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# FEDERAL CONTRIBUTIONS TO CANADIAN TOURISM

A REVIEW OF FEDERAL EXPENDITURES  
FOR FISCAL YEAR 2007/2008



This report was prepared for Industry Canada in cooperation with the following federal departments and agencies: Atlantic Canada Opportunity Agency, Business Development Bank of Canada, Canada Economic Development for Quebec Regions, Canadian Heritage, Canadian Tourism Commission, Federal Economic Development Initiative in Northern Ontario, Foreign Affairs and International Trade Canada, Human Resources and Skills Development Canada, Indian and Northern Affairs Canada, Transport, Infrastructure and Communities Portfolio, National Capital Commission, Parks Canada, Statistics Canada, Western Economic Diversification.

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Cat. No.: Iu185-5/2008E-PDF  
ISBN: 978-1-100-13206-8

Aussi offert en français sous le titre *Contributions du gouvernement fédéral à l'industrie canadienne du tourisme - Examen des dépenses du gouvernement fédéral pendant l'exercice financier 2007-2008.*

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## **INTRODUCTION**

Tourism has grown by leaps and bounds since the 1950s. This growth contributes to a country's economic development, fosters cultural exchange, and strengthens a country's international profile. The tourism industry also allows sectors like transportation (e.g., air and rail), accommodation, food services, travel services, recreation and entertainment to participate in and benefit from that economic development. More than 662,000 (2008) jobs are created in these industrial sectors in many areas of a country.

The current world economic situation will affect travellers' desire to visit other countries. However, despite a downturn in tourism near the end of 2008, tourist activity should continue to be a determining contributor to Canada's economic development.

Recognizing that the tourism industry is important to Canada's economic development, this report examines the federal government's contribution to Canada's tourism industry in 2007–2008.

## SUMMARY

In the 2007–2008 fiscal year, the federal government contributed over \$540 million to various programs, projects and activities that have a direct impact on tourism.

This direct tourism spending included:

- services and experiences intended for visitors (attractions, events and direct contacts);
- purchase of real estate, fixed capital expenditures and various other expenditures for business development directly related to tourism;
- professional development for human resources in the tourism industry;
- regional tourism development programs;
- tourism marketing and research in this area; and
- tourism infrastructure.

The federal government also spent over \$710 million on activities and investments with indirect benefits for tourism, for example:

- spending on programs mainly intended for local residents or to support local artistic or cultural groups, including cultural institutions and festivals;
- spending on the operation of organizations indirectly related to tourism, such as economic development organizations that offer programs designed to improve the management capabilities of small- and medium-sized enterprises (SMEs);
- funding for sports events and the 2010 Olympic and Paralympic Winter Games.

### Total federal spending on tourism

Fiscal year	Direct spending related to tourism	Indirect spending related to tourism
2007–2008	\$540.9M	\$711.7M
2006–2007	\$404.2M	\$565.1M
2005–2006	\$407.6M	\$308.1M

Much of the declared spending with a direct impact on tourism reflects the priorities set out in the 2006 National Tourism Strategy (NTS). The NTS does not guide spending for the federal government but it is a policy framework and a helpful accounting tool for this expenditure review.

The following table shows this spending, which totals over \$540 million, and the corresponding NTS priorities.

**Direct federal spending by NTS priority**

<b>Priority</b>	<b>2007–2008</b>	<b>2006–2007</b>	<b>2005–2006</b>
1. Product development <sup>1</sup>	\$402.3M	\$289.1M	\$287.5M
2. Human resources	\$7.9M	\$6.4M	\$6.1M
3. Tourism information and statistics	\$11.6M	\$10.3M	\$13.3M
4. Tourism marketing	\$102.3M	\$84.8M	\$100.7M
5. Transportation	\$3M	-	-
6. Other	\$13.8M	\$13.6M	-
<b>Total</b>	<b>\$540.9M</b>	<b>\$404.2M</b>	<b>\$407.6M</b>

The significant increase in spending from the 2006–2007 fiscal year to 2007–2008 is explained by increased spending by Parks Canada to improve the quality of the visitor experience (\$55.3 million); by Infrastructure Canada to finalize agreements with the provinces (\$72.7 million); and, finally, by the Canadian Tourism Commission, which increased its expenditure budget for the 2010 Olympic and Paralympic Winter Games in Vancouver (\$8.3 million).

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<sup>1</sup> Program and infrastructure expenditures are included in this category.

# 1. TOURISM

## a. World tourism

World tourism has experienced strong growth for several decades. The number of international tourist arrivals climbed from 25 million in 1950 to 903 million in 2007.<sup>2</sup> The World Tourism Organization (WTO) estimates that there were 924 million international tourists in 2008, up 2% from 2007. Revenues from international tourism rose from US\$2.1 billion in 1950 (i.e., or US\$18.07B in constant dollars) to US\$856 billion in 2007.<sup>3</sup> The latter represent 30% of global service-related exports.<sup>4</sup>

In 2007, export tourism revenues (revenues from international tourism and passenger transportation) reached US\$1 trillion.<sup>5</sup> According to the World Travel and Tourism Council (WTTC), tourism accounts for 9.9% of the global gross domestic product (GDP) and employs over 238 million people, or 8.4% of all jobs.<sup>6</sup>

## b. The future of world tourism

The current global economic situation is affecting the tourism industry. In 2008, the tourism industry achieved a 2% rate of growth, which was much lower than the 7% growth of 2007.<sup>7</sup>

Given the deterioration in the economy the WTO expects stagnation or even a slight decline of 1% to 2% in international tourism.<sup>8</sup> However, tourism is an economic sector that has shown a great capacity to withstand past economic crises. Both the WTO and the WTTC are certain that tourism will rebound favourably once the economy returns to normal. It also predicts that the industry has potential for sustained growth in the long term, and that this economic sector will increase in importance as an industry and employer.<sup>9</sup>

According to the prospective study entitled *Tourism: Horizon 2020*, the WTO expects that the number of international tourist arrivals will be close to 1.6 billion in 2020 assuming an annual growth rate of 4.1%.

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<sup>2</sup> *Tourism Highlights*, 2008 Edition, World Tourism Organization, 2008, p. 2.

<sup>3</sup> Ibid.

<sup>4</sup> World Tourism Organization website, <http://www.unwto.org/index.php>, February 9, 2009.

<sup>5</sup> Ibid.

<sup>6</sup> *The 2008 Travel & Tourism Economic Research*, Tourism Satellite Accounting of the World Travel & Tourism Council, 2008, p. 1.

<sup>7</sup> UNWTO World Tourism Barometer, Volume 7, Number 1, January 2009, page 1.

<sup>8</sup> Ibid., p. 4.

<sup>9</sup> WTTC, *Travel & Tourism Economic Impact 2009*, Executive Summary, p. 7.

Governments recognize tourism's potential to increase their country's prosperity and improve their trade balance. In the WTTC study entitled "The 2008 Travel & Tourism Economic Research," government contributions are estimated at \$381 billion in 2008 and are forecasted to reach \$616 billion in 2018. These investments foster strong growth in the tourism industry, which is expected to grow by 4%<sup>10</sup> per year until 2018.

The World Economic Forum believes that better coordination of government investments and more collaboration with the tourism industry should help countries face the current crisis while positioning themselves favourably for the future. Infrastructure investments should also factor in the tourism implications in the planning phase, since infrastructure enhances the competitiveness of the tourism industry.<sup>11</sup>

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<sup>10</sup> Real annual growth rate

<sup>11</sup> World Economic Forum, March 4, 2009 press release.



## 2. TOURISM IN CANADA

Tourism is an integral part of Canada's economy and encourages economic development in all regions. Statistics Canada reports that tourist activity accounts for 2% of Canada's gross domestic product (GDP). Tourism spending totalled \$74.7 billion in 2008, representing an increase of 1.9% from 2007. In 2007, tourist activity generated \$19.7 billion in government revenues, up 4.3% from 2006.

Overall 1.7 million individuals are employed in tourism related industries across Canada (or 10% of the employed labour force). More than 662,000 jobs are directly attributable to tourism, in areas such as transportation (e.g., air, rail), accommodation, food services, recreation and entertainment, and travel services (e.g., travel agencies). In 2007, there were over 169,000 tourism businesses in Canada, 87% of which are SMEs (less than 20 employees).

Canadian travellers made 214.6 million trips in their own country in 2007, an increase of 3.4% from 2006. Most of these trips (9 out of 10) were made in their province of residence. Canadians were responsible for 77% of tourism spending in Canada in 2007 (\$54.3 billion).

The United States is Canada's largest international market, representing 83% of international travellers in 2008. Americans made 12.5 million trips lasting over 24 hours and 10.2 million day trips (less than 24 hours). Tourism spending by Americans is assessed at \$7.8 billion. However, this market has declined since 2000, as a 49% drop is observed for the 2000–2008 period. There are many reasons for this decline: higher energy costs, a slowdown in the U.S. economy, confusion about new U.S. requirements for official documents, and changes in Americans' travel habits (seeking new destinations and experiences).

Despite this significant drop in the U.S. market, other international markets show encouraging signs. In 2007, international travellers spent \$6 billion in Canada, and in 2008, some 4.8 million international visitors (excluding those from the United States) came to Canada, representing an increase of 1.7% from the previous year.

### 3. THE FEDERAL GOVERNMENT’S CONTRIBUTION TO THE TOURISM INDUSTRY

a. Framework for a National Tourism Strategy

In December 2006, the Canadian ministers of tourism agreed on a framework for a National Tourism Strategy and decided to collaborate with the industry to promote the prosperity of the tourism sector and make Canada a more attractive destination in the eyes of Canadian and international travellers.

The document entitled *Building a National Tourism Strategy* sets out the challenges and priorities related to improving tourism competitiveness. Six priorities (see table below) were identified to improve the competitiveness and growth of the tourism sector. These priorities reflect comments from stakeholders in the tourism industry during consultations, as well as government research and analysis. They also offer a useful accounting tool to analyse tourism expenditures from the federal government.

b. The six priorities

Priority	Goal
<i>Accessible Destination – Border Crossing</i>	To ensure the efficient flow of tourists to and from Canada
<i>Accessible Destination – Transportation</i>	To implement transportation policies and programs that reflect national, provincial/territorial, and regional tourism economic benefits, and ensure that transportation policies enhance the ability of tourists to travel to and within Canada
<i>Exceptional Experiences –Product Development</i>	To ensure existing products are enhanced and new products are developed to take advantage of emerging opportunities
<i>Exceptional Hosts – Human Resources</i>	To ensure the supply of tourism and hospitality labour is consistent with the demand for that labour
<i>Exceptional Reputation – Tourism Information and Statistics</i>	To improve access by governments, business, and stakeholders to relevant information and analysis for decision-making and to improve the measurement of tourism’s performance and its contributions to the economy
<i>Exceptional Reputation – Tourism Marketing</i>	To better harmonize and co-ordinate marketing activities between the CTC and provinces/territories, and to optimize use of existing resources through increased inter-governmental collaboration

Expenditures included under the six national strategy priorities are:

- **Accessible Destination – Border Crossing**

These investments were not included when calculating total direct investments in tourism, since border infrastructure serves many purposes other than tourism. However, these investments contribute to modern and efficient border-crossing facilities which are crucial to ease the movement of travellers and the long-term success of the tourism industry.

Investments in this area include local access roads and rail infrastructure to and from border crossings, as well as additional lanes and approaches to existing access roads and sections of Canadian highways. This also includes the construction or expansion of bridges, border services facilities and Intelligent Transportation System Infrastructure projects, which increase the rate of crossings for low-risk traffic, while ensuring security is not compromised.

- **Accessible Destination – Transportation**

A significant portion of transportation investment benefits the entire sector, not just tourism. Parks Canada’s investment in this area is in terms of both through highway investment, interior Park and historic site road networks and maintenance of historic canals. The benefit of Parks Canada’s investment in transportation to the tourism industry is it allows for visitors to have a better access to major Canadian tourism destination, more efficient movement within the parks and sites and acts as the major Canadian recreational tourism waterway allowing water access to significant tourism destinations in Ontario and Quebec.

DEPARTMENT/AGENCY	DIRECT EXPENDITURES ON TRANSPORTATION
Indian and Northern Affairs Canada	\$0.08 million
Parks Canada	\$2.9 million
<b>Total</b>	<b>\$ 3.0 million</b>

- **Exceptional Experiences – Product Development**

Tourism products are diverse and include festivals, sports events, arts centres, museums, unique architecture, heritage site, parks and botanical gardens. Products must be renewed and created continually so that destinations remain attractive, meet changes in market segments, give visitors a reason to stay longer, and generate new opportunities for job and wealth creation. Product development includes support to individual

companies to help them create and improve their range of products, disseminating information to businesses to help them identify and seize product development opportunities, tourism event programming and the operation of public tourist attractions. It also includes investments in public infrastructure that strengthen tourist activity. Many departments and agencies are involved in product development.

DEPARTMENT/AGENCY	DIRECT EXPENDITURES ON PRODUCT DEVELOPMENT
Atlantic Canada Opportunities Agency	\$8.6 million
Canada Economic Development for Quebec Regions	\$14.8 million
Canadian Heritage	\$0.7 million
Canadian Tourism Commission	\$1.3 million
FedNor	\$2.5 million
Indian and Northern Affairs Canada	\$6.4 million
National Capital Commission	\$7.2 million
Parks Canada	\$232.0 million
Transport, Infrastructure, Communities	\$122.1 million
Western Economic Diversification	\$6.6 million
<b>Total</b>	<b>\$ 402.3 million</b>

- **Exceptional Hosts – Human Resources**

Tourism is a diverse sector comprising a series of sub-industries providing services such as transportation, accommodations, food services, recreational activities, entertainment, travel services, and conference services. The quality of service provided to consumers is fundamental to Canada’s tourism offering and ultimately, the experiences of domestic and international travellers. The Canadian Tourism Human Resource Council, a sector council supported by Human Resources and Skills Development Canada representing business, labour and education, is a national organization supporting skills and professional development in the tourism workforce and promoting strong human resource management practices on the part of tourism employers.

DEPARTMENT/AGENCY	DIRECT EXPENDITURES ON HUMAN RESOURCES
Canadian Heritage	\$0.5 million
Human Resources and Skills Development Canada	\$7.4 million
Indian and Northern Affairs Canada	\$0.04 million
<b>Total</b>	<b>\$7.9 million</b>

- **Exceptional Reputation – Tourism Information and Statistics**

Investment in tourism information and statistics is at the heart of the activities of certain federal departments and agencies. Statistics Canada conducts many surveys of visitor and tourism enterprises. It is responsible for important tourism information tools like the National Tourism Indicators. The Canadian Tourism Commission and the Canadian Tourism Human Resource Council also invest in tourism research and information tools, often in partnership with Statistics Canada.

DEPARTMENT/AGENCY	DIRECT EXPENDITURES ON INFORMATION AND STATISTICS
Atlantic Canada Opportunities Agency	\$0.4 million
Canada Economic Development for Quebec Regions	\$0.4 million
Canadian Heritage	\$0.02 million
Canadian Tourism Commission	\$1.8 million
Indian and Northern Affairs Canada	\$0.3 million
Parks Canada	\$3.9 million
Statistics Canada	\$4.8 million
<b>Total</b>	<b>\$11.6 million</b>

- **Exceptional Reputation – Tourism Marketing**

Marketing programs encourage Canadians to travel in Canada, educate major international markets and increase the sales of tourism enterprises. The Canadian Tourism Commission is the federal government’s main stakeholder in tourism marketing. Other departments and agencies contribute significantly to tourism marketing, including the Atlantic Canada Opportunities Agency, the Canada Economic Development for Quebec Regions, Parks Canada and the Federal Economic Development Initiative in Northern Ontario (FedNor).

DEPARTMENT/AGENCY	DIRECT EXPENDITURES ON TOURISM MARKETING
Atlantic Canada Opportunities Agency	\$6.4 million
Canada Economic Development for Quebec Regions	\$13.0 million
Canadian Heritage	\$0.9 million
Canadian Tourism Commission	\$69.4 million
FedNor	\$1.6 million
Indian and Northern Affairs Canada	\$3.0 million

Parks Canada	\$7.9 million
<b>Total</b>	<b>\$ 102.2 million</b>

c. Main departments and agencies

Many departments and agencies support the development of Canada's tourism industry; their investments have a direct impact on tourism and help make Canada an attractive, dynamic destination.

**Industry Canada (IC)**

IC is responsible for developing federal policy on tourism and policy integration. As such, it is leading the development of a Federal Tourism Strategy to bring greater coherence to the policies and programs that support tourism. It works with federal stakeholders to communicate greater understanding of tourism's importance to the Canadian economy and how federal policy affects the sector's competitiveness. IC also maintains its dialogue with tourism industry representatives to enhance its knowledge on current and emerging tourism issues and opportunities. It continues to participate in and engage with international tourism organizations who examine and carry out research on tourism trends and government tourism policies.

IC is also responsible for preparing and publishing *Federal Contributions to Canadian Tourism: A Review of Federal Expenditures*.

**Atlantic Canada Opportunities Agency (ACOA)**

ACOA works with business and communities to make Atlantic Canada's economy more innovative, productive and competitive. Therefore, the Agency continues to apply a coordinated regional strategy to promote and develop tourism in Canada. It works to promote the region as a tourism destination with international markets, and to increase the competitiveness and sustainability of the region's tourism industry.

**Canadian Heritage (PCH)**

Canadian Heritage is responsible for national policies and programs that promote Canadian content, foster cultural participation, active citizenship and participation in Canada's civic life, and strengthen connections among Canadians.

Canadian Heritage has an important link to tourism. The numerous sports and cultural activities and organizations it supports attract many national and international tourists. PCH's substantial spending makes it a key department in the offer of products accessible to all visitors.

PCH also conducts research on sports and cultural tourism in order to understand and demonstrate its value. The Department further serves as secretariat for the Federal-Provincial-Territorial Culture/Heritage and Tourism Initiative (FPTTI), the purpose of which is to promote and educate Canadians about the mutually beneficial relationship between culture/heritage and tourism. Canadian Heritage is also the department responsible for the federal government's approach to hosting the 2010 Olympic and Paralympic Winter Games.

### **Canadian Tourism Commission (CTC)**

The CTC is Canada's national marketing organization, and its vision is to inspire the world to explore Canada. As set out in the *Canadian Tourism Commission Act*, its purpose is to sustain a vibrant and profitable tourism industry by supporting a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories. The CTC promotes Canada as an internationally competitive, premier four-season tourism destination where travellers have access to extra-ordinary experiences. It provides a consistent voice for Canada in the international tourism marketplace. Along with its partners in the tourism industry and all levels of government, it markets Canada in 12 countries around the world, focusing on direct-to-consumer marketing, international travel trade, media and public relations, and meetings, conventions and incentive travel (MC&IT). In addition, the CTC has been recognized as a world leader in tourism market research and performance management with many competitors emulating the CTC's approaches in those areas.

### **Canada Economic Development for Quebec Regions (CED-Q)**

CED-Q's mission is to promote long-term economic development in Quebec's regions with particular emphasis on areas with low economic growth or without enough productive employment opportunities. Through various programs, CED-Q supports the development of innovative tourism products, the promotion of popular tourism events, and regional tourism associations and sectoral tourism associations.

### **Human Resources and Skills Development Canada (HRSDC)**

HRSDC's mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life. HRSDC develops policies that make Canada a society in which all can use their talents, skills and resources to participate in learning, work and their community; creates programs and supports initiatives that help Canadians move through life's



transitions; and creates better outcomes for Canadians through service excellence with Service Canada and other partners. HRSDC supports Canada's strategic, long-term plan Advantage Canada, seeking to create a Knowledge Advantage by fostering the best educated, most skilled, and most flexible workforce in the world.

HRSDC supports the tourism industry primarily through the Sector Council Program, which provides funding to the Canadian Tourism Human Resources Council (CTHRC). The CTHRC's mandate is to address labour market issues in the tourism industry; bringing together tourism businesses, labour unions, associations, educators and government to coordinate human resources development activities in support of a globally competitive and sustainable tourism industry in Canada. It is a leader in a number of areas, including groundbreaking work in the area of labour market information, active career measures, foreign credential recognition, and its comprehensive suite of *emerit* branded tourism online skills training and professional certification resources.

### **Indian and Northern Affairs Canada (INAC)**

INAC's economic development programs provide funding to Aboriginal people, community organizations (or organizations they designate), businesses, and economic institutions. Funding is used for economic development projects and the delivery of services to community members. The Department also encourages both the private and public sectors to add First Nations, Métis and Inuit peoples to their current workforce, and promotes the use of Aboriginal businesses for federal government supplies and services.

Through various programs, the Department recognizes tourism as an opportunity for Aboriginal entrepreneurs. In particular, it supports the Aboriginal enterprises that operate attractions, accommodation services, transportation and food services, as well as retail sales businesses.

Programs have also been used to facilitate industry growth through research and strategic planning initiatives.

INAC also aims to encourage long-term growth in the three territories by supporting regional development programs, awareness activities and investments in innovation and knowledge, among other components. Therefore, through the Strategic Investments in Northern Economic Development Program, the Department provides financial and other support for projects intended to stimulate and diversify the economy, improve

coordination of federal programs and give Northerners an important place in the market.

### **Industry Canada (IC)/ Federal Economic Development Initiative in Northern Ontario (FedNor)**

IC works with Canadians throughout the economy and in all parts of the country to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build a fair, efficient and competitive marketplace.

FedNor is the lead federal economic driver in Northern and rural Ontario. It works with community partners, business leaders and other organizations, as both a facilitator and a catalyst to promote economic growth, diversification and job creation and to help build diversified and self-reliant communities.

### **National Capital Commission (NCC)**

The NCC's mandate includes public activity programming that instills Canadians with pride and a sense of unity, helps Canada's National Capital Region serve as a gathering place for all Canadians, and assists Canadians and international visitors get to know Canada better.

### **Parks Canada**

Through a network of 42 National Parks, 158 national historic sites and 3 national marine conservation areas, Parks Canada invites visitors to experience these invaluable treasures that it protects on behalf of all Canadians. Parks Canada is mandated to protect and enhance Canada's natural and cultural heritage, and fosters public recognition, appreciation and enjoyment in such a way as to ensure ecological and commemorative integrity for the generations of today and tomorrow.

The sites Parks Canada is entrusted with are jewels of the Canadian tourism industry which contribute directly to economic growth, provide exciting opportunities for aboriginal people, rural areas and Northern Canada, and inspire tourists to become the guardians and promoters of our heritage.

Parks Canada offers visitors the opportunities to experience the history and nature of our vast country and understand what it means to be Canadian. These "unforgettable visitor experiences" opportunities are provided thanks to investments in infrastructure, facilities, programs and services. The visitor's experience that Parks Canada provides is the sum total of the

visitor's personal interaction with the heritage sites and/or people and include the provision of high quality trip planning information before or during their travels, as well as welcome and orientation services, campgrounds, walking trails, other recreational services, public security measures, and ongoing ties after the visit. The efforts and resources that Parks Canada deploys to offer visitors a quality experience combine with other efforts within the framework of its mandate and aim to protect Canada's natural and heritage resources, as well as to inform and educate the public.

## **Statistics Canada**

Statistics Canada gathers and prepares statistics on domestic and international travel, notably the number of travellers, expenditures and various characteristics of travel and travellers. This information is used by the Canadian Tourism Commission, provincial/territorial tourism agencies, destination marketing bodies, tourism researchers and the tourism industry. Statistics Canada also collects and tabulates macroeconomic data on tourism, such as the value of tourism imports and exports, in order to calculate tourism's contribution to the GDP and its net incidence on the balance of payments.

## **Transport, Infrastructure and Communities Portfolio**

The portfolio negotiates the divestiture of ports, airports and Seaway lands to local interests, operates airports and ports until their transfer, and operates federally owned remote airports and remote ports. It also administers airports, ports (not including Canada Port Authorities), highways and bridge subsidy and ferry services contribution programs; performs landlord and monitoring functions for the department's ports, airports and air navigation systems and ferry terminal sites, and facilitates expanded international air services. Their work supports the economy, the environment and the health of Canada's communities. Of the 16 Crown corporations in the portfolio, many are important to tourism, such as the National Capital Commission, VIA Rail, the Royal Canadian Mint, various administrative bodies for bridges, the Old Port of Montreal and Marine Atlantic.

Transport Canada, through its International Air Policy Directorate, manages bilateral and multilateral air service relations and negotiates bilateral air services treaties, in collaboration with International Trade Canada. TC also advise to and collaborates with the Canadian Transportation Agency on bilateral relations with other countries; recommends applications for

international air service; analyses international trends; and consults with air industry stakeholders.

In addition, Transport Canada maintains the Access to Travel website (ATT), which provides a wealth of information on accessible transportation and travel across Canada with the aim of making accessible travel easier and more enjoyable. Sections of the ATT website contain information on transportation between Canadian cities, local transportation service providers, accessibility of airport terminals, travel resources, government policies, complaints and inquiries, and user feedback.

### **Western Economic Diversification (WD)**

WD works to strengthen western innovation, business development and entrepreneurship, and community economic development.

Although WD does not operate programs that specifically aim to support the tourism industry in Western Canada, the organization does invest in tourism projects through a certain number of basic and supplemental programs. These investments have improved the tourism “product” in Western Canada, increased the number of tourism visits there, and provided employment opportunities to Western Canadians.

d. Other departments and agencies

In addition to the departments and agencies whose spending is examined in this report, a number of other federal bodies play an essential role in the growth of Canada's tourism industry. Some organizations contribute financially to tourism, indirectly or through their policies that support the industry's development.

**Business Development Bank of Canada (BDC)**

The BDC's mandate is to help create and develop Canadian businesses through financing, venture capital and consulting services, with a focus on small and medium-sized enterprises (SMEs).

The BDC finances many tourism businesses. Currently, the BDC portfolio of tourism businesses is valued in excess of \$1.5 billion.

**Canada Border Services Agency (CBSA)**

CBSA ensures the security and prosperity of Canada by managing the free and legitimate flow (access) of people and goods to Canada.

**Canada Revenue Agency (CRA)**

CRA administers tax laws for the Government of Canada and for most provinces and territories; and various social and economic benefit and incentive programs delivered through the tax system.

The CRA administers the Foreign Convention and Tour Incentive Program, which promotes Canadian tourism packages and encourages foreign conventions and conferences to be held in Canada.

**Citizenship and Immigration Canada (CIC)**

CIC admits immigrants, foreign students, visitors and temporary workers who help Canada's social and economic growth; resettles, protects and provides a safe haven for refugees; helps newcomers adapt to Canadian society and become Canadian citizens; manages access to Canada to protect the security and health of Canadians and the integrity of Canadian laws; and helps Canadians and newcomers to participate fully in the economic, political, social and cultural life of the country.

## **Finance Canada**

Finance Canada plans and prepares the federal government's budget, analyzes and designs tax policies, and develops rules and regulations for Canada's banks and other financial institutions. It administers the transfer of federal funds to the provinces and territories, develops policies on international finance and helps design Canada's tariff policies. It also monitors economic and financial developments in Canada and provides policy advice on a wide range of economic issues.

## **Foreign Affairs and International Trade Canada (DFAIT)**

DFAIT ensures that Canada's foreign policy reflects true Canadian values and advances Canada's national interests; strengthens rules-based trading arrangements and to expand free and fair market access at bilateral, regional and global levels; and works with a range of partners inside and outside government to achieve increased economic opportunity and enhanced security for Canada and for Canadians at home and abroad.

DFAIT supports international tourism by organizing events that enhance Canada's brand image and by disseminating information about Canada.

DFAIT and Transport Canada work together to advance the Government of Canada's Blue Sky policy, which governs the negotiation of international air transportation agreements.

#### 4. TABLE OF FEDERAL SPENDING (2007–2008)

Departments/ organizations	Direct spending	Total amount	Indirect spending	Total amount
<b>Atlantic Canada Opportunities Agency</b>	The Business Development Program: \$12,000,000  Atlantic Investment Partnership: \$3,400,000	\$15.4M		
<b>Canada Border Services Agency</b>			Access: \$83,204,420	\$83.2M
<b>Canada Economic Development for Quebec Regions</b>	<p><b>Existing programs:</b> Innovation, development of entrepreneurship and access program for SMEs: \$1,337,079</p> <p>Regional Strategic Initiatives (RSI): \$9 574 322</p> <p>RSI/ Federal Action Strategy for Greater Montreal: \$4,930,724</p> <p>RSI/ Fishing Community Economic Diversification Initiative: \$785,246</p> <p>RSI/Community Economic Diversification Initiative – Coulombe Report: \$139,425</p> <p>RSI/Community Economic Diversification Initiative – Vitality: \$4,363,236</p> <p><b>New programs:</b> Community Diversification: \$1,297,852</p> <p>EDC-DC/Community Economic Diversification Initiative – Vitality: \$930,727</p> <p>Municipal Rural Infrastructure Fund: \$2,849,421</p> <p>Infrastructure Canada programs: \$2,047,777</p>	\$28.3M	<p><b>Existing programs:</b> Regional Strategic Initiatives (RSI): \$552,849</p> <p>RSI/Community Economic Diversification Initiative – Vitality: \$287,614</p> <p><b>New programs:</b> EDC-DC/Community Economic Diversification Initiative – Vitality: \$193,766</p> <p>Other programs – Total expenditures: \$144,986</p>	\$1.2M

Departments/ organizations	Direct spending	Total amount	Indirect spending	Total amount
Canadian Heritage	Museum of Civilization: \$245,000 National Gallery of Canada and Canadian Museum of Contemporary Photography: \$120,000 Museum of Nature: \$107,000 National Battlefields Commission (Education and Public Services): \$878,873 National Battlefields Commission (100 <sup>th</sup> anniversary): \$836,681		Tourism Policy and Research: \$386,970 F/P/T Cultural/Heritage and Tourism Initiative: \$275,000 2010 Olympic and Paralympic Winter Games Federal Secretariat: \$108,678,000 Sport Canada - Hosting Program: \$10,010,000 Museums Assistance Program: \$5,411,383 Arts Presentation Canada: \$23,334,614 Cultural Capitals of Canada: \$5,451,493 Cultural Spaces Canada: \$23,291,772 Canadian Culture Online: \$7,501,158	
		\$2.2M	Official Languages Support Programs: \$1,863,690 Building Communities Through Arts and Heritage: \$1,328,241 Federal Tourism Partners Agreement for Newfoundland and Labrador: \$10,000 Fathers of Confederation Buildings Trust: \$1,875,000 Contribution to the "Société du 400e anniversaire de Québec": \$13,018,152 International exhibitions: \$2,082,000 Canada Music Fund: \$1,100,000 Museum of Civilization: \$508,000 Canada Council for the Arts: \$152,000,000 Telefilm Canada: \$2,842,815	\$360.9M



Departments/ organizations	Direct spending	Total amount	Indirect spending	Total amount
<b>Canadian Tourism Commission</b>	Marketing: \$69,357,101 Product development: \$1,312 136 Tourism information and statistics: \$1,798,000 Other: \$13,738,001	\$86.2M		
<b>Human Resources and Skills Development Canada</b>	Basic infrastructure: \$750,000 Ready to Work: \$1,335,000 Labour market research: \$592,000 Emerit – Electronic Service: \$1,598,000 Productivity improvement (communications): \$1,260,000 Credential recognition: \$1,076,000 Other programs: \$770,000	\$7.4M		
<b>Indian and Northern Affairs Canada</b>	Strategic Investments in Northern Economic Development: \$5,241,162 Community Economic Opportunities Program: \$1,040,438 Aboriginal Business Development Program: \$3,600,000	\$9.9M	Strategic Investments in Northern Economic Development: \$47,185 Community Economic Opportunities Program: \$719,572 Community Support Services Program: \$515,000	\$1.3M
<b>Industry Canada/ FedNor</b>	Tourism Fund – Capital: \$2,470,704 Tourism Fund – Other projects: \$1,639,447	\$4.1M	Other tourism projects: \$1,958,634	\$1.9M

Departments/ organizations	Direct spending	Total amount	Indirect spending	Total amount
<b>National Capital Commission</b>	Sound and Light Show: \$377,000 Discover the Hill Program: \$418,000 Commemorations: \$344,000 Capital interpretation: \$403,000 Rideau Canal Skateway: \$449,000 Canada Day celebrations: \$624,000 Winterlude: \$744,000 Site animation and 150th anniversary of Canada's Capital: \$747,000 Gatineau Park – Visitor services and operations: \$443,000 Other: \$2,673,000	\$7.2M	Sound and Light Show: \$67,000 Commemorations: \$115,000 Capital interpretation: \$135,000 Rideau Canal Skateway: \$1,348,000 Canada Day celebrations: \$1,063,000 Winterlude: \$1,267,000 Site animation and 150th anniversary of Canada's Capital: \$1,272,000 Gatineau Park – Visitor services and operations: \$3,991,000 Other: \$2,943,000	\$12.2M
<b>Parks Canada</b>	Heritage Places Establishment: \$13,852,400 Visitor Experience: \$219,616,800 Townsite and Throughway Infrastructure: \$13,385,800	\$246.9M	Heritage Resources Conservation: \$152,256,600 Townsite and Throughway Infrastructure: \$61,687,100 Public Appreciation and Understanding: \$24,356,500	\$238.3M

Departments/ Organizations	Direct Spending	Total Amount	Indirect Spending	Total Amount
<b>Statistics Canada</b>	International Travel Survey: \$2,773,000 Travel Survey of Residents of Canada: \$1,300,000 National Tourism Indicators, Quarterly Estimates: \$15,000 Annual Survey of Traveller Accommodation: \$490,000 Annual Survey of Travel Arrangement and Reservation Services: \$188,000	\$4.8M		
<b>Transport, Infrastructure and Communities Portfolio</b>	Municipal Rural Infrastructure Fund: \$19,609,590 Canada Strategic Infrastructure Fund: \$102,510,644	\$122.1M		

Departments/ Organizations	Direct Spending	Total Amount	Indirect Spending	Total Amount
<b>Western Economic Diversification</b>	Western Economic Partnership Agreements Program: \$764,825  Saskatchewan Northern Development Agreement: \$61,032  Western Diversification Program: \$5,779,220	\$6.6M	Western Economic Partnership Agreements Program: \$940,350  Saskatchewan Northern Development Agreement: \$61,915  Western Diversification Program: \$150,068  Francophone Economic Development Organizations: \$41,602  Alberta and Saskatchewan centennials: \$10,947,606  Mountain Pine Beetle - Community Economic Diversification Initiative: \$227,867  Canada Celebrates Saskatchewan: \$164,642  Contribution for convention support: \$30,000	\$12.6M