

Creating Middle Class Jobs: A Federal Tourism Growth Strategy

Message from the Prime Minister

Canada is a world-class tourism destination, and Canada's tourism sector is hard at work to meet and exceed the expectations of visitors from around the world, and across Canada.

Our country is strong not in spite of our diversity, but because of it. No matter the faith we profess, where we were born, what language we speak, or whom we love – we are all equal members of this country. This is the Canada that Canadians are proud of and want to share with the world.

Canada's tourism sector is no different. The industry is as inclusive as it is diverse, and people from all age ranges in both rural and urban areas are represented in this fast-growing sector.

Visitors to Canada are also presented with a diversity of experiences. From summer festivals to winter carnivals, from elite gastronomical restaurants to poutine festivals, there is always something new and exciting to do. From safe, vibrant, and multicultural cities to breathtaking natural wonders to the authentic cultural experiences that the Indigenous People are proud to share, there is an experience for all types of visitors.

Tourism is a significant contributor to the Canadian economy. The Canadian Tourism industry has an extraordinary potential for growth and the *Creating Middle Class Jobs: A Federal Tourism Growth Strategy* aims to sustain existing initiatives while creating new opportunities for long-term development from coast to coast to coast.

I would like to take this opportunity to thank Minister Joly for her leadership on this file as well as the numerous individuals who have worked on and contributed to the *Creating Middle Class Jobs: A Federal Tourism Growth Strategy*. From civil servants to Advisory Council on Jobs and the Visitor Economy members to representatives from the tourism industry, this strategy is the culmination of your tireless efforts and Canadians all across Canada are grateful for your hard work.

The Right Honourable Justin Trudeau, Prime Minister of Canada

Message from the Minister of Tourism, Official Languages and La Francophonie

Whether it is polar bears in Churchill, wineries in Prince Edward County, getting closer to nature in Banff National Park, Niagara Falls, dining on the ocean floor in the Bay of Fundy, or world-renowned events in Toronto, Montreal and Vancouver—and of course, fascinating Indigenous cultures and people who want to share them—tourism showcases Canada’s diversity, natural beauty and unique experiences. Through tourism, Canadians express our love of country and community pride, which we are only too happy to share with the world.

Creating Middle Class Jobs: A Federal Tourism Growth Strategy will tap into this local pride, and empower communities from coast to coast to coast. The sector is already booming, with Canada bringing in a record number of visitors. As an economic driver, it often outpaces more traditional industries. In the Gaspé region, for example, it has surpassed fisheries to become the leading industry and job creator. And it is among the biggest industries in Atlantic Canada, British Columbia and Yukon.

Unfortunately, tourism is often overlooked as a viable and sustainable sector in Canada. This is despite its tremendous potential to transform communities facing economic difficulties, especially resource-dependent and single industry towns and cities. Jobs and opportunities were created when the Inn was built on Fogo Island; when Inverness, Nova Scotia developed its world-class golf course; when Murdochville, Quebec capitalized on outdoor adventure; and when Tofino, British Columbia attracted new beach resorts. At the same time, the tourism sector has created thousands of jobs for our major urban centres. Investing in tourism is a way to provide more opportunities for Canadians to shape a positive future for themselves, their families and their communities.

While our government has done a lot in the past few years to support the tourism sector, Canada is still not reaching its full potential. This is due in part to the fact that, when people visit Canada, they tend to come from June to September and stick to our three biggest cities. Even those looking for an outdoor adventure typically head to just a handful of our incredible destinations.

That has to change. Luckily, the opportunity has never been greater. Since the 1990s, globalization has helped billions of people join the middle class and travel beyond their borders. In 2018, there were 1.4 billion international tourists across the globe, up from just 500 million in 1995.

Canada can and must claim its fair share of this phenomenal growth. That is why this strategy puts tourism at the heart of our plan to create middle class jobs and grow Canada’s economy, and aims to bring new opportunities and pride to communities looking for a chance to show the world what they’ve got.

Organizations like the Tourism Industry Association of Canada and the Indigenous Tourism Association of Canada have been key partners in helping to develop this new strategy. I am honoured to have worked with them, and to be a champion for tourism and communities across the country as we seize this opportunity together.

See you out there,

The Honourable Mélanie Joly, Minister of Tourism, Official Languages and La Francophonie

Message from the Chair of the Advisory Council on Jobs and the Visitor Economy

In November 2018, it was my honour to be named as the Chair of Minister Joly's Advisory Council on Jobs and the Visitor Economy alongside a diverse group of thirteen tourism experts representing all regions of the country. The Advisory Council consisted of prominent tourism professionals from the private and public sectors and academia. All of us are passionate advocates for tourism, especially because of the inclusive economic opportunities tourism offers to all Canadians.

Canada's tourism sector is growing, and we need to maintain the momentum. A report commissioned by Destination Canada last year concluded that, under the right conditions, our tourism sector could outpace global growth through 2030. Minister Joly was given quite the challenge by the Prime Minister to develop the new *Creating Middle Class Jobs: A Federal Tourism Growth Strategy* in short order. The Advisory Council was convened to provide expert advice and to recommend new ways to increase Canadian tourism opportunities and Canada's competitiveness globally. As a first step toward identifying how to unlock the sector's potential, the Advisory Council focused on analysing the key barriers and opportunities facing tourism in Canada, such as labour and skills development, access, destination development, governance and technology adoption. Recognizing that some challenges could not be resolved in the short-term, the Advisory Council weighed in on wins that could be implemented immediately and identified other actions that could be adopted over the medium and long term.

The advice provided by the Advisory Council helped shape this new strategy. One of the most important new initiatives in the strategy is the Economic Strategy Table dedicated to tourism. The table represents a new model for collaboration between the federal government and tourism business leaders to address the long-term challenges faced by the sector. There is no doubt that tourism can be a much larger contributor to our economy and the new Economic Strategy Table will tackle some of the biggest issues that are preventing our tourism sector from realizing its full potential.

I am proud to have participated in an Advisory Council that helped develop a new federal tourism strategy that will help create economic opportunities in communities across the country and ensure that Canada remains a destination of choice for international tourists for years to come.

The Honourable Frank McKenna, PC, OC, ONB, QC

Tourism in Canada

Tourism has always been a driving force in the building of Canada. Bustling frontier towns and aspiring cities, spectacular geography, exotic wildlife and other natural wonders attracted international visitors well before Confederation. Provincial and territorial governments, along with business and community leaders, saw tourism as a way to draw newcomers, investors, and economic activity to their communities.

Tourism boomed after the Second World War, as economic expansion put more disposable income in the pockets of Canadians and international visitors. Travel for leisure became popular for the expanding middle class. Airline travel entered the mainstream and roads and highways, such as the TransCanada, were constructed. New businesses and tourism destinations sprang up in small towns and cities along the transportation networks and other newly constructed infrastructure.

Today, tourism is a pillar of the Canadian economy, generating \$102 billion in annual economic activity, 1.8 million jobs and accounting for over 2% of GDP. Since international visitors use foreign currency to buy Canadian services, tourism is Canada's largest service export, valued at over \$22 billion in 2018 and close to 20% of all service export revenues. The sector's footprint is virtually everywhere, underpinning businesses and not-for-profits in every province, territory, and city, as well as many small communities. In fact, 56% of tourism jobs are in rural Canada.

Tourism now offers good middle-class jobs with career choices in well-paid, highly skilled fields. At the same time, it provides first jobs for young people and new Canadians, and is increasingly an avenue for seniors interested in stimulating, people-oriented part-time work.

Canada has built a powerful national brand, consistently ranking among the best countries on earth, with the highest quality of life, and topping the charts for happiness and inclusiveness. We are a frequent travel recommendation among influential publications such as the *New York Times*, *Condé Nast*, *Lonely Planet* and *Le Monde*, among others. Our dynamic, multicultural cities, like Calgary, Vancouver, Montreal and Toronto, are among the most liveable on the planet. They are safe, have reliable infrastructure, and a wide range of exceptional cultural and recreational activities. Beyond the metropolitan centres, Canada's smaller towns and communities offer their own singular experiences and attractions, including authentic Indigenous tourism experiences. They are also the gateways to globally famous national parks, heritage sites and the country's vast iconic wilderness.

The world is paying attention and coming to Canada in larger numbers than ever before, and from a widening range of countries. Canada has a long-standing reputation as a welcoming country, a reputation boosted when international travellers flocked to Canada to take part in the world's biggest events: Expo 1967 and the 1976 Olympic Games in Montreal, the Calgary Olympic Winter Games in 1988, and the Vancouver Expo in 1986 and the Olympic and Paralympic Winter Games in 2010. That surge in tourism keeps rising with international visitation reaching a new height with the 150th anniversary of Confederation in 2017, only to be surpassed again in 2018 with over 21 million arrivals.

Our government is committed to making sure this growth continues in a sustainable way, the industry remains robust and communities can act on their opportunities and gain their share of tourism revenue. Indigenous tourism, for example, is developing rapidly with a GDP growth rate of 23% from 2014 to 2017, compared to 14.5% GDP growth rate during the same period for the tourism sector overall. Through small businesses like galleries and wilderness tours, through to community-based festivals,

museums, cultural history centres and natural heritage sites, Indigenous communities offer a collection of authentic and unique experiences.

Yet, despite recent successes, Canada has been falling behind as other countries ramp up their efforts to compete in what is an increasingly crowded field. We need to stand out from the crowd and fight harder for our fair share of the international market. That is why *Creating Middle Class Jobs: A Federal Tourism Growth Strategy* outlines a whole-of-government approach to unleashing Canada's extraordinary potential by addressing structural barriers and helping unlock investment. To make this happen we will:

- 1) Stimulate and diversify Canada's tourism products and experiences
- 2) Adopt a collaborative public-private sector model for tourism investment
- 3) Raise the profile and sustainable performance of Canada's tourism sector as a key economic driver through federal leadership

What Our Government Has Done for Tourism

Since 2016, federal budgets have presented concrete measures to accelerate the sector's expansion. At the same time, historic investments have been made in developing the transportation, communications, social and cultural infrastructure that enables the industry's growth—and that of the Canadian economy as a whole.

Among the first steps taken by our government was increasing and stabilizing funding at \$95 million for Destination Canada, the Crown corporation that markets Canada abroad as a tourism destination. This has enabled Destination Canada to resume creatively promoting Canada to leisure and business travellers and launch innovative digital marketing campaigns directed at prospective US visitors and millennial travellers. Our government also earmarked \$5 million in Budget 2019 to encourage Canadians to discover more of their own country, helping grow tourism in our rural regions and cultivating a generation of ambassadors to greet visitors from around the world. With these measures, the federal government signalled it was back in the game, with a serious intent to increase arrivals and grow the visitor economy.

Other measures followed. Investments were made to ensure that visa applications are processed efficiently, and to improve wait times and traveller experience at borders and airports by modernizing operations like screening and biometrics at entry points. As well, initiatives to increase the number of Chinese visitors were introduced, most notable being the announcement by the Prime Minister and the Chinese Premier of the Canada-China Year of Tourism in 2018 and the opening of seven visa application centres in China. Funds were also directed to Canada's Indigenous tourism industry, supporting the Indigenous Tourism Association of Canada's (ITAC) tourism strategy.

Major investments by many federal departments and agencies are helping build tourism capacity. Several billion dollars were directed to Parks Canada—the country's largest provider of natural and cultural tourism experiences—to improve its visitor and transportation infrastructure and better manage its heritage resources. In 2015, Canada's first National Urban National Park—Rouge National Park in Toronto, was established. In 2017, eight natural and cultural heritage properties were made candidates for UNESCO World Heritage Sites, and work proceeded on new parks in British Columbia, Nunavut and the Northwest Territories.

Furthermore, in June 2018, the Government of Canada introduced Bill C-81, the *Accessible Canada Act: An Act to Ensure a Barrier-free Canada*, in Parliament. Bill C-81 aims to achieve a barrier-free Canada through the proactive identification, removal, and prevention of barriers to accessibility in all areas under federal jurisdiction, including transportation services such as air and rail.

The Government of Canada made big investments to renovate and develop cultural and recreational infrastructure, including major facilities like the Canada Science and Technology Museum, the National Arts Centre and the new Canadian History Hall at the Canadian History Museum. Funding increased for professional arts and heritage activities, festivals, sporting events and cultural projects in hundreds of rural and urban centres each year. A high point was the celebration of Canada's 150th anniversary in 2017 when more than 32 million Canadians and international visitors participated in 5,800 national, regional and community activities over the year and across the country. Furthermore, significant investments have been made in Indigenous tourism, including \$8.6 million to ITAC to help grow Indigenous tourism businesses. This funding has allowed ITAC to carry out national and international marketing, and develop partnerships to help Indigenous businesses to become export-ready. Parks

Canada was also allocated \$23.9 million to integrate Indigenous views, history and heritage into national parks, marine conservation areas and historic sites across the country.

In addition, our government helped to showcase our Francophone heritage and culture by supporting the Francophone Heritage, Culture and Tourism Corridor, and Destination Canada and the Réseau de développement économique et d'employabilité are working together to promote tourism experiences to Francophones and Francophiles wishing to visit Canada.

Our government has also invested massively in public infrastructure, in communities across Canada. Examples are the ambitious extensions to light rapid transit (LRT) systems in Ottawa, Calgary, Toronto, Montreal and Vancouver. Modernized and upgraded transportation systems benefit both Canadians and visitors, who experience improved convenience and efficiencies when moving within and between communities, for example, when going from airports to city centres using the Réseau express métropolitain in Montreal and the Canada Line in Vancouver. Commitments to universal broadband will bring fully modern communications technology to rural regions and will help those communities build and market tourism products.

Tourism also benefits from steps taken to address labour shortages. The Canada Summer Jobs program creates jobs for youth in heritage and the arts; flexibility in Employment Insurance provides for training and supplementary income for workers where tourism is seasonal; the Global Skills Strategy helps bring international talent to companies operating in Canada; and seniors can remain in or return to the workforce while keeping more of their Guaranteed Income Supplement or Allowance benefits. The Government of Canada has also partnered with industry associations to address barriers to employment for newcomers through an innovative pilot project that assists them in gaining job experience in sustainable, long-term hotel jobs across the country. Since small and medium-sized businesses are the backbone of the tourism industry, lowering the small business tax from 10.5% to 9% helps the industry thrive.

In 2017, our government released *Canada's Tourism Vision*, a plan to grow international visitation to Canada. Building on that vision, the new Minister of Tourism, Official Languages and La Francophonie, appointed in August 2018, was mandated to develop a federal Tourism Strategy to create tourism jobs for the middle class in communities across the country. She was asked to work with provincial, territorial, and municipal counterparts to promote Canadian tourism, strengthen Canada's international brand, address structural barriers to investment and diversify Canada's tourism sources and attractions.

The creation of the Advisory Council on Jobs and the Visitor Economy, in fall 2018, added further momentum. Comprising tourism business owners, academics and other professionals, the Council was charged with identifying the big issues confronting the sector and recommending ways to expand opportunities and Canada's global competitiveness. This was reinforced by coast to coast to coast roundtables with front-line tourism and travel industry experts, convened by the Minister. The multi-city tour gave her the opportunity to gather ideas and recommendations for a new federal tourism strategy.

In December 2018, Destination Canada published *Unlocking the Potential of Canada's Visitor Economy*, a collaboration with McKinsey & Company. The report clearly describes the state of the industry—its performance relative to international peers, its major challenges and its strong potential for growth and diversification—together with recommendations on how to significantly advance the sector as a key driver of the economy.

Finally, Budget 2019 recognizes tourism as a high-priority, high-growth industry and provides a renewed focus to supporting the visitor economy. It contains measures centred on communities and their capacities to develop tourism attractions that take advantage of their unique cultures, heritage, locations and seasons. The Government of Canada is giving Canadians the tools to show the world what our regions, towns and cities have to offer.

Our government will use every lever at its disposal to support growth and innovation in the sector, using a host of complementary initiatives that have a direct and meaningful impact on tourism, enabling growth for many years to come. In the attached Annex, 36 initiatives are described that will empower communities to develop tourism experiences; attract deeper investment; improve enabling infrastructure for better access, convenience and visitor mobility; support the sector's businesses; and build the workforce.

Canada's Big Opportunity: Creating Good Middle Class Jobs

With international travel growing fast, the recent Destination Canada study found that with the right policies and investments, Canada's visitor economy has the potential to generate up to \$25 billion in tourism export growth and upwards of 180,000 new jobs by 2030.

The report, however, clearly identifies five long-standing challenges where progress is needed for this potential to be realized.

The first concerns concentration of demand. Just over three out of four international visitors travel only to Canada's largest provinces, Ontario, British Columbia and Quebec, and most go to their biggest cities: Toronto, Vancouver and Montreal. Drawing tourists to venture beyond the big cities remains a challenge for regions that want to expand their visitor economies. For example, Gros Morne National Park was given top ranking by Trip Advisor as Canada's best national park, but it is ranked 19 out of 46 national parks in number of visitors. To grow regional and rural economies, we need to have more visitors travelling to lesser known parts of the country. Demand is also highly seasonal, with most visits to Canada taking place in the summer. Moreover, despite gains in markets such as the United Kingdom, China, France and Germany, the United States remains the primary source country for tourists.

Access is a second issue. In such an immense country, making travel more convenient and affordable is a constant concern. Focus is needed on upgrading urban infrastructure and working with the private sector towards providing better services to smaller centres and low-cost travel options. We will also continue our efforts with the private sector, including our largest airlines, to encourage the active celebration of Canada's tourism destinations. Accessibility for persons with disabilities is also a barrier to growth, a concern identified by the Advisory Council on Jobs and the Visitor Economy.

Labour and skills shortages are a third area requiring attention. While not unique to the tourism sector, and shared by other countries, jobs remain vacant in some regions, often due to their seasonal nature. Tourism is not always top-of-mind career choice, though its potential as a rewarding and stable career is being increasingly appreciated.

A fourth challenge is the availability of domestic and international investment, especially into building hotel and convention capacity in major cities, and resorts and boutique facilities in smaller communities and rural areas. Our government is providing support to develop transport infrastructure outside urban centres, and improving access to new destinations and tourism experiences. However, other sources of capital are needed so local governments and businesses can finance their tourism projects.

The final impediment to growth is the weak integration of the sector's many stakeholders and their activities. Canada's tourism sector is fragmented, with destinations and experiences dispersed across a vast country. Funding sources and targeted programs are spread horizontally among many government departments and agencies, at the federal, provincial and territorial levels. Many large- and medium-sized municipalities have visitor promotion offices that could be more effectively connected to other players in the sector. The path to growth requires greater coordination and coherence of public and private sector actions, stronger governance mechanisms, and leadership at the national level focused on long-term results.

Make no mistake: Canada's tourism sector is a high-growth, high-potential opportunity, and is at a crossroads. Either it settles for business as usual, and risks steadily losing ground, or it sets the bar

higher with aggressive targets and mobilizes the resources to reach them. During our government's mandate, investments and policies have been put in place to help grow the industry. In the face of fierce international competition, more is needed to secure Canada's position as a global destination. New approaches to product investment and development, industry participation, and federal leadership have become pressing priorities.

Creating Middle Class Jobs: A Federal Tourism Growth Strategy

The overarching objective of *Creating Middle Class Jobs: A Federal Tourism Growth Strategy* is to unleash the potential of tourism to drive economic growth and job creation in all regions of the country. It is founded on the recognition that every community has something to offer and can aspire to be a destination in its own right.

Creating Middle Class Jobs: A Federal Tourism Growth Strategy builds off three pillars—innovations tightly focused on growing the visitor economy over the short, medium and long term.

Pillar 1 – Building Tourism in Canada’s Communities

To attract more tourists to our communities, we need to expand our distinctive product lines and develop more unique attractions in all regions. International visitation to Canada is highly concentrated in our three largest cities and a handful of our most popular destinations, like Banff National Park, Whistler, Mont Tremblant and Niagara Falls. The fact that international tourists also visit Canada overwhelmingly during the summer exacerbates the concentration of international tourism to a few months spent in a few parts of Canada.

To grow and benefit from tourism, communities must exploit and develop the characteristics that make them special. In so doing, they will be better able to convince tourists to get off the beaten path, explore the lesser-known parts of the country, and to visit during the off-peak seasons.

Budget 2019 announced the Canadian Experiences Fund, the first major step in this strategy: a \$58.5 million investment in enhancing the products and experiences Canada offers to tourists. It is focused on products and experiences that play to communities’ strengths, elevate local revenues, and disperse international visitors beyond the usual destinations and the summer season.

The strategy recognizes that a competitive tourism sector starts with a commitment to quality and differentiation. This means that Canada must offer exciting, compelling and singular offerings for tourists to see, do and, increasingly, share via social media. If Canada is to be widely known as a premier international destination, unique products and experiences are vital to stand out in a crowded field.

The Canadian Experiences Fund has five key product lines for investment:

Winter and shoulder-season tourism – While Canada is known for its winters, spectacular fall colors and rugged northern landscapes, our peak season remains the summer months. We have to do more in order to draw more international tourists to our white gold, so they come here to ski, compete in hockey tournaments, snowshoe and snowmobile. People around the world want to see our polar bears, experience the remoteness of the Arctic and share in the Indigenous culture, witness the spectacular northern lights, and take part in our renowned winter festivals, such as the Carnaval de Québec, Ottawa’s Winterlude, the Nikka Yuko Japanese Garden lights festival in Lethbridge, and more. They want to experience our great sugar shack tradition and take in our kaleidoscopic fall scenery. By investing in winter and shoulder season offerings, the Canadian Experiences Fund will strengthen an advantage for which Canada is already well known, while providing more reasons to visit in the off-peak seasons.

Indigenous tourism – The history and contributions of Indigenous Peoples are deeply embedded in Canada’s identity. Very few countries have the authentic cultural experiences that Indigenous Peoples

here willingly share with visitors. According to the Indigenous Tourism Association of Canada, over 1 in 3 visitors are interested in Indigenous experiences, including 35% of Chinese and 63% of French travellers. Tourism is steadily becoming an important economic contributor and job creator for Indigenous communities across the country. The Canadian Experiences Fund will help Indigenous Peoples present their histories, traditional stories, creative arts and contemporary values to the world, while creating new economic opportunities. It will support the growth of Indigenous tourism in Canada and address the demand for the development of market- and export-ready authentic Indigenous experiences.

Rural and remote tourism -- Canada is a country of large spaces and breathtaking nature. The Canadian Experiences Fund will prioritize investments in rural and remote areas to create middle class jobs and new economic opportunities in communities, and to entice tourists to lesser known parts of the country. Consistent with the aims of the Rural Economic Development Strategy, this will help rural communities build on their strengths to transition to a more diverse economy through strategic planning. The Canadian Experiences Fund will help develop attractions outside major cities as well as the facilities and services to support tourism. The new fund will also offer assistance for sustainable and accessible development planning, community beautification projects, adventure tourism, eco-tourism and agri-tourism.

Farm-to-Table/Sea-to-Table and Culinary tourism – 80% of international travellers choose their destinations partly based on gastronomy. While Canada is a great place to eat, meet and sample local wines and craft beers, only 20% of our visitors come here for such pleasures. Canadians might take for granted the fact that our cultural and regional diversity means we offer spectacular world-class cuisine. To capitalize on this, the Canadian Experiences Fund will prioritize investments in projects like culinary trails, Indigenous culinary experiences, food festivals and farmers' markets, as well as onsite experience development such as breweries, wineries, farms, fisheries and maple syrup producers. The aim will be to strengthen our reputation as a country that offers a taste of the world, with a wide variety of wine, spirits and other highly regarded homegrown and locally sourced products.

Inclusive tourism – Canada is built around shared values of diversity, equity, optimism and personal security. These values are especially well aligned with the LGBTQ2 community, for whom safety and acceptance still rank high when choosing a travel destination. What's more, research shows that LGBTQ2 travellers vacation more frequently and are prepared to spend more than other travellers, and return to places where they had good experiences. As a progressive country, Canada has a competitive advantage, and Canada was recently named as a top LGBTQ2-friendly destination (*Lonely Planet, Huffington Post*). Moreover, Prime Minister Trudeau received the International Gay & Lesbian Travel Association's 2018 Pinnacle Award, which recognizes destinations that have a welcoming environment.

The Canadian Experiences Fund will prioritize investments in LGBTQ2 tourism. Among supported projects, we will expand LGBTQ2 Diversity Training and Market Readiness programs in order to provide safe and respectful sites that everyone can enjoy across Canada. Funds have also been allocated to support both major Pride festivals, which have become international tourism attractions, and other smaller Pride events are invited to work with Fierté Canada Pride and the Regional Economic Development Agencies to seek funding through the Canadian Experiences Fund.

Pillar 2 – Attracting Investment to the Visitor Economy

Working Better Together

Canada's tourism sector suffers from a lack of investment. All levels of government have a role to play in tourism. But a lack of coordination means governments are not having as big an impact as they could. To improve coordination among jurisdictions and help attract private investment into the sector, this strategy will establish Tourism Investment Groups in every region of Canada-to enable the development of impactful tourism projects, including large-scale destination projects.

Federal Partners

Within the federal government alone, several departments and agencies have key roles in tourism. Parks Canada is a major tourism asset owner with 46 national parks, 171 national historic sites, 4 national marine conservation areas, and a national urban park. As Canada's largest provider of natural and cultural tourism, Parks Canada's destinations form important cornerstones for local, regional and national tourism industries. Destination Canada markets and promotes Canada to the world as a tourism destination. Canadian Heritage supports concerts, festivals, performances and similar events, and facilities like museums, theatres and other cultural venues. The Business Development Bank of Canada provides capital for tourism entrepreneurs. The six Regional Economic Development Agencies support tourism through community economic development. The Canada Infrastructure Bank has a mandate to bring investment to infrastructure projects that generate revenue, grow the economy and build projects in the public interest. They could, and have, considered, projects in tourism and we welcome that.

The Regional Economic Development Agencies and Destination Canada will co-lead the Tourism Investment Groups, which will be tailored to meet the specific needs of each region of the country. Other participating agencies will include Parks Canada, Canadian Heritage and the Business Development Bank of Canada. The federal government will also leverage its export promotion architecture to support tourism. The Trade Commissioner Service will continue to provide active support to Canadian entities, both public and private, which are involved in the promotion of tourism and investment attraction. Export Development Canada and Invest in Canada will explore ways to enhance support to exporters of tourism products and services, as well as those seeking to invest in the tourism sector in Canada. The participation of these agencies in the new federal tourism strategy is a significant step toward ensuring sustained growth in Canadian tourism.

Alignment with the Provinces and Territories

The federal government will work through the Tourism Investment Groups to become a more effective partner to each of the regions, enabling promising products to be developed and ensuring that investments are coherent and congruent. The Groups will have a global market perspective, an understanding of the intra-governmental environment, a shared knowledge base and the capacity to harmonize priorities across organizations. Their objective will be to ensure a consistent approach to developing destinations regionally that enhance local community opportunities.

Provincial and territorial partners will also be invited to the table to participate in identifying opportunities and aligning investments. This new approach to collaboration will assist in developing big, impactful tourism projects—up to and including destinations on a scale rarely seen in Canada.

Not all regions have the range of assets necessary for an internationally recognized tourism cluster, such as the Okanagan wine region of British Columbia. Not all communities have the same scale of attractions or are at the same level of development. For example, Mont Tremblant is one of the highest peaks in the Laurentians and has been a downhill skiing destination for over 80 years. It would be difficult for other communities or regions to go head-to-head with such an established destination. However, opportunities exist for cluster formation around such signature locales, especially for communities offering unique hospitality facilities, alternative outdoor recreation, special events wellness services or Indigenous tourism experiences. It should be noted that 50% of our territorial population is Indigenous, which represents a significant opportunity going forward.

Pillar 3 – A Renewed Focus on Public-Private Collaboration

Creating Middle Class Jobs: A Federal Tourism Growth Strategy recognizes the long-standing barriers to growing Canada’s tourism sector—barriers that are not easily overcome in the short term. Stronger partnerships with industry leaders are needed to tackle those challenges over the long term. For this reason, our government has established an Economic Strategy Table for Tourism.

In Budget 2017, the Minister of Finance announced a new model for industry-government collaboration, focused on turning Canadian economic strengths into global advantages through the creation of Economic Strategy Tables. They represented a new approach to development in high-growth and high-potential sectors: advanced manufacturing, agri-food, clean technology, digital industries, health/bio-sciences and resources of the future. Each Table consists of industry leaders, including top CEOs, who set ambitious growth targets, identify sector-specific challenges and “bottlenecks,” and lay out an actionable roadmap to making the country an innovation leader in these sectors.

Budget 2019 formally recognized tourism as a high-growth, high-potential sector deserving its own Economic Strategy Table. As part of the Federal Tourism Growth Strategy, the new Table was launched in spring 2019. It provides a unique platform for targeted actions to stimulate and sustain growth in Canada’s tourism sector. Government working collaboratively with industry in this way will ensure that tourism is on the front lines of economic policy-making, so that challenges are effectively addressed and strategic opportunities are seized to grow the visitor economy and create good middle class jobs.

Critical areas the Table could address include the high cost of travelling to and within Canada, labour shortages and the lack of investment. It could also look at competitiveness, sustainability, the sharing economy and digital platforms.

Bold Targets for an Ambitious Plan

To determine how well this strategy is performing, our government has set ambitious but achievable targets and will closely measure progress through to 2025.

Three metrics will help measure the economic impact of this strategy. Taking 2018 as a baseline and 2025 as the target year, the Government will track 1) revenue, i.e., total spending by tourists on goods and services; 2) number of jobs created; and 3) tourism GDP growth.

Economic Impact Targets To 2025		
<i>Metric</i>	<i>Percentage Increase</i>	<i>End Value</i>
▪ Revenue	25%	\$128 billion
▪ Jobs	7.3%	54,000 new jobs
▪ GDP	Growth in the visitor economy will outpace growth in the national economy.	

A key focus of this strategy is enticing tourists to visit less known parts of the country and during the winter and shoulder seasons. Therefore, targets for the seasonal and geographic dispersion of tourism have also been established. Seasonal dispersion is measured by the growth in international tourist arrivals from November to April. Geographic dispersion is measured by growth in spending outside Canada’s top three major tourism regions (Greater Toronto Area, Montréal, and Vancouver – coast and mountains).

Dispersion Targets to 2025
▪ International tourist arrivals in the winter and shoulder seasons will increase by over 1 million.
▪ Tourism spending outside our three largest cities and their surrounding areas will increase.

Robust, clear and comprehensive data are supporting evidence-based decision-making by both government and industry. By setting bold targets and measuring performance, the impact of the strategy can be monitored and evaluated over time.

Moving Forward

Creating Middle Class Jobs: A Federal Tourism Growth Strategy sets out a new approach to grow Canada's visitor economy. It recognizes that international tourism is a vital contributor to the country's prosperity. And it is premised on tourism's capacity for rapid expansion—providing governments mobilize the right policies and investments, and private sector partners are ready to capitalize on the opportunities.

At the core of the strategy are three initiatives to catalyze the tourism sector: a new program to empower communities to create distinctive experiences and attractions that play to their strengths, regardless of location or season; Tourism Investment Groups in each region to optimize public funding and attract private capital for destination development; and an Economic Strategy Table for Tourism, bringing government and industry leaders together, positioning the sector to progress to a higher level of performance.

Above all, the strategy recognizes that tourism is not an industry destined to be concentrated in one or two regions, a handful of towns and cities, a short period of the year, or a narrow band of activities. Canada is a vast country, with extraordinary natural and cultural assets. Inclusiveness, caring for others, our matchless environment and a promising future are woven into the national identity. We have much to showcase and offer tourists—in the places where we all live, work and play. *Creating Middle Class Jobs: A Federal Tourism Growth Strategy* will enable Canada's communities to diversify their economies and create meaningful jobs, while sharing the best of our home and native land.

New Federal Tourism Growth Strategy – Initiatives Appendix

Empowering Communities to Develop Tourism Experiences

Canadian Experiences Fund

- The Canadian Experiences Fund will enhance Canada’s tourism products and experiences across five key product lines: rural tourism, shoulder season and winter tourism, LGBTQ2 tourism, farm-to-table tourism and Indigenous tourism. (\$58.5 million over two years)

Canada Arts Presentation Fund

- This program enriches the tourism product lines of Canadian communities of all sizes, both urban and rural, through investment in professional live arts events.
- With an additional allocation of \$16 million over two years, more Canadians and international visitors will have a chance to see, hear and celebrate Canadians’ talents at professional arts festivals and performing arts events.

Building Communities Through Arts and Heritage Program and the Celebration and Commemoration Program

- These programs offer visitors to communities the opportunities to enjoy celebrations and commemorations of national significance that showcase Canada’s diverse cultures and history at community festivals and events. (\$24 million over two years)

Canada’s UNESCO Biosphere Reserves and UNESCO Global Geoparks

- Canada’s UNESCO Biosphere Reserves and Geoparks will be positioned as key destinations for sustainable tourism, and local communities will be supported in their collective efforts to achieve and maintain these prestigious UNESCO designations.

Supporting Capital Assets in Canada’s National Parks, Conservation Areas and Historic Sites

- Additional investments of \$368 million over two years were provided in Budget 2019 to support capital projects. This funding will ensure that Canadians can continue to enjoy Canada’s natural and cultural treasures in our national parks, national historic sites, and national marine conservation areas.
- The Government of Canada will take steps to legally establish Thaidene Nëné National Park Reserve in the Northwest Territories, which is an area of great cultural importance to the Łutsël K’é Dene First Nation and the Northwest Territory Métis Nation peoples.
- \$55 million has been invested in support of critical repair and maintenance to pathways and infrastructure expansion for current and future visitors and residents to enjoy Canada’s Capital Region.

Destination Canada's Domestic Marketing Campaign

- A \$5 million national marketing campaign will be launched to promote pride and community spirit in Canadians and domestic tourism. It will be focused on new destinations such as less visited national parks, off-peak seasonal travel and Indigenous experiences.

Community Opportunity Readiness Program

- This program provides project-based funding for First Nation and Inuit communities to assist in the pursuit of, and participation in, economic opportunities.

A Food Policy for Canada

- As part of the Food Policy for Canada, a Buy Canadian Promotion Campaign (\$25 million) was proposed as part of Budget 2019 that will better connect Canadians with and instill pride in Canada's food system and its food, seafood and agricultural products. Work undertaken as part of this campaign could be leveraged by food service and culinary tourism operators to support the marketing of unique and authentic culinary experiences to international tourists.

Rural Economic Development Strategy Alignment

- Enhancing rural tourist products and experiences, along with addressing skills and labour shortages, extending broadband Internet and technology adoption, and improving infrastructure are shared goals of the Rural Economic Development Strategy and the new tourism strategy.
- Together with communities and tourism partners, these two strategies will address challenges and optimize the potential of tourism in rural Canada.

Attracting Investment in Tourism

Regional Tourism Investment Groups

- Together with Destination Canada, the Regional Economic Development Agencies will co-lead Tourism Investment Groups to better align investments across the federal government and jurisdictions, and to attract more private sector investment. These groups will include Parks Canada, Canadian Heritage and the Business Development Bank of Canada. Export Development Canada and Invest in Canada will also be invited to participate.

Supporting Businesses and Empowering the Tourism Workforce

Tourism Industry Economic Strategy Table

- The 7th Economic Strategy Table will raise the profile of the tourism sector and address its long-term challenges through an innovative, collaborative model that maximizes both industry and government involvement in growing the visitor economy.

Global Skills Strategy

- Canada's Global Skills Strategy helps Canadian businesses attract and bring top talent they need to succeed in the international marketplace. The Global Talent Stream became permanent, giving businesses expedited, predictable access to global talent when Canadian workers are unavailable (\$35.2 million over five years, \$7.4 million ongoing).
- Employment and Social Development Canada (ESDC) and Immigration, Refugees and Citizenship Canada will work towards raising awareness of the Global Skills Strategy within the tourism sector and engaging key tourism stakeholders on exploring the possibility of becoming designated partners.

Destination Employment Program

- Tourism HR Canada, Hotel Association of Canada and IRCC will expand its pilot project to assist newcomers in gaining job experience in the tourism sector in Canada.

Student Work Placement Program

- The Student Work Placement Program provides post-secondary students opportunities to gain paid work experience related to their studies. This successful program has been expanded with an investment of \$631.2 million over five years, to students in the arts, humanities and social sciences.
- The program will work with employer consortia in the tourism sector to build multi-stakeholder partnerships between post-secondary education institutions and Canadian tourism businesses. The objective is to provide additional work placement opportunities in the tourism sector for post-secondary students.

Sectoral Initiatives Program

- The Sectoral Initiatives Program funds projects that address current and future skills shortages. These include improving the availability of sectoral labour market information, national occupational standards, and accreditation and certification regimes.
- The program has provided Tourism HR Canada with multi-year project funding to develop research, labour market information, forecasts, competency frameworks and other assistance to support human resource planning, skills development, worker certification and related tools for the tourism sector.

New Horizons for Seniors Program

- The New Horizons for Seniors Program funds projects that enable seniors to make valuable contributions to their communities by sharing their knowledge, skills and experience.
- Budget 2019 provides additional funding of \$20 million annually for this program, which includes some projects to combat ageism in the workplace and promote the labour market attachment of seniors.

Enhancing the Guaranteed Income Supplement Earnings Exemption for Low-Income Seniors Who Work

- Legislation will be introduced to make retirement more financially secure for low-income seniors who work by enhancing the Guaranteed Income Supplement earnings exemption so they can keep more of their benefits.
- The proposed enhancement will further reduce disincentives to work for older workers. It might prompt more low-income seniors to remain in or re-enter the labour market, helping address labour shortages in the tourism sector.

Canada Training Benefit

- The Canada Training Benefit initiative will address barriers to professional development for working Canadians. It will provide a personalized, portable training benefit to help them acquire new skills to adapt to the changing nature of work, including in the tourism sector. (\$1.7 billion investment over five years).

Futurpreneur Canada

- Futurpreneur Canada (partnered with the Business Development Bank of Canada) supports the next generation of Canadian entrepreneurs through financing an internationally-recognized mentorship program. It matches young entrepreneurs with a business expert and learning resources to help bring new business ideas to market.
- Additional investment in this program will benefit young entrepreneurs in the tourism sector with innovative ideas on how to change the business landscape (\$38 million over five years, including \$3 million for engaging young Indigenous entrepreneurs).

LGBTQ2 Workshops with Tourism HR

- The Government of Canada, in collaboration with Tourism HR Canada, launched diversity training workshops to better support the LGBTQ2 tourism sector and help tourism operators build their capacity to welcome more LGBTQ2 travellers to Canada.

Tourism Market and Export-Ready Program for Chinese visitors

- A formalized partnership with Tourism HR Canada was established to deliver a China export-readiness program to tourism businesses that are looking to expand their impact in the Chinese market.
- This program will help small and medium-sized enterprises attract Chinese visitors and provide information on successfully exporting to the Chinese market (online learning modules and training sessions).

Expo 2020, Dubai

- Expo 2020 is expected to draw over 25 million visits: 70% of the visits will be made by individuals from outside the UAE. This will be the largest proportion of international visitors at any World Exhibition. The visitors will include a significant concentration of senior businesspeople and influencers, drawn from the Gulf countries, India and China.

- Expo 2020 will provide an opportunity for Canada to promote itself as a destination of choice for trade, investment, tourism and culture to millions of international business and leisure travellers. Canada’s 2020 theme, “Canada: The Future in Mind,” will serve as a platform to showcase Canadian innovation, access global markets, as well as establish and build on existing business and cultural relationships, which can, in turn, open doors for Canadian companies of all sizes so they can compete and succeed in thriving markets worldwide.

Creative Export Strategy

- The Creative Export Strategy develops partnerships, promotes and leverages the visibility of Canadian creative industries, and helps export-ready firms succeed globally.
- Canada will be the Guest of Honour at the Frankfurt International Book Fair 2020, which will help to raise the profile of Canada as a premier tourism destination and strengthen Canada’s brand abroad.

Aboriginal Entrepreneurship Program

- This program seeks to increase the number of viable businesses in Canada that are owned and controlled by Indigenous Canadians by providing access to capital for Indigenous businesses, improving access to business opportunities for Indigenous businesses and advocating and informing employers about the hiring of Indigenous peoples.

Temporary Foreign Worker (TFW) Program Service Delivery Improvements to Reduce Backlogs

- ESDC has taken a number of steps to improve service delivery to employers, which includes additional departmental investments of \$3.4 million to handle the increased number of applications, and it continues to consider other opportunities to improve service delivery.
- The regions are focusing on the triage of Labour Market Impact Assessment (LMIA) applications, taking into consideration submission date, prioritizing those eligible for priority processing and those with an urgent need based on the overall assessment of the LMIA application. Employers who are able to submit a reasonable justification for priority processing should contact their Service Canada LMIA Processing Centre to apply to have their application expedited.
- Furthermore, as part of ongoing efforts to improve service delivery, the TFW Program is currently reviewing the LMIA application and processing procedures to find efficiencies and improve the service given to employers. This includes establishing service standards for all program streams, developing an LMIA online platform, improving internal processes to provide employers with accurate and consistent service at the first point of contact, as well as updating the TFW Program website content to better describe program requirements.

Enabling Tourism with Better Infrastructure

Investing in Universal Broadband

- 95% of homes and businesses will have access to high-speed Internet by 2026, and 100% by 2030, no matter where they are located.

- Up to \$1.7 billion will be allocated to make available universal high-speed broadband in rural, remote and northern communities. This will allow tourism businesses in underserved communities the ability to expand their digital footprints to access new markets and create seamless experiences for visitors.

New Infrastructure Funding for Local Communities Through a Municipal Top-Up

- Budget 2019 provides a one-time transfer of \$2.2 billion to address short-term priorities in municipalities and Indigenous communities. Eligible projects include highways, short-sea shipping, tourism, cultural, small airports, transportation, sport and recreation, and culture and tourism infrastructure.

Reform of the Corporate Structure of the Canadian Air Transport Security Authority (CATSA)

- The government is pursuing the creation of a private, not-for-profit corporation that will ensure a long-term efficient and sustainable approach to security screening at Canada's airports, a key service that Canadian and international travellers rely on, while ensuring security.

Port of Montréal/Silo 5

- Canada Lands Company (a Crown corporation) has launched a process to revitalize the Pointe-du-Moulin and Silo 5 area and transform it into an emblematic project for the City of Montréal. This new site will be the centrepiece of an inspiring project that combines urban planning and heritage protection, opening one of the harbour's most iconic structures (Silo 5) to the public.

Harbourfront Centre in Toronto

- Investment of \$32.5 million over five years to support the operations of the Harbourfront Centre in Toronto to provide access to cultural, educational and recreational programs that enliven, educate and entertain the public on Toronto's waterfront. This anchor attraction in the City of Toronto helps to strengthen Canada's brand as a diverse, inclusive and culturally vibrant destination.

Infrastructure Funding for the City of Ottawa

- As part of the \$2.2 billion earmarked for new infrastructure funding in Budget 2019 (see initiative: New Infrastructure Funding for Local Communities Through a Municipal Top-Up), the City of Ottawa will receive approximately \$57 million to help fund its LRT expansion, easing transportation pressures for residents and tourists in the city.

Toronto Transportation

- Budget 2019 announced an investment of \$93.5 million to improve seven GO Transit lines in the Greater Toronto-Hamilton area, helping visitors reach their destinations inside and outside the city centre much faster.

Air Passenger Protection Regulations

- The Air Passenger Protection Regulations (APPR) will define requirements with respect to clear communication, delayed or cancelled flights, denied boarding, tarmac delays over three hours, the seating of children under the age of 14, damaged or lost baggage and the transportation of musical instruments.
- These regulations will ensure clearer, more consistent passenger rights by establishing minimum requirements, standards of treatment and, in some situations, minimum levels of compensation that all air carriers must provide for passengers.

Legislation to Improve Accessibility

- The Government of Canada is introducing Bill C-81, the *Accessible Canada Act: An Act to Ensure a Barrier-free Canada*, in order to achieve a barrier-free Canada through the proactive identification, removal and prevention of barriers to accessibility in all areas under federal jurisdiction, including transportation services such as air and rail.

Investing in Eastern Canada Ferry Services

- To maintain safe and reliable ferry services, Budget 2019 provides for funding to:
 - Support Marine Atlantic Inc. to modernize its fleet through the procurement of a new ferry that will operate between the provinces of Nova Scotia and Newfoundland and Labrador;
 - Extend Transport Canada's Ferry Services Contribution Program until 2022 with existing service levels and fleet size, which includes ensuring that two vessels operate between Prince Edward Island and Nova Scotia; and
 - Procure two ferries to replace the MV Madeleine, operating between Quebec and Prince Edward Island, and the MV Holiday Island, operating between Prince Edward Island and Nova Scotia.

Helping Travellers Visit Canada

- Budget 2019 provides \$77 million over two years for resourcing immigration and border authorities to facilitate efficient visitor entry, which will continue to ensure that visitor visas and work and study permits are effectively processed to meet global demand.