

### **Preamble**

The tourism industry in British Columbia is an industry with significant growth opportunity. We acknowledge the strong support and leadership of the provincial government. Our past successes are shared successes. We also share in the belief of the provincial government, as stated in the February 16, 2009 Speech from the Throne, that we have “enormous potential.” Now, as the global economy falters, is a time to recognize industry and government are stronger together. British Columbia has a bright future as we enter our Olympic period and the next two years is the time to strengthen one of the province’s most promising economic sectors. We need industry and government resolve and partnership to keep tourism on track to create jobs and double revenues.

### **Goal**

To stimulate demand from close-in markets in the critical pre and post Olympic Winter Games period while at the same time investing in a range of transportation infrastructure projects that support tourism development and generate revenues (including tax revenues) in all regions of the province.

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### **Integrated Three Point Plan**

1. Enhance transportation infrastructure to boost ‘beyond the gateway’ travel throughout B.C. Prioritize tourism transportation infrastructure projects throughout the province to provide short-term construction jobs and long-term tourism benefits “beyond the gateway” in the next four years (2009 – 2012).
  - i. The tourism industry will develop an extensive list of projects (preliminary list already provided to province) and work with governments to accelerate investments.
  - ii. We will refine our list with information gathered from other key stakeholders including government and cover all key modes of transportation (road, sea, air, rail).
  - iii. Ferry system enhancements will also be identified and recommended for consideration.
2. Enhance destination marketing efforts pre and post-Olympics to stimulate short-term demand. Tourism businesses have the capacity to support job creation and drive tax revenues in the near-term, and incremental marketing investments in the next two years will enable them to utilize this capacity, facilitating a quicker rebound for the provincial economy. Target close-in tourism markets to B.C. with highest potential return on investment in the current economic situation.
  - i. Post-election, industry would like to support the efforts of Tourism B.C. as they consider how best to enable the regional (and through them the community) marketing agencies to implement short term marketing efforts to respond to not only the current economic circumstances but to take full advantage of the Olympic spotlight.
  - ii. Revisit the range of short-haul marketing plans and programs at the regional and community marketing levels that have been previously developed by the province’s six regional marketing associations, but which lack the resources to be executed, due to unanticipated and untimely funding shortfalls stemming from the recent decline in hotel room revenues.
  - iii. Ensure the B.C. tourism industry and provincial government maximize opportunities to leverage new federal investments in the Canadian Tourism Commission.
3. Enhance ease of travel to/within B.C. Dramatically improve air and border access critical to doubling tourism revenues during the anticipated economic rebound (2010 – 2015).
  - i. Provincial government and the tourism industry to jointly promote and capitalize on fully liberalized air services agreements with all of BC’s priority overseas markets, including South Korea, China, Singapore, United Arab Emirates, India, and Taiwan by end of 2010.
  - ii. Raise awareness in Ottawa and press for no cuts to NAVCAN services in regional airports, and elimination of Canada Border Services Agency cost-recovery requirements for the establishment of new/expanded trans-border services at all points of entry.
  - iii. Cooperate to the maximum extent possible in the development and delivery of all federal government tourism stimulus initiatives as announced in the January 2009 budget.

## **Three Point Plan – Point #1: Tourism Infrastructure Priorities (2009-2013)**

*March 2009*

As a result of the Tourism Leaders' Task Force established during the 2009 B.C. Tourism Industry Conference, COTA conducted a thorough survey of regional tourism stakeholders to identify infrastructure development priorities that would best capitalize on existing and potential tourism investments in their regions. The following were identified as top-tier priorities in prior tourism / transportation planning processes. A key theme that emerged was the notion of focusing on 'beyond the gateway' projects that complement recent Olympic related infrastructure investments.

### **Thompson/Okanagan**

- Development and enhancement of connector road near Chase / Shuswap area to Sun Peaks to encourage westbound Trans Canada Highway visitors to Sun Peaks.
- A permanent, fixed avalanche prevention system for the Coquihalla Highway
- Westside Road from Kelowna to Vernon: repaving to improve safety and as an alternate route for tourist traffic to ease Hwy 97 volumes.
- Upgrade Chute Lake Road from the southern end of Kelowna to Naramata, opening a route on the east side of Okanagan Lake that would join the south Kelowna wineries with the Naramata bench wineries and create a true winery circle route between Penticton and Kelowna.
- Kettle Valley railway road access (Myra Canyon Service Road): simple grading and gravel. Regular grading required mid May to late October.
- Silver Star Road upgrades, repaving and pull-outs
- Develop a full interchange between Highway 97 and Airport Way (Kelowna).

### **North/Central BC**

- Hwy 97 North enhancements (Cache Creek to Prince George)
- Alaska Highway Interpretive Information (pullouts, signage)
- Duffy Lake Road enhancement (Hwy 99 - Pemberton to Cache Creek) – connecting Whistler to the interior and establishing a regional circle tour in one of our province's most spectacular regions (shared priority with Thompson-Okanagan)
- Hwy 37 "Cranberry Connector" enhancement (Terrace to Stewart)
- Monkman Provincial Park Entrance south of Tumbler Ridge (paving)
- Highway 24 upgrades

### **Kootenay-Rockies**

- Hwy #1 enhancements (particularly Salmon Arm to Revelstoke, but also sections between Kamloops and Golden)
- Establish northern access to Canadian Rockies International Airport in Cranbrook
- A permanent, fixed avalanche prevention system for the Trans Canada Hwy, particularly east of Salmon Arm

### **Vancouver Island / Coast**

- Belleville St. Terminal in Victoria – significant enhancements required to make terminal a seamless component of a high quality visitor experience.
- Victoria Airport runway extension and airport interchange enhancement (Hwy 17).
- Ferry system enhancements (increased provincial transfers to reduce average fares, extend the summer season schedule, support enhanced marketing efforts / coordination of BCF with DMOs / RDMOs, and support rebuild program)
- Significant Hwy # 4 enhancements (Port Alberni to Ucluelet / Tofino)

## Three Point Plan – Point #2: Tourism Marketing Plan – Short Term Stimulus (2009/2010)

March 2009

**Objective:** To stimulate demand from close-in markets by enhancing short-haul destination marketing expenditures over the short term (2009/2010). This will aid in shoring up business and labour capacity in 2009, ensuring adequate tourism product during the Olympics, and will complement post-Olympic international market exposure, facilitating a quicker rebound for BC's economy.

### Context & Considerations

- Summer 2009 travel season figures will vary from region to region. Some regions are anticipating a very weak year (-15 to -20%) with others expecting to be flat. Available marketing revenues for RDMOs and DMOs in '09 and '10 anticipated to be -5% to -25%.
  - In some regions, high leverage (at least 2:1) co-op marketing programs with industry are being reduced by more than 20% for short-haul campaigns.
  - This is perhaps the most severe downturn faced by the industry in recent decades, and given the upcoming Olympic marketing window an unfortunate time to reduce our market exposure and marketing capacity.
- Marketing expenditures are a solid stimulus investment, with a well established ROI.
- There is no interest on behalf of industry in promoting a re-organization of existing resources within marketing agencies. New investments are required.
- Most agencies anticipate that overall travel patterns will shift toward short haul and budget travel and these markets need to be exploited. Some agencies expressed an interest in maintaining robust international marketing in high yield long haul markets, such as Australia and Japan.
- Any funding to stimulate close-in markets needs to be incremental, in order to offset cuts to FY '09 and to maintain presence in mid-haul and long-haul markets for recovery.
- Delivery vehicle still uncertain – Tourism BC has been identified as an ideal management / oversight agency, but there is some ongoing discussion within industry on this point.
- Funding needs to be in place earliest post-election to impact pre-Olympics.
- Many marketing agencies at the regional/local level – (R)DMOs – indicated that they would be able to simply expand existing programs and incremental dollars could be applied in relatively short order.
- Some agencies have suggested putting a floor on maximum year-over-year funding transfer declines associated with the (A)HRT. Other funding mechanisms utilize floating averages or funding floors for consistency and predictability in market penetration. However, some in industry are hesitant to alter the formula funding model.
- The Canadian Tourism Commission will be unveiling its \$10 million stay-at-home campaign after receiving Treasury approval (likely early April). Details on this program will be released at that time.

### Recommendations

1. Post-election, industry would like to support the efforts of Tourism B.C. as they consider how best to enable the regional (and through them the community) marketing agencies to implement short term marketing efforts to respond to not only the current economic circumstances but to take full advantage of the Olympic spotlight.
2. Revisit the range of short-haul marketing plans and programs at the regional and community marketing levels that have been previously developed by the province's six regional marketing associations, but which lack the resources to be executed, due to unanticipated and untimely funding shortfalls stemming from the recent decline in hotel room revenues.
3. Ensure the B.C. tourism industry and provincial government maximize opportunities to complement new federal investments in the Canadian Tourism Commission.

## Three Point Plan – Point #3: Access and Federal Issues (2010 - 2015)

March 2009

**Objective:** to enhance tourist access to BC (air and borders) and to support BC-based initiatives with accessing federal stimulus funds.

### Context & Considerations

- Significant alignment exists between COTA, TBC and provincial government on federal issues; harnessing the power of this alignment could lead to strong results.
- Eroding air capacity will be a reality during a significant economic downturn; many air carriers will experience financial difficulties in a deep / protracted economic downturn.
- In order to capitalize on opportunities when the economy rebounds, transportation providers will need the flexibility to add/alter capacity in a timely and cost efficient manner.
- Air access has been COTA's top federal issue priority over the past 3-5 years. It is also a high priority for the provincial government, YVR, the Tourism Industry Association of Canada (TIAC), marketing agencies, and the BC/Canadian Chamber.
- The Canada-U.S. agreement is completely liberalized, short of cabotage (7<sup>th</sup> freedom) rights, and there are no air access policy impediments to growth in that market.
- The first phase of the Canada-EU agreement has recently concluded (Nov 2008) and will not be revisited in the short-term. The major opportunities exist in Asia-Pacific. In the very short term, two agreements that would add immediate capacity and stimulate tourism are with the United Arab Emirates (Emirates Air) and South Korea (Korean Airlines).
- Cost structure issues remain a high priority of TIAC but there is recognition at TIAC that there is little interest by the federal government to address these high cost items at present, so TIAC may be enhancing its focus on air service agreements.
- A number of stimulus measures have been announced by the federal government (upward of \$800 million). COTA has already worked with TIAC and the Secretary of State's office on providing input on criteria for the \$100 million Marquee Festivals and Events funding. Other opportunities may exist for northern development, infrastructure, and other areas.
- Borders – cost recovery, lineups, facilitation, Enhanced Driver's Licenses and NAVCAN are all issues that need ongoing monitoring and coordinated action to generate results.

### Recommendations

1. Provincial government and the tourism industry to jointly promote and capitalize on fully liberalized air services agreements with all of BC's priority overseas markets, including South Korea, China, Singapore, United Arab Emirates, India, and Taiwan by end of 2010.
  - Coordinate strong BC participation in TIAC events and activities including a June 4<sup>th</sup> aviation / tourism summit and lobby day in Ottawa
  - Tourism industry to help drive the agenda for a proposed Aviation Summit in BC in September
2. Raise awareness in Ottawa and press for no cuts to NAVCAN services in regional airports, and elimination of Canada Border Services Agency cost-recovery requirements for the establishment of new/expanded trans-border services at all points of entry.
  - Raise these issues through TIAC and with federal and provincial agencies.
  - Expand the tourism industry's participation in the Pacific North West Economic Region's activities to address these issues.
3. Cooperate to the maximum extent possible in the development and delivery of federal government tourism stimulus initiatives as announced in the January 2009 budget.
  - Coordinate effort across key BC organization connecting through to their respective federal counter-parts (eg COTA – TIAC; MTCA – Industry Canada; TBC – CTC).