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Discussion Paper - Review And Summation Of The Northwest Territories' Tourism Industry, Documents And Programs

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DISCUSSION PAPER

REVIEW AND SUMMATION OF THE NORTHWEST TERRITORIES TOURISM INDUSTRY, DOCUMENTS AND PROGRAMS

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AS BACKGROUND TO

A CANADA-GOVERNMENT OF THE NORTHWEST TERRITORIES SUBSIDIARY AGREEMENT ON TOURISM

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1.0 INTRODUCTION

This paper is essentially a discussion paper. It has been prepared for the Government of the Northwest Territories. It is largely based on a review of all current documents, programs and studies dealing with tourism in the Northwest Territories. The intent of the paper is twofold : to describe a tourism strategy for the Northwest Territories and to determine the program content for a Canada-Northwest Territories Agreement to realize that strategy. It should be realized that the intent of the discussion paper is not a fully detailed Tourism Agreement. That will only be realized after detailed Canada/Northwest Territories consultation. Rather, the intent with this discussion paper is to provide the background and framework for such an agreement.

1.1 Background

Tourism is a relatively immature industry in the Northwest Territories. However it is the Northwest Territories' second largest industry. It is second only to mining in terms of dollar contribution to the Northwest Territories' economy. The industry has been developing since the 1960's with improvements in transportation systems linking the north to the south. The completion of the MacKenzie Highway system in the 1960's made the southwestern Northwest Territories accessible to auto tourism travel from the south. In the 1970's air service constantly improved to and within the Northwest Territories. With increasing travel, accommodation facilities improved. By the 1980's regional tourism associations began to form. Twenty package tours, thirty outfitters, forty lodges and forty hotels were in operation in the Northwest Territories.

In 1982, tourist visitation to the Northwest Territories was at the same level of the Northwest Territories population. A total of 44,000 visitors travel led to the Northwest Territories in 1983. The estimated value of expenditure associated with this travel was almost $40 million.

The Government of the Northwest Territories has always expressed an interest in developing tourism. However, the interest expressed by the Government of the Northwest Territories has been unstructured and has been limited principally to marketing support. Until recently the Northwest Territories had no concept or strategy towards which a viable tourism industry could evolve towards.

Over the past three years, elements for a Northwest Territories tourism industry strategy have begun to emerge. Tourism studies have been carried out on a regional, community and park resource specific basis. A consensus between Government, industry and communities as to the direction of the industry's development has also emerged. For the Northwest Territories, there is a broad agreement that the development of the industry should be community-based. This is to ensure that the development of the industry results in income and employment opportunity at the community level. Historically the development of the Northwest Territories' tourism industry has not resulted in significant benefits for communities.

A second area of emerging consensus for the industry's development is that it must be regional. Existing development has been largely concentrated in the southwest. This area already accounts for 65% of total tourism visitation to the Northwest Territories. As a result an effective tourism strategy must result in a greater distribution of economic benefits throughout the entire Northwest Territories. The mechanism to accomplish this goal is the development of regions with tourism destination zone strategies.

1.2 Objectives

At present the development of the Northwest Territories' tourism industry is at a critical stage. The Northwest Territories is one of the few regions in Canada that does not have a tourism strategy supported by a federal-provincial (territorial) tourism agreement. At present public support for Northwest Territories tourism is principally through the Canada-Northwest Territories Economic Development Agreement (E DA) . A Domestic Market Development Subsidiary Agreement has been the principal vehicle for tourism industry development. Within this agreement there is a separate Tourism Development Program which has provided support to tourism zone associations, tourism superstructures, hospitality, business assistance, travel generators and marketing.

There has been a strong desire to establish a separate subsidiary agreement for tourism alone. It is the Northwest Territories' second largest industry. Planning has now reached the stage where specific opportunity identification could be implemented. Tourism industry organization has greatly improved. Most importantly a strategic direction has now been established for the industry in the forms of community-based tourism and tourism regions or zones.

This paper is intended as a background paper in preparation for a proposed Canada/Northwest Territories Tourism Agreement. In preparing the paper the following activities were undertaken:

1. All completed and in progress regional tourism studies and other related documents and programs were reviewed.

2. Other recently signed Canada/Provincial and Territorial Agreements were reviewed.

3. Consultations were carried out with government representatives.

4. A proposed structure for a Canada/Northwest Territories Tourism Agreement outlining the range and cost of program content was prepared.

Our review was structured examining, assessing and describing the following:

- NWT Tourism Industry Structure
- Market Assessment
- Tourism Products and Resource Base Assessment
- Identification of Constraints and Opportunities for Tourism Industry Development
- Identification of Goals and Objectives for NWT Tourism Development
- Description of a Tourism Industry Strategy for the NWT
- Identification of Programs in Support of the Strategy
- Recommendations for the Structure and Implementation of a Tourism Agreement for the Northwest Territories.

Our review was also structured at the territory, region and community levels in formulating our recommendations. The following chapters address each of the above.

2.0 THE TOURISM INDUSTRY STRUCTURE

In this chapter the present structure of the Northwest Territories' tourism economy is examined. Its importance to the Northwest Territories' economy is described. The structure of the Canadian tourism industry is reviewed. The tourism industry is unique. it is important that its structure be understood in order to assess how programs contained within a Tourism Agreement would stimulate and direct its growth toward specific goals.

2.1 Tourism Industry Characteristics and Structure

Sectoral Composition

The Tourism Industry consists principally of the following sectors:

- Vistor Facilities
- Visitor Transportation
- Visitor Attractions

Visitor Facilities

Visitor facilities consist principally of two subsectors -- accommodation and food and beverage. Accommodation includes hotels, motels, lodges, cabins and campgrounds. The food and beverage sector includes principally licensed and unlicensed restaurants, caterers and taverns.

Visitor Transportation

Given Canada's expansive geography, transportation is the second largest tourism sector. This sector includes water, air and rail carriers, bus transportation and car rentals and services related to auto transportation.

Visitor Attractions and Services

This sector includes events, attractions and recreation as well as "other" categories for sales and services related to tourism such as travel agents and retail and miscellaneous sales related to tourism expenditure.

Each of these sectors principally accounts for tourism expenditure. Figure 1 indicates the allocation of tourism expenditure between the three sectors and subsectors. Unfortunately there is no comparable data for the NWT. We suspect that given the nature of the present industry and distance to major markets that transportation expenditure would be considerably higher than the national average. As well visitor facilities and attractions are largely underdeveloped.

Markets

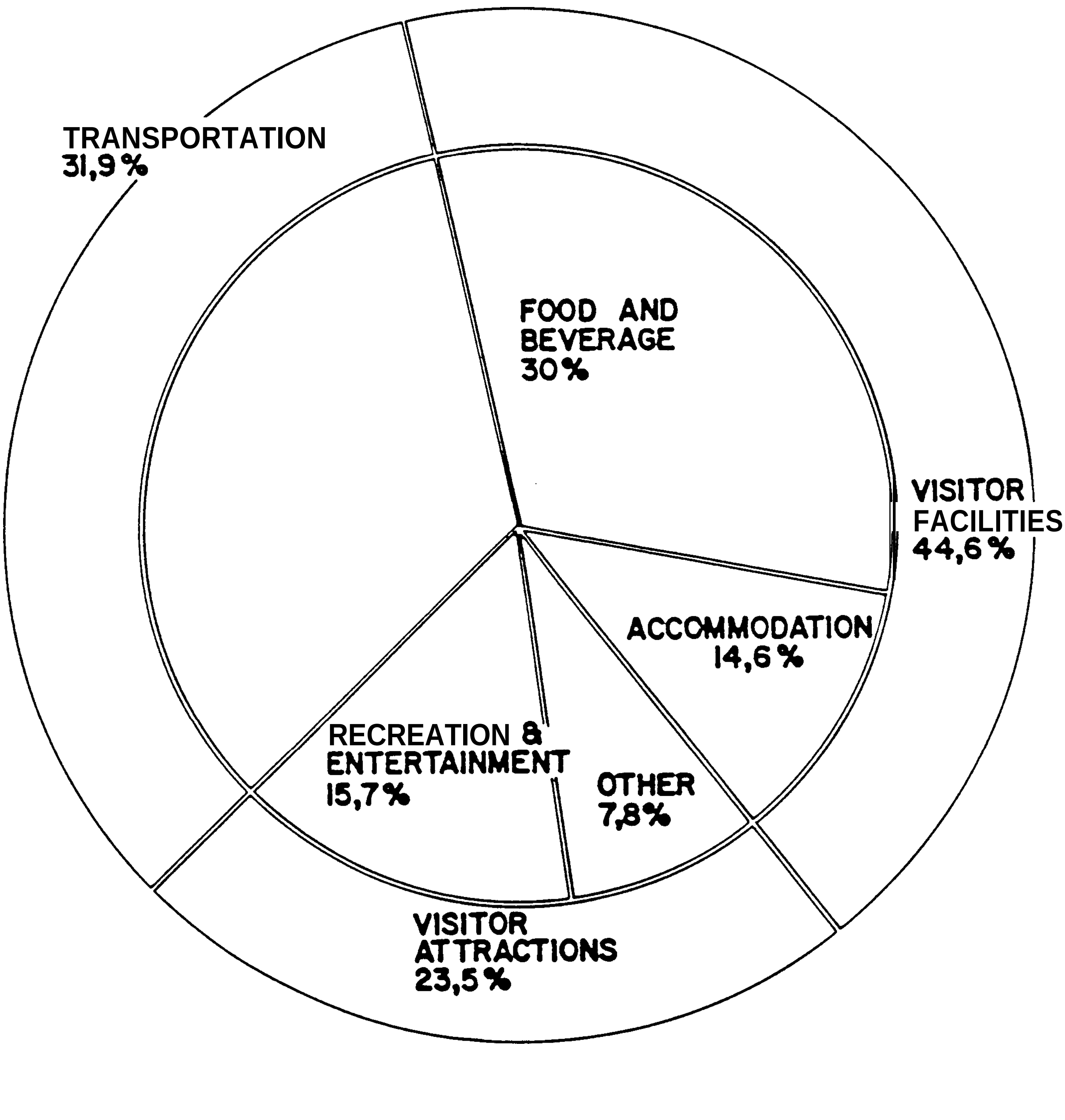
A tourist is defined as any individual who travels more than 50 miles from their principal residence whether for business or pleasure travel. There are two principal markets for tourism -- travel expenditure by Canadians within Canada and Travel expenditures by foreigners to Canada. Unfortunately for Canada, its share of international travel has been declining. U.S. travel to Canada has declined dramatically over the last decade. Overnight visitation from the U.S. has declined by more than 16%. The U.S. accounts for 87% of all foreign travel to Canada. At present the largest Canadian travel market is the domestic market. It now accounts for 80% of all tourism expenditure in Canada.

The NWT and the provinces' travel market structure is segmented as follows:

- Domestic Market
- Canadian Market
- U.S. Market
- International Market

FIGURE 1

Tourism Expenditures in Canada
by Type of Expenditure
1980



In several provinces the domestic market or provincial resident market is the most important. For example, in the province of Saskatchewan, travel by Saskatchewan residents accounts for 82% of all Canadian travel in that province.

In the Northwest Territories, the domestic market accounts for 70% (75,000 person trips) of all travel in the Northwest Territories (106,000 person trips in 1981-82). Like most of the Canadian Provinces the Northwest Territories is still heavily dependent upon its own resident market for travel.

Tourism is an Export Industry

Much in the same way that Canada exports manufactured goods, mineral and other resource products, the tourism industry is also an export industry. In the early 1970's tourism was ranked second out of Canada's top seven export commodities. However tourism exports have slipped badly since 1970 and now tourism ranks seventh amongst Canada's leading export industries.

Like other commodity trade there is an outflow and inflow of tourism travel receipts referred to as a travel account. of considerable concern to federal officials is the growing Canadian travel account deficit. The deficit was $2.2 billion in 1983, or 3 times greater than it was 10 years earlier.

Unfortunately we could find no travel account data for the Northwest Territories. As a result we are unable to comment on the size of the Northwest Territories' travel deficit or surplus. If the Northwest Territories' travel account is in a surplus position it would be a positive sign of a healthy tourism economy.

If it is a negative position then the Northwest Territories would look at import substitution possibilities to develop its own resident travel markets and stop the leakage of income and employment associated with residents traveling outside of the Northwest Territories.

Economic Impact

There are a number of characteristics of the tourism industry that are especially appealing from a perspective of economic development in a region. The industry can be a real growth engine for employment. It is very labour intensive. It is also characterized by relative ease of entry and in many ways is the essence of small business development in Canada. Lastly, the industry can generate considerable revenue to all three levels of government.

In terms of employment impact it is currently estimated that for every One million dollars 33.5 direct jobs result and a further 11.8 indirect jobs for a total direct and indirect employment impact of 45.3 person years of employment. For Canada, tourism represents an $18 billion industry employing over 600,000 people directly and over 200,000 indirectly.

In terms of direct benefits to Government, it is estimated that for every one dollar of expenditure, 30¢ is returned to governments by way of tax revenue. This will vary from industry to industry. generlly the federal/provincial split on taxation is 60/40. The following is a relative measure of tax revenue impact:

Tax Impact on One Dollar of Tourism Expenditure

	Total Tax Revenue	Federal	Provincial
Distribution of Tax Revenue	30¢	18¢	124

2.2 The Northwest Territories Tourism Industry

In 1981-82 it was determined that tourism expenditure in the Northwest Territories was 58 million dollars resulting from 106,000 person trips. This would represent less than 1% of total Canadian tourism expenditure. However there are a number of positive indicators for the Northwest Territories' tourism industry where compared to other provinces:

- The Northwest Territories is less reliant upon its own resident market -- 70. 8% of all person trips are made by Northwest Territories residents -- compared to the Canadian average of over 80%.
- Average trip expenditure is considerably higher than the Canadian average. Average per person trip expenditure is $547 compared to less than $200 for the Canadian tourism industry.
- The Northwest Territories has the potential for high valued tourism products of significance to middle and upper income tourist markets such as wilderness and unique vacation/pleasure experiences.

Regarding employment, at a level of $58 million in annual tourism expenditure (1981-82), the Northwest Territories' tourism industry would employ 1,943 people directly and a further 684 indirectly.

The value of the industry to senior government in terms of tax revenue would be 17.4 million dollars of which $10.4 million would accrue to the federal government and $7.0 million to the Government of the Northwest Territories.

Although the Northwest Territories tourism industry is undoubtedly the smallest in Canada, it is of significant importance to the Northwest Territories' economy.

Comparatively the Northwest Territories attracts the smallest number of non-resident tourists of any destination in Canada as shown in Table 1. If the Northwest Territories could raise its level of visitation to that of the Yukon or Newfoundland, it would mean an increase of tourism travel expenditure of 3.7 times its current level. At present out-of-province travel expenditure accounts for $39 million. A 3.7 fold increase in the value of current travel expenditure would result in an additional 4,834 direct jobs in the Northwest Territories and a further 17.3 million dollars in tax revenue to the Government of the Northwest Territories.

TABLE 1

Inter-Provincial Comparison of Out-of-Province Tourists

Province/Territory	Population 1982	# of Out-of Prov. Tourists 1982	Ratio[1]
British Columbia	2,783,300	5,658,000	2.03
Alberta	2,315,100	2,329,000	1.01
Saskatchewan	981,400	1,231,000	1.25
Manitoba	1,035,900	1,443,000	1.39
Ontario	8,699,500	26,513,000	3.05
Quebec	6,470,300	5,925,000	0.92
Newfoundland	570,900	163,000	0.29
Nova Scotia	852,800	1,019,000	1.19
New Brunswick	700,900	3, 131,000	4.47
P.E. I.	122,800	583,000	4.74
N. W.T.	46,600	44,000	0.94
Yukon	23,800	162,072	6.81

[1] Ratio = Number of Tourists ÷ Population

3.0 TOURISM TRAVEL MARKET ASSESSMENT

3.1 Introduction

This chapter assesses current travel markets for the Northwest Territories. The Northwest Territories is an immence geographic area bordering on the Yukon, British Columbia, Alberta, Saskatchewan, Manitoba and Quebec. As illustrated in Figure 2 the Territories have been divided into 5 administrative regions or tourism destination zones. Tourism travel and the orientation of tourism travel varies considerably for each region.

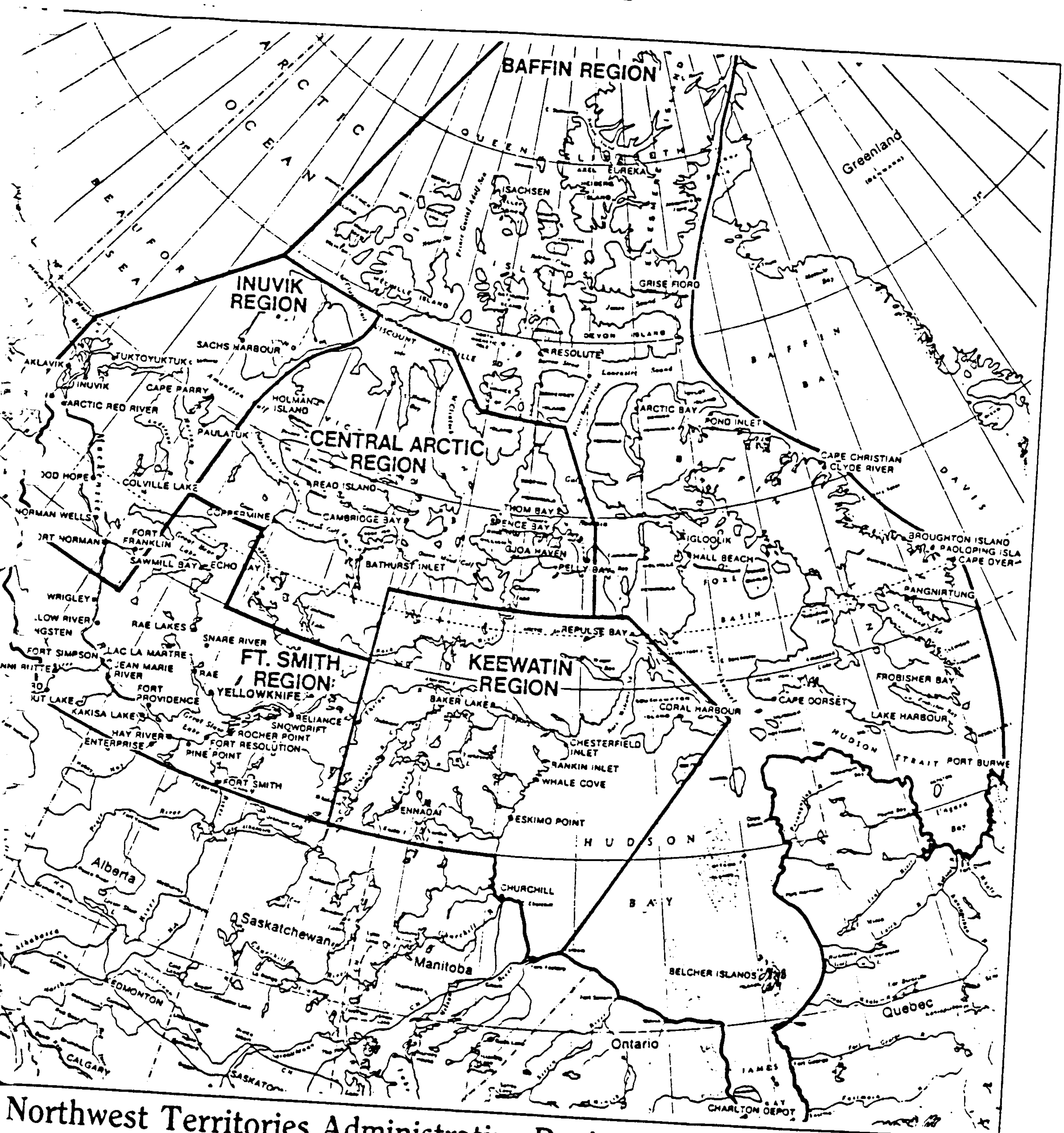
Tourism development is a process of matching available resources and available markets to maximize derived economic benefits from touristic activity with minimal disruption of the social and cultural network of the local inhabitants of an area or community.

Markets are a function of the recreational /cult ural/historic attractions available in terms of activities and availability of markets for these opportunities. The first step then is the need to define the market as it now exists and then to consider the trends which have implications for the Northwest Territories.

3.2 Market Overview

The available data on travel activity to the Northwest Territories is not as complete or specific as would be desirable. However, some analysis of the current situation is possible. The most complete and reliable information *on* tourist characteristics and markets to the Northwest Territories is the 1982 summer exit

FIGURE 2



Northwest Territories Administrative Regions survey. According to this study, 44,000 travelers visited the Northwest Territories during the summer of 1982 and spent approximately $39 million. The main mode of travel to the Northwest Territories is by air with 29,800 visitors or 67.7% of the total using this mode. This is not surprising given the distance to the Northwest Territories from the more densely populated areas of Canada and the U.S. and since most of the Northwest Territories is non-road accessible. The primary destination area is the Fort Smith Region. This is due to the fact that this region is road accessible, is closest to markets (Alberta and British Columbia) and off the Laird Highway connection between the MacKenzie and Alaska Highways.

Tourist Markets to N. W.T. and Fort Smith Region

	N.W. T.	Fort Smith Region
Number of Travelers	44,000	29,300
Mode of Travel		
. Air	29,800	19,300
. Road	14,000	10,000
Expenditures	$39, 112,900	$21,800,000

Although at the time of this writing, visitor origin information was not available for the Northwest Territories as a whole, the following was the distribution of visitors to the Fort Smith Region:

Origin	Percent
Alberta	49%
British Columbia	14%
Ontario	12%
Saskatchewan	5%
Manitoba	4'%
Quebec/Maritimes	4%
U s .	9%
Foreign	2%

Another traveller survey which was conducted at the 60th Parallel Visitors Information Centre yielded the following origin ratios of visitors:

Origin	Percent
Alberta	37.7%
British Columbia	12.5%
Ontario/Quebec	9.4%
Saskatchewan/Manitoba	8.9%
Maritimes	1.0%
U s .	20.7%
Foreign	4.8%

It should be noted that the Visitor Information Centre survey would be more biased since only those people stopping at the Centre were interviewed and this survey would exclude air travelers.

What this data does indicate is the dominant importance of the Canadian market, especially Alberta and British Columbia.

Unfortunately, travel market data for the other regions is either incomplete or existing data is contradictory. Although the Canadian market is of considerable importance to the Northwest Territories, its orientation and importance is of less significance to other regions. The Baffin Region is an example of this. A travel survey for 1981-82 indicated that the region received 7,000 estimated visitors or 6.6% of all Northwest Territories travel and over 15% of all non-resident travel to the Northwest Territories. The market orientation of travel to the Baffin Region is as follows:

Origin	Percent
Ontario	25%
Quebec	10%
Western Canada	10%
N. W. T.	15%
Total for Canadian Market	60%
U.S.A.	25%
Europe	10%
Other	5%
	40%
Total	100%

This travel profile for the Baffin region is considerably different than for the Northwest Territories. The Baffin region has only a small portion (5%) of resident Northwest Territories travel. The travel profile for the Northwest Territories suggests that the Northwest Territories resident travel accounts for 70% of all tourism travel in the Northwest Territories. In the case of the Baffin region it accounts for only 15%. Obviously the lack of transportation linkages between the Baffin area and the more populated southern Arctic area impact on resident visitation to the Baffin Region. This region also has a much greater market orientation towards Ontario, Quebec and the United States. As a result a marketing strategy aimed specifically at Western Canada to encourage travel to the Northwest Territories would conflict with the market origin of travel to the Baffin Region.

This creates a complex situation for the development of a tourism strategy for the Northwest Territories. The strategy must account for the regional differences particularly in regard to markets available for tourism development. This is particularly the case if the strategy is to result in a better distribution of the benefits resulting from the development of the Northwest Territories tourism industry.

Data was not available for the other regions. The Keewatin region likely experiences less than 1,000 visitors a year. The Inuvik region, as reported in one study would have less than one-third of the visitation reported for the Fort Smith Region. Very likely the travel market profile for the Inuvik region would be similar to that of the Fort Smith Region. Lastly the Central Arctic Region receives the lowest visitation of all five regions.

According to the 1982 Exit Survey, 35% of the visitors in the Fort Smith Region come as a result of friends and relatives residing in the Northwest Territories, 27% were on business and 25% were attracted out of personal interest. The 60th Parallel Visitors Information Centre Survey states that 32% were visiting to experience the wilderness, 31.5% were camping, 27.6% wished to do some fishing, 22.4% were visiting parks, 21.9% were visiting friends and relatives and 13. 7% wanted to purchase northern crafts.

What this data suggests is that approximately two-thirds of visitors come to the Northwest Territories for a vacation (i.e. visiting friends/relatives, fishing, to experience the wilderness, etc.) while about one-third of the visitors come on business.

Twenty-two percent of the Fort Smith Region's visitors were in the $20,000 - $29,999 income bracket, another 22% were in the $30,000 - $39,000 bracket, 15% earned $40,000 - $49,999 and 20% earned $50,000 or more. The average household income per visitor was $34,500.

Visitors to the Northwest Territories have generally high incomes. The average household income in Canada was $29,854 in 1982.

Canada Household Income Group, 1982

Income Group	% of Households
Under $8,000	10.5%
$ 8,000 - $11,999	8.3%
$12,000 - $15,999	9.2%
$16,000 - $19,999	8.4%
$20,000 - $24,999	10.8%
$25,000 - $29,999	10.6%
$30,000 -$34,999	9.4%
$35,000 - $44,999	14.5%
$45,000 and over	14.5%

The importance of the Canadian market for the Northwest Territories is readily apparent. In 1984, Canadians undertook 96,791,000 person-trips domestically. This accounts for over 73% of all touristic activity within Canada. U.S. resident entries to Canada total led 32,977,759 while 1,887,222 residents from countries other than the U.S. visited Canada in 1984.

3.3 Travel Market Expenditure impact

As noted previously trip expenditure to the Northwest Territories is very high. The average trip expenditure for all travel, resident and non-resident, is $547. The average trip expenditure for non-resident travei to the Northwest Territories is $886.

Trip expenditure also varies within the Northwest Territories. Although the Fort Smith Region accounts for 67. 7% of all non-resident travel, travel expenditure is lower than for other destination zones in the Northwest Territories. The average non-resident trip expenditure to the Fort Smith area is $752 compared to $1, 133 to other travel zones in the Northwest Territories. This suggests that more remote non-road accessible zones such as Baffin Island can successfully penetrate "higher valued" travel markets. It would aiso indicate that a tourism marketing strategy for the Northwest Territories would be regional in nature.

Since the domestic market, and especially the British Columbia and Alberta markets, are of primary importance to the Northwest Territories, an analysis of the Canadian markets, then U.S. markets and finally international markets are important.

3.4 Canadian Markets

As was noted earlier, Canadians undertook 96,791,000 person-trips within Canada. The Canadian Travei Survey estimated that 47,000 person-trips were undertaken to the Northwest Territories and Yukon by Canadians in 1984.

Volume and Origin of Person Trips
to the Northwest Territories and Yukon, 1984

Origin	Volume
British Columbia	14,000
Alberta	25,000
Ontario	3,000
Saskatchewan	3,000
Manitoba	1 # 000
Quebec	1,000
Other Canada	. -
Total	47,000

The vast majority of trips taken by Canadians are within Canada. Roughly 90% of all trips taken by Canadians are to destinations within Canada, a further 9% are to destinations in the U.S.A. , and the balance are overseas. Appended are travel profiles of the three most significant Canadian markets for the Northwest Territories -- British Columbia, Alberta and Ontario.

However, Canadians are becoming more demanding in their choice of destination and thus more demanding in terms of their requirements in Canada for hospitality services, quality accommodation, good dining, high quality attractions and recreational facilities and value for money.

If the Northwest Territories is to increase its share of the domestic travel market and to attract the U.S. and international travel market, its historical, cultural and natural resources have to be developed and interpreted. Upgrading and new developments of travei support services will aiso have to occur such as hotels /motels, restaurants, information services and so forth.

The resources within the Fort Smith Region can be developed for general touring (i.e. sightseeing, camping, fishing, historical interpretation, etc.) since this region is road accessible. The resources in Inuvik, Keewatin, Central Arctic and Baffin Regions will have to be developed for the more affluent specialty markets (i.e. trophy hunting, mountain climbing, fishing, adventure/ wilderness tours and canoeing, etc.) since access to those regions is primarily by air.

3.5 United States Markets

Between 1972 and 1982, travel by U.S. residents has generally increased both to foreign destinations and to destinations within the United States. However, travel to Canada has decreased. The number of U.S. person-visitors entering Canada for one or more nights decreased from 13,067,000 in 1972 to 10,462,000 in 1982. The decrease is due entirely to the drop of automobile traffic since trips using non-auto modes grew by 48% from 1, 921, 000 person trips in 1972 to 2,846,000 person trips in 1982. The trend towards less U.S. traffic to Canada seems to have stopped since in 1983 and 1984 U.S. visitor volumes were at approximately the same levels as in 1982.

Total real expenditure by long-term U.S. visitors to Canada decreased 26% between 1972 and 1982. U.S. visitors from 1973 to 1980 increased in British Columbia and the Yukon (27%), while expenditures in Ontario decreased by 12%, B. C. and the Yukon were relatively less affected by the drop in U.S. auto visits to Canada while experiencing healthy growth in non-auto travel.

The most popular kinds of places visited by U.S. travelers are “small towns”, “big cities”, “countryside” and “oceanside” in that order. Canada is particularly strong in the U.S. for “country-side”, “wilderness areas”, “mountains” and “lakes and streams”.

According to the U.S. National Survey conducted in 1972 and 1977 certain main shifts which have occurred in the U.S. travel market may be of potential benefit to the Northwest Territories even though total U.S. visitations to Canada have declined since 1972.

- The number of mass mode trips increased by 317.
- Travel origination, in all regions of the U. S., increased with the exception of New England.
- There has been a 10% decrease in the number of trips of 3 or more persons, while 1 and 2 party sizes showed growth.

The following table shows the origin of U.S. person-trips, by region of residence entering Canada and staying one or more nights.

The main U.S. markets continue to be the Middle Atlantic and the East North Central Region. Although these two regions are two of the main sources of Canada's sources of overnight visitors from the U. S., visitations from the South Atlantic, West South Central and Mountain Regions of the U.S. have increased as the following table illustrates.

As the analysis of potential travelers to Canada by U.S. region of origin indicates, the main potential for the Northwest Territories is in the North West and South West Regions of the U*S. These regions have a better appreciation of Canada's wilderness and are more likely to spend time in the countryside and wilderness areas.

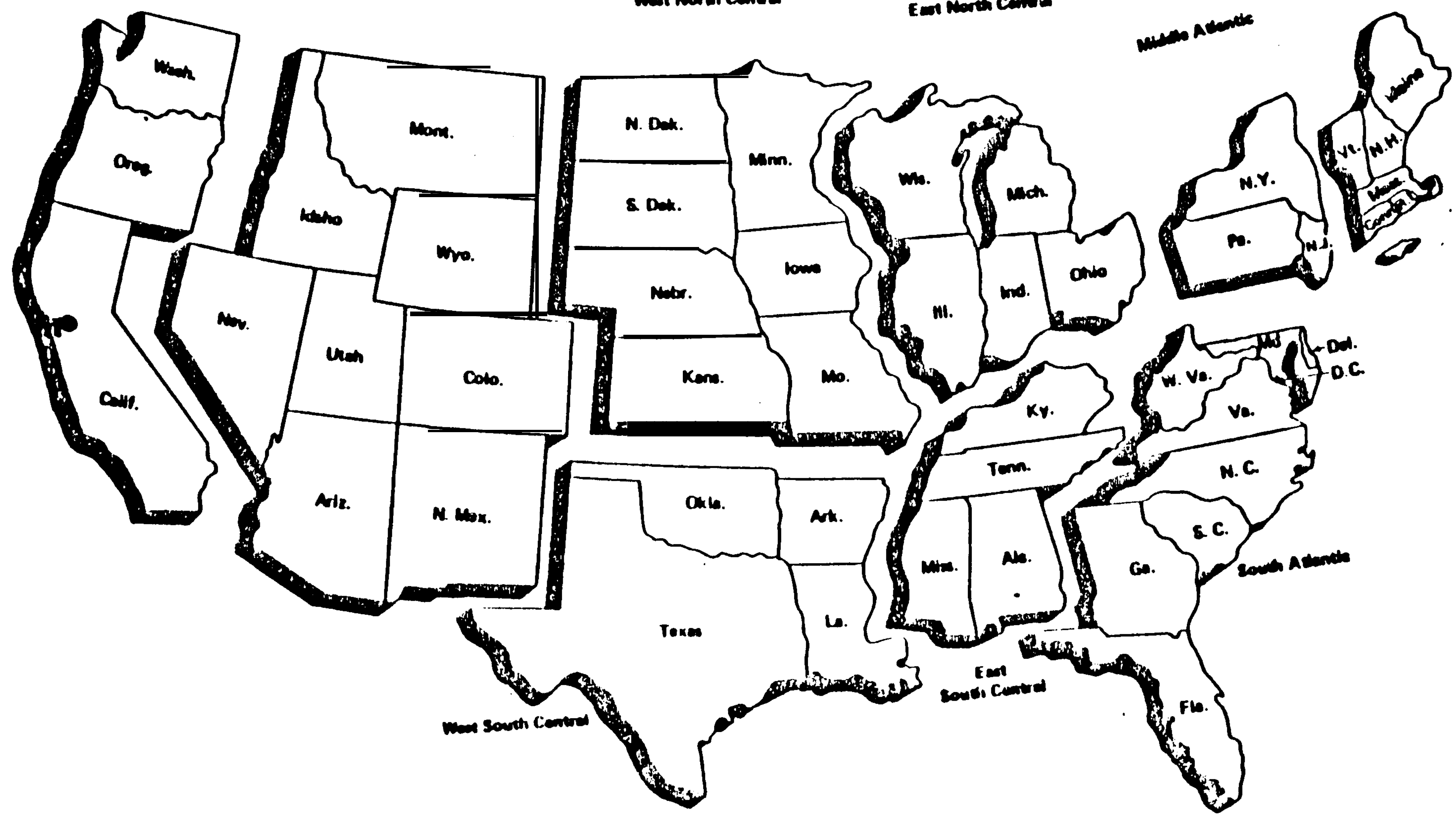
What is required in the U.S. market place is a market segment specific promotional approach. It has to be directed at the "wilderness" and "adventure" oriented market promoting specific activities such as trophy hunting, trophy fishing, jet boating, hiking, wilderness canoeing, etc. combined with quality accommodate ion, outstanding scenery and value for money.

U.S. Residents Entering Canada and Staying One or More Nights

	1972 (000's)	1977 [000's)	1982 (000's)	% Change (77 - 82)	% Change (72 - 82)
Person Visits	13,067	11,451	10,462	- 9%	-20%
Region of Residence					
• New England	1,751	1,502	1,161	-23%	-34%
. Middle Atlantic	3,319	2,662	2,375	-11%	-28%
. South Atlantic	614	664	712	7%	16%
. East North Central	3,711	3,261	2,835	-13%	-24%
. West North Central	1, 150	1, 162	1,078	- 7%	- 6%
. East South Central	91	93	73	-22%	-20%
. West South Central	183	138	209	51%	14%
. Mountain	340	388	324	-16%	5%
. Pacific	1,829	1,485	1,528	3%	-16%
. Other States	78	90	167	86%	114%

Source: Travel between Canada and other countries, Statistics Canada Catalogue 66-201.

USA CENSUS REGIONS



A tourism strategy that addresses the North West U.S. would be of particular benefit to the Baffin Region. Previously it was indicated that the U.S. was one of Baffin's largest markets, equal in size to the entire Ontario market, accounting for 25% of all tourism travel in the region.

3.6 International Markets

Overnight visitors from foreign countries other than the U.S. represent 13% of the total and account for about a quarter of Canada's tourism receipts. The number of visitors from countries other than the U.S. has more than doubled between 1972 and 1984.

Europe remains the prime source of overseas visitors to Canada although visitors from South America and Asia are also increasing.

UNITED KINGDOM

It is dominated by members of the older life-cycle group and those visiting friends/relatives for a holiday. Although Canada has a very positive image for a particular type of "outdoor activity based" holiday, but an image which is of limited relevance to the current target market, which is dominated by the older life-cycle group.

FRANCE

French regard for Canada is lacking a distinct cultural and human image -- i.e. it is often regarded as insufficiently foreign, insufficiently different from that of France. Canada's natural advantages such as landscape are not considered unique in France and that other destinations, such as the U. S., Mexico, Brazil, can compete with Canada in this respect.

Finally, Canada is perceived as a rather expensive country compared with other destinations.

WEST GERMANY

Canada is associated as a country having original and primeval features. This "original" attribute is based not only on the fact that Canada's wilderness is still intact, but also that it offers primeval woods and unspoiled lakes. It is also based on something unknown and unexperienced in Germany: ~~it's~~ its immense vastness.

The primeval features of the country, its natural beauty and vastness are described as being the most attractive characteristics of Canada as a holiday. The following features are generally attributed to Canada:

- outstanding scenery
- plenty of room to get away from the crowds
- a quiet and unspoiled atmosphere
- lots of wildlife
- a country which you can tour easily

JAPAN

The Japanese inter-continental market exhibits strong characteristics that relate to personal safety and security and to convenience. Of the top 12 items considered essential for the selection of a holiday destination, seven relate to security and convenience, two relate to price, one specifies outstanding scenery, one the quantity and quality of lodging and the final one to information.

Canada is seen, in the Japanese market, as having outstanding scenery, lots of wildlife, plenty of outdoor activities and winter sports, and a green landscape with many lakes. Canada is not seen as a place for food, shopping, nightlife and having cultural and historic interests. Essentially, Canada is seen as providing good opportunities for a variety of outdoor activities.

Based on the above, West Germany and Japan would seem to hold the best long-haul tourism potential to the Northwest Territories. The overseas tourist's expectation for a holiday in outstanding scenery and unspoiled nature would be more than fulfilled in the Northwest Territories.

However, tourists from Europe and Japan are security conscious and seem to be frightened of the vast and immense landscape of Canada. They need to be assured, through advertising, of the safety of touring a vast and immense landscape.

Secondly, both Europeans and Japanese demand quality accommodation and dining experience combined with their touring and outdoor recreational activities. In order to meet this expectation the Northwest Territories would have to upgrade its existing accommodations and food services.

3.7 Summary

In summary the Northwest Territories' own resident market is currently the largest travel market for the Northwest Territories. It accounts for 70% of all tourism travel in the Northwest Territories. However, the resident market would only account for 30% of all travel expenditure to and in the Northwest Territories. The non-resident market, in terms of the value of tourism expenditure to the Northwest Territories' economy is the most important. In 1982 it was estimated that the non-resident market for the Northwest Territories was 44,000 visitors. The Fort Smith region accounted for 65. 9% of all non-resident travel to the Northwest Territories. The primary mode of transportation is air travel, accounting for 67.7% of all travel.

Although the Fort Smith Region accounts for a significant portion of the Northwest Territories' non-resident travel visitation, it accounts for less than half (43.6%) of non-resident travel expend iture.' This suggests that other regions in the Northwest Territories are experiencing much "higher valued" travel visitation from non-residents. This would create an opportunity to develop tourism in more remote, non-road accessible areas of the Arctic. The strategy here would not be based on volume but moreso on expenditure impact of lower visitation from specialty, higher valued tourism markets.

The market origin of Northwest Territories' travel markets has a decidedly different orientation where comparing travel destinations within the Northwest Territories.

Non-Resident Travel Market Origins

Fort Smith Western Arctic	
Alberta	49%
B.C.	14%
Ontario	12%
Saskatchewan	5%
Manitoba	4%
Quebec	4%
U s .	9%
Foreign	2%

Baffin Island Eastern Arctic	
Ontario	29%
U.S.A.	29%
Quebec	12%
Western Canada	12%
Europe	12%

For the territories as a whole, Alberta, British Columbia and Ontario would be the most important travel markets. Increasing visitation will have to come from these key markets. The prime beneficiary of this would principally be the Fort Smith area and to a lesser extent Inuvik and the Central Arctic.

A different strategy would be required for the Eastern Arctic. Here internationai markets, Ontario and Quebec would be the principal market considerations in the development of a marketing strategy. However, some of these markets demand a high quality of accommodation to match wilderness or adventure travel. As a result facility development would be required for greater market penetration.

4.0 TOURISM PRODUCTS AND RESOURCES

This chapter reviews the resource strengths and major opportunities for development in each of the Northwest Territories' travel zones. It is based on a review of several planning and tourism studies carried out over the last five years. We have summarized the resource strengths and major market opportunities for each region.

4.1 Keewatin. Region

Resource Strengths

- The region is strategically well located with travel connections to the east, west, north and south (Accessible Arctic)
- The region is close to and accessible from an established destination, Churchill, Manitoba
- There is a relatively high degree of private sector business development particularly in the larger communities
- The current image for the Keewatin is as a fishing destination
- There are a number of major rivers flowing through the region offering opportunities for canoeing and other river-based activities.
- The contemporary Inuit culture with traces of the traditional culture is highly visible throughout the region.
- There are several outstanding scenic resources including northern Southampton Island, Wager Bay, Lyon Inlet and the northwest corner of Coats Island.
- There are a number of significant tourism destinations in the hinterland areas outside the communities including Wager Bay, Thelon Game Sanctuary, Coats Island, northern Southampton Island and the inland tundra (Barrenlands).

Major Market Opportunities

- Sport Fishing/Hunting
- Creation of Thematic Naturalist Lodges
- Photographic Safari
- Adventure Travel
- Art/Cultural/Historic Tours

4.2 Central Arctic Region

Resource Strengths

- Big Game Sport Hunting
- GJOA Haven Fishing described in "Field and Stream" Magazine
- a relatively high *degree* of fixed-roof accommodation, community services and attractions
- Bathurst Inlet Lodge internationally recognized
- Quality historic resources
- Access to Inuit lifestyle, arctic wilderness experience and nature tours
- Coppermine River is easily accessible from Yellowknife

Major Market Opportunities

- Model Village construction and reconstruction of Historic Sites (Holman, Cambridge Bay, Spence Bay, GJOA Haven, Pelly Bay)
- Big Game Hunts (Holman)
- Nature and Fishing Tours
- Historic Tour Development

4.3 Baffin Region

Resource Strengths

- Excellent wildlife resources are accessible
- Thule cultural examples and historic sites
- availability of traditional Inuit arts and crafts
- availability of several quality fishing camps
- access to major eastern tourism markets (Montreal, Toronto, Eastern and Central U.S.A.)
- access to Central Canada (Winnipeg) via Hudson Bay

Major Market Opportunities

- Interpretive Boat Tours through Hudson Bay and Arctic Waters
- Common marketing of fishing opportunities
- Establishment of better tourism infrastructure in Frobisher Bay area
- Adventure and cultural interpretive tours
- Development of a world class resort at Pangnirtung

4.4 Fort Smith Region

Resource Strengths

- MacKenzie Highway Corridor and related infrastructure (bus, car rentals, etc.)
- Potential high level of historic/interpretive resources
- Natural attractions (Hay River Gorge, Louise, Alexandra Falls, Great Slave Lake, Whittacker Fails, Blackstone River)
- "events" attractions near Hay River, Rae, Edzo

- Wood Buffalo and Nahanni Parks
- Accessibility to Alaska travel market
- Yellowknife is major air/road destination in NWT. Thus it is the major tourism generator in the Territories
- The largest sport fishing lodges in the Northwest Territories are located on Great Slave and Great Bear Lakes
- Excellent air charter services

Major Market Opportunities

- expansion and awareness for tourism to the area
- analysis and implementation of training strategy
- develop travel information services, signage along the MacKenzie Corridor
- renovate and establish fixed-roof accommodation and food service facilities
- developments to enhance interpretation of traditional Dene way of life
- sport fishing potential in the Rae, Edzo area
- naturalist experiences such as orthinology, hiking, mountain climbing, photography
- historic site and museum establishment
- bus and club van tours on highway corridor
- expansion and development of craft shops
- support for special events to promote domestically generated travel
- establishing of community sports facility for territorial tournaments and the like
- campground/park development along corridor.
- Heritage Preservation and development of “old town” in Yellowknife

4.5 Inuvik Region

Resource Strengths

- Wildlife species for sport hunting
- Sport Fishing opportunities
- Bird Species are abundant
- Dempster Highway provides access to wilderness experiences, historical sites, learning/obscure experiences
- Campbell Hills/Lake Park facility has potential to attract both domestic and non-domestic tourists and resident vacation users

Major Market Opportunities

- Develop sport hunting for Dall's sheep, caribou, moose, bear in MacKenzie River area
- Develop facilities for ~~Banner~~ Barren ground caribou hunting camps
- Develop outfitter opportunities for hunting and fishing
- Opportunity for *cross* cultural interpretive contact tours has potential
- Lodge/ Camp development
- Naturalist experiences such as sightseeing and photographic safari package tours
- Tourism information and interpretive centres
- Campground and park facilities deveioped
- Ramparts Hotel facility expansion
- Country Signage Program
- Hospitality and Community Awareness Programs

The Northwest Territories has a diverse product and resource base. In many instances the resource base is outstanding. However, this has largely not been matched by tourism facility development. To pursue most of the market opportunity outlined, it would require considerable tourism infrastructure investment.

5.0 CONSTRAINTS AND OPPORTUNITIES FOR INDUSTRY DEVELOPMENT

Like every travel destination, the Northwest Territories is faced with both constraints and opportunities in developing its tourism industry. In this chapter, we summarize the key constraints and opportunities associated with the present Northwest Territories' tourism industry.

5.1 Constraints

1. Tourism Travel in the Northwest Territories is Seasonal

The Northwest Territories *receives* 75.0% of its tourism visitation during the second and third quarters of the year. Comparatively, these two quarters account for 63% of the average of all Canadian travel.

	Travel by Canadians 1981	Travel to Northwest Territories 1981-82
1st Quarter (Winter)	17%	7.5%
2nd Quarter (Spring)	21%	30.0%
3rd Quarter (Summer)	42%	45.0%
4th Quarter (Fall)	40%	17.5%

Although seasonality is a constraint to achieving year round income and employment in the industry, it is also a constraint for the Canadian industry as a whole. Compared to the Canadian travel profile it is really the winter season where travel is extremely low in the Northwest Territories (17% Canada vs. 7.5% NWT). This constraint could be minimized by the development of winter events and attractions and conventions/ business meetings for the resident market.

2. NWT Residents are not Effectively Participating in the Existing NWT Tourism Industry

As identified by the Department of Economic Development and Tourism, much of the Northwest Territories' tourism industry is operated by persons residing outside the Territories and often staffed by southerners.

The lodges, airlines, large hotels and package tours are as a rule owned by large-scale operators, many of whom reside outside the Northwest Territories. They're frequently staffed from outside the NWT; of the 175 person years of employment created by fishing lodges in 1980, 94 were filled by southern staff.

3. The Northwest Territories Does Not Have a Skilled Resident Labour Supply

Related to the above constraint one of the principal reasons NWT residents, particularly Natives, have not had greater labour force participation in the industry is a lack of hospitality and tourism training. There has been virtually no skill development for residents who wish to participate or are participating in the industry. We did not identify any training programs currently operating in the NWT such as hospitality training or tourism awareness programs. There are no tourism facility management or cooking courses offered through existing post-secondary education systems.

4. The Existing Industry is Largely Concentrated in the Fort Smith Region

As indicated in our market chapter, the Fort Smith Region accounts for the vast majority of travel and travel expenditure in the NWT. It is also concentrated in and around major communities. There is also a good deal of non-community based lodge activity. Approximately 50 smaller NWT communities are not involved in the industry at all. As a result it is difficult to sell the merits of tourism development as an industry that all residents in the Northwest Territories could participate in. One of the original intents of developing a tourist industry for the Northwest Territories was the benefit it would hold for small communities throughout the Northwest Territories.

5. Lack of Tourism Industry Awareness

Most people in NWT communities don't fully understand the tourism industry. They don't know what tourists want, or how much tourists are prepared to spend for various services. Most communities do not have the basic plant and resources to cater to tourists, and the potential attractions. Several communities would require physical improvements in addition to visitor facilities and services. Local people simply do not know whether, or how, to take advantage of local tourism opportunities. For those community residents who have demonstrated an interest in the industry, the path is often a rocky one. They usually lack adequate start-up capital. Should they overcome this obstacle and start-up a community-based tourism enterprise, they likely will not have adequate promotional expertise and southern market connections to ensure the success of their venture.

6. Lack of a Tourism Destination Image

Unlike the Yukon, the NWT does not have a tourism destination image. 1 t is perceived principally as an immense northern geographical area. In comparison to the Yukon, the NWT is perceived not to be rich in historic resources such as a gold rush that can play an important role in shaping a destination image for tourism.

Only until recently has the Government of the Northwest Territories begun to address the problem of image. The image is based upon varied tourism experiences that would be obtained in the five regions.

7. Lack of Industry Organization

Only within the last few years has an industry organization structure begun to develop in the Northwest Territories. Other provinces have strong tourism organizations involving all segments of the industry.

8. Lack of Developed Transportation Systems

The Northwest Territories is not linked together by a road system that could foster intra territorial travel. Linkages to southern markets by road occur entirely in the Fort Smith-Inuvik Regions. Eventually there will be a fully developed highway corridor, along the MacKenzie Valley. Both regions are accessible to the Yukon by road -- the Dempster Highway links Inuvik with the Yukon and Fort Smith is linked to Watson Lake.

The Canadian travel market is largely characterized as a "rubber tire" market. The automobile is the predominant mode of tourism travel accounting for 62% of all travel in Canada.

As a result it is not surprising that the Fort Smith Region accounts for the vast majority of travel to the NWT.

The lack of road travel corridors to other regions is a serious constraint to tourism development. Both travel cost and travel access would narrow the range of tourism market opportunity to higher income groups looking for unique vacation/pleasure experiences.

5.2 Opportunities

1. The NWT Has a Number of World Class Resources with Strong Appeal to International Markets

There are several outstanding scenic resources throughout the Northwest Territories. This includes major rivers for canoeing and river rafting, tundra tours and two of the largest inland water bodies in Canada. Lodge facilities such as the Bathurst Inlet Lodge are internationally recognized. It is one of the world's last unspoiled areas with considerable interest for naturalist tours. The range of sport hunting and fishing opportunities is extensive including Dal l's sheep, caribou, moose, bear and arctic char.

2. Developing Road Transportation Systems are Resulting in Greater Auto Travel Potential

Particularly in the Fort Smith area, the development of the MacKenzie Highway corridor has greatly enhanced the accessibility of destination attractions such as Nahanni National Park. Road Improvements will improve opportunities for higher volume road traffic such as coach tours and the development of quality fixed roof accommodate ion.

In the Inuvik Region, the Dempster Highway can provide road access to a number of attractions and experiences. Eventually the Inuvik and Fort Smith Regions will be linked by a road all the way from Nahanni to Inuvik.

3. **Development Opportunities are Both Varied and Diverse Throughout the Northwest Territories, Allowing for Potential Distribution of Tourism Development Throughout the Northwest Territories**

The Northwest Territories has an enormous land and resource base with distinctive variation throughout the various regions. The Eastern Arctic (Baffin/Keewatin) has a different market orientation than the Western Arctic.

In the Eastern Arctic market penetration has been strong in international markets and Eastern Canada. It has been reasonably successful in the development of higher valued wilderness adventure tourism of appeal to higher income markets. Although travel volumes has been low, trip expenditure has been high.

The Western Arctic has a strong orientation to resident travel markets and to Western Canadian markets (primarily Alberta and British Columbia) . There are developing opportunities for high volume, lower trip expenditure travel markets.

4. **In the Past Five Years the Northwest Territories Has Undertaken Considerable Tourism Planning and Industry Organization in Support of Tourism Destination Development**

In 1980 a Tourism Sub-Agreement for the Northwest Territories would have had little relevance. At that time, although tourism was recognized as being important to the NWT economy, very little thought had been given to how to develop the industry. Since that time travel zones and organizations have been established. Further a consensus emerged as to how the industry should be developed -- at the community level. Tourism plans identifying resource strengths and opportunity have been carried out for most regions. Facility and infrastructure development in support of the industry have been identified.

Given the planning and organizational work that has been carried out over the last 5 years the Northwest Territories is now in a position to consider the implementation of specific industry development initiatives.

5. An Opportunity Exists to Develop a Distinctive Travel Image in the Northwest Territories

If one was to develop a rating system for travel destinations in Canada from immature to developing, to developed and finally to declining, the Northwest Territories would largely be described as an immature travel destination. Figure 3 is taken from the Ministry of State's Tourism Tommorrow discussion paper. Destination zones such as Nahanni and Baffin Island offer the potential as unique or world class tourism products. However in their present state of development they lack the infrastructure, access and support services for major development.

The Northwest Territories is still a relatively unknown travel product. However, an opportunity exists to develop a distinctive theme for the Northwest Territories based on an interpretation of Canada's Frontier North. Distinctive interpretive themes could be developed for each of the travel or regional zones but linked to a strong Canadian Frontier North adventure/interpretive market concept.

FIGURE 3

Selected Examples of Canadian Tourist Destinations, by Calibre and Stage of Development

	INMATURE	DEVELOPING	DEVELOPED	DECLINING
Category A	L'Anse-aux-Meadows Kluane Baffin-Pangnirtung Western Arctic Nahanni	Louisbourg B. C. Rocky Mtns. Churchill Northern Manitoba Northern Saskatchewan	Montreal Vancouver Toronto Whistler Jasper Quebec City Banff Ottawa	Laurent ians Niagara Falls
Category B	Big River Terra Nova Gros Morne Northern Alberta	Stratford St. John's 1000 Islands Windsor/Pt. Pelee Okanagan Ski Winnipeg Collingwood Midland Magnetic Hill Eastern Townshipa Riding Mtn. Ntl. Park Dawson City Whitehorse/Carcross Gull Harbour Area	Peggy's Cove Calgary Edmonton Victoria P.E.I. Cabot Trail Halifax	Muskoka Gaspesie Miramichi Fishing
Category C Transitional*	East Coast N.B. Beaches	Sault St. Marie Eastern Precambrian Regina Orillia Annapolis Valley Yellowknife Corner Brook King's Landing Sask. River Heritage Area Lunenburg Lake Winnipeg Beaches Charlevoix		

Source: Tourism Tomorrow, Published by Ministry of State (Tourism), Towards a Canadian Tourism Strategy.

CATEGORY A -- a unique or superior world-claaa tourism product able to draw visitors from around the world.
CATEGORY B - a quality tourism product competitive with similar major products throughout North American markets.
CATEGORY C -- tourism products competitive within Canada end able to attract and accommodate tourists from neighbouring provinces and atatee.

IMMATURE - product is primitive; lacks infrastructure, access, services and accommodation. It requires major development.
DEVELOPING -- product has been adequately developed, but ancillary visitor services are required.
DEVELOPED - product, infrastructure and ancillary services are fully developed, but maintenance, modernization and upgrading are required.
DECLINING - product, infrastructure and services have deteriorated due to lack of maintenance or a failure to address changing market requirements. Major revitalization is required.

6.0 GOALS AND OBJECTIVES FOR TOURISM DEVELOPMENT IN THE NORTHWEST TERRITORIES

The following three basic goals and objectives have been defined for tourism development in the Northwest Territories.

GOAL #1 - To optimize the contribution of tourism to the economic development of the Northwest Territories through increasing:

- employment opportunities in tourism for northern residents
- the number of entrepreneurial opportunities in tourism as well as to increase northern equity participation in the tourism industry
- the prominence of the travel industry in the NWT.
- the diversity and stability of community economies through tourism.

Objectives:

- to increase the number of visitors to the Northwest Territories
- to increase the average length of stay in the Northwest Territories
- to expand the travel season so that tourism is a year-round industry
- to increase per capita traveller expenditures
- to maintain the integrity of the natural environment through the concentration of relatively intensive developments in existing centres.

GOAL #2 - To develop and maintain a "healthy" and profitable tourism industry in the Northwest Territories through:

- increasing the efficiency of individual tourist operations

. increasing cooperation amont all segments of the tourism/travel industry.

. promoting rational growth of the tourism industry while expanding the Northwest Territories' competitive advantages with other tourism destination areas.

Objectives:

. to increase supply and improve and upgrade existing travel/recreation opportunities

. to develop an integrated system of facilities, attractions "and events

. to develop and promote those features (natural, historical, cultural, industrial) which are unique and have national or international appeal.

Goal #3 - To improve social conditions in the Northwest Territories through tourism through:

. increasing supply and variety of recreational/ tourism opportunities and services in the Northwest Territories, available to residents and visitors alike

. improving the communities for visitors and residents

Objectives:

. to stimulate pride in the "Northern Heritage" and culture through tourism

. to maintain and enhance the cultures of the Indian and Inuit population of the N. W.T. through the development of cultural attractions and events.

7.0 A TOURISM STRATEGY FOR THE NORTHWEST TERRITORIES

In 1983, the essence of a Northwest Territories Tourism Strategy was prepared. There are two major themes to that strategy:

1. That tourism development be community-based
2. That tourism development be spread throughout the NWT.

Essentially the Northwest Territories sees little benefit in developing its tourism industry unless it can bring benefits in the form of income and employment opportunity to its residents. The mechanism *to* achieve this is basing tourism development in *or* near existing communities.

Principles

The principles upon which the Northwest Territories' tourism strategy is based resulted from a review of government policies, reports and studies, an assessment of the existing industry and resident workshops. These principles include:

1. Tourism is a desirable industry for the Northwest Territories and the benefits of tourism should be dispersed throughout the Northwest Territories and not to just a few centres.

2. Tourism, however, should only be encouraged and promoted in those communities/settlements which are ready and/or willing to be involved in the industry.

3. Tourism should be primarily a private sector industry. The private sector should take the lead in developing viable operations with the government involved in the provision of support services (roads, airports, research, general information distribution). In the short term, however, government will need to provide incentives to encourage interest in tourism development.

4. The tourism industry should operate under the free enterprise system, allowing good operations to succeed and poor ones to fail.

5. It is desirable to increase the overall number of visitors to the Northwest Territories.

6. It is desirable to attract new and different types of markets.

7. Tourism in the Northwest Territories should be a year round industry, not just a seasonal one.

8. Large volumes of visitors at one time, in one location, are not desirable in most of the communities (except Yellowknife, Inuvik, Hay River, Fort Smith, and Frobisher Bay where visitors are more easily absorbed into the population).

9. Tourism development should build on the unique resources (natural, cultural and historical) and minimize negative social and environmental impacts.

10. It is desirable to have residents of the Northwest Territories (including Dene, Inuit and White) involved in the different facets of the tourism industry.

8.0 PROGRAM REQUIREMENTS IN SUPPORT OF STRATEGY IMPLEMENTATION

The Northwest Territories' tourism industry is not a mature one, compared to southern tourism destinations. Development of a viable tourism industry for the Northwest Territories will be a long term process. Much of the industry planning and development work carried out to date has been largely unstructured. This is not to say that there are no established destination areas in the Northwest Territories or that facility investments are not being made. Rather a structured development approach involving industry, government and communities is still largely conceptual *or* at the planning phase. Most of the documents, studies and plans carried out to date are not specific towards the identification of tourism development opportunities for implementation. The term implementation means that a specific market has been identified, and that a financial feasibility analysis has been undertaken indicating whether or not the opportunity identified is viable or not.

In addressing these basic industry development needs, it is important to recognize that at this time there is not <u>one</u> single core problem to be resolved but rather a series of inter-related problems that must be responded to in the short term. Primary concerns are centered around the lack of community facilities and services required for the traveller to enjoy the natural, cultural and historical resources comparable to that found for example along the Alaska Highway; the lack of organized attractions of interest to the resident/non-resident traveller, the limited number of individuals with required skills to develop and operate hospitality services, and the land use policy issues that frequently restrict free enterprise development of facilities-attractions.

Given the relatively immature state of the Northwest Territories' tourism industry, program initiatives would be required throughout a number of sectors within the industry.

8.1 General Tourism Data Base

One of the greatest handicaps in developing an effective tourism strategy for the Northwest Territories is the lack of an adequate tourism data base. Without an accurate data base it is impossible to monitor the industry's performance. Although tourism data is lacking at the territorial level it is almost completely non-existent at the tourism zone or community level. There are no statistics for occupancy levels for fixed roof accommodation, or outfitting camps. Occupancy levels are almost considered a virtual bible in the tourism industry. This information and data would be required for the development of a long term strategy to guide the industry's development.

The following are a number of areas where we feel statistical and information data would be a significant value in terms of monitoring the industry's performance, determining market trends and in identifying market opportunities.

<u>Historical Travel Market Data</u>

- resident
- non-resident travel: Canada
U s .
international

This data should be maintained for both the territories and individual zones. It can determine market orientation and the direction marketing programs should take.

Establish Travel Account Data

The resident market, although small, is still the Northwest Territories' largest travel market, yet it has been virtually ignored in any tourism studies. Establishment of travel account data would identify the leakage of income and employment opportunity associated with resident travel outside the Northwest Territories. Most tourism facilities rely strongly on resident markets during their initial stages of development. Only mature or well developed attractions begin to attract non-resident travel in a significant way. To the facility operator, he/ she does not care about the origin of visitation as the priority is visitation. The development of events could stimulate resident travel during non-peak seasons.

Resource Utilization Data

Statistical data should be maintained for all parks, historic sites, and campgrounds in regard to visitation, origin of visitation and occupancy. For purposes of resource management, statistical data should be maintained for fish and wildlife population. This data is invaluable when assessing the impact of consumptive development and its location.

Accommodation and Occupancy Data

All accommodation operators should be invited to participate in an annual occupancy survey. This is an important data source to monitor the performance of the accommodation industry in the Northwest Territories. Without occupancy data it becomes virtually impossible to assess new facility proposals or to identify opportunities for new development.

Travel Impact Data

Data on existing travel would be particularly useful for analysis -- Strategically, what portion of travel budgets are being consumed in the Northwest Territories versus outside the Northwest Territories? How do travel expenditure profiles differ throughout the various travel zones? -- this could lead to strategic conclusions, such as lack of tourism facilities, services and products for tourists to spend money on.

For comparative purposes with other provinces and between zone trip expenditures data would be very useful. The objective of tourism industry development is to create greater tourism expenditure in the local economy. This can be accomplished by increasing the volume of travel or level of expenditure. This type of information could lead to important strategic conclusions. For example in areas which are remote and relatively inaccessible a zone strategy would be based on higher valued tourism products that have higher trip expenditure — 200 tourists who spend $6,000 per trip is equivalent to 4,800 tourists who spend $250 a trip.

Length of stay data is also important to strategic analysis. Increasing the length of stay has the same impact as increasing visitor volume.

Travel Survey Data

There is virtually no travel survey data available. All existing Northwest Territories travel markets should be surveyed to assess which markets the NWT should direct its promotion and marketing campaigns. Tourism awareness of the Northwest Territories and its attractions should be established. Travel generators for specific products should be determined.

During the summer months auto intercept surveys should be established to determine travel characteristics and the size of the pass-through market for the Northwest Territories.

Business/Convention Market Data

There is virtually no data on the business travel and convention markets. What is the size of the convention market available to the Northwest Territories? What portion of that market is the Northwest Territories capturing; what portion are travel zones capturing? A survey of both government and industry should be undertaken to determine number of conventions, business seminars, etc. -- size/ frequency/requirements.

8.2 Human Resource Development Program

The Northwest Territories Tourism Strategy is a community-based tourism strategy. The intent of this strategy to increase income and employment opportunity for Northwest Territories' residents throughout the Territories. The objective applies to both the current industry and to future industry development. Previously it was noted that effective (income/employment) participation in the industry has not benefitted Northwest Territories' residents in a substantial way. Often the management of existing tourism facilities is "southern based" and employment opportunity goes to southerners.

The tourism industry in the Northwest Territories is a young industry. There is a general lack of awareness by residents about the industry. In some cases residents can only bearly speak English. While in others the requisite skills required for participation are not available. Exit travel surveys have identified problems with both the level of service as well as facilities.

Virtually, at all levels of industry, skill development is necessary for effective resident participation in NWT tourism careers.

Although all studies have identified the need for skill development, no study has identified how, where or what skills need to be developed. Identifying problems is far easier than identifying solutions. We would suggest two major initiatives to deal with skill development and more effective participation by NWT residents in the industry.

#1 - Human Resource Base Line Study

- current size of employment in the Northwest Territories' tourism industry:
  - in person years
  - employment by sector:
    - Transportation
    - Visitor Services
    - Facilities
  - by region
  - current wage rates/occupations
  - skill levels/entry levels
  - turnover
  - labour sourcing
  - training requirements identified by employers/employees
  - mobility
  - location of training/training facilities

This base line study is extremely important. it can also result in positive industry participation in the study. Most importantly, it identifies the demand for labour, training and skill requirements for more effective resident participation in the industry. This analysis could then lead to program development in the following areas:

#2 - Initiate Program Development in:

- Hotel/Restaurant Management
- Chef and Cook Training
- Customer Service/Public Relations
- NWT Tourism Program
- Convention Catering
- Business Management
- Marketing Tourism Products

These training programs would likely be a combination of industry -based/institution-based/mobile and training seminars dealing with specific subjects lead by experienced training facilitators.

8.3 Tourism Industry Organization

An important component to the Northwest Territories' Tourism Strategy is industry organization. The NWT Travel Industry Association and 6 travel zone associations are currently being supported by a $481,000 grant under EDA. The associations require project development off icers. At present these associations are largely management /information/promotion agencies. If the associations are to take a more pro-active development role tourism project development officers will be required. In most of the regions, there is a complete shortage of management support systems that would facilitate requests for project identification and implementation under a tourism agreement. The development officers can play a key development interface role between the industry, communities, travel associations and the government of the Northwest Territories.

8.4 Product Development

A series of initiatives would have to be undertaken to develop basic tourism infrastructure in the Northwest Territories as well as specific tourism travel generators, visitor accommodation and services. We have identified four broad areas for development.

Tourism Product Infrastructure

This is required at virtually all levels and throughout the Northwest Territories.

- Campgrounds/Parks
- Model Villages
- Nature/Adventure/Historic Trails
- Purchase of Equipment
- Outfitter Development
- Local Transportation
- Shopping Upgrading
- Signage
- Restaurant Facilities

Community Beautification

If communities are going to be the basis for the Northwest Territories' tourism strategy, then the communities themselves will require considerable upgrading. This is essentially a Community Beautification Program. The program would provide for public improvements -- signs, sidewalks and street front restaurants along with public facilities that are themed in an interpretive manner. Business would be encouraged to participate in the program with incentive grants.

Major Tourism Attractions

identify, priorize and develop major tourism attractions in each of the travel zones. Specific destination *studies* should be undertaken. Studies should identify linkages with other attractions and communities in the region. A project example could include the purchase of a large tour boat in co-operation with the Government of Manitoba for a joint Hudson Bay-Arctic tour linking the Baffin and Keewatin Regions to Southern Manitoba.

A specific major attraction that has been identified is a major resort/conference and training centre at Pangnirtung. This would be Canada's most northern resort facility. It is to be developed as a world class facility and linked to other attractions and resources of Baffin Island. It will also be utilized as a training centre to develop and implement tourism training programs.

Tourism Investment Incentives

This program could build on the existing NWT Venture Capital Program to lever private sector investment in the establishment, modernization *or* expansion of attractions, resorts, hotels, *motels,* campgrounds, restaurant and recreation transportation services. The program would also be available to assist NWT residents to buy out and operate existing lodges owned by non-NWT residents.

8.5 Market Identification and Market Development Program

Existing operators require assistance in identifying new markets. The State of California is roughly equivalent to the entire

Canadian market. A travel profile of California vacation habits would suggest a good match with tourism products and resources of the Northwest Territories. Tour operators should be assisted to identify and develop travel development opportunities from this market.

High valued pleasure travel is normally triggered by specific interests. There is a need to inventory and develop specific tours, package them and target market them to specific or special interest groups. Some examples include:

- art /craft buying tours
- photographic tours
- wilderness adventure tours
- cultural tours/exchanges
- historical/interpretive tours
- specialty hunting/fishing tours
- Tundra tours

Lastly, as an "aid to trade", program operators should be given assistance to attend shows, conferences and travel/trade organizations to promote specific products. This also could include support to local artists/crafts to tour target markets. Artists exchanges would also promote and develop Inuit arts and crafts.

8.6 Tourism Awareness Program

There is a need for a tourism awareness program in the Northwest Territories. Such a program would be aimed at the community level. It would demonstrate the value of tourism to the Northwest Territories' economy. It would describe the tourism industry as well as visitor expectations. It would demonstrate how communities can effectively participate in the tourism industry.

An advertising campaign should be developed and promoted throughout the Northwest Territories to increase awareness and importance of tourism hospitality to visitors.

8.7 Visitor Information and Reception Centres

Visitor information and reception centres are required at major entry points and near major attractions. The Yellowknife Airport has virtually no tourism reception or information facilities.

8.8 Planning and Opportunity Identification

In general support of tourism development, there is a need to establish a "study" program. Funds from the program would be used to develop a long term development strategy for the industry. As well, some funding should be maintained for opportunity identification such as feasibility studies for resorts, lodges and the development of other attractions or visitor facilities.

8.9 Evaluation and Administration

If a tourism agreement is developed there will be a need for the development of evaluation criteria and an evaluation of the effectiveness and efficiency of the agreement in achieving its objectives. An understanding should also be reached with the federal government as to how the Agreement should be administered.

1-

APPENDIX 1.0

TRAVEL PROFILES FOR

1. Alberta
2. British Columbia
3. Ontario

1. ALBERTA TRAVEL MARKET PROFILE

Alberta is the most important source of tourists to the Northwest Territories. Alberta residents undertook 12,227,000 person-trips in 1984 of which 1,712,000 person trips were to Canadian destinations outside Alberta.

A market study of Alberta observes that Albertans are interested in a variety of travel activities as noted on the following two table displays.

Of all the activities listed, the five most popular include rural sightseeing, visiting historical sites, urban sightseeing, attending festivals and camping.

Many of these activities could be pursued by Alberta residents in the Northwest Territories -- camping, fishing, rural sightseeing, wilderness canoeing, attending events, hunting, etc. With development of historic, cultural and natural resources and complementary support facilities and services, the Northwest Territories has the potential to significantly increase its share of the Alberta out-of-province travel market.

Main Reason for Trips by Alberta Travelers
1981 - 1984

Trip Purpose	Alberta	Calgary/Edmonton
Pleasure	60.1%	61.7%
Business	3.6%	4.7%
Business/Pleasure	10.3%	10.9%
Visiting Friends/Relatives	20.2%	16.4%
Pleasure and VFR	4.0%	4.7%
Other	2.0%	1.6%

Specific Interests of Travelers on Pleasure Trips

Trip Purpose	Alberta	Calgary/Edmonton
Rural Sightseeing	85%	85%
Historical Sites	78%	74%
Urban Sightseeing	77%	82%
Festivals	65%	68%
Camping	69%	64%
Water Sports	57%	59%
Sporting Events	57%	55%
Musical Events	52%	57%
Fishing	48%	42%
Hiking	51%	56%
Craft/Art Fairs	42%	39%
Downhill Skiing	38%	45%
Industrial Tours	29%	23%
Cross Country Skiing	28%	35%
Sailing	27%	29%
Snowmobiling	23%	19%
Wilderness Canoeing	20%	22%
Big Game Hunting	21%	16%
Game Bird Hunting	18%	17%

2. BRITISH COLUMBIA TRAVEL MARKET PROFILE

British Columbia residents undertook 8,792,000 person-trips during 1984 for tourism related purposes. Of this total 6,913,000 person trips were intra-provincial while 1,879,000 person trips were to other Canadian destinations.

Forecasts conclude that there may be moderate growth occurring in the B.C. travel markets over the next several years and that marketing of specific activities and development of attractions and facilities should provide the Northwest Territories with a reasonable opportunity to establish a larger share of this increased market.

The main reason why British Columbia residents travel led in the last three years was for pleasure purposes.

British Columbia residents enjoy and pursue a variety of activities on pleasure trips, from rural sightseeing to fishing and hunting. Activities such as hunting, fishing, camping, hiking and wilderness canoeing can be currently pursued by B.C. residents in the Northwest Territories. Additional development and interpretation of the historic, cultural and natural resources will enhance the appeal and thus the market share from British Columbia as indeed from other Canadian provinces and the U.S.

Main Reason for Trips by B.C. Residents
1981 - 1984

Trip Purpose	B.C.	Vancouver/Victoria
Pleasure	53.4%	55.3%
Business	6.0%	7.4%
Business/Pleasure	10.0%	11.7%
Visiting Friends/Relatives	24. 7%	21.3%
Pleasure and VFR	4.0%	2. 1%
Other	2.0%	2. 1%

Specific Interests of B.C. Travelers on Pleasure Trips

Trip Purpose	B.C.	Vancouver/Victoria
Rural Sightseeing	83%	89%
Historical Sites	85%	83%
Urban Sightseeing	78%	92%
Festivals	65%	66%
Camping	61%	56%
Water Sports	60%	54%
Sporting Events	49%	49%
Musical Events	56%	66%
Fishing	43%	35%
Hiking	48%	46%
Craft/Art Fairs	51%	49%
Downhill Skiing	30%	28%
Industrial Tours	26%	26%
Cross Country Skiing	21%	20%
Sailing	24%	27%
Snowmobiling	7%	6%
Wilderness Canoeing	20%	20%
Big Game Hunting	15%	11%
Game Bird Hunting	13%	11%

3. ONTARIO TRAVEL MARKET PROFILE

Although travel by Ontario residents to the Northwest Territories is small in comparison to British Columbia and Alberta, the Northwest Territories has the potential to increase visitations from Ontario. It should be noted that due to Ontario's population base alone, it is a market which merits pursuit. The Ontario market is of relatively greater importance to the Baffin Keewatin regions than to the Territories as a whole.

Ontario residents undertook 35,524,000 person trips in 1984 of which 32,827,000 were intra-provincial and 2,697,000 person trips were to other Canadian destinations.

Ontario residents are interested in a broad range of pleasure travel activities such as rural and urban sightseeing, visiting historic sites/museums, attending festivals/events, camping, fishing, hiking, wilderness canoeing and other activities. Many of these activities could be pursued in the Northwest Territories. The Ontario market is sophisticated in its expectations and to significantly penetrate this market the Northwest Territories would have to upgrade the quality of tourism services as well as the quality of the tourism experience whether it's for fishing, hunting, wilderness canoeing, or rural sightseeing.

1 -

Main Reason for Trips by Ontario Residents
1980 - 1983

Trip Purpose	%
Pleasure	71%
Visiting Friends/Relatives	23%
Business/Pleasure	12%
Business	1%
Other	1%

Specific Interests of Ontario Travelers on Pleasure Trips
1980 - 1983

Trip Purpose	All-Province Average	Ontario
Rural Sightseeing	84%	81%
Historical Sites/Museums	79%	78%
Urban Sightseeing	79%	79%
Festivals/Special Events	66%	68%
Musical Events/Live Theatre	55%	61%
Craft/Art Fairs	44%	47%
Camping	57%	36%
Water Sports	52%	40%
Sporting Events	50%	32%
Hiking	41%	29%
Fishing	41%	22%
Industrial Tours	29%	22%
Downhill Skiing	29%	17%
Sailing	23%	22%
Wilderness Canoeing	21%	19%
Cross-Country Skiing	25%	18%
Snowmobiling	21%	13%
Hunting Game Bird	16%	8%
Hunting Big Game	17%	7%

APPENDIX 2.0

TOURISM INFRASTRUCTURE AND SERVICE DEVELOPMENT

. Program Identification

. Order of Magnitude Costs

REGION: INUVIK

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	1,2	$ 380,000			7
1.2 Sport Hunting	1,2	$ 182,000			5
1.3 Boat Tours					
1.4 Photo/Service/Naturalist	1,2	$ 15,000			1
1.5 Historical/Interpretive					
2. SUPPORT SERVICES					
2.1 Organization of Outfitter					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Host Programs"					
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	1,2	$ 10,000			
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTAL S	$ 587,000			13

COMMUNITY KEY

1. Fort Good Hope
2. Colville Lakes
3. Campbell Hills/Park

Source: Information regarding capital costs and potential job creation taken from: "For Good Hope/Colville Lake: Tourism Strategy", Vol. 2, authored by Lutra Assoc. Ltd., Quivvak Ltd., and "Campbell Hills/Lake: Park Feasibility Study", authored by Resources Management Consultant Ltd.

1

REGION: INUVIK

PROGRAM IDENT FICATION ~ SUPPORT OF STRATEGY IMPLEMENTATION

	MM		/R	CONST.	TEMP.	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Natural: st 1.1.1 Permanent 1.1.2 Semi-Permanent 1.2 Remote Naturalist Lodge	1,2	$200,000					20
2. F.R.A. Development * Inc uding restaurant, etc.)							
3. Estab ish Campgrounds/Parks	3	$175,000					
4. Develop "Model" Indigenous Villages	1,2	$ 47,000					5
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.	1,2	$580,000		5			(1)
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	1,2	$ 47,000		2-3			1
7. Purchase Outfitting Equipment	1,2	$200,000					14
8. Purchase Other Equipment/Faci ities (i.e. Large Ship, Boat)							
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)							
10. Signage/Interpret ve Development	1,2	$ 3,000					
1 . Upgrade Shopping/Souvenir Facilities							
COMMUNI Y ×=Y:	TOTALS	$1,254,000					41

As on page 4.

REGION: KEEWATIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR [RAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	5	$ 15,000			3
1.2 Sport Hunting	3,6	$ 3,000			3
1.3 Boat Tours	1,4,5,6,7	$ 47,000			2
1.4 photo/Service/Naturalist	1,3,6	$ 10,000			5
1.5 Historical/Interpretive	4,6,7	$ 28,000			?
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services	3				2
2.4 Establish "Community Host Programs"	1,2,3				5
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	all communities	$474,000	4		3
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTALS	$577,(JOO	4		23

COMMUNITY KEY

1. Baker Lake
2. CheaterField Inlet
3. Coral Harbour
4. Eskimo Point
5. Rankin Inlet
6. Repulse Bay
7. Whale Cove

Source: All coat and job creation estimates taken from materials reviewed: "Keewatin Destination Zone: Tourism Development and Marketing Strategy", Marshall Macklin Monaghan.

REG ION: KEEWATIN

PROGRAM IDENTIFICATION IN SUPPORT Of STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE Capital $	Planning/Research Feasibility $	POTENTIAL JOB CREATION CONST. Person/Years	TEMP.	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Naturalist		$1,295,000	$ 70,000	9			44
1.1.1 Permanent	1,4,5						
1.1.2 Semi-Permanent	1,5						
1.2 Remote Naturalist Lodge	3						
2. F.R.A. Development * (Including restaurant, etc.)	2,3,4,7	$522,000	$ 20,000	5		2	
3. Establish Campgrounds/Parks	1	$42,000	$ 10,000				2
4. Develop "Model" Indigenous Villages	1	$100,000		1			
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.							
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	3,4,5,6	$ 64,500		2	2		7
7. Purchase Outfitting Equipment	1,4,7	$ 22,000				1	5
8. Purchase Other Equipment/Facilities (i.e. Large Ship, Boat)	2,3,4,5,6	$155,000					7
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc)	5	$200,000					
10. Signage/Interpretive Development	1,2	$ 2,000			2		
11. Upgrade Shopping/Souvenir Facilities			$ 10,000				
TOTALS		$3,661,500	$ 100,000	17	5	3	60

COMMUNITY KEY:

As on page 1.

REGION: CENTRAL ARCTIC

PROGRAM IDEMT[FICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	1, 2, 5	$ 12,000			5
1.2 Sport Hunting	1	$ 4,000			5
1.3 Boat Tours	2, 4	$ 17,000			3
1.4 Photo/Service/Naturalist	4	$ 5,000			1
1.5 Historical/Interpretive	1, 2, 5, 6	$ 72,000			3
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Hoat Programs"	1,2,3,4,5,6	$144,000			6
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	1,2,3,4,5,6	$ 89,000			
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTALS	$343,000			21

COMMUNITY KEY

1. Holman Area
2. Coppermine Area
3. Cambridge Ray Area
4. GJOA Haven
5. Spence Ray
6. Pelly Bay
7. Bathurst Inlet

Source: Coat and Job Data as in Materials Reviewed. Materials Reviewed: "Arctic Coast Destination Zone: Tourism Development and Marketing Strategy", Vol. 111, Authored by Outcrof Ltd., OPA Consultants, MacLaren Research.

REGION: CENTRAL ARCTIC

PROGRAM JDENTIFICATION IN SUPPORT Of STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF E ENDITURE Capital $	Planning/Research Feasibility $	POTENTIAL JOB CREATION CONST.	TEMP.	PERM.	SEAS
1. Camps end Lodges							
1.1 Fishing/liunting/Naturalist 1.1.1 Permanent 1.1.2 Semi-Permanent 1.2 Remote Naturalist Lodge	1,3	$107,000	$ 38,500	Yes			17
2. F.R.A. Development • (Including restaurant, etc.)	2,4,5,7	$1,680,000	$ 143,000	Yea			21
3. Establish Campgrounds/Parks							
4. Develop "Model" Indigenous Villages	1,6	$442,000	$ 50,000				9
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.	1,5	$510,000	$ 5,000	Yes			13
6. Develop }liatorical/Interpretive Nature Hiking, Adventure Trails,Sites	3,4,6	$888,000	$ 51,000				4
7. Purchase OutFitting Equipment	1,2	$ 23,500					
8. Purchase Other Cquipment/Facilities (i.e. Large Ship, Boat)	1,2,3,4,5	$233,000					
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	1,2,3	$163,000					
10. Signage/Interpretive Development	1,3,4,5,6						
11. Upgrade Shopping/Souvenir Facilities							
TOTALS		$3,661,500	$ 282,500				64

COMMUNITY KEY:

Aa on page 1.

REGION: FORT SMITH

SERVICE DEVELOPMENT

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS 1.1 Sport Fishing 1.2 Sport Hunting 1.3 Boat Tours 1.4 Photo/Service/Naturalist 1.5 Historical/Interpretive	1,3 3,2 1	$ 8,000	Not Available --		
2. SUPPORT SERVICES 2.1 Organization of Outfitters 2.2 Organization of Guiding Service 2.3 Improvement of Local Taxi Services 2.4 Establish "Community Heat Programs"					
3. INFORMATION SERVICES 3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials) 3.2 Establish Administrative Commonality for Information Centres	1,10	$ 65,00()			
TOTALS		$ 73,000			

COMMUNITY KEY

1. Lake La Martre, Rae Lakes, Snare Lakes
2. Old Fort Rae, Fort Enterprise
3. Rae, Edzo
4. Russel Lake
5. 60th Parallel
6. Alex. Falls
7. Louise Falls
8. Escarp Creek
9. EnterPrize
10. Hay River

Source: Cost Projections and Job Creation Potential taken from analysis of: "Blackstone Park: Implementation Plan", Project Planning Assoc. Ltd.; "Strategy" Phase Two, Qaivvik Ltd.; Regional Tourism Strategies", Marshall Macklin Monaghan, "Laird - MacKenzie "MacKenzie Highway Corridor: Tourism Study" I.D. Systems Ltd.

REGION: FORT SMITH

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE: Capital $	ORDER OF MAGNITUDE OF EXPENDITURE: Planning/Research Feasibility $	POTENTIAL JOB CREATION: CONST.	POTENTIAL JOB CREATION: -'Trim-	POTENTIAL JOB CREATION: PERM.	POTENTIAL JOB CREATION: SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Naturalist	1	$60,000					
1.1.1 Permanent							
1.1.2 Semi-Permanent							
1.2 Remote Naturalist Lodge					Not A[illegible]ilable --		
2. F.R.A. Development * (Including restaurant, etc.)	1,3	$375,000					
3. Establish Campgrounds/Parks	4,5,8,10	$150,000	$ 18,000				
4. Develop "Model" Indigenous Villages							
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.							
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	2,6,7,9	$117,000	$ 15,500				
7. Purchase Outfitting Equipment							
8. Purchase Other Equipment/Facilities (i.e. Large Ship, Boat)							
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	10	$ 50,000					
10. Signage/Interpretive Development	6,7,8,9,10	$ 17,500					
11. Upgrade Shopping/Souvenir Facilities							
	TOTALS	$764,500	$ 33,500				

COMMUNITY KEY:

As on page 1.

REGION: BAFFIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing					
1.2 Sport Hunting	I	$ 10,000			
1.3 Beet Tours	1, 11	$ 192,000			
1.4 Photo/Service/Naturalist	1, II	$ 13,000			
1.5 Historical/Interpretive					
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Heat Programs"	1	$ 11,000			
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)					
3.2 Establish Administrative Commonality for Information Centres					
TOTALS		$ 226,000			

COMMUNITY KEY

I. Pangnirtung-Broughton Island (PRIORITY AREA)
11. Frobisher Bay, Care Dorset, Lake Harbour
III. Pond Inlet, Arctic Bay, Igloolik, Hall Beach
Iv. Resolute fray - Grise Fiord
V. Clyde River - Sanikilvaq

Source: All coat estimtaes and job estimates taken from materials reviewed. Materials Reviewed: "Baffin Region Tourism Strategy", author unknown to DMCA Consultants and "Pangnirtung Community Tourism Study", authored by Marshall Macklin Monaghan (1982).

REGION: BAFFIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE YPE	COMMUNITIES	ORDER OF MAGNITUDE 0 EXPENDITURE Capital $	Planning/Research Feasibility $	POTENTIAL EATI CONST.	TEMP.	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Naturalist 1.1.1 Permanent 1.1.2 Semi-Permanent	I	$639,000	$ 20,000				
1.2 Remote Naturalist Lodge					-- Not Available --		
2. F.R.A. Development * (Including restaurant, etc.)	I, II	$4,000,000	$ 415,000				
3. Establish Campgrounds/Parks	I	$ 50,000	$ 5,000				
4. Develop "Model" Indigenous V llages							
5. Develop Community Orientat on, Information, Craft Centres for Tourists, Elders, etc.	II	$1,000,000	$ 140,000				
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	I, II	$246,000	$ 26,000				
7. Purchase Outfitt ng Equipment							
. Purchase Other Equipment/Facilit es (i.e. Large Ship, Boat)	II	$630,000	$ 40,000				
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	I, II		$ 120,000				
10. Signage/Interpretive Deve opment							
11. Upgrade Shopping/Souvenir Facilities							
	TOTALS	$7,025,000	766,000				64

COMMUNITY KEY:

As on page 1.

11-425

DISCUSSION PAPER

REVIEW AND SUMMATION OF THE NORTHWEST TERRITORIES TOURISM INDUSTRY, DOCUMENTS AND PROGRAMS

AS BACKGROUND TO

A CANADA-GOVERNMENT OF THE NORTHWEST TERRITORIES SUBSIDIARY AGREEMENT ON TOURISM

DERECK MURRAY CONSULTING ASSOC.

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1.0 INTRODUCTION

This paper is essentially a discussion paper. It has been prepared for the Government of the Northwest Territories. It is largely based on a review of all current documents, programs and studies dealing with tourism in the Northwest Territories. The intent of the paper is twofold : to describe a tourism strategy for the Northwest Territories and to determine the program content for a Canada-Northwest Territories Agreement to realize that strategy. It should be realized that the intent of the discussion paper is not a fully detailed Tourism Agreement. That will only be realized after detailed Canada/Northwest Territories consultation. Rather, the intent with this discussion paper is to provide the background and framework for such an agreement.

1.1 Background

Tourism is a relatively immature industry in the Northwest Territories. However it is the Northwest Territories' second largest industry. It is second only to mining in terms of dollar contribution to the Northwest Territories' economy. The industry has been developing since the 1960's with improvements in transportation systems linking the north to the south. The completion of the MacKenzie Highway system in the 1960's made the southwestern Northwest Territories accessible to auto tourism travel from the south. In the 1970's air service constantly improved to and within the Northwest Territories. With increasing travel, accommodation facilities improved. By the 1980's regional tourism associations began to form. Twenty package tours, thirty outfitters, forty lodges and forty hotels were in operation in the Northwest Territories.

In 1982, tourist visitation to the Northwest Territories was at the same level of the Northwest Territories population. A total of 44,000 visitors travel led to the Northwest Territories in 1983. The estimated value of expenditure associated with this travel was almost $40 million.

The Government of the Northwest Territories has always expressed an interest in developing tourism. However, the interest expressed by the Government of the Northwest Territories has been unstructured and has been limited principally to marketing support. Until recently the Northwest Territories had no concept or strategy towards which a viable tourism industry could evolve towards.

Over the past three years, elements for a Northwest Territories tourism industry strategy have begun to emerge. Tourism studies have been carried out on a regional, community and park resource specific basis. A consensus between Government, industry and communities as to the direction of the industry's development has also emerged. For the Northwest Territories, there is a broad agreement that the development of the industry should be community-based. This is to ensure that the development of the industry results in income and employment opportunity at the community level. Historically the development of the Northwest Territories' tourism industry has not resulted in significant benefits for communities.

A second area of emerging consensus for the industry's development is that it must be regional. Existing development has been largely concentrated in the southwest. This area already accounts for 65% of total tourism visitation to the Northwest Territories. As a result an effective tourism strategy must result in a greater distribution of economic benefits throughout the entire Northwest Territories. The mechanism to accomplish this goal is the development of regions with tourism destination zone strategies.

1.2 Objectives

At present the development of the Northwest Territories' tourism industry is at a critical stage. The Northwest Territories is one of the few regions in Canada that does not have a tourism strategy supported by a federal-provincial (territorial) tourism agreement. At present public support for Northwest Territories tourism is principally through the Canada-Northwest Territories Economic Development Agreement (E DA) . A Domestic Market Development Subsidiary Agreement has been the principal vehicle for tourism industry development. Within this agreement there is a separate Tourism Development Program which has provided support to tourism zone associations, tourism superstructures, hospitality, business assistance, travel generators and marketing.

There has been a strong desire to establish a separate subsidiary agreement for tourism alone. It is the Northwest Territories' second largest industry. Planning has now reached the stage where specific opportunity identification could be implemented. Tourism industry organization has greatly improved. Most importantly a strategic direction has now been established for the industry in the forms of community-based tourism and tourism regions or zones.

This paper is intended as a background paper in preparation for a proposed Canada/Northwest Territories Tourism Agreement. In preparing the paper the following activities were undertaken:

1. All completed and in progress regional tourism studies and other related documents and programs were reviewed.

2. Other recently signed Canada/Provincial and Territorial Agreements were reviewed.

3. Consultations were carried out with government representatives.

4. A proposed structure for a Canada/Northwest Territories Tourism Agreement outlining the range and cost of program content was prepared.

Our review was structured examining, assessing and describing the following:

- NWT Tourism Industry Structure
- Market Assessment
- Tourism Products and Resource Base Assessment
- Identification of Constraints and Opportunities for Tourism Industry Development
- Identification of Goals and Objectives for NWT Tourism Development
- Description of a Tourism Industry Strategy for the NWT
- Identification of Programs in Support of the Strategy
- Recommendations for the Structure and Implementation of a Tourism Agreement for the Northwest Territories.

Our review was also structured at the territory, region and community levels in formulating our recommendations. The following chapters address each of the above.

2.0 THE TOURISM INDUSTRY STRUCTURE

In this chapter the present structure of the Northwest Territories' tourism economy is examined. Its importance to the Northwest Territories' economy is described. The structure of the Canadian tourism industry is reviewed. The tourism industry is unique. it is important that its structure be understood in order to assess how programs contained within a Tourism Agreement would stimulate and direct its growth toward specific goals.

2.1 Tourism Industry Characteristics and Structure

Sectoral Composition

The Tourism Industry consists principally of the following sectors:

- Vistor Facilities
- Visitor Transportation
- Visitor Attractions

Visitor Facilities

Visitor facilities consist principally of two subsectors -- accommodation and food and beverage. Accommodation includes hotels, motels, lodges, cabins and campgrounds. The food and beverage sector includes principally licensed and unlicensed restaurants, caterers and taverns.

Visitor Transportation

Given Canada's expansive geography, transportation is the second largest tourism sector. This sector includes water, air and rail carriers, bus transportation and car rentals and services related to auto transportation.

Visitor Attractions and Services

This sector includes events, attractions and recreation as well as "other" categories for sales and services related to tourism such as travel agents and retail and miscellaneous sales related to tourism expenditure.

Each of these sectors principally accounts for tourism expenditure. Figure 1 indicates the allocation of tourism expenditure between the three sectors and subsectors. Unfortunately there is no comparable data for the NWT. We suspect that given the nature of the present industry and distance to major markets that transportation expenditure would be considerably higher than the national average. As well visitor facilities and attractions are largely underdeveloped.

Markets

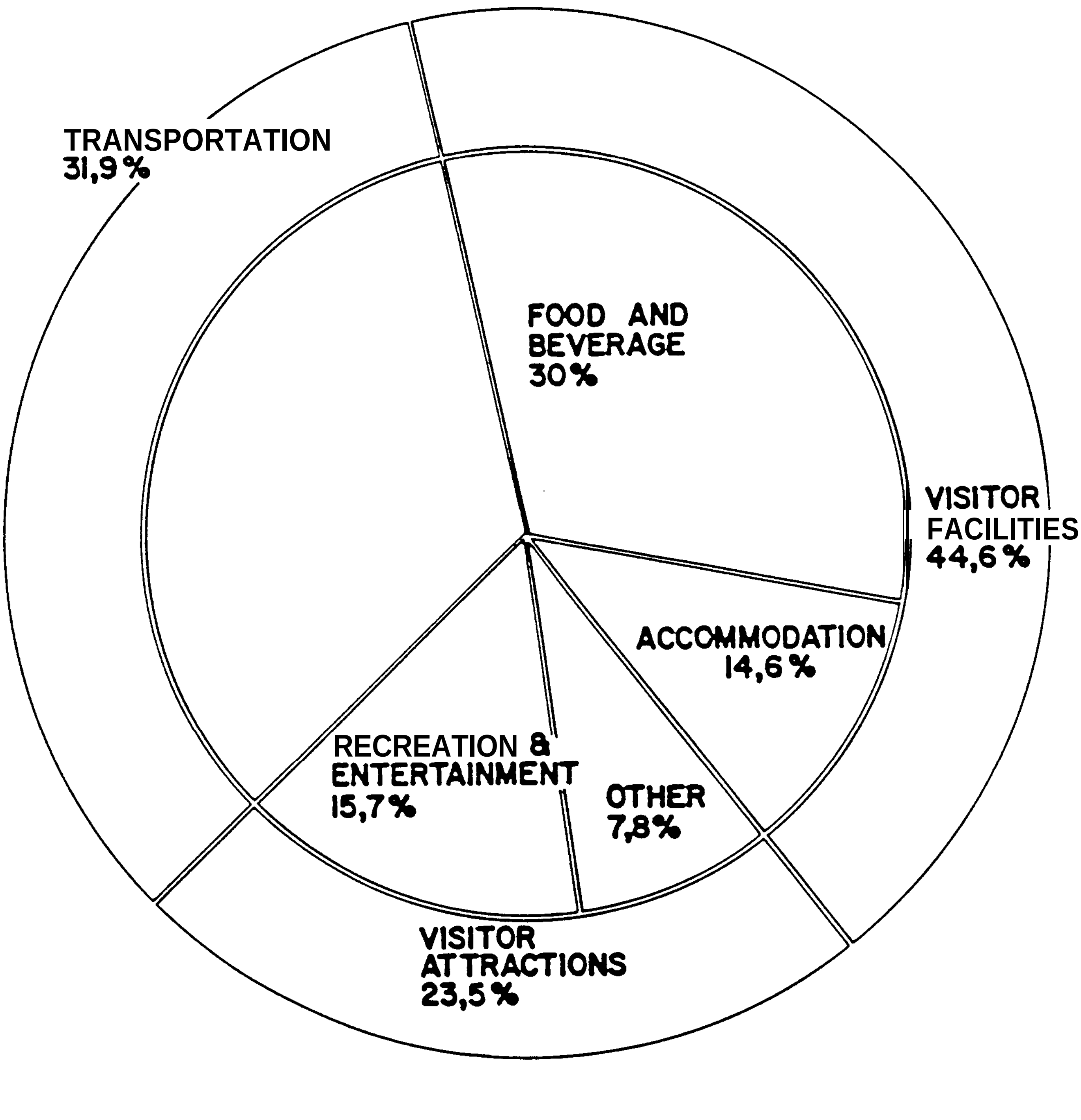
A tourist is defined as any individual who travels more than 50 miles from their principal residence whether for business or pleasure travel. There are two principal markets for tourism -- travel expenditure by Canadians within Canada and Travel expenditures by foreigners to Canada. Unfortunately for Canada, its share of international travel has been declining. U.S. travel to Canada has declined dramatically over the last decade. Overnight visitation from the U.S. has declined by more than 16%. The U.S. accounts for 87% of all foreign travel to Canada. At present the largest Canadian travel market is the domestic market. It now accounts for 80% of all tourism expenditure in Canada.

The NWT and the provinces' travel market structure is segmented as follows:

- Domestic Market
- Canadian Market
- U.S. Market
- International Market

FIGURE 1

Tourism Expenditures in Canada
by Type of Expenditure
1980



In several provinces the domestic market or provincial resident market is the most important. For example, in the province of Saskatchewan, travel by Saskatchewan residents accounts for 82% of all Canadian travel in that province.

In the Northwest Territories, the domestic market accounts for 70% (75,000 person trips) of all travel in the Northwest Territories (106,000 person trips in 1981-82). Like most of the Canadian Provinces the Northwest Territories is still heavily dependent upon its own resident market for travel.

Tourism is an Export Industry

Much in the same way that Canada exports manufactured goods, mineral and other resource products, the tourism industry is also an export industry. In the early 1970's tourism was ranked second out of Canada's top seven export commodities. However tourism exports have slipped badly since 1970 and now tourism ranks seventh amongst Canada's leading export industries.

Like other commodity trade there is an outflow and inflow of tourism travel receipts referred to as a travel account. of considerable concern to federal officials is the growing Canadian travel account deficit. The deficit was $2.2 billion in 1983, or 3 times greater than it was 10 years earlier.

Unfortunately we could find no travel account data for the Northwest Territories. As a result we are unable to comment on the size of the Northwest Territories' travel deficit or surplus. If the Northwest Territories' travel account is in a surplus position it would be a positive sign of a healthy tourism economy.

If it is a negative position then the Northwest Territories would look at import substitution possibilities to develop its own resident travel markets and stop the leakage of income and employment associated with residents traveling outside of the Northwest Territories.

Economic Impact

There are a number of characteristics of the tourism industry that are especially appealing from a perspective of economic development in a region. The industry can be a real growth engine for employment. It is very labour intensive. It is also characterized by relative ease of entry and in many ways is the essence of small business development in Canada. Lastly, the industry can generate considerable revenue to all three levels of government.

In terms of employment impact it is currently estimated that for every One million dollars 33.5 direct jobs result and a further 11.8 indirect jobs for a total direct and indirect employment impact of 45.3 person years of employment. For Canada, tourism represents an $18 billion industry employing over 600,000 people directly and over 200,000 indirectly.

In terms of direct benefits to Government, it is estimated that for every one dollar of expenditure, 30¢ is returned to governments by way of tax revenue. This will vary from industry to industry. generlly the federal/provincial split on taxation is 60/40. The following is a relative measure of tax revenue impact:

Tax Impact on One Dollar of Tourism Expenditure

	Total Tax Revenue	Federal	Provincial
Distribution of Tax Revenue	30¢	18¢	124

2.2 The Northwest Territories Tourism Industry

In 1981-82 it was determined that tourism expenditure in the Northwest Territories was 58 million dollars resulting from 106,000 person trips. This would represent less than 1% of total Canadian tourism expenditure. However there are a number of positive indicators for the Northwest Territories' tourism industry where compared to other provinces:

- The Northwest Territories is less reliant upon its own resident market -- 70. 8% of all person trips are made by Northwest Territories residents -- compared to the Canadian average of over 80%.

- Average trip expenditure is considerably higher than the Canadian average. Average per person trip expenditure is $547 compared to less than $200 for the Canadian tourism industry.

- The Northwest Territories has the potential for high valued tourism products of significance to middle and upper income tourist markets such as wilderness and unique vacation/pleasure experiences.

Regarding employment, at a level of $58 million in annual tourism expenditure (1981-82), the Northwest Territories' tourism industry would employ 1,943 people directly and a further 684 indirectly.

The value of the industry to senior government in terms of tax revenue would be 17.4 million dollars of which $10.4 million would accrue to the federal government and $7.0 million to the Government of the Northwest Territories.

Although the Northwest Territories tourism industry is undoubtedly the smallest in Canada, it is of significant importance to the Northwest Territories' economy.

Comparatively the Northwest Territories attracts the smallest number of non-resident tourists of any destination in Canada as shown in Table 1. If the Northwest Territories could raise its level of visitation to that of the Yukon or Newfoundland, it would mean an increase of tourism travel expenditure of 3.7 times its current level. At present out-of-province travel expenditure accounts for $39 million. A 3.7 fold increase in the value of current travel expenditure would result in an additional 4,834 direct jobs in the Northwest Territories and a further 17.3 million dollars in tax revenue to the Government of the Northwest Territories.

TABLE 1

Inter-Provincial Comparison of Out-of-Province Tourists

Province/Territory	Population 1982	# of Out-of Prov. Tourists 1982	Ratio[1]
British Columbia	2,783,300	5,658,000	2.03
Alberta	2,315,100	2,329,000	1.01
Saskatchewan	981,400	1,231,000	1.25
Manitoba	1,035,900	1,443,000	1.39
Ontario	8,699,500	26,513,000	3.05
Quebec	6,470,300	5,925,000	0.92
Newfoundland	570,900	163,000	0.29
Nova Scotia	852,800	1,019,000	1.19
New Brunswick	700,900	3, 131,000	4.47
P.E. I.	122,800	583,000	4.74
N. W.T.	46,600	44,000	0.94
Yukon	23,800	162,072	6.81

[1] Ratio = Number of Tourists ÷ Population

3.0 TOURISM TRAVEL MARKET ASSESSMENT

3.1 Introduction

This chapter assesses current travel markets for the Northwest Territories. The Northwest Territories is an immence geographic area bordering on the Yukon, British Columbia, Alberta, Saskatchewan, Manitoba and Quebec. As illustrated in Figure 2 the Territories have been divided into 5 administrative regions or tourism destination zones. Tourism travel and the orientation of tourism travel varies considerably for each region.

Tourism development is a process of matching available resources and available markets to maximize derived economic benefits from touristic activity with minimal disruption of the social and cultural network of the local inhabitants of an area or community.

Markets are a function of the recreational /cult ural/historic attractions available in terms of activities and availability of markets for these opportunities. The first step then is the need to define the market as it now exists and then to consider the trends which have implications for the Northwest Territories.

3.2 Market Overview

The available data on travel activity to the Northwest Territories is not as complete or specific as would be desirable. However, some analysis of the current situation is possible. The most complete and reliable information *on* tourist characteristics and markets to the Northwest Territories is the 1982 summer exit

FIGURE 2

Northwest Territories Administrative Regions survey. According to this study, 44,000 travelers visited the Northwest Territories during the summer of 1982 and spent approximately $39 million. The main mode of travel to the Northwest Territories is by air with 29,800 visitors or 67.7% of the total using this mode. This is not surprising given the distance to the Northwest Territories from the more densely populated areas of Canada and the U.S. and since most of the Northwest Territories is non-road accessible. The primary destination area is the Fort Smith Region. This is due to the fact that this region is road accessible, is closest to markets (Alberta and British Columbia) and off the Laird Highway connection between the MacKenzie and Alaska Highways.

Tourist Markets to N. W.T. and Fort Smith Region

	N.W. T.	Fort Smith Region
Number of Travelers	44,000	29,300
Mode of Travel		
. Air	29,800	19,300
. Road	14,000	10,000
Expenditures	$39, 112,900	$21,800,000

Although at the time of this writing, visitor origin information was not available for the Northwest Territories as a whole, the following was the distribution of visitors to the Fort Smith Region:

Origin	Percent
Alberta	49%
British Columbia	14%
Ontario	12%
Saskatchewan	5%
Manitoba	4'%
Quebec/Maritimes	4%
U s .	9%
Foreign	2%

Another traveller survey which was conducted at the 60th Parallel Visitors Information Centre yielded the following origin ratios of visitors:

Origin	Percent
Alberta	37.7%
British Columbia	12.5%
Ontario/Quebec	9.4%
Saskatchewan/Manitoba	8.9%
Maritimes	1.0%
U s .	20.7%
Foreign	4.8%

It should be noted that the Visitor Information Centre survey would be more biased since only those people stopping at the Centre were interviewed and this survey would exclude air travelers.

What this data does indicate is the dominant importance of the Canadian market, especially Alberta and British Columbia.

Unfortunately, travel market data for the other regions is either incomplete or existing data is contradictory. Although the Canadian market is of considerable importance to the Northwest Territories, its orientation and importance is of less significance to other regions. The Baffin Region is an example of this. A travel survey for 1981-82 indicated that the region received 7,000 estimated visitors or 6.6% of all Northwest Territories travel and over 15% of all non-resident travel to the Northwest Territories. The market orientation of travel to the Baffin Region is as follows:

Origin	Percent
Ontario	25%
Quebec	10%
Western Canada	10%
N. W. T.	15%
Total for Canadian Market	60%
U.S.A.	25%
Europe	10%
Other	5%
	40%
Total	100%

This travel profile for the Baffin region is considerably different than for the Northwest Territories. The Baffin region has only a small portion (5%) of resident Northwest Territories travel. The travel profile for the Northwest Territories suggests that the Northwest Territories resident travel accounts for 70% of all tourism travel in the Northwest Territories. In the case of the Baffin region it accounts for only 15%. Obviously the lack of transportation linkages between the Baffin area and the more populated southern Arctic area impact on resident visitation to the Baffin Region. This region also has a much greater market orientation towards Ontario, Quebec and the United States. As a result a marketing strategy aimed specifically at Western Canada to encourage travel to the Northwest Territories would conflict with the market origin of travel to the Baffin Region.

This creates a complex situation for the development of a tourism strategy for the Northwest Territories. The strategy must account for the regional differences particularly in regard to markets available for tourism development. This is particularly the case if the strategy is to result in a better distribution of the benefits resulting from the development of the Northwest Territories tourism industry.

Data was not available for the other regions. The Keewatin region likely experiences less than 1,000 visitors a year. The Inuvik region, as reported in one study would have less than one-third of the visitation reported for the Fort Smith Region. Very likely the travel market profile for the Inuvik region would be similar to that of the Fort Smith Region. Lastly the Central Arctic Region receives the lowest visitation of all five regions.

According to the 1982 Exit Survey, 35% of the visitors in the Fort Smith Region come as a result of friends and relatives residing in the Northwest Territories, 27% were on business and 25% were attracted out of personal interest. The 60th Parallel Visitors Information Centre Survey states that 32% were visiting to experience the wilderness, 31.5% were camping, 27.6% wished to do some fishing, 22.4% were visiting parks, 21.9% were visiting friends and relatives and 13. 7% wanted to purchase northern crafts.

What this data suggests is that approximately two-thirds of visitors come to the Northwest Territories for a vacation (i.e. visiting friends/relatives, fishing, to experience the wilderness, etc.) while about one-third of the visitors come on business.

Twenty-two percent of the Fort Smith Region's visitors were in the $20,000 - $29,999 income bracket, another 22% were in the $30,000 - $39,000 bracket, 15% earned $40,000 - $49,999 and 20% earned $50,000 or more. The average household income per visitor was $34,500.

Visitors to the Northwest Territories have generally high incomes. The average household income in Canada was $29,854 in 1982.

Canada Household Income Group, 1982

Income Group	% of Households
Under $8,000	10.5%
$ 8,000 - $11,999	8.3%
$12,000 - $15,999	9.2%
$16,000 - $19,999	8.4%
$20,000 - $24,999	10.8%
$25,000 - $29,999	10.6%
$30,000 -$34,999	9.4%
$35,000 - $44,999	14.5%
$45,000 and over	14.5%

The importance of the Canadian market for the Northwest Territories is readily apparent. In 1984, Canadians undertook 96,791,000 person-trips domestically. This accounts for over 73% of all touristic activity within Canada. U.S. resident entries to Canada total led 32,977,759 while 1,887,222 residents from countries other than the U.S. visited Canada in 1984.

3.3 Travel Market Expenditure impact

As noted previously trip expenditure to the Northwest Territories is very high. The average trip expenditure for all travel, resident and non-resident, is $547. The average trip expenditure for non-resident travei to the Northwest Territories is $886.

Trip expenditure also varies within the Northwest Territories. Although the Fort Smith Region accounts for 67. 7% of all non-resident travel, travel expenditure is lower than for other destination zones in the Northwest Territories. The average non-resident trip expenditure to the Fort Smith area is $752 compared to $1, 133 to other travel zones in the Northwest Territories. This suggests that more remote non-road accessible zones such as Baffin Island can successfully penetrate "higher valued" travel markets. It would aiso indicate that a tourism marketing strategy for the Northwest Territories would be regional in nature.

Since the domestic market, and especially the British Columbia and Alberta markets, are of primary importance to the Northwest Territories, an analysis of the Canadian markets, then U.S. markets and finally international markets are important.

3.4 Canadian Markets

As was noted earlier, Canadians undertook 96,791,000 person-trips within Canada. The Canadian Travei Survey estimated that 47,000 person-trips were undertaken to the Northwest Territories and Yukon by Canadians in 1984.

Volume and Origin of Person Trips
to the Northwest Territories and Yukon, 1984

Origin	Volume
British Columbia	14,000
Alberta	25,000
Ontario	3,000
Saskatchewan	3,000
Manitoba	1#000
Quebec	1,000
Other Canada	. -
Total	47,000

The vast majority of trips taken by Canadians are within Canada. Roughly 90% of all trips taken by Canadians are to destinations within Canada, a further 9% are to destinations in the U.S.A. , and the balance are overseas. Appended are travel profiles of the three most significant Canadian markets for the Northwest Territories -- British Columbia, Alberta and Ontario.

However, Canadians are becoming more demanding in their choice of destination and thus more demanding in terms of their requirements in Canada for hospitality services, quality accommodation, good dining, high quality attractions and recreational facilities and value for money.

If the Northwest Territories is to increase its share of the domestic travel market and to attract the U.S. and international travel market, its historical, cultural and natural resources have to be developed and interpreted. Upgrading and new developments of travei support services will aiso have to occur such as hotels /motels, restaurants, information services and so forth.

The resources within the Fort Smith Region can be developed for general touring (i.e. sightseeing, camping, fishing, historical interpretation, etc.) since this region is road accessible. The resources in Inuvik, Keewatin, Central Arctic and Baffin Regions will have to be developed for the more affluent specialty markets (i.e. trophy hunting, mountain climbing, fishing, adventure/ wilderness tours and canoeing, etc.) since access to those regions is primarily by air.

3.5 United States Markets

Between 1972 and 1982, travel by U.S. residents has generally increased both to foreign destinations and to destinations within the United States. However, travel to Canada has decreased. The number of U.S. person-visitors entering Canada for one or more nights decreased from 13,067,000 in 1972 to 10,462,000 in 1982. The decrease is due entirely to the drop of automobile traffic since trips using non-auto modes grew by 48% from 1, 921, 000 person trips in 1972 to 2,846,000 person trips in 1982. The trend towards less U.S. traffic to Canada seems to have stopped since in 1983 and 1984 U.S. visitor volumes were at approximately the same levels as in 1982.

Total real expenditure by long-term U.S. visitors to Canada decreased 26% between 1972 and 1982. U.S. visitors from 1973 to 1980 increased in British Columbia and the Yukon (27%), while expenditures in Ontario decreased by 12%, B. C. and the Yukon were relatively less affected by the drop in U.S. auto visits to Canada while experiencing healthy growth in non-auto travel.

The most popular kinds of places visited by U.S. travelers are “small towns”, “big cities”, “countryside” and “oceanside” in that order. Canada is particularly strong in the U.S. for “country-side”, “wilderness areas”, “mountains” and “lakes and streams”.

According to the U.S. National Survey conducted in 1972 and 1977 certain main shifts which have occurred in the U.S. travel market may be of potential benefit to the Northwest Territories even though total U.S. visitations to Canada have declined since 1972.

- The number of mass mode trips increased by 317.
- Travel origination, in all regions of the U. S., increased with the exception of New England.
- There has been a 10% decrease in the number of trips of 3 or more persons, while 1 and 2 party sizes showed growth.

The following table shows the origin of U.S. person-trips, by region of residence entering Canada and staying one or more nights.

The main U.S. markets continue to be the Middle Atlantic and the East North Central Region. Although these two regions are two of the main sources of Canada's sources of overnight visitors from the U. S., visitations from the South Atlantic, West South Central and Mountain Regions of the U.S. have increased as the following table illustrates.

As the analysis of potential travelers to Canada by U.S. region of origin indicates, the main potential for the Northwest Territories is in the North West and South West Regions of the U*S. These regions have a better appreciation of Canada's wilderness and are more likely to spend time in the countryside and wilderness areas.

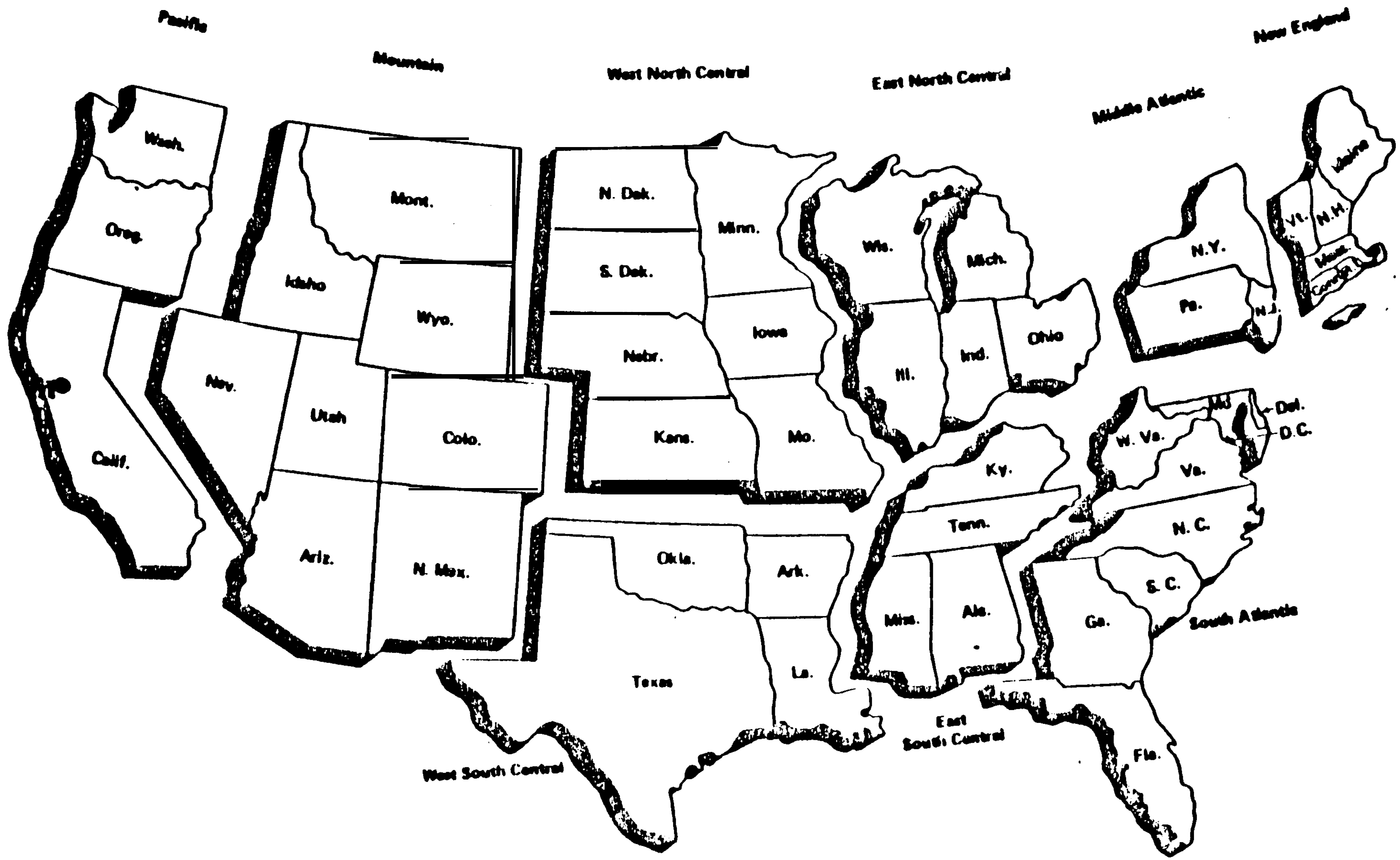
What is required in the U.S. market place is a market segment specific promotional approach. It has to be directed at the "wilderness" and "adventure" oriented market promoting specific activities such as trophy hunting, trophy fishing, jet boating, hiking, wilderness canoeing, etc. combined with quality accommodate ion, outstanding scenery and value for money.

U.S. Residents Entering Canada and Staying One or More Nights

	1972 (000's)	1977 [000's)	1982 (000's)	% Change (77 - 82)	% Change (72 - 82)
Person Visits	13,067	11,451	10,462	- 9%	-20%
Region of Residence					
• New England	1,751	1,502	1,161	-23%	-34%
. Middle Atlantic	3,319	2,662	2,375	-11%	-28%
. South Atlantic	614	664	712	7%	16%
. East North Central	3,711	3,261	2,835	-13%	-24%
. West North Central	1, 150	1, 162	1,078	- 7%	- 6%
. East South Central	91	93	73	-22%	-20%
. West South Central	183	138	209	51%	14%
. Mountain	340	388	324	-16%	5%
. Pacific	1,829	1,485	1,528	3%	-16%
. Other States	78	90	167	86%	114%

Source: Travel between Canada and other countries, Statistics Canada Catalogue 66-201.

USA CENSUS REGIONS



A tourism strategy that addresses the North West U.S. would be of particular benefit to the Baffin Region. Previously it was indicated that the U.S. was one of Baffin's largest markets, equal in size to the entire Ontario market, accounting for 25% of all tourism travel in the region.

3.6 International Markets

Overnight visitors from foreign countries other than the U.S. represent 13% of the total and account for about a quarter of Canada's tourism receipts. The number of visitors from countries other than the U.S. has more than doubled between 1972 and 1984.

Europe remains the prime source of overseas visitors to Canada although visitors from South America and Asia are also increasing.

UNITED KINGDOM

It is dominated by members of the older life-cycle group and those visiting friends/relatives for a holiday. Although Canada has a very positive image for a particular type of "outdoor activity based" holiday, but an image which is of limited relevance to the current target market, which is dominated by the older life-cycle group.

FRANCE

French regard for Canada is lacking a distinct cultural and human image -- i.e. it is often regarded as insufficiently foreign, insufficiently different from that of France. Canada's natural advantages such as landscape are not considered unique in France and that other destinations, such as the U. S., Mexico, Brazil, can compete with Canada in this respect.

Finally, Canada is perceived as a rather expensive country compared with other destinations.

WEST GERMANY

Canada is associated as a country having original and primeval features. This "original" attribute is based not only on the fact that Canada's wilderness is still intact, but also that it offers primeval woods and unspoiled lakes. It is also based on something unknown and unexperienced in Germany: ~~it's~~ its immense vastness.

The primeval features of the country, its natural beauty and vastness are described as being the most attractive characteristics of Canada as a holiday. The following features are generally attributed to Canada:

- outstanding scenery
- plenty of room to get away from the crowds
- a quiet and unspoiled atmosphere
- lots of wildlife
- a country which you can tour easily

JAPAN

The Japanese inter-continental market exhibits strong characteristics that relate to personal safety and security and to convenience. Of the top 12 items considered essential for the selection of a holiday destination, seven relate to security and convenience, two relate to price, one specifies outstanding scenery, one the quantity and quality of lodging and the final one to information.

Canada is seen, in the Japanese market, as having outstanding scenery, lots of wildlife, plenty of outdoor activities and winter sports, and a green landscape with many lakes. Canada is not seen as a place for food, shopping, nightlife and having cultural and historic interests. Essentially, Canada is seen as providing good opportunities for a variety of outdoor activities.

Based on the above, West Germany and Japan would seem to hold the best long-haul tourism potential to the Northwest Territories. The overseas tourist's expectation for a holiday in outstanding scenery and unspoiled nature would be more than fulfilled in the Northwest Territories.

However, tourists from Europe and Japan are security conscious and seem to be frightened of the vast and immense landscape of Canada. They need to be assured, through advertising, of the safety of touring a vast and immense landscape.

Secondly, both Europeans and Japanese demand quality accommodation and dining experience combined with their touring and outdoor recreational activities. In order to meet this expectation the Northwest Territories would have to upgrade its existing accommodations and food services.

3.7 Summary

In summary the Northwest Territories' own resident market is currently the largest travel market for the Northwest Territories. It accounts for 70% of all tourism travel in the Northwest Territories. However, the resident market would only account for 30% of all travel expenditure to and in the Northwest Territories. The non-resident market, in terms of the value of tourism expenditure to the Northwest Territories' economy is the most important. In 1982 it was estimated that the non-resident market for the Northwest Territories was 44,000 visitors. The Fort Smith region accounted for 65. 9% of all non-resident travel to the Northwest Territories. The primary mode of transportation is air travel, accounting for 67.7% of all travel.

Although the Fort Smith Region accounts for a significant portion of the Northwest Territories' non-resident travel visitation, it accounts for less than half (43.6%) of non-resident travel expend iture.' This suggests that other regions in the Northwest Territories are experiencing much "higher valued" travel visitation from non-residents. This would create an opportunity to develop tourism in more remote, non-road accessible areas of the Arctic. The strategy here would not be based on volume but moreso on expenditure impact of lower visitation from specialty, higher valued tourism markets.

The market origin of Northwest Territories' travel markets has a decidedly different orientation where comparing travel destinations within the Northwest Territories.

Non-Resident Travel Market Origins

Fort Smith Western Arctic	
Alberta	49%
B.C.	14%
Ontario	12%
Saskatchewan	5%
Manitoba	4%
Quebec	4%
Us.	9%
Foreign	2%

Baffin Island Eastern Arctic	
Ontario	29%
U.S.A.	29%
Quebec	12%
Western Canada	12%
Europe	12%

For the territories as a whole, Alberta, British Columbia and Ontario would be the most important travel markets. Increasing visitation will have to come from these key markets. The prime beneficiary of this would principally be the Fort Smith area and to a lesser extent Inuvik and the Central Arctic.

A different strategy would be required for the Eastern Arctic. Here internationai markets, Ontario and Quebec would be the principal market considerations in the development of a marketing strategy. However, some of these markets demand a high quality of accommodation to match wilderness or adventure travel. As a result facility development would be required for greater market penetration.

4.0 TOURISM PRODUCTS AND RESOURCES

This chapter reviews the resource strengths and major opportunities for development in each of the Northwest Territories' travel zones. It is based on a review of several planning and tourism studies carried out over the last five years. We have summarized the resource strengths and major market opportunities for each region.

4.1 Keewatin. Region

Resource Strengths

- The region is strategically well located with travel connections to the east, west, north and south (Accessible Arctic)
- The region is close to and accessible from an established destination, Churchill, Manitoba
- There is a relatively high degree of private sector business development particularly in the larger communities
- The current image for the Keewatin is as a fishing destination
- There are a number of major rivers flowing through the region offering opportunities for canoeing and other river-based activities.
- The contemporary Inuit culture with traces of the traditional culture is highly visible throughout the region.
- There are several outstanding scenic resources including northern Southampton Island, Wager Bay, Lyon Inlet and the northwest corner of Coats Island.
- There are a number of significant tourism destinations in the hinterland areas outside the communities including Wager Bay, Thelon Game Sanctuary, Coats Island, northern Southampton Island and the inland tundra (Barrenlands).

Major Market Opportunities

- Sport Fishing/Hunting
- Creation of Thematic Naturalist Lodges
- Photographic Safari
- Adventure Travel
- Art/Cultural/Historic Tours

4.2 Central Arctic Region

Resource Strengths

- Big Game Sport Hunting
- GJOA Haven Fishing described in "Field and Stream" Magazine
- a relatively high *degree* of fixed-roof accommodation, community services and attractions
- Bathurst Inlet Lodge internationally recognized
- Quality historic resources
- Access to Inuit lifestyle, arctic wilderness experience and nature tours
- Coppermine River is easily accessible from Yellowknife

Major Market Opportunities

- Model Village construction and reconstruction of Historic Sites (Holman, Cambridge Bay, Spence Bay, GJOA Haven, Pelly Bay)
- Big Game Hunts (Holman)
- Nature and Fishing Tours
- Historic Tour Development

4.3 Baffin Region

Resource Strengths

- Excellent wildlife resources are accessible
- Thule cultural examples and historic sites
- availability of traditional Inuit arts and crafts
- availability of several quality fishing camps
- access to major eastern tourism markets (Montreal, Toronto, Eastern and Central U.S.A.)
- access to Central Canada (Winnipeg) via Hudson Bay

Major Market Opportunities

- Interpretive Boat Tours through Hudson Bay and Arctic Waters
- Common marketing of fishing opportunities
- Establishment of better tourism infrastructure in Frobisher Bay area
- Adventure and cultural interpretive tours
- Development of a world class resort at Pangnirtung

4.4 Fort Smith Region

Resource Strengths

- MacKenzie Highway Corridor and related infrastructure (bus, car rentals, etc.)
- Potential high level of historic/interpretive resources
- Natural attractions (Hay River Gorge, Louise, Alexandra Falls, Great Slave Lake, Whittacker Fails, Blackstone River)
- “events” attractions near Hay River, Rae, Edzo

- Wood Buffalo and Nahanni Parks
- Accessibility to Alaska travel market
- Yellowknife is major air/road destination in NWT. Thus it is the major tourism generator in the Territories
- The largest sport fishing lodges in the Northwest Territories are located on Great Slave and Great Bear Lakes
- Excellent air charter services

Major Market Opportunities

- expansion and awareness for tourism to the area
- analysis and implementation of training strategy
- develop travel information services, signage along the MacKenzie Corridor
- renovate and establish fixed-roof accommodation and food service facilities
- developments to enhance interpretation of traditional Dene way of life
- sport fishing potential in the Rae, Edzo area
- naturalist experiences such as orthinology, hiking, mountain climbing, photography
- historic site and museum establishment
- bus and club van tours on highway corridor
- expansion and development of craft shops
- support for special events to promote domestically generated travel
- establishing of community sports facility for territorial tournaments and the like
- campground/park development along corridor.
- Heritage Preservation and development of “old town” in Yellowknife

4.5 Inuvik Region

Resource Strengths

- Wildlife species for sport hunting
- Sport Fishing opportunities
- Bird Species are abundant
- Dempster Highway provides access to wilderness experiences, historical sites, learning/obscure experiences
- Campbell Hills/Lake Park facility has potential to attract both domestic and non-domestic tourists and resident vacation users

Major Market Opportunities

- Develop sport hunting for Dall's sheep, caribou, moose, bear in MacKenzie River area
- Develop facilities for ~~Banner~~ Barren ground caribou hunting camps
- Develop outfitter opportunities for hunting and fishing
- Opportunity for *cross* cultural interpretive contact tours has potential
- Lodge/ Camp development
- Naturalist experiences such as sightseeing and photographic safari package tours
- Tourism information and interpretive centres
- Campground and park facilities deveioped
- Ramparts Hotel facility expansion
- Country Signage Program
- Hospitality and Community Awareness Programs

The Northwest Territories has a diverse product and resource base. In many instances the resource base is outstanding. However, this has largely not been matched by tourism facility development. To pursue most of the market opportunity outlined, it would require considerable tourism infrastructure investment.

5.0 CONSTRAINTS AND OPPORTUNITIES FOR INDUSTRY DEVELOPMENT

Like every travel destination, the Northwest Territories is faced with both constraints and opportunities in developing its tourism industry. In this chapter, we summarize the key constraints and opportunities associated with the present Northwest Territories' tourism industry.

5.1 Constraints

1. Tourism Travel in the Northwest Territories is Seasonal

The Northwest Territories *receives* 75.0% of its tourism visitation during the second and third quarters of the year. Comparatively, these two quarters account for 63% of the average of all Canadian travel.

	Travel by Canadians 1981	Travel to Northwest Territories 1981-82
1st Quarter (Winter)	17%	7.5%
2nd Quarter (Spring)	21%	30.0%
3rd Quarter (Summer)	42%	45.0%
4th Quarter (Fall)	40%	17.5%

Although seasonality is a constraint to achieving year round income and employment in the industry, it is also a constraint for the Canadian industry as a whole. Compared to the Canadian travel profile it is really the winter season where travel is extremely low in the Northwest Territories (17% Canada vs. 7.5% NWT). This constraint could be minimized by the development of winter events and attractions and conventions/ business meetings for the resident market.

2. **NWT Residents are not Effectively Participating in the Existing NWT Tourism Industry**

As identified by the Department of Economic Development and Tourism, much of the Northwest Territories' tourism industry is operated by persons residing outside the Territories and often staffed by southerners.

The lodges, airlines, large hotels and package tours are as a rule owned by large-scale operators, many of whom reside outside the Northwest Territories. They're frequently staffed from outside the NWT; of the 175 person years of employment created by fishing lodges in 1980, 94 were filled by southern staff.

3. **The Northwest Territories Does Not Have a Skilled Resident Labour Supply**

Related to the above constraint one of the principal reasons NWT residents, particularly Natives, have not had greater labour force participation in the industry is a lack of hospitality and tourism training. There has been virtually no skill development for residents who wish to participate or are participating in the industry. We did not identify any training programs currently operating in the NWT such as hospitality training or tourism awareness programs. There are no tourism facility management or cooking courses offered through existing post-secondary education systems.

4. **The Existing Industry is Largely Concentrated in the Fort Smith Region**

As indicated in our market chapter, the Fort Smith Region accounts for the vast majority of travel and travel expenditure in the NWT. It is also concentrated in and around major communities. There is also a good deal of non-community based lodge activity. Approximately 50 smaller NWT communities are not involved in the industry at all. As a result it is difficult to sell the merits of tourism development as an industry that all residents in the Northwest Territories could participate in. One of the original intents of developing a tourist industry for the Northwest Territories was the benefit it would hold for small communities throughout the Northwest Territories.

5. Lack of Tourism Industry Awareness

Most people in NWT communities don't fully understand the tourism industry. They don't know what tourists want, or how much tourists are prepared to spend for various services. Most communities do not have the basic plant and resources to cater to tourists, and the potential attractions. Several communities would require physical improvements in addition to visitor facilities and services. Local people simply do not know whether, or how, to take advantage of local tourism opportunities. For those community residents who have demonstrated an interest in the industry, the path is often a rocky one. They usually lack adequate start-up capital. Should they overcome this obstacle and start-up a community-based tourism enterprise, they likely will not have adequate promotional expertise and southern market connections to ensure the success of their venture.

6. Lack of a Tourism Destination Image

Unlike the Yukon, the NWT does not have a tourism destination image. 1 t is perceived principally as an immense northern geographical area. In comparison to the Yukon, the NWT is perceived not to be rich in historic resources such as a gold rush that can play an important role in shaping a destination image for tourism.

Only until recently has the Government of the Northwest Territories begun to address the problem of image. The image is based upon varied tourism experiences that would be obtained in the five regions.

7. Lack of Industry Organization

Only within the last few years has an industry organization structure begun to develop in the Northwest Territories. Other provinces have strong tourism organizations involving all segments of the industry.

8. Lack of Developed Transportation Systems

The Northwest Territories is not linked together by a road system that could foster intra territorial travel. Linkages to southern markets by road occur entirely in the Fort Smith-I nuvik Regions. Eventually there will be a fully developed highway corridor, along the MacKenzie Valley. Both regions are accessible to the Yukon by road -- the Dempster Highway links Inuvik with the Yukon and Fort Smith is linked to Watson Lake.

The Canadian travel market is largely characterized as a "rubber tire" market. The automobile is the predominant mode of tourism travel accounting for 62% of all travel in Canada.

As a result it is not surprising that the Fort Smith Region accounts for the vast majority of travel to the NWT.

The lack of road travel corridors to other regions is a serious constraint to tourism development. Both travel cost and travel access would narrow the range of tourism market opportunity to higher income groups looking for unique vacation/pleasure experiences.

5.2 Opportunities

1. **The NWT Has a Number of World Class Resources with Strong Appeal to International Markets**

There are several outstanding scenic resources throughout the Northwest Territories. This includes major rivers for canoeing and river rafting, tundra tours and two of the largest inland water bodies in Canada. Lodge facilities such as the Bathurst Inlet Lodge are internationally recognized. It is one of the world's last unspoiled areas with considerable interest for naturalist tours. The range of sport hunting and fishing opportunities is extensive including Dal l's sheep, caribou, moose, bear and arctic char.

2. **Developing Road Transportation Systems are Resulting in Greater Auto Travel Potential**

Particularly in the Fort Smith area, the development of the MacKenzie Highway corridor has greatly enhanced the accessibility of destination attractions such as Nahanni National Park. Road Improvements will improve opportunities for higher volume road traffic such as coach tours and the development of quality fixed roof accommodate ion.

In the Inuvik Region, the Dempster Highway can provide road access to a number of attractions and experiences. Eventually the Inuvik and Fort Smith Regions will be linked by a road all the way from Nahanni to Inuvik.

3. **Development Opportunities are Both Varied and Diverse Throughout the Northwest Territories, Allowing for Potential D istribut ion of Tourism Development Throughout the Northwest Territories**

The Northwest Territories has an enormous land and resource base with distinctive variation throughout the various regions. The Eastern Arctic (Baffin/Keewatin) has a different market orientation than the Western Arctic.

In the Eastern Arctic market penetration has been strong in international markets and Eastern Canada. It has been reasonably successful in the development of higher valued wilderness adventure tourism of appeal to higher income markets. Although travel volumes has been low, trip expenditure has been high.

The Western Arctic has a strong orientation to resident travel markets and to Western Canadian markets (primarily Alberta and British Columbia) . There are developing opportunities for high volume, lower trip expenditure travel markets.

4. **In the Past Five Years the Northwest Territories Has Undertaken Considerable Tourism Planning and Industry Organization in Support of Tourism Destination Development**

In 1980 a Tourism Sub-Agreement for the Northwest Territories would have had little relevance. At that time, although tourism was recognized as being important to the NWT economy, very little thought had been given to how to develop the industry. Since that time travel zones and organizations have been established. Further a consensus emerged as to how the industry should be developed -- at the community level. Tourism plans identifying resource strengths and opportunity have been carried out for most regions. Facility and infrastructure development in support of the industry have been identified.

Given the planning and organizational work that has been carried out over the last 5 years the Northwest Territories is now in a position to consider the implementation of specific industry development initiatives.

5. An Opportunity Exists to Develop a Distinctive Travel Image in the Northwest Territories

If one was to develop a rating system for travel destinations in Canada from immature to developing, to developed and finally to declining, the Northwest Territories would largely be described as an immature travel destination. Figure 3 is taken from the Ministry of State's Tourism Tommorrow discussion paper. Destination zones such as Nahanni and Baffin Island offer the potential as unique or world class tourism products. However in their present state of development they lack the infrastructure, access and support services for major development.

The Northwest Territories is still a relatively unknown travel product. However, an opportunity exists to develop a distinctive theme for the Northwest Territories based on an interpretation of Canada's Frontier North. Distinctive interpretive themes could be developed for each of the travel or regional zones but linked to a strong Canadian Frontier North adventure/interpretive market concept.

FIGURE 3

Selected Examples of Canadian Tourist Destinations, by Calibre and Stage of Development

	INMATURE	DEVELOPING	DEVELOPED	DECLINING
Category A	L'Anse-aux-Meadows Kluane Baffin-Pangnirtung Western Arctic Nahanni	Louisbourg B. C. Rocky Mtns. Churchill Northern Manitoba Northern Saskatchewan	Montreal Vancouver Toronto Whistler Jasper Quebec City Banff Ottawa	Laurent ians Niagara Falls
Category B	Big River Terra Nova Gros Morne Northern Alberta	Stratford St. John's 1000 Islands Windsor/Pt. Pelee Okanagan Ski Winnipeg Collingwood Midland Magnetic Hill Eastern Townshipa Riding Mtn. Ntl. Park Dawson City Whitehorse/Carcross Gull Harbour Area	Peggy's Cove Calgary Edmonton Victoria P.E.I. Cabot Trail Halifax	Muskoka Gaspesie Miramichi Fishing
Category C Transitional*	East Coast N.B. Beaches	Sault St. Marie Eastern Precambrian Regina Orillia Annapolis Valley Yellowknife Corner Brook King's Landing Sask. River Heritage Area Lunenburg Lake Winnipeg Beaches Charlevoix		

Source: Tourism Tomorrow, Published by Ministry of State (Tourism), Towards a Canadian Tourism Strategy.

CATEGORY A -- a unique or superior world-claaa tourism product able to draw visitors from around the world.
CATEGORY B - a quality tourism product competitive with similar major products throughout North American markets.
CATEGORY C -- tourism products competitive within Canada end able to attract and accommodate tourists from neighbouring provinces and atatee.

IMMATURE - product is primitive; lacks infrastructure, access, services and accommodation. It requires major development.
DEVELOPING -- product has been adequately developed, but ancillary visitor services are required.
DEVELOPED - product, infrastructure and ancillary services are fully developed, but maintenance, modernization and upgrading are required.
DECLINING - product, infrastructure and services have deteriorated due to lack of maintenance or a failure to address changing market requirements. Major revitalization is required.

6.0 GOALS AND OBJECTIVES FOR TOURISM DEVELOPMENT IN THE NORTHWEST TERRITORIES

The following three basic goals and objectives have been defined for tourism development in the Northwest Territories.

GOAL #1 - To optimize the contribution of tourism to the economic development of the Northwest Territories through increasing:

- employment opportunities in tourism for northern residents
- the number of entrepreneurial opportunities in tourism as well as to increase northern equity participation in the tourism industry
- the prominence of the travel industry in the NWT.
- the diversity and stability of community economies through tourism.

Objectives:

- to increase the number of visitors to the Northwest Territories
- to increase the average length of stay in the Northwest Territories
- to expand the travel season so that tourism is a year-round industry
- to increase per capita traveller expenditures
- to maintain the integrity of the natural environment through the concentration of relatively intensive developments in existing centres.

GOAL #2 - To develop and maintain a "healthy" and profitable tourism industry in the Northwest Territories through:

- increasing the efficiency of individual tourist operations

- increasing cooperation amont all segments of the tourism/travel industry.
- promoting rational growth of the tourism industry while expanding the Northwest Territories' competitive advantages with other tourism destination areas.

Objectives:

- to increase supply and improve and upgrade existing travel/recreation opportunities
- to develop an integrated system of facilities, attractions "and events
- to develop and promote those features (natural, historical, cultural, industrial) which are unique and have national or international appeal.

Goal #3 - To improve social conditions in the Northwest Territories through tourism through:

- increasing supply and variety of recreational/tourism opportunities and services in the Northwest Territories, available to residents and visitors alike
- improving the communities for visitors and residents

Objectives:

- to stimulate pride in the "Northern Heritage" and culture through tourism
- to maintain and enhance the cultures of the Indian and Inuit population of the N. W.T. through the development of cultural attractions and events.

7.0 A TOURISM STRATEGY FOR THE NORTHWEST TERRITORIES

In 1983, the essence of a Northwest Territories Tourism Strategy was prepared. There are two major themes to that strategy:

1. That tourism development be community-based
2. That tourism development be spread throughout the NWT.

Essentially the Northwest Territories sees little benefit in developing its tourism industry unless it can bring benefits in the form of income and employment opportunity to its residents. The mechanism *to* achieve this is basing tourism development in *or* near existing communities.

Principles

The principles upon which the Northwest Territories' tourism strategy is based resulted from a review of government policies, reports and studies, an assessment of the existing industry and resident workshops. These principles include:

1. Tourism is a desirable industry for the Northwest Territories and the benefits of tourism should be dispersed throughout the Northwest Territories and not to just a few centres.

2. Tourism, however, should only be encouraged and promoted in those communities/settlements which are ready and/or willing to be involved in the industry.

3. Tourism should be primarily a private sector industry. The private sector should take the lead in developing viable operations with the government involved in the provision of support services (roads, airports, research, general information distribution). In the short term, however, government will need to provide incentives to encourage interest in tourism development.

4. The tourism industry should operate under the free enterprise system, allowing good operations to succeed and poor ones to fail.

5. It is desirable to increase the overall number of visitors to the Northwest Territories.

6. It is desirable to attract new and different types of markets.

7. Tourism in the Northwest Territories should be a year round industry, not just a seasonal one.

8. Large volumes of visitors at one time, in one location, are not desirable in most of the communities (except Yellowknife, Inuvik, Hay River, Fort Smith, and Frobisher Bay where visitors are more easily absorbed into the population).

9. Tourism development should build on the unique resources (natural, cultural and historical) and minimize negative social and environmental impacts.

10. It is desirable to have residents of the Northwest Territories (including Dene, Inuit and White) involved in the different facets of the tourism industry.

8.0 PROGRAM REQUIREMENTS IN SUPPORT OF STRATEGY IMPLEMENTATION

The Northwest Territories' tourism industry is not a mature one, compared to southern tourism destinations. Development of a viable tourism industry for the Northwest Territories will be a long term process. Much of the industry planning and development work carried out to date has been largely unstructured. This is not to say that there are no established destination areas in the Northwest Territories or that facility investments are not being made. Rather a structured development approach involving industry, government and communities is still largely conceptual *or* at the planning phase. Most of the documents, studies and plans carried out to date are not specific towards the identification of tourism development opportunities for implementation. The term implementation means that a specific market has been identified, and that a financial feasibility analysis has been undertaken indicating whether or not the opportunity identified is viable or not.

In addressing these basic industry development needs, it is important to recognize that at this time there is not one single core problem to be resolved but rather a series of inter-related problems that must be responded to in the short term. Primary concerns are centered around the lack of community facilities and services required for the traveller to enjoy the natural, cultural and historical resources comparable to that found for example along the Alaska Highway; the lack of organized attractions of interest to the resident/non-resident traveller, the limited number of individuals with required skills to develop and operate hospitality services, and the land use policy issues that frequently restrict free enterprise development of facilities-attractions.

Given the relatively immature state of the Northwest Territories' tourism industry, program initiatives would be required throughout a number of sectors within the industry.

8.1 General Tourism Data Base

One of the greatest handicaps in developing an effective tourism strategy for the Northwest Territories is the lack of an adequate tourism data base. Without an accurate data base it is impossible to monitor the industry's performance. Although tourism data is lacking at the territorial level it is almost completely non-existent at the tourism zone or community level. There are no statistics for occupancy levels for fixed roof accommodation, or outfitting camps. Occupancy levels are almost considered a virtual bible in the tourism industry. This information and data would be required for the development of a long term strategy to guide the industry's development.

The following are a number of areas where we feel statistical and information data would be a significant value in terms of monitoring the industry's performance, determining market trends and in identifying market opportunities.

Historical Travel Market Data

- resident
- non-resident travel: Canada
U s .
international

This data should be maintained for both the territories and individual zones. It can determine market orientation and the direction marketing programs should take.

Establish Travel Account Data

The resident market, although small, is still the Northwest Territories' largest travel market, yet it has been virtually ignored in any tourism studies. Establishment of travel account data would identify the leakage of income and employment opportunity associated with resident travel outside the Northwest Territories. Most tourism facilities rely strongly on resident markets during their initial stages of development. Only mature or well developed attractions begin to attract non-resident travel in a significant way. To the facility operator, he/ she does not care about the origin of visitation as the priority is visitation. The development of events could stimulate resident travel during non-peak seasons.

Resource Utilization Data

Statistical data should be maintained for all parks, historic sites, and campgrounds in regard to visitation, origin of visitation and occupancy. For purposes of resource management, statistical data should be maintained for fish and wildlife population. This data is invaluable when assessing the impact of consumptive development and its location.

Accommodation and Occupancy Data

All accommodation operators should be invited to participate in an annual occupancy survey. This is an important data source to monitor the performance of the accommodation industry in the Northwest Territories. Without occupancy data it becomes virtually impossible to assess new facility proposals or to identify opportunities for new development.

Travel Impact Data

Data on existing travel would be particularly useful for analysis -- Strategically, what portion of travel budgets are being consumed in the Northwest Territories versus outside the Northwest Territories? How do travel expenditure profiles differ throughout the various travel zones? -- this could lead to strategic conclusions, such as lack of tourism facilities, services and products for tourists to spend money on.

For comparative purposes with other provinces and between zone trip expenditures data would be very useful. The objective of tourism industry development is to create greater tourism expenditure in the local economy. This can be accomplished by increasing the volume of travel or level of expenditure. This type of information could lead to important strategic conclusions. For example in areas which are remote and relatively inaccessible a zone strategy would be based on higher valued tourism products that have higher trip expenditure — 200 tourists who spend $6,000 per trip is equivalent to 4,800 tourists who spend $250 a trip.

Length of stay data is also important to strategic analysis. Increasing the length of stay has the same impact as increasing visitor volume.

Travel Survey Data

There is virtually no travel survey data available. All existing Northwest Territories travel markets should be surveyed to assess which markets the NWT should direct its promotion and marketing campaigns. Tourism awareness of the Northwest Territories and its attractions should be established. Travel generators for specific products should be determined.

During the summer months auto intercept surveys should be established to determine travel characteristics and the size of the pass-through market for the Northwest Territories.

Business/Convention Market Data

There is virtually no data on the business travel and convention markets. What is the size of the convention market available to the Northwest Territories? What portion of that market is the Northwest Territories capturing; what portion are travel zones capturing? A survey of both government and industry should be undertaken to determine number of conventions, business seminars, etc. -- size/ frequency/requirements.

8.2 Human Resource Development Program

The Northwest Territories Tourism Strategy is a community-based tourism strategy. The intent of this strategy to increase income and employment opportunity for Northwest Territories' residents throughout the Territories. The objective applies to both the current industry and to future industry development. Previously it was noted that effective (income/employment) participation in the industry has not benefitted Northwest Territories' residents in a substantial way. Often the management of existing tourism facilities is "southern based" and employment opportunity goes to southerners.

The tourism industry in the Northwest Territories is a young industry. There is a general lack of awareness by residents about the industry. In some cases residents can only bearly speak English. While in others the requisite skills required for participation are not available. Exit travel surveys have identified problems with both the level of service as well as facilities.

Virtually, at all levels of industry, skill development is necessary for effective resident participation in NWT tourism careers.

Although all studies have identified the need for skill development, no study has identified how, where or what skills need to be developed. Identifying problems is far easier than identifying solutions. We would suggest two major initiatives to deal with skill development and more effective participation by NWT residents in the industry.

#1 - Human Resource Base Line Study

- current size of employment in the Northwest Territories' tourism industry:
  - in person years
  - employment by sector:
    - Transportation
    - Visitor Services
    - Facilities
  - by region
  - current wage rates/occupations
  - skill levels/entry levels
  - turnover
  - labour sourcing
  - training requirements identified by employers/employees
  - mobility
  - location of training/training facilities

This base line study is extremely important. it can also result in positive industry participation in the study. Most importantly, it identifies the demand for labour, training and skill requirements for more effective resident participation in the industry. This analysis could then lead to program development in the following areas:

#2 - Initiate Program Development in:

- Hotel/Restaurant Management
- Chef and Cook Training
- Customer Service/Public Relations
- NWT Tourism Program
- Convention Catering
- Business Management
- Marketing Tourism Products

These training programs would likely be a combination of industry -based/institution-based/mobile and training seminars dealing with specific subjects lead by experienced training facilitators.

8.3 Tourism Industry Organization

An important component to the Northwest Territories' Tourism Strategy is industry organization. The NWT Travel Industry Association and 6 travel zone associations are currently being supported by a $481,000 grant under EDA. The associations require project development off icers. At present these associations are largely management /information/promotion agencies. If the associations are to take a more pro-active development role tourism project development officers will be required. In most of the regions, there is a complete shortage of management support systems that would facilitate requests for project identification and implementation under a tourism agreement. The development officers can play a key development interface role between the industry, communities, travel associations and the government of the Northwest Territories.

8.4 Product Development

A series of initiatives would have to be undertaken to develop basic tourism infrastructure in the Northwest Territories as well as specific tourism travel generators, visitor accommodation and services. We have identified four broad areas for development.

Tourism Product Infrastructure

This is required at virtually all levels and throughout the Northwest Territories.

- Campgrounds/Parks
- Model Villages
- Nature/Adventure/Historic Trails
- Purchase of Equipment
- Outfitter Development
- Local Transportation
- Shopping Upgrading
- Signage
- Restaurant Facilities

Community Beautification

If communities are going to be the basis for the Northwest Territories' tourism strategy, then the communities themselves will require considerable upgrading. This is essentially a Community Beautification Program. The program would provide for public improvements -- signs, sidewalks and street front restaurants along with public facilities that are themed in an interpretive manner. Business would be encouraged to participate in the program with incentive grants.

Major Tourism Attractions

identify, priorize and develop major tourism attractions in each of the travel zones. Specific destination *studies* should be undertaken. Studies should identify linkages with other attractions and communities in the region. A project example could include the purchase of a large tour boat in co-operation with the Government of Manitoba for a joint Hudson Bay-Arctic tour linking the Baffin and Keewatin Regions to Southern Manitoba.

A specific major attraction that has been identified is a major resort/conference and training centre at Pangnirtung. This would be Canada's most northern resort facility. It is to be developed as a world class facility and linked to other attractions and resources of Baffin Island. It will also be utilized as a training centre to develop and implement tourism training programs.

Tourism Investment Incentives

This program could build on the existing NWT Venture Capital Program to lever private sector investment in the establishment, modernization *or* expansion of attractions, resorts, hotels, *motels,* campgrounds, restaurant and recreation transportation services. The program would also be available to assist NWT residents to buy out and operate existing lodges owned by non-NWT residents.

8.5 Market Identification and Market Development Program

Existing operators require assistance in identifying new markets. The State of California is roughly equivalent to the entire

Canadian market. A travel profile of California vacation habits would suggest a good match with tourism products and resources of the Northwest Territories. Tour operators should be assisted to identify and develop travel development opportunities from this market.

High valued pleasure travel is normally triggered by specific interests. There is a need to inventory and develop specific tours, package them and target market them to specific or special interest groups. Some examples include:

- art /craft buying tours
- photographic tours
- wilderness adventure tours
- cultural tours/exchanges
- historical/interpretive tours
- specialty hunting/fishing tours
- Tundra tours

Lastly, as an “aid to trade”, program operators should be given assistance to attend shows, conferences and travel/trade organizations to promote specific products. This also could include support to local artists/crafts to tour target markets. Artists exchanges would also promote and develop Inuit arts and crafts.

8.6 Tourism Awareness Program

There is a need for a tourism awareness program in the Northwest Territories. Such a program would be aimed at the community level. It would demonstrate the value of tourism to the Northwest Territories' economy. It would describe the tourism industry as well as visitor expectations. It would demonstrate how communities can effectively participate in the tourism industry.

An advertising campaign should be developed and promoted throughout the Northwest Territories to increase awareness and importance of tourism hospitality to visitors.

8.7 Visitor Information and Reception Centres

Visitor information and reception centres are required at major entry points and near major attractions. The Yellowknife Airport has virtually no tourism reception or information facilities.

8.8 Planning and Opportunity Identification

In general support of tourism development, there is a need to establish a “study” program. Funds from the program would be used to develop a long term development strategy for the industry. As well, some funding should be maintained for opportunity identification such as feasibility studies for resorts, lodges and the development of other attractions or visitor facilities.

8.9 Evaluation and Administration

If a tourism agreement is developed there will be a need for the development of evaluation criteria and an evaluation of the effectiveness and efficiency of the agreement in achieving its objectives. An understanding should also be reached with the federal government as to how the Agreement should be administered.

1-

APPENDIX 1.0

TRAVEL PROFILES FOR

1. Alberta
2. British Columbia
3. Ontario

1. ALBERTA TRAVEL MARKET PROFILE

Alberta is the most important source of tourists to the Northwest Territories. Alberta residents undertook 12,227,000 person-trips in 1984 of which 1,712,000 person trips were to Canadian destinations outside Alberta.

A market study of Alberta observes that Albertans are interested in a variety of travel activities as noted on the following two table displays.

Of all the activities listed, the five most popular include rural sightseeing, visiting historical sites, urban sightseeing, attending festivals and camping.

Many of these activities could be pursued by Alberta residents in the Northwest Territories -- camping, fishing, rural sightseeing, wilderness canoeing, attending events, hunting, etc. With development of historic, cultural and natural resources and complementary support facilities and services, the Northwest Territories has the potential to significantly increase its share of the Alberta out-of-province travel market.

Main Reason for Trips by Alberta Travelers 1981 - 1984

Trip Purpose	Alberta	Calgary/Edmonton
Pleasure	60.1%	61.7%
Business	3.6%	4.7%
Business/Pleasure	10.3%	10.9%
Visiting Friends/Relatives	20.2%	16.4%
Pleasure and VFR	4.0%	4.7%
Other	2.0%	1.6%

Specific Interests of Travelers on Pleasure Trips

Trip Purpose	Alberta	Calgary/Edmonton
Rural Sightseeing	85%	85%
Historical Sites	78%	74%
Urban Sightseeing	77%	82%
Festivals	65%	68%
Camping	69%	64%
Water Sports	57%	59%
Sporting Events	57%	55%
Musical Events	52%	57%
Fishing	48%	42%
Hiking	51%	56%
Craft/Art Fairs	42%	39%
Downhill Skiing	38%	45%
Industrial Tours	29%	23%
Cross Country Skiing	28%	35%
Sailing	27%	29%
Snowmobiling	23%	19%
Wilderness Canoeing	20%	22%
Big Game Hunting	21%	16%
Game Bird Hunting	18%	17%

2. BRITISH COLUMBIA TRAVEL MARKET PROFILE

British Columbia residents undertook 8,792,000 person-trips during 1984 for tourism related purposes. Of this total 6,913,000 person trips were intra-provincial while 1,879,000 person trips were to other Canadian destinations.

Forecasts conclude that there may be moderate growth occurring in the B.C. travel markets over the next several years and that marketing of specific activities and development of attractions and facilities should provide the Northwest Territories with a reasonable opportunity to establish a larger share of this increased market.

The main reason why British Columbia residents travel led in the last three years was for pleasure purposes.

British Columbia residents enjoy and pursue a variety of activities on pleasure trips, from rural sightseeing to fishing and hunting. Activities such as hunting, fishing, camping, hiking and wilderness canoeing can be currently pursued by B.C. residents in the Northwest Territories. Additional development and interpretation of the historic, cultural and natural resources will enhance the appeal and thus the market share from British Columbia as indeed from other Canadian provinces and the U.S.

Main Reason for Trips by B.C. Residents
1981 - 1984

Trip Purpose	B.C.	Vancouver/Victoria
Pleasure	53.4%	55.3%
Business	6.0%	7.4%
Business/Pleasure	10.0%	11.7%
Visiting Friends/Relatives	24.7%	21.3%
Pleasure and VFR	4.0%	2.1%
Other	2.0%	2.1%

Specific Interests of B.C. Travelers on Pleasure Trips

Trip Purpose	B.C.	Vancouver/Victoria
Rural Sightseeing	83%	89%
Historical Sites	85%	83%
Urban Sightseeing	78%	92%
Festivals	65%	66%
Camping	61%	56%
Water Sports	60%	54%
Sporting Events	49%	49%
Musical Events	56%	66%
Fishing	43%	35%
Hiking	48%	46%
Craft/Art Fairs	51%	49%
Downhill Skiing	30%	28%
Industrial Tours	26%	26%
Cross Country Skiing	21%	20%
Sailing	24%	27%
Snowmobiling	7%	6%
Wilderness Canoeing	20%	20%
Big Game Hunting	15%	11%
Game Bird Hunting	13%	11%

3. ONTARIO TRAVEL MARKET PROFILE

Although travel by Ontario residents to the Northwest Territories is small in comparison to British Columbia and Alberta, the Northwest Territories has the potential to increase visitations from Ontario. It should be noted that due to Ontario's population base alone, it is a market which merits pursuit. The Ontario market is of relatively greater importance to the Baffin Keewatin regions than to the Territories as a whole.

Ontario residents undertook 35,524,000 person trips in 1984 of which 32,827,000 were intra-provincial and 2,697,000 person trips were to other Canadian destinations.

Ontario residents are interested in a broad range of pleasure travel activities such as rural and urban sightseeing, visiting historic sites/museums, attending festivals/events, camping, fishing, hiking, wilderness canoeing and other activities. Many of these activities could be pursued in the Northwest Territories. The Ontario market is sophisticated in its expectations and to significantly penetrate this market the Northwest Territories would have to upgrade the quality of tourism services as well as the quality of the tourism experience whether it's for fishing, hunting, wilderness canoeing, or rural sightseeing.

Main Reason for Trips by Ontario Residents
1980 - 1983

Trip Purpose	%
Pleasure	71%
Visiting Friends/Relatives	23%
Business/Pleasure	12%
Business	1%
Other	1%

Specific Interests of Ontario Travelers on Pleasure Trips
1980 - 1983

Trip Purpose	All-Province Average	Ontario
Rural Sightseeing	84%	81%
Historical Sites/Museums	79%	78%
Urban Sightseeing	79%	79%
Festivals/Special Events	66%	68%
Musical Events/Live Theatre	55%	61%
Craft/Art Fairs	44%	47%
Camping	57%	36%
Water Sports	52%	40%
Sporting Events	50%	32%
Hiking	41%	29%
Fishing	41%	22%
Industrial Tours	29%	22%
Downhill Skiing	29%	17%
Sailing	23%	22%
Wilderness Canoeing	21%	19%
Cross-Country Skiing	25%	18%
Snowmobiling	21%	13%
Hunting Game Bird	16%	8%
Hunting Big Game	17%	7%

APPENDIX 2.0

TOURISM INFRASTRUCTURE AND SERVICE DEVELOPMENT

. Program Identification

. Order of Magnitude Costs

REGION: INUVIK

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	1,2	$ 380,000			7
1.2 Sport Hunting	1,2	$ 182,000			5
1.3 Boat Tours					
1.4 Photo/Service/Naturalist	1,2	$ 15,000			1
1.5 Historical/Interpretive					
2. SUPPORT SERVICES					
2.1 Organization of Outfitter					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Host Programs"					
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	1,2	$ 10,000			
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTAL S	$ 587,000			13

COMMUNITY KEY

1. Fort Good Hope
2. Colville Lakes
3. Campbell Hills/Park

Source: Information regarding capital costs and potential job creation taken from: "For Good Hope/Colville Lake: Tourism Strategy", Vol. 2, authored by Lutra Assoc. Ltd. , Quivvak Ltd., and "Campbell Hills/Lake: Park Feasibility Study", authored by Resources Management Consultant Ltd.

1

REGION: INUVIK

PROGRAM IDENT FICATION N SUPPORT OF STRATEGY IMPLEMENTATION

	MM		/R	CONST.	TEMP.	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Natural: st 1.1.1 Permanent 1.1.2 Semi-Permanent 1.2 Remote Naturalist Lodge	1,2	$200,000					20
2. F.R.A. Development * Inc uding restaurant, etc.)							
3. Estab ish Campgrounds/Parks	3	$175,000					
4. Develop "Model" Indigenous Villages	1,2	$ 47,000					5
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.	1,2	$580,000		5			(1)
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	1,2	$ 47,000		2-3			1
7. Purchase Outfitting Equipment	1,2	$200,000					14
8. Purchase Other Equipment/Faci ities (i.e. Large Ship, Boat)							
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)							
10. Signage/Interpret ve Development	1,2	$ 3,000					
1 . Upgrade Shopping/Souvenir Facilities							
COMMUNI Y =Y:	TOTALS	$1,254,000					41

As on page 4.

REGION: KEEWATIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR [RAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	5	$ 15,000			3
1.2 Sport Hunting	3,6	$ 3,000			3
1.3 Boat Tours	1,4,5,6,7	$ 47,000			2
1.4 photo/Service/Naturalist	1,3,6	$ 10,000			5
1.5 Historical/Interpretive	4,6,7	$ 28,000			?
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services	3				2
2.4 Establish "Community Host Programs"	1,2,3				5
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	all communities	$474,000	4		3
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTALS	$577,(JOO	4		23

COMMUNITY KEY

1. Baker Lake
2. CheaterField Inlet
3. Coral Harbour
4. Eskimo Point
5. Rankin Inlet
6. Repulse Bay
7. Whale Cove

Source: All coat and job creation estimates taken from materials reviewed: "Keewatin Destination Zone: Tourism Development and Marketing Strategy", Marshall Macklin Monaghan.

REG ION: KEEWATIN

PROGRAM IDENTIFICATION IN SUPPORT Of STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF E ENDITURE Capital $	lanning/Research Feasibility $	POTENTIAL JOB CREATION CONST. Person/ Yeara	TEMP.	PERM.	SEAS.
1. Camps end Lodges							
1.1 Fiehing/Hunting/Natllralist		$1,295,000	$ 70,000	9			44
1.1.1 Permanent	1,4,5						
1.1.2 Semi-Permanent	1,5						
1.2 Remote Naturalist Lodge	3						
2. F.R.A. Development * (Including restaurant, etc.)	2,3,4,7	$522,000	$ 20,000	5		2	
3. Establish Campgrounds/Parks	1	$42,000	$ 10,000				2
4. Develop "Model" Indigenous Villages	1	$100,000		1			
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.							
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	3,4,5,6	$ 64,500		2	2		7
7. Purchase Outfitting Equipment	1,4,7	$ 22,000				1	5
8. Purchase Other Equipment/Facilit ea (i.e. Large Ship, Boat)	2,3,4,5,6	$155,000					7
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc)	5	$200,000					
10. Signage/Interpretive Development	1,2	$ 2,000			2		
11. Upgrade Shopping/Souvenir Facilities			$ 10,000				
	TOTALS	$3,661,500	$ 100,000	17	5	3	60

COMMUNITY KEY:

Aa on page 1.

REGION: CENTRAL ARCTIC

PROGRAM IDEMT[FICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing	1, 2, 5	$ 12,000			5
1.2 Sport Hunting	1	$ 4,000			5
1.3 Boat Tours	2, 4	$ 17,000			3
1.4 Photo/Service/Naturalist	4	$ 5,000			1
1.5 Historical/Interpretive	1, 2, 5, 6	$ 72,000			3
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Hoat Programs"	1,2,3,4,5,6	$144,000			6
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)	1,2,3,4,5,6	$ 89,000			
3.2 Establish Administrative Commonality for Information Cent rea					
	TOTALS	$343,000			21

COMMUNITY KEY

1. Holman Area
2. Coppermine Area
3. Cambridge Ray Area
4. GJOA Haven
5. Spence Ray
6. Pelly Ray
7. Bathurst Inlet

Source: Coat and Job Data as in Materials Reviewed. Materials Reviewed: "Arctic Coast Destination Zone: Tourism Development and Marketing Strategy", Vol. 111, Authored by Outcrof Ltd., OPA Consultants, MacLaren Research.

REGION: CENTRAL ARCTIC

PROGRAM JDENTIFICATION IN SUPPORT Of STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF E ENDITURE		POTENTIAL JOB CREATION			
		Capital $	Planning/Research Feasibility $	CONST.	TEMP.	PERM.	SEAS
1. Camps end Lodges							
1.1 Fishing/liunting/Naturalist 1.1.1 Permanent 1.1.2 Semi-Permanent 1.2 Remote Naturalist Lodge	1,3	$107,000	$ 38,500	Yes			17
2. F.R.A. Development • (Including restaurant, etc.)	2,4,5,7	$1,680,000	$ 143,000	Yea			21
3. Establish Campgrounds/Parks							
4. Develop "Model" Indigenous Villages	1,6	$442,000	$ 50,000				9
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.	1,5	$510,000	$ 5,000	Yes			13
6. Develop }liatorical/Interpretive Nature Hiking, Adventure Trails, Sites	3,4,6	$888,000	$ 51,000				4
7. Purchase OutFitting Equipment	1,2	$ 23,500					
8. Purchase Other Cquipment/Facilities (i.e. Large Ship, Boat)	1,2,3,4,5	$233,000					
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	1,2,3	$163,000					
10. Signage/Interpretive Development	1,3,4,5,6						
11. Upgrade Shopping/Souvenir Facilities							
COMMUNITY KEY:	TOTALS	$3,661,500	$ 282,500				64

Aa on page 1.

REGION: FORT SMITH

SERVICE DEVELOPMENT

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION: TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS 1.1 Sport Fishing 1.2 Sport Hunting 1.3 Boat Tours 1.4 Photo/Service/Naturalist 1.5 Historical/Interpretive	1,3 3,2 1	$ 8,000	Not Available --		
2. SUPPORT SERVICES 2.1 Organization of Outfitters 2.2 Organization of Guiding Service 2.3 Improvement of Local Taxi Services 2.4 Establish "Community Heat Programs"					
3. INFORMATION SERVICES 3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials) 3.2 Establish Administrative Commonality for Information Centres	1,10	$ 65,00()			
TOTALS		$ 73,000			

COMMUNITY KEY

1. Lake La Martre, Rae Lakes, Snare Lakes
2. Old Fort Rae, Fort Enterprise
3. Rae, Edzo
4. Russel Lake
5. 60th Parallel
6. Alex. Falls
7. Louise Falls
8. Escarp Creek
9. EnterPrize
10. Hay River

Source: Cost Projections and Job Creation Potential taken from analysis of: "Blackstone Park: Implementation Plan", Project Planning Assoc. Ltd.; "... Tourism Strategy", Phase Two, Qaivvik Ltd.; "Regional Tourism Strategies", Marshall Macklin Monaghan, "MacKenzie Highway Corridor: Laird - MacKenzie Tourism Study" I.D. Systems Ltd.

REGION: FORT SMITH

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE Capital $	Planning/Research Feasibility $	POTENTIAL JOB CREATION CONST.	-'Trim-	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Naturalist	1	$60,000					
1.1.1 Permanent							
1.1.2 Semi-Permanent							
1.2 Remote Naturalist Lodge					Not A	ilable --	
2. F.R.A. Development * (Including restaurant, etc.)	1,3	$375,000					
3. Establish Campgrounds/Parks	4,5,8,10	$150,000	$ 18,000				
4. Develop "Model" Indigenous Villages							
5. Develop Community Orientation, Information, Craft Centres for Tourists, Elders, etc.							
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	2,6,7,9	$117,000	$ 15,500				
7. Purchase Outfitting Equipment							
8. Purchase Other Equipment/Facilities (i.e. Large Ship, Boat)							
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	10	$ 50,000					
10. Signage/Interpretive Development	6,7,8,9,10	$ 17,500					
11. Upgrade Shopping/Souvenir Facilities							
	TOTALS	*$764,500*	$ 33,500				

COMMUNITY KEY:

As on page 1.

REGION: BAFFIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

SERVICE DEVELOPMENT

SERVICE TYPE	COMMUNITIES	ORDER OF MAGNITUDE OF EXPENDITURE FOR TRAINING ADVERTISING, FEASIBILITY ANALYSIS OR PLANNING	POTENTIAL JOB CREATION		
			TEMPORARY	PERMANENT	SEASONAL
1. TOURS AND CHARTERS					
1.1 Sport Fishing					
1.2 Sport Hunting	I	$ 10,000			
1.3 Beet Tours	1, 11	$ 192,000			
1.4 Photo/Service/Naturalist	1, II	$ 13,000			
1.5 Historical/Interpretive					
2. SUPPORT SERVICES					
2.1 Organization of Outfitters					
2.2 Organization of Guiding Service					
2.3 Improvement of Local Taxi Services					
2.4 Establish "Community Heat Programs"	1	$ 11,000			
3. INFORMATION SERVICES					
3.1 Establish "Community Tourist Information Service" (Brochures, Map, Signage, Interpretive Materials)					
3.2 Establish Administrative Commonality for Information Centres					
TOTALS		$ 226,000			

COMMUNITY KEY

I. Pangnirtung-Broughton Island (PRIORITY AREA)
11. Frobisher Bay, Care Dorset, Lake Harbour
III. Pond Inlet, Arctic Bay, Igloolik, Hall Beach
Iv. Resolute fray - Grise Fiord
V. Clyde River - Sanikilvaq

Source: All coat estimtaes and job estimates taken from materials reviewed. Materials Reviewed: "Baffin Region Tourism Strategy", author unknown to DMCA Consultants and "Pangnirtung Community Tourism Study", authored by Marshall Macklin Monaghan (1982).

REGION: BAFFIN

PROGRAM IDENTIFICATION IN SUPPORT OF STRATEGY IMPLEMENTATION

FACILITY DEVELOPMENT

SERVICE YPE	COMMUNITIES	ORDER OF MAGNITUDE O EXPENDITURE Capital $	Planning/Research Feasibility $	POTENTIAL EATI CONST.	TEMP.	PERM.	SEAS.
1. Camps and Lodges							
1.1 Fishing/Hunting/Naturalist 1.1.1 Permanent 1.1.2 Semi-Permanent 1.2 Remote Naturalist Lodge	I	$639,000	$ 20,000				
2. F.R.A. Development * (Including restaurant, etc.)	I, II	$4,000,000	$ 415,000	--	Not Available		--
3. Establish Campgrounds/Parks	I	$ 50,000	$ 5,000				
4. Develop "Model" Indigenous V llages							
5. Develop Community Orientat on, Information, Craft Centres for Tourists, Elders, etc.	II	$1,000,000	$ 140,000				
6. Develop Historical/Interpretive Nature Hiking, Adventure Trails, Sites	I, II	$246,000	$ 26,000				
7. Purchase Outfitt ng Equipment							
. Purchase Other Equipment/Facilit es (i.e. Large Ship, Boat)	II	$630,000	$ 40,000				
9. Local Transportation Development and Upgrading (Roads, Airstrips, etc.)	I, II		$ 120,000				
10. Signage/Interpretive Deve opment							
11. Upgrade Shopping/Souvenir Facilities							
	TOTALS	$7,025,000	766,000				

COMMUNITY KEY:

As on page 1.