

Recreation Vehicle Dealers Association of Canada

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?

Recreation vehicle (RV) dealers are a classic small business sector of the economy. They provide employment to a variety of technical services staff, sales and office professionals. As such, the Canadian RV industry serves as an engine of the economy, productivity, employment and economic growth, making vital contributions to ongoing tourism and recreation spending across Canada. Some 14% of Canadian households currently own an RV and there are more than 1 million RVs on Canada's roads today. Changes in the 2012 Federal Budget to increase the value of goods travelers can bring back into Canada free of taxes and duties seriously worsens the ability of Canadian RV dealers to compete with U.S. dealers who already face lower costs. This measure has sideswiped the RV business on aftermarket parts and service. There are two impacts. First, many popular aftermarket parts now fall within the new exemption level giving customers a powerful reason to take their business to the U.S. \$800 will buy a new awning for the RV, or a couple can put on a full set of new tires. This offers the chance to make a big saving on a purchase. For example, the duty on RV awnings can be as high as 18 percent, because of the textile content. Adding GST/HST of between 5 and 15 percent means purchasing it at a Canadian dealer priced at the same point becomes an uncompetitive 33% more expensive. Secondly, by raising the threshold so dramatically when the current threshold is already not being enforced actively, it is inevitable that there will be more cross-border tourism, shopping, and border evasion. This will include purchases beyond the products sold by dealers. Savings on the purchase of an aftermarket part or service will make it more attractive to holiday in the US, pulling campground, restaurant and fuel purchases away from Canadian companies. Inevitably, many Canadians will also purchase other goods while south of the border, representing a loss to Canadian retailers. In order to alleviate this situation, the RVDA of Canada recommends that duties on aftermarket RV parts and add-ons be reduced to zero.

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?

Canada-wide, there are currently not enough new college apprentice program graduates to replace those who will leave the workforce. In order to promote job creation in Canada, the federal government must play a lead role to support RV service technician apprentice programs across the country. This critical investment would address education resource challenges and provide incentives for prospective students. With tuition costs soaring, students in RV service technician apprentice programs are incurring significant debt. Without receiving enough financial support to help them succeed, program recruitment and retention is on the decline. College apprentice programs across Canada are currently in jeopardy and there is an imminent risk of losing them altogether, as there are not enough students to fill the seats. As such, the current supply of new graduates will not be sufficient to address the projected shortages and replace those who will be eligible to retire in the coming years.

The Recreation Vehicle Dealers Association (RVDA) of Canada 2010 payroll survey reported 1273 RV service technicians, compared to only 987 reported in the 2011 survey. In order to further address trades shortages, the RVDA of Canada recommends new initiatives to forgive a portion of Canada Student Loans for trade apprentices. Additionally, governments should provide debt relief/scholarships to students entering RV service technician apprentice programs. These measures would alleviate the pressure on students, allowing them to succeed within an industry that is key to economic development and stability. The Canadian RV industry is not simply one time sales; it serves as an engine of the economy, productivity, and employment, making vital contributions to ongoing tourism and recreation spending across Canada. These critical investments in education, recruitment and retention will help create more jobs and stimulate the national economy.

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?

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?

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?