



# FEDERAL TOURISM ACTION PLAN

Canada's travel and tourism industry is a strong and consistent engine of economic growth and job creation...but it has yet to reach its full potential. At a time when other Canadian sectors are negatively impacted by global commodity prices, travel and tourism is positioned for immediate growth and to generate the requisite revenues to maintain Canada's quality of life.

Over the past 5 years several Canadian jurisdictions undertook strategic initiatives, such as the Federal Tourism Strategy, to better understand the travel and tourism industry. We are calling for a National Tourism Accord to align national priorities, informed by the best practices derived from across Canada, to increase international visitation and international spending to Canada.

**NEXT STEPS >>** Federal leadership is required to move forward on a National Tourism Accord. A starting point is to move from the Federal Tourism Strategy's focus on policy and regulatory irritants to an action-oriented plan to achieve real economic growth through a framework of investment and policy/regulatory reforms to remove the barriers restricting Canada from becoming a top destination for international travel.

## WHY DO WE NEED THE ACCORD NOW?

- Economic stimulus/diversification that generates growth and swift return on investment, with initial returns realized in the same fiscal year.
- Optimal conditions for growth in key source markets, re-allocate percentage of domestic marketing budget to aligned international marketing opportunities.





## MARKETING

### CHALLENGES

Canada's international tourism marketing budget is inadequate to compete for market share. Successive budget reductions and currency exchange significantly diminish Canada's ability to generate demand potential in key markets.

### RECOMMENDATIONS

- Increase Destination Canada's marketing budget to \$150 million, including:
  - > Increase industry partnerships with Destination Canada, and
  - > Increase and extend funding for Connecting America leisure marketing.



## ACCESS

### CHALLENGES

**AIR >>** Canada is the only country that imposes all security and operational-related costs of air travel directly onto travellers thereby inflating ticket prices by as much as 40%. So, while Canada has the best airport infrastructure in the world, the burden of taxes, fees and levies serves to dis-incent air travel to and within Canada.

**VISAS >>** Despite some progress, Canadian travel visas continue to be difficult to obtain especially in key growth markets like China, Brazil, India and Mexico.

### RECOMMENDATIONS

- Reduce the fees, taxes and levies imposed on air transportation to and within Canada.
- Support intermodal infrastructure projects.
- Remove visa requirements for Mexico and Brazil.
- Streamline the processing of travel documentation.
- Delay enforcement of eTA program until September 2016 to ensure readiness and communication.
- Leverage electronic travel authorization to lift restrictions for low risk travellers from key source markets.
- Increase the number of Visa Application Centres (VACs) in key markets to accommodate growth and facilitate biometric collection by 2018.



## PRODUCT

### CHALLENGES

**PEOPLE >>** The current labour shortage, particularly in Western Canada, is forcing many tourism businesses, including attractions, hotels and restaurants to reduce hours of operation and services offered;

- Temporary Foreign Worker Program was drastically changed without warning or transition measures for Canadian employers to maintain work force levels or service standards;
- By 2030 labour shortages in tourism are expected to cost the sector \$31.4 B in forgone revenues.

**PRODUCTS >>** Canada's cultural assets can be enhanced and our global competitiveness as a tourism destination can be improved through coordinated investments in product development in order to differentiate ourselves from the competition, Canada's tourism products need financial support.

### RECOMMENDATIONS

- Long term: Develop solutions to address labour supply issues (immigration reform, labour mobility, training etc.)
- Short term: implement short-term solutions to mitigate fallout from changes to the Temporary Foreign Worker program including a seasonal foreign worker stream akin to agricultural labour options.
- Include travel and tourism initiatives like sport and cultural event hosting and indigenous and culinary experiences in economic development and regional infrastructure programs;
- Provide policy and funding support for cultural tourism experiences such as major festivals, events and indigenous initiatives that serve to advance Canadian talent to international audiences;
- Work with industry to incentivize sustainable practices across the Canadian travel and tourism sectors.

