

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Tourism Industry Association of the Yukon

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?

An increase in tourism marketing funding is necessary in order to compete with the spike in American tourism activity generated by Brand USA. If Canada and ultimately the Yukon are unable to compete, domestic tourism will be drawn south and there will be a decrease in foreign visitors from the USA (who account for the highest number of visitors to Canada). Already this tourism season there are signs that things are slowing, reports from the month of May (CTC May 2012 Snapshot) show that visitations from Core Markets (Australia, UK, France, Germany) are down from last year. Tourism marketing is important to the sustainability of the restaurants, hotels, museums, and other tourism based businesses that provide jobs and ensure an adequate standing of living for residents of the Yukon.

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?

With the above stated factors creating uncertainty in tourism, it is important to look for ways to encourage domestic travel and to focus on healthier markets in Asia. Making travel visa's easier to acquire for emerging markets in order to counter balance the decline of traditionally strong tourism markets is one initiative that could be highly beneficial to Canada. Japan, China, Mexico, Brazil, and India are on the rise, and have potential to become the new core. The Asian markets especially are expressing increased interest in the Yukon; this potential influx in visitors will help maintain the strength of the current tourism industry workforce and could possibly result in more job creation in the Yukon. Streamlined processes for these markets will make it feasible for more visitors to come to Canada, and to include the Yukon in their travels.

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?

With an aging population and changes in demographics, temporary seasonal workers are becoming an increasingly integral part of the tourism business in the Yukon. The Temporary Foreign Worker Program is a critical piece to maintaining staff in service industry jobs during peak seasons. Yukon currently has more summer products than winter products and therefore requires a larger work force in the summer than in the winter. Developing policies that make it easier to hire and house seasonal workers is an important piece to maintaining a strong tourism industry. An aging population will also require changes to infrastructure. A key problem facing most tourism businesses in the Yukon is that historical buildings were not built with wheelchair access in mind. Much of Yukon's infrastructure is not appropriate for elderly or disabled people. As seniors begin to constitute a larger portion of the population, Yukon tourism will need to put a greater emphasis on products relating to culture and heritage, as some of the

more physical activities relating to adventure travel may not be as attractive to some of the older demographic. Policies and funding to renovate buildings to meet these needs will be crucial.

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?

Immigration will be key in sustaining the Yukon's work force and replacing those who retire. Policies that encourage migration to northern and rural communities would be of particular benefit and would help fill labour shortages. The Yukon has traditionally had a strong retention rate with new immigrants and it would be a means of continuing to grow the territory and reduce influxes on already busy cities. In order to increase productivity, new training incentives and programs that encourage youth to go into tourism would be beneficial for building capacity and developing skills for future tourism operators. Along with this, more entrepreneurial programs and incentives for new operators to create innovative businesses would benefit the Yukon's tourism sector.

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?

At this point, owners and operators of tourism-based businesses across the board are facing major challenges in the wake of the recent federal cuts to tourism in Canada. The federal cuts to Parks Canada will be especially detrimental to the Yukon. Parks Canada in the Yukon manages a huge portion of the territory's tourism product, including artifacts and sites that represent the history and the identity of the Yukon; it also provides much needed support for many of the owners and operators of tourism related businesses in the Yukon. With more than 27% of the local Parks Canada employees being affected by the cuts, there will be major gaps left in the territory's tourism sector. Some of these gaps will make travel to the Yukon less convenient and enjoyable, some could put tourists in harm's way, others could mean some of our most precious areas will fall into disarray. With fewer services being offered to visitors, the territory will inevitably have fewer visitors; this will mean a significant loss of income for not only Yukon's tourism operators, but also for the restaurants and stores that depend on the traffic that these special places attract. This is a major concern, especially for those communities that rely heavily on these businesses for employment and on the money that is generated by tourism that supports their local economies. These cuts will disrupt the financial stability of these communities and will have major ramifications for Yukon's economy overall. To remedy this situation, the federal government could restore its meaningful investments to Parks Canada in the Yukon, or at the very least, work with the territorial government to develop and implement a transition plan that would ensure that the products that Parks Canada oversees are not jeopardized by these federal cuts.