THE REPORT ON CANADA'S TOURISM COMPETITIVENESS

A Call for Action for Canadian Tourism

by the Tourism Industry Association of Canada

June 2008

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Preface

Canada's Tourism Sector on the Brink of Crisis

A Call for Action for Canadian Tourism

The decline of Canada's competitiveness as a travel destination is not sudden, nor can it be attributed to a single event, variable or factor. After years of complacency and neglect by governments, the Canadian tourism industry is on the precipice of an unprecedented decline which could have a massive impact on the 1.6 million Canadians whose jobs depend on this sector. Canada's tourism industry is on the verge of a crisis.

Certainly, the Canadian tourism sector has faced a number of sudden and unexpected challenges in recent years that have had dramatic impacts on tourism. When external challenges such as 9/11 put a stranglehold on our border; or when fear of a SARS pandemic disrupts global travel; or when the strength of the Canadian dollar increases the price of our tourism products by 30% in two years, the tourism sector is placed at the centre of attention, with the media, politicians and the general public taking notice of that particular issue.

As Canada has dealt with each specific crisis, the foundation of the tourism sector has been shaken. Unfortunately, the focus on and reaction to these headline-grabbing but isolated events has diverted our attention from the underlying, structural issues that have led to an erosion in our country's ability to compete in the increasingly competitive global tourism marketplace.

While we have periodically seen remedial action to address some of these individual events, overall, tourism in Canada has suffered over much of the past decade from neglect. At a time when the sector needs a clear, engaged, and proactive strategy from federal and provincial governments to go forward and grow, none exists. The industry itself has done what it can do to maximize its opportunities to attract visitation, but the onus is now on government to address a number of longstanding structural impediments to growth.

Government states that it invests over $400 million annually in the tourism industry, but it does so in the absence of an overarching strategy or guiding policy framework. Given this strategic vacuum, tourism expenditures are frequently directed by line departments without a cohesive understanding of their interrelationships or their overall sectoral impact.

Only recently has there been an acknowledgement and a recognition by the federal government of the importance of tourism, with a commitment to working together on many public/private sector opportunities. The provinces' and territories' awareness of tourism varies, and therefore, their planning and investment in the sector is done in isolation, resulting in lost opportunities to work together strategically.

When tourism requires an acknowledgement of the needs of the sector on the part of governments at all levels, our country's decision makers have rarely shown a willingness to develop their awareness of the sector's impact on the economy at large or the impact of their decisions on tourism.

Tourism needs action to be taken on a number of files, including air liberalization and bilateral agreements to increase airlift into our country, but movement on these files has been painstakingly incremental at best.

Governments have regarded tourism as a source of taxation dollars, burdening business with structural costs and compliance measures which impede our price competitiveness. For example: The continuing insistence on charging airport rents, airport security fees, excise tax on aviation fuel, NAVCAN fees, or the abrupt cancellation of the Visitor Rebate Program and its replacement with the onerous and burdensome Foreign Convention and Tour Incentive Program are illustrative of the problem.

Government is a shareholder in the tourism business. In fact, there are many tourism products owned exclusively by government and its impact on the health of the sector is undeniable. Whether through investment in marketing to traditional and emerging markets; the development and maintenance of the national parks system; transportation and border infrastructure; or training and recruitment of critical human resources; government investments help to sustain the $20 Billion of annual taxation revenue the tourism sector contributes annually.

Canada has become complacent about its tourism industry, assuming that the visitors will always come, or when we suffer marked declines, that they will eventually come back. Over the past decade or more, the low dollar and low gas prices have concealed our weaknesses and fueled a false sense of confidence in our tourism industry's competitiveness.

Our largest tourism market, the United States, is currently going through a transformative economic shift that will affect tourism more than any other industry in Canada. High fuel costs, an impending recession, and consumer confidence which has been shaken to its core, will result in a populace of potential travelers who will be far more discriminating in their discretionary spending in the future.

If Canada's tourism sector is to regain its footing and compete with other players in the global marketplace, there is an urgent need to address two fundamental themes: Access to Canada and Product Animation.

Access to Canada

If we are to grow our tourism industry into one which can compete with the plethora of destinations around the world – both mature and emerging – then we need to become more accessible to foreign visitors.

Visitors need to be able to reach Canada with ease, cross our border efficiently, and then be able to travel within Canada as seamlessly as possible. They need to be able to find options for traveling to and within Canada that are cost effective and competitive with other destinations around the world. Travelers need to be provided with timely and accurate information that incents them to make a buy decision that meets their needs. And when they make the choice to come to Canada, they need to be able to purchase their trip with ease.

One example of competing on an uneven playing field is the lack of an agreement on Approved Destination Status with China, the fastest growing outbound market in the world.

Product Animation

In addition to improving access to Canada, we need to ensure that there are persuasive and compelling reasons to visit our country. A concerted effort on the part of both the private and public sectors is required to make sure that new product is introduced and that the products that we currently offer are world-class. Products must be enhanced continually to meet changing market trends and the standards of today's discerning travelers.

We need to tell the world about Canada and the many facets of all of its regions. We need to bring to light the fact that Canada can be a unique and exotic experience. In sum, we need to tell Canada's story in a persuasive and urgent manner.

Immediate Action Required

The challenges that the tourism sector in Canada faces are both pressing and profound. We know that these challenges are not insurmountable, but if we are to ensure that we remain competitive as a destination, we need a concerted and united effort on the part of leaders in the public and private sectors to address these competitive challenges NOW, or…it will be too late.

The report which follows provides a series of issues that are adversely affecting the tourism sector in Canada. The urgency and priority of these issues will vary, but TIAC, in consultation with stakeholders within the private sector as well as various levels of government, will work to establish the best path forward.

The following items require <u>immediate</u> action on the part of government:

- **Access to Canada**
    - Reduce significantly the unsustainable cost burden presently weighing on the Canadian aviation sector.
    - Negotiate on an urgent basis new Open Skies and bilateral air services arrangements with critical inbound markets.
    - Obtain an ADS designation for Canada to allow us to market to the outbound group leisure market from China
- **Product Animation**
    - Enhance the animation, visitor services, and promotion of government-owned tourism properties, especially within the National Parks system, to ensure that these key tourism attractions deliver the experiences that visitors expect of a world-class destination.
    - Foster an investment climate conducive to public/private partnerships in the development of new tourism products and clusters to enable Canada to begin to compete with the new tourism products and services in emerging and rival destinations.

Introduction

The Tourism Industry Association of Canada (TIAC) began its enquiry into the competitiveness of our sector by convening a group of leading CEOs from firms in our industry to solicit their thoughts. That group, which came to be known as the Tourism Blue Ribbon Panel (TBRP), met under the leadership of co-chairs Messrs. Chris Cahill and Montie Brewer, the Presidents of Fairmont Hotels & Resorts and Air Canada respectively, on October 1st 2007. The report from their one-day meeting outlined a number of issues affecting the competitiveness and productivity of Canada's tourism industry.

In turn, the observations of the TBRP were synthesized and distributed to the delegates attending Canada's Tourism Leadership Summit in November 2007 in Victoria, B.C. At the Summit, a two hour session was devoted to the competitiveness of the tourism industry where the opinions and assertions of the CEOs were critically examined by the grassroots membership of the industry. While in many instances the views of the CEOs were confirmed and substantiated by the delegates; the membership also chose to place the emphasis and accent on additional factors underlying the industry's overall competitiveness performance. These views were then incorporated into the original report, providing a more comprehensive, layered and ultimately nuanced account of the issue.

At this stage, the revised report was sent to a number of tourism and travel-related stakeholders and interests, including both federal and provincial government departments and tourism marketing agencies and other national associations whose views were deemed relevant. In the case of these latter groups, letters were sent containing excerpts of the report that were directly relevant to the corporate mission and functional responsibility of the department, agency or association in question. Respondents were asked to comment on the validity and findings of the draft report from the perspective of their organization. The feedback, insight, and, in some cases, relevant recent research, gleaned from these groups was then scrutinized carefully by TIAC. Some of it corroborated the critical mass of opinion from the tourism industry at-large, while other elements of the feedback offered an opposing or differing viewpoint.

This present paper, attempts to wrap all of these varied inputs together and to sketch out in as balanced and objective a fashion as possible, TIAC's take on the competitiveness and productivity challenge confronting our industry. Writ large, this overall summary seeks to do three things:

1. Itemize the main competitive issues and challenges which confront the tourism sector based on the majority or consensus view which we heard in all of our various soundings;
2. Identify, according to our best understanding, which organization, level of government, entity or association is tackling the particular issue or challenge in question; and
3. Provide, in areas within TIAC's own particular competence, jurisdiction and experience, a number of suggested ways forward for dealing with the competitive issues which we have deemed urgent and important.

The process has been driven by a firm belief that the Canadian tourism industry must show leadership in arresting Canada's recent decline in the global rankings for visitation, the deteriorating travel deficit position, and the hardship many of our operators and businesses have been experiencing from the interplay of factors such as: the rise in the value of the Canadian currency, record gas prices, WHTI-related documentation uncertainty & border delays, and global terrorist and pandemic risks.

The consultation in which we have been intensively engaged for the past year has been a highly worthwhile exercise and will shape and inform the TIAC Business Plan as we go forward. We would also suggest that our findings be considered by the Federal Government as it revises its own National Tourism Strategy.

What are the competitive challenges facing tourism in Canada today?

Access to Canada: Reducing the Structural Costs of Aviation and Improving Airlift to Canada

There is a widespread consensus in the Canadian travel and tourism industry that the structural costs of aviation in the country are too high and constitute a deterrent to both domestic and international travel. This is recognized also by the World Economic Forum's (WEF) Travel and Tourism Competitiveness Report 2008 in its 10th Pillar: Price Competitiveness in the Tourism & Travel Industry. On the specific index of Ticket Taxes and Airport Charges, Canada is ranked 122 out of 130 countries. Aviation costs are now regarded as a substantial competitive impediment for our industry. It also potentially clashes with the shift in the CTC's marketing focus to mid and longer-haul markets in the U.S. Insofar as we are going after Americans in long haul, fly-in markets, we are by definition competing with other long haul destinations. As Industry Canada points out in its report entitled Evaluating Canada's Performance with the U.S. Outbound Travel Market, "for the long haul air market, competition is virtually worldwide and heavily dependent on factors such as air access, capacity and airfares, as well as the marketing campaigns of a broad range of destinations." While the marketing strategy is sound, if we are not careful it may well be undermined by our onerous aviation cost structure. The WEF view is echoed by the International Air Transport Association which argues that costs are hampering Canada's overall aviation competitiveness. IATA notes "Canada's tax revenue from aviation rose nearly 20 per cent per year between 2001 and 2005, totalling $800 million annually or 20 per cent of the industry's production value." Toronto Pearson Airport, a key international gateway and domestic hub, has some of the highest landing fees in the world which is a significant deterrent to the entry of new airlines or the expansion in frequency of existing services. Given the "gateway" role of Pearson to the country at large, it is undeniable that costs here are being passed on to destinations elsewhere in the country thereby detracting from their price competitiveness.

A variety of factors contribute to the punitive cost structure facing airlines and passengers, including the costs of Crown Rent, the Air Travel Security Charge, and fuel taxes. The cascading impact of airport rent has had a knock-on effect on business travel, leisure tourism, convention and meeting attendance and consumer demand generally. A progressive reduction in aviation costs would lead to the expansion of new routes and longer stay/higher yield visitors providing a significant long-term benefit to Canadian tourism. The Canadian meetings and conventions market must factor in higher transport costs in many cases when it is bidding against rival American cities to host major gatherings. Likewise the Canadian corporate travel market is also affected by high domestic aviation costs. An aviation user group in which TIAC and the Canadian Chamber of Commerce are members has been formed to work with Secretary of State for Small Business and Tourism to convince Federal Finance and Transport Department officials of the urgent case for change. The industry is eager to demonstrate how modest reductions in airport rent announced in 2005 for most airports, Toronto Pearson excepted, have provoked landing fee reductions which in turn have incented new market entrants and increased service at airports such as Vancouver. With the future of the U.S. rubber tire market remaining uncertain at this point, competing aggressively for the fly-in market may be our only choice. This has obvious policy implications.

On the related issue of air liberalization and bilateral air service agreements, the industry supports the current government's Blue Skies initiative. Many tourism stakeholders have advanced the view that our international air policy has traditionally been restrictive and protectionist. Not surprisingly, air access and capacity are issues that respondents told us affect many destinations and regions of Canada. In the case of British Columbia, several stakeholders contend that there is insufficient air capacity from a number of key tourism markets such as Singapore, South Korea, Taiwan and the United Arab Emirates. Two other significant tourist markets for British Columbia – India and France – actually have no direct access to B.C. Inability to get sufficient lift from these markets undermines our efforts to win a share of growing international tourist arrivals.

The U.S. already has Open Skies Partnership Agreements with 91 states, having added a slew of East European countries in March of this year. The United States, as COTA notes, is also actively seeking an Open Skies arrangement with China, which would put Canada at a distinct competitive disadvantage when attempting to promote travel and trade with this emerging global superpower. Transport Canada has indicated that Canadian and Chinese air transport negotiators will meet in 2008 to review the current bilateral air agreement. The industry would like to see the notion of an Open Skies agreement put squarely on the table during this meeting.

The Canadian industry supports the negotiations underway to secure a Canada-EU Open Skies agreement. In 2006, with more than 6.7 million one-way passenger trips, the European Union was Canada's second largest bilateral air market after the United States. If successful, these negotiations would replace the bilateral agreements currently in place with 19 EU Member States with a single, comprehensive regime with all 27 EU Member States. However, the industry remains concerned that its full potential may remain untapped while aviation costs in Canada are persistently high and carriers see greater profitability flying to other destinations.

In summary:

- **The industry will continue to insist that the new federal Secretary of State for Small Business and Tourism be a key player in any policy discussions relating to air liberalization/capacity matters given their direct impact on tourism.**
- **The structural costs of aviation are a significant hindrance to tourism and must be brought down if our mid to long-haul tourism marketing strategy is to get traction.**

Access to Canada: Border Policy and Infrastructure

Our review of tourism's competitiveness provided overwhelming support for the view that border facilitation and infrastructure are critical items for our membership. Eighty-six per cent of non-resident travel to Canada in 2006 was by visitors from the United States. However, compared to 2000, U.S. visitation to Canada in 2007 has dropped 41%. Canada's travel deficit with the U.S has ballooned to $7.1 billion in 2007. A number of factors have provoked this dramatic drop in travel to Canada by U.S. residents: the events of 9/11; documentation uncertainty resulting from the phased implementation of the Western Hemisphere Travel Initiative (WHTI); border delays and queues resulting from increased processing times for passenger vehicles and inadequate staffing by CBSA and U.S. CBP; the significant appreciation in the value of the Canadian currency rendering Canada more expensive; record gas prices; increases in Canadian hotel room rates since 2000; and, the adoption of patriotic buy-American policies that have encouraged many Americans to take their vacations at home. Conversely, armed with a stronger dollar, Canadians are heading south in record numbers. It should also be noted that the U.S. currency has been devalued against many others and that the U.S. is hence a much better value proposition for visitors from all around the world. As the TBRP report noted, Canada's industry not only has to work harder to convince Americans to come to Canada but it also has to work harder to convince international travellers to come to Canada instead of the now more attractively priced United States.

It is clear that a number of these factors are beyond the control of the Canadian government to rectify however there are border policies and infrastructure fixes that can be adopted. There are several priorities for the industry that would facilitate the movement of legitimate leisure and business visitors into Canada. The industry needs physical enhancements and investments at border crossings including approach highways/roads, bridges, tunnels, inspection plazas and dedicated NEXUS, FAST, C-TPAT, PASS and EDL card lanes to expedite pre-approved frequent travelers. Increased use of real time traveller information would also facilitate informed visitor decision-making. The industry would like to see a promotional campaign aimed at increasing the number of NEXUS card holders to one million within the next 18 months; currently there are approximately 183,000 participants. The industry has noted that some NEXUS users report higher levels of spot checking, which makes them question the value of enrolment. CBSA should begin to set targets for reducing vehicle inspection and processing times experienced by visitors. The industry supports the recent CBSA policy decision to adjust employee shift schedules in order to ensure that the scheduling of staff aligns with the changing traffic patterns and volumes. It is imperative that we deal aggressively with peak periods of travel and congestion at the border so that visitors attending events such as the upcoming Winter Olympic and Paralympic Games will not experience unduly long waits. The June 1, 2009 implementation for the WHTI land and sea rule should be preceded by an aggressive, binational public information campaign designed to alert Americans and Canadians to the new documentation requirements.

The industry is a big proponent of the Enhanced Drivers Licenses (EDLs). As the Canadian and U.S. Chambers of Commerce note in their recent report on the Border, "EDLs denoting identity, citizenship, and containing vicinity radio frequency identification (RFID) technology and security features represent a less expensive and more practical form of documentation than a passport for many Americans and Canadians. The industry applauds the foresight of those U.S. States and Canadian Provinces who have become early proponents and adopters of these documents. The EDL document will help manage the flow of people across our shared borders. At present, one of the limitations of the EDL is that is available for land and sea modes only. A broader more universal acceptance of the EDL is needed to facilitate travel in all modes of transportation, including Canada-U.S. air travel. The industry is also eager to see the U.S. government promote its People Access Security Service (PASS) cards as another affordable, wallet-sized alternative to a U.S. Passport designed to facilitate efficient and secure cross-border travel at land and sea ports of entry. The Canadian industry would also like to see the CBSA publish annual figures for the number of turn-aways by port of entry. U.S. visitors denied entry to Canada, often for minor criminality, represent a significant loss of revenue for northern and remote hunting and fishing lodges which depend on this seasonal trade. Finally, the industry would like to see a greater allocation of financial and personnel resources to Passport Canada in order to expedite the processing of passports.

In concluding, the U.S. in-bound market remains a critically important source of visitors and revenue for the Canadian tourism sector. Effective border management coupled with strategic investments in new infrastructure such as at Detroit-Windsor and the Peace Arch Crossing in the Lower Mainland of British Columbia are hugely important as we go forward. Employing the latest RFID technology to drive down inspection and processing times and facilitate the clearance of pre-approved, low-risk travelers will be helpful to travel businesses and the numerous border and tourism-dependent communities in Canada and the United States. The industry and its national association will continue to work in close alliance with relevant bi-national coalitions and national business associations to advance the border agenda in our mutual interest.

In summary:

- **The smooth operation of the Canada-U.S. border is central to the competitiveness of Canada's tourism sector and a more systematic, coordinated approach to its management is long overdue. This applies to both the Canadian and U.S. governments**
- **Developing and disseminating a wider range of RFID and biometric based identity and trusted traveler documents and the attendant physical lane and inspection infrastructure is key to the more efficient processing of leisure and business travelers**
- **Dollar investments in hard, physical infrastructure at land crossings, marine points of embarkation and airports will be critical as we go forward**

Access to Canada: Securing Approved Destination Status from China

A competitive Canadian tourism sector must be present in all of the world's major travel markets offering products that consist of both group tour packages and components that appeal to the FIT leisure market. According to the World Tourism Organization, China will become one of the top 3 outbound tourism markets in the world by 2020, producing some 100 million outbound tourists. As the Chinese economy has grown, so too has the appetite for travel, and in particular long-haul tourism, among its more affluent citizens. In 2006, 139,000 person-trips were made to Canada from China representing a 23% increase over the 2005 figure. Although Canada already enjoys healthy, double-digit growth in Chinese business travel and people visiting friends and relatives (VFR), we are still unable to market to the group or tour market. This is because Canada has yet to secure and implement an Approved Destination Status (ADS) agreement with China. Such an agreement would allow Chinese citizens to more easily obtain tourist visas to travel to Canada for leisure purposes, allows Canada to actively market its tourism products in China and authorizes Chinese travel agencies to market and promote leisure group tours for travel in Canada.

As far back as 1999, Canada was among the leading countries in negotiations with the Chinese government to ensure that an ADS agreement was in place. However, these talks have been stalled for some time, and there does not appear to have been any recent movement on this file of key importance to our industry. In the interim, we have seen numerous countries step ahead of us and complete these negotiations. Currently, there are 134 countries who have signed such an agreement with China, leaving Canada as one of the last countries yet to receive this status. This includes the announcement made on December 11, 2007, that the United States has signed an agreement with China granting them Approved Destination Status.

This recent news is particularly troublesome for Canada's tourism sector. As the groundwork is now being set for tour operators in China to begin developing travel packages for American destinations, Canada will be put at a significant competitive disadvantage, both in the short term and in the years to come. With each passing day, business relationships are being developed between Chinese and American tourism operators, and new travel patterns are being shaped. The danger is that the US brand identity will take root strongly in China before Canada has a chance to engage in marketing and promotional efforts.

China is Canada's second-largest trade partner, and there is no questioning the impact that trade with China is having on the Canadian economy as a whole. With an emerging middle class that is increasingly looking to spend its disposable income on travel and tourism, there is a tremendous opportunity for Canada to attract a significant flow of visitors across the Pacific. If we are not able to take the steps necessary to conclude an ADS agreement, it will deny Canada's tourism, travel, hospitality and retail industries the opportunity to take advantage of this significant opportunity.

Mindful of the competitive implications of getting access to the outbound Chinese travel market, our industry is working with Canadian government officials to assess all options for advancing this file in the near term.

In summary:

- **The securing of ADS from China is an important objective for the Canadian tourism industry**

Access to Canada: Promoting Intermodal Transport Options and High Speed Rail

Many in our industry believe that, in addition to a healthy and competitively priced aviation sector, a key to attracting the discerning international tourist is the provision of modern, environmentally-friendly and modally-connected ground transportation infrastructure. Many countries and destinations are now actively investing in the inter-modality or connectivity of their various transport modes. A good illustration of inter-modality is the high-speed rail terminal that is built into the heart of Terminal 2 at Charles de Gaulle Airport in Paris, France. This enables the traveller to enjoy a seamless and efficient transition from one mode (air) to another (rail). Another good recent Canadian example would be Porter Air's innovation in providing seamless air to ferry to shuttle bus service for passengers arriving at Toronto Island Airport in downtown Toronto. The new Canada Line rail system that, by 2009, will connect Vancouver International Airport (YVR) to Richmond and downtown Vancouver will be an exception to this rule but there are few other examples. For the most part, this is not the way transportation infrastructure has been built in Canada. Our road, rail, marine and air transportation systems largely operate as independent silos. In general, visitors to Canada are obligated to use taxis, of varying degrees of quality, on heavily travelled roads upon arrival at Canadian airports.

The industry believes that expenditure on all future federal and joint federal-provincial transportation infrastructure projects should be screened against the benchmark of the degree to which the investment promotes inter-modality. Linking the modes allows Canadians and visitors to move around efficiently; saves fuel and reduces emissions; preserves green space; and limits traffic congestion. Sophisticated international leisure and business travellers expect this kind of seamless, efficient travel and it behoves our industry to begin to recognize this reality. The industry is therefore looking for visionary leadership from key players in our ground transport, tour operator, and aviation sectors along with officials in ministries of transportation to make inter-modality a reality in the future.

There have been a number of abortive efforts since 1984 to bring High Speed Rail (HSR) to Canada. There is a sense that Canada is now lagging behind modern destinations around the world which have embraced HSR such as Japan, Germany, France, China, Korea, Spain and the U.S. Travel and transport industry leaders in many of these countries accept the logic that short and medium-haul markets (i.e. densely populated city pairs) should be serviced by HSR while long-haul, cross-border and trans-oceanic markets should be serviced by airlines. HSR services cater to a well-established customer base within a large and growing travel market, where high-speed, downtown-to-downtown service is of the essence. In many cases, these HSR networks have been connected to existing airport infrastructure. Recently, the Federal Minister of Transport, Infrastructure and Communities announced that the Government of Canada will fund up to one third of the cost of updating feasibility studies, including a passenger forecast study, for a high-speed rail service between Windsor, Ontario and Quebec City. The cost of the studies will be shared jointly with the Governments of Ontario and Quebec. The industry commends this initiative which will be oriented to examining alternatives that offer comfortable, faster and more reliable passenger rail services that will also contribute to reducing greenhouse gases and other emissions.

The Calgary-based Van Horne Institute believes there is a compelling case to bring HSR to the Calgary-Edmonton corridor in Alberta. The Calgary-Edmonton corridor is the fourth-largest and fastest-growing urban region in Canada and is expected to continue its strong economic, population and visitor growth for the foreseeable future. As the Van Horne Institute put it in a recent report, not only would HSR increase transportation choice, promote price competitiveness and add inter-city capacity, it has the potential to reshape growth and development, strengthen the flow of trade and labour between cities in the corridor and transform international perceptions of the region.

Whether it is an electric or high-speed diesel system, the demand for such services has been robust in each market where they have been introduced. Many in our industry think Canada's international image needs the kind of high-technology appeal and facelift that is inherent in HSR. If the merits of HSR have been clearly established, Canadian and international studies have also indicated that, like roads and airports, public investment is required to finance the construction of the required infrastructure. In fact, those infrastructure costs, when amortized over 25 or 30 years as per capital investments in the St. Lawrence Seaway or the National Highway System, are not unreasonable for a G-8 country. A public-private partnership may well be an appropriate vehicle to undertake the establishment of HSR in Canada.

In summary:

- **Canada's competitiveness as a destination is partially linked to the quality and perceptions of its transportation infrastructure. While the price of transport options is clearly a key factor, it is by no means the only consideration.**
- **Increasing the intermodality or connectedness of our transport systems will help to ensure the travel experience of a foreign visitor to Canada is one characterized by efficiency, seamlessness and safety**
- **According to many in our industry, High Speed Rail is a concept whose time is long overdue**

Access to Canada: Human Resources and Foreign Workers

In 2006, a total of 1.66 million people were employed in the tourism sector in Canada. This represents 10.2% of all employment in Canada. The largest proportion of tourism employment is in Ontario (37.1%), followed by Quebec (21.0%) and British Columbia (17.3%). However, tourism is facing very real and serious challenges in attracting labour to the sector, and the labour supply challenge is predicted to become more acute going forward. In the Western and Atlantic provinces, the problem has been compounded by a clear trend of young people migrating to the well-paid energy and resources sector thereby depriving tourism and hospitality businesses of potential workers.

The sector also confronts stereotypes prevalent among young people that tourism and hospitality has only entry-level, service-sector jobs without long-term career prospects. That view is being successfully challenged by the Canadian Tourism Human Resource Council (CTHRC) and its partners, as well as HR promotion programs conducted by many of Canada's tourism businesses. The CTHRC, in commenting on the TBRP report, suggested that investing in people working in the business through better compensation packages, professional development, and the execution of an individual's career plan within a business will give employees a sense of the possibilities inherent in tourism. Furthermore, the growth of more sophisticated, high-end products such as boutique hotels, specialty cuisine and wineries, spas and wellness centres, golf facilities, and helicopter-based backcountry skiing and hiking experiences, are also helping to correct the erroneous stereotype of tourism as a dead-end career.

The federal government has recently made a $50.5 million commitment to the Temporary Foreign Worker Program that aims to reduce processing delays and respond more effectively to regional labour and skills shortages so employers can better meet their human resource needs. This is an especially important program given that the CTHRC projects that the tourism sector will be short more than 100,000 workers in Canada by 2015. Their analysis suggests that a rising share of the population among all ages and across both genders – whether now in Canada or recruited from abroad – will be required if the supply of tourism-related occupations is to match demand in 2015.

Roughly one-quarter (23%) of the people who hold positions among the 40 tourism-related occupational classifications were born outside of Canada. Thus tourism has a great stake in the evolution of immigration policies and especially foreign worker programs as many of the new and existing jobs in the sector will need to be filled by immigrants in the future.

If our industry is to remain competitive internationally it will need to work with government to ensure that mechanisms exist for the tourism and lodging sectors to provide continuous input on labour requirements and occupations under pressure, ensuring that the HR needs of all regions and sectors are reflected in federal policy. The federal government should continue funding and supporting the work of the CTHRC to recognize the skills of foreign workers, expand the E-LMO pilot projects for all of Canada, ensure effective integration programs for immigrants and employers, and ensure the temporary foreign worker program functions to provide the number and skill level of workers that cannot be found in Canada.

In summary:

- **Tourism will continue to be the world's largest industry as we go forward in the 21st century. The retired Canadian and American "boomer" generation and the newly ascendant middle classes of developing countries are expected to create robust demand for travel, tourism, hospitality and retail services in the years ahead**
- **The competitiveness of our sector will depend on our ability to fill the specific occupational niches and skill sets that businesses and operators in our industry will require.**

- **The industry will need skilled Canadian and foreign workers in sufficient numbers to work in the new, specialized travel and experiences sector that is growing so robustly at the present.**

Marketing Canada Internationally

The marketing of Canada as a destination is the responsibility of several groups including the Canadian Tourism Commission (CTC), provincial, regional and city Destination Marketing Organizations (DMOs) and private sector companies. The CTC is the lead entity and works to coordinate Canada's promotional efforts abroad in order to drive visitation. The industry would like to see the national tourism marketing effort better resourced and in a position to match some of the more generous marketing regimes possessed by other long haul destinations. As Travel Manitoba pointed out, we are lagging behind many of our competitors that have established tourism as an economic development priority and created concentrated investments that have shifted the global travel market and, in the process, contributed to the Canadian travel deficit. Between 2002 and 2005, funding for the CTC declined from nearly $100 million to $78.8 million. Further, the fact that provincial and municipal marketing campaigns are becoming better resourced and funded, largely through hotel room taxes and destination marketing fees, leads our industry to believe that efforts to garner more resources for the national marketing effort led by the CTC are compelling and urgent. The CTC works closely with industry, as well as the governments of Canada, the provinces and the territories, to coordinate a collective voice that leverages the full market potential of Canada's tourism brand in the global arena.

It is clear that Canada faces trenchant competition from existing and mature tourism markets and from exotic new market entrants. Canada's overall global market share has eroded in recent years as a result of competition from new entrants. While this is perhaps inevitable, there is reason to be concerned that our relative share of a generally expanding global travel market has fallen more rapidly than some of our established competitors and peers. Many in the industry believe Canada lacks sufficient funds to undertake promotional efforts in emerging markets where newly formed middle classes now have the time and money to engage in international travel. Furthermore, there is a consensus that Canada should do more to benchmark what other leading destinations are doing to market themselves and to determine whether we are meeting that global standard of excellence. While many in the industry acknowledge that calculating the ROI of tourism marketing dollars is more an art than a science, it may well be helpful for the CTC in conjunction with the Ontario Tourism Marketing Partnership Corporation to solicit the advice of outside experts in developing a common set of metrics that would allow all jurisdictions in Canada involved in tourism marketing to compare the effectiveness of their efforts. The industry believes that we should be engaged in benchmarking our promotional efforts at two levels: internationally to see if we are living up to global best practices; and domestically, by attempting to compare and contrast the successes that each province or region is having in reaping visitation and spending from its marketing dollars.

The tourism industry believes that the CTC is the appropriate entity to lead the Canada branding and marketing file and that its current strategies, informed by solid research, are the right ones to pursue as we go forward. The CTC is forced to allocate its resources selectively and cannot be present everywhere. For instance, the awareness of the Canada brand in the northern U.S. Border States is already strong. As the government of Nova Scotia noted, "in border markets…consumers are not visiting the whole country in one vacation trip or even in three repeat visits. In many cases individual city, regional or provincial brands may resonate more with the consumer." If, on occasion, this plethora of brands in the marketplace does lead to some confusion, as Travel Manitoba points out at least the plethora ensures a constant penetration. However, the further afield that Canada reaches out, the more important it is that we have a strong national Canadian brand identity. As the visitor moves through the decision-making process, acquiring a better awareness of Canada as a whole, it is then appropriate for provincial and DMO promotional campaigns to attempt to influence the actual purchase decision.

A cascading approach is probably the right one when it comes to marketing Canada outside of our borders. When marketing overseas, Provincial Marketing Organizations (PMOs) should lever as much as possible off the Canada brand. The closer to home we market, the less dependent we are on the Canada brand and leading with provincial or regional destination marketing can be beneficial. A clear alignment of players and resources will maximize the returns Canada obtains from its total marketing effort. After all, we must be mindful that a potential impediment to the success of our marketing effort is the very nature of inter-jurisdictional competition which, Travel Manitoba cautions us, stifles interdependence and fuels duplication and inefficiency. The National Tourism Strategy put it well: 'strengthening the collaboration between the CTC and the provinces/territories will not only serve to better coordinate existing initiatives but it will improve their complementarity,,," TIAC believes that we must grow the pie together for our mutual benefit, not letting our individual jurisdictional growth objectives supersede the collective good.

As a final comment on marketing, the industry is generally supportive of the CTC's efforts to engage in innovative new means of on-line and internet marketing through its EQ initiative. Providing more individually tailored trip itineraries and experiences is clearly becoming a trend in travel and the CTC is correct to be ahead of the curve in this respect.

In summary:

- **The CTC is the right entity to lead and coordinate the national marketing effort abroad**
- **The CTC and provincial DMOs need to benchmark their efforts against the international competition to ensure that we are deriving an acceptable rate of return for our efforts – as Travel Manitoba puts it, to ensure our conversion rate of dollars spent for visitors obtained is reasonable**
- **We need to be constantly mindful that there is the requisite degree of coordination present in national, provincial, regional, city and private sector marketing efforts – brand confusion must be avoided as much as possible**
- **Having done the necessary analysis it may well be the case that more dollars are required for the CTC's promotional and marketing budget – previous studies have indicated this – and the industry will continue to make that case as needed**

Positioning Canada as a Green and Sustainable Tourism Destination

The harsh reality is that, with some exceptions, the Canadian tourism sector needs to embrace the sustainability imperative with greater commitment and conviction. The challenge posed by climate change is a very real one and has implications for every sector of the Canadian economy. Tourism and travel is no exception. In fact, many of our major competitor destinations in the global tourism market have made significant strides on this file and are, arguably, ahead of Canada. Despite our reputation it is perhaps an exaggeration now to suggest that Canada is uniformly clean, green, and pristine. A lack of both awareness and leadership has been the underlying cause although this has been by no means restricted to Canada. Our weak environmental performance has been noted recently by the World Economic Forum's (WEF) Travel and Tourism Competitiveness Report 2008. In its Second Pillar: Environmental Sustainability, the WEF's gives Canada a disappointing grade on a number of the key environmental indicators, and, in particular, ranks Canada 119 of 130 countries in terms of controlling carbon dioxide emissions. In fact, Canada's overall ranking has been downgraded by 17 places in the Environmental Pillar from 2007 to 2008.

Parks Canada observes that the natural and cultural heritage that is protected for the enjoyment, use and knowledge of Canadians and international guests is critical to the ongoing sustainability of the tourism industry. Clearly there is much worth celebrating in the natural physical endowments found within our borders. Parks Canada, continues to attract numerous international visitors to its 3 national marine conservation areas, 42 national parks and 157 national historic sites, including 9 world heritage sites. Additionally, through its Protected Area Network, which covers approximately 12 million hectares of conservation lands of national and international importance, Environment Canada preserves areas which are essential for climate change adaptation and for the economic health of Canada. There are also a series of beautiful provincial parks and protected areas which attract visitors as well.

There are few other sectors as dependent on climate and meteorology as tourism. Climate has an important influence on operating costs such as heating or cooling, snowmaking, irrigation, food and water supply and insurance costs. Climate determines the suitability and appeal of locations for specific tourist activities and defines the season in which those activities can occur. Thus global warming, which science now confirms is taking place, threatens Canada and our domestic tourism industry very directly. As the Icarus Foundation points out, many of the species that Canada features in its tourism marketing (whales, otters, caribou, polar bears) are already endangered – rapid changes in their habitat increase the risk of their extinction. In British Columbia, the infestation of the pine beetle in great swathes of forest is both reducing valuable timber inventories and blighting the landscape and aesthetics sought by visitors.
If the Canadian tourism industry is to legitimately lay claim to the mantle of a green destination and remain viable in the longer term then, as the National Tourism Strategy points out, it is up to all individual business owners and operators to become stewards of the environment and adopt sustainable practices.

For Canada and the U.S. to have fallen behind other countries demonstrates a failure of leadership. A concerted effort will be required to address what is also becoming a competitive weakness as Canada seeks to catch up in the race to capture a share of the growing eco-tourist/traveller market. The grassroots of the industry in Canada and its national association are resolved to show that we can become a legitimately green and sustainable destination and that we can play our part in arresting and reversing climate change. TIAC has already taken action in this regard, signing an accord with Parks Canada in 2001 which enshrined a commitment to stewardship of natural resources and special places. The Code of Ethics and Guidelines for

Sustainable Tourism was updated in 2005 in collaboration with the CTC and Parks Canada. The same three organizations are presently working on the development of a Sustainable Tourism Toolkit which will give tourism businesses, particularly SMEs, practical tools to help integrate sustainability into their products, services and operations. It will be ready in the Spring of 2008 and will be disseminated widely to the industry. These have been good first steps but they are not sufficient to address the challenge at hand.

We believe a consensus exists in the sector to reduce the carbon footprint of our operations. To that end the national industry association will undertake to:

1. **Measure and monitor the ecological footprint of Canada's tourism industry** in terms of the environmental resources consumed and the waste products generated in the act of delivering Canada's tourism product;
2. **Develop awareness and understanding of the issue** and its impacts by distributing communications that recommend specific and practical action towards mitigation;
3. **Commit to Carbon Reduction**. This will involve reducing our dependency on fossil fuels and switching to a focus on quality and environmental stewardship;
4. **Gradually increase the focus of our operators on the net value to guests, existing host suppliers and the host community** by becoming mindful of the "externalities" that travel, transportation and tourism do create for the environment. Excessive discounting and price-based competition undermines the effort to create an environmentally and financially viable tourism product and one that offers a genuinely authentic Canadian experience to the visitor;
5. **Help those sectors and regions of the Canadian tourism industry most likely to be negatively impacted by the consequences of Climate Change to adapt;** and
6. **Encourage responsible procurement** by ensuring that suppliers to the industry are engaging in carbon reduction strategies

Another initiative worth pursuing would be to link the Tourism Satellite Account and the Environmental Satellite Account in the System of National Accounts to better communicate and quantify our industry's impact on the environment.

Specific examples of information that might be brought into an accounting framework include greenhouse gas emissions from tourism transportation, water use from hotels/tourist sites, and energy use at hotels/tourist sites, among others.

Conclusion

The process of self-examination and introspection that the industry embarked upon one year ago has been a very useful exercise. It has canvassed opinion from a range of different quarters; from the CEO and executive leadership of our industry, to grassroots members and tourism operators, to the governmental authorities to whom we look for policy leadership. The review has confirmed that Canada's tourism sector possesses a variety of intrinsic advantages, assets and strengths, foremost among which is the talent, energy and commitment of our people. People who work in the travel, accommodation and attractions business are highly passionate about what they do and genuinely enjoy interacting with the visitors they serve on a daily basis. Their value-added is often what makes the difference in the traveller's stay whether he/she hails from Canada, the United States or overseas.

It is an industry, though, that in recent years has seen its margins fall and its ability to make capital investments wane. The smaller, owner-operated sector of our industry, which makes up the majority of tourism businesses, has been hardest hit, having to grapple with a "perfect storm" of adverse conditions and this has been reflected in their bottom lines. Needed capital upgrades and investments are being postponed and there is a sense that some of our tourism infrastructure, both public and private, is now tired and worn. Recent research on American attitudes to Canada as a destination has pointed out that the lack of interesting new product has dampened the ambitions of many Americans to visit Canada. There is no sense of urgency to coming here while some of this survey material tells us that there is little about us that is interesting, unique or appealing. Our challenge, then, is to differentiate ourselves on the global stage with iconic new products that will create a top of mind awareness among prospective travelers thinking about booking vacations.

It is about product animation and responding to the market's desire for exciting, adventurous, authentic and "fun" new products that will provide consumers with what they are interested in; that will grab their imagination and incent them to make that purchase decision. Our research over the last year has also taught us that it may be time to refresh some of the visitor experiences, products and animation that characterizes federally-owned assets such as the National Parks system. We know that the typical experience in the parks will always, at one level, be about passive wonderment. However, it is time to make the experience in the national parks more stimulating and engaging so that the visitor can interact in innovative new ways with our rugged outdoors. We are looking to the Federal government to help design that elusive "value-added" component to better showcase the national parks and historic sites of this country. Let's take away the "been there, done that" sentiment that characterizes many Americans when they think about Canada.

Tourism has traditionally been low on the radar screen of the Federal government, having been usurped by the focus on automotive, aerospace, pharmaceuticals, forestry and other higher profile sectors. This, frankly, has lead, until very recently, to the neglect of the industry and the failure to properly diagnose its requirements and competitive challenges. This present report and the research that underlies it has been an attempt to pinpoint just what ails the industry as it goes head-to-head with other international destinations in the 21st century. It is important to be mindful that as the boomer generation retires, often with significant personal wealth and in decent health, that tourism, travel and leisure will become increasingly important pursuits, worthy of attention from governments at all levels in Canada. The potential exists to earn significant revenue from the tourism sector.

The profile of Canada's traditional visitor market is evolving. The drive-up traveller who originates from one of the adjacent US border states is slowly being replaced by a mid to longer haul U.S. visitor and the curious, less-travelled member of a nascent middle-class in emerging market economies such as Brazil, Mexico, India or China. These people have different cultural backgrounds, perhaps different expectations but a similar desire for authentic, genuine Canadian experiences. We also live in a technologically-savvy world where the availability of on-line information allows prospective visitors to be highly discerning about price and quality before making the purchase decision. We are also seeing the growth of the FIT leisure business where folks enjoy packaging the individual components of their itineraries themselves, creating a self-customized trip. The younger traveller is also likely to be increasingly conscious of the environment and of the sustainability of the business or operator to whom he is giving his/her patronage. This has serious implications for how we market and appeal to this market segment. "Green washing" will be seen for what it is as this ethical consumer looks for authentically sustainable operations and businesses. There are also growing numbers of visitors attracted to new types of tourism such as spa tourism, culinary and wine tourism, adventure tourism or trips specifically designed for women on weekend & short-stay getaways.

The market is evolving and the operators who make up the sector are seeking to respond to those changes with new lines of business that satisfy these new traveller desires and requirements. That market reality is something that governments cannot control and it will always be up to the managers and executives who monitor international trends in the tourism, travel and retail marketplace to put forward service offerings that meet the new demand.

What government(s) can control are some of the background infrastructural, regulatory, fiscal and policy decisions that shape the environment in which the tourism business is conducted. In this report we have identified them as being about the effort that goes into selling and promoting the Canada brand overseas; about the policy framework that determines whether Canada remains a highly carbon intensive destination or one founded on principles of sustainability and respect for the natural environment; and finally about how people access Canada. In the latter case, it is about the process of physically transporting people to Canada, vetting them at customs, sending them on their way to destinations throughout the country, and finally providing first rate, well-trained employees to cater to them upon arrival in hotels, restaurants, retail establishments and attractions. This is a critical piece of the puzzle and one where this report suggests there is significant room for improvement.

The policy recommendations in the report are specific and itemized and they deal with a myriad of issues and challenges that, when taken together, determine whether Canada will remain a first-rate destination in the years to come, or one veering towards mediocrity. Governments are not always aware of how the different policy and management decisions they take on a daily basis impact on a sector such as our own. Tourism has never enjoyed the kind of horizontal salience and profile that other sectors have. This report is a wake-up call that Canada's tourism competitiveness presently hangs in the balance. If an advantageous currency exchange rate concealed for several decades some of the urgency of dealing with these questions earlier, new circumstances have drawn these issues out into the open. Decisions taken or not taken in the next few years will have far-reaching and dramatic impacts on our sector. We either grow our share of international out-bound arrivals or we don't. In the latter case we will essentially confine ourselves to the act of selling to one another. The folks we consulted through this process are determined that this will not be the fate of Canada's tourism sector. There is too much that is intrinsically beautiful and inspiring about this country and its people for us to squander this opportunity.

The Tourism Industry Association of Canada is motivated to follow through on the challenges it has outlined in this document by working with both the leadership and grassroots membership of our sector, with governments at all levels and with like-minded national and binational stakeholders and associations. By pulling together and working systematically through the list of challenges that have been identified through this process, the industry will be in a position to grow and prosper into the future.

Access to Canada: Reduction of Structural Costs in Aviation/Air Access

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) The structural costs of aviation are contributing to high air travel costs in Canada.	Federal Government	a) Lobby for the reduction/elimination of airport rent costs.	TIAC	2010
		b) Lobby for the elimination of the Air Transport Security Charge (ATSC).	TIAC	2010
		c) Lobby for the elimination of the excise tax on aviation fuel.	TIAC	2010
		d) Complete a study of structural costs paid by Canadian carriers compared to other countries our airlines compete with.	TIAC/ ATAC/ Transport Canada	2010
2) Canada requires more open skies agreements, particularly with the EU.	Federal Government	a) The Secretary of State for Small Business and Tourism should be involved in discussions related to open skies/bilateral air agreements.	Industry Canada	2008
		b) Lobby for completion of an open skies agreement with the EU.	TIAC	2008
		c) Convene an industry forum to review air access issues, related to emerging markets and current capacity challenges within Canada and into Canada.	TIAC	2009

Access to Canada: Border Policy and Infrastructure

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) Efficient and effective management of the Canada/USA border.	CBSA	a) Insure that all items under the SMART Border Agreement are completed.	TIAC	2010
		b) Maintain a minimum of one seat for tourism on the CBSA Advisory Committee.	TIAC	Ongoing
		c) Convene a meeting of industry and CBSA to discuss issues experienced at border and collaborate on actions to resolve.	TIAC/ CBSA/ CCC	2009
		d) Lobby for an expanded promotion budget for CBSA and Homeland security to communicate, through 2008-2010, document requirements related to WHTI.	TIAC	2010
		e) Lobby for increased resources to facilitate the hiring of the correct number of customs agents to meet peak and future demands.	TIAC	2009
2) Develop and distribute a wider range of RFID and biometric based identity and trusted traveler documents.	CBSA/ USA HS	a) Lobby for greater expansion of the Nexus program with more promotion to reach one million members.	TIAC/TIA	2010
		b) Lobby for the acceptance and expansion of Enhanced Drivers Licenses for citizens of both countries.	TIAC/TIA	2009
		c) Lobby for a PASS Card for US citizens in border states to use.	TIAC/TIA	2009

3) Increased investment in physical infrastructure at land, sea and airport border points.	CBSA	a) Advocate for the Build Canada infrastructure fund to have a fair share going to border capital projects. b) Expand length of trusted traveler program (ie: Nexus) lanes at land border to allow access without waiting in line.	TIAC TIAC	2008 2008

Access to Canada: Approved Destination Status

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) Secure an ADS agreement with China.	Foreign Affairs	a) Lobby for the China ADS agreement negotiations to begin. b) Ensure that Canada is ready to implement the China ADS agreement within three months of signing.	TIAC TIAC	2008 2008

Access to Canada: Intermodal Transportation

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) Transportation infrastructure must be improved to meet climate change pressures and growth in demand projections.	Federal Government	a) Encourage private/public sector partnerships in major capital transportation infrastructure projects. b) Encourage research to determine feasibility and sustainability of transportation infrastructure projects. c) Lobby for transportation infrastructure investment on projects identified (prepare inventory of weak links) as necessary and currently not meeting tourism needs.	TIAC TIAC TIAC	Ongoing Ongoing 2008
2) Traveler expectations are for seamless, efficient and safe transportation services demanding inter-modal solutions.	Federal Government	a) as directly above b) as directly above c) as directly above	TIAC TIAC TIAC	Ongoing Ongoing 2008
3) High Speed Rail services need to be offered in Canada, as they are in competing destinations, to meet demand between major cities.	Federal Government	a) Lobby for the investment by Federal, Provincial and private sector interests in high speed rail service between Windsor and Quebec City; Calgary/Edmonton corridors.	TIAC	2008

Access to Canada: Human Resources and Foreign Workers

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) Nations that experienced a post WWII baby boom will be competing for workers with other nations having growing economies and a young workforce. Canada needs to compete with many countries to attract workers.	Federal Government	a) Research best practices in other countries for attracting foreign workers for permanent or temporary residency. b) Lobby for immigration programs that allow for tourism workers, in key sectors, to be welcomed to Canada. c) Lobby for continued investment in the Temporary Foreign Worker Programs to expedite processing of applications and ensuring tourism needs related to skills and seasonality is met.	TIAC TIAC TIAC	2009 2009 2008
2) Ensure adequate training and career promotion is occurring for potential employees meeting the employment skills/profiles most needed.	CTHRC	a) Lobby for continued financial support to enable CTHRC to meet its mandate. b) Expand industry's efforts in tourism career promotion and awareness building (ie: CATT, TIP, etc) c) Promote the research completed on ROI for tourism training to all tourism businesses.	TIAC TIAC/ CTHRC TIAC/ CTHRC	Ongoing Ongoing 2008
3) The industry requires trained workers in new specialized travel and experiences sectors of tourism.	CTHRC	a) Identify new trends in travel and skills required of workers to meet these new demands. b) Complete Labour Supply research and communicate widely the results to industry and government.	TIAC/ CTHRC TIAC/ CTHRC	2009 2009

Marketing Canada Internationally

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) The CTC is the right entity to lead and coordinate the national marketing effort abroad.	CTC	a) Industry and governments support CTC mandate/mission.	TIAC	Ongoing
		b) Industry acceptance of need for one national organization to be presenting Canada brand in long haul emerging markets.	PMOs	Ongoing
		c) Preserve concept of public/private partnership in marketing Canada.	TIAC	Ongoing
2) The CTC and PMOs need to benchmark their efforts against international competition to ensure that we are deriving an acceptable rate of return for our efforts.	CTC	a) Collaboration to establish uniform standards in determining conversion rate for dollars spent by visitors.	CTC/ PMOs	2009
		b) Research other nations to determine their effort and practice in measuring rate of return for marketing expenditures.	CTC	2009
		c) Develop a common set of metrics for measuring ROI in tourism marketing.	CTC	2009
		d) Share ROI performance amongst jurisdictions with new measurement methodology to determine tourism marketing best practices.	CTC/ PMOs/ DMOs	2011

3) Requisite degree of coordination between national, provincial, regional, city, and private sector marketing efforts.	CTC	a) Tourism Marketing Forum to be convened to discuss ideas for greater collaboration and coordination. b) Annual meeting of tourism marketing leaders to discuss results of previous year, collaborate on future years strategies and critique what worked and did not work.	TIAC/CTC CTC	2009 2009
4) With analysis/research, determine the investment required for the CTC to fulfill its mandate effectively.	CTC	a) In partnership with the Federal Government, undertake a third party study to determine the financial resources required by the CTC. b) Determine the investment requirement needed to present Canada in emerging markets with the best potential for tourists. c) Establish a better funding formula with minimum three year commitment.	CTC/ Industry Canada. CTC Industry Canada	2009 2009 2009

Canada - A Green and Sustainable Destination

Competitive Issue	Overall Responsibility	Strategies & Tactics	Specific Responsibility	Target Date
1) Canada's tourism brand evokes images of nature and pristine environment. The climate change/Kyoto/sustainability agenda demands more of Canada in maintaining this brand promise.	TIAC	a) Measure and monitor the ecological footprint (consumption & waste) of tourism industries.	TIAC	2010
		b) Communicate messages to industry creating awareness and understanding of the issue and practical actions to mitigate.	TIAC	2008
		c) Industry commitment to carbon reduction.	TIAC	2009
		d) Focus operators on the value proposition they are offering consumers rather than selling on price – more yield strategy.	TIAC	2008
		e) Provide support to those tourism industries most at risk by threats of taxation or regulation related to climate change.	TIAC	2008
		f) Encourage responsible procurement throughout the complete supply chain to tourism.	TIAC	2009
		g) The Tourism Satellite Account and the Environmental Satellite Account should be linked.	Statistics Canada	2010