



**Tourism Industry Association  
of Prince Edward Island**

*Tourism Is Our Business*

**August 1, 2016**

**Federal Budget 2017**

**A Submission by the Tourism Industry Association of Prince Edward Island (TIAPEI) to the House of Commons Standing Committee on Finance**

### **WHO WE ARE**

TIAPEI is a province-wide, not-for-profit, membership-based organization dedicated to the promotion and advancement of Prince Edward Island's tourism industry. It promotes and supports policies, programs and activities that benefit the continued growth and development of the province's tourism industry.

Based in Charlottetown, TIAPEI represents all geographical regions and industry sub sectors. It serves as a private-sector advocate for tourism in Prince Edward Island, and works to build on the industry's already impressive economic and social achievements.

On behalf of our Board of Directors, membership and the tourism industry on Prince Edward Island, we wish to bring forward several issues for considerations during the development of the 2017 Federal Budget.

### **EMPLOYMENT INSURANCE**

The working while on a claim claw back of part time earnings and establishment of two EI regions on PEI with separate qualifying requirements have been raised many times as an impediment to employment for seasonal industries such as tourism. During the off-season businesses find it very difficult to find staffing on a part-time basis due to the claw-backs EI claimants are subjected to. Current regulations, unfortunately, place both workers and employers in an untenable position.

During the 2015 Federal election campaign the tourism industry was heartened to learn that reversal of EI reform measures that have been so divisive and a detriment to claimants accepting part-time employment was a pillar in the Liberal Party of Canada's platform. However, more recent reporting notes that any meaningful changes will not likely take place until the spring of 2017. This

announcement was a grave disappointment to TIAPEI and the industry members who rely on seasonal employees to operate their businesses.

### **REVERSAL OF BUDGET REDUCTIONS**

Strong marketing, well trained, qualified staff and fresh tourism product will result in increased visitation and higher consumer spending. Just as tourism operations can be found across PEI, tourism in Canada is a dynamic and far-reaching sector whose economic impact helps to employ Canadians across the country, in every region of the country. Globally, tourism is one of the world's most remarkable growth industries, with the vast majority of destinations around the globe showing increased arrivals and tourism spending each year. Tourism is one of the most remarkable growth industries. Unfortunately, Canada has slipped to the 17th spot trailing to Ukraine, Mexico and Greece with visitation dropping 20% since 2000.

According to the UNWTO, tourism is the world's 5th fastest growing industry, with one billion international travellers, \$1.53 trillion in global revenues and 5% growth globally per year. Much of that growth is coming from the emerging middle classes of Brazil, Russia, India, China and Mexico. With strong fundamentals such as modern infrastructure, exceptional experiences and a skilled workforce Canada could be poised to enjoy unprecedented success.

In 2013, Canada's tourism industry represented more of Canada's GDP than agriculture, forestry and fisheries combined, generated \$88.5 billion in economic activity, was responsible for more than \$17.2 billion in export revenue despite a growing travel deficit, generated \$9.6 billion in federal government revenue and accounted for 628 000 jobs across the country.

The opportunities for Canada to capitalize on are within our grasp but we must have the funding and support to make the best of those opportunities. Years of Federal budget cuts have severely impacted the ability of organizations such as Destination Canada and Tourism HR Canada to open gateways to global markets and support the training initiatives necessary to ensure workers within the tourism sector are well trained, and professional. Identifying labour issues and shortages and development of recruitment and retention initiatives must be addressed on an on-going basis. Past cuts and current budgetary restraints simply do not allow our National organizations to provide the support and guidance necessary for our industry to succeed both as a national tourism destination and individually as Provinces with thriving tourism sectors. The 2016 Budget did allocate funding to Destination Canada, however, this did not return their budget to the level they were experiencing 10 years ago. Additional funds must be dedicated to Destination Canada and Tourism HR Canada to allow them to fulfil their purpose and potential.

### **ATLANTIC CANADA OPPORTUNITIES AGENCY**

For many years ACOA has been an invaluable partner for business throughout Atlantic Canada. In their role as a funding partner, ACOA has assisted businesses, organizations, individuals and communities with enterprise development, helping improve the business climate, advice and funding

programs for individual business startups, modernization and expansion of existing infrastructure and development of global markets. Many smaller communities have been able to work in partnership with ACOA to foster economic growth, improve local infrastructure and develop opportunities in the local economy. The Agency has also been a strong champion for Atlantic Canada by representing the region's interests at the national level in areas such as policy development, research and analysis and working with other Federal departments to ensure coordination of policies and programs.

The programs and initiatives offered through ACOA have allowed countless enterprises to begin or expand, thereby improving economic conditions within their Province. Without this targeted support for the Atlantic Canada region many innovative ideas may never have been fostered and completed. A strong, sustainable example of this is the Atlantic Canada Tourism Partnership.

Continued, sustainable support for this vital resource is integral to our economic development and growth.

### **ARTS & CULTURAL SECTORS**

Integral sectors affecting tourism in Canada include the Arts and Cultural communities. PEI was successful in planning, producing and executing year-long celebrations across the Province in 2014, commemorating the 1867 Charlottetown Conference. Music, the arts and our country's cultural diversity was on display and celebrated in small communities, villages, towns and cities from one end of the Island to the other. Celebrating 2017 is only 5 months away and will be held on a much larger scale than PEI 2014.

The many facets of the arts and culture combine to showcase Canada's history and multi-cultural fabric. For many years, Federal support for programming and administration has been significantly reduced, affecting where, when and how these typically small, not-for-profit associations showcase their niche product/sector. While it is understood and accepted that health care, education, affordable housing and infrastructure must take priority, it should also be a priority to preserve, promote and showcase our unique Canadian culture for the children of today and the generations to come.

Respectfully submitted on behalf of the Tourism Industry Association of Prince Edward Island,

A handwritten signature in blue ink, appearing to read 'K. Moufliier', is positioned above the typed name.

Kevin Moufliier, Chief Executive Officer