

## Minister Melanie Joly

Federal Minister of Tourism, House of Commons

May 23, 2019

Luncheon at Penticton Trade and Convention Centre

- Tourism = Jobs
- 1.8 million people in our country work in tourism. That's 10% of our national workforce that works in the tourism sector.
- 99% of tourism businesses are small to medium enterprises (SMEs), which has meant that there have not been that many direct dealings between the federal government and tourism in the past.
- This sector is booming - 21.1 million - record number of tourists came to Canada in 2018
- Canada used to be a top 10 destination for tourism, but we've fallen now to #18<sup>th</sup> position
- We are investing in Canadian tourism, but other countries such as Iceland and Japan are investing even more.
- Tourism is growing 5% annually around the world.
- She launched a new federal strategy on tourism 2 days ago to address current barriers.
- Most visitors to Canada go to our 3 major cities (Montreal, Toronto & Vancouver) and typically travel in the summer months.
- They are attempting to reduce the seasonality of the tourism sector and redistribute visitors to other destinations.
- Put forth 5 important measures:
  - 54,000 new jobs by 2025 across Canada.
  - Increase revenues by 25%, to \$128 billion by 2025.
  - Dispersion targets (get people out to additional cities).
  - Increase by 1 million international visitors during the winter and shoulder seasons.
  - Growing our sector in a sustainable way, so we can offer people in the sector real long term careers.
- We need to work on the demand side (ie. bringing tourists here) and the supply side (what people do when they are here).
- Supply side – 5 opportunities to improve the structure of tourism in Canada.
- Canadian Experiences Fund - \$60 million in funding over 2 years available for the following 5 strategies:
  - Help rural communities to have access to strategic planning and funding to be able to do beautification projects to get them tourism ready.
  - Develop more products and experiences in line with farm to table – we know we can offer more to International tourists. 30% of tourists to Canada make their travel decisions based on food.
  - Indigenous tourism.
  - LGBTQ2 tourism – Canada is a place where people within this group feel safe. They travel a lot and they spend a lot.
  - Winter and shoulder season product offerings.

- Funds area already available. They are administered through the Western Diversification Fund.
- Applicants can receive funding up to 100% for relevant projects. Either businesses or not-for-profit organizations can apply.
- They will be working at setting up regional tourism investment tables (groups) including: Chamber of Commerce, Municipal Offices and Tourism Agencies as well as representatives from the Business Development Bank of Canada (BDC), Parks Canada and Invest in Canada to address the issue of lack of capital available to develop the tourism industry.
- SME's are encouraged to create clusters and work together on product and community development.
- Tourism has moved from the kid's table to the adult's table at the federal level and is now among one of the governments 7 priority sectors.
- The vacation rental market is under review in terms of the available revenues from MRDT and the potential impact on affordable housing. More money is being given to the revenue agency and laws are being enforced.
- Housing shortage is a real threat to delivering the experiences that visitors are looking for. McKinzie Report highlighted that there is a lack of 25,000 rooms across the country for tourism workers. This is one of the reasons for bringing organizations such as BDC to the table and encouraging them to see tourism as a safe investment.
- National Parks – Banff & Jasper are suffering from over tourism, so we need to start dispersing visitors to other areas through increased awareness and promotion.
- We need to build a business case for Air Canada and Westjet to bring more people into Canada. Air New Zealand works to bring people to New Zealand. Compare it to Westjet and Air Canada that have product packages that take Canadians outside of Canada (ie. to Mexico, Dominican Republic etc.)
- There are some immediate deliverables to address the tourism workforce issue.
  - 84,000 student apprenticeships in tourism
  - They are changing the rules so that seniors over the age of 65 won't be penalized if they work in tourism after age 65
  - Immigration is bringing in new-comers and refugees.
- We need to be careful to ensure that the above deliverables are well managed so as not to bring down wages for tourism industry workers.
- Domestic flights are often costlier than interntional flights. The Minister of Transportation is working on a Traveller Charter of Rights. The government has also increased the level of foreign investment allowed from 25% to 40% to encourage lower cost airlines into the market.

Please be aware that the above information is only a brief outline of Minister Joly's speech a copy of the full Federal Tourism Strategy can be found on the Travel Penticton coporate website here - <https://www.travelpenticton.com/resources/>