participants to share freely – the more open and honest participants are, the better we can support.

- Resources Questions
  - For this industry, what useful resources are found in the region?
  - What are we chronically in need of?
  - Do you have concerns about securing certain resources in the future?
- Workforce Questions
  - Are you experiencing any workforce challenges? What are you doing to address those challenges?
  - Are you aware of and/or have you utilized the immigration or educational opportunities available to address workforce needs?
- Supply Chain Questions
  - Where are most inputs to your processes imported from? Local, provincial, national, international?
  - Where is the next step in the supply chain?
- New Entrants Questions
  - Are there any barriers to entry in the industry regionally/globally? If so, what are they?
  - What would be the best complementary companies to attract to the region and what would make it easier for them to set up here?
- Innovation & Technology Questions
  - Where do you see innovation taking place in this industry?
  - Are we leading in this region in innovation and technology? Lagging? Is it a priority?
- Ecosystem Questions
  - Are you frequently, efficiently, and effectively working with service providers to address challenges or move business forward?
  - Have you seen other highly effective business ecosystems? What made it so effective?
  - How are you connecting with other businesses in your industry? Do you find it valuable?
- Opportunities Questions
  - What opportunities exist for aerospace, aviation, and defence in our region? What should we be looking to attract?
  - How can we help support the growth of the organizations that are already here?
- Anything else?
  - Is there anything that we missed? Anything else we should dig deeper into about aerospace, aviation, and defence in our region?

