

Written Submission for the Pre-Budget Consultation in Advance of the 2024 Budget

Submitted by:

Tourism Industry Association of Canada (TIAC)

August 4, 2023



Phone.

613-238-7887



Website.

www.tiac-aitc.ca



Email.

contact@tiac-aitc.ca



Address.

116 Lisgar St, Ottawa, ON K2P 0C2



List of Recommendations

Recommendation #1: Extend the zero-interest repayment deadline for the CEBA loan to at least December 31, 2024, and similarly modify the RRRF and HASCAP loans to allow more time and flexibility in repayment terms

Recommendation #2: Create a dedicated tourism sector stream with a permanent residency track under the Temporary Foreign Worker Program (TFWP)

Recommendation #3: Extend the Economic Mobility Pathways Pilot (EMPP) program and maintain its focus on IRCC's TEER categories 4 and 5

Recommendation #4: Fund the development of a dedicated workforce strategy for Canada's Indigenous tourism industry

Recommendation #5: Provide core funding to Tourism HR Canada (THRC) to bolster strategic initiatives in support of tourism workforce growth

Recommendation #6: Launch a dedicated Tourism Infrastructure Fund to support major capital projects in the sector, with a particular focus on renovating and expanding tourism assets

Recommendation #7: Establish a tax credit program to incentivize investment in new tourism assets, and the upgrading of existing infrastructure

Recommendation #8: Provide airports with the capital to expand, update, and upgrade infrastructure by reinvesting federal rents into capital projects

Recommendation #9: Increase IRCC's capacity to help expedite temporary residence procedures and applications for international tourists and, specifically, dedicate additional funding to bolster the Special Events Program to ensure that international business event travellers do not face unnecessary processing delays

Recommendation #10: Increase the number of Cruise Ship Operations (CSO) ports, guaranteed Cost Recovery Agreements, and CBSA staff for the processing of cruise ships and fund the digitization of the CBSA's cruise ship clearance procedures

Recommendation #11: Dedicate meaningful investments in Canada's privately-owned motor coach industry via federal transit funding programs

Recommendation #12: Support regenerative tourism by funding and incentivizing private investment in the domestic production of Sustainable Aviation Fuels (SAF) and in new green solutions in the cruise ship industry

Recommendation #13: Finance a cross-sectoral working group to evaluate housing targets and optimal funds required within tourism hubs and rural communities across Canada to support the sector's talent attraction and retention efforts



Phone.
613-238-7887



Website.
www.tiac-aitc.ca



Email.
contact@tiac-aitc.ca



Address.
116 Lisgar St, Ottawa, ON K2P 0C2



The Government of Canada, along with businesses and stakeholders, must work together to ensure that the tourism sector remains a globally competitive, accessible, affordable, and sustainable contributor to Canada's local and national economies. The Tourism Industry Association of Canada (TIAC) is pleased to outline several recommendations to help ensure economic growth across the tourism ecosystem and to achieve the five priority goals for the sector as established by the Federal Tourism Growth Strategy (FTGS).

Provide Flexibility Around the Servicing of Federal Loans Related to the COVID-19 Pandemic to Help Offset Tourism Companies' Mounting Debt Loads

For many tourism businesses, government loans provided through the Canada Emergency Business Account (CEBA), the Regional Relief and Recovery Fund (RRRF) and the Highly Affected Sectors Credit Availability Program (HASCAP) were a vital lifeline enabling them to retain staff and cover basic costs during a time of unprecedented economic uncertainty. A recent Nanos survey demonstrates that increased costs, labour shortages, rising interest rates, and mounting debt loads have added significant financial pressure to businesses across each of the tourism industries. The alarming results reveal that 45 per cent of Canada's tourism businesses report that they are likely or somewhat likely to close within the next three years without government intervention into their mounting debt load. Furthermore, 55 per cent of tourism sector businesses are somewhat not or not confident that their company will be able to make debt payments – including repayment of the CEBA, RRRF, and HASCAP loans – in the next two years. Greater flexibility is needed to allow companies to address the massive financial implications of the COVID-19 pandemic.

Recommendation #1: Extend the zero-interest repayment deadline for the CEBA loan to at least December 31, 2024, and similarly modify the RRRF and HASCAP loans to allow more time and flexibility in repayment terms

Resolve Labour Shortages Via Augmented Immigration Policies and Tailored Support

Due to the extent of the labour force impact of the pandemic and tourism's unique workforce needs, tourism employment numbers remain volatile during a crucial time of recovery and re-growth for the sector. While demand may be high, many industries have not returned to full capacity. Significant shortages in key tourism occupations remain that threaten to tarnish Canada's global reputation as a tourism destination.

Unfortunately, the FTGS lacks a substantive implementation plan to address challenges associated with widespread tourism sector labour shortages or to bolster Canada's Indigenous tourism labour market. Additionally, there are no measures in place to direct or monitor the flow of Canada's new immigrant and temporary foreign workforce within tourism occupations. During a time of heightened labour demand, such mechanisms would eliminate much uncertainty and help to fill job vacancies.



Phone.
613-238-7887



Website.
www.tiac-aitc.ca



Email.
contact@tiac-aitc.ca



Address.
116 Lisgar St, Ottawa, ON K2P 0C2



TIAC proposes that the sector's pressing labour issues can be addressed near-term via easily adoptable adjustments to policies and programs that would better enable the participation of newcomers, temporary foreign workers, and members of Canada's Indigenous communities within tourism's diverse career opportunities.

Recommendation #2: Create a dedicated tourism sector stream with a permanent residency track under the Temporary Foreign Worker Program (TFWP) akin to the agriculture sector stream

Recommendation #3: Extend the Economic Mobility Pathways Pilot (EMPP) program and maintain its focus on IRCC's Training, Education, Experience and Responsibilities (TEER) categories 4 and 5, which correspond to a wide spectrum of tourism sector occupations

Recommendation #4: Fund the development of a dedicated workforce strategy for Canada's Indigenous tourism industry

Recommendation #5: Provide core funding to Tourism HR Canada (THRC) to bolster strategic initiatives in support of tourism workforce growth

Invest In the Rejuvenation and Refurbishment of Tourism Infrastructure

Budget 2023 included \$108 million over three years in new public investment for tourism assets, directed through Regional Development Agencies (RDA). This funding, earmarked for "small businesses, local projects, and events," is greatly appreciated. However, there remains a pressing need for investment in updates and renovations to fundamental tourism infrastructure throughout Canada – including airports, ports and terminals, accommodations, performance and event venues, and attractions. Optimal support for the maintenance and refurbishment of tourism infrastructure entails a suite of financial measures with each initiative tailored to their intended purpose and objective.

Recommendation #6: Launch a dedicated Tourism Infrastructure Fund to support major capital projects in the sector, with a particular focus on renovating and expanding tourism assets

Recommendation #7: Establish a tax credit program like the existing R&D tax credit to incentivize investment in new tourism assets, and the upgrading of existing infrastructure

Recommendation #8: Provide airports with the capital to expand, update, and upgrade infrastructure by reinvesting federal rents into capital projects



Phone.
613-238-7887



Website.
www.tiac-aitc.ca



Email.
contact@tiac-aitc.ca



Address.
116 Lisgar St, Ottawa, ON K2P 0C2



Expedite Access for Visitors to Canada

Labour shortages and processing delays resulting from the COVID-19 pandemic have created visitor visa backlogs and point of entry delays that have become barriers to temporary travel into Canada.

TIAC appreciates the steps that have been taken in recent months by IRCC to expand the Electronic Travel Authorization (eTA) program for short-term entry. These efforts would be further bolstered by an increased level of awareness of temporary residence requirements in the business events industry and the expansion of the IRCC's Special Events Program to include a dedicated business events and conferences visitor visa clearing process that more efficiently expedites entry for known travellers, public speakers, and international event delegates.

Recommendation #9: Increase IRCC's capacity to help expedite temporary residence procedures and applications for international tourists and, specifically, dedicate additional funding to bolster the Special Events Program to ensure that international business event travellers do not face unnecessary processing delays

A significant access barrier also exists for our country's cruise ship industry. International cruise ship passengers and crew are fully cleared for entry into Canada by the Canada Border Services Agency (CBSA) at their first port of arrival (FPOA) allowing ships to travel in Canada and for foreign passengers to disembark and engage in local tourism which results in a significant economic impact annually. The number of Cruise Ship Operations (CSO) ports and Cost Recovery Agreements have been greatly reduced and not reinstated by CBSA due to pandemic-related labour and funding constraints. This has resulted in a palpable loss of tourism activity for many communities located on Canada's waterways. For our country's cruise ship industry to prosper, we need to ensure that there is CBSA coverage in each cruise region (Atlantic, Quebec, Ontario, British Columbia and Northern Canada) and in a greater number of small communities.

Furthermore, CBSA clearance procedures are time-intensive in some regions and often delayed due to the limited availability of CBSA staff. The current paper-based process is lengthy and often results in unnecessary delays and logistical challenges for local tour guides and transportation businesses that service passengers which, in turn, deters international travellers from choosing Canadian destinations.

Recommendation #10: Increase the number of Cruise Ship Operations (CSO) ports, guaranteed Cost Recovery Agreements, and dedicated CBSA staff for the processing of cruise ships and fund the digitization of the CBSA's cruise ship clearance procedures



Phone.
613-238-7887



Website.
www.tiac-aitc.ca



Email.
contact@tiac-aitc.ca



Address.
116 Lisgar St, Ottawa, ON K2P 0C2



Connecting Travellers to Rural Canada

Connecting Canada's rural communities is an important policy objective that requires strategic investments in affordable and environmentally friendly travel options. Both the FTGS and the Standing Committee on Transport, Infrastructure, and Communities recognize the importance of inter-provincial motor coach services and recommend the development and maintenance of privately-owned bus routes to attract international visitors and connect Canadians to remote communities and tourism destinations across our country. Privately-owned motor coach businesses across Canada require inclusion in federal initiatives to continue to provide a safe and sustainable mode of transportation that connects urban and rural destinations and maximizes the social, cultural and economic impact of our home-grown attractions and community, sporting and business events.

Recommendation #11: Dedicate meaningful investments in Canada's privately-owned motor coach industry via federal transit funding programs

Bolster Environmental Sustainability Efforts

Canada's tourism sector is proud to actively embrace the values and objectives of Canada's Federal Sustainable Development Strategy. Our businesses and stakeholder groups seek to play a leading role as our economy embarks upon a green transition. TIAC strongly encourages the Government to support recommendations put forward by tourism industry counterpart organizations looking to reduce emissions and contribute to sustainability through effective, impactful policy initiatives. This includes key initiatives in Canada's airline and cruise ship industries focused on the production of Sustainable Aviation Fuels (SAF), and adopting new green solutions to reduce emissions, like providing electricity to cruise ships via "shore power".

Recommendation #12: Support regenerative tourism by funding and incentivizing private investment in the domestic production of Sustainable Aviation Fuels (SAF) and in new green solutions in the cruise ship industry

Ensure Housing Affordability for Tourism Hubs in Communities Across Canada

Canada is experiencing a housing availability and affordability crisis. Affordable housing is not only a general concern for Canadians, but in Canada's tourism hubs and rural communities, the cost of housing for employees is a significant barrier to attracting and retaining talent. Canada's 2018 National Housing Strategy sets targets over 10 years to address the affordable housing crisis, including a goal of building or renovating nearly 500,000 homes. However, without a specific plan for housing affordability in Canada's local and rural tourism hubs, the goals of bolstering the tourism workforce and increasing the sector's economic impact are at risk of falling flat.



Phone.
613-238-7887



Website.
www.tiac-aitc.ca



Email.
contact@tiac-aitc.ca



Address.
116 Lisgar St, Ottawa, ON K2P 0C2



Recommendation #13: Finance a cross-sectoral working group to evaluate housing targets and optimal funds required within tourism hubs and rural communities across Canada to support the sector's talent attraction and retention efforts

TIAC is confident that the adoption of the preceding recommendations will echo the Government's commitment to supporting the regrowth and prosperity of Canada's tourism sector. Dedicated support within *Budget 2024* will stimulate the new private investments required to propel the sector forward and to achieve the objectives set out in the FTGS.

We appreciate your consideration of our submission and, should the opportunity be provided, TIAC would be pleased to appear before the Standing Committee on Finance to expand upon our priority recommendations for *Budget 2024*.

**Phone.**

613-238-7887

**Website.**www.tiac-aitc.ca**Email.**

contact@tiac-aitc.ca

**Address.**

116 Lisgar St, Ottawa, ON K2P 0C2

