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**Arctic Coast Destination Zone- Tourism
Development & Marketing Strategy - Volume I -
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Arctic Coast Destination Zone

Tourism Development and Marketing Strategy

Volume II
Development Strategy and Implementation Plan

Arctic Coast Tourist Association

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OKIOKTAKTOMI AKOIKATAKVIGIYAONIKUT KATOYIKATIGIN

OUTCROP LTD.
DPA CONSULTANTS
MacLAREN PLANSEARCH
85-07 32630

DRAFT REPORT

8.0 ROLES AND RESPONSIBILITIES

A large number of groups, both government and non-government, will be involved in the implementation of the Arctic Coast Tourism Plan. The agreement will clearly outline the roles, responsibilities, and commitments of each group. The Agreement Committee will have the responsibility of ensuring the commitments of each party are met and of coordinating the efforts of all groups. The following summarizes the roles and responsibilities of the parties involved in Plan implementation.

Group	Roles and Responsibilities
Private businesses, cooperatives, non-profit community groups, Hamlet Councils, Native Development Corporations.	Identify and develop projects and travel products. Prepare applications for funding. Supervise construction. Handle project operation. Apply for follow-up funding (technical, capital, etc. assistance) if required.
Community hosts/facilitators	Assist groups in identifying and developing projects and travel products. Prepare applications for funding. Work with operators, other community hosts, Zone Manager in developing package tours. <u>Prepare annual and medium-term community tourism plans.</u> Greet incoming tour groups. Conduct community tours. Provide information to tourists. Provide liaison between southern wholesalers and community tourism operators. Administer annual budgets for community host's office and operating funds for non-profit projects.
Arctic Coast Tourist Association (particularly the Zone Manager)	Overall management and coordination of the Plan. Provide selective assistance to community hosts, private businesses, and non-profit groups to identify and develop projects and prepare applications.

... continued

See 7-5 also.

*AEDO
training coordinator
receives funds*

ACKNOWLEDGEMENT

The Outcrop Consortium wishes to acknowledge the cooperation and interest of the many people who made the study possible. Particular thanks are due to the Arctic Coast residents, industry representatives and public servants who actively participated in the community meetings and responded openly and frankly to our questions during the telephone and personal interviews. We would also like to thank the members of the Study Steering Committee for their direction and support in carrying out this assignment.

Although the development strategy and implementation plan reflects the contributions of these groups, the ultimate responsibility for the study findings and proposals remains with the consultants.

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ARCTIC COAST DESTINATION ZONE: TOURISM DEVELOPMENT AND
MARKETING STRATEGY

EXECUTIVE SUMMARY

The Arctic Coast Tourist Zone is potentially one of the world's most attractive Arctic destinations for the growing number of northern wilderness/adventure ^{cultural experience} travellers. The region possesses abundant resources which can be employed in formulating and implementing a tourism strategy. Tourists are drawn by the region's wildlife and landscape, as well as by the Arctic Ocean itself. Inuit artifacts and ways of life and the search for the Northwest Passage are features which can appeal to significant tourism markets. The Arctic Coast potentially offers a wide range of land-based, water-based, ice-based and community based activities which the tourist can participate in and experience. Tourism facilities, services and related infrastructure are relatively underdeveloped but for the most part adequately serve the limited tourist visitation to the region.

Despite the potential, only about 1000 pleasure tourists visit the Arctic Coast region each year, spending a little over one million dollars. When pleasure and business travellers are combined, the 3500 pleasure trips to the region provide 75 person years of employment representing about 10% of the region's employment base. Most residents of the region are completely unfamiliar with tourism and very few travel products are available in the seven communities. The Arctic Coast Tourism Development Strategy and Implementation Plan has been prepared in order to capitalize on the region's tourism potential and to establish guidelines for the proper and realistic development of tourism in the destination zone.

The development strategy encompasses the planning units to be employed, the development principles to guide plan

formulation and implementation, development themes and concepts, development constraints and the actions required to mitigate their effects, plan goals and objectives, and three critical strategy elements: community awareness and training, product development, and marketing. Each community and its surrounding landscape has been defined as a planning unit and destination area. The fifteen principles adopted in preparing the development strategy take into account the formative stage of Arctic Coast tourism and will ensure that development takes place in a logical, sensitive, and cooperative manner.

The selected theme for the region is the "Arctic Coast" because it best responds to the natural and cultural images of the region and is sufficiently attractive and distinctive to be competitive with other Arctic destinations. This theme is supported by specific sub-themes in each destination area: "Big Game Hunting" in Holman, "Coppermine River and Arctic Coast" in Coppermine; "Arctic Char Fishing" in Cambridge Bay; "Northwest Passage" in Gjoa Haven, "Arts and Crafts" in Spence Bay; "Inuit Lifestyle" in Pelly Bay, and "Nature Interpretation" in Bathurst Inlet. The selected development concept divides the region into the western sub-region and the eastern sub-region with Coppermine and Cambridge Bay as the respective staging areas.

Major constraints to the region's tourism development include the high cost of travel to and within the region, the lack of tourism knowledge and skills among residents, and the lack of market awareness of the region's travel products. Specific objectives to be achieved by the end of the 1990's are to increase the number of pleasure travellers by 10,000, to increase expenditures from pleasure tourism by \$10 million, to create at least 120 new full-time (equivalent) jobs in tourism, and to support capital investment of \$8 million in tourism projects.

The Study Team proposes that community awareness and training

should be implemented immediately to establish the expertise and skills needed to develop a quality, competitive product and to gain the confidence of the travel industry in the south. Emphasis in product and project development will be placed on projects that reflect the natural and cultural resources of each community, as well as projects which can be readily incorporated into package tours.

The marketing strategy emphasizes the need to match products and markets, to develop and sell packaged tours, and to build all promotional materials around a single theme "the Arctic Coast". The Zone Manager of the Arctic Coast Tourist ^{Arctic} Association (ACTA) will play a coordination and leadership role in tourism promotion, but critical roles will also be played by the travel industry. Marketing activities will be largely targeted on promoting package tours to the primary and secondary markets identified in the strategy, including: naturalists and conservation groups; people and clubs with strong historical, cultural and anthropological interests; business and government travellers to the NWT; and some upper-middle and upper income Canadian families interested in a "trip of a lifetime" to the true Canadian north.

still P.
The successful implementation of the development strategy will require a significant level of government financial assistance. A three party agreement involving the ACTA, GNWT and Federal Government is proposed to fund and monitor plan implementation. The agreement need not be a formal legal agreement but should involve similiar documentation, public exposure and commitment. The proposed Advisory Committee representing the three parties would ensure commitment to the plan and access to all available program funds.

Plan implementaion will require government expenditures in the form of loans and contributions of \$12.5 million over the ten year period from 1985/86 to 1994/95. Projected expenditures are distributed fairly equally among the seven

not if you have
2 \$12.5

destination areas. Programs are currently available to fund the projects in the Arctic Coast plan, and there is a reasonable expectation that these or similar funding sources will continue to be available through the Plan period. The implementation schedule is designed to develop momentum quickly in order to heighten public and private sector interest, as well as to accommodate the need for the gradual phased development of more complex projects.

Plan implementation will have both construction and operating effects on the Arctic Coast economy. The \$8 million capital investment over 10 years will generate incomes of \$3.4 million to Arctic Coast construction workers and businesses, and will create 85 full-time equivalent jobs. By the end of the century, plan implementation could result in additional incomes of \$4.7 million to residents of the Arctic Coast, a 40% expansion in the employment base of the region, and a one-half reduction in the actual unemployment rate from 40% to 20%. The tourism plan will also provide important economic benefits to the other parts of the NWT and will have favorable effects on other socioeconomic and cultural aspects of the Arctic Coast region.

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the crunch is private equity

→ pg 9-33
Vol I

**ARCTIC COAST DESTINATION ZONE: TOURISM DEVELOPMENT AND
MARKETING STRATEGY**

SUMMARY REPORT

1.0 INTRODUCTION

The Arctic Coast Tourist Zone is potentially one of the world's most attractive Arctic destinations for the growing number of northern wilderness/adventure travellers. The region, however, has a very small tourist industry which attracts only about 1000 pleasure travellers each year. Anglers, hunters, naturalists, and canoeists account for most of the pleasure visitors and their stay is restricted to a few camps and lodges. As a result most residents of the region are completely unfamiliar with tourism and very few travel products are available in the seven communities.

The Arctic Coast Tourism Development Strategy and Implementation Plan has been prepared to establish guidelines for the proper and realistic development of tourism in the region. The study took place in three phases. Phase I focussed on presenting a community awareness program as well as developing an inventory of the region's tourism resources and facilities and of existing and potential markets. Phase II matched resources with markets and established a theme, concept, and list of development opportunities for the region. Phase III outlined the selected projects and programs and calculated the potential socioeconomic impact of plan implementation. This final document (Volume II) carefully integrates the three essential ingredients of the plan: manpower training, product development and marketing.

2.0 TOURISM RESOURCES, OPPORTUNITIES AND MARKETS

The Arctic Coast possesses abundant resources which can be employed in formulating and implementing a tourism strategy and plan.

Natural resources are presently the most important attraction in the Arctic Coast Region. Tourists are drawn by the abundance of Arctic char and trout, seals, caribou and muskox, approximately 200 bird species including the impressive gyrfalcon, whistling swan, and golden falcons, as well as dozens of seabirds. The Arctic landscape is also the setting for a mosaic of natural features. Nationally famous rivers such as the Coppermine, Burnside, Back, and Tree attract both anglers and canoeists. For naturalists and photographers, the tundra provides an abundance of wildlife and colour.

The Arctic Ocean itself is a haunting and appealing water system consisting of tens of thousands of kilometers of indented coastline and hundreds of islands, some larger than certain countries. As one of the three oceans making up the Canadian Coast, the Arctic Ocean has unquestionable appeal and can draw tourists for its mere existence as well as the natural resources it provides.

Less attention has been given to the **cultural, historic and human resources** of the region, but these also offer many opportunities for tourism development. Artifacts and ways of life in the region incorporate aspects of the Pre-Dorset, Dorset, and Thule cultures. Within the region, three sub-groups of Inuit, the Copper Inuit, the Netsilik Inuit from the South Baffin area, and the Ukkusiksalingmiut from the Chantry Inlet area, form the basis of the current population. First contact in the area was in the late 18th century with the arrival of the Hudson Bay Company employee, Samual Hearne, via the Coppermine River. In the early part

of the 19th century, the search for the Northwest Passage led to a great deal of exploration activity in the area. The disappearance and subsequent search for the Franklin expedition led to even more activity.

Because this region contains a prominent portion of the history of Canada and the exploration activities continue today, current "explorers" can be strongly attracted to the region, as evident in the success of the Lindblad Explorer in the summer of 1984 in navigating the sometimes treacherous Northwest Passage. The more modern history of the area from the arrival of traders, missionaries, RCMP, government services, and finally the development of permanent communities is also a major part of the historic resources of the region, with its related collection of picturesque stone churches, abandoned trading posts, and isolated communities with modern "southern" amenities. Some archaeological activity has been underway over the years as academics attempt to learn more about the lifestyle and progress of man in this harsh environment.

The human resources of the region are represented by the Arctic Coast's population, its tourism related skills and its interest in tourism development. The Arctic Coast is the most sparsely populated region in the NWT, with a population of 3500 distributed among seven far-flung communities. ~~More~~ ^{About} than 90% of the region's residents are Inuit. The actual unemployment rate in the region is very high -- probably close to 35% -- and the limited economic base and relatively low education and skill levels keep employment potential low. When an above average birth rate is combined with a decrease in the hunting and trapping economy, the future economic prospects of the area are not bright, unless there is increased renewable and non-renewable resource development, including growth in the tourism sector. For these reasons, actual unemployment as a percentage of the available work force could exceed 40% through the 1990s. Interest in tourism has been growing, and some native people have

developed an understanding of tourists' needs. However, interest and understanding varies greatly between communities.

The Arctic Coast's infrastructure resources include its housing, transportation and sewer and water facilities. The airports in the Arctic Coast adequately serve existing travel requirements. However, older equipment, when combined with unpredictable weather, makes northern flying unreliable at times. Other infrastructure facilities e.g., sewer and water do not pose a significant impediment to future tourism development.

Tourism resources include features that attract people to a region and facilities that provide services once they have arrived. Tourism facilities and services emerge because certain natural or cultural resources create a draw.

The lifestyle of the Inuit people and the unique Arctic resources are the main features that attract pleasure travellers to the Arctic Coast region and there are a number of services that complete the visitor experience. It is apparent that many of the services, however, have been established in response to government and business traffic demands rather than to demands of pleasure travellers. The tourism plant therefore is very small, and includes a hotel and one or two outfitters or tour operators per community, as well as a half-dozen camps, lodges, and outfitters throughout the region.

Reasons for the small number of tourist facilities are:

- . low tourist volume;
- . ~~lack of interest in tourism in some communities;~~ *- off season*
- . relatively recent awareness of tourism as an economic generator and creator of jobs;
- . general lack of tourism organization and marketing.

low range

In spite of these shortcomings, the vast Arctic landscape, the fascinating cultural heritage of the Inuit people, the

history of the early explorers, and the exceptional fishing resources have consistently brought 1,000 or so travellers to the region each year. For the most part, they have been well serviced by the existing infrastructure and tourism facilities, and there has been a growing understanding of tourists' needs by the local people.

Tourists are drawn to a region for more than just scenic beauty and natural and cultural attractions. They also want to participate in **activities** and have certain types of **experiences**. A well balanced northern tourism development plan would combine a comprehensive, integrated selection of

- land-based activities,
- water-based activities,
- ice-based activities, and
- community-based activities.

Because the Arctic Coast Region is coastal and laced with numerous rivers, there is ample opportunity for a balanced activity system. Also, because much of the area (land and water) lies in a frozen silence for most of the year, there are many opportunities for movement by snowmobile and dog sled.

Market opportunities related to the various activities in each destination area are presented in Exhibit A. The Exhibit emphasizes that each Arctic Coast community has the potential to offer a wide range of tourism activities and experiences.

The Study Team's analysis of potential **markets** indicated that many travel industry trends are favourable to the development of the Arctic Coast travel industry. Favourable trends include: the growing importance of a wilderness vacation which encompasses a significant educational/cultural component; the growing popularity of destinations which are off-the-beaten track, uncrowded and environmentally untouched; the increasing emphasis on pre-planned tour packages; and the preference for air travel over other modes.

Less encouraging trends include growing competition from other destinations that can offer a wilderness experience, the importance placed by tourists on high quality facilities and services, and the expanding popularity of off-season (winter) travel. ^{elsewhere?} In order to serve the market for educational, cultural and related products, the Arctic Coast's products must be strongly differentiated from those of competing destinations. Arctic?

The Study Team's research identified a number of markets which could be attracted by the Arctic Coast's travel products. These are divided below between primary and secondary markets.

Primary Markets

1. Naturalists and conservation groups with a strong interest in wilderness experience/adventure travel.
2. People (e.g., members of clubs) with strong historical, cultural and anthropological interests.
3. Tourists on package tours to other parts of the NWT.
4. Canoeists on the Coppermine River and visitors to the Bathurst Inlet Lodge who can be encouraged to extend their stay or visit another part of the region in a subsequent trip.
5. Business and government travellers to Yellowknife, to other larger NWT and Yukon centers and to the Arctic Coast.
6. Non-NWT residents visiting friends and relatives in larger NWT and Yukon centers.

Activity Market Opportunities

EXHIBIT A

	HOLMAN AREA	COPPERMINE AREA	CAMBRIDGE BAY AREA	GJOA HAVEN AREA	SPENCE BAY AREA	PELLY BAY AREA	BATHURST INLET AREA
LAND BASED							
- Sightseeing	●	●	○	○	●	●	●
- Hiking/Backpacking	●●	●●	○○	○○	●●	○○	●●
- Camping	●●●	●●●	●●●	○○○	●●●	○○○	●●●
- Hunting/Trapping	●●●	●●●	●●●	○○○	●●●	●●●	○○○
- Archeological/Historic	○	●●●	○○○	●●●	●●●	●●●	●●●
- Nature Tours	●●	●●	○○	○○	●●	○○	●●
- Photography	●	●	○	○	●	●	●
WATER-BASED							
- Canoeing		●	○		○	○	●●
- Rafting		●●					●●
- Coastal Boating	○	●●●	●	○	○	●	●●
- Fishing	○○	●●	●●	●●	○○	○○	●●
- Kayaking	○	●	●	○	●	●	●
ICE-BASED ACTIVITIES							
- Spring Skiing	○	●	○	○	●	○	○
- Snowmobiling	●●	●●	●●	●●	●●	●●	●●
- Dog Sledding	○○	○	○○	●●	○○	●●	○○
- Igloo Construction/Survival	●	●	●	●	●	●	●
COMMUNITY-BASED							
- Traditional Entertainment	●	●	●	●	●	●	○
- Traditional Eating	○	○○	○○	○○	○○	○○	○○
- Craft Production	●●	○○	○○	○○	●●	○○	●●
- Shopping	●●	●●	●●	○○	●●	●●	●●
- Historic Interpretation	○○	●●	●●	●●	○○	●●	○○
- Northern Technology	○	●	●	○	○	○	○

- High Market Opportunity
- Moderate Market Opportunity
- No Market Opportunity

Craft Shop ○

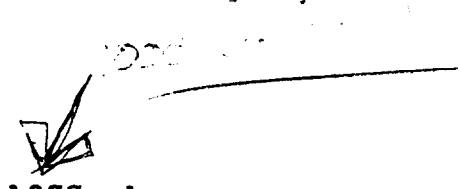
7. Travellers by car, RV and bus up the Mackenzie Highway.
8. Residents of Yellowknife, Whitehorse, Inuvik and other larger northern centers -- typically with professional jobs and above average incomes -- who may wish to experience another part of northern Canada.

Secondary Markets

9. Some upper-middle and upper income Canadian families which may be interested in a "trip of a lifetime" to the true Canadian north.
10. Incentive travel targetted on major corporations, especially resource developers, operating in the north. } possible
11. Specialized segments of the offshore market, with special emphasis on West Germany, other parts of northern Europe, and ~~Japan~~. Not Yet.
12. The hardy traveller interested in a shoulder season vacation to the Arctic.

The primary markets include specialized market segments that already have a strong interest in the travel products offered by the Arctic Coast (markets #1 through #3 above) and people who are already travelling to the north or are residents of the north (markets #4 through #8 above). Both sets of markets are easy to identify and should be relatively easy to cultivate. The secondary markets are more diffuse geographically, more difficult and expensive to promote, and are not yet fully developed.

The Arctic Coast's tourism industry is undeveloped but it still provides some important economic benefits. The Study Team estimates that in 1984, almost 3500 person-trips were made by tourists to the Arctic Coast. Less than 40% of these



person-trips involved vacation travel. The 1300 pleasure tourists to the region spent a little over one million dollars in the Arctic Coast. Business and pleasure travel generated in total about 75 person-years of employment in the region in 1984. This represents nearly 10% of total employment in the Arctic Coast. Without a concerted effort under a tourism development plan, the region's tourism sector is not expected to display any significant expansion for the foreseeable future.

3.0 DEVELOPMENT STRATEGY

The development strategy encompasses the planning units to be employed, the development principles to guide plan formulation and implementation, development themes and concepts, development constraints and the actions required to mitigate their effects, plan goals and objectives, and three critical strategy elements: community awareness and training; product development; and marketing.

Tourism planning for the Arctic Coast Region is unlike planning for any other tourism region in North America. Its vast, arid barren-grounds and thousands of miles of coastline present some of the most visually distinctive scenery in the world, yet it is dotted by a mere seven communities spread across a 1,300 km long coastal corridor. Each community has developed unique characteristics - frequently as a function of its surrounding landscape (natural resources) and its cultural differences (heritage resources).

Due to the diversity associated with each community and its surrounding hinterland, it is possible to define distinguishable units or zones that individually express the uniqueness of each hamlet and collectively express the complete character of the Arctic Coast.

For the purpose of simplifying the planning process, each community and its surrounding landscape has been defined as a planning unit. The unit has been designated as a function of the available natural and heritage resources that can realistically be affiliated with a given hamlet as well as the overall area considered important to various leaders in each community.

Seven planning units have been selected. Each focuses on a community or lodge (Bathurst Inlet) and covers an area of between 20,000 and 30,000 sq. km of land and water. The planning units are called:

Unit 1	Holman Destination Area
Unit 2	Coppermine Destination Area
Unit 3	Cambridge Bay Destination Area
Unit 4	Bathurst Inlet Destination Area
Unit 5	Gjoa Haven Destination Area
Unit 6	Spence Bay Destination Area
Unit 7	Pelly Bay Destination Area

Fifteen principles have been adopted in preparing the development strategy. Some of the most critical to the Arctic Coast include: an emphasis on community-based tourism; gradual, phased development; maximum use of existing facilities; shoulder and off season activities; public involvement in the tourism development process; a rifle approach to marketing; and building projects and programs around the selected themes and sub themes (described below). The strategy focuses on projects that minimize risk and can be combined into packaged tours, programs that enhance tourism skills while maintaining traditional lifestyles, and initiatives to expand the tourism information base. These principles take into account the formative stage of Arctic Coast tourism and will ensure that development takes place in a logical, sensitive, and cooperative manner.

Completely agree with this concept of marketing

clearly stated

The selected theme for the region is the "Arctic Coast" because it best responds to the natural and cultural images of the Kitikmeot and is sufficiently attractive and distinctive to be competitive with other Arctic destinations. This theme is supported by specific sub themes in each destination area: 'Big Game Hunting' in Holman, 'Coppermine River and ~~Arctic Coast~~^{Cook's Islands} in Coppermine, 'Arctic Char fishing' in Cambridge Bay, 'Northwest Passage' in Gjoa Haven, 'Arts and Crafts' in Spence Bay, 'Inuit Lifestyle' in Pelly Bay and 'Nature Interpretation' in Bathurst Inlet.

The selected development concept divides the region into the western sub-region and the eastern sub-region with Coppermine and Cambridge Bay serving as the respective staging areas.

A number of constraints or barriers have been given special attention in order to minimize their negative impact on the implementation plan. For instance, the effects of the high cost of travel to and within the region are to be minimized by promoting package tours and marketing to higher income and special interest groups. The lack of tourism knowledge and business skills among residents will be overcome by immediately implementing training courses in each community, enforcing quality standards for all operators, and delivering training programs in product development, marketing and promotion, basic business and management skills, and operation of the various attractions and services. The lack of market awareness of the region's travel products will be met by a strong marketing program built around the distinctive Arctic Coast theme, making presentations to southern wholesalers and retailers, and establishing links with selected wholesalers to sell the product. ✓

As well as responding to the constraints, policy initiatives are needed in a number of areas, including: preparing an agreement between federal and territorial governments and the Arctic Coast Tourist Association for funding the plan, establishing procedures for the selective use of government ?

owned houses for bed and breakfast, and identifying tourism as a primary vehicle for the socioeconomic development of the Arctic Coast.

The goals of tourism development are to create a healthy and successful industry, provide new economic opportunities for private sector involvement, and use tourism as an instrument for skill development and the preservation of the region's cultural heritage.

From what? The specific objectives to be achieved by the end of the 1990s are to increase the number of pleasure travellers by 10,000, to increase expenditures from pleasure tourism by \$10 million, to create at least 120 new full-time (equivalent) jobs in tourism, and to support capital investment of \$8 million in tourism projects.

The Development Strategy incorporates three priority elements: community awareness and training, product development, and marketing.

W Community awareness and training should be implemented immediately to establish the expertise and skills needed to develop a quality, competitive product and to gain the confidence of the travel industry in the south. Community hosts/facilitators should be trained in each community, and training should be an integral part of most development projects.

The product and project development proposals are outlined in Exhibit B. Emphasis has been placed on projects that reflect the natural and cultural resources of each community, as well as projects that can be readily incorporated into package tours. With few exceptions the Arctic Coast's attractions and resources are not sufficiently large and diverse to be sold as travel products on their own. Most provide an experience that lasts from a few hours to a few days. Therefore, these products need to be combined and sold as package tours.

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}

The marketing strategy provides guidelines for government and operators. Major elements include:

- matching products and markets;
- package tour development -- focusing all tourism promotion on marketing package tours;
- the role of the travel industry (tour operators, wholesalers and the airlines must play an important role in promoting the region);
- building all promotional materials around a single theme, "the Arctic Coast";
- coordinating and leadership role for the Zone Manager of the Arctic Coast Tourist Association who would be responsible for preparing and implementing annual and medium-term (five year) promotional plans.

Very Good

unavailable
 } Tour Package Consult

Marketing activities will be largely targetted on promoting package tours to the primary and secondary markets listed earlier.

4.0 IMPLEMENTATION PLAN

The successful implementation of the development strategy will require a significant level of government financial assistance. A three party agreement involving the Arctic Coast Tourist Association, GNWT, and Federal Government is proposed to fund and monitor the implementation of the plan. The agreement need not be a formal legal agreement but should involve similar documentation, public exposure, and commitment. The agreement would not lead to the development of new funding programs but rather would describe the existing programs to be utilized. The proposed Advisory Committee representing the three parties would ensure commitment to the plan, and access to all available program funds, and would assist in coordinating and reviewing the plan.

EXHIBIT B: PROPOSED DEVELOPMENT OPPORTUNITIES

Destination Area	Development Opportunities
Holman	<ul style="list-style-type: none"> a. Arts & Craft Studio/Workshop b. Inuit Cultural Museum & Northern Lifestyle or "Learner Centre" c. Nature/fishing tours to Minto Inlet d. Thule Village reconstruction e. Expanded big game hunts
Coppermine	<ul style="list-style-type: none"> a. Coppermine Area Intrepretive Exhibit b. Arctic Coastal tours c. Coppermine River & Community tours d. Excursions to Tree/Richardson Rivers e. Hudson's Bay Interpretive Exhibit and tours to Bernard Harbour f. Upgrade Coppermine Inn plus seasonal accommodation
Cambridge Bay	<ul style="list-style-type: none"> a. Reopen unused Char Lake Lodge b. Community-based fishing excursions c. Restore stone church and "Maud" d. Community Interpretive displays and tours e. Tours to Mount Pelly
Gjoa Haven	<ul style="list-style-type: none"> a. Northwest Passage Exhibit and tours on King William Island b. Amundsen Memorial and replica of the "Gjoa" c. Gradual aquisition of the Chantry Inlet Lodge d. Community tours and entertainment
Spence Bay	<ul style="list-style-type: none"> a. Arts & Craft Studio/Workshop b. Boothia Peninsula nature and archaeological tours c. Fishing and hunting trips d. Old Fort Ross and Thule Village restoration e. Christmas Arctic festival
Pelly Bay	<ul style="list-style-type: none"> a. Restoration of stone church and museum b. Inuit Cultural Centre and workshops c. Community tours and entertainment
Bathurst Inlet	<ul style="list-style-type: none"> a. Bathurst Inlet Lodge Expansion b. Bathurst Inlet National Investigation

Source: Volume I.

The agreement will clearly outline the roles, responsibilities, and commitments of the many government and non-government groups involved in the implementation of the plan. Much of the input for project identification, development and implementation will come from non (senior) government groups: private businesses, cooperatives, community groups, Hamlet Councils, and Native Development Corporations. Community hosts/facilitators and the Zone Manager of the ACTA will play a catalytic role in developing projects and package tours, providing liaison with the industry in the south, and ensuring the necessary government funds are provided. The Arctic Coast Tourist Association will have overall responsibility for managing and coordinating the Plan, and officials of the NWT and federal governments will offer funding and technical assistance as well as carrying out their regulatory responsibilities.

Hamlet
etc.

Plan implementation will require government expenditures in the form of loans and contributions of \$12.5 million over the ten year period from 1985/86 to 1994/95. Projects with common functional features have been classified under six programs. The funding for each is as follows:

	\$ Million
1.0 Capital Assistance to Private Operations;	\$ 4.7
2.0 Capital Assistance to Non-Profit Operations;	2.8
3.0 Operational Support for Tourism Development;	1.7
4.0 Manpower Training;	0.7
5.0 Market Promotion;	1.6
6.0 Planning Coordination and Evaluation.	<u>1.0</u>
Total	\$12.5

Plan expenditures by year are estimated as:

What is private

Year	\$ '000	Year	\$ '000
1985/86	410	1990/91	1330
1986/87	1860	1991/92	1290
1987/88	2070	1992/93	1080
1988/89	1430	1993/94	1010
1989/90	960	1994/95	1060

The schedule indicates that 54% of Plan expenditures will be incurred in the first five years. Projected expenditures are distributed fairly equally among the seven destination areas.

not likely!!
private equity

The EDA and its anticipated successor -- the Tourism Subsidiary Agreement -- could be the major sources of funds to finance the Arctic Coast Tourism Plan. Special ARDA and the GNWT loan funds will finance most of the private sector operations. Programs are currently available to fund the projects in the Arctic Coast plan, and there is a reasonable expectation that these or similar funding sources will continue to be available through the Plan period.

Highlights of the implementation schedule are:

Maybe press release but that's it.

June-December 1985	Negotiate first five year Arctic Coast Tourism Agreement.
June-December 1985	Prepare and administer community host training program.
January 1986	Establish community hosts.
Spring 1986	Begin product development and community tours.
Spring 1987	Start package tour development project.
Spring 1988	Complete most major products/projects.
Summer 1989	Fifth year evaluation study.
Winter 1990	Negotiate second Tourism Agreement.

The implementation schedule is designed to develop momentum quickly in order to heighten public and private sector interest, as well as to accommodate the need for the gradual phased development of more complex projects. It is essential that plan implementation start with a bang. Early projects which should be given special attention are: the Northwest Passage Coastal Tours out of Gjoa Haven; Boothia Peninsula tours out of Spence Bay; tours developed around smaller projects in Cambridge Bay; one to three day "Arctic Circle" package tours to Coppermine; big game hunts and "Spring Experience" package tours out of Holman. These projects should be test marketed and operated in 1986 for full promotion and implementation in 1987.

who will operate
 (by what time)

5.0 SOCIOECONOMIC IMPACTS

The \$8 million capital investment over 10 years will generate \$3.4 million in incomes to workers, construction contractors and wholesalers, and create 85 full-time equivalent jobs at an average yearly salary of \$40,000. Since most construction work will last about three months, capital investments financed by the Plan will create about 340 part-time or seasonal jobs over the ten years of Plan implementation.

The operating impacts of the Plan are estimated below for two years and incorporate not only the direct effects of tourism expenditures but also the supplier related (indirect) and consumer spending (induced) impacts. Operating effects are divided between the Arctic Coast and the rest of the NWT.

Total Income and Employment Effects	1992/93	1997/98
<u>Arctic Coast</u>		
Income (\$ 000)	2,330	4,660
Full-time equivalent jobs	85	162
Same jobs on part-time basis	324	648
<u>Other NWT Regions</u>		
Income (\$ 000)	662	1,324
Jobs (person/year equivalents)	20	40

By the end of the century, the Plan could result in a 40% expansion in the employment base of the region, and could reduce the actual unemployment rate in the Arctic Coast by about one-half from 40% to 20%. The Arctic Coast Tourism Plan will require a government investment of \$12.5 million and a total investment (government plus private) of between \$13 million and \$15 million. These investments are expected to generate annual incomes to NWT residents of nearly \$3 million by the early 1990s and about \$6 million by the end of the century. The impact indicators suggest the Plan should provide a favourable social rate of return to the NWT and probably to the country as a whole.

Other positive socioeconomic and cultural values of the proposed development include improved management and entrepreneurial skills, demonstration effects from operating profitable businesses, increased inter-community and inter-regional cooperation, improved recreation facilities, and a heightened awareness of the region's lifestyle and cultural values accompanied by pride, personal satisfaction, and increased participation in community affairs.

1.0 INTRODUCTION

The north is becoming an increasingly popular destination for a growing number of travellers who are looking for a unique wilderness adventure. Alaska and the Yukon have recently experienced annual tourism increases of as much as 12%; now the Northwest Territories is gaining recognition as a travel destination. The Arctic Coast, however, has not had the travel industry growth experienced by other arctic regions of North America. This has been largely due to the lack of an identifiable travel product that can be competitively sold to a discriminating travel market.

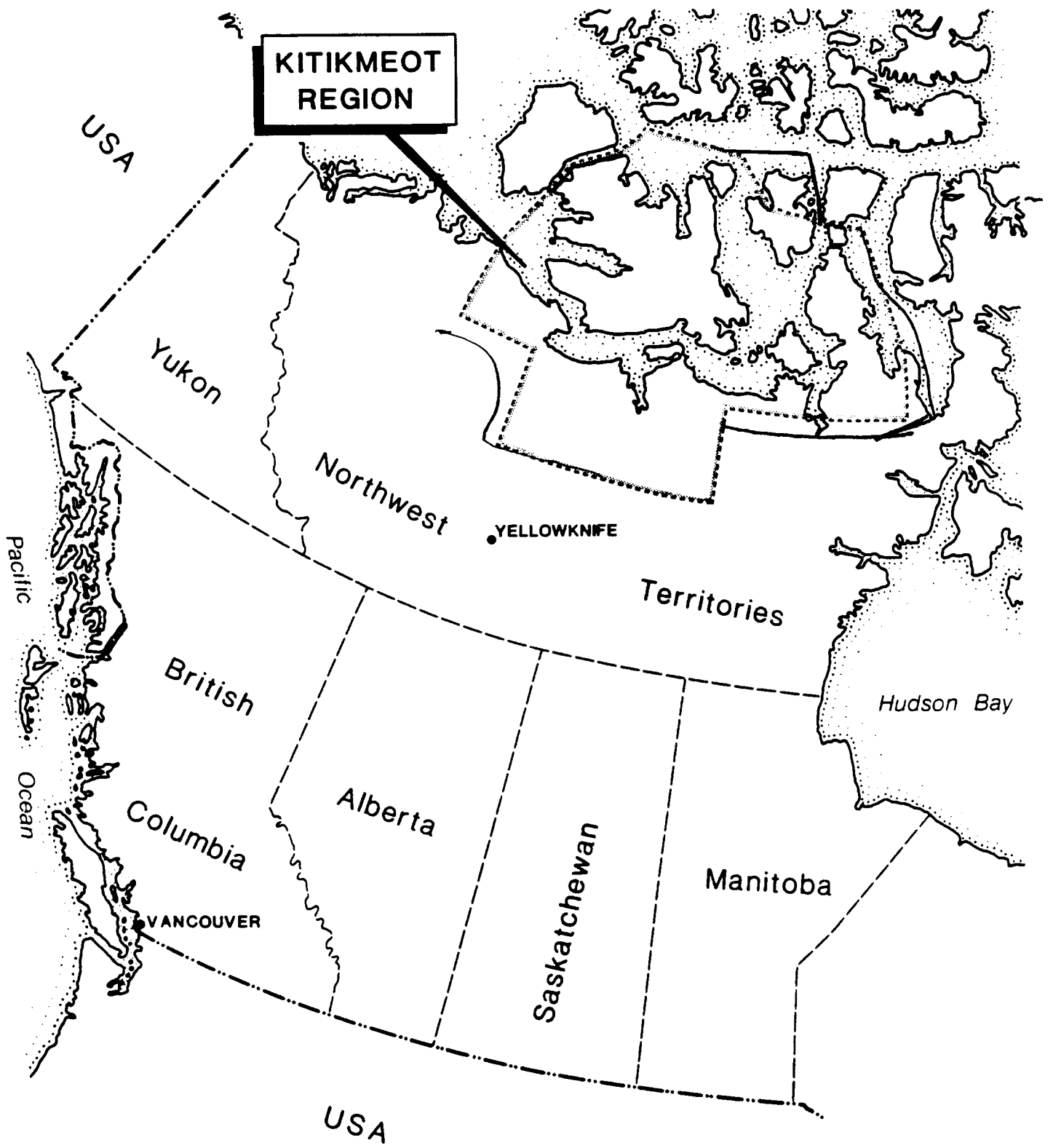
Although well-managed lodges and fishing camps in the Arctic Coast Tourism Zone have enjoyed reasonable success over the past few years, the region's overall visitation is low -- there are only approximately 2,000 business and pleasure travellers to the Arctic Coast region each year. NWT residents travelling within the region account for another 1,500. Nonetheless, the 3,500 plus travellers spend an impressive (and economically important) \$4.6 million annually in the region.

what happened to 1,000

The low visitation combined with the incredible diversity, beauty, and uniqueness of the natural and cultural resources suggests a great opportunity for increased market penetration and resulting travel industry growth.

A review of the major development themes suggests several opportunities that would be highly competitive with other Arctic regions of the world and readily integrated with the overall development strategy for the Northwest Territories.

The mystery of the Arctic Coast itself has been proposed as the central theme for the region. It is supported by a number of sub-themes (Northwest Passage, Inuit culture and lifestyles, Arctic coastline, Hudson's Bay Company, Arctic



Regional Context

char fishing), which, collectively, can present a powerful and captivating image to southern travellers.

Before an image can be brought south and sold through travel wholesalers and agents, it is necessary to develop quality travel products. This has not occurred to date in any significant way for two reasons:

- . There has not been sufficient pleasure travel to the region, other than to lodges, to stimulate the creation of actual tourism attractions or services.
- . The lack of a basic understanding of the travel industry throughout the region has meant that very few local residents have been inclined or capable of developing a tourism product and marketing it.

The Arctic Coast Tourist Association has recognized the potential of the region to attract more tourists as well as to encourage existing business and pleasure travellers to stay longer. Consequently, they commissioned the preparation of this ten year development and marketing strategy for the region. The time seems to be right for the implementation of such a strategy. Interest is relatively high in the communities; the Zone Association is enthusiastic and ready to start development of the travel industry; the present Economic Development Agreement actively supports expansion of the travel industry throughout the territories; and preliminary discussions are underway on the preparation of a new tourism subagreement which will provide funding for tourism projects after the EDA expires.

The proposed strategy is a result of matching the natural and cultural resource base with existing and potential markets. The strategy and plan identify specific development opportunities and present them in a phased process of development, in line with the region's aspirations and development potential, as well as with contemporary trends in the travel industry.

The plan's most urgent recommendation is to initiate a comprehensive tourism training program in each community. Proper and sustained growth can only take place in the Arctic Coast if people are knowledgeable about the complexities of the travel industry. Therefore, a concerted effort must be made to establish a knowledge base before attractions and services can be developed and marketed.

Opportunities presented in the strategy reflect the development potential of this vast region. Implementation, however, will require an understanding of the travel industry as well as tourism development and marketing skills.

To establish a successful tourism industry, there must be credible and high quality products that are accepted with confidence by southern wholesalers and agents. Again, the management of successful and growth oriented travel packages, attractions, and services requires a basic appreciation of visitor needs and expectations as well as certain business skills.

The proposed strategy and plan carefully integrate the three essential ingredients to a responsive and realistic tourism development plan. They are:

- manpower training,
- product development, and
- marketing.

This report constitutes the second of three volumes for the Arctic Coast development strategy. Volume I is the Background Report which was submitted in draft form in the fall of 1984. This volume -- Volume II -- presents the development strategy and implementation plan proposed by the Outcrop Study Team to expand the region's tourism sector. Volume III contains descriptions of specific projects proposed for funding under the regional plan and plans proposed for specific communities/destination areas.

Volume II builds on the work in the Background Report, which contains an inventory, analysis, and synthesis of the following:

- level of tourism industry awareness and understanding
- natural, cultural, historical resources
- existing infrastructure
- tourism resources, including
 - . accommodation
 - . food/beverage services
 - . information services
 - . attractions
 - . recreation facilities
 - . events/festivals
 - . retail services
- marketing analysis, including
 - . market segments
 - . growth opportunities
 - . tourism trends
 - . competition from other regions
 - . development opportunities and constraints
 - . community issues and trends relevant to the market analysis.

This information was used to prepare a regional theme, development concept, and a preliminary list of development opportunities.

This report, Volume II, presents the development strategy and implementation plan. The first six chapters relate to the development strategy.

Chapter 1 introduces the report and describes its contents.

Chapter 2 describes the methodology used to prepare the strategy and plan.

Chapter 3 describes the overall planning approach and context. This includes the development principles and

guidelines used by the Team in preparing the plan, the themes and concepts around which the strategy is constructed, the constraints that must be addressed by plan projects, programs, and other initiatives and the broader policy initiatives needed to support plan implementation. This chapter is mainly concerned with placing material from the Background Report in a planning context.

Chapter 4 outlines the goals and objectives of the development strategy and plan. The objectives have been made as quantifiable as possible to facilitate monitoring and evaluation of plan progress and achievements.

Chapter 5 describes the three strategy elements or priority action areas under the development strategy in the sequence proposed for implementation: community awareness and travel industry training; product development; and market strategy and promotion. Specific planning and development guidelines are outlined for each action area to be employed by plan managers in implementing specific projects and programs under the implementation plan.

Chapter 6 summarizes the seven development zones or destination areas that provide the focus for most development planning and project implementation. The strategies for each destination area are further explored in the community (destination area) plans in Volume III.

The final six chapters relate directly to the Implementation Plan. The implementation plan presents specific descriptions of the funding vehicles to be used, the roles and responsibilities of all relevant parties, programs and projects to be implemented, the government costs of projects and programs, and when projects should be implemented. These are the topics for Chapters 7 through 11.

In preparing the implementation plan, we have organized material in a format that can be incorporated into an

implementation agreement, which in some respects could be similar to a subsidiary agreement under the Economic Development Agreement.

The final chapter, Chapter 12, describes the socioeconomic impacts of the proposed development strategy and plan.

2.0 METHODOLOGY

Preparation of the development strategy and plan involved the steps outlined in Exhibit 2.1. The following tasks took place in each step.

1. Development of Community Awareness

Initial meetings were held in six Arctic Coast communities in the Spring of 1984 to heighten community awareness and to introduce each community to the opportunities offered by tourism development.

2. Inventory and Analysis of Resources

An inventory of all existing and potential resources was completed. The inventory included the natural, cultural, historical, community, and human resources of the total Arctic Coast region and each destination area, and the interest of each community in tourist development. At this stage, the Study Team identified the urgent need for training and began work on the preparation of a start-up training project.

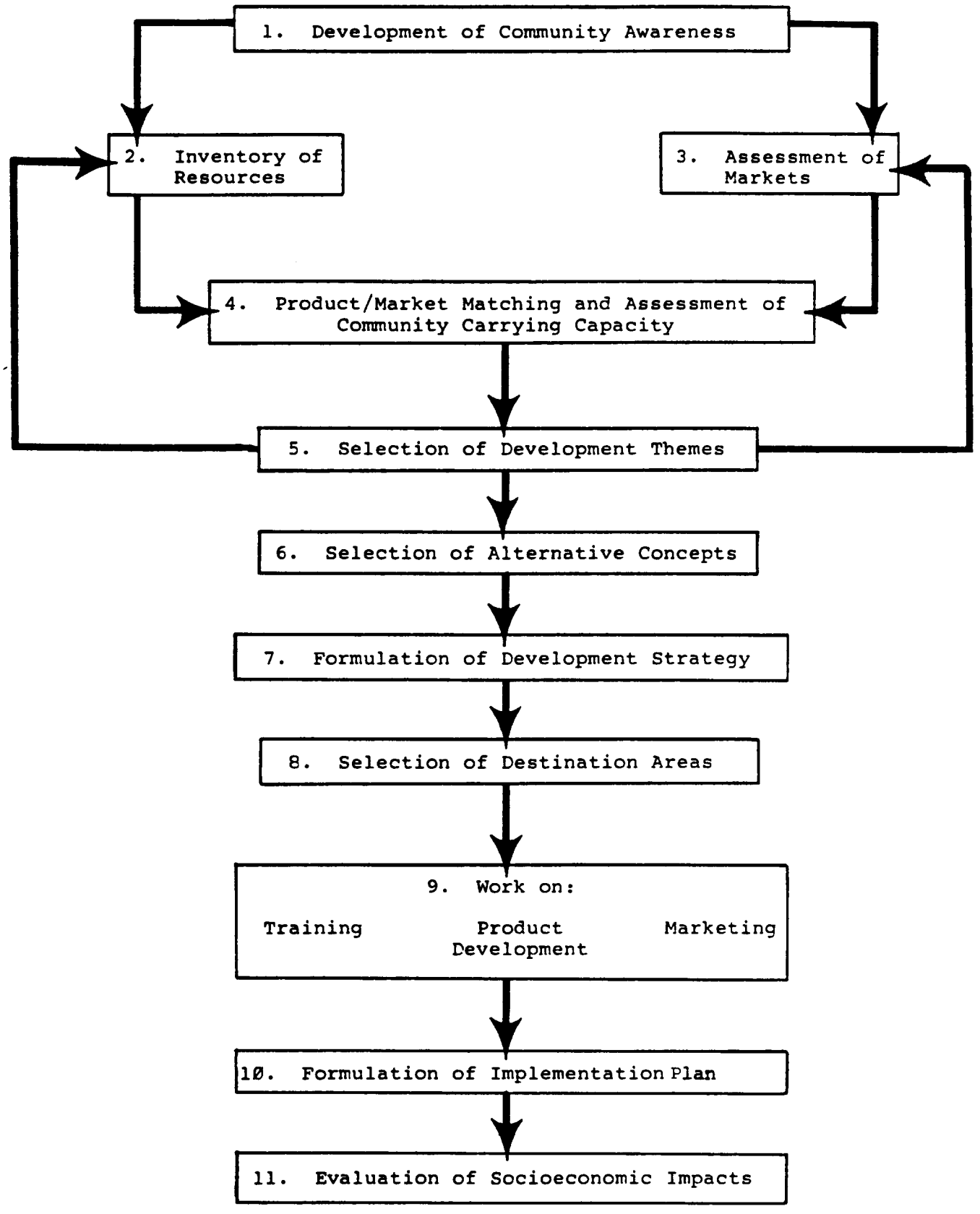
3. Assessment of Markets

Existing and potential target markets were assessed, markets were classified into primary and secondary markets, and potential marketing strategies were prepared. The market analysis was based on a detailed review of the literature, consultations with government officials and indepth interviews with private operators in southern and northern Canada.

4. Assessment of Community Carrying Capacity and Product/Market Matching

Existing tourism-related resources and the ability of

EXHIBIT 2.1: METHOD FOR STRATEGY AND PLAN FORMULATION



communities to accommodate tourism growth (community carrying capacity) were matched with existing and potential markets. Matching potential products and markets provided a preliminary estimate of tourism visitation to be generated from the tourism strategy. The preliminary estimate of visitors was then used to design and provide cost estimates for specific programs and projects under the implementation plan.

5. Selection of Alternative Development Themes

Matching resources with existing and potential markets suggested several development images -- e.g., Arctic Coast, Arctic Ocean, Barrenlands, Arctic Circle, Treeline, Inuit Lifestyle, Northwest Passage, Dorset/Thule Culture, Native Crafts. These images, in turn, suggested two alternative development themes -- Arctic Coast and Inuit Culture. Arctic Coast was selected as the preferred theme because the region is already strongly identified with this theme and it best differentiates the region from other NWT tourism zones. The Arctic Coast theme also suggests several important sub-themes (e.g., Northwest Passage Exploration, the Franklin Expedition, the Hudsons Bay development).

6. Selection of Alternative Concepts

The Arctic Coast development theme suggested two alternative regional development concepts. One used Cambridge Bay as the central service and staging area for the region, the other divided the region into two sub-regions (or development corridors). Using the second concept, the western corridor would be served through Coppermine and would include Holman, the eastern corridor would be served through Cambridge Bay and would include Spence Bay, Gjoa Haven, and Pelly Bay. (Bathurst Inlet is equidistant between Cambridge Bay and Coppermine; therefore would be part of both sub-regions.)

The second development concept was selected because: it is

more reflective of existing conditions, it recognizes two distinct transportation links with Yellowknife, and it promotes linkages with the Western Arctic and Baffin Regions.

The initial listing of development opportunities, the preliminary marketing strategy, and the alternative development themes and concepts were reviewed at a meeting with the Steering Committee at a second round of community meetings held in late summer of 1984.

7. Formulation of the Development Strategy

The development strategy was formulated, including the development principles to be employed, development opportunities, travel products, and marketing strategies to be pursued, and other requirements for successful implementation. The development strategy identified three broad areas requiring concerted action: community awareness and training, product development, and marketing.

8. Selection of Destination Areas

The development strategy for the total region was subsequently broken down into development strategies for the seven communities or destination areas. These community strategies are incorporated into the community tourism plans in Volume III.

9. Work on Training, Product Development, and Marketing

Further work was conducted on the three action areas under the strategy and plan: training, product development, and marketing.

10. Formulation of Implementation Plan

The formulation of the implementation plan involved final ranking of the development opportunities, identification of

the roles and responsibilities of different actors, the preparation of development projects, assessment of the feasibility and implementation requirements of each project, development of project costs, grouping of projects into functional programs, and preparation of the implementation schedule.

11. Evaluation of Socioeconomic Impacts

The potential positive and negative effects of the strategy and plan were evaluated on a range of socioeconomic indicators. Indicators included tourism expenditures, employment, personal income, business development, community cohesion and lifestyles, and community linkages.

The following definitions were used in preparing the Implementation Plan.

Under the Plan, programs represent groupings of projects and other activities into functional areas (e.g., capital assistance, market promotion). These should not be confused with government funding programs that are handled separately. Programs are region-wide in scope (although would operate with greater force in some communities relative to others.)

Projects involve specific tasks and activities that address the realization of individual development opportunities. Most are community specific (such as renovating a church), but a few are region-wide (e.g., promotion related to Expo 86).

The implementation schedule outlines the timing and sequence of major milestones. The events schedule indicates the time for negotiating and signing the Agreement (see Chapter 7), the time when policy changes should be enacted, and the starting date for programs and major projects. Separate implementation schedules are prepared for each community (destination area).

3.0 PLANNING CONTEXT AND APPROACH

3.1 Development Principles

The first step in preparing any strategy or plan is to set out the principles to be used by the people preparing the plan and by the people implementing it. We have identified fifteen principles we believe are critical to the successful development of Arctic Coast tourism. These are:

1. Minimize risk.
2. Emphasize community-based approach to tourism development.
3. Use gradual phased development that follows a logical sequence.
4. Emphasize an action-oriented approach from the start of plan implementation.
5. Use an extended 10-year implementation period.
6. Maximize use of existing facilities.
7. Focus on packaged tours.
8. Emphasize shoulder and off-season activities.
9. Maximize participation by non-government groups and an ongoing public involvement process.
10. Develop inter-regional and inter-community links.
11. Respect traditional lifestyles, while enhancing tourism skills.
12. Use rifle approach to marketing.
13. Expand the tourism information base.
14. Protect the Arctic Coast environment.
15. Build programs and projects around the proposed theme.

These fifteen principles represent the most important criteria for guiding the evolution of the tourism sector in the Arctic Coast. The principles take into account the formative stage of Arctic Coast tourism and the fact that development must take place in a logical, sensitive, responsible and cooperative manner.

The fifteen principles are discussed in their approximate order of importance (in the opinion of the Study Team). The main aspects of each principle are summarized. Additional material on many of these development principles is found in the Background Report. The reader will find that many of the principles are interrelated. This is the necessary result of the complex nature of tourism development.

Minimize risk

Arctic Coast tourism development will involve high risks for both government and the private sector. Tourism skills in the region are presently very low, the travel products of the Arctic Coast are not well known in the market-place, and links with the travel industry in the south are poorly developed. Furthermore, the cost of any Arctic Coast vacation will be high, indicating that the region may be the first destination to suffer in an economic downturn.

The development strategy attempts to minimize the risks to the greatest extent possible. This is to be done in a number of ways:

- . Major capital investments should be avoided in the initial years (until the industry begins to develop some momentum). If extra accommodation is needed, inexpensive expansion to existing facilities, A-frames, tents, bed and breakfast with residents, and other low-cost alternatives should be exhausted before supporting major investments for new accommodation facilities. For investments in travel generators/attractions, first priority should be given to renovating existing structures and other low capital cost alternatives.
- . Additional visitation should be distributed among all communities to spread the risks, reduce the burden on existing facilities, minimize the disruption to local

populations, and involve all destination areas in the development process.

- . Private operators should be encouraged to start small and build their businesses slowly. Part-time operators should not be discouraged, as long as their tourist activities fit into their current occupation (e.g., trapping, hunting, other part-time work).
- . At the outset, a variety of tourism products and travel packages should be marketed on a small scale (almost pilot project) basis. Later promotion efforts could focus on the most successful products and markets, but even then, some product and market diversification would be desirable in order to spread the risks.
- . High priority should be given to shoulder season and off-season travel products to better distribute tourism visitation -- and the risks -- through the full year.

*NO
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shown.*

The need to minimize risk is a major reason behind many other development principles.

Emphasize community-based approach

The development strategy adopts a community-based approach which is fully consistent with GNWT tourism policies and the community resources of each region. The concept of community-based tourism focuses tourism activity on communities with tourism opportunities and facilities. Tourism products will be created in and around communities enabling visitors to experience both the landscape and the social fabric of the community.

With tourists using a community as a base point for tours to surrounding attractions, local tour operators can utilize existing local services, thereby enhancing the benefits and control of tourist dollars for each community. Furthermore,

by directing the flow of tourists through communities, local residents can play a major role in planning the growth and structure of tourism development. The intent of a community-based approach to tourism development is to concentrate the economic and social benefits from tourism in communities and to offer visitors the unique experience of participating in a community's history and lifestyle.

While each community acts as a service centre, it is also part of a network of communities offering visitors different experiences. For balance in the region, communities need to establish individual themes with identifiable character and types of experiences. Cooperation, not competition, is what is needed.

The quality of the tourist experience is closely associated with the degree of communication between the various components that make up the attractions and services. The performance of one operator affects the success of others. The quality of the tourist experience in one community affects the overall regional tourism experience. Communication between operators and communities allows for better industry understanding, cooperation, and performance.

The community-based approach recognizes that communities want to develop at different rates. The positive experience of the more aggressive communities can demonstrate to other communities the benefits from tourism development and how tourism projects can be successfully implemented. If one community wishes to proceed at a faster pace than others, its travel products could be packaged with the products of communities in other regions (e.g., the Western Arctic, Keewatin, or Northern Frontier). This, however, can only be viewed as an interim measure to be implemented until other Arctic Coast communities develop their own momentum.

Support
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Use gradual phased development

The absorptive capacity of a region's communities and the total Arctic Coast is limited. Southern wholesalers and travel agents know very little about the Arctic Coast's tourism potential. Time is required to build confidence in the south. Key constraints related to lack of tourism expertise and travel products must be removed before full scale development can begin. For all these reasons, Arctic Coast tourism development should proceed in a gradual, phased manner, following a logical sequence.

Successful tourism products become established through a pattern of slow growth. Gradual product development enables the community and region to grow with each new tourism project. As each project becomes established, it can serve as a training and demonstration vehicle for the development of hospitality and management skills.

A logical sequence means that tourism skills and quality travel products should be developed before embarking on major promotion initiatives.

Appropriate scaling of development is also important. The sizing of the strategy, plan, and specific projects should be based on a realistic assessment of potential markets and travel products, the current and projected entrepreneurial and management skills, and the carrying capacity of Arctic Coast communities.

Emphasize an action-oriented approach

While gradual development is essential, the plan must also provide measurable benefits that are readily apparent to community residents soon after Plan inception. An action orientation to generate near-term benefits is absolutely critical to build momentum, interest, and credibility for local residents, the industry, local and senior government

officials, and politicians. Plans that focus only on studies and the preparation of government regulations in the first 2-3 years provide no apparent benefits to communities. The consequence is loss of interest by all parties.

Activities to be implemented right at the outset include:

(signing a tourism development agreement to provide a clear signal to communities and the industry that attractive projects will receive financial and technical support; training regional residents and placing them in communities as community hosts; immediate development of travel products that require modest human, physical, and financial resources; preparation and implementation of an Arctic Coast promotion package for Expo 86.

Extended 10-year implementation period

Because tourism in the Arctic Coast is starting from a very low base, development must occur in a gradual manner over an extended period. Therefore, the strategy and plan should be implemented over a ten year period from 1985/86 to 1994/95. Commitments of support from all parties must be in force for the full 10-year period. At the same time, significant opportunities for mid-course corrections must be available to plan implementers. The implementation agreement could involve two five year agreements. A detailed evaluation in the fifth year could be used as the basis for the second five year agreement. The second agreement would take full account of significant changes in the policy and program environment and in market conditions.

Maximize use of existing facilities

The high cost of construction in the Arctic limits the feasibility of developing new buildings and infrastructure. To lower the risk to both government and the private sector, the development strategy incorporates the maximum possible use of existing facilities and low capital cost alternatives.

Specific opportunities include renovating existing or unused buildings, using portable and durable tent frames for summer season accommodation, and using local housing accommodation for bed and breakfast.

Focus on packaged tours

Initial product development and market promotion will focus exclusively on developing and marketing packaged tours. A few individual tourists may continue to travel to the Arctic Coast, but this form of tourism will not be encouraged until a better base of tourism expertise and services has been developed.

Packaged tours offer four distinct advantages to an emerging tourism region such as the Arctic Coast:

- . Packaging allows the region to control the pace and community distribution of tourism development. ✓
- . Package tours control the flow of visitors, thereby enabling operators and related services to plan ahead for labour and supplies. Communities can better prepare for tourist arrivals, events can be developed around visitor frequency, interaction between host and guest can be fostered, and training programs can be fine tuned to the requirements of specific travel products and timed for the arrival of tour groups.
- . Promoting tour packages is relatively easy because tours are a readily identifiable travel product. Tours convey a finished product to customers, thereby reducing their uncertainty and reducing the number of arrangements to be made by travel agents and operators.
- . Packages reduce the cost to the tourist by using group rates to lower high airfares and accommodation rates.

Promoting is
- easy-selling
is another
matter !!

Emphasize shoulder and off-season activities

High priority will be given to shoulder season and off-season travel products to better distribute tourism visitations -- and the risks -- through the year.

Special emphasis will be placed on travel products to be sold in April, May, and June. Spring packages offer the following advantages:

- More space is available on planes and in hotels/lodges, leading to lower fares and rates.
- In some respects, the Arctic Coast is at its best in the Spring (the clutter is still covered up with snow, and in June ~~the north "comes alive"~~).
- Many festivals are held then and others could be developed.
- Spring is the best time for travelling on the land and on the ice.
- Spring vacations do not compete directly with winter vacations (when Canadians head for the sun) and summer holidays which are family oriented.
- Most travellers to the north will be empty nesters, retired people, and couples leaving their children behind (too expensive to bring their children); the fact that school is in would be an advantage, not a problem.
- Guides, outfitters, community hosts could provide guests with parkas and appropriate footwear (either loan or sale). This would expand local industry.
- Spring tourism could be expanded with minimal capital investment; little new accommodation would be needed,

and most activities would be oriented to the outdoors.

- Lengthening the tourist season extends employment and lowers business overheads.

Maximize participation by non-government groups

Government plans can provide general direction, training programs, and financial and technical support. The implementation of projects, however, should be the responsibility of private businesses, cooperatives, and non-profit community groups. The pace of development will depend on local entrepreneurs and their initiative. ✓

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The strategy and plan attempt to establish an environment that fosters local initiatives and private business development. This will be accomplished in part through an ongoing public involvement program. Local interest in tourism will only be maintained through constant citizen involvement in planning tourism programs and specific projects. Given the close community ties of northern cultures, public input into the decision-making process is vital to the development of tourism resources in ~~sympathy~~ (line with) with traditional lifestyles.

Develop inter-regional and inter-community links

The tourism industry depends on a system of services, communities, and regions to provide a tourist product and experience. Tourists are not concerned with local issues that divide communities within a region; they are only concerned with the quality of the final travel experience or product. Both communities and operators must communicate and cooperate in order to ensure a trouble free trip to the tourist. Package tour development, especially, requires cooperation between communities.

To ease the process of travelling, formal and informal

industry and community links must be developed to increase efficiency, cooperation, and collaboration within the industry.

Respect traditional lifestyles

Developing an industry that respects the traditional values and lifestyles of its employees will enhance employee relations and host/guest satisfaction. Many small projects have been designed to use existing lifestyles and habits and to complement and maintain traditional values. This adds to the tourism experience. Community awareness programs, manpower planning, and travel products should be designed to give careful consideration to traditional values and lifestyles.] !!

Use a rifle approach to marketing - Market Segmentation

Because promotion dollars will be limited, target markets are geographically dispersed, and many of the region's travel products do not cater to general interest tourists, a rifle approach is required for marketing and promotion. Promotion efforts are to be directed toward special interest groups, selected wholesalers and retailers, and a few key geographic markets. As well as economizing on promotion dollars, target marketing ensures higher visitor satisfaction by selling the image of the actual experience available. In addition, maximum use will be made of joint marketing efforts with other NWT regions and the promotion programs of the two senior governments.

Expand the tourism information base

At the outset of this assignment, the information base on the Arctic Coast's tourism markets, current tourist visitation, and tourism resources was very limited. Continuing efforts are needed to expand and update the information base developed throughout the study.

The implementation plan includes funds for ongoing market research to support a rifle approach to marketing. Additional funds are allocated to planning and new product development, in particular the development of package tours. Ongoing monitoring and full evaluations in the fifth and tenth years of implementation will provide the information needed to make mid-course corrections and to enhance the effectiveness of future tourism initiatives in the Arctic Coast and elsewhere.

Protect the environment

The Arctic Coast's environment is one of the important aspects of the travel product and experience offered by the region. The natural environment will be protected to the greatest extent possible by concentrating activities in development areas and adopting a community-based approach. In addition, community hosts and private operators will be encouraged to keep sites clear of debris and to promote clean-up campaigns in communities.

Build programs and projects around the proposed theme

Travel products and market promotion will be built around the single theme proposed for the Arctic Coast and the sub-themes developed for each community. Every opportunity will be used to promote the "Arctic Coast Regional Theme" to clearly separate the region's travel products from the products of competing regions. Promotion and product development around a single theme will also facilitate complementary marketing with other NWT regions that possess a distinctive theme and identity.

3.2 Themes and Concepts

Regional Theme

Two regional themes based on the Kitikmeot Region's

distinctiveness, exclusiveness, attractiveness, and preferable characteristics as a destination region are presented in the Background Report (Volume I). "Arctic Coast" was selected by the Steering Committee as the preferred theme because it:

- responds to the identified images, both natural and cultural, of the region.
- is an established name within the region.
- is significantly different, and consequently complementary to, themes for other NWT travel regions.
- encompasses the opportunities of the entire region, both coastal and inland.
- implies abundant marine/terrestrial resources, exploration, and native nomadic lifestyle.
- supports the idea that the coastline ties the region together and provides a link between all communities.
- is distinctive and attractive.
- builds on the word "arctic" which is an international phrase used frequently in the media.
- is broad and flexible yet exclusive to the region.

Due to its flexibility, the Arctic Coast theme can be used as the basis for various promotional campaigns that reflect the entire region, individual destination areas, or specific development opportunities.

Community Themes

For planning purposes, the region is divided into seven destination areas, each focussing on a particular community. Each area is defined by a theme and sub-theme that relate to the overall regional theme. The destination areas, their themes, and their sub-themes are listed below.

Destination Area	Theme	Sub-theme
Holman Destination Area	Big game hunting	Inuit arts and craft production
Coppermine Destination Area	Coppermine River & <u>Arctic coastline</u> <i>Coastal islands.</i>	Hudsons Bay Company

Destination Area	Theme	Sub-theme
Cambridge Bay Destination Area	Arctic char fishing	Central Arctic Administration Centre
Gjoa Haven Destination Area	Northwest Passage & scientific expedition	Sport fishing
Spence Bay Destination Area	Quality arts & crafts	Boothia Peninsula Historic/Natural Tours
Pelly Bay Destination Area	Inuit culture & lifestyles	Roman Catholic Mission
Bathurst Inlet Destination Area	Nature interpretation & wilderness experience	History & Inuit lifestyles

Development Concepts

The seven destination areas suggested the framework for two proposed overall development concepts. These concepts are presented in the Background Report (which was reviewed by the Steering Committee).

One concept proposed Cambridge Bay as the primary service centre and staging area for the entire region. Most visitor traffic would pass through Cambridge Bay. The second concept proposed two primary service centres and staging areas: Cambridge Bay and Coppermine.

Although both concepts have merit and would have led to the development of similar packages, attractions, and services, the second concept proved to be the one favoured in the evaluation matrix, and therefore was selected by the Steering Committee. It encourages the community spirit of both Coppermine and Cambridge Bay, reinforces access to Yellowknife with two communities as entry points, and has potential for creating new links to the Western Arctic and Baffin Regions. It was also selected because it offers

higher growth potential for visitation, facilitates realistic tourism development, and promotes distinct eastern and western packages.

From a development and marketing perspective, the selected development concept divides the Arctic Coast region into two sub-regions, the western sub-region, centred on Coppermine and the eastern sub-region centred on Cambridge Bay.

3.3 Constraints and Plan Response

The Background Report (Volume I) outlines a number of constraints that could act as barriers to the development of tourism in the Arctic Coast. Several of these were identified through interviews with travel industry retailers and wholesalers. The purpose of this section is to summarize the constraints and barriers and to discuss the initiatives needed in the strategy and plan to mitigate their effects. The latter are discussed below under "Plan Response." The reader will note that many constraints are interrelated; therefore many initiatives are directed toward two or more barriers.

The discussion of constraints and responses below was used as a checklist in preparing specific programs and projects for the implementation plan. The reader can use this material in a similar manner. The constraints are as follows:

- high cost of travel to and within the Arctic Coast
- high cost of accommodation and food services in the region
- ✓- limited accommodation facilities
- dining and other tourism services that are below the standards to which most tourists are accustomed
- lack of tourism knowledge and business skills among residents
- lack of knowledgeable intermediaries between southern Canadian wholesalers and local operators
- X- lack of market awareness of the region's travel products and growing competition from other northern destinations

High Cost Own
in terms of the number
of PH & attract Dollar spend

- wide geographic dispersion of special interest groups
- high cost of tourism promotion in overseas (offshore) markets
- limited private capital to finance the construction and operation of tourism facilities, attractions, and events
- litter around communities; need for clean-up
- limited absorptive capacity of the Arctic Coast and its communities.

Constraint: High cost of travel to and within the Arctic Coast.

Plan Response

1. Direct promotion and tourism products toward higher income families (family income of \$40,000 plus), special interest groups, empty nesters, and retired people.
2. Train private operators and community hosts on how to put together a travel package and how to negotiate lower air fares with airlines.
3. Conduct negotiations between government and airlines to lower airfares for package tours to the Arctic Coast, and to ensure that some of the benefits from airline deregulation accrue to northern destinations.

Constraint: High cost of accommodation and food services in the Arctic Coast.

Plan Response

1. Train local expeditors and coordinators to negotiate volume rates with hotels and hotel dining rooms.
2. Promote shoulder-season tourism when lower prices and volume rates can be obtained.

3. Set up training programs to improve quality and enhance efficiency (to provide better value for the money).
4. Promote all-inclusive packages so that tourists are aware of the full price before starting the trip.

Constraint: Limited accommodation facilities in the Arctic Coast.

Plan Response

1. Encourage spring tourism when occupancy rates are lower.
2. Distribute tourist visitation among all communities.
3. Prepare information packages that tell the tourist what to expect before the trip.
4. Provide training in hotel management, business skills, and market promotion.
5. Restrict tour packages to groups of twenty or less (average of ten to fifteen). *does this match with wholesaler interest see Vol. 1*
6. Provide capital assistance for construction of low cost seasonal accommodation (e.g., tent-frames) and year-round accommodation when justified by demand.

Constraint: Dining and other tourism services are below the standards to which most tourists are accustomed.

Plan Response

1. Implement training programs to improve food service and the preparation of northern foods.
2. Prepare information packages that make tourists aware of what to expect before the trip.

3. Direct promotion to special interest groups for whom "five star" service is less important than the quality of the total travel experience.

Constraint: Lack of tourism knowledge and business skills among Arctic Coast residents.

Plan Response

1. Deliver training programs in: the development, promotion and implementation of tour packages; how to cater to the needs and whims of tourists, including how to escort a ✓ tour group once it arrives in the Arctic Coast; basic business and management skills; operation of food, ✓ beverage, and accommodation facilities and tourist attractions; preparation of quality meals ✓ (especially northern foods). Training programs will be delivered from the outset of Plan implementation and through the entire Plan period.
2. Develop and enforce standards for guides, outfitters, expeditors, and other tourist operators covering quality, consistency, and general operations. Monitoring and enforcement will be through the relevant government agencies.
3. Use escorted package tours at the outset ✓ (until local tourist skills are better developed). The escorted tour is the easiest means of controlling the quality of the visitor's experience.

Constraint: Lack of knowledgeable intermediaries between southern Canadian wholesalers and local operators, guides, outfitters, and expeditors.

Plan Response

1. Train regional and local community hosts/facilitators to

carry out this role. Intermediaries will be government funded in the early years, but over time their services will be paid for by the private sector. Training will provide intermediaries with the skills needed to put together saleable packages, promote them to wholesalers, and coordinate the efforts of local parties so that tours move smoothly and a quality image is presented.

(Wholesalers often do not have time or resources to put together all the local details, especially when the wholesalers are located in southern Canada.)

Constraint: Lack of market awareness of the region's travel products and growing competition from other northern destinations.

Plan Response

1. Develop and implement a marketing program built around a distinctive image for the Arctic Coast and the unique travel products offered by the region. Information packages will be designed to provide an attractive but realistic picture of what the tourist can expect from an Arctic Coast vacation.
2. Develop special promotion efforts at Expo '86 and ^{NO} selected trade shows to heighten awareness in the marketplace.
3. Hold seminars with southern wholesalers and retailers to make them aware of the region's travel products, local operators, and the realities of Arctic Coast tourism.
4. Promote through selected [✓]wholesalers and travel agents who have good knowledge of the north, good market contacts (particularly with special interest groups), and are committed to northern tourist development.

Constraint: Wide geographic dispersion of special interest groups who would be attracted by the region's travel products.

Plan Response

1. Promote through the industry and senior governments.
2. Focus promotion at major gateways into Canada.
3. Identify and promote interest groups with national and international memberships (Sierra Club, Historical societies, National Geographical Society).

Constraint: High cost of tourism promotion in overseas (offshore) markets.

Plan Response

1. Focus on relatively few offshore markets that offer the best potential, probably West Germany and ~~Japan~~. *change in final*
2. Direct other international promotion to Canadian gateways (Toronto, Vancouver, and Montreal). *→ promo. constraints in French speaking market*
3. Market through the travel industry and through marketing vehicles of GNWT and Tourism Canada.
4. Use the national and international airlines to promote northern travel products.

Constraint: Limited private capital to finance the construction and operation of tourism facilities, attractions, and events.

Plan Response

1. Acquire capital assistance from EDA, Special ARDA, and other existing programs.

of which costs not covered

2. Acquire operating assistance from EDA and other funding vehicles to support non-profit groups and private sector ventures that require time to achieve profitability.

Constraint: Litter around communities, need for community clean-up and renovation to enhance attractiveness.

Plan Response

1. Acquire funds from EDA and federal job creation programs for community clean-up and renovations. *NO*
2. Train community hosts to implement community awareness programs. *SCED?*

Constraint: Limited absorptive capacity of the Arctic Coast and its communities.

Plan Response

1. Distribute tourism among all communities. *does it work that way?*
2. Promote shoulder-season and off-season tour packages and events (e.g., Christmas festivals).
3. Restrict package tours to groups of 20 or less.
4. Involve local people in Plan formulation and implementation.

3.4 Recommended Policy Changes

The Study Team has identified a number of policy initiatives and changes that could be made by senior government to support tourism development in the Arctic Coast. These encompass the following:

- . Designate tourism as the primary vehicle for the socioeconomic development of the Arctic Coast (Kitikmeot) region.
- . Identify tourism needs and opportunities to play a fundamental role in all land use and resource use planning in the Arctic Coast.
- . Commitments from all government departments that this tourism strategy and plan will be used as a guide in evaluating development proposals, programs, or projects that could influence the Arctic Coast's tourism sector in any way.

Prepare and announce an agreement between the federal and territorial governments and the Arctic Coast Tourist Association for the purpose of funding the implementation plan and supporting tourism development in the region. The agreement would clearly outline the commitments of the federal government, GNWT, and the Tourist Association in successfully implementing the proposed strategy and plan.

- . Establish policies to allow the selective use of government owned houses for bed and breakfast (under some type of licensing arrangement). The use of government housing would reduce the need to construct accommodation space, provide a low-cost alternative to hotels, and offer tourists the experience of staying with a local family.
- . Set up policies to allow the selective use of government owned facilities and equipment (e.g., boats) for tourism.

4.0 GOALS AND OBJECTIVES

The goals and objectives for tourism development in the Arctic Coast and for the proposed development strategy and implementation plan are outlined in the Background Report (Volume I). In this section, they are discussed in more detail.

Goals

The ultimate goals of tourism development in the Arctic Coast region are to:

- create a healthy and successful tourism industry within the region;
- allow each (major) community within the region access to the economic and employment benefits of tourism development;
- provide new opportunities for private sector investment in the region; and
- use tourism as an instrument for skill development, the protection of cultural heritage, and the preservation of environmental resources.

Objectives

Objectives are divided between economic objectives and socio-cultural/community objectives. All quantified objectives represent Plan impacts; that is, the difference between tourism indicators with the Plan and tourism indicators without the Plan. The economic objectives are to:

- 1000-5000 = 5000*
1. Increase the number of pleasure travelers visiting the region by 5,000 by the early 1990s and by another 5,000 (total increase of 10,000) within three years after the end of the plan period (1997/98).
 2. Increase expenditures from pleasure tourism in the

region by \$5 million by the early 1990s and by another \$5 million (total \$10 million) by 1997/98.

3. Create 60 new jobs (on a full-time equivalent basis) in the tourism industry by the early 1990s and an additional 60 full-time jobs by 1997/98.
4. Heighten community awareness of the benefits of tourism and expand the supply of entrepreneurial, management, business, and tourism skills in the region.
5. Support capital investment of \$8 million dollars in tourism projects through the ten year implementation period.
6. Extend the length of the tourist season through promoting a minimum of five spring and off-season tour packages and the development of culture-oriented learner centres and workshops.
7. Encourage repeat visits by providing a quality travel experience and making visitors aware of alternative destinations in the region.

The socio-cultural objectives are to:

8. Expand the opportunities for local residents to recreate within the Arctic Coast region.
9. Expand the knowledge of residents and non-residents about the region's cultural values, history, and unique arctic environment.
10. Minimize the potentially negative effects of tourism development by public involvement, smaller scale development, and phased development which respects the character and wishes of each community.

5.0 MAJOR ELEMENTS OF THE DEVELOPMENT STRATEGY

We have identified three priority elements of the development strategy: community awareness and training, product development, and marketing. These strategy elements are discussed below in their sequence of implementation. As discussed in Section 3.0 (Development Principles), tourism training should start first, followed by product development. Major promotion efforts should begin only after significant progress has been made on the first two strategy elements.

5.1 Community Awareness and Training

Because tourism is largely an unknown industry in the Arctic Coast, it is essential that a concerted training effort be started before a full development program and market strategy are implemented. The value of a tourism training program will be to

- develop the expertise necessary to create a quality product;
- improve the skills that are essential to providing a memorable and competitive tourism experience; and
- establish confidence in southern tour wholesalers and agents that a quality product can be delivered to their customers.

Community awareness and training will be implemented through a number of individual projects and initiatives. Community awareness has already been heightened through the community meetings held as part of this assignment. Awareness will continue to expand through local participation in the Arctic Coast Tourist Association and through initiatives described below.

1. Community hosts/facilitators¹ will be trained and placed in each community at the outset of plan implementation. This will ensure that at least one resident of each

community has an in-depth knowledge of the requirements of tourism development, and is actively promoting the tourism potential of his/her community. The content of the training program is described in an annex to the project in Volume III.

The community host's specific responsibilities will be:

- to make opportunities and funding known to local residents *AEDO*
- to work with private operators and other ~~communities~~ *Arctic Coast* communities in the preparation of package tours
- to work with the Hamlet Council, Regional Tourism Association, and other groups in developing travel products *AEDO / Arctic Coast*
- to welcome and host incoming tours → *student*
- to operate community tours → *private*
- to distribute promotional literature to incoming tourists → *students / hotel kiosks /*
- * to administer an annual budget which includes operations and maintenance funds for community tourism facilities. *Arctic Coast / GNWT.*

2. In addition to the training of community hosts, training programs will be an integral part of most development projects described in Volume III. The training component will be tailored to the specific needs of each project and the project sponsor. A variety of existing training and technical assistance programs will be used as required, e.g., Special ARDA, GNWT Adult Education, CEIC, the CASE program and management seminars of FBDB. In addition, professionals with specific skills who are employed in government or private industry (eg., consultants, successful tourism operators) could be assigned to provide on-the-job training and technical assistance in the areas of financial feasibility, marketing, promotion, and facility and site planning and design.

3. A separate project will provide ongoing training and technical assistance throughout the implementation period. Assistance will be given to existing tourism businesses and Plan-supported projects that need training and technical assistance after start-up. Subject areas for assistance include product development and marketing, property management, hospitality training, and business management.
4. A Tourism Resource Manual will be prepared for members of the tourism industry in the region. The document will offer instructions on the following:
- opportunity identification
 - market analysis
 - tourist needs and requirements
 - promotion campaigns
 - site planning and development
 - bibliography of tourism literature.

Preparing the manual will be the joint responsibility of the Regional Tourism Officer and the Zone Manager.

5. The Arctic Coast Tourist Association will develop a Tourism Resource Library containing books, travel trade journals, and tourism research material to be made available to the regional travel industry. The library will be located in Cambridge Bay, with documents available on request from any part of the Arctic Coast.

5.2 Product Development

The Background Report (Volume I) provides a preliminary listing of the development opportunities identified during the early stages of the work program (see Exhibits 11.4 to 11.10). These development opportunities are summarized in Exhibit 5.1.

EXHIBIT 5.1: PROPOSED DEVELOPMENT OPPORTUNITIES

Destination Area	Development Opportunities
Holman	<ul style="list-style-type: none"> a. Arts & Craft Studio/Workshop b. Inuit Cultural Museum & Northern Lifestyle or "Learner Centre" c. Nature/fishing tours to Minto Inlet d. Thule Village reconstruction e. Expanded big game hunts
Coppermine	<ul style="list-style-type: none"> a. Coppermine Area Intrepretive Exhibit b. Arctic Coastal tours c. Coppermine River & Community tours d. Excursions to Tree/Richardson Rivers e. Hudson's Bay Interpretive Exhibit and tours to Bernard Harbour f. Upgrade Coppermine Inn plus seasonal accommodation
Cambridge Bay	<ul style="list-style-type: none"> a. Reopen unused Char Lake Lodge b. Community-based fishing excursions c. Restore stone church and "Maud" <i>model of Maud</i> d. Community Interpretive displays and tours e. Tours to Mount Pelly
Gjoa Haven	<ul style="list-style-type: none"> a. Northwest Passage Exhibit and tours on King William Island b. Amundsen Memorial and replica of the "Gjoa" c. Gradual aquisition of the Chantry^e Inlet Lodge d. Community tours and entertainment
Spence Bay	<ul style="list-style-type: none"> a. Arts & Craft Studio/Workshop b. Boothia Peninsula nature and archaeological tours c. Fishing and hunting trips d. Old Fort Ross and Thule Village restoration e. Christmas Arctic festival
Pelly Bay	<ul style="list-style-type: none"> a. Restoration of stone church and museum b. Inuit Cultural Centre and workshops c. Community tours and entertainment
Bathurst Inlet	<ul style="list-style-type: none"> a. Bathurst Inlet Lodge Expansion b. Bathurst Inlet National Investigation ?

Source: Volume I.

The development opportunities were presented to the Steering Committee and each opportunity was rated as to its impacts on and implications for: seasonality, markets (primary, secondary, tertiary), the recommended strategy (length of stay, visitation volume, shoulder season, image/theme), and economic sector (tourism, other resource activities, government). The development opportunities provide a foundation for many of the specific development projects described in Volume III.

The next step in product development is to package the opportunities, projects, and tourism features into travel products that can be marketed to consumers in other parts of the north, southern Canada, the United States, and offshore markets. Product development under the strategy and plan will take many different forms: natural resource development, cultural/historic resource development, man-made attractions, accommodation and food services, special events and festivals, and package tours. Each form is discussed below.

Natural resource development

The natural resources of the vast barrenlands and waters of the Arctic Coast have been, to date, the major attractions for pleasure travellers to the Region. For the most part, they have only been marketed by a few private operators offering world class fishing (High Arctic Lodge, Chantry^e Inlet), naturalist adventure (Bathurst Inlet Lodge), canoeing and rafting (on the Coppermine River), or big-game hunts (out of Holman).

The uniqueness of the Arctic landscape will continue to be supported as the region's major attraction in the plan, offering activities such as coastal cruising, hiking, fishing, exploring, hunting, and sightseeing. New developments will be in the form of tour packages and man-made attractions (discussed below) that relate not only

to the natural resource base, but also provide a more structured, engaging, and educational travel experience.

The new packages will provide the following benefits:

- broader market appeal than current products, i.e., appeal to more age groups, both sexes, higher income and education levels
- extended season opportunities
- appeal to specific tourism trends, including quests for self fulfillment, self improvement, and education
- a comprehensive travel product for short trips to the Arctic
- attraction variety to appeal to new market segments and discriminating consumers
- flexibility
- exposure to a variety of natural attractions not presently exploited (e.g., vegetation at Minto Inlet).

Natural resources will also form an important part of packages related to cultural resource interpretation. For example, tours to cultural attractions such as the Thule House in Holman or the Subterranean huts on Harrison Island could include stops at interesting natural features along the way. Minor modifications could turn a cultural tour or fishing expedition into a trip with a significant naturalist component, e.g., tours to Minto Inlet, Tree and Richardson Rivers, Grenier Lake, Melville Lake, or the shoreline of Pelly Bay.

Cultural/historic resource development

The 4,000 year history of the survival of the Pre Dorset, Dorset and Thule cultures of the Inuit in this land provides a fascinating opportunity for cultural interpretation. Tour packages will be developed to enhance visitors' appreciation of the expressions, beliefs, processes, and art of the cultures. The milieu in which the culture thrives will be presented from the perspective of both a wage economy and a

hunting economy. Exploration by the Europeans is also an important historic theme which will be presented with particular emphasis on the Northwest Passage.

The recent introduction of non-native technology will also form an important part of the interpretation program of each community tour. Interactions between native and non-native cultures will be highlighted in Cambridge Bay and Coppermine.

Cultural and historic attractions will be provided in various destination areas, including arts and crafts studios, Inuit "Learner Centres", historic parks, and restorations of buildings. The proposed cultural/historic resource attractions are summarized in Exhibit 5.2. Details on each project are provided in Volume III.

It is proposed that the historic parks and sites be developed at a gradual pace over a five to seven year period. Two sites would begin development in 1986-87 and one park or site would start development each year from 1987-88. There are three reasons for the proposal:

- . Each will require considerable site specific planning. There are only a few people in the NWT with expertise in this area -- more rapid development would strain these planning resources.
- . Funding would be provided from a five year capital plan, thereby facilitating long term expenditure planning.
- . Later parks would be able to learn from the planning and development of the first sites.

Phasing should consider the ease of development, the location of different facilities, and the importance as potential attractions. The suggested development schedule is as follows:

**EXHIBIT 5.2: PROPOSED CULTURAL/HISTORIC ATTRACTIONS BY
DESTINATION AREA**

Destination Area	Attraction
Holman	Arts & Craft Studio/Workshop Inuit Cultural Museum & Northern Lifestyle or "Learner Centre" Thule Village Reconstruction
Coppermine	Coppermine Area Interpretive Exhibit Coppermine River & Community tours Hudson's Bay Interpretive Exhibit and tours to Bernard Harbour
Cambridge Bay	Restoration of stone church and "Maud" Creation of historic park
Gjoa Haven	Northwest Passage historic park Amundsen Memorial and replica of the "Gjoa" Coastal Northwest Passage tours along shoreline of King William Island
Spence Bay	Arts & Craft Studio/Workshop Boothia Peninsula nature and archaeological tours Old Fort Ross and Thule Village restoration
Pelly Bay	Restoration of stone church and museum (historic park) Inuit Lifestyle Centre and Workshops Community tours and entertainment Tours to Harrison Island

	Facility	Start of Development
1.	Cambridge Bay Historic Park	1986-87
<u>2.</u>	Coppermine Interpretive Exhibit	1986-87
3.	Gjoa Haven Northwest Passage Park	1987-88
4.	Holman Thule Village Reconstruction	1988-89 —
5.	Pelly Bay Historic Park	1989-90
6.	Old Fort Ross Restoration	1990-91 ←

Man-made attractions

The Arctic Region possesses relatively few man-made attractions, and few are proposed in the implementation plan. The cost of capital intensive attractions, such as theme parks, is prohibitively high, and the region is too far from the major North American markets to attract the large volume of visitors needed to support a high cost attraction.

The man-made attractions proposed in the plan are related specifically to the natural and cultural/historic resources of the Arctic Coast. Man-made attractions will generally take the form of organized activities that are added to the natural attractions and cultural/historic attractions to further involve visitors in the history, culture, and lifestyle of the Arctic Coast. In short, the natural and cultural/historic attractions will represent things to see; the man-made attractions will represent things to do and experience.

The success of Bathurst Inlet Lodge indicates it is often the interpretive, hospitality, entertainment, and education aspects of an attraction that are remembered and encourage repeat visits. The following examples show how man-made attractions can be added to natural and cultural/historic attractions.

- . At the Learner Centre in Holman, workshops and studies on Inuit printmaking and crafts will be provided. Trips will be arranged to sites such as the Thule Camps and Minto Inlet.

- . Coastal tours out of Coppermine will provide activities ranging from nature to cultural interpretation and fishing. Activities will be organized in a congenial atmosphere that stresses education and awareness of the Arctic Coast's natural and historic resources.
- . Intensive cultural immersion will be provided at the Inuit Lifestyle Centre at Pelly Bay. Participants will learn first-hand of the Inuit values, beliefs, and attitudes by interacting directly in an authentic native community. They will be introduced to the Inuit language, social and extended family structures, and life in a hunting camp by having direct contact with these processes. The local theatre group will be used to demonstrate historic events and community values.
- . Visitors to the Stone Museum Church at Pelly Bay will not only be shown historic artifacts and replicas, they will also be encouraged to learn the techniques of how to make them. Local residents will be taught how to make implements such as harpoons and bone knives and to develop programs to pass these skills onto visitors.

In many cases, natural, cultural/historic, and man-made attractions will be brought together to provide one travel product with many facets. This type of travel product will be a key characteristic of packaged tours.

Accommodation and food services

The Arctic Coast is in direct competition with other northern destination areas. Because the region is a new destination area, it must "try harder". Services to tourists must offer more than just food and shelter -- The Arctic Coast needs to offer a comprehensive, unique vacation experience. *Same as every other destination in the world*

Special attention will be given to product quality. Although reasonable food and accommodation are available in the

region, the overall rating of services is moderate. Product quality at Bathurst Lodge is excellent, but other facilities are in need of upgrading. The implementation plan includes projects to upgrade the hotels at Coppermine and Spence Bay, as well as funds to upgrade or expand other facilities when warranted by visitor demand. Quality standards should be established by the local industry, in collaboration with the Zone Association.

... rather? - don't not thing even if standards set.

There is ample opportunity for operators to implement creative programs to make visitors feel more comfortable involved and entertained. Operators will be encouraged to create more interest in their food services by:

- developing special dining events such as celebrations of regional historic events with native dishes
- combining food services with entertainment provided by local musicians and actors
- providing meals outside the dining room during special events, e.g., catering a traditional meal in the Learner Centre or Inuit Lifestyle Centre.

Hotels will be encouraged to develop programs that include:

- providing transportation services to community and hinterland attractions
- arranging special prices for certain events and services (e.g., coastal cruises, sightseeing tours).

One of the responsibilities of the community host will be to point out opportunities to hotel operators and work with them to develop special programs.

Special events and festivals

Special events offer some of the best opportunities for developing tourism programs and travel products. Visitors are drawn to an event for its entertainment, socio-cultural, and educational value. Tourism is a human experience and the variety of events should reflect the needs of the market and

cultural expression of the local people.

One or two annual events are held in each community, but because they are usually held in the shoulder season, they are rarely attended by pleasure travellers. Special events can be an attraction in the spring. Communities will also be encouraged to stage events during the peak summer season.

Entertainment provided by local actors and athletes could demonstrate traditional entertainment and games. Local or community theatre, drum dancing, throat singing, and storytelling can fill tourists' evenings and make guests feel a part of the community.

Community hosts will work closely with Hamlet Councils and local residents to develop and promote special events and similar activities.

Package tours

The Arctic Coast region offers several opportunities for local tour operators. A variety of exclusive regional tour packages will be developed by combining proposed natural, cultural, man-made, and scenic resources with available and proposed accommodation and food services.

To date, packages have only been developed and marketed by a few suppliers offering very special products, e.g., fishing tours to High Arctic Lodge, naturalists to Bathurst Inlet Lodge, canoeists to Coppermine River, and big game hunts out of Holman. By training community tourism facilitators to provide technical assistance, tour operators will be in a position to develop their own packages that can be marketed by tour operators in large southern centres, wholesalers, and travel clubs and associations.

Tour packages offer advantages to both the customer (cost efficient, preplanned, convenient) and to the region (shoulder season travel, increased visitation and length of

stay). Consequently, they are a fundamental part of this regional tourism strategy. Package tours are further discussed under the marketing strategy.

Summary

With few exceptions, the attractions, resources, and programs described above are not sufficiently large and do not offer enough diverse features to be sold as travel products on their own (in the way a large theme park or a Caribbean beach destination acts as a single travel product.) Most of the Arctic Coast attractions provide an experience that lasts from a few hours to a few days; few on their own can justify a 7-10 day trip to the region. The attractions, programs, and resources need to be combined and sold as package tours.

5.3 Marketing Strategy for Arctic Coast Tourism

The Phase I and II reports (which resulted in the Background Report, Volume I) present the Study Team's initial thoughts on a marketing strategy that could be implemented and the market segments to be emphasized in promotion. The strategy has been refined, based on the following activities in Phase III:

- preparation of a "match" between possible products and markets
- discussions with wholesalers and retailers about possible tour packages (most of these discussions involved follow-up interviews with industry people interviewed in Phase I)
- review of trade publications to identify other possible tour operators
- market analysis in support of the development of specific projects.

The remainder of this section is divided into two parts: the first describes the major elements of our proposed marketing strategy and the second outlines the primary and secondary

markets and the potential tourist visitation that can be generated from these markets.

5.3.1 Major Elements of the Marketing Strategy

The marketing strategy proposed for the Arctic Coast includes eleven basic elements:

- (1) Product/Market Matching Approach
- (2) Geographic Priorities
- (3) Coordination with Governments
- (4) Package Tours
- (5) Roles for Industry and the Airlines
- (6) Expo 86
- (7) A Unifying Theme
- (8) Advertising Techniques
- (9) Information Services
- (10) Training
- (11) Promotional Plan for the Arctic Coast Tourist Association.

It is important to establish the relationship between the marketing strategy and the implementation plan described in Chapters 7 through 12 (and Volume III). In many cases, elements of the marketing strategy are the subject of specific development projects. The latter include projects related to package tour development, Expo 86, and information services. In other cases, the elements of the marketing strategy represent guidelines to be followed by government officials, the Zone Manager, and community hosts/facilitators in preparing annual and five-year marketing plans for the region. Community hosts and local operators should also follow these guidelines in preparing plans for specific destination areas and operations.

(1) Product/Market Matching Approach.

A product/market matching approach has been used to prepare the plan. The same approach should be applied in project

implementation. The interests and attitudes of specific market segments have been carefully matched to the attributes of the tourism product or plant. This argues for a rifle approach in all marketing efforts, and against the use of mass media for marketing. Marketing techniques consistent with a product/market matching approach are:

- advertisements in magazines catering to special interest groups;
- direct mailings to clubs catering to special interest groups;
- public relations programs designed to generate editorial copy in special interest magazines;
- direct selling to wholesalers who serve groups interested in the Arctic Coast's travel products.

The concept of product/market matching can be interpreted in different ways. In this assignment product/market matching is defined to be the process which:

given the attributes of a tourist market segment, can identify locations or attractions within the Arctic Coast most likely to meet the known and perceived needs of this market segment;

or

given the attributes of the tourism product (or plant), can identify the tourism market segment most likely to be attracted to this destination area.

The matching process can also be used to assist in identifying product or plant deficiencies that would affect a particular destination area's chances of attracting a desired market segment, and can help assess the Arctic Coast's overall performance as a tourism destination region compared to other destinations.

° Exhibit 5.3 presents one possible set of travel products, the markets to which these products could be sold, and the

potential market penetration rates/tourist visitations that could result from these sales. The products and markets are divided between general interest, special interest, and special events.

? [The estimates of market penetration and visitation are designed to be mutually exclusive, so that estimates for different products/travel packages can be added together. The price quoted is by person and varies depending on the location of the purchaser of the package, the duration of the tour, the number of communities visited, the operator's success in securing group rates from airlines and hotels, and other factors.

The packages described in Exhibit 5.3 do not exhaust the travel packages and products that could be developed from the opportunities listed in Section 5.2 and the projects described in Volume III. The packages described here have been reviewed with "selected" tour wholesalers, many of whom showed interest in one or more of the packages and suggested possible changes.

*Criteria
please*

(2) Geographic Priorities

Initial promotion should be concentrated in specific geographic areas, including the major urban centres in Western Canada plus Toronto and English-speaking Montreal. Particular attention should be given to Toronto and Vancouver (major gateways for international travellers to Canada) and Edmonton (the gateway to Canada's North).

The cost effectiveness of promotion outside Canada should be assessed very carefully. If such promotion appears attractive, the market areas to be emphasized include the U.S. border states, California, West Germany, other northern European countries, and Japan. *Against heavy P.R. work from Alaska*

The market for the Arctic Coast's travel products is geographically dispersed. Therefore, cost-effective

EXHIBIT 5.3: MATCHING OF POSSIBLE PRODUCTS AND MARKETS

Markets	Products
<p>Penetration</p> <p>Visitation</p>	<p>Features</p> <p>General Interest</p>
<p>Segments</p> <p>Price of Package</p>	<p>Price of Package</p>
<p>How do you find these?</p>	<p>How HAVE THE ADDRESS CONTACTED? HOW IS unique sale locations selected? (overseas)</p>
<p>Segments I) to IV) have total size of 100,000, market share of .5% year would provide 500 visitors (50 tours of 10 people each). Segments V) and VI) could double this number to 1000. (100 of major Canadian CMA's. High income residents of major entry points at major entry points from overseas contacted (Toronto and Vancouver) VI) High income visitors (Toronto and Vancouver) V) High income residents of major Canadian CMA's. High income residents of major entry points at major entry points from overseas contacted (Toronto and Vancouver) the NMT.</p>	<p>1) One day trips (24 hours) during the summer to any one of the destination areas, to experience the True North, see the Midnight Sun, buy a few crafts, eat a distinctive northern meal, see some Inuit entertainment etc.</p> <p>2) Three day trips during summer to any one of seven communities, or to groups of communities in two sub-regions. Same activities as package one.</p> <p>3) Seven day summer trips to either western or eastern sub-region. Same activities as package one.</p> <p>4) Fourteen day "excursion" with visits to both sub-regions and most communities. Activities same as 1-3 above.</p>
<p>Lower penetration because of higher price and duration. Estimate 500/year from segments one to six above, plus another 200 from tour groups.</p> <p>Lower penetration than one or two. Estimate 350/year plus 100 more from incentive travel.</p> <p>Limited market appeal because of price and duration. Plan for 120 visitors (8 groups of 15) to start. Market through one travel agent located in three entry points.</p>	<p>Same as three, but with greater emphasis on southern entry points (Vancouver, Toronto, Montreal).</p> <p>Same as two.</p> <p>Same as two, plus incentive travel.</p> <p>Same as one, but greater emphasis on southern and overseas visitors.</p>
<p>High income residents of NWT and Yukon.</p> <p>Business and government travellers to NWT.</p> <p>Non-NWT residents visiting Yellowknife, etc.</p> <p>RV etc., travellers to NWT.</p> <p>High income residents of major Canadian CMA's.</p> <p>High income visitors from overseas contacted at major entry points (Toronto and Vancouver)</p>	<p>From Inuvik, Yellowknife, Whitehorse, Edmonton, Winnipeg and perhaps Toronto, Calgary, Vancouver, Montreal, and based tourists who overnight in Alaska.)</p> <p>\$300-\$800 depending on location.</p> <p>\$600-\$1200 depending on location and number of communities visited.</p> <p>\$1500-\$2500 depending on location and number of communities visited.</p> <p>\$3000-\$4000 depending on location and number of communities.</p>

5-17

HOW DID YOU FIND THESE?

TO WHAT DO

EXHIBIT 5.3: MATCHING OF POSSIBLE PRODUCTS AND MARKETS continued

Products			Markets	
Features	Sale Locations	Price of Package	Segments	Penetration Visitation
<p>Special Interest</p> <p>5. Seven to ten day packages for Inuit culture enthusiasts. Western sub-region packages would focus on Holman (Learner Centre, Thule Village Reconstruction, Arts and Crafts studio). Eastern sub-region would focus on Pelly Bay (Inuit Stone House and Cultural Centre) and Spence Bay (Native Craft Workshop). Both would involve visits to Inuit families in their homes.</p>	<p>?</p> <p>Make available in <u>Yellowknife</u> and <u>Whitehorse</u> through agents, but most sales through direct marketing to relevant groups in major cities in Canada and US. Marketed as well through a few selected travel agents in the south.</p> <p>UKto</p>	<p>\$1500-\$3000 depending on location, sub-region/communities visited, and length of trip.</p>	<p>↓</p> <p>Learned societies, other historical/cultural groups.</p>	<p>?</p> <p>Total N. American market of perhaps 100,000. 0.2% share <u>plus dependents</u> could provide 400 visitors per year.</p>
<p>6. Seven to ten day packages for historical enthusiasts to visit Eastern sub-region, including Stone Church and "Maud" at Cambridge Bay, Northwest Passage Museum at Gjoa Haven, Franklin expedition tour out of Gjoa Haven, Fort Ross tour out of Spence Bay, and Inuit stone house and cultural centre, plus R.C. Stone Church at Pelly Bay.</p>	<p>Same as 5.</p>	<p>\$1500-\$3000 depending on sale location sub-region/communities visited and length of trip.</p>	<p>↓</p> <p>Learned societies, other historical/cultural groups.</p>	<p>.2% market share plus dependents could provide 400 visitors per year.</p>
<p>7. Seven to ten day package tours in Spring, to go out on land, for cross-country skiing, snowmobiling, dog sledding, igloo construction/survival, ice-fishing, for community-based entertainments, and to see north come alive in June. Visits to either Eastern or Western sub-region. Directed to Naturalists, Outdoor enthusiasts etc. Boothia Peninsula Tour could be sold as separate product.</p>	<p>Same as 5 and 6.</p>	<p>\$1300-\$2600 depending on sale location sub-region/communities visited and length of trip (less than summer packages because offseason)</p>	<p>↓</p> <p>Naturalists, conservation, outdoor groups plus to lesser extent segments i) to iii) under above plus some spring visitors from overseas.</p>	<p>Total North American market of 5 million plus; major promotion could provide 1000 visitors per spring. (Represents negligible portion of total market.)</p>

WHO ARE THEY

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EXHIBIT 5.3: MATCHING OF POSSIBLE PRODUCTS AND MARKETS continued

Products			Markets	
Features	Sale Locations	Price of Package	Segments	Penetration Visitation
Special Interests				
8. Seven to ten day summer package tours for Naturalists. Outdoor enthusiasts etc., to either Western or Eastern sub-region. Western package would include Minto Inlet, Arctic Coastal Tour out of Coppermine, and Coppermine River tour. Eastern package could include Nature Tour out of Cambridge Bay, Franklin Expedition Tour out of Gjoa Haven, and Boothia Peninsula out of Spence Bay (could be sold as separate product). Fishing could be an option.	Same as 5, 6 and 7.	\$1500-\$3000.	Same as 7, plus perhaps some RV travellers to NWT.	Potential for 1000 visitors per summer. (Represents negligible portion of total market.)
9. Double capacity of Bathurst Lodge and include three day side trip to community. Becomes 10 day package.	Same as 5-8.	\$1800-\$2500.	Same as 8.	100 visitors per summer.
10. Community based fishing trips. Seven to 10 day package, with different features depending on sub-region and communities. E.g., Eastern package could include 3-4 day stays at Chantrey Inlet Lodge, or High Arctic Lodge. Could attract "empty nesters". One spouse fishes, other experiences Inuit culture, community events.	Marketed in same manner as traditional fishing packages	\$1500-\$3000.	Anglers, nature enthusiasts.	100 visitors per summer.
11. Expanded canoe travel down Coppermine River and other rivers, and include three day stay at Coppermine or other community.	Same as 5-8.	\$900-\$1500.	Same as 7 and 8.	150 additional canoeists.

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HOW DOES THIS RELATE TO OTHER MARKETS IS NOT CLEAR. PRICE. BAFFW

How do we promote ALL THESE AND TO WHO?

EXHIBIT 5.3: MATCHING OF POSSIBLE PRODUCTS AND MARKETS continued

Products			Markets	
Features	Sale Locations	Price of Package	Segments	Penetration Visitation
Special Events				
12. Expand Big Game Hunts out of Holman.	Marketed in same manner as traditional hunting packages.	\$2000 and up (depending on animal)	Hunters.	100 additional visitors per year.
13. Three day packages for special events in different communities: Christmas Arctic Festival, and Spring Carnival in Spence Bay, Kingalik Jamboree at Holman, three different events in Coppermine, Uaingmuk Frolics in Cambridge Bay, Inuit Games in Gjoa Haven, Canada Day festival in Pelly.	Same as products one and two.	\$600-\$1200.	Same as products one and two.	Constrained by facilities in each community. Assume maximum 40 visitors per event, and 300 in total.

promotion will necessitate maximum use of outside parties.

If possible, travel industry and senior government officials should participate in promotion in distant markets.

Participation by package tour wholesalers and the Canadian government officials in each High Commission or embassy who are responsible for tourism would be extremely valuable.

(3) Coordination with Governments

Because NWT promotion dollars will be limited, Arctic Coast promotion should be integrated with the promotion efforts of Tourism Canada and the GNWT. Maximum use should be made of the federal and territorial governments' advertising and other promotion vehicles. As well, joint marketing efforts with other NWT tourism zone associations should be developed and implemented. Joint promotion programs would be based on the air links with the Western Arctic (Inuvik to Coppermine), Baffin (through Hall Beach), and ~~Big River Country~~ ^{Northern Frontier} (through Yellowknife). Because Edmonton and Winnipeg are the major gateways to the NWT, joint promotion programs should also be developed with the Alberta and Manitoba governments.

(4) Package Tours

For the foreseeable future (at least the first five years of Plan implementation), all tourism promotion should be built around the development and promotion of package tours.

Individual or casual travel is likely to continue and could expand as the Arctic Coast becomes better known among major markets. Nonetheless, no promotional efforts should be made to attract this type of traveller until the region has developed a stronger base of tourism skills, services, and products.

Many package tours will have a single theme to attract special interest groups. Other packages offering a diverse set of experiences will be sold to more general interest tourists. Separate tours will be packaged and sold for the

Coppermine-Holman corridor and the eastern corridor through Cambridge Bay. A trip involving both corridors and all communities would be too long and expensive for typical northern tourists. (A few all-community packages could be offered to the market directed toward semi-retired and retired people or empty nesters. As well, a Yellowknife/Coppermine/Cambridge Bay/Yellowknife package could be sold at a reasonable price). Developing separate packages for the two corridors should encourage repeat visitation, particularly if information on the corridor not visited is provided to visitors during their initial visit.

CONTRACTS

The critical factors in creating unique, appealing, saleable packages are to concentrate on a series of local natural and man-made attractions in one, two, or three communities and add a high level of service, planning, and coordination. Packages typically will have many or all of the following features:

THIS

a) A consistent theme built around a specific activity or interest, such as

- Photography
- Inuit culture (lifestyle and arts & crafts)
- NWT history
- Natural environment
 - landscape
 - animals/birds
 - flowers
- Adventure trips
 - river rafting
 - canoeing
 - dog sled trips
 - hiking
- Hunting or fishing
- Arctic survival.

b) Careful organization involving guides or hosts who control the experience.

c) A series of participation-oriented activities planned for

charts 5-17 to
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DO NOT IDENTIFY
WHAT THESE
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TO SUSTAIN
INTEREST ON
THE TRIP

each day (with alternatives if weather is a problem).

- d) Well-planned meals with lots of variety.
- e) { Scheduled periods for individual pursuits and relaxation,
as well as organized social opportunities in evenings.
- f) Educational elements such as
- daily presentation of historical and general information on the key focus for the day;
 - presentations before the trip and throughout the excursion to promote realistic expectations (also serving to reduce culture shock).
- g) Exposure to local Inuit traditions and lifestyles (it is the personal interactions that make the activities memorable).

Initially, the community hosts and the Tourist Association Zone Manager will play important roles in working with local operators, the travel industry in the north, and southern wholesalers to put packages together. Over time, more of this work will be done by private operators. Community hosts could also, over time, be largely funded by the private sector.

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As discussed above, Exhibit 5.3 lists examples of package tours (or travel products) that combine attractions and experiences to be developed under the implementation plan (see the project descriptions in Volume III). These examples were reviewed with selected tour operators in southern Canada (see Appendix A to Volume 1). Based on their feedback and further work of the Study Team, some examples were developed in greater detail and are presented in Section 5.3.3.

(5) Roles for the Industry and Airlines

Tour operators and wholesalers -- and, to a lesser degree, travel agents (retailers) -- will play an important role in Arctic Coast tourism promotion. The Implementation Plan includes funds to bring tour operators to the region, to allow local operators to travel south to make industry contacts, and to develop tour operations in the Arctic Coast. Arctic Coast operators and organizations will need to work closely with wholesalers and retailers of package tours to ensure that the region is included in current and future itineraries and in promotional literature, and to develop packages for group travel to the region.

Interviews with tour operators and wholesalers indicate that many could be interested in sending tours to the Arctic Coast. Exhibit 5.4 summarizes the companies that have been interviewed, their location, and their areas of interest. Exhibit 5.5 lists other tourism operators with a particular interest in Adventure Travel.

Exhibit 5.6 lists special interest tour operators taken from the publication, **Specialty Travel Index**. The Exhibit lists the tour operators currently sending package tours to Alaska and Canada (including the Canadian Arctic) under six special interest categories: Archaeology/History, Canoeing/Kayaking, Cultural Expedition, Hiking, Nature Trips/Bird/Ecology, and Wilderness Survival.

The Study Team proposes that after this assignment is completed, the Zone Manager review the information in Exhibits 5.4, 5.5, and 5.6, together with the source document for Exhibit 5.6. Based on the review, a list of interested tour operators should be prepared by the Zone Manager. Each operator on the list should be sent the Executive Summary of this report along with a letter requesting his/her support in working with local operators in tour promotion. Responses would be screened, and a few operators selected for

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EXHIBIT 5.4: TOUR OPERATORS INTERVIEWED DURING PHASE II AND III

Name of Company	Location	Possible Areas of Interest
1. Tuullik Wilderness Adventures	Ottawa, Ont.	Largely focuses on European (German) market. Contacts with agencies in these countries who specialize in adventure holidays.
2. High Arctic International Explorer Services Ltd.	Resolute Bay, NWT	Currently operating tours in Eastern Arctic. Possible link between Baffin and Arctic Coast.
3. Qaivvik Ltd.	Yellowknife, NWT	Operating tours out of Yellowknife for residents, business travellers, people visiting friends and relatives.
4. Peyton Enterprises	Brantford, Ont.	Currently taking tours to Baffin for fishing and Inuit culture experience.
5. Canada North Outfitting Inc.	Waterton, Ont.	Interested in expanding packages to include more general interest tourists (now largely focussing on active outdoor people).
6. Kitikmeot Arctic Tours	Cambridge Bay, NWT	Mainly putting together hunting and fishing tours. Some contacts with naturalist groups.
7. Canadian Nature Tours	Don Mills, Ont.	Non-profit group, co-sponsored by Federation of Ontario Naturalists and Canadian Nature Federation. Focus on wildlife of all types, but especially birds.
8. Nordair	Montreal, Que.	<hr style="width: 10%; margin-left: auto; margin-right: 0;"/> Currently operating tours to Arctic for people over 55. Dropped Baffin tour because of lack of numbers. Not interested at this time. Approach Horizon only after products more fully developed.
9. Horizon Holidays	Toronto, Ont.	

EXHIBIT 5.4: TOUR OPERATORS INTERVIEWED DURING PHASE II AND III
continued

Name of Company	Location	Possible Areas of Interest
10. Special Odysseys	Medina, Wash.	Have operated tours to Arctic for many years. Some knowledge of region's products and interested in follow-up.
11. Evergreen Tours	Vancouver, BC	Take one bus tour per year from Vancouver to Yellowknife. Interested in one-day extension by plane to Arctic Coast if price is right.
12. Great Expeditions	Vancouver, BC	Linked to Ventra Travel Services, which is owned by Teachers Co-op. Special focus on outdoor adventure, natural history.
13. Pioneer Travel	Vancouver, BC	Linked to Travel Way Tours which send European groups on bus/fly trips across Canada. Possible three-day extension from Edmonton.
14. NWT Air	Yellowknife, NWT	See potential for package based on special events in two or more communities, plus 7-10 day naturalist tour.
15. Top of the World Tours	Yellowknife, NWT	Providing inbound receptive services to groups interested in the Arctic Coast or a combined Arctic-Sub Arctic tour.
16. Pacific Western Airlines	Calgary, Alberta	Packaging group tours to Cambridge Bay with connections to other western destinations.
17. Blythe and Co.	Toronto, Ontario	Major adventure wholesaler in eastern Canada. Active in Baffin. Could provide Arctic Coast/Baffin link.
18. Goliger's Travel	Toronto, Ontario	Operates 4-8 day tours to Baffin and 24 hour Arctic Circlers.
19. Faber Travel	Brantford, Toronto	Operates tours to Baffin from Toronto, New York, Pittsburgh, and Chicago, plus one fishing tour to Great Bear Lake.
20. De West Tours Ltd.	Vancouver, BC	Offers tours to North Pole and High Arctic

- SAME AS SECTION # 4

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EXHIBIT 5.5: OTHER TOUR OPERATORS AND CONTACTS IN ADVENTURE TRAVEL

	Name of Company	Location	Comments
1.	Alaskan Wilderness Adventures	San Fidel, New Mexico	Fishing, hiking, canoeing rafting
2.	Arctic River Adventure	Lloydminster, Alberta	River rafting, canoeing, (operating now in Nahanni National Park)
3.	Exploration Holidays	Seattle, Washington	Largest wholesaler to Alaska
*4.	Fishing International	Santa Rosa, California	Send tours to BC, Canada, Arctic, and Alaska
5.	Canner/Brennen. Brennan Tours	Seattle, Washington	--
6.*	American Express Planning Department	Snowfield, Michigan	Incentive travel
7.	Siegles Travel Services	Oakland, California	Hunting, fishing, (selling to NWT and Saskatchewan)
8. x	Wilderness Travel	Berkley, California	Arctic Circle tours
9.	Nature Expeditions International	Eugene, Oregon	--
10.	Adventure Centre	Oakland, California	--
11.	Sierra Club Outing Department. Sierra Club	San Francisco, California	--
12.	International Expeditions Inc.	Birmingham, Alabama	Offer Arctic Encounters (US\$ 1495/8days from Winnipeg) and Polar Bear Expeditions (US\$ 1295/7 days from Winnipeg)
13.	GEO Expeditions	Oakland, California	--
14.	Society Expeditions	Seattle, Washington	Cruise ship plus packages to Alaska
15.	Oceanic Society Expeditions	San Francisco, California	Whale watching, wildlife safaris
16.	River Travel Centre	Point Avena, California	Bookings for all rivers
17.	Special Interestours	Seattle, Washington	--

EXHIBIT 5.6: SPECIAL INTEREST TOUR OPERATIONS (FROM SPECIALTY TRAVEL INDEX)

Company Group	Location	Comments
Nature Trips/Bird/Ecology		
Alaska Discovery Inc.	Gustavus, Alaska	Guiding company by kayak, canoe, backpack, raft, and skis. Glacier Bay, Admiralty. and W. Chichagoh Islands, Russell Fjord - Specialty trips.
Alaska Float Trips	Anchorage, Alaska	Small groups, kayak or canoe - anchorage area and state wide trips, 1-14 trips - Alaskan history - guided.
Alaska River & Ski Tours	Anchorage, Alaska	Mt. McKinley skiing, whitewater rafting, fishing guides. Wildlife specialty.
Alaska Fishing & Wilderness Adventures	Anchorage, Alaska	Fishing, campouts, photographic tours (1-14 day trips) - Denali, Lake Clark, Katmai, Kenai Fiord
Alaska to Mexico	Hunters, WA	Wilderness (Pacific Coastal) - Alaska summer trip specialize in backpacking & kayaking.
Alaska Travel Adventures	Juneau, Alaska	Specialize Alaska only - camps, backcountry, lodges, custom trips.
Biological Journeys	McKinleyville, California	Natural history trips - educational - whales, birds, marine research activities, lectures, etc. (no mention of Alaska).
Camp Denali	Denali National Park, Alaska	Denali National Park - log cabins - hiking, canoeing, walsk, exploration of the park.
Earthwatch	Belmont, MA	nonprofit organization - research expeditions, volunteers share the work and costs (10-30 days) - world wide expeditions.
Echo: The Wilderness Company	Oakland, CA	Wilderness river trips in California, Oregon, Idaho, and Alaska (1-10 days).
Extraordinary Expeditions	Alameda, CA	World wide, custom trips - natural history, anthropology, photo, and scuba (no mention of Alaska, NWT, etc.)
The Hugh Glass Backpacking Co.	Anchorage, Alaska	Guided Alaskan wilderness tours - backpacking, river, kayaking, fish, photo. Small groups. Custom trips.
International Travel Study	San Jose, CA	Study tours (educational). Alaska Inland passage and world wide. University credit.

WHY SHOW THESE IF ONLY INTERESTED IN ALASKA

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EXHIBIT 5.6: SPECIAL INTEREST TOUR OPERATIONS (FROM SPECIALTY TRAVEL INDEX)

Company Group	Location	Comments
Kenai Guide Service	Kasilof, Alaska ?	Backpacking guides, Kenai mountains, and Harding Icefield (summer months).
Lindblad Travel Inc.	San Francisco, CA	New and unusual areas of world.
Mountain Travel	Albany, CA	Himalayan, Andean, Africa, and Alask. Specialty is China.
Nature Expeditions International	Eugene, Oregon SAME AS 9 S.S.	Wildlife study, anthropology, photo. World wide tours. Alaska tundra (brown bear tour) 8-30 days.
ROW (River Odesseys West)	Spokane, WA	Specialize in river rafts - Oregon, Idaho, Alaska (1-15 days).
Sadie Cove Wilderness Lodge	Homer, Alaska ?	Lodge - Kachemak Bay, guided fishing, hiking, photo, boating.
Wild Country River Guides Inc.	Anchorage, Alaska ?	Fishing in Iliamna/Bristol Bay area - campout. Specializes in fishing only.
Wilderness Travel	Berkeley, CA SAME AS 9 P. 100	World wide trips.
Peregrine Tours	Houston, Texas ?	Specializes in bird watching, Texas coast, Mexico
Sundance Mountain Adventures	Fairbanks, Alaska	Specialize in horseback adventures in Yukon.
Mingan Island Cetacean Study	Meridex, CT	Nonprofit research/educational organization. Guided whale research.
Forum Travel International	Berkeley, CA	Unusual cultural-oriented, world wide, and Canadian tours.
Conservation Summits	Washington, DC	Mountain tours - university credit, educational, Canadian and American mountains.
Canadian River Expeditions	Vancouver, BC	BC river raft trips.
Canadian Nature Tours	Don Mills, Ont.	Canoeing, Arctic region.
Biological Voyages	El Cerrito, CA	Whale watching, Puget Sound, Inside passage, Southeast Alaska.

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EXHIBIT 5.6: SPECIAL INTEREST TOUR OPERATIONS (FROM SPECIALTY TRAVEL INDEX)

Company Group	Location	Comments
Arctic Edge	Whitehorse, Yukon	Yukon, NWT - fishing, canoeing, self-guided tours.
Canoeing/Kayaking		
Alaska Discovery Inc.	Gustavus, Alaska ?	See Nature Trips/Bird/Ecology.
Alaska Float Trips	Anchorage, Alaska ²	See Nature Trips/Bird/Ecology.
Alaska to Mexico	Hunters, WA ?	See Nature Trips/Bird/Ecology.
Alaska Travel Adventures	Juneau, Alaska ?	See Nature Trips/Bird/Ecology.
Arctic Sport	Anchorage, Alaska ?	Custom trips - river by canoe, raft or kayak, fishing, backpacking, and photo.
Camp Denali	Denali National Park, Alaska ?	See Nature Trips/Bird/Ecology.
Hugh Glass Backpacking Co.	Anchorage, Alaska	See Nature Trips/Bird/Ecology.
Lester's Adventures	Berkeley, CA	Alaskan adventure (motor coach, share costs with other travellers).
Mountain Travel	Albany, CA	See Nature Trips/Bird/Ecology.
Nova	Eagle River, Alaska	Alaskan, Arctic boating trips, guided and unguided river trips. Yukon Rv. Brook range.
Pacific Adventures	Los Angeles, CA	Adventure and sports.
Adventure Centre	Oakland, CA	World wide (no mention of Arctic.)
Canadian Nature Tours	Don Mills, Ont.	See Nature Trips/Bird/Ecology.
Ecosummer Canada Expeditions Ltd. (Journeys of Canadian Discovery)	Vancouver, BC	Educational, remote areas of Canada, Yukon, Baffin Island, NWT, guided.
The Knobs	Campbellsville, KY	Christian trekking, rafting in Alaska, canoes, world wide trips.

... continued

EXHIBIT 5.6: SPECIAL INTEREST TOUR OPERATIONS (FROM SPECIALTY TRAVEL INDEX)

Company Group	Location	Comments
Outward Bound	Greenwich, CT	4-28 day trips, backpacking, mountaineering, sailing, canoeing, rafting (no mention of Canada, but they have a Canadian office; also one in Vancouver)
Sunrise County Canoe Expeditions	Grove Post, ME	Canoe guiding outfit - Canadian area (3-12 days).
Superior-North Canoe Outfitters	Grand Marais, MN	Quetico Park wilderness trip.
Tip of the Trail Outfitters	Grand Marais, MN	Wilderness canoe tours - Canadian border (no mention of Arctic).
Wilderness Outfitters Inc.	Ely, MN	Doubtful, Ontario wilderness. <i>ALASKA? ARE DOUBTFUL TOO?</i>
Wilderness Tours	Beachburg, Ontario	Doubtful, Ontario, upstate New York, Quebec.
Arctic Edge	Whitehorse, Yukon	See Native Trips/Bird/Ecology.
Cultural Expeditions		
Alaska Travel Adventures	Juneau, Alaska	Trips to Denali, Katmai, Glacier Bay, inside passage, Brooks range, backcountry adventures.
Arctic Adventures	Montreal, Que.	Payne Bay (northern Quebec) travel by traditional Inuit fashion - dog teams, etc. Takes small groups.
Intimate Glimpses	San Diego, CA	Doubtful.
Bivouacs du Bout du Monde	La Roche sur Furon, France	Christian group. Specialize in long trips (2-24 weeks) covers world wide, mentions NWT.
Odyssey Tours Inc	Los Angeles, CA	Specialize in individuals to the Indian subcontinent. Highly personalized itineraries, arts, sports, medicine, education, law shopping, gardening, status of women.
Archeology/History		
Alaska Float Trips	Anchorage, Alaska	See Nature Trips/Bird/Ecology.
Alaska Fishing & Wilderness Adventures	Anchorage, Alaska	See Nature Trips/Bird/Ecology.
Unitrex	Pasadena, CA	Special interest groups - world wide (no mention of Arctic).

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EXHIBIT 5.6: SPECIAL INTEREST TOUR OPERATIONS (FROM SPECIALTY TRAVEL INDEX)

Company Group	Location	Comments
Canadian Native Tours	Don Mills, Ont.	Canoeing, Arctic regions year round.
Great Expeditions	Vancouver, BC	World wide destinations, rafting, hiking, biking, cruising (mentions Canada).
Tailormade Tours	Greenlawn, NY	Specialize in folk culture, history, politics (mentions Canada).
Wilderness Survival		
Ottawa Rafting Ltd.	Beachburg, Ont.	Raft the Ottawa River.

follow-up. At the start of plan implementation, these operators and wholesalers would assist in the implementation. Other tour operators could be utilized later in the plan period. The above work would be the responsibility of the Zone Manager for the Arctic Coast Tourist Association.

This should have been done through joint Plan.

Airline companies -- PWA, NWT Air, and Nordair -- have a special role to play in Plan implementation. These carriers will benefit greatly from increased tourism in the Arctic Coast. At the outset of Plan implementation, the Arctic Coast Tourist Association should hold discussions with the three airlines regarding their involvement in the Plan. Discussion could focus on the implications of deregulation in the south and how the north could benefit, lower airfares for special group travel to the Arctic Coast, their potential role as tour wholesalers and retailers, and the links needed between the airlines, local tourism operators, and tour wholesalers and retailers in the south.

See A-40 etc.

(6) Expo '86

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Expo '86 in Vancouver provides a unique opportunity for market testing the travel concepts and products developed in this study. A special promotional package should be prepared for presentation at Expo '86. Local operators and tourism officials from the Arctic Coast should be funded ^{by??} to spend up to two weeks at an Arctic Coast kiosk in the NWT pavilion. The experience of the Study Team is that northern travel products are best marketed through personal contact with northerners. Attendance at Expo '86 will also provide an opportunity for current and future tourism operators in the Arctic Coast to become familiar with the travel industry in the south.

is concept selling package tour? agree!

How BY ATTENDING CONSUMER SHOW? Expo.?

A letter to the Arctic Coast Tourist Association from the Pavilion Deputy Commissioner (dated November 29, 1984) indicates that the Tourist Association will need to make decisions on the following in preparing its promotional

package for Expo '86:

- tour packages and other travel products to be sold by the NWT's travel sales agent at the NWT pavilion;
- publications to be available to pavilion visitors;
- Arctic Coast tourism businesses wishing to promote sales of their products at the business centre in the pavilion;
- hosting a promotional event that would use the business centre;
- showing short (10-20 minute) quality films on the Arctic Coast during non-peak periods;
- booking the NWT pavilion restaurant for large scale marketing or promotional events;
- decorations, furnishings, special meals for the pavilion for the month the Arctic Coast will be highlighted.

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Consideration could also be given to a contest at an Arctic Coast area at Expo '86. Prizes could include a free trip to the region, or the winner(s) could have a lake named after them.

(7) A Unifying Theme

All promotional materials should be built around a single theme, "the Arctic Coast." The Arctic Coast is what differentiates this region from other parts of the NWT and other northern destinations. Sub-themes such as Inuit culture, Northwest Passage history, and wilderness experience can also be important, but these sub-themes are shared with other parts of the North. Wherever possible, sub-themes should be linked to the Arctic Coast theme in promotional material. To support the Arctic Coast theme, consideration should be given to developing a mascot for the region to be featured in all promotional materials. The best candidate is the snowy owl (the present Arctic Coast Tourist Association logo).

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snowy owl
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connotation

(8) Advertising and Other Promotional Techniques

The promotion techniques to be employed should be tailored to the travel product and the target market. The types of programs that should be considered include:

- . Preparation of an updated Arctic Coast brochure (discussed below under Information Services).] no.
- . Direct mailings of brochures, press releases, personal letters, and other material to special interest groups -- letters could ask groups to identify the tour operators they employ, as well as their interest in receiving further information about the Arctic Coast.
- . Films or personal visit follow-ups to the same groups (if strong interest is expressed by the group).
- . Funds for travel writers and groups of tour operators to travel to the region to meet local operators and see the attractions.
- . Funds for local tourism operators to travel to southern cities to meet wholesalers and retailers, develop contacts, and learn about the industry.
- . Participation in travel shows -- the Arctic Coast should participate only in shows that attract a specialized market for which the Arctic Coast offers a product. Candidates include "Tourcan", the "Travel Market Place Trade Show Series", "Rendezvous Canada", and the "Canadian Suppliers Trade Show."
- . Participation in high profile special events, such as Expo '86 (see above).
- . Advertising, publishing articles and encouraging editorials in special interest magazines read by

THESE PROGRAMS
NEED TO BE
DEVELOPED

\$?

adventure travellers, anglers, wilderness, hiking, and native culture enthusiasts. Examples of magazines appropriate to the general range of products available in the Arctic Coast region are: B.C. Outdoors, Travel Holiday, Nature Canada, ~~Royal Canadian Geographical Society Journal~~, National Geographic, Audubon, Natural History, Smithsonian, Peterson's Hunting, Outdoors, Canoe, Field and Stream, Fishing News, Explore, and Equinox.

Who?

- . Direct sales to wholesalers, tour operators, selected travel agents, motor coach operators into Yellowknife and Inuvik, selected special interest groups, companies interested in the region (e.g., incentive travel, conferences, or seminars), and government agencies interested in business meetings in the region. To provide a coordinated regional approach, all direct sales should be coordinated by the Zone Manager of the Arctic Coast Tourist Association.
- . Preparation and distribution of press releases focussing on the opening of an attraction or the announcement of a special event.
- . CBC features and TV film fillers.
- . Development and implementation of visitor preparation/ awareness programs.

Because of the high cost and limited benefits, general advertising on television and in mass circulation publications (e.g., MacLean's) should be avoided. Different promotional techniques will be used for different travel products and destination areas. The promotional mix will also vary from year to year as new products requiring different advertising methods become available. For instance, with the opening of a new historic attraction, heavier emphasis will be placed on promotion with a

GREAT STATEMENT
DO THEY KNOW
WHAT AN AD
IN NATIONAL
GEOGRAPHIC
COST

WHERE IS
THIS FROM
MIA
HAVE ON STATE
GENERATION
TO DATE

cultural/historic bias; new package tours could result in increased advertising in trade journals and specialty travel magazines.

(9) Information Services

Information for tourists on the region's resources and attractions is very limited -- only Cambridge Bay has a tourist information centre. Some method of information dissemination is required at the regional level as well as in each destination area. Regional information centres, under the direction of the Arctic Coast Tourist Association, could provide valuable information services.

*FOR WHICH MARKET PACKAGE
IF EMPHASIS IS ON
TOURS - OPERATING WITH
BULK CUSTOMERS.*

Two locations for regional centres are proposed:

- Cambridge Bay: an expanded Arctic Coast Tourist Association office, and
- Coppermine: in the new craft shop at the COOP.

Each facility will promote the entire region, while accentuating the attractions of its sub-region. A part-time tourism information officer or the community host will be available to provide tourists with information.

A variety of promotion materials will be available at the information centres, including:

- . A regional tourism brochure -- The Arctic Coast Tourist Association will produce an updated brochure describing the attractions, destination areas, and travel packages of the region. It could be designed with pull-outs on each destination area.
- . A video, similar to that suggested by the Zone Association, will be produced, demonstrating commercial operations and attractions.
- . A continuous slide show presentation on the Arctic Coast

- indiv. ch. community brochures

features will be shown.

- . Pamphlets from individual operators could also be made available to visitors.

Each destination area will have its own information facility which could be located in the community hotel. Displays will include maps and photographs, paid for by local suppliers. Information centres in one community will include information on other communities in the region.

Information centres are expected to play an important role in extending length of stay (by adding other communities to tourists' itineraries) and increasing repeat visitations.

(10) Training

Marketing concepts, advertising and promotion techniques, tour package development and promotion, and related marketing considerations should play a prominent role in the training programs conducted as part of the Implementation Plan. We propose that marketing and promotion become the responsibility of the Zone Manager for the Tourist Association and of the community facilitators/hosts in each community. The training received by the Zone Manager and community hosts should focus not only on marketing skills, but also on transmitting this knowledge to private operators in the region.

Travel Arctic contact??

PROBLEMS WITH THIS?

(11) Promotional Plan for the Arctic Coast Tourist Association

As discussed above, the Zone Manager of the Arctic Coast Tourist Association should be responsible for coordinating -- and taking a leadership role in -- all marketing and promotion in the Arctic Coast. The following schedule outlines the promotional activities of the Tourist Association over the first 2-3 years of plan implementation,

Time Period**Promotional Activity**

Sept-Oct, 1985

6. Send letters to tour operators interested in arranging group tours to the Arctic Coast. Review responses and identify tour operators to be used for initial product development and promotion.

Sept-Oct, 1985

7. Evaluate promotional activities over the previous months and prepare 1986/87 annual promotional plan in consultation with community hosts/facilitators, Regional Tourism Officer, other government officials, & tourism operators. (This is to be done at the same time the annual budget for the ACTA is prepared).

*Consultant
was to
do.*



October, 1985

8. Arrange preparation of an updated Arctic Coast brochure and other promotional material needed for initial general marketing, focussing on the 1986-87 season.

November, 1985

9. Mail brochures, press releases, etc. to special interest groups that might be interested in a group tour to the Arctic Coast.

November, 1985-
February, 1986

10. Work with the community hosts/facilitators, Regional Tourism Officer, other relevant government officials, and major tourism operators to finalize the medium-term promotional plan to be implemented from 1985/86 to 1990/91.

November, 1985-
March, 1986

11. Assist in the development of and arrange financing for the two regional information centres at Coppermine and Cambridge Bay and the promotional material they will require.

... continued

Time Period	Promotional Activity
December, 1986- January, 1987	12. Review results from Expo '86 and identify implications for future promotional efforts and product development.
January, 1986 on	13. Work with the community hosts/facilitators, major operators, relevant officials to identify the travel products, package tours, and development projects that should be developed and marketed as part of the medium-term plan. Work with Regional Tourism Officer and funding agencies to arrange funding for above initiatives. Review marketing plans for each project/package to ensure marketing component is adequate and consistent with overall development strategy.

Activities include the preparation of both medium-term (5 year) and annual promotional plans. The medium-term plan will outline the major guidelines to be employed, the general areas where action is required, and order-of-magnitude estimates of funding requirements over the five year period. The medium-term plan will be altered on a regular basis, based on experiences with the annual plans. The annual plans will be highly operational and action-oriented and will specify:

- the travel products, package tours, destination areas, and geographic markets to be emphasized over the next year,
- funding requirements of each task and the expected funding sources for components of the annual budget,
- the brochures and other material to be produced over the next year,
- the trade shows to be attended,
- the specialty magazines, other media, and high profile special events to be used,
- the number and timing of trips north by travel writers and tour operator groups and trips south by local tourism operators.

The following offers the Study Team's thoughts on how the 1986-87 promotional plan could be put together.

First, the development projects and package tours to be developed and promoted over the next year should be identified and listed. The Implementation Schedule in Chapter 11 suggests the following travel products be emphasized in 1986-87: Northwest Passage Coastal Tours; Boothia Peninsula Tours; fishing, nature, and community tours based around Cambridge Bay; 1-3 day "Arctic Circle" package tours focussed on Coppermine, Cambridge Bay, or Pelly Bay; big game hunts and "Spring Experience" packages out of Holman. These represent the travel products to be sold over the next year or two.

They won't know

The second step is to contact the local operators and community hosts involved in developing the packages and discuss the marketing assistance they require from the ACTA. In particular, the Zone Manager should receive the operators' and hosts' views on the brochures needed and travel shows to be attended. The Zone Manager should also request the views and assistance of the Regional Tourism Officer, Travel Arctic, and the Tourism Canada representative in Yellowknife. Based on their feedback, the Zone Manager takes the third step which is to identify the specific market segments that could be attracted by the travel products to be sold that year. The market segments appropriate to the travel products described above include: historic groups, archaeological societies, anglers, hunters, and outdoor groups.

I thought this was the way to go

consult w/ us to do

Fourth, after receiving advice from advertising people and other experts, the Zone Manager decides on the specialty magazines to be used over the next year for advertising and articles. The magazines selected should be closely related to the travel products to be sold and the markets to be attracted in that year. Many of the magazines listed above could be relevant to the travel products to be sold in 1986-87.

Problem with coordination between zones

Travel Arctic, Tourism Canada, TIANWT, and TIAC can assist the Zone Manager on such specifics as circulation and advertising for each magazine. The MacLean-Hunter publication, "Canadian Advertising Rates and Data", provides this information for periodicals published in Canada.

advertising is very sophisticated to get results.

The Zone Manager should make contact with specific magazines to identify travel writers who may be interested in travelling to the region. The objective could be to assist up to four travel writers per year to travel to the Arctic Coast.

consultant to do.

Fifth, the Zone Manager identifies the tour operators to be used to sell the travel products and the groups and societies to be approached directly by the ACTA or local tourism operators. The following list provides examples of tour operators that could be contacted with regard to the travel products listed above.

Travel Product

Possible Tour Operators

Northwest Passage Coastal Tours; Boothia Peninsula Tours; big game hunts and "Spring Experience" out of Holman.

Tuullik Wilderness Adventures, Canada North Outfitting, Canadian Nature Tours, Special Odysseys, Great Expeditions, Alaskan Wilderness Adventures, Sierra Club Outing Department, International Expeditions, Alaska Travel Adventures, Arctic Adventures.

Arctic Circle Packages

Evergreen Tours, Travel Way Tours, Atlas Tours, Wilderness Travel, Goliger's Travel.

Fishing/nature tours out of Cambridge Bay

Peyton Enterprises, Qaivvik Ltd., Top of the World Tours, Alaskan Wilderness Adventures, Alaskan Travel Adventures, Fishing International.

These are examples only. Travel Arctic, Tourism Canada, the Travel Industry Association of Canada (TIAC), and TIA NWT can provide valuable input to the list of tour operators relevant to different travel products.



Each tour operator on the final list will be contacted by letter regarding his/her interest in selling specific Arctic Coast packages. The letter should also request information on the tour operator's client groups, geographic market, promotion, and sales methods. Selected tour operators will be brought to the Arctic Coast for a familiarization trip. Up to 25 tour operators will be contacted each year and up to five will be brought to the region as part of the annual marketing plan. In addition, people representing major groups and societies -- groups with potential for direct sales -- will be brought to the region on a selective basis.

Sixth, the Zone Manager, in consultation with local operators, Travel Arctic, Tourism Canada, TIAC, and TIANWT, will identify the trade shows to be attended over the next year. The travel products to be promoted in 1986-87 suggest that the Sportman shows in Toronto and Edmonton and Rendezvous Canada should be considered for that year, but more specialized shows in Canada and the United States could be considered in some years.

Seventh, the Zone Manager will identify the local tourism operators who should be assisted in travelling south to meet southern tour operators and other industry representatives. These trips could be tied in with their attendance at trade shows.

Eighth, the Zone Manager, in consultation with local operators, will specify the brochures and other promotional material needed to advertise the travel products to be sold in that year. The Zone Manager will also advise on the format, content, cost, and number to be printed.

In summary, the annual promotional plans will be very specific as to the products to be sold, the markets to be penetrated, and the sales methods to be utilised. All activities should be closely tied to the travel products, package tours, and development projects to be emphasized in

that year. The promotional plan should be developed and implemented in close consultation with local tourism operators, the community hosts, the Regional Tourism Officer, Travel Arctic, Tourism Canada, TIAC, TIANWT, and selected tour operators in the south.

The Study Team recognizes that the implementation of promotional plans represents new and expanded responsibilities for the Zone Manager of the Arctic Coast Tourist Association. The Zone Manager will need assistance over the first year at least. We recommend, therefore, that an individual or company with strong experience in the travel industry, particularly in purchasing and selling group tours, be hired to provide "on the job" training to the Zone Manager in the areas of travel marketing and promotion.

The trainer would assist the Zone Manager in the last 3-4 months of 1985 in the many activities outlined in the schedule above. The trainer would also provide the Zone Manager with introductions to key people in the travel industry in the south. Funds for this training are provided in Project 5.1 of the Implementation Plan. The same individual or company -- or a different company -- could be placed on a retainer to provide ongoing assistance over the next year in implementing the annual promotional plan.

Handwritten notes in a bracketed area on the right side of the page:
- NAME
- NUMBER
- VERY LITTLE
- EMPHASIS ON
- DISCUSSION OF
- THIS
- ALSO NO REFERENCE
- TO - OTHER
- & GOVT. REF.

In our view, this type of "hands on", continuous training and practical experience is much more valuable than institutional training or taking courses away from the job.

5.3.2 Markets and Visitation

Primary Markets and Initiatives to Expand Market Penetration

The Study Team has identified nine primary markets for the Arctic Coast tourism sector.

- 1. Naturalist/conservation groups have shown an interest in

the wilderness experiences offered in areas of the NWT. These groups can be attracted by properly packaged products offered by the Arctic Coast. Some of these groups have participated in outdoor experience oriented trips to exotic locations (e.g., hiking in the Andes) and are looking for a totally different experience. Others are attracted by the opportunity to observe unique species of plants and wildlife in their natural environment.

In Canada there are a large number of non-profit societies and associations that focus on conservation issues, wildlife preservation, and nature observation.

The combined membership in the following four national conservation and naturalist organizations has been used to estimate the core Canadian population with an active interest in the above topics: The Canadian Nature Federation, the Canadian Wildlife Federation, the Sierra Club (Canadian chapters), and the Greenpeace Foundation. After removing the memberships that are primarily sports fishing or hunting oriented, the Canadian membership is conservatively estimated to be about 500,000.

Based on the memberships of several large national conservation organizations in the United States, the American market appears to reflect the larger population base (i.e., about ten times the Canadian figure). The American market is much more specialized, and, as such, organizations with unique wildlife interests can be more easily targeted (e.g., bird watchers). The total North American market, therefore, can be estimated at more than five million.

The national memberships of specific organizations are as follows:

Where are these groups and what methods to reach them?
Direct Sales

	Canada	United States
Canadian Nature Federation	150,000	-
Canadian Wildlife Federation*	528,000	2,400,000
Sierra Club	2,300	340,000
Green Peace	25,000	-
Audobaun Society	N/A	500,000
Federation of Ontario Naturalists	9,000	-
National and Provincial Parks Association	1,300	-

* includes about 180,000 members who are largely oriented towards hunting and fishing. In the United States the group is called the National Wildlife Federation.

In a recent study completed for the Yukon government entitled, "Wilderness/Adventure Travel Industry", estimates of the Wilderness/Travel Adventure market in North America are developed. The authors estimate there are about 30 million active participants in wilderness oriented recreation activities in North America. The total volume of tourists taking wilderness experience tours handled by wholesalers in North America is estimated at between 55,000 and 60,000. The study notes the lack of hard data on the size of the market in Europe for wilderness experience tours. In 1980, about 1.4 million residents of Western Europe visited Canada; 40% of these European visitors were from the UK and 17% were from West Germany. Little information is available on their principal activities, but qualitative information -- particularly from the industry -- suggests that many of these visitors were attracted by the opportunities for outdoor/wilderness activities. Wilderness experiences are particularly important to West German visitors.

The Yukon study estimates the wilderness/adventure market

will expand at an annual average rate of 4% per annum over the 1980s. Applying this growth to our estimate of the naturalist/conservation group market, the North American market could expand from about five million at the present time to close to seven million by the early 1990s.

2. The mystique of the North, the Franklin Expedition, the Northwest Passage, Inuit culture, and other related products available in the Arctic Coast can be packaged to attract visitors with historical, cultural, anthropological, or archaeological interests. Unlike the conservation-oriented groups, there is little national representation of lay groups with these interests in Canada. The Learned Societies are well represented nationally, however, and their members participate regularly in special interest symposiums, which have included topics on the Canadian North. Total membership is 11,500, but the size of the Learned Societies' membership in groups with a potential interest in the North is estimated at 6,000. Canadian membership in specific groups is as follows:

	No.
Association for Canadian Studies	210
Canadian Association of Geographers	1310
Canadian Association for the Study of Adult Education	120
Canadian Ethnological Society	460
Canadian Historical Association	850
Canadian Regional Science Association	260
Canadian Society for the Study of Education	1440
Canadian Sociology and Anthropology Association	1010
Canadian University Teachers of Home Economics	110

Based on population alone, the American figure can be expected to be at least 10 times larger.

There are also avocational archaeological societies in

*Sketches
How do we
reset them*

each of the four western provinces, as well as Ontario, the Yukon, and the Northwest Territories. (GNWT Tourism and Parks has the names, addresses, and individual contacts for each society.) Members of the teacher's federations in each province could also be interested in these travel products and adventure travel opportunities. As noted in Exhibit 5.4, the BC Federation has its own travel agency and tour operator.

There are also local historical societies, but their interests usually focus on their communities (e.g., museums, historical buildings). Interest in Inuit history and culture is difficult to gauge without indepth survey research.

- 3. The number of parties and visitors travelling to the NWT through commercial travel packages could more than double over the next decade. Further expansion could occur through the tourism promotion efforts of Tourism Canada, the GNWT, and regional tourism associations. By the early 1990s package tours could generate 2000 tourist parties and 5000 person trips to the NWT. Arctic Coast tourist groups and operators must work closely with government officials and tour operators to ensure that Arctic Coast communities are included in the itineraries of groups visiting other NWT regions, and to develop tour packages specifically directed towards the Arctic Coast (either one or several communities). The latter would focus on clubs, societies, and groups interested in the wilderness experience and historical/cultural opportunities offered by the Arctic Coast (as discussed above).

*What does
lodges have
to say about
this. They
should know
if they can
sell an
extended
trip*

Canoeists on the Coppermine River and visitors to the Bathurst Inlet Lodge and other lodges should be encouraged to extend their stay and experience the community-based products offered by the Arctic Coast hamlets. These visitors currently represent about 30-40%

of the 1000 or so pleasure visitors to the region each year. If their stay could be extended for an average of three days each, tourism expenditures provided by the pleasure visitor market would increase by a minimum of 10% or between \$100,000 and \$150,000.

5. Business and government travellers to Yellowknife and other major NWT centers can be encouraged to stay a few extra days to visit a different part of the Northwest Territories, such as the Arctic Coast. Business travel to the NWT is estimated to total 39,300 person trips for the full year of 1984, and is estimated to increase to nearly 60,000 person trips by 1994. Even if only 1% of this market could be attracted to the Arctic Coast, this would represent a 50% gain in the number of pleasure tourists to the Arctic Coast by the early 1990s.

6. Business travellers to the Arctic Coast residing in both the NWT and outside the Territories can be encouraged to extend their stay for a few days and expand their expenditures in the region. The number of business travellers to the Arctic Coast could approach 3,000 by 1995 (see Exhibit 9.3 in Volume I). If one-third of these visitors could be encouraged to lengthen their stay by three days and spend \$200/day, the additional tourism expenditures in the region would be \$600,000 per year. In contrast, the Without the Plan projection for expenditures of pleasure tourists is \$1.1 million in 1994.

*Make the stay
more pleasant
while here, rather
than lengthen*

7. Non-NWT residents visiting friends and relatives in Yellowknife, Inuvik, or other major NWT centers can be encouraged to stay a few extra days and add a side-trip to the Arctic Coast. Pleasure tourists staying with friends and relatives total 10,000 people at the present time. This number will increase in line with overall pleasure tourism growth to exceed 14,000 by the early 1990s. Again, a 1% market share by the Arctic Coast

would significantly enhance the region's tourism sector.

Lichman

8. Travellers by car, RV, and bus to Yellowknife and Inuvik should be encouraged to leave their vehicles and fly to a more remote part of the north (this would involve a drive-fly package). Of the 33,000 or so pleasure tourists entering the NWT each summer, about 20% are in a truck camper or other form of recreation vehicle and probably spend most of their time at campgrounds. Another 2% enter by bus. This market segment is expected to grow from the present 7,000 person trips to more than 10,000 person trips by the early 1990s.
9. Residents of Yellowknife, Whitehorse, Inuvik, and other large northern centres -- typically with professional jobs and above average incomes -- may wish to experience another part of northern Canada, especially above the tree-line and on the Arctic Coast. In 1980, 4,390 households in the NWT and Yukon had household incomes of more than \$40,000; 2,600 or 60% of these households were concentrated in two centers, Whitehorse, and Yellowknife.

The primary markets include specialized market segments that already have a strong interest in the travel products offered by the Arctic Coast (markets #1 through #3 above) and people who are already travelling to the north or are residents of the north (markets #4 through #9 above). Both sets of markets are easy to identify and should be relatively easy to cultivate. The secondary markets described below are more widely distributed geographically, and therefore more difficult and expensive to promote. Some are in the development stage at the present time.

Get out
in plan

Secondary Markets and Initiatives to Expand Market Penetration

10. Some upper-middle and upper income Canadian families (often with two incomes and 0-2 children) may be interested in a "trip of a lifetime" to the true Canadian

north. These potential tourists could be attracted by natural attractions close to communities, as well as the cultural experience provided by living in a northern community. These tourists are happy to "rough it" during the days, but at night often want to stay at a facility that offers a restaurant, wine with dinner, and other services and amenities. In 1980 1.2 million Canadian households had an income of \$40,000 or more. Close to 50% of these households were concentrated in six metropolitan areas: Vancouver, Calgary, Edmonton, Winnipeg, Toronto, and Montreal.

11. A growing number of major corporations are offering free vacation trips as incentives to employees to enhance sales or productivity. Two aspects of the incentive travel market could be of interest to the Arctic Coast:

Risk
 INCENTIVE TRAVEL
 IS UNIQUE.
 CAN'T offer
 SAME PACKAGE
 ELSEWHERE
 - MUST BE UP
 TREATMENT.

- i) Major corporations with some involvement in the Arctic Coast could provide incentives to travel within the region as part of the wage and benefit package paid to executives, professionals, and senior technical staff.
- ii) Major resource developers often employ workers from southern Canada on a rotation basis. This generally involves free flights back to the home community once every two to four weeks. As an alternative, these companies could be encouraged to bring workers' families north once a year for a vacation at an Arctic Coast destination. A vacation in the north would allow families to develop a better understanding and appreciation of the area where one parent works.

Few people currently visit the NWT as part of an incentive travel package from employers. The size of this market in the future will depend on the size and timing of development projects that proceed in the NWT and the combined marketing efforts of the GNWT, regional tourism zones and private tourism operators. If

medium-scale development proceeds on the Beaufort and the construction of the Polar Gas pipeline takes place near the end of the decade, 4000 to 6000 workers living in southern Canada could be working in the NWT on a rotation basis by 1990. If incentive travel was part of the compensation package for about one-half of these workers, this market segment could generate perhaps 5000 person trips into the NWT by 1990.

Beyond the market segments described above, the more general incentive travel market will be more difficult to penetrate. Wholesalers and retailers have found that "sun and fun" destinations are easier to sell to the more general incentive travel market.

12. Specialized segments of the offshore market could be promoted by the Arctic Coast. Attention could be given to West Germany (because of interest in wilderness and related experiences) and to Japan (highest income growth of any offshore market, growing propensity to travel, and a strong preference for travelling in groups). The activity markets of interest would be the same as for North America: wilderness, environmental, naturalist, and historical groups and societies.

13. Hardier travellers could be encouraged to visit the Arctic Coast during the shoulder and winter seasons to experience the north as it really is through most of the year. The April to June period offers the greatest potential in this regard. The days are long and often sunny (although a little brisk), and travelling on the land by snowmobile and dog sled is easy. The weather in the Fall (from September) is too variable and travel is more difficult.

Estimates of Tourist Visitation

The Study Team predicts that, without a tourism plan little

or no growth will occur in pleasure travel to the Arctic Coast. Any increase that did occur would be based on an increase in the number of people visiting friends and relatives, and perhaps some growth in combined business/pleasure travel.

Estimates of visitation based on the product/market matches in Exhibit 5.3 suggest the following increases in pleasure tourists to the Arctic Coast as a result of Plan initiatives.

Increase in Pleasure Tourists	
	(No.)
General Interest	2270
Special Interest	3150
Special Events	<u>300</u>
Total	5720

Our initial product/market matching analysis suggests the Tourism Plan could lead to a five times increase in pleasure tourists over the Plan implementation period (which could be up to 10 years) relative to the situation without the plan.

One caution should be noted. Despite our efforts to make segments as distinct as possible, some overlap between market segments is inevitable. Therefore, for purposes of Plan program and project design, we used the figure of 5000 additional pleasure tourists by the early 1990s (that is, in addition to the 1,000 or so who will visit the Arctic Coast if the Plan is not implemented).

Based on an average of five person-nights per person and double occupancy, the additional room-night demand would be 12,500 nights, which is more than double the current room-night demand (see page 9-38 of the Background report). Current occupancy rates are only 30% to 40%; therefore, much of this expanded demand could be absorbed by existing accommodation. Some expansion may be needed starting perhaps in the late 1980s. When one-day trips and nights spent on the

aw - lot high

land are included, 5000 additional pleasure tourists could mean between 30,000 and 35,000 additional person days spent by pleasure tourists in the Arctic Coast.

To repeat, these preliminary estimates of visitation, person days, and accommodation demand were used by the Study Team in designing the development projects and implementation plan described in Chapters 7-12 of this document and Volume III. The estimates are refined in the final chapter on socioeconomic impacts in this document.

5.3.3 Possible Package Tours

Exhibit 5.7 describes thirteen possible package tours that could be promoted in the Arctic Coast. The exhibit includes a description of each tour and the Study Team's preliminary views of key market segments, possible sales points, package prices, and potential visitation. Some of these items are expressed in general terms to avoid duplication with earlier parts of this documentation. The reader should refer to subsection 5.3.2, Exhibits 5.4, 5.5, and 5.6 and Appendix A of Volume I for more details. Too much detail at this time could inhibit the product specific market research needed for each of these packages (to be funded under various parts of the Implementation Plan.)

A range is provided in the exhibit for the package price. This reflects (i) the variety of sales points (Yellowknife, Edmonton, Toronto, Vancouver, etc.) and (ii) uncertainties about the availability of volume discounts from airlines and hotels and about pricing policies of tour operators. All prices and visitation figures are preliminary; they should not be viewed as either projections or targets. The figures reflect the Study Team's views based on the market data available at this time. Each package will require its own market research and detailed step-by-step price calculations.

Some packages have been reviewed in general terms with

RJD
 TO FOLLOW
 UP TO SEE
 IF THERE ARE
 FEASIBLE

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS FOR THE ARCTIC COAST

Package 1: Eastern Sub-Region - Northwest Passage/Franklin Expedition Historic Tour
Description

Timing	Itinerary	Activities & Comments
Day 1	Edmonton to Cambridge Bay	- transfers, hotel & meals - community tour & harbour tour - visit to Maud/Stone church historic park
Day 2	Cambridge Bay to Gjoa Haven	- transfers & hotel - community tour - visit to Northwest Passage Historic Park - supper (local food) and native entertainment
Day 3	Northwest Passage/Franklin Expedition Tour	- coastal boat to Simpson Strait including several stops at points of interest - overnight camping at Storis Passage
Day 4	Storis Passage to Erebus Bay	- including several stops at Franklin Expedition points of interest - overnight camping at Erebus Bay
Day 5	Erebus Bay to John Ross Strait	- with stops at Franklin Point, Victory Point, Cape Felix - overnight camping at Cape Felix
Day 6	Return to Gjoa Haven	- Due to ice conditions, tour will return to Gjoa Haven by the same route. Return trip may be made in one day depending on weather conditions. - overnight in Hotel at Gjoa Haven
Day 7	Coastal Tour along northeast coast of King William Island	- Gjoa Haven to St. Rock Basin - frequent stops at Northwest Passage points of interest - overnight camping
Day 8	Return to Gjoa Haven	- farewell supper including entertainment - hotel accommodation
Day 9	Gjoa Haven to Yellowknife	- transfers - city tour and supper on Great Slave Lake Cruise - hotel accommodation
Day 10	Yellowknife	- car rental touring to Cameron Falls - shopping - evening flight to Edmonton

Key Market Segments: Historic, cultural, and anthropological societies. The Learned Societies. High income Canadians and Americans with well above average incomes and interest in northern history and culture. Major corporations operating in the north (incentive travel for key executives).

Possible Sales Points: Tour operators who cater to historic, cultural, and anthropological groups (examples from Exhibits 5.4 to 5.6 are Special Odysseys, Great Expeditions, Alaska Travel Adventures, Arctic Adventures). Direct sales to groups and major corporations.

Package Price: \$2,300 to \$3,000 Can.

Potential Visitation: 10 visitors (1 tour) at the start, building to 80 visitors (8 tours) at peak (Small visitation reflects both high price and relatively small market.)

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued**Package 2: Eastern Sub-Region - Northwest Passage Adventure Tour****Description**

Dating	Itinerary	Activities & Comments
Day 1	Edmonton to Cambridge Bay	- transfers, hotel & meals - community tour - visit to Maud/stone church historic park
Day 2	Van transportation to Mount Pelly and Grenier Lake area	- fishing, hiking, photography - meals served outdoors - optional accommodation in tent frames
Day 3	Cambridge Bay to Gjoa Haven	- transfers, hotel, meals - community tours - visit to Northwest Passage Historic Park - supper (local foods) - native entertainment (dancing, singing, storytelling)
Day 4	Northwest Passage Tour	- tour southern part of King William Island - pass through Simpson Strait - stop to visit points of interest related to Northwest Passage and Franklin Expedition - overnight camp at Terror Bay
Day 5	Northwest Passage Tour	- continue to explore Terror Bay area and Simpson Strait - return to Gjoa Haven - farewell dinner
Day 6	Gjoa Haven to Yellowknife	- city tour and supper on Great Slave Lake cruise - hotel
Day 7	Yellowknife	- shopping - Yellowknife to Edmonton

ption: This may be extended to a 9-day tour by adding two extra days along the southwest side of King William Island (Erebus Bay, Franklin Point) or two days in Rae Sound and James Ross Strait (depending on ice conditions) or both (for an 11-day excursion).

ey Market Segments: Naturalist/conservation and historic/cultural groups. Upper middle and upper income Canadian and Americans with a strong interest in adventure travel. Major corporations operating in the Arctic (incentive travel for key executives).

Sales Points: Travel agents and receptive tour operators in Yellowknife and Whitehorse. Tour operators who cater to the adventure travel market. (These include most of the operators in Exhibit 5.4, all in Exhibit 5.5, and operators under the nature trip and other adventure categories in Exhibit 5.6.) Direct sales to naturalist/conservation groups, historical groups, and major corporations. Rendezvous Canada and other trade shows directed toward the adventure travel market.

ackage Price: \$1,800 to \$2,400 Can.

Potential Visitation: 10 visitors (1 tour) at the start, building slowly to 200 visitors (20 tours) at peak.

LB: Once the visitation from Packages 1 and 2 combined passes a certain point (probably about 100), an additional boat and other equipment and facilities will be needed.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued**Package 3: Eastern Sub-Region - Spring Adventure Tour****Description**

Timing	Itinerary	Activities & Comments
Day 1	Edmonton to Cambridge Bay	- transfers, hotel, orientation - community tour - snowmobile trip to Mount Pelly - supper (local food) and native entertainment
Day 2	Cambridge Bay to Gjoa Haven	- transfers, hotel - community tour (Northwest Passage Historic Park) and film presentation - supper and native entertainment including dancing, singing, storytelling
Day 3	Gjoa Haven to Spence Bay by dog team	- instruction in Arctic survival, snowhouse construction - overnight camping
Day 4	Gjoa Haven to Spence Bay	- arrive at Spence Bay - hotel accommodation & supper
Day 5	Boothia Peninsula snowmobile tour	- leave Spence Bay and travel up the eastern side of the Boothia Peninsula - overnight camping
Days 6 & 7	Boothia Peninsula	
Day 8	Arrive at tip of Boothia Peninsula	- overnight at Fort Ross
Day 9	Fort Ross Area	- visit points of interest in Fort Ross area - overnight at Fort Ross
Day 10	Leave for Spence Bay	- travel via Bellot Strait and western side of Boothia Peninsula - overnight camping
Day 11	Boothia Peninsula - Pasley Bay	- tour this historic area where St. Roch spent two winters - overnight camping
Day 12	Pasley Bay to Spence Bay	- evening arrival - hotel, supper, and native entertainment
Day 13	Spence Bay	- morning community tour - shopping, tour of craft workshop - Spence Bay to Yellowknife - hotel, meal
Day 14	Yellowknife	- city tour - shopping - evening departure for Edmonton

Key Market Segments: Same as Package 2, but with more emphasis on naturalist/conservation groups and less on historical/cultural groups and societies.

Sales Points: Same as Package 2, but with more emphasis on operators catering to adventure travel market and on direct sales to naturalist/conservation groups.

Package Price: \$3,400 to \$4,000 Can.

Potential Visitation: 10 visitors (1 tour) to start, building to 40 visitors (4 tours) at peak. Visitation limited by length and expense of trip and because tour can only be conducted over a 4-6 week time period during May and June.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued**Package 4: Eastern Sub-Region - Inuit/Explorer History Tour****Description**

Timing	Itinerary	Activities & Comments
Day 1	Edmonton/Yellowknife to Cambridge Bay	- transfers, hotel - community tour - visit to Maud/Stone Church Historic Park - supper at hotel (native foods) - native entertainment
Day 2	Cambridge Bay to Gjoa Haven	- transfers, hotel - community tour - Northwest Passage Historic Park - coastal cruise to Simpson Strait stopping at points of interest - overnight camping in Washington along Storis Passage
Day 3	Return to Gjoa Haven	- Gjoa Haven to Spence Bay - native supper and entertainment - hotel accommodation
Day 4	Spence Bay	- community tour - tour of craft workshops
Day 5	Spence Bay to Pelly Bay	- transfers, hotel - local theatre
Day 6	Inuit Lifestyle Centre	- native foods and shelter (traditional and contemporary)
Day 7	Trip to subterranean houses on Harrison Island	- stop at points of interest along the way - overnight camping on Harrison Island
Day 8	Return to Pelly Bay via western side of Bay	- arctic char barbecue - native dancing, singing - hotel accommodation
Day 9	Inuit Lifestyle Centre	- native beliefs and spiritual values
Day 10	Inuit Lifestyle Centre	- family life traditions and values and habitat - farewell supper - hotel accommodation
Option 1		
Day 11	Return Pelly Bay to Rankin Inlet to Eskimo Point (Keewatin Region)	- community tour/orientation - hotel accommodation
Day 12	Eskimo Point Cultural Centre	
Day 13	Eskimo Point - Toronto/Winnipeg	
Option 2		
Day 11	Pelly Bay to Yellowknife	- transfers, hotel - supper on Great Slave Lake Cruise
Day 12	Yellowknife Community Tour	- shopping for arts and crafts - Yellowknife/Edmonton

Key Market Segments: Same as Package 1, but with more emphasis on history enthusiasts.

Possible Sales Points: Same as Package 1, but again with more emphasis on sales points linked to history enthusiasts.

Package Price: \$3,500 to \$4,200 Can. High price reflects length of tour and cost of trip to Pelly Bay.

Potential Visitation: 10 visitors (1 tour) at the start, rising to 80 (8 tours) at peak. High price, the length of the tour, and the limited size of the market place important constraints on visitation.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued**Package 5: Eastern-Western Sub-Region - Arctic/Sub-Arctic Fishing Adventure****Description**

Timing	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	- transfers, hotel, & meals - community tour/orientation - coastal tour and fishing the Coppermine River - arctic char barbecue - native entertainment
Day 2	Coastal fishing at Richardson River (eventually the Tree River)	- farewell supper
Day 3	Coppermine to Cambridge Bay	- community tour - van transportation to Mount Pelly for fishing the Grenier Lake area - overnight camping at Mount Pelly
Day 4	Return to Coppermine	- <u>van transportation back to Coppermine</u> !! - charter flight to destination area fishing lodge (e.g., Char Lake) - 1/2 day fishing
Day 6	Trophy fishing at lodge	
Day 7	1/2 day trophy fishing at lodge	- return to Coppermine - Coppermine/Yellowknife (evening flight) - transfers, hotel, and meals
Day 8	Yellowknife	- car rental to Cameron Falls - afternoon charter to local lodge for tour fishing - local accommodation
Day 9	1/2 day trout fishing	- return to Yellowknife - Yellowknife to Edmonton

Note: The sub-Arctic portion can be either before or after the Arctic Coast portion of the package.

Key Market Segments: Anglers (especially married couples who both fish). Naturalist/conservation groups. Upper middle and upper income Canadians and Americans with a strong interest in adventure travel. Major corporations operating in the Arctic (incentive travel for key executives).

Sales Points: Travel agents and receptive tour operators in Yellowknife, Whitehorse, and larger Canadian cities. Tour operators who serve the angler and adventure travel market. (These include most of the operators in Exhibit 5.4, all in Exhibit 5.5., and operators under the relevant categories in Exhibit 5.6.) Direct sales to naturalist/conservation/angler groups. Rendezvous Canada, Toronto and Edmonton Sportsman shows, other trade shows directed toward the adventure travel and angler market. Advertisements in selected fishing magazines (e.g., Field and Stream, Fishing News).

Package Price: \$2,400 to \$3,000 Can.

Potential Visitation: 20 visitors (2 tours) at the outset, rising to 100 visitors (10 tours) at peak.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued**Package 6: Eastern Sub-Region - Arctic Char Fishing Holiday****Description**

Timing	Itinerary	Activities & Comments
Day 1	Edmonton/Yellowknife to Cambridge Bay	- community tour/orientation - bus transportation to Mount Pelly/Grenier Lake area - 1/2 day fishing on Long Lake - overnight camping at Mount Pelly
Day 2	Arctic char fishing on Long Lake system	- overnight camping
Day 3	Boating/fishing along the Long Lake River system back toward Cambridge Bay	- overnight camping on river system
Day 4	Return to Cambridge Bay	
Option 1:	Return Cambridge Bay to Yellowknife/Edmonton	
Option 2:		- fly in to local fishing lodge - 1/2 day trophy fishing - overnight at lodge
Day 5		- 1/2 day fishing at lodge - return to Cambridge Bay - Cambridge Bay to Yellowknife/Edmonton

Note: This tour can be expanded by including a sub-Arctic fishing trip out of Yellowknife or Hay River.

Key Market Segments: Naturalist/conservation/angler groups. Business travellers to the north. People visiting friends and relatives in the north. Overseas visitors on bus tours across Canada. Travellers by car, RV, and bus to Yellowknife, Inuvik, and Whitehorse. Residents of the north -- plus Edmonton, Calgary, Vancouver, Winnipeg, Regina, and Saskatoon -- with above average incomes interested in a northern experience holiday which includes some angling. Major corporations operating in the Arctic (incentive travel for key executives).

Sales Points: Travel agents and receptive tour operators in Yellowknife, Whitehorse, and larger Canadian cities. Tour operators catering to the adventure travel and angler markets. Tour operators sending bus tours to the north and through Canada (especially tours through Edmonton). Direct sales to naturalist/conservation/angler groups. Rendezvous Canada, Toronto and Edmonton Sportsman shows, other trade shows directed toward the adventure travel and angler markets. Advertisements in selected fishing magazines (e.g., Field and Stream, Fishing News).

Package Price: \$1,400 to \$1,900 Can.

Potential Visitation: 20 visitors (2 tours) at the outset, rising to 200 visitors (20 tours) at peak.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 7: Western Sub-Region - Shoulder Season Cultural Theme
Description

Dating	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	- community tour - dog team to Bloody Falls - supper with native entertainment - hotel accommodation
Day 2	Coppermine to Holman	- transfers, hotel, and meals - community tour/museum - orientation -- Learner Centre - supper (native foods) and native entertainment
Day 3	Learner Centre	- instruction in native crafts and printmaking
Day 4	Learner Centre	- practice making crafts and prints - evening presentation of students work
Day 5	Learner Centre	- Inuit history -- hunting, survival, habitat, construction techniques - dog team to Thule Village - farewell supper
Day 6	Morning shopping	- Holman to Yellowknife/Edmonton

Key Market Segments: Virtually the same as Package 1, but more emphasis on clubs/societies with visible interest in northern history and culture.

Sales Points: Same as Package 1.

Package Price: \$1,700 to \$2,200 Can.

Potential Visitation: 10 visitors (1 tour) at the start, building to 80 visitors (8 tours) at peak. (Small visitation reflects relatively small market for this type of experience.)

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 8: Western Sub-Region - Inuit Cultural Theme
Description

Dating	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	- community tour - coastal tour to Bloody Falls - arctic char barbecue - native games - hotel accommodation
Day 2	Coppermine to Holman	- transfer, hotel, and meals - community tour/museum - Learner Centre -- orientation - native supper and entertainment
Day 3	Learner Centre	- instruction in crafts and printmaking - instruction in native games
Day 4	Learner Centre	- instruction in Inuit hunting, cooking, winter survival, habitat construction - tour to Thule Village by boat - overnight camping
Day 5	Return to Holman	- instruction in native language, legends - farewell party and supper including entertainment
Day 6	Morning shopping	- return to Yellowknife/Edmonton

Key Market Segments: Virtually the same as Packages 1 and 7.

Sales Points: Same as Packages 1 and 7.

Package Price: \$1,800 to \$2,300 Can.

Potential Visitation: 10 visitors (1 tour) at the outset, rising to 80 visitors (8 tours) at peak. (Small visitation reflects relatively small market for this type of experience.)

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 9: Western Sub-Region - Coppermine/Holman Nature Theme
Description

Dating	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	<ul style="list-style-type: none"> - community tour - coastal tour to Coppermine River, hiking on surrounding barrenlands, Bloody Falls, Couper Islands - arctic char barbecue - native games and entertainment
Day 2	Day tour to Richardson and Rae Rivers and Klengenber Bay	<ul style="list-style-type: none"> - Richardson and Klengenber Bay - farewell supper
Day 3	Shopping	<ul style="list-style-type: none"> - Coppermine to Holman - community tour/museum - orientation on local natural features (Learner Centre)
Day 4	Holman to Minto Inlet	<ul style="list-style-type: none"> - stop along the way at points of interest, e.g., Cape Ptarmigan - overnight camping at mouth of Kuujjua River
Day 5	Tour up the Kuujjua River	<ul style="list-style-type: none"> - hiking on barrenlands - overnight at fishing camp
Day 6	Tour the upper reaches of Minto Inlet	<ul style="list-style-type: none"> - visit poplar trees - Collingwood Range - climb Mount Phayre - return to Holman - farewell supper - hotel accommodation
Day 7	Morning shopping	<ul style="list-style-type: none"> - Holman to Yellowknife/Edmonton

Key Market Segments: Virtually the same as Package 2. Naturalist/conservation groups and adventure travel market could be given more emphasis, but historic/cultural enthusiasts could also be interested.

Sales Points: Same as Package 2.

Package Price: \$2,000 to \$2,500 Can.

Potential Visitation: 10 visitors (1 tour) at the outset, rising to 200 visitors (20 tours) at peak.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 10: Western Sub-Region - Combination Coppermine/Holman Fishing Theme
Description

Fiming	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	- transfer, hotel, and meals - community tour - fishing on Coppermine and Richardson Rivers - arctic char barbecue
Day 2	Fishing on Coppermine or Richardson Rivers	- supper (local foods) - native entertainment and games
Day 3	Coppermine to Holman	- community tour/museum - leave for Minto Inlet - overnight camping
Day 4	Fishing at Minto Inlet	- accommodation in fishing camp
Day 5	Morning fishing at Minto Inlet	- return to Holman - supper (local foods) - native entertainment - hotel accommodation
Day 6	Morning shopping	- tour of crafts and print shop - return to Yellowknife

Key Market Segments: Virtually the same as Packages 5 and 6.

Sales Points: Same as Packages 5 and 6.

Package Price: \$1,600 to \$2,100 Can.

Potential Visitation: 20 visitors (2 tours) at the outset, rising to 200 visitors (20 tours) at peak.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 11: Western Sub-Region - Culture/History Theme
Description

Timing	Itinerary	Activities & Comments
Day 1	Yellowknife to Coppermine	- community tour - coastal cruise - Coppermine River, Bloody Falls - arctic char barbecue - native entertainment - hotel accommodation
Day 2	Coppermine to Bernard Harbour	- stop at points of interest, e.g., Couper Islands, Cape Hearne, Lady Franklin Point, Camping Islands - overnight camping
Day 3	Tour Bernard Harbour and former Hudsons Bay Post	- return to Coppermine - hotel accommodation
Day 2	Coppermine to Holman	- community tour/museum - Learner Centre -- orientation - supper (native foods) - native entertainment including singing, dancing, storytelling - hotel accommodation
Day 5	Learner Centre	- history instruction - visit to Thule Village - overnight camping
Day 6	Visit to print and craft shops	- craft instruction at Learner Centre - farewell supper and entertainment
Day 7	Morning shopping	- return to Holman/Edmonton

Key Market Segments: Similar to Packages 1, 7, and 8. The adventure travel and general interest markets should also be investigated.

Sales Points: Similar to Packages 1, 7, and 8.

Package Price: \$2,000 to \$2,500 Can.

Potential Visitation: 10 visitors (1 tour) at the outset, rising to 80 visitors (8 tours) at peak. (Similar to other packages catering to history and culture enthusiasts, the market appeal is limited to groups and individuals with a strong interest in the north.)

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 12: Western Sub-Region - Arctic Circle Tour
Description

Timing	Itinerary	Activities & Comments
Day 1	Leave Yellowknife	<ul style="list-style-type: none"> - transfer, hotel, and meals - community tour - coastal tour Coppermine River to Bloody Falls - supper (local foods) - native entertainment and games
Day 2	Fishing trips to Coppermine River and Rae/Richardson River	<ul style="list-style-type: none"> - arctic char barbecue - flight back to Yellowknife - transfer, hotel

Similar tours could be based on Cambridge Bay or Pelly Bay.

Key Market Segments: Bus and other tours already coming to the NWT. (Operators may wish to add the Arctic Coast to their package.) Business and government travellers to major northern centres (Yellowknife and Whitehorse). Non-NWT residents visiting friends and relatives in Yellowknife, Inuvik, Whitehorse, and other northern centres. Travellers by car and RV to Yellowknife. Residents of larger southern centres and major Canadian cities with above average incomes.

Sales Points: Travel agents and receptive tour operators in northern and southern Canada (e.g., Goliger's). Tour operators sending bus tours to the north or tours of overseas visitors across Canada (e.g., Evergreen, Atlas, Travel Way Tours). Airlines serving the north, e.g., NWT Air, PW Air, and Nordair.

Package Price: \$400 to \$900 Can.

Potential Visitation: For Coppermine alone, 40 visitors (1-3 tours, depending on the source of the tour) to start, increasing to 200 visitors (5-15 tour groups) at peak. Separate tours to Cambridge Bay and Pelly Bay could build up similar visitation levels over time.

EXHIBIT 5.7: POSSIBLE PACKAGE TOURS continued

Package 13: Western Sub-Region - 24 Hour Circler -- Coppermine
Description

Timing	Itinerary	Activities & Comments
800 hours	Leave Yellowknife	
1200 hours	Arrive Coppermine	- arctic char barbecue
1400 hours		- community tour
1600 hours		- coastal cruise
2000 hours		- local supper (native foods)
2200 hours		- native games
2400 hours		- native entertainment
2600 hours	Leave for Yellowknife	

Similar tours could be based in Cambridge Bay or Pelly Bay.

Key Market Segments: Same as Package 12.

Sales Points: Same as Package 12.

Package Price: \$300 to \$600 Can.

Potential Visitation: For Coppermine alone, 40 visitors (1-3 tours, depending on the source of the tour) at the outset, rising to 200 visitors (5-15 tour groups) at peak. Separate tours to Cambridge Bay and Pelly Bay could build up similar visitation levels over time.

industry representatives who suggest that markets will likely be available for the packages. More in-depth market identification and research focussed on specific products, however, are needed to ensure market acceptability and to determine the product features important to key market segments.

Some of these package tours require relatively little project development (generally the Plan projects designated for completion in 1986/87). These include:

3. Spring Adventure Tour
5. Arctic/Sub Arctic Fishing Adventure
6. Arctic Char Fishing Holiday
9. Coppermine/Holman Nature Theme
10. Combination Coppermine/Holman Fishing Theme
12. Arctic Circle Tour (3 days)
13. Arctic Circle Tour (1 day)

Some packages could be test marketed in 1986 and most could be ready for full promotion and implementation in 1987. Other tours are dependent on the completion of major development projects, for examples, the Northwest Passage Historic Park, the Holman Learner Centre, and the Stone Church/Maud Museum Historic Park at Cambridge Bay. However, some could be promoted in the near future in a modified form. For example, the two tours based on the Northwest Passage (#1 and #2) could be developed and promoted before the Northwest Passage Historic Park and the Cambridge Bay Historic Park are completed.

The development and implementation of each package tour will involve many of the same steps. These steps could include:

- . Discussions between all relevant parties: local operators, community hosts in communities to be visited, Zone Manager of ACTA, Regional Tourism Officer, officials of Travel Arctic and Tourism Canada. The discussions will have three purposes: to detail and

price the tour; to share knowledge of possible target markets and sales points, and to reach agreement on a marketing plan and promotional/media campaign.

- . Contacting, sending literature to, and reaching agreement with selected tour operators, travel agents, and groups/societies (direct sales).
- . Bringing selected tour operators and other industry representatives to the Arctic Coast for familiarization trips and to directly experience the tour.
- . Sending local operators, community hosts, and government officials to southern markets to meet with southern wholesalers, travel agents, and key groups/societies to make audio/visual and other presentations.
- . Selecting magazines and other media outlets to be used as part of the promotional campaign; preparing advertising copy for each outlet.
- . Selecting, preparing material for, and participating in trade shows.

Product specific implementation plans will be needed for each package tour.

FOOTNOTES

1. The term "host/facilitator" is, admittedly, awkward. It is used because individuals will play both a passive role -- greeting tourists and making them welcome -- and an active role -- making things happen in their community. In places in the report where the term "community host" is used, the reader should remember that the facilitator role is equally important.

6.0 DESTINATION AREAS

6.1 Overview

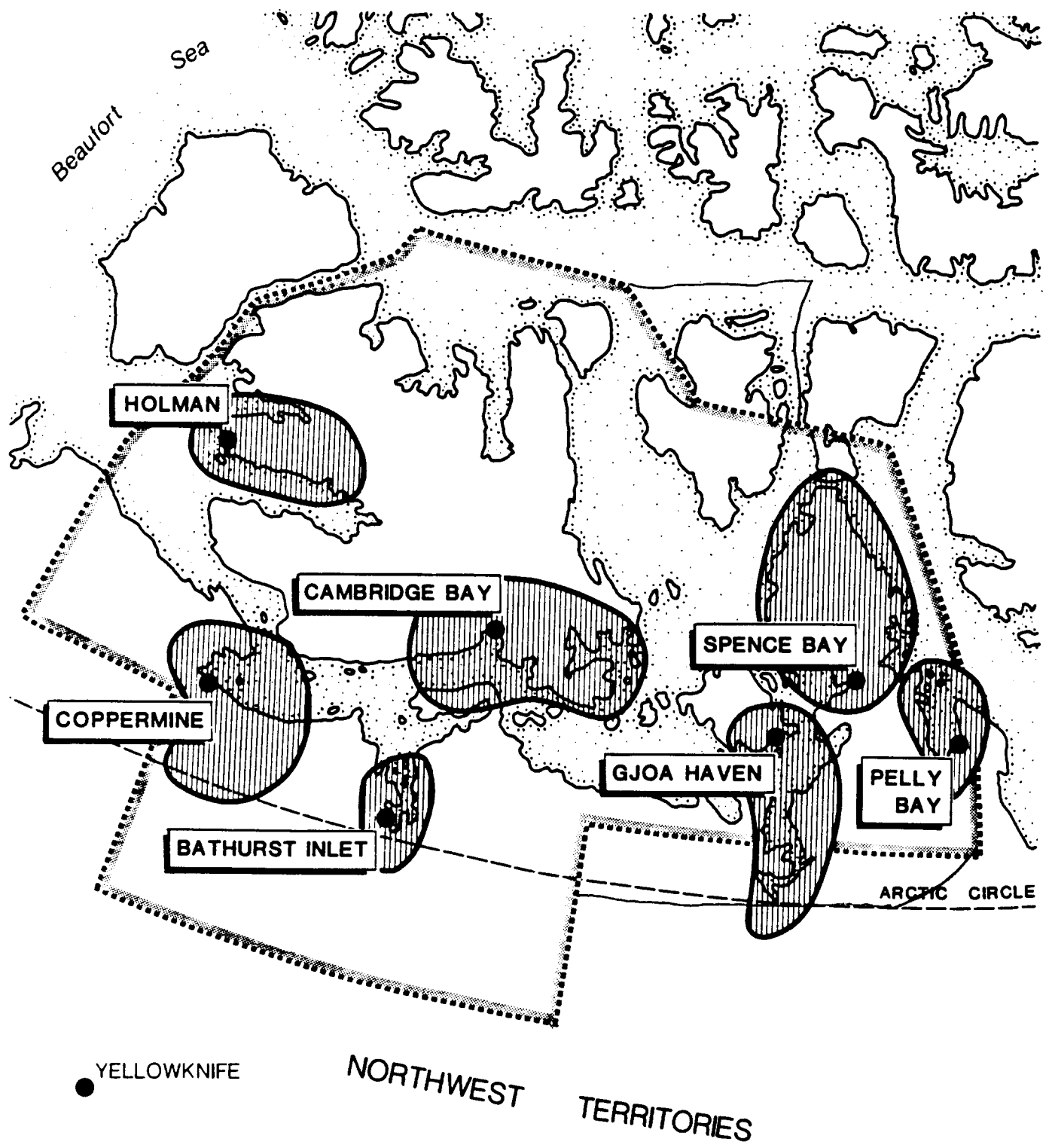
The Arctic Coast must be one of the largest tourist destination regions in the world. Spread across 500,000 square kilometers (193,000 square miles), its vast area is inhabited by a mere seven communities. The communities are hundreds of ^{km} miles apart and are linked only by air routes. Consequently, tourism development will take place in and around these communities, in designated development areas.

Each development area will be a semi-independent tourism destination. Although intercommunity collaboration will be strongly promoted and some market strategies will sell the entire region, much of the ~~impetus for tourism development~~ will come through community hosts, Hamlet Councils, private businesses and cooperatives, and non-profit groups.

The reasons for this community-based approach are as follows:

- . As an emerging tourism region in the formative stages, each community must first think locally, even though it may eventually act regionally.
- . Stronger individual community identities need to be established to provide more diversity in products and broader market appeal. ✓
- . The approach allows destination area themes and sub-themes, as outlined in the Background Report, to become important travel attractors.
- . The approach stimulates balanced tourism development throughout the region and provides economic and employment opportunities for more citizens throughout the region.

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Study Destination Areas
KITIKMEOT REGION

- . The approach contributes to product diversification across the region and maximizes development of a cross-section of the region's tourism resource base.
- . The approach concentrates tourists in certain areas, creating a stronger image in the market place, as well as minimizing environmental effects on wilderness areas.

6.2 Destination Area Themes

Each destination area will be developed along a particular theme that supports the Arctic Coast theme, but also identifies the unique qualities of each destination area. The themes will also allow maximum use to be made of cultural and natural resources and will establish a long-range development and marketing context for individual destination areas.

Themes are proposed as a framework for development, but do not limit other non-thematic opportunities. For each new development proposal, however, the hope is that the integrity of the destination area theme will be maintained.

The following sections briefly describe the themes and strategies for each destination area. The community plans in Volume III provide more detail.

Holman

The Holman destination area will focus on promoting big game hunts (polar bear, muskox, Peary caribou) and will be the only community in the region offering this activity. The community's nationally famous print and craft shop will also be used to promote Holman as a destination within the Arctic Coast region. The proposed Learner Centre will deal with all aspects of native craft and prints. Other proposed attractions outside the hamlet will further broaden the cultural/historic experience offered by the community.

Coppermine

Coppermine will take its central theme from its namesake, the Coppermine River and will also highlight the Arctic Coast. It will serve as the major staging area to the western corridor. The restoration of a longliner will enable a local operator to offer tours to the mouth of the Coppermine River and along the Arctic coastline. The community's appeal will be enhanced by fishing trips to the ^{Rae} Tree and Richardson Rivers. Travellers will also be attracted to the community to learn about the history of the Hudson's Bay Company. The Coppermine Inn will be upgraded to accommodate peak season tourists as well as meetings, seminars, and small conventions held by government and major corporations throughout the year.

Cambridge Bay

Cambridge Bay will serve as the primary staging area for the eastern corridor. Since all travellers on their way to Gjoa Haven, Spence Bay, or Pelly Bay must stop at Cambridge, the recommended attractions will encourage visitors to spend at least a day in the community. For example, the restoration of ~~the Stone Church~~ and the historic boat, the "Maud", will be the focus for a historic park which will offer several hours of activity. The Mount Pelly area will offer anglers and naturalists a 2-3 day outdoor adventure. Cambridge Bay will become the staging area for both the existing High Arctic Lodge and the Char Lodge which is recommended for reopening after restoration. *By whom?*

Gjoa Haven

Gjoa Haven is famous for its role in the search for the Northwest Passage. Two projects are recommended to support this theme: a historic park dedicated to the Northwest Passage and coastal expedition and cruise trips from Gjoa Haven to the Simpson Strait and beyond. Other proposals

where

include community involvement in the ownership and operation of the Chantry Inlet and spring dogsled tours (including arctic survival and seal hunting) from Gjoa Haven.

Spence Bay

Spence Bay will provide the native craft education focus to the eastern corridor (similar to the role of Holman in the west). Craft workshops will provide year-round tourism activities and fishing excursions to local lakes will provide activities for summer tourists. Spence Bay will be involved in the Boothia Peninsula tours and the restoration of Old Fort Ross. Spence Bay's location as "the most northerly community on the North American continent" and its proximity to the top of North America on the Boothia Peninsula, will be used frequently in promoting the destination area.

Pelly Bay

Where
 Pelly Bay will be the focus for Inuit culture and lifestyle education in the region. An Inuit Lifestyle Centre will be built for the purpose of translating the Inuit way of life to visitors. The cultural heritage of the community will be reinforced by the creation of an historic park on the site of the existing stone church. The park will be used as a staging area for short boat tours to local historic campsites and 2-3 day trips to the archaeological sites and overnight camp on Harrison Island. Promotional activities for the Pelly Bay destination area will be coordinated with the efforts of the Baffin Region because of the latter's air connections to Montreal and Toronto through Hall Beach. There is also some potential for linkage with the Keewatin Region via a new service between Pelly Bay and Rankin Inlet.

Bathurst Inlet

The growing reputation and continued quality service of the Bathurst Inlet Lodge mean that demand will continue to grow

and expansion will be required. The plan includes a project designed to support facility expansion. Bathurst Inlet Lodge could eventually be packaged with other sub-arctic experiences and tied to a similar facility to be built at Fort Ross on the Boothia Peninsula. An investigation is proposed to address the impacts (both positive and negative) of designating Bathurst Inlet as an area of national significance.

7.0 FUNDING MECHANISM

The successful implementation of the Arctic Coast Tourism Development Strategy will require a significant level of government financial assistance. Because of low per capita incomes and limited economic development in the region, equity capital held by local residents is very limited and commercial banks will be reluctant to provide debt financing. Government financial assistance will be needed in the form of direct contributions to projects (to build up their equity base), loans, training funds, and technical assistance (e.g., consulting studies and management counselling). As well, some projects operated by non-profit groups will likely require ongoing operational support for an extended period.

Two vehicles to finance the direct government costs of Plan implementation were investigated by the Study Team: (1) a separate subsidiary agreement under the EDA and (2) use of existing funding programs.

- 1) A separate sub-agreement has the advantage of providing high visibility for Arctic Coast tourism, and perhaps injecting new federal funds into the NWT tourism industry. The major drawbacks would be the additional bureaucracy and time needed to hire new people, establish regulations, procedures, and committees, and publicize new programs; probable overlaps with existing programs; the growing confusion among clients about where to go for funding; and the possibility that an Arctic Coast tourism subsidiary agreement would be redundant if an NWT tourism subsidiary were to be signed after the EDA is finished.
- 2) The preferred approach would be to use existing programs and agreements, including: Special ARDA, the Eskimo Loan Fund, and the Small Business Loan Fund of the NWT; the EDA and subsidiary agreements; the marketing programs of Travel Arctic and Tourism Canada; and the ongoing manpower training

programs of both governments. Bureaucracies and regulations are already in place for these programs, the programs are generally known to the client group, and some (such as Special ARDA) are strongly favoured by the client group. Virtually all the funding vehicles needed to implement the Plan are already in place. If the situation should change, a separate funding vehicle could be considered at that time.

Arctic Coast Tourism Agreement

A mechanism is needed, however, to access the available funding programs in an orderly, efficient, and equitable manner and to display strong government commitment to tourism development in the Arctic Coast. To accomplish this, we propose that the Tourism Development Strategy and Plan for the Arctic Coast be used as the basis for an agreement between the three parties: the federal government, the GNWT, and the Arctic Coast Tourist Association. The agreement would cover the first five years of the Implementation Plan, with a commitment to renew for another five years upon successful completion of a detailed evaluation study in the fifth year.

The agreement could take the form of a formal legal agreement between the various parties or simply a statement of commitment or intent which would be the subject of a joint press release between the federal and territorial governments and the Arctic Coast Tourist Association. A formal legal agreement may not be necessary or desirable in light of the time often required by governments to negotiate formal agreements. It should be recognized that a legal agreement will not guarantee funding for individual projects. Each project will be evaluated by funding agencies on its own merits, as occurs now with the subsidiary agreements under the EDA.

A statement of commitment in a press release should be sufficient as long as:

- the press release clearly states the commitment of all parties to Arctic Coast tourism and to following the implementation plan in preparing and reviewing submissions for funding;
- the required background material is prepared (the material would be similar to the schedules to a subsidiary agreement);
- involvement at the political level is obtained. ✓

Signing a legal agreement typically involves ministers from the two governments in a formal ceremony and press conference. Issuing the press release on the Arctic Coast tourism agreement should be supported by a press conference at Cambridge Bay involving federal and territorial ministers, representatives from the Arctic Coast Tourist Association, and perhaps representatives from the region's communities. Public commitment to the plan, which is highly visible to regional residents and government officials in Yellowknife and Ottawa, is probably a more important issue than the form taken by the agreement itself.

The agreement and background documents would specify that the three parties agree to work together to achieve the goals and objectives of the Plan, and that government funds would be available from designated sources to fund approved projects. Funding sources, purposes, proposed projects, and time frames would be spelled out, and monies available from different sources would be broadly identified for the duration of the Plan. The Plan, in turn, would provide cost estimates to be used as guidelines by program administrators. The agreement would also specify a committee structure to monitor and evaluate the progress of the Tourism Plan.

The agreement would be used by other program administrators (for example, Special ARDA) in assessing applications for funding Arctic Coast tourism projects and in establishing annual and 5-year budgets for their programs.

Arctic Coast Tourism Committee

Some type of committee structure should be considered under the agreement. Three options could be assessed:

- (1) a formal committee with decision-making authority on all projects
- (2) an advisory committee
- (3) an informal system of relevant contacts throughout the public service.

The Study Team's suggestion is that an advisory committee be established (Option 2). An informal system (Option 3) may not be given sufficient attention by government officials and would have no clout if problems arise.

The committee established by the agreement could have decision-making authority on all projects (Option 1). The advantages of this approach must be weighed against the inevitable delays caused by another layer of bureaucracy. A compromise solution may be to give one senior member of the committee the authority to review all tourism applications in the Arctic Coast and to express any concerns to program administrators within a specified period of time. (A similar consultation process operates under Special ARDA.) The Zone Manager of the Tourist Association could have this responsibility and report to the committee at each meeting regarding projects reviewed, recommendations made, and problems encountered. Structured in this manner, the committee would not be another level of bureaucracy; rather, it would act as an advisory group to guide and facilitate Plan implementation and to share information and lessons learned among all relevant parties.

The committee could be composed of nine members, three appointed from each group. The members from the Arctic Coast

Tourist Association could include the Zone Manager, a representative from the Executive, and one industry representative. The GNWT representatives could come from different parts of the Department of Economic Development and Tourism, including Tourism and Parks, the Commerce Division (which provides small business loans), and the EDA Secretariat. The federal representatives could include two from DRIE (from Special ARDA and Tourism Canada, both located in Yellowknife), and one from the Canada Employment and Immigration Commission. As long as strong channels of communication are established, the committee may not need to meet more than once or twice a year.

The role of the committee could include the following elements:

- ensuring a continuing commitment from all three parties to the Agreement to support the objectives and strategy of the Tourism Plan
 - monitoring project development and the progress of Plan implementation to ensure the Plan is on course
 - ensuring the available funding sources are being used as efficiently as possible
 - identifying possible changes to the strategy and Plan to enhance its effectiveness and delivery
 - reviewing and revising annual promotion plans and other planning documents prepared by the Zone Manager
 - assisting in coordinating the efforts of all groups involved in Plan implementation
 - ensuring a steady flow of Plan-related information to all groups involved in implementation.
- Arctic Coast MEDO*

A non-funding agreement offers the important advantage that it will not become obsolete if the EDA is replaced by an NWT Tourism subsidiary agreement after 1987. The Arctic Coast agreement could be used as planning input to the overall NWT tourism subsidiary. The background documents to the Arctic Coast agreement would simply need to be amended to accommodate and reflect the new funding programs made

available by the Tourism sub-agreement.

The agreement we advocate is not very different from a subsidiary agreement. Our agreement would outline the background, goals, objectives, program activities, and the commitments of all parties. Funding and implementation schedules would also be developed. The major difference between the proposed framework and a subsidiary agreement is that the proposed agreement would not lead to the establishment of new funding programs, but would describe how existing funding sources could be used.

Possible program activities under the Plan and existing funding sources for these activities are as follows:

Possible Program Activities	Possible Funding Sources
1. Capital assistance to accommodation facilities, food services, other tourism facilities/operations to be run by private individuals and cooperatives	Special ARDA, GNWT Loan Funds, Domestic Market Development Sub.: Business Assistance (Prog I) and Tourism Development (Prog II), FBDB
2. Capital assistance to upgrade or establish facilities operated by government or community groups (e.g., renovation of churches, village reconstruction, arts and craft studios, interpretive exhibits)	21/ Tourism Development (Prog II) of the Domestic Market Development Sub., Canada Works and other job creation programs of CEIC
3. Operating assistance for government/community operated facilities and support services (e.g., community hosts and Regional Zone Associations)	Tourism Development (Prog II) of Domestic Market Development Sub., Canada Works
4. Manpower training	Human Resources Development Sub., ongoing training programs of the two governments

... continued



Possible Program Activities	Possible Funding Sources
5. Market promotion	Tourism Development (Prog II) of Domestic Market Development Sub., ongoing market promotion programs of GNWT and federal government
6. Planning, Coordination and evaluation	Tourism Development (Prog II of Domestic Market Development Sub

Other fundings sources will be identified and confirmed as the Implementation Plan is finalized.

Group

Roles and Responsibilities

Assist with the development of multi-community and multi-regional package tours. Prepare and implement the annual and medium-term promotional plans for the region (see Section 5.3). Arrange training for community hosts and operators of tourism projects. Provide liaison between southern and northern tourism operators. Provide liaison between the Arctic Coast tourism sector and government. Act as an advocate for the tourism sector in dealings with government funding programs. Review all project applications for consistency with Plan objectives.

training co-ordinator

GNWT Economic Development and Tourism: Regional Tourism Officer

- Review financial viability of all project applications for funding.
- Contact funding sources and ensure program funding is available.
- Coordinate government contributions to Plan development. Provide technical assistance to project development and implementation as required. Interpret and enforce government regulations as they relate to the Arctic Coast tourism sector (e.g., GNWT regulations for permanent structures).

AEDO

building AEDO

GNWT Economic Development and Tourism: AEDO's (Coppermine & Spence Bay) and Business Economic Development Officer (Cambridge Bay)

RTO Assist (as required) community hosts and Zone Manager in identifying and developing projects and Regional Tourism Officer in reviewing applications and arranging funding. Special focus on financial, market, and other business aspects. Provide technical assistance to tourism operators after start-up, with emphasis on business and managerial aspects (bookkeeping, etc.)

GNWT Economic Development and Tourism: Tourism and Parks Division (including Travel Arctic)

Provide technical assistance on regional market research, package tour development, development of major attractions. Investigate broad market shifts -- e.g., developments and promotions in competing Arctic destinations -- and identify their implications for the Arctic Coast Plan. Distribute

who does marketing zones/travel or travel

... continued

Group

Roles and Responsibilities

	<p>promotional funds to Zone association. Ensure Arctic Coast requirements are given proper weight in NWT tourism promotion.</p>
GNWT Economic Development and Tourism: Commerce Division	<p>Conduct final review of loan applications to the Eskimo and Small Business Loan Funds. Provide debt financing. Provide management and other technical assistance as required. Identify clients encountering problems repaying debts and notify the Regional Tourism Officer and/or the Zone Manager.</p>
GNWT Economic Development and Tourism: EDA Secretariat	<p>Conduct final review of project applications for funding. Provide funding. Identify clients with problems and notify Regional Tourism Officer and/or Zone Manager. Provide technical assistance as required. <i>No tech. assist.</i></p>
→ GNWT Department of Education (Adult)	<p>Fund and deliver training programs.</p>
✓ GNWT Justice and Public Services	<p>Provide technical advice and assistance on development of museums, historic attractions, & sites. <i>Provide com. museum funds.</i></p>
DRIE: Special ARDA	<p><i>ED&T</i></p> <p><u>Final review of applications for capital financing.</u> Provide contributions. Identify clients with difficulties and notify Regional Tourism Officer and/or Zone Manager. Provide technical assistance as required.</p>
DRIE: Tourism Canada Officer in Yellowknife	<p>Review Arctic Coast tourism plans for consistency with national goals and objectives. Ensure Arctic Coast tourism needs are properly met in future tourism programs and agreements. Include Arctic Coast in national tourism promotion. Provide liaison between Arctic Coast industry and selected overseas markets (through Trade Commissioners overseas).</p>
CEIC	<p>Fund and deliver training programs. Review training component of other projects.</p>

... continued

Local Gov't
Culture

8-4

no other gov't funds

Group	Roles and Responsibilities
FBDB	Provide debt financing and management assistance.
Parks Canada	2 Provide technical assistance re. <u>historic sites, possible national designation of Bathurst Inlet.</u>
Pacific Western Airlines, NWT Air	Develop travel products and package tours. Market promotion. Establish group fares.
Arctic Coast Agreement Advisory Committee	Advise on the overall management and coordination of the Plan. (See above for specific duties.)

To summarize, much of the impetus for project identification, development, and implementation will come from non (senior) government groups: private businesses, cooperatives, community groups, Hamlet Councils, and Native Development Corporations. Community hosts/facilitators and the Zone Manager will play a catalytic role in developing package tours, providing liaison with the industry in the south, and ensuring the necessary government funds are provided. The Arctic Coast Tourist Association will have overall responsibility for managing and coordinating the Plan and will play an advocacy role between the Arctic Coast tourism industry and government funding agencies. To support this role, an annual budget of \$150,000 is provided to the Tourist Association for its operations and promotional efforts over the first three years of the Plan. The Zone Association can also access funds in other projects, including money for planning, market research, and package tour development.

NO →
\$45,000
core
\$47,000
priority

The Regional Tourism Officer will play a regulatory and evaluation role and will coordinate government contributions to the Plan's implementation. Other government agencies will provide funding and technical assistance. The Advisory Committee will provide advice to the Tourist Association and other implementing groups, and ensure a steady flow of information between all parties.

Plan implementation will significantly expand the scope and responsibilities of the Zone Manager. The new responsibilities should be phased in gradually over a one to two year period. To assist the Zone Manager in the first three years, Project 6.4 of the Implementation Plan includes funding for an Executive Assistant/Trainee to the Zone Manager.

~~Some of the AEDOs should also be given special training in tourism development.~~ Once the community hosts ~~and AEDOs~~ ^{have} been trained, they should be able to take on some of the Zone Manager's responsibilities. Continuation of the ~~Executive Assistant~~ ^{trainer} position should be reviewed after the three year period and the position should be extended if required.

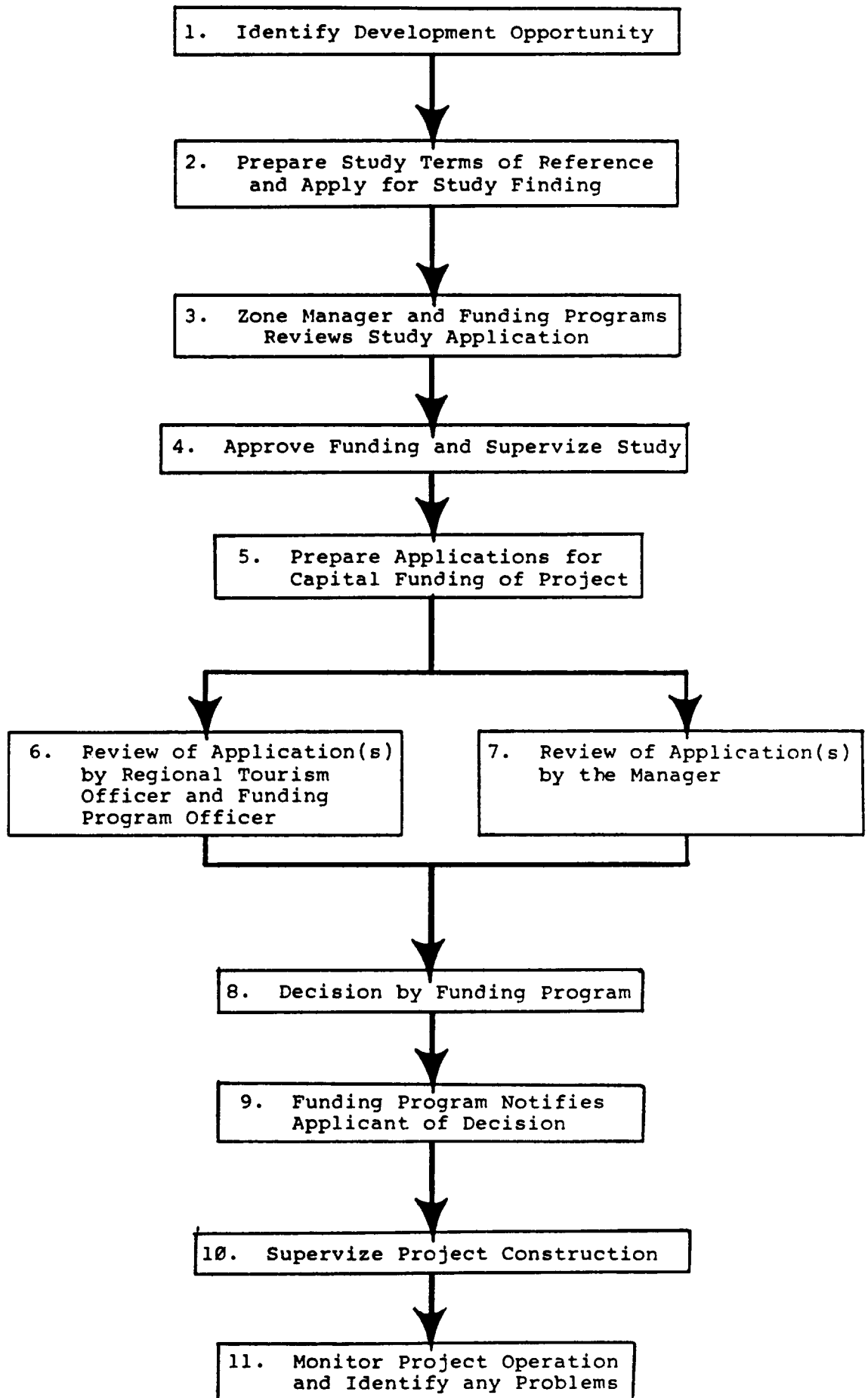
The following describes on a step-by-step basis how one development project would be processed under the Agreement. Exhibit 8.1 summarizes each step. The example project involves a private sector attraction eligible for study funding from EDA and capital funding from Special ARDA. The example is more complicated than many projects.

1. A community host brings a development opportunity to the attention of a private businessman. The two agree that a feasibility study is required.
2. The businessman, with assistance from the community host, AEDO, Regional Tourism Officer, and/or other government official prepares terms of reference, requests study proposals from three consultants, and submits an application for study funding to EDA.
3. Upon receipt of the application, an EDA official sends a copy to the Zone Manager requesting comment.
4. Funding for the feasibility study is approved. The

Already shown

R.T.O. ADJUST

EXHIBIT 8.1: STEPS IN THE DEVELOPMENT OF A PROJECTS



~~community host helps the businessman supervise the consulting contract.~~

5. If the results of the feasibility study are positive, the businessman, with help from the community host and/or other official (see point 2 above), prepares the Part I and Part II applications for Special ARDA. Because of the size and complexity of the project, the Zone Manager provides technical assistance, including contacting southern wholesalers and northern tourism operators to test whether the project could be incorporated into existing or planned package tours.
6. The Special ARDA Part II application is sent to the ^{Business Dev.} ~~Regional Tourism~~ Officer for review and forwarded to the Special ARDA office in Yellowknife.
7. Upon receipt of the application, the Special ARDA officer forwards a copy to the Zone Manager for comment. (In this case, this step is a formality -- the Zone Manager was involved in preparing the application.)
8. ^{B.D.O} ~~The Special ARDA officer~~ provides the final review and prepares documentation for review and decision by the Special ARDA Advisory Committee.
9. A letter of offer is sent to the successful applicant, outlining the Special ARDA contribution and conditions of the offer.
10. The successful applicant (the businessman) oversees project construction ~~with the assistance of the Community host~~. The host and Zone Manager also assist with finalizing the project's role in package tours, other marketing initiatives, and project management (as required).

not done

B.D.O. does audit

11. After project start-up, ~~the community host and the Special ARDA officer~~ monitor the project and bring any problems to the attention of the ~~Zone Manager~~ *client* for possible remedial action (technical assistance, additional marketing, etc.).

The step-by-step process clearly indicates that for this type of project the impetus must come from the private business or non-profit group that will have ultimate responsibility for making the project a success. At the same time, the process ensures that applicants receive the necessary technical assistance and encouragement every step of the way.

9.0 PROGRAMS

Under the Implementation Plan, programs represent groups of projects and other activities with common functional features. Plan programs are functionally related activities that apply to the total region and should not be confused with funding programs delivered by government agencies. As noted earlier, funding for program activity will come from a variety of existing sources.

We have identified six areas for functional programs under the Implementation Plan. The following subsections describe the general features of each program and the criteria that could be used to select projects for funding.

1. Capital Assistance to Private Operations

This program will provide grants and ~~low~~ interest loans to help establish or expand privately owned and operated tourism related businesses, as well as facilities operated by cooperatives. Eligible projects will include hotels, lodges, restaurants, tourism attractions (or travel generators), tour operators and tourism expeditors. Financial assistance will be for costs of construction and ^(Special APDA only) working capital and will cover all stages in the development of a tourism operation: pre-feasibility analysis, feasibility study, training of staff and proprietors, operational plans, construction, start-up costs for advertising, promotion, subsequent facility expansion.

Specific projects (development opportunities) to be assisted under this program could include:

- working capital assistance to expand the big game hunts out of Holman
- upgrading the Coppermine Inn
- seasonal accommodation facilities (e.g., tent frames) in various communities

\$2,500 commercial market rate and contributions (w/ strings attached)

- upgrading food services in existing hotels
- capital investments in fishing camps
- Chantry^e Inlet Lodge acquisition and modernization
- Bathurst Inlet Lodge expansion
- working capital needed to establish tour operators/tourism expeditors in communities.

These capital funds will be directed toward private sector operations designed to operate on a self-sustaining, profitable basis. These operations, therefore, are not expected to require on-going government support.

Factors to be considered in selecting projects for funding could include the following:

- . consistency with Plan goals, objectives, themes and strategy
- . potential for achieving long-term financial viability
- . availability of qualified management personnel and provision of counselling and training needed to achieve successful operation
- . well developed marketing plan and potential for project to be included in existing and proposed package tours
- . spin-off benefits to other tourism operations in the region
- . generation of income, employment, and skill improvements for local residents
- . possible negative effects on existing businesses
- . current physical condition of available assets (boats, snowmobiles, existing structures)
- . provision of owner's equity equal to ~~10%~~^{20%} of total ~~capital cost~~ ^(+ loans to add to 50-70%)
- . ownership by an NWT resident or, if business is to be jointly owned, evidence of a minimum of 51% ownership by NWT residents.

Applications will also have to satisfy the criteria of the programs solicited for funding, e.g., Special ARDA, EDA, GNWT loan funds.

equity 10-20%
loans 30-60%
9-3
contributions 30-50%

We estimate government expenditures for this program will be split 50/50 between contributions and loans, and that government expenditures typically will constitute ~~90%~~ of ^{30%-50%} total capital costs. In fact, each project will be assessed on its own merits, and the amount of government contribution and loan -- as well as the terms and conditions of each -- will be determined by the normal procedures of each funding program. The expectation is that project proponents will receive funds from both a contribution program (e.g., Special ARDA) and a loan program (e.g., Small Business Loan Fund, Eskimo Loan Fund). This is the situation that prevails today. Because commercial lending institutions are reluctant to provide loans to businesses in small northern communities, Special ARDA and EDA projects generally receive bridge and term financing from the GNWT loan funds.

2. Capital Assistance to Non-Profit Operations

This program will provide ^{contribution} grant and ^{Market rate} low-interest loans to establish or expand travel generators or other tourism attractions operated by government, community groups, or non-profit (non-private sector) organizations. Capital assistance will be available for all stages of project development: pre-feasibility analysis, feasibility study, detailed project design, manpower training, construction, start-up costs for advertising and promotion, subsequent expansion. Eligible projects will include travel generators and other attractions needed to encourage tourists to visit the Arctic Coast, to lengthen their stay in the region, and to expand the revenues, incomes, and jobs generated by the tourism sector in the Arctic Coast.

Facilities will be run on a non-profit basis, although the hope is that over time some will generate sufficient revenues to cover their costs of operation. Accordingly, projects under Program 2 differ from those under Program 1 for two related reasons:

- Program 2 projects will be operated by non-profit groups.
- Although some projects will generate revenues, no Program 2 projects appear to have the revenue potential and financial strength to attract private sector investment and pay off major loans.

Many Program 2 projects are travel generators in the sense that they are designed to attract new visitors and lengthen the stay of current visitors. In this manner, the travel generators supported under Program 2, and in some cases Program 3 (for operational support), will enhance the profitability of the tourism services assisted under Program 1.

Specific projects (or development opportunities) that could be funded by this program include:

- capital expenditures to support the Inuit "Learner Center" at Holman
- Thule Village reconstruction at Holman
- Arts and Crafts Studio/Workshop at Holman
- interpretive exhibits at various locations
- Stone Church Museum and restoration of Maud at Cambridge Bay
- Northwest Passage Museum at Gjoa Haven
- Native Craft Workshop at Spence Bay
- restoration of the Stone Church and Inuit stone houses at Pelly Bay
- capital expenditures to support the Inuit Cultural Center at Pelly Bay.

Factors to be considered in reviewing applications could include:

- . consistency with Plan goals, objectives, themes and strategy
- . revenue generation and potential to be self-sustaining over the long term

- . well developed marketing plan and potential for project to be included in existing and proposed package tours
- . spin-off benefits to other operations and projects, especially commercial operations
- . generation of income, employment, and skill improvements for local residents
- . possible negative effects on existing tourism operations
- . strength of applying group, and provision in the application of sufficient training, counselling, etc. to achieve successful operation of the project
- . support for the project and applicant group in the community.

Projects will also need to satisfy the criteria of the funding programs to be utilized.

Because the applicant groups have no equity and because these projects are not expected to be profitable, government expenditures will ~~be in the form of contributions and will~~ cover 100% of capital costs. The contributions of groups and their members will be in the form of "sweat equity", including project development, preparing application forms, overseeing construction, and managing the operation. For many projects, sweat equity will constitute significant time and effort. *GNWT will do all this*

3. Operational Support for Tourism Development

GNWT operates - maintains GNWT built projects.
 This program will provide operational support to projects financed under the previous program: Capital Assistance to Non-Profit Operations. Support will cover the operating deficits of these projects. The program will also provide funds to operate the community hosts' offices and to offset the costs of selected special events and festivals.

This program recognizes that at this stage of its development Arctic Coast tourism cannot be expected to be totally self-sustaining. Relatively few travel generators and

attractions operated by non-profit groups will be able to show a profit. Therefore, both capital and operating assistance will be needed for these operations. It is hoped that over time most travel generators will become break-even operations, but this could take many years to achieve.

Projects receiving operational support will be closely monitored by the community host, Zone Manager, and Regional Tourism Officer to ensure that: opportunities for revenue generation are being maximized, operating costs are reasonable and defensible, and the project is playing its projected role in package tours and the region's tourism development.

4. Manpower Training

This program will cover all aspects of manpower training except for the training components of projects receiving capital assistance under Programs 1 and 2 (where training costs are covered by assistance to working capital). Training will be provided to the Zone Manager, community hosts/facilitators, tour operators/expeditors located in the Arctic Coast, and to proprietors and staff of tourism related businesses. Training will provide not only specific business and management skills, but also more general knowledge about the travel industry (how it operates, the roles of different actors, what is needed to properly service the tourist). A proposal for this type of manpower training is already being prepared and will be submitted to Special ARDA and, if unsuccessful, to the GNWT Department of Education.

Applications for assistance under this program will be reviewed in terms of the importance of the project to Arctic Coast tourism, the long-term prospects of the project, the need for training assistance, the design of the proposed training program, and the employment characteristics of the employee(s) proposed for training.

When required, officials of GNWT Education and federal CEIC will be asked to evaluate applications and identify appropriate courses and counsellors that could be used in training projects.

5. Market Promotion

market
~~\$47,000~~ priority 2
47,000

Most projects eligible for funding under Programs 1 and 2 will include a marketing component. This program is designed to provide ongoing support to the marketing efforts of tourism operators in the region.

Projects under this program could include preparation of brochures, magazine advertisements, and other information vehicles for general publicity on Arctic Coast tourism, promotional activities specific to Expo '86, projects to improve information services in the region, and the development and marketing of package tours (as described in Sub-section 5.3).

STRATEG

Government funding will be used to underwrite a portion of the costs involved in developing and printing brochures and of the travel, telephone, and related costs needed to research and develop new tourism packages (e.g., travel to Toronto to establish business links with travel wholesalers and retailers).

Applications for funding will be assessed in terms of their consistency with Plan goals, objectives, and strategy. Their consistency with the annual and medium-term promotional plans prepared by the Arctic Coast Tourist Association will be particularly relevant.

6. Planning, Coordination, and Evaluation

The proposed implementation period for the Plan is ten years. The Plan will be monitored on a year to year basis by the Arctic Coast Tourist Association with the support of the two

senior governments. Special studies will be needed to support this monitoring role. Ongoing market research will be needed to provide baseline market information against which the progress of Plan implementation can be assessed. Planning will be needed to respond to new development opportunities.

A formal evaluation of the Plan will be undertaken in the fifth year after commencement of Plan implementation. The purpose of the evaluation will be to identify projects that have been most (or least) successful, the reasons for project success, and the changes needed to enhance Plan effectiveness.

The program also includes a detailed evaluation study in the tenth year to assess the socioeconomic impacts of the full ten-year Plan and to assess the need for further initiatives in the Arctic Coast tourism sector. In addition, Program 6 incorporates a project to fund the administration and staff costs of the Arctic Coast Tourist Association (ACTA).

In the next chapter, the projects proposed for implementation are grouped into the six functional programs described above.

10.0 DEVELOPMENT PROJECTS AND COSTS: A SUMMARY

The Background Report identifies a number of development opportunities based on projects proposed by individuals and by consultants, and projects related to market opportunities.

Proposed projects were assessed and final projects selected based on their potential contribution to the goals and objectives of the development strategy. The selected projects are presented in Volume III, and are described according to their:

- (1) description
- (2) background -- description of the need for the project, the existing situation, project rationale, key project features
- (3) objectives and strategy -- objectives are quantified where possible
- (4) performance indicators -- describing outcomes of measureable units
- (5) target groups
- (6) government and community links -- specifying links with other projects, departments, agencies, and groups
- (7) other sources of administrative and technical support
- (8) constraints -- economic, social, or cultural factors that may interfere with successful implementation
- (9) implementation -- summary of the operational plan for implementation, including steps or phases
- (10) budget -- total project budget, divided into expenditure categories, and estimated government expenditures
- (11) direct impact on economic indicators -- with reference to operating revenues and costs
- (12) general comments (e.g., reasons for priority

assigned to project, indirect economic impacts, community and social impacts, potential financial viability, possible sources of funding).

Exhibit 10.1 details projected government costs by program, project, and year over the full ten year implementation period. Estimated project expenditures include project development costs but do not cover anticipated acquisition costs. Possible acquisition costs - which will be determined through negotiation - are indicated in footnotes to Exhibit 10.1. In this and all other exhibits, projects are given a community designation (e.g., H-1) and a program designation (e.g., 1.1). This is to facilitate cross referencing between exhibits. The only exceptions are projects that are region-wide in scope; these only have a program description.

Project starting dates, as shown in Exhibit 10.1, are related to the priority assigned to each project. In formulating the overall development schedule and the timing of each project, we attempted to respond to existing and anticipated market conditions. The development schedule, however, will be influenced by a number of factors that are difficult to predict at this time:

- the time needed to prepare, develop support for, and sign the Arctic Coast Tourism Agreement
- the time needed to stimulate wholesaler interest in the region
- the availability of government funding
- the availability of qualified manpower to construct and operate facilities.

Although starting dates for individual projects may vary from our projections, the sequence of projects is a major element to the successful implementation of the Tourism Plan.

Exhibit 10.1 indicates that Plan expenditures aggregated over the six programs will be about \$12.5 million. Government expenditures of better than twelve million dollars over ten years can be viewed as a heavy commitment to tourism

development in the region. The Study Team believes however that this level of expenditure is reasonable when placed in the context of the high and rising (actual) unemployment rate in the Arctic Coast, the apparent lack of development opportunities afforded by other sectors, as well as current and projected expenditures on economic development throughout the NWT. Despite the many constraints to tourism development in the Arctic Coast, the tourism sector still offers the best hope for providing self - sustaining jobs to residents of the region's communities and profitable business opportunities to the Arctic Coast's entrepreneurs. Plan expenditures averaging \$1.2 million per year can be compared with current annual expenditures of about \$10 million on economic development throughout the Territories. A twelve percent share of development expenditures is broadly consistent with the Arctic Coast's share of the NWT population, the limited availability of private capital and bank financing in the region, and the importance of tourism to the Arctic Coast's future development.

7.7%
of pop

Estimated government expenditures are distributed by program as follows:

EXHIBIT 10.1: ARCTIC COAST TOURISM PLAN: PROJECT COSTS AND SCHEDULE (\$'000)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
Program 1: Capital Assistance to Private Operations											
1.1 Nature/Fishing Tours to Minto (H-3)		25	45								70
1.2 Holman Art & Craft Workshop (H-5)			9	18							27
1.3 Holman Big Game Hunts (H-6)		7	7								14
1.4 Coppermine Arctic Coastal Tours (CO-2)		26	27								53
1.5 Tours to Tree and Richardson Rivers (CO-3)				27							27
1.6 Coppermine Hotel (CO-5)		250	250								500
1.7 HBC Historical Tour (CO-6)					25						25
1.8 Char Lake Fishing Camp (CB-2)						77	77				154
1.9 Victoria Island Fishing		51	103								154
1.10 Cambridge Bay Fishing and Nature Tours (CB-3)		97									97
1.11 Northwest Passage Tour (Gh-2)		185									185
1.12 Dog Team Excursions (GH-4)		9									9

EXHIBIT 10.1: PROJECT COSTS AND SCHEDULE (\$'000) continued

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
1.13 Chantry Inlet Lodge (GH-5)							50	65			115
1.14 Old Fort Ross Restoration (SB-1)						120	120	120			360
1.15 Boothia Peninsula Tours (SB-3)		7									7
1.16 Spence Bay Hotel (SB-5)		293	293								586
1.17 Spence Bay Nature/ Fishing Tours (SB-6)		13									13
1.18 Bathurst Inlet Lodge (BI-1)		110	110			112	112		112	112	668
1.19 Other Accommodation Facilities						200	200	200	200	200	1,000
1.20 Other Private Operations			20	30	50	100	100	100	100	100	600
Subtotal Program 1		1,073	864	75	75	609	659	485	412	412	4,664
Program 2: Capital Assistance to Non-Profit Operations											
2.1 Holman Learner Centre (H-1)			130	270							400
2.2 Holman Thule Village Reconstruction (H-2)				50	50						100
2.3 Holman Community Tour (H-4)		7									7

EXHIBIT 10.1: PROJECT COSTS AND SCHEDULE (\$'000) continued

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
2.4 Coppermine Interpretive Exhibit (CO-1)		30	53								83
2.5 Coppermine Community Tour (CO-4)		9									9
2.6 Cambridge Bay Historic Park (CB-1)		150	300	150							600
2.7 Cambridge Bay Community Tour (CB-5)		9									9
2.8 Gjoa Haven Historic Park (GH-1)			50	100							150
2.9 Gjoa Haven Community Tour (GH-3)		7									7
2.10 Spence Bay Native Craft Workshop (SB-2)			20	113							133
2.11 Spence Bay Community Tour (SB-4)		7									7
2.12 Pelly Bay Lifestyle Centre (PB-1)		115	115	115							345
2.13 Pelly Bay Historic Park (PB-2)					104	104					208
2.14 Pelly Bay House Restoration/Tour (PB-3)				30	95						125
2.15 Pelly Bay Community Tour (PB-4)		7									7

Add
 the 20
 inside
 slip
 front?

10-7

EXHIBIT 10.1: PROJECT COSTS AND SCHEDULE (\$'000) continued

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
2.16 Other Non-Profit Operations			25	25	25	100	100	100	100	125	600
Subtotal: Program 2	341	693	853	274	204	100	100	100	100	125	2,790
Program 3: Operational Support for Tourism Development											
3.1 Community Host/Facilitators	144	135	126	117	108	99	90	81	72	972	
3.2 Special Events, Festivals, and Entertainments	10	15	20	20	20	20	20	20	20	20	165
3.3 Operational Support to Other Non-Profit Operations		15	20	25	30	35	40	40	40	40	245
3.4 Holman Learner Centre (H-1)			4	4	4	4	4	4	4	4	32
3.5 Coppermine Interpretive Exhibit (CO-1)			7	7	7	25	25	25	25	25	150
3.6 Cambridge Bay Historic Park (CB-1)			12	12	12	12	12	12	12	12	84
3.7 Gjoa Haven Historic Park (GH-2)			3	3	3	3	3	3	3	3	21
3.8 Pelly Bay Lifestyle Centre (PB-1)			10	8	4	2					24
3.9 Pelly Bay Historic Park (PB-2)					5	5	5	5	5	5	25

EXHIBIT 10.1: PROJECT COSTS AND SCHEDULE (\$'000) continued

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
3.10 Pelly Bay House Restoration (PB-3)						5	3	2			10
Subtotal: Program 3		154	169	195	214	216	208	201	190	181	1,728
Program 4: Manpower Training											
4.1 Start-Up Training	200										200
4.2 Ongoing Training		50	50	50	50	50	50	50	50	50	450
Subtotal: Program 4	200	50	50	50	50	50	50	50	50	50	650
Program 5: Market Promotion											
5.1 Information Centre at Cambridge Bay (CB-5)	15	35									50
5.2 Information Centre at Coppermine (CO-7)		5	15								20
5.3 Information Kiosks at Other Communities			25								25
5.4 Regional Promotion	90	90	90	90	90	85	80	75	70	65	825
5.5 Expo '86		15	55								70
5.6 Development of Package Tours			42	84	84	84	84	84	84	84	630
Subtotal: Program 5	120	185	172	174	174	169	164	159	154	149	1,620

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EXHIBIT 10.1: PROJECT COSTS AND SCHEDULE (\$'000) continued

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total
Program 6: Planning, Coordination, & Evaluation											
6.1 Plan Evaluation			15	15	80	15	15	15	15	80	250
6.2 Planning Studies			20	20	20	20	20	20	20	20	(160)
6.3 Regional Market Research	30		25		25		25		25		130
6.4 ACTA Administration	60	60	60	45	45	45	45	45	45	45	495
Subtotal: Program 6	90	60	120	80	170	80	105	80	105	145	1,035
TOTAL: ALL PROGRAMS	410	1,863	2,068	1,427	957	1,328	1,286	1,075	1,011	1,062	12,487

310
540
10-9

¹ In addition, the purchase price for the property could be on the order of \$250,000. Up to \$220,000 could be covered by government programs.

² The purchase price is in addition to this. The purchase price could be between \$500,000 and \$700,000. Government financing could cover between \$450,000 and \$625,000 of the purchase price.

N.B. The years are government fiscal years. April 1 to March 31. All costs in this Exhibit are government costs in the form of contributions and loans and therefore differ in some cases from total project costs in the project descriptions in Volume III. In Volume III, the budgets for most of the projects in program one include both government costs and private costs (in the form of owners equity).

Plan Expenditures by Program

	Estimated Gov't Expenditures (\$'000)	% of Total
1.0 Capital Assistance to Private Operations	4,664	38%
2.0 Capital Assistance to Non-Profit Operations	2,790	22%
3.0 Operational Support for Tourism Development	1,728	14%
4.0 Manpower Training	650	5%
5.0 Market Promotion	1,620	13%
6.0 Planning, Coordination, and Evaluation	1,035	8%
TOTAL	12,487	100%

About 60% of Plan expenditures will be for capital facilities and other start-up costs (e.g., initial training and promotion for specific projects). Operational support accounts for the remainder of Plan expenditures.

The following provides a functional breakdown of plan expenditures. As noted earlier, individual projects in programs one and two include funds for planning, promotion and training. These are separated from project budgets and added to relevant project and program costs in programs three to six.

Functional Breakdown of Plan Expenditures

	\$ '000	% of Total
1. Capital Works	6,793	55%
2. Operations, Maintenance and Administration	2,223	18%
3. Training	900	7%
4. Marketing and Promotion	1,788	14%
5. Planning and Related Studies and Investigations	783	6%
Total	12,487	100%

* including staff costs of the ACTA.

The functional breakdown differs to some degree from the program distribution. Nonetheless, capital works - which in the functional breakdown relates only to the costs of construction and purchases of equipment and supplies - still account for well over 50% of plan expenditures.

Plan expenditures by year (see table below) indicate that funding is low in the first year -- most spending in 1985/86 is for training and initial promotion, including Expo '86. Major product development starts in 1986/87, after the community host training program has been completed, and continues for the next four years.

Plan Expenditures by Year

Year	\$'000	% of Total	
		Yearly	Cumulative
1985/86	410	3%	3%
1986/87	1,863	15	18
1987/88	2,068	17	35
1988/89	1,427	11	46
1989/90	957	8	54
1990/91	1,328	11	65
1991/92	1,286	10	75
1992/93	1,075	9	84
1993/94	1,011	8	92
1994/95	1,062	8	100
Total	12,487	100	

The schedule above indicates that 54% of Plan expenditures will be incurred in the first five years. Capital investment on most projects described in Volume III will be completed by that time. Capital spending in the last five years will be largely directed toward development opportunities identified during the first years of Plan implementation in response to new market trends and the spin-off effects of early Plan projects.

Ongoing market research and development planning and the evaluation study in the fifth year are designed to identify opportunities that could be implemented in the second half of the planning period. The current budget includes allocations for future project development, but costs incorporated into the second five-year agreement may have to be adjusted upward to accommodate newly identified projects.

Exhibit 10.2 summarizes projects by community. Similar to Exhibit 10.1, project and yearly O/M costs are expenditures to be incurred by government. [Project descriptions (see Volume III) incorporate the costs to be incurred by the private sector and by non-profit groups.] In the exhibit, yearly O/M costs incurred by government apply to the peak year or to Year 10; seasonal employment refers to two to four months of work, depending on the project.

"Employment", in the exhibit, includes only direct employment created by the project and excludes business proprietors. Indirect, induced, and spin-off employment effects will be computed as part of the socioeconomic impact analysis in Chapter 12.

The "Priority" given a project is based on a number of factors: starting date; direct impacts on tourism expenditures, length of stay, and other indicators; links with and potential contributions to other Plan projects; and how easy the project will be to plan, develop and construct.

Projects with a high priority typically have one or more of the following features:

- it is a draw in the sense that the project is expected to bring tourists to the community and lengthen their stay;
- capital costs are low and/or government funding is readily available;
- extensive planning and consultation are not required to get the project underway.

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY DEVELOPMENT PROGRAM AND PROPOSAL

DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
<u>HOLMAN DESTINATION AREA</u>					
H-1 Inuit Culture Learner Centre (2.1)	400,000	25,000	medium 1987/88	4 seasonal jobs	- zone manager, Hamlet Council - COOP
H-2 Thule Village Reconstruction (2.2)	100,000	0	medium 1988/89	1 seasonal job	- community facilitator/host - Holman Historical Society - Territorial Parks
H-3 Nature/Fishing Tours to Minto Inlet (1.1)	70,000 ¹	0	high 1986/87	2 seasonal jobs	- community facilitator/host - local tour operator
H-4 Community Tour (2.3)	7,000	0	high 1986/87	supplement to host office income	- community facilitator/host
H-5 Art and Craft Workshop (1.2)	27,000 ¹	0	high 1987/88	4 seasonal jobs	- community facilitator/host - COOP
H-6 Big Game Hunts (1.3)	14,000	0	high 1986/87	5 seasonal jobs	- Hunters and Trappers Association
3.1 Community Host Office	-	24,000 in Yr. 2, 12,000 in Yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association
5.2 Information Kiosk	5,000	0	medium 1987/88	-	- Arctic Coast Tourist Association
TOTALS	623,000	37,000 in yr. 10	-	1 full time and 16 seasonal jobs	

¹ 90% of total project costs contained in Project Descriptions, Volume 3.

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY DEVELOPMENT PROGRAM AND PROPOSAL

DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
<u>COPPERMINE DESTINATION AREA</u>					
C0-1 Interpretive Exhibit (2.4)	83,000	4,000	high 1986/87	part time maintenance work	- community facilitator/host - Hamlet Council
C0-2 Arctic Coastal Tours (1.4)	53,000	0	high 1986/87	1 seasonal job for 2-3 months	- community facilitator/host - private sector
C0-3 Tours to Coppermine Area Rivers (1.5)	27,000	0	medium 1988/89	1 seasonal job for 3 months	- community facilitator/host - Hunters and Trappers Association - Tour Operators
C0-4 Coppermine Community Tour (2.5)	9,000	0	high 1986/87	supplement host office income	- community facilitator/host
C0-5 Hotel Upgrading and Seasonal Accommodation (1.6)	500,000 ¹	0	high 1986/87	5 seasonal jobs	- Coppermine Inn
C0-6 Hudson's Bay Company Historical Tour (1.7)	25,000 ¹	0	low 1989/90	1 seasonal job plus revenue for tour boat operators	- community facilitator/host - private operator
C0-7 Information Centre (5.2)	20,000	0	high 1986/87	-	- community facilitator/host - Zone Association
3.1 Community Host Office	-	24,000 in Yr. 2 12,000 in Yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association
TOTALS	717,000	16,000 in Yr. 10	-	1 full time and 10 seasonal	

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¹ 90% of project costs contained in Project Descriptions, Volume 3.

EXHIBIT 10.2

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY			DEVELOPMENT PROGRAM AND PROPOSAL			
DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY	
CAMBRIDGE BAY DESTINATION AREA						
CB-1 Stone Church/"Maud" Museum Historical Park (2.6)	600,000	12,000	high 1986/87	1 seasonal job	- community facilitator/host - Hamlet Council	
CB-2 Char Lake Fishing Camp (1.8)	154,000 ¹	0	low 1990/91	15 seasonal jobs	- Sup. Economic Development - Local Development Corporation or local business	
CB-3 Victoria Island Fishing Camp (1.9)	154,000 ¹	0	high 1986/87	15 seasonal jobs	- local business	
CB-4 Fishing and Nature Tours (1.10)	97,000 ¹	0	high 1986/87	2 seasonal jobs	- community facilitator/host - private operator	
CB-5 Cambridge Bay Community Tour (2.7)	9,000	0	high 1986/87	supplement host office income	- local operator	
CB-6 Information Centre (5.1)	50,000	0	high 1985/86	-	- Zone Association	
3.1 Community Host Office	-	24,000 in Yr. 2 12,000 in Yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association	
TOTALS	1,064,000	24,000 in Yr. 10		3 full time² and 33 seasonal		

¹ 90% of project costs contained in Project Descriptions, Volume 3.

² includes two jobs at ACTA office.

EXHIBIT 10.2

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY DEVELOPMENT PROGRAM AND PROPOSAL

DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
GJOA HAVEN DESTINATION AREA					
GH-1 Northwest Passage Historic Park (2.8)	150,000	3,000	medium 1987/88	1 seasonal job	- community facilitator/host - Hamlet Council - private operator
GH-2 Northwest Passage Coastal Tour (1.11)	185,000 ¹	0	high 1987/88	2 seasonal jobs	- private operator
GH-3 Gjoa Haven Community Tour (2.9)	7,000	0	high 1986/87	supplement host office income	- community facilitator/host
GH-4 Dog Team Excursions (1.12)	9,000 ¹	0	high 1986/87	1 seasonal job	- community facilitator/host - tour operator
GH-5 Chantry Inlet Lodge Upgrading (1.13)	115,000	0	low 1991/92	2 seasonal jobs	- community facilitator/host - regional tourism officer - Sup. Economic Dev. - Hamlet Council
3.1 Community Host Office	-	24,000 in Yr. 2 12,000 in yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association
5.2 Information Kiosk	5,000	0	medium 1987/88	-	- Arctic Coast Tourist Association
TOTALS	471,000	15,000 in yr. 10	-	1 full time and 6 seasonal	- Arctic Coast Tourist Association

¹ 90% of project costs contained in Project Descriptions, Volume 3.

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY				DEVELOPMENT PROGRAM AND PROPOSAL		
DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY	
<u>SPENCE BAY DESTINATION AREA</u>						
SB-1 Old Fort Ross Restoration and Lodge (1.14)	360,000 ¹	0	low 1990/91	7 seasonal job	- Sup. Economic Development - Regional Tourism Officer - Hudson's Bay Co. - zone manager - community host/facilitator - private operator - Justice and Public Service	
SB-2 Native Craft Workshop (2.10)	133,000	0	medium 1987/88	3 seasonal jobs	- community facilitator/host - craft shop	
SB-3 Boothia Peninsula Tours (1.15)	7,000 ¹	0	high 1986/87	1 seasonal job	- community facilitator/host - private operator	
SB-4 Spence Bay Community Tour (2.11)	7,000	0	high 1986/87	supplement host office income	- community host/facilitator	
SB-5 Paleajook Hotel Upgrading (1.16)	586,000 ¹	0	high 1986/87	1 seasonal job	- Sup. Economic Development - Arctic COOP	
SB-6 Nature and Fishing Tours (1.17)	13,000 ¹	-	high 1986/87	2 seasonal jobs for 2-3 months	- community facilitator/host - local tour operator	
3.1 Community Host Office	0	24,000 in Yr. 2 12,000 in Yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association	
5.2 Information Kiosk	5,000	0	medium 1987/88	-	- Arctic Coast Tourist Association	
TOTALS	1,111,000	12,000 in Yr. 10		1 full time and 14 seasonal		

¹ 90% of total project costs contained in Project Descriptions, Volume 3.

EXHIBIT 10.2

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY DEVELOPMENT PROGRAM AND PROPOSAL

DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
<u>PELLY BAY DESTINATION AREA</u>					
PB-1 Inuit Lifestyle Centre (2.12)	345,000	0 at full operation	high 1986/87	6 seasonal jobs	- zone manager - Regional Tourism Officer - community facilitator/host - Hamlet Council
PB-2 Stone Church Historic Park (2.13)	208,000	5,000	medium 1989/90	2 seasonal jobs	- community facilitator/host - Hamlet Council - GNWT Tourism and Parks
PB-3 Subterranean House Restoration/Tour (2.14)	125,000	0 at full operation	medium 1988/89	2 seasonal jobs	- community facilitator/host - Justice and Public Services - Zone Association
PB-4 Community Tour (2.15)	7,000	0	high 1986/87	supplement host office income	- community facilitator/host
3.1 Community Host office	-	24,000 in Yr. 2 12,000 in Yr. 10	high 1986/87	1 full time position	- Arctic Coast Tourist Association
5.2 Information Kiosk	5,000	0	medium 1987/88	-	- Zone Association
TOTAL	690,000	17,000 in Yr. 10	-	1 full time and 10 seasonal	

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY

DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
BATHURST INLET DESTINATION AREA					
BI-1 Bathurst Inlet Lodge Expansion (1.18)	668,000 ^{1,2}	0	medium 1986/87	10 seasonal jobs	- private operator
Information Kiosk	5,000	0	medium 1987/88	-	- Zone Association - private operator
TOTALS	673,000	0		10 seasonal jobs	
OTHER CAPITAL ASSISTANCE					
1.19 Capital Assistance to Other Accommodation Facilities (including seasonal accommodation)	1,000,000	0	low 1990/91	15 seasonal jobs	- private operators
1.20 Capital Assistance to Other Private Operations	600,000	0	low 1987/88	10 seasonal jobs	- private business, co-operative
2.16 Capital Assistance to Other Non-Profit Operations	600,000	0	low 1987/88	10 seasonal jobs	- community group, Hamlet Councils
OTHER OPERATIONAL SUPPORT					
3.2 Special Events, Festivals and Entertainment		20,000 from Yr. 3	low 1986/87	-	- community facilitator/hosts - Hamlet Council
3.3 Operational Support to Other Non-Profit Operations		40,000 from Yr. 8	low 1987/88	-	- community facilitator/hosts - Hamlet Councils - community groups

¹ 90% of project costs contained in Project Descriptions, Volume 3.

² all three phases.

EXHIBIT 10.2

ARCTIC COAST TOURISM DEVELOPMENT STRATEGY			DEVELOPMENT PROGRAM AND PROPOSAL		
DEVELOPMENT PROGRAMS	PROJECT COST \$	YEARLY O/M COSTS \$	PRIORITY AND STARTING DATE	EMPLOYMENT	RESPONSIBILITY
<u>TRAINING</u>					
4.1 Start Up Training	200,000	-	high 1985/86	short-term jobs for trainers	- Zone Association
4.2 On-Going Training	-	50,000	medium 1986/87		- Zone Association - Regional Tourism Officer
<u>PROMOTION</u>					
5.4 Regional Promotion		90,000 to Yr. 5 65,000 in Yr. 10	high 1985/86		- zone manager - Regional Tourism Officer
5.5 Expo 86 Promotion	70,000	-	high 1985/86		- zone manager - Regional tourism Officer
5.6 Development of Package Tours	-	84,000	high 1987/88		- zone manager - Regional Tourism Officer - community facilitator/host
<u>PLANNING, CO-ORDINATION AND EVALUATION</u>					
6.1 Master Plan Evaluation	160,000	15,000 in last years	medium 1987/88	work for northern/ southern consultants	- Zone Association - GNWT Dept. Economic Dev. and Tourism
6.2 Planning Studies	-	20,000 from Yr. 3	medium 1987/88	work for northern/ southern consultants	- Zone Association
6.3 Regional Market Research	30,000	25,000 in selected Yr.	high 1985/86	work from northern/ southern consultants	- Zone Association - Regional Tourism Officer
6.4 ACTA Administration	-	60,000 to Yr. 3, 45,000 after	high 1985/86	2 full time	- Zone Association
TOTALS (NOT ALLOCATED TO COMMUNITIES)	2,660,000	364,000 in Yr. 10		35 seasonal jobs	

"Responsibility" indicates the group or groups that are to take the lead role in project development, implementation, and operation.

Total Plan expenditures, capital and operating, are distributed by destination area as follows (taken from the Community Tourism Plans in Volume III).

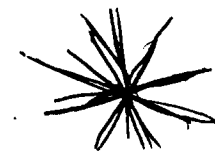
	\$'000	% of Total
Holman	934	7%
Coppermine	910	7
Cambridge Bay	1,309	10
Gjoa Haven	653	5
Spence Bay	1,272	10
Pelly Bay	910	7
Bathurst Inlet	673	5
Unallocated	5,826	47
Total	12,487	100

"Unallocated" in the table above refers to region-wide projects (training, regional promotion, planning, evaluation and ACTA administration) and capital and operating projects that are designed to support development opportunities and activities not yet identified. The latter projects account for about \$3.6 million (30%) of estimated Plan expenditures.

Expenditures are distributed fairly equally among the seven destination areas. The Background Report and Development Strategy indicate that for every community there are development opportunities that would contribute to a stronger Arctic Coast tourism sector. The Development Strategy emphasizes the need for a community-based approach with a balance between destination areas. The distribution of expenditures by community/destination area is consistent with both guidelines.

EXHIBIT 10.3: POSSIBLE SOURCES OF FUNDS FOR ARCTIC COAST TOURISM DEVELOPMENT PLAN (\$'000)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	Total \$'000	% of Total
1. Special ARDA	200	376	302	26	26	213	231	170	144	144	1,832	13
2. EDA: Domestic Market Development Sub.	210	901									1,111	9
3. Tourism Subsidiary Agreement (New)			1,284	1,313	843	760	676	613	611	662	6,762	54
4. GNWT Loan Funds		483	389	34	34	274	297	218	185	185	2,099	17
5. CEIC: Sub Agreement or Regular Programs		40	40	40	40	40	40	40	40	40	360	3
6. Other (FBDB, GNWT Education etc.)		63	53	14	14	41	42	34	31	31	323	3
Total: All Sources		1,863	2,068	1,427	957	1,328	1,286	1,075	1,011	1,062	12,487	100



The Study Team estimates that, by the end of the Plan period, more than \$10 million of Plan expenditures will be allocated to projects, special events, attractions, and activities that will provide direct and measurable benefits to specific Arctic Coast communities in the form of construction impacts, tourism expenditures, jobs and incomes.

Communities will also receive important benefits from region wide expenditures on promotion, marketing, evaluation and coordination but the effects will be more indirect and difficult to measure.

Exhibit 10.3 shows the distribution of government expenditures by possible sources of funding, under the following assumptions:

- . Special ARDA will fund 35% of program one over the ten year period plus project 4.1 (start up training)
- . In 1985-86 and 1986-87, the Domestic Market Development Subsidiary Agreement under the EDA will fund 15% of program one, and all of programs 2, 3, 5 and 6. From 1987-88 on, these expenditures will be covered by a new Tourism Subsidiary Agreement.
- . GNWT Loan Funds will cover 45% of program one costs over the full ten year period
- . CEIC, through either subsidiary agreements or its regular programs, will cover 80% of expenditures on project 4.2. The rest of program four will be covered by GNWT Education or other agencies.

These assumptions, while consistent with the existing and projected program environment, are quite arbitrary, and therefore, the resulting order-of-magnitude estimates should be used only as a general guide to program funding requirements. The actual funding sources utilized will depend on the ethnicity and preferences of applicants, the criteria used to screen applications, the interpretations of program criterion by program managers and officials providing advice

to applicants, and changes in the program and policy environment over the ten year implementation period.

The order of magnitude estimates in Exhibit 10.3 suggests that the EDA and its anticipated successor - the Tourism Subsidiary Agreement - could be the major source of funds to finance the Arctic Coast Tourism Plan. The Study Team held a meeting with representatives of the funding agencies near the end of the work program. The participants at the meeting confirmed that in general terms funding would be available from these sources for well planned and developed tourism projects in the Arctic Coast. It should be emphasized that no funding program will set aside or designate funds for Arctic Coast Tourism. Arctic Coast tourism projects will need to compete for development funding with projects from other tourism zones and from other economic sectors. The meeting indicated however that programs are currently available to fund the projects in the Arctic Coast plan, and that there is a reasonable expectation that these or similar funding sources will continue to be available for the foreseeable future.

As noted earlier, priorities have been given to the projects displayed in Exhibit 10.2 and in Volume III. The Study Team would like to emphasize that regardless of the priority ratings we view all projects in the plan as important to the future development of the Arctic Coast tourism sector. Development opportunities which lacked appeal were removed from the list at an early stage of the work program. However, if program funds are not available in the amount required and anticipated at this time, the priority ratings could be used to reduce plan expenditures. Given that:

- i) all projects with a low priority are dropped from the budget;
- ii) all operational budgets are terminated after year 8 (since project development would be virtually completed at that point);

total estimated plan expenditures would decline from \$12.5 million (over the period from 1985/86 to 1994/95) to about \$8.4 million (over the eight year period from 1985/86 to 1992/93 inclusive).

11.0 IMPLEMENTATION SCHEDULE

Various aspects of the implementation schedule for the Arctic Coast Tourism Plan are addressed in previous chapters. Chapters 5 and 10 emphasize that training programs and product development should be firmly launched before major market promotion initiatives are implemented. At the same time, plan implementation must involve moving forward on all three fronts simultaneously -- after the plan start up period, training, product development, and marketing activities will be sustained, and will reinforce each other through the remainder of the ten years.

Chapter 5 describes a schedule for the the Arctic Coast Tourist Association's promotional plan. Chapter 7 stresses that Plan implementation should be based on a tourism agreement between the federal government, the GNWT, and the Tourist Association.

In this brief chapter we bring together information to show the sequence of major events over the first years of Plan implementation. The implementation schedule can be used as a checklist by governments and the Zone Association to see if implementation is on course.

Time	Activity
June-Dec, 1985	Prepare, negotiate, and announce the first Arctic Coast Tourism Agreement (covering the period 1985/86 through 1989/90). Make the required policy changes. <u>one year.</u> <i>huh!</i>
June-Dec, 1985	Zone Manager prepares 1986/87 annual promotional plan. Finalize Arctic Coast's contribution to Expo '86, including package tour development.
June-December, 1985	Prepare and administer training program for community hosts/facilitators.
November, 1985 to February, 1986	Finalize medium-term promotional plan to be implemented from 1985/86 to 1990/91.

Time	Activity
January, 1986	Establish community hosts/ facilitators in communities.
Spring, 1986	Community hosts or local operators to organize, complete minor investments on and begin conducting the community tours.
Spring, 1986	Begin product development, through start of development/ construction/ renovation on major projects: Holman Big Game Hunts, Holman Nature/Fishing Tours, Coppermine Interpretive Exhibit, Coppermine Arctic Coastal Tours, Coppermine Inn, Spence Bay Hotel, Bathurst Inlet Lodge, Cambridge Bay Fishing and Nature Tours, Cambridge Bay Historic Park, Victoria Island Fishing Camp, Gjoa Haven Northwest Passage Tours and Dog Team Excursions, Spence Bay Boothia Peninsula and Nature/Fishing Tours, and Pelly Bay Lifestyle Centre.
May-October, 1986	Coordinate the Arctic Coast's participation at Expo '86.
December 1986 to January, 1987	Review results from Expo '86 and identify implications for future promotion efforts and product development.
Spring 1987	Start package tour developmnet project (5.6).
Spring, 1987	Start development/ construction/renovation on Holmen Learner Centre, Holman Arts and Crafts Workshop, Northwest Passage, Historic Park, and Spence Bay Native Craft Workshop.
Spring, 1988	At this point, hosts have been trained and in place for two years, promotional efforts have been conducted for a year or more, and construction on many major <u>projects/products has been completed.</u> <u>Plan impacts should become evident</u> <u>through increases in package tours,</u> <u>visitors, and expenditures.</u>
Spring, 1988	Start development of Thule Village Reconstruction, Tours to Coppermine Area Rivers, and Subterranean House Restoration at Harrison Island.

Time	Activity
Spring, 1989	Start development of Coppermine HBC Tour and Pelly Bay Historic Park. Accelerate planning for Char Lake Fishing Camp, Chantrey Inlet Lodge acquisition, and Old Fort Ross restoration.
Summer, 1989	Start fifth year evaluation study (to be completed by December, 1989).
January-March, 1990	Prepare, negotiate, and announce the second Arctic Coast Tourism Agreement (covering the period 1990/91 through 1994/95).
January-March, 1990	Prepare medium-term promotional plan to be implemented from 1990/91 through 1994/95.

The implementation schedule is designed to accomodate two needs:

1. The need to develop momentum quickly to heighten public and private sector interest and to capitalize on the interest generated by the Arctic Coast Tourism Agreement.
2. The need to implement the more complex projects on a gradual basis, reflecting the limited planning and technical resources in the region and the total Territories.

Consistent with the first need, the schedule proposes that the community hosts be trained and established in their communities, begin conducting the community tours, and start product development within a year after the completion of this assignment. The products designated for initial development in most cases tend to be small and require less forward planning. In many instances, a local operator has already been identified and some planning and/or feasibility work has been completed. The projects designated for later development include the Char Lake and Chantrey Inlet lodges -- both of which could be subject to prolonged negotiations with their current owners -- and the Pelly Bay Historic Park



and Fort Ross, projects that are fairly expensive and require detailed planning. The Fort Ross restoration will also need to be negotiated with the Hudson's Bay Company.

It is essential that plan implementation start with a bang. All of the projects with a 1986-87 starting date have been given a high priority. A few could, however, be identified for special attention in the initial months by the community host, ACTA Zone Manager, Regional Tourism Officer, or other government officials. Possible candidates for special attention are the following:

1. Northwest Passage Coastal Tours out of Gjoa Haven.
 A local operator is already interested in this project, general community interest in tourism is strong, and the project is relatively simple. (The major capital item is the purchase and transportation of a boat). For these reasons, the project could be developed quickly. The project and a package tour based on the project could be developed in the spring of 1986 for test marketing at Expo '86 and initial implementation in that year. If initial marketing and implementation are successful, the project and package tour could be fully launched in the summer of 1987.
2. Boothia Peninsula tours out of Spence Bay have already been tested by a local operator. This tour can be made the focus for spring and ~~summer~~ package tours to be marketed and implemented in 1986. Expo '86 can provide an important promotion vehicle in that year.
3. A local operator in Cambridge Bay is already pursuing a number of opportunities, including the Victoria Island fishing camp, fishing and nature tours in the area, and the Cambridge Bay community tour. The ACTA Zone Manager, the Regional Tourism

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Officer and the community host should assist the local operator in developing one or two tours around these projects. The package tours would be strongly marketed in the spring and summer of 1986 (with Expo '86 again providing a major vehicle) and the first tours would be conducted in the summer of that year.

4. Coppermine is perhaps the best destination for 1-3 day "Arctic Circle" package tours out of Yellowknife, Edmonton, and perhaps Vancouver. A Vancouver based wholesaler has expressed interest in adding a 24-hour "circler" to the company's bus tour to Yellowknife (see Appendix A of Volume I). Other respondents suggested that tour companies taking Europeans by bus across Canada may be interested in adding a 24 to 72 hour tour out of Edmonton. The Coppermine community tour would play a important role in either package. One implication is that the Coppermine Inn's renovation plans should give priority to the dining/lounge area to accomodate the 24-hour circlers in the summer of 1986.

5. The Hunters and Trappers Association in Holman should be assisted with expanding their big game hunts in 1986 and with test marketing and implementing a "Spring Experience" package -- perhaps linked to Coppermine activities -- in the Spring of 1986. The "Spring Experience" tour was tested in the Spring of 1985, using participants from Rendezvous Canada.

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Because these initiatives are low cost and do not involve extended construction schedules, they can all be launched fairly quickly and could be ready for marketing at Expo '86. These projects would not have a major effect on tourist visitations in the first year -- probably no more than 150 visitors would result from them, with two-thirds from the 24-72 hour Arctic Circler packages. However, some tourists

would be seen in the Arctic Coast communities, providing visible evidence that the Tourism Plan is underway. Moreover, 150 pleasure tourists would represent a 15 to 30 percent increase over the number of pleasure tourists who have visited the Arctic Coast in recent years.

12.0 SOCIOECONOMIC IMPACTS OF THE ARCTIC COAST TOURISM PLAN

12.1 Economic Impacts

The Arctic Coast Tourism Development Strategy and Plan will influence the Arctic Coast economy in many ways:

- . The construction of capital facilities will provide jobs and incomes to construction contractors and workers and to local suppliers who provide goods and services to construction projects.
- . The travel generators and attractions financed by the Plan will result in increases in tourism expenditures, plus jobs and incomes to proprietors and workers at the attractions and suppliers to the facilities (e.g., suppliers of maintenance services).
- . Accommodation, food, and beverage revenues will increase at hotel/lodge facilities upgraded under the Plan, and at accommodation facilities that benefit indirectly from the Plan through visitation to supported attractions.
- . Increases in jobs and incomes will result from consumer spending by workers and proprietors of tourism facilities assisted directly and indirectly by the Plan.

These impacts are discussed under three headings.

Construction Impacts

The Arctic Coast Tourism Plan is expected to result in about \$8 million in capital investment in tourism facilities. (This figure is the sum of government expenditures under Programs 1 and 2 plus private expenditures [owner's equity] in Program 1.)

Some of these capital investment expenditures, particularly the expenditures on marketing and training, will not have an immediate effect on jobs and incomes in the Arctic Coast. Leakages from the region will be reduced through the use of construction techniques appropriate to the region and the fact that most investments involve renovation of existing facilities. Both factors should increase the construction impacts on the local economy.

It is estimated that \$7 million in capital investments will have some influence on the regional economy. Based on industry norms, capital investments of \$7 million should result in \$2.8 million in income to construction workers and contractors in the region. The remaining expenditures of \$4.2 million will largely be used to bring in materials and equipment from the south. Regional impacts will be limited to wholesale and retail markups which are estimated at 15% of \$4.2 million or about \$600,000.

To summarize, total capital investments of \$8 million are estimated to result in \$3.4 million in incomes to construction workers, construction contractors, and other businesses in the Arctic Coast. At an annual income of \$40,000 per job, these capital investments would create about 85 jobs on a full-time equivalent basis. Because most construction work will last an average of three months, however, capital investments financed by the Plan will create about 340 part-time or seasonal jobs over the ten years of Plan implementation, with each job paying \$2,000 to \$3,000 per month.

The construction impacts would be distributed approximately as follows over the ten year period.

Year	Total Capital Investment (\$000)	Regional Income (\$000)	Employment	
			Full-time Equivalent	Part-time Basis
1985/86	--	--	--	--
1986/87	1,500	640	16	64
1987/88	1,700	720	18	72
1988/89	1,000	420	11	42
1989/90	400	170	4	17
1990/91	900	380	10	38
1991/92	800	340	8	34
1992/93	600	260	7	26
1993/94	500	210	5	21
1994/95	600	260	6	26
Total	8,000	3,400	85	340

During the peak construction years, Plan investments in capital facilities are expected to expand the region's employment base -- including part-time and seasonal employment -- by 4 to 7 percent. (Current employment in the region is estimated at 900 and this figure is not expected to exceed 1,000 by the end of the projection period under the assumption that the Plan is not implemented -- see subsection 4.5.5 of Volume I.)

In this chapter, we are concerned only with estimating the direct impacts of the Plan on the Arctic Coast's construction sector. The improved investment climate and expanded tourism expenditures resulting from the Plan could influence existing businesses to upgrade their facilities or make small additions to their operations providing secondary or spinoff construction impacts. The implications of these small improvements have not been included in estimates of Plan capital expenditures.

Operating Impacts

Plan impacts are assessed in terms of three perspectives and time periods:

- impacts of identified projects 3-4 years after project start-up (as estimated in Volume III)
- impacts from all funded projects 7-8 years after the start of plan implementation

- the peak impacts of all Plan initiatives 2-3 years after the completion of the Plan.

The specific development projects identified in Volume III under Programs 1 and 2 are expected to result in an increase of about three million dollars in tourism expenditures over the first half of the Plan. Up to two million dollars in tourism expenditures are expected to result from the projects designed to finance opportunities that are identified in the first half of the Plan and implemented in the second five years. (These are Projects 1.19, 1.20, and 2.16 in Volume III.)

The development projects, however, account for only part of the tourism expansion expected from the Arctic Coast Tourism Plan. Other sources of expansion include the following:

- . Promotional efforts under Program 5, especially the package tour project and the operational support program, should result in additional tourism visitation and expenditures, particularly in the spring months. These increases are only partially captured in the tourism expenditure estimates for specific projects.
- . With more to see and do, people visiting friends and relatives in the region could be encouraged to spend more money and extend their length of stay. Business people and government officials on business trips to the Arctic Coast could be encouraged to stay a weekend and enjoy the new attractions.
- . With improved facilities, local residents could be encouraged to spend more of their discretionary income on recreation activities in the Arctic Coast.
- . The momentum developed under the Plan should carry over after the Plan comes to an end. The consequence should be further increases in tourism expenditures, occupancy,

and attendance rates at Plan-financed facilities from 1995 on.

Based on the above considerations, we conclude that the expenditure targets outlined in Chapter 4 can be achieved. As a consequence of Plan interventions, tourism expenditures from pleasure tourists in the Arctic Coast are expected to increase by \$5 million in 1992/93 and by \$10 million in 1997/98.

These figures represent estimated Plan impacts; therefore, are additions to tourism expenditures over and above the small increases that might occur in the absence of the Plan. Subsection 9.3 of Volume I (the Background Report) indicates that without the Plan, expenditures of business travellers to the Arctic Coast will show a modest advance from \$3.5 million in 1984 to perhaps \$4.3 million by the mid-1990s and expenditures of pleasure tourists will remain constant at approximately \$1.1 million per year. Accordingly, with the implementation of the Plan, tourism expenditures in the Arctic Coast are projected to advance by more than three times from an estimated \$4.6 million in 1984 (see Exhibit 9.4 of Volume I) to \$7.2 million in 1992/93 and about \$15.5 million in 1997/98. Without the Plan, tourism expenditures would be on the order of \$5.5 million, providing a Plan impact of \$10 million.

Based on the industry ratios and multipliers developed in Section 9.3 of the Background Report (Volume I), achieving the tourism expenditure targets will result in the following impacts in the tourism sectors of the Arctic Coast and the rest of the NWT.

	1992/93	1997/98
Additional tourism expenditures in the Arctic Coast (\$000)	5,000	10,000
Impacts on the Arctic Coast		
Number of tourists	5,000	10,000
Number of person-days spent by pleasure tourists	35,000	70,000
Additional accommodation demand:		
- person nights	25,000	50,000
- room nights	12,500	25,000
Direct Effects		
- Income (\$000)	1,735	3,470
- Full-time equivalent jobs	63	126
- Jobs on part-time basis	252	504
Indirect Effects		
- Income (\$000)	325	650
- Full-time equivalent jobs	7	14
- Jobs on part-time basis	28	56
Induced Effects		
- Income (\$000)	270	540
- Full-time equivalent jobs	11	22
- Jobs on part-time basis	44	88
Total Income and Employment Effects		
- Income (\$000)	2,330	4,660
- Full-time equivalent jobs	81	162
- Jobs on part-time basis	324	648
Impact on Other NWT Regions		
Direct		
- Income (\$000)	174	348
- Jobs*	6	12
	1992/93	1997/98
Indirect		
- Income (\$000)	302	604
- Jobs*	7	14
Induced		
- Income (\$000)	187	373
- Jobs*	7	14
Total		
- Income (\$000)	662	1,324
- Jobs*	20	40

* On a person-year equivalent basis.

The impact estimates are based on the following assumptions:

- . Each pleasure tourist stays an average of 7 days in the Arctic Coast.
- . Each pleasure tourist spends an average of \$140 per day while visiting the Arctic Coast. (This is well above the current average because there will be more to see and do.)
- . Each pleasure tourist spends about \$1,000 in the Arctic Coast during his/her 7-day holiday in the region. (Cost of travel to the region, which will not provide jobs or income benefits to region residents, will increase the cost of a typical 7-day package tour to between \$1,500 and \$2,000. The full cost will depend on the visitor's residence, the effect of group fares, and other factors discussed earlier.)
- . The typical tourist will spend 5 days in a hotel or lodge and 2 nights on the land (e.g., camping using equipment provided by the operator).
- . Room night demand is based on double occupancy.
- . Average expenditures on hotels, including food and beverage expenditures, are estimated at \$100 per person per day. This implies that additional tourist expenditures resulting from the Plan will be divided about equally between revenues to accommodation facilities and revenues to other tourism-related businesses and operations.
- . Each part-time job lasts about three months.
- . Tourism expenditures of \$5 million in the Arctic Coast result directly in expenditures of \$500,000 in other parts of the NWT, mainly Yellowknife and other NWT entry

points connected to the Arctic Coast (e.g., Inuvik and Frobisher Bay/Hall Beach). Many tourists overnight in Yellowknife, Inuvik, or Frobisher Bay before arriving in the Arctic Coast. Impacts on the rest of the NWT reflect leakages from the Arctic Coast economy, as well as additional tourism expenditures in other Tourism Zones.

To summarize the regional impacts, by the early to mid 1990s the Tourism Plan is expected to result in an additional 5,000 pleasure tourists to the Arctic Coast who will spend a total of 35,000 person days in the region. Their total expenditures will be divided equally between hotel revenues and revenues to other tourism related businesses and operations. The additional visitation and expenditures will create incomes of \$2.3 million for workers and business proprietors in the Arctic Coast and will provide about 80 jobs on a full-time equivalent basis. These full-time jobs can be translated into about 320 part-time jobs (assuming each job lasts about three months).

Employment impacts can be assessed in terms of the number of full and/or part-time positions that are created, as well as the number of people who find employment (which takes account of the potential for one person to hold more than one part-time position). The actual number of people finding employment as a consequence of the Plan will be somewhere between 80 (the number of full-time jobs) and 320 (which assumes that each jobs lasts three months). Some people will find work from both shoulder and peak season tourism, as well as maintenance work in the winter. If it is assumed that each person working as a consequence of the Plan is employed for five months, the number of local residents who find wage employment would be close to 200. Compared to the employment base of about 950 in the absence of the Plan, this indicates a 20% expansion in the number of people reported as employed (as least part of the year) in the Arctic Coast in the early to mid 1990s.

These plan impacts could be doubled by 1997/98. Even if full Plan impacts are delayed for a few years, the analysis indicates that by the end of the century, the Plan could result in a 40% expansion in the employment base of the region. When Plan impacts are added to current employment from tourism (estimated at about 100), employment from tourism and related activities could approach the 500 level by the year 2000. This figure would constitute about one-third of total reported full and part-time employment in the region, which would make tourism the largest single employer in the Arctic Coast outside of government.

For the NWT in total, the Plan is estimated to result in additional wage and business incomes of \$3 million by 1992/93 and \$6 million by the late 1990s. Because of the lack of business and employment alternatives in the Arctic Coast and other parts of the NWT, this income and employment would not be created in the absence of the Plan. In other words, most of the income and employment associated with the Plan can be viewed as incremental.

The Arctic Coast Tourism Plan will require a government investment of \$12.5 million and a total investment (government plus private) of between \$13 and \$15 million. These investments are expected to generate incomes to the NWT of nearly \$3 million per year by the early to mid 1990s and about \$6 million by the end of the century.

The Arctic Coast Tourism Plan has not been subjected to a rigorous benefit-cost analysis from the perspective of the NWT society or the total Canadian society. The impact results suggest that if such an analysis were done the social rate of return to the NWT, and probably to Canada as a whole, would likely be favourable.

Summary of Economic Impacts

The following table summarizes the construction and operation effects of the Arctic Coast Tourism Plan over the thirteen year period from 1985/86 to 1997/98. Construction employment is based on an average of three months work per worker, and the tourism (operation) effects are based on five months work per worker.

	<u>Construction Effects</u>		<u>Tourism Effects</u>		<u>Total Effects</u>	
	Income (\$000)	Employment	Income (\$000)	Employment	Income (\$000)	Employment
1985/86	--	--	--	--	--	--
1986/87	640	64	--	--	640	64
1987/88	720	72	120	10	840	82
1988/89	420	42	470	39	890	81
1989/90	170	17	930	78	1,100	95
1990/91	380	38	1,400	117	1,780	155
1991/92	340	34	1,860	156	2,200	190
1992/93	260	26	2,330	195	2,590	221
1993/94	210	21	2,800	234	3,010	255
1994/95	260	26	3,260	273	3,520	299
1995/96	--	--	3,730	312	3,730	312
1996/97	--	--	4,190	351	4,190	351
1997/98	--	--	4,660	390	4,660	390

Together, the construction and tourism effects of the Plan will have a significant influence on the Arctic Coast economy. From the early 1990s on, more than 200 residents of the Arctic Coast will be provided with many months per year of wage employment. In light of the lack of job creation expected from other economic sectors, the unofficial unemployment rate in the Arctic Coast could be in the range of 40% to 50% by that time (or about 600-800 unemployed workers). During the construction and tourism seasons, the Plan could reduce the unemployment rate in the Arctic Coast by up to a half, for example, from 40% to 20%.

Wage employment provided by the Plan will allow some residents to become eligible for unemployment insurance for additional months of the year. This will further add to the personal income of the region. (This additional income

benefit was not included in the analysis of Plan impacts).

The community plans in Volume III present order of magnitude estimates of the Plan's possible impacts on the economy of each destination area. The table on the following page summarizes the Plan's possible effects on key indicators in destination areas.

The Arctic Coast Tourism Plan could provide additional economic benefits to the region and the total NWT. The management and entrepreneurial skills resulting from the Plan's training programs and the profits from Plan-financed businesses could be applied to the establishment of businesses in other economic sectors. The success of the Plan could demonstrate to residents the benefits of operating a viable business and the benefits of inter-community and inter-regional planning and cooperation. Communities will be given evidence of the benefits of community economic planning and cooperative action among community groups in implementing development projects. The lessons learned from Plan implementation could be applied by government officials to tourism planning in other regions and to economic planning in other sectors.

These impacts, although difficult to quantify, could have significant long-term effects on the economy of the Arctic Coast and the NWT as a whole.

12.2 Social/Cultural Impacts

Successful implementation of the Arctic Coast Tourism Plan can be expected to influence the social and cultural lives of the residents and communities of the Arctic Coast. Many of these influences will be positive. The facilities financed by the Plan will provide local residents with recreation opportunities which are close to home and often inexpensive. The improved meals at local hotels can be enjoyed by residents and visitors alike. Residents will be given

Destination Area

	Holman	Coppermine	Cambridge Bay	Gjoa Haven	Spence Bay	Pelly Bay	Bathurst Inlet	Total Region
Operating¹								
Expenditures (\$000)	800	1,000	1,200	500	800	400	300	5,000
Pleasure Tourists	1,100	1,800	2,100	700	1,100	600	200	5,000
Person Days	5,500	7,200	8,400	3,500	5,500	3,000	1,400	35,000
Accommodation Demand:								
- Person Nights	4,000	5,200	6,000	2,600	4,000	2,200	1,200	25,000
- Room Nights	2,000	2,600	3,000	1,300	2,000	1,100	600	12,500
Total Income (\$000)	370	470	560	230	370	190	100	2,330
Jobs:								
- Full-time ² Equivalent	13	16	20	8	13	6	6	81
- Part-time ³	50	64	80	30	50	24	20	324
Number Employed ³	30	40	50	20	30	15	12	190
Construction⁴								
Expenditures (\$000)	640	790	1,100	500	1,200	690	750	5,200
Total Income (\$000)	270	340	470	210	500	290	320	2,100
Employment:								
Full-time Equivalent	7	8	11	5	12	7	8	60
Number Employed	28	32	44	20	50	28	32	240

¹ By the early to mid 1990s.

² Three months per job.

³ Each worker is employed five months.

⁴ Impacts aggregated over the ten year period. Includes only the projects identified with a specific community.

NB. Rows will not add due to rounding.

opportunities to learn about the culture, history, and lifestyles of their region and to participate in special events, frolics, and festivals based on the Inuit culture.

Some residents will be directly involved in the development and implementation of community based projects, and virtually all can take pride in having new facilities in town. Community involvement in plan implementation will enhance community cohesion and will make residents feel they have some control over their community's development.

Tourism jobs will provide not only wage income, but also improved employment skills and personal satisfaction. For many residents, work for a few months at a tourism operation will be readily accommodated into their schedule for renewable resource activities, and the wage income can be used to purchase better hunting and trapping equipment.

Not all influences will be viewed as positive at all times by all residents. Tourism will bring strangers into communities; strangers are not always as well behaved or as considerate or tolerant as they should be. Tourists might make residents feel uncomfortable or awkward; tourists can be demanding and critical. Local people may have to return from a hunt to greet an incoming tour, meaning less country food for the winter. Wage income will allow residents a higher standard of living, but the discipline required to earn that income will be new, and perhaps difficult, for many Arctic Coast residents. Additional wage income can also mean more consumption of junk food and alcohol.

An important factor that will contribute to the direction of socio-cultural impacts is how residents perceive tourism. Comments from community meetings indicate that many residents have a favourable perception of tourism and are ready to accept some tourism development. The meetings also indicated, however, that knowledge about how the tourism industry works and what needs to be done to encourage tourism

growth is generally limited. Lack of knowledge may lead to misunderstandings between northern operators and the southern travel industry. Community hosts/facilitators will have an important role in expanding tourism knowledge and continuing the community awareness process which began with this assignment.

Southern lifestyles are creeping into the Arctic Coast in any event -- as evidenced by the availability of pay television in many hamlets. The Arctic Coast Tourism Plan, in some respects, will accelerate this process. In other ways, however, the Plan is designed to preserve the traditional way of life and to make Arctic Coast residents more aware of the richness of their culture and heritage. Through its focus on the culture and history of the region and the emphasis given to community involvement, the Tourism Plan has been designed to diminish the potentially negative effects of tourism development on the culture and lifestyle of the region.

The progress of Plan implementation should be closely monitored by the community hosts, the Arctic Coast Tourist Association, the Agreement Advisory Committee, and other interested parties to ensure that the negative social impacts are minimized and the economic and socio-cultural benefits to local residents are enhanced to the greatest extent possible.