

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Tourism Vancouver

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Tourism is a significant contributor to Canada's GDP and holds great potential for the country as it looks for ways to diversify its export earnings. Many countries around the world have come to appreciate the economic benefit of tourism by investing substantial resources to attract new markets to their regions. Canada needs to do the same; however, the opposite is happening as the Canadian Tourism Commission's (CTC) funding has been cut. Our country is being outgunned in the marketplace resulting in Canada losing market share. The CTC has long been a strong partner of our organization (Tourism Vancouver), and we look to their leadership to generate visitor demand. Our request is that the Government of Canada implement an approach that enables the CTC to secure long-term, sustainable and dedicated funding so our industry (and country) can better compete.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Tourism supports some 600,000 jobs in Canada. Here in Metro Vancouver, more than 70,000 people work in the industry. Yet our ability to compete is being compromised through the reduced funding to the CTC, who are a proven success story at driving incremental business to Canada (and the resultant economic benefits including job creation). Our request to the Government of Canada is that a funding model for the CTC is put in place that enables the CTC to more aggressively market Canada as a tourism destination.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Foreign visitors to Canada spend money, thereby generating wealth for individuals, profits for businesses and taxes for government. This tax revenue is used by governments to support social programs. The more visitors we have to our country, the greater the revenue for such activities. At the same time, foreign visitors have minimal need for our social (including health) programs. The net result is extremely positive. Our request to the Government of Canada is that the CTC receives the necessary funds to attract foreign visitors to our country through a funding model that is secure and dedicated.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Tourism is booming around the world. Countries that previously paid very little attention are now identifying tourism as a strategic industry to increase their competitiveness. Tourism creates and sustains jobs across regions, demographics and skill sets, thereby enabling productivity matters to be addressed at multiple levels. Our request of the Government of Canada is to support our country's ability to compete in tourism by providing a funding model that provides ongoing, significant and reliable resources for the CTC to carry out its mandate.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Tourism contributes significant taxes, whether through user fees and levies (particularly on aviation) and the GST. Even though tourism is an export industry, it is not zero-rated on the GST as is the case with all other export industries. In recent global benchmarking it was found that one of Canada's biggest challenges in tourism is our price competitiveness. We are seen as much more expensive than our competition, due in a large part to the cost additional cost of aviation fees and levies and no rebate on GST paid by our customers. Our request to the Government of Canada is to either reduce the fees, levies and taxes paid by our industry or to reinvest the funds generated by tourism back into tourism, in particular the CTC.