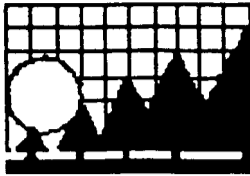




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***Discussion Paper On Licensing and  
Enforcement Options For Outfitters And  
Tourism Establishments  
Type of Study: Reference Material  
Date of Report: 1988  
Author: Treeline Planning Services Ltd.  
Catalogue Number: 11-8-32***



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29 August 1988

Mr. Alan Vaughan, Assistant Deputy Minister  
Department of Economic Development and Tourism  
Government of the Northwest Territories  
Yellowknife, N.W.T.  
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Dear Alan,

**Licensing and Enforcement**  
**Tourism and Outfitting Operations**

Following our meetings of 8th August, we have revised the working draft Attachment A to deal with some of the points raised. The Hotel/Motel rating notion is now included; as is a list of recipients, and the reaction of initial readers.

At our earlier meeting of the 5 July, you mentioned providing a a shortened 10-page final document for public consumption. Find enclosed a version of this as Attachment B.

We look forward to your comments, and would be pleased to make any further adjustments prior to releasing documentation to the public.

If you have any questions, don't hesitate to call me.

Yours sincerely,

&

David T. McCann, MCIP

→ cc: Mr. Peter Neugebauer, Tourism

# Attachment A

Discussion Paper on  
Licensing, and Enforcement Options  
for Outfitters and Tourism Establishments

prepared for:

Tourism Division  
Department of Economic Development and Tourism  
Government of the Northwest Territories

prepared by:

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August 1988

Contract # SC 271970 - -

## Executive Summary

In the context of current concern over the viability of territorial economy, tourism represents one of the most exciting options for the generation of new wealth. Relative prosperity in the economies of the developed nations and sophisticated urban markets seeking fresh experiences underlie the desirability for prompt and orderly development of Tourism in Canada's North.

This discussion paper sets out a core philosophy for new licensing and enforcement mechanisms, one which will foster long-term growth in the Territorial tourism sector.

As a starting point, some time is spent examining the licensing and enforcement documentation of other jurisdictions. This is followed by a discussion of unique Territorial **objectives, and** conditions, with definitions of the major tourism players in the operations of the Territories.

The bulk of the paper is oriented to issues connected with Licensing and Enforcement Directions, Licensing of Tourism Operations, Certification of Guides, and other Related Topics.

The study concludes that a board structure with Registrar would probably be the most cost-effective way of proceeding. A proposed direction towards the formation of a self-regulating Professional Society of Guides is strongly recommended.

This paper was initially released on a restricted basis to industry and government representatives (Attachment C) in order to gather informed reaction (Attachment D). In addition, another shorter paper on hotel/motel rating systems was distributed on a limited circulation, with reaction included in Attachment D.

With this discussion version of the Licensing and Enforcement document, it is hoped that a much wider public dialogue will be generated, and that territorial policy in this matter can be further elaborated.

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## Chapter 1 Introduction

### a) Background

The Department of Economic Development and Tourism's current regulations and practices with respect to reviewing applications for licenses do not enjoy broad support from the communities or industry. Accompanying regulations have been difficult to apply due to piecemeal development. As a result, neither community nor industry needs are effectively met, nor are the regulations/practices fully consistent with the Department's stated goals and objectives for the industry.

It has been brought to the attention of the Department that there has not been uniform application of the legislation/regulations across the NWT (i.e. lack of standards), and that this has caused disappointment and frustration among current and potential tourist operators. Conflicts within the industry are becoming more pronounced and numerous with the expanding number and type of tourist operations. While there are some suggestions that a libertarian "laissez-faire" model of development would be best, industry problems underline the necessity for some amount of regulation and control.

In the larger context of the Canadian workplace, there is a noticeable trend to the formation of new professional groups beyond the traditional professions of medicine, law and accounting. As examples of these new initiatives, Professional Administrators and Purchasing Officers are now represented by professional bodies with their own governing bodies and ethical codes.

Within international marketplaces, the value and cost of government-sponsored regulation is increasingly coming into question, with significant moves to deregulation across many fields of endeavour, most particularly in communication and transportation. "Competitiveness" is the new watchword for numerous industries.

Exhibit 1 (Tourism Facility Numbers by type) clearly shows the growth trend for the industry in a thirteen year period from 1975 to 1987. The chart discloses that the number of lodges has remained fairly stable, with a slight rise in number of hotel and motels, plus a significant expansion in the number of outfitters in the Territories.

**Exhibit 1**  
**N.W.T. Tourism Facility Numbers by type**

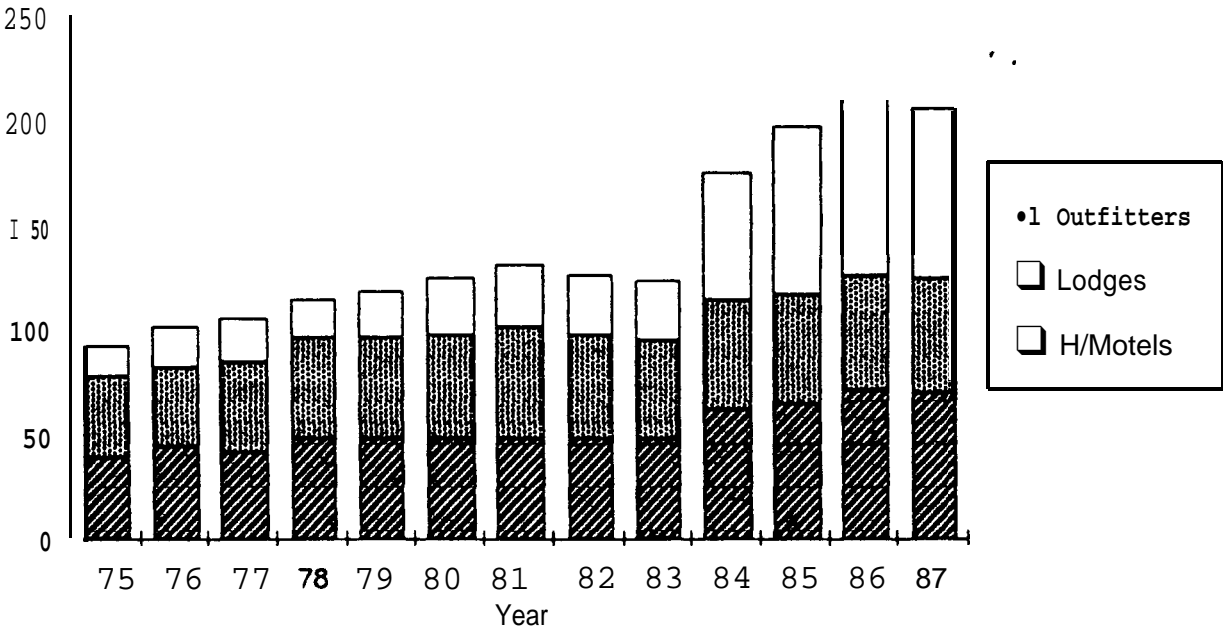
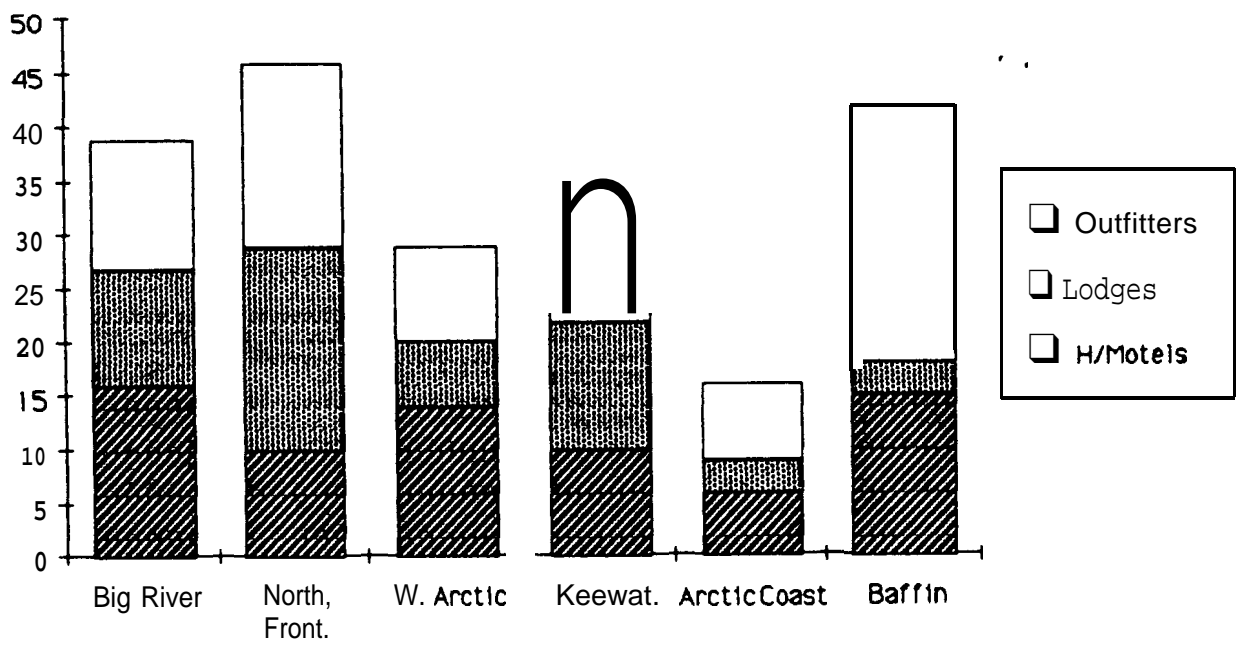




Exhibit 2 (1987 NW'I' Tourism Facilities by Zone) indicates that the majority of facilities are in the S-W corner of the Territories, and each facility type is present in all zones. Northern Frontier has the largest number of operations, and the largest lodge group among the zones. Baffin has the second largest number of operations, with the largest outfitter group among the zones.

The present license and permit situation is complicated by the overlapping jurisdictions of government departments having to do with tourism and **the** use of the wildlife resource. Exhibit 3 summarizes the legislation and authorities that are at play for various classes of licenses and permits.

**Exhibit 2**  
**1987 NWT Tourism Facilities by Zone**



**Exhibit 3**  
**Legislation and Authorities**  
Licenses and Permits\*

	Relevant Legislation	Authority
<b><u>for a License</u></b>		
Tourism Outfitter	Travel and Tourism Act -Outfitter's Regulations	<b>Ec.Dev.&amp;Tourism</b>
Tourist Estab.	Travel and Tourism Act -Outfitter's Regulations	<b>Ec.Dev.&amp;Tourism</b>
Hunting Guide	Wildlife Act -Wildlife Business Regs.	<b>Renew.Resources</b>
Hunting Outfitter	Wildlife Act -Wildlife Business Regs.	<b>Renew.Resources</b>
<b><u>for a Permit</u></b>		
Territorial Park	Territorial Parks Act -Territorial Parks Regs.	<b>Ec.Dev.&amp;Tourism</b>
Tourist Estab. Building Permit	Travel and Tourism Act -Tourist Estab. <b>Regs.</b>	<b>Ec.Dev.&amp;Tourism</b>
Tree River Zone Travel Permit	Travel and Tourism Act -Travel Development Area Regulations	<b>Ec.Dev.&amp;Tourism</b>

\* sourced from the Lapp study on Tourism licensing.

In addition to the above, other government departments, bodies and Boards are involved through the standards they bring to bear:

Ministry of Transport (Federal)  
Department of Fisheries and Oceans (Federal)  
Wildlife Management Board  
Renewable Resources Management Board  
Liquor Board  
Fire Marshal  
Building Inspectors  
Public Health  
**N.W.T.** Wildlife Federation Board  
Municipalities (within their boundary)

The Department of Economic Development and Tourism has had difficulty with its dual enforcement and advocacy role. Tourism personnel find it awkward to offer constructive and encouraging advice to potential tourism operators, when subsequently being required to rigorously and impartially inspect operations for deficiencies.

With the evolving nature of the tourism market, new services are beginning to encroach on other established businesses. For instance, airborne sightseeing tours have been known to impair the quiet enjoyment of wilderness experience parties. So while the growing role of aircraft in tourism has opened exciting new avenues for tourism (ex: air sightseeing of wildlife), it has also created the potential, for conflict with other tourism uses of the land-base if it is not regulated in some way.

There is evidence that some **N.W.T.** hunting outfitters are now wishing to offer fishing services in an effort to broaden the attractiveness of their operations. And yet these new operations compete with existing full-time fishing operations. The longer-term biological resource pressure generated by these kind of moves has yet to be effectively measured.

The native population majority and land claim beneficiaries in smaller communities have been expressing a keen interest in participating in the industry growth, utilizing skills closely related to their traditional lifestyle. The current licensing procedure of giving affected local communities an opportunity to submit competing bids, however, has not fully accomplished the original key objectives of re-directing economic benefits.

Site inspection visits by various government departments on different schedules have proven to be difficult to coordinate, quite expensive, and probably too infrequent. The visits are unsettling for operators, who are finding themselves in the situation of responding to a variety of inspectors arriving on the premises, each of whom is potentially capable of withdrawing permission for the operation to commercially function.

The overall situation with regard to licensing and enforcement may be **best** characterized as "fragmented", lacking in consistency, with little comprehensive guiding policy .

b) Directions for study

To offset some of the commercial instability generated by these problems, and to foster the interests of the tourism industry generally; it was recognized that a new licensing process with consistently applied rules was needed. The final product would have to be comparable across the seven regions of the Territories, while augmenting the perceived fairness of the system.

With outfitting operations and lodges sharing the same land resource base as the communities, vehicles for achieving a measurable employment/revenue benefit, possibly in the form of an ownership stake, were deemed desirable.

From the viewpoint of the prospective tourism operator, any licensing process has to be timely, and in scale with profit potential, both in operational and capital appreciation terms.

To complement the growth and importance of the 'tourism industry today, the Department is seeking recommendations on a role change that would permit it to cost-effectively promote this sector of the N.W.T. economy through the provision of quality assurance to the consumer.

The complexity and sensitivities of issues surrounding the licensing and enforcement aspects of the northern tourism business are considerable. It is believed therefore that this study will serve a useful purpose if it can generate a solid core philosophy around which an operational licensing and enforcement system can be built.

Before attempting to expound a core philosophy with regard to licensing and enforcement for the N.W.T., it was thought wise to review the documentation of other jurisdictions with the intent of learning about the best and most appropriate elements of their systems. See Appendix A for list of documents received .

## Chapter 2 - Unique N.W.T. Conditions

One notion that quickly surfaces in the examination of the jurisdictional responses is the essential difference of conditions in the N.W.T. The Northwest Territories is possibly closer in many ways to the Alaskan situation than the provincial conditions of southern Canada.

But what are the special factors that distinguish the N.W.T. circumstances from the rest of the country? The following is brief review of points:

### Distance

The most obvious difference is the distance that must be covered to conduct business in the Territories. With few options to the use of aircraft, considerable transport charges are built into every cost input in the establishment of a business, and these exaggerate the difficulty of establishing an operation as compared to the southern Canadian situation.

All-weather roads connect only the major communities of the western N.W.T. For the transportation of bulk materials, "sealift" or winter road are probably the cheapest transport alternative, where possible. Otherwise, building materials, all personnel/guest transfers, foodstuffs and other consumables for tourism-related operations must be carried by aircraft.

### Seasonality

Short working seasons, sometimes measured in weeks, mean that returns from tourism-based operations must be quite concentrated to ensure that there is a sufficient return to justify an investor's outlay. In contrast to this, the season may extend into a number of months in the southern provinces.

Whereas some southerly jurisdictions have successfully promoted tourism-based activities during winter months, the N.W.T. -based industry has yet to successfully devise strategies for attracting large numbers of tourists into the Territories during the prolonged cold season.

### Skill Transfer

Multi-decade dependence on transfer payments has been a major conundrum for the N. W.T. administration in terms of initiating an indigenous territorial economy.

The creation of new wealth through Tourism offers one of the brightest potentials in a range of possible economic options. But for this to happen, however, there is a great need for the development of business skills and acumen among the native majority. **There** is a consequent political will developing in the N.W.T. that business skills be conveyed to native residents in operations where this is readily feasible.

Outfitting and tourism establishments are thought to be natural for this kind of skill transfer because they achieve an important part of their value through the direct use of the land resource base, operating with talents closely related to the traditional hunting and gathering **skills** of native peoples.

### Land Claims

As part of the ongoing process of regularizing the relationship between the indigenous people of the N.W.T. and other Canadians, there is a need to ensure that land-based tourism developments complement the efforts made in other arenas of political negotiation.

With the negotiations and land selection processes underway, it is critical that whatever licensing criteria and enforcement procedures evolve recognize those portions of the land resource-base that will be under the direct control of native beneficiary organizations.



### Chapter 3 - Issues for Tourism Licensing

An examination of the the documents of other jurisdictions suggest that conventional reasons for licensing of outfitters and tourism establishments are as follows:

- 1) ensuring that minimum physical safety standards are maintained.
- 2) ensuring that the long-term biological resource base capacity remains sustainable on an indefinite basis.
- 3) maintaining basic consumer protection and satisfaction through quality assurance.
- 4) forestalling unbridled competition which would ultimately produce chaos for both industry participants and consumer.
- 5) ensuring that there is a degree of security for investors, and protection for operators.
- 6) earning revenue for the issuing authority. As governments fight deficits, there is increasing concern for cost-recovery in all operations, including regulatory bodies.

In contrast to the above, the issues in **licensing** for the **N.W.T.** include all of those above plus additional" important objectives having to do with the relationships of the land and communities of native people. For the N.W.T., the issues might be re-stated in the form of Primary and Secondary categories as follows:

#### Major Issues:

- A) ensuring that minimum physical safety standards are maintained.
- B) ensuring that the long-term biological resource base capacity remains sustainable on **an** indefinite basis.
- c) supporting basic consumer protection through product awareness programs, and related quality assurance.
- D) ensuring that there is a degree of **security** for investors, and protection for operators. -- .

- E) the widespread dispersal of economic benefits to populations of smaller communities with few other wealth-producing opportunities.
- F) improved control mechanisms over the pace and nature of development by communities whose land-based economy is shared with the tourism activity.
- G) a respect for the cultural-traditional use of smaller communities' hinterland, connected with the expected land claims arrangements.
- H) once acquired, the transfer of tourism assets (facilities and license with conditions) as a property in the market place, so that business-minded people **will** have Incentive to invest, and will receive fair value for their efforts.
- I) opportunities for the smaller communities on a right of first refusal basis to acquire and to sell licensed tourism assets. This is rooted in the strong sense of ownership with many native peoples through their traditional use of the land.
- J) compatibility of tourism and non-tourism activities minimizing land use conflicts.
- K) a respect for the use of the physical environment which takes into consideration the long-term perspective for the land base.
- L) compatibility between tourism uses minimizing exploitation conflicts, or undue pressure on biological resources

Secondary:

- M) forestalling unbridled competition which would ultimately produce chaos for both industry participants and consumer.
- N) efficient and cost-effective mechanisms to monitor visitor volumes and facility utilization rates across the **N.W.T.**
- O) desire to better monitor the activities of Southern wholesalers influencing the northern industry
- P) desire to move in the direction of industry **self-**regulation that develops with maturity.

## Chapter 4 - Tourism Actors

With respect to licensing and enforcement in the context of this study, there are various actors recognized with tourism operations in the N.W.T.:

- (i)- Guides are those individuals who are offering a strictly personal service to a hunter, fisherman, or tourist by way of assistance in hunting, fishing, or interpretation.
- (ii) - outfitters are those supporting personal services to hunters, fishermen, or tourists, but do so in conjunction with the provision of some amount of related transport or portable shelter equipment. These businesses may be mobile, and have no seasonally fixed accommodation base.
- (iii)- Tourism establishments are those who are offering a range of services to hunters, fisherman, or tourists, but are doing so operating from a permanent fixed base, whether that be a lodge in a remote location, or a hotel/motel within an existing settlement.
- (iv)- Travel Wholesalers are those persons who, in the course of business, supply their own nonscheduled, or third party scheduled, travel services for the purpose of resale to travel agents, other travel wholesalers, tour operators, receptive operators or ground handlers.
- (v)- Travel Agent is a person who, in the course of business, sells or otherwise provides travel services to the public provided by another person or company.
- (vi)- Tour Operator refers to the person that negotiates rates from travel service suppliers, takes the components contracted, i.e.: lodging, transportation, meals, sightseeing, transfers, etc., creates and organizes packages and offers them as a complete "Package Tour" to wholesalers, travel agents, and consumers at either retail, net or net-net price, and "operates" the complete package enterprise. A travel agent, a tour wholesaler, receptive operator, may all be one and the same.

- (vii)- Tour refers to services on a traveler's itinerary usually including but not restricted to accommodation, transportation, transfers, and sightseeing in a geographical region, city, country, or multiple countries. Services are entirely reserved or contracted for in advance by a travel wholesaler or travel agent and offered to the traveling public.
- (viii)- Tour Component refers to a single travel service offered. Grouped together they form a "package".
- (ix) - Ground Package refers to accommodation, sightseeing, transfers, car rentals, and other types of services prearranged, prebooked, usually prepaid before departure. These services may be provided and purchased in concert with various types of transportation, i.e. : **Air**, Coach, Rail, Cruiseship, etc.
- (x) - Receptive Operator refers to a company that offers, and/or contracts their organization of ground packages to tour packagers, wholesalers/tour operators, airlines, etc. Their role is to insure all components of the ground package arrangements operate efficiently. The Receptive Operator is commonly used by packagers that do not send tour escorts with their tour groups and therefore rely on the expertise and localized service knowledge they need in a geographical location.

It is noted that at present only Outfitters and Tourism Establishments require licensing in the N.W.T. In other jurisdictions, additional "tourism **actors**" are required to obtain a license, or at least "register" with an agency or Board. Fulfillment of the objectives listed in Chapter 3 is not possible in the absence of a broad monitoring of key participants in the N.W.T. travel industry.

## Chapter 5 Licensing and Enforcement Directions

Two principal directions have emerged over the duration of this study: Licensing and enforcement for Tourism Operations; and for Guides , These two general themes are developed for the following discussion of primary and secondary roles.

### **Primary Role - Licensing of Tourism Operations**

Given the inherent complexity of licensing issues for a range of tourism activities, establishment of an N.W.T. Tourism Licensing Board, in conjunction with creation of the position of "Registrar" , is considered to be the probable best vehicle to handle the issuance of licenses, the establishment of conditions that may be attached to licenses, and the enforcement of these terms. A Board/Registrar mechanism may well permit alicensing management rulebook to evolve more naturally and economically through time.

An envisaged Tourism Operations Licensing Board (TOL Board) would be appointed by the Minister of Economic Development and Tourism. The TOL Board would be charged with the task of advising the Registrar, with only appeals being directed to the Minister.

The objectives in setting up a "Board/Registrar" mechanism for licensing purposes would be:

- 1) to ensure that minimum physical safety standards are maintained.
- 2) to ensure that the long-term biological resource base capacity remains sustainable on an indefinite basis.
- 3) to maintain basic consumer protection and satisfaction through quality assurance, so that all tourists in the N.W.T. receive services which closely approximate an operator's promotional materials.
- 4) to forestall unbridled competition which would ultimately produce chaos for both industry participants and consumer.
- 5) to ensure that there is a degree of **security** for investors, and protection for **operators**.

- 6) to earn an offsetting revenue for the issuing authority. As governments move towards deficit avoidance, there is increasing concern for cost-recovery in all operations, including regulatory bodies.
- 7) to ensure consistent timeliness in the review of applications.
- 8) to provide a mechanism for industry input to licensing and enforcement matters in a more organized and effective way, and for "interveners" to express their concerns with respect to proposed/existing operations.

The principal mandates of a TOL Board would basically three in number during initial years: a) **handle** licensing function; b) the guide certification function; c) the hotel/motel standards registration function. In the course of time, it is foreseen that the guide certification function could be handed over to a self-regulating Society of Guides.

The more specific operating powers of the envisaged TOL Board would be as follows:

- of a commissioner under Part 1 of the Inquiries Act to issue outfitter and tourism establishment licenses, and to certify guides.
- to hold license application hearings to require on-site competence testing as a condition of licensing
- to hold general hearings to prescribe information requirements (operational audits and annual operating plans)
- to take emergency action review and amend a license
- to assign conditions to a license
- to assign a license
- to recommend fees for licensing
- to cancel a license
- to set fines for infractions
- to require security
- to make rules of procedure
- to register N.W.T. travel agents, ground handlers and tour operators, as well as **ex-Territorial** tour wholesalers operating in the N.W.T.

TOL Board Operations and cost

A TOL Board could meet up to a maximum of three times annually, once in **Yellowknife**, once in **Iqaluit**, and once at another location, depending upon demand. Regional panels might meet up to twice a year, depending upon the need for rulings.

Estimated costs would be in the order of:

Honorariums (Board members) - (7 members * 3 meetings * 3 days * \$125/day) + (1 day * \$125/day) . . . . .	\$9,000
Honorariums (regional appointees) - 14 members * 2 meetings * 1 day * \$125/day . . . . .	\$3,500
Travel (Board members)- 7 members * 4 meetings . . . . .	\$20,000
	<hr/>
Total	\$32,500

All active participants in the TOL Board system would be eligible to claim living expenses to the allowable levels under **GNWT** travel regulations. Board and panel members would be eligible for a nominal honorarium upon application. Chairmen would receive \$100/day for meeting-days. The above is based on the notion that we're moving towards an **industry**: driven approvals process.

The Registrar will annually bring forward a budget in co-operation with the chairmen to cover all expenses of the TOL Board (including publication of an annual report, honoraria, Registrar's contract, Board expenses)

The TOL Board will have no mandate to grant moneys to interveners, nor will it directly support research of any kind. Background research for eventual presentation to the Board will be generated by interveners, or by a sponsoring government department.

At the discretion of the Minister, the Board's secretarial service needs could be provided by existing Economic Development and Tourism staff, or set out in the Board's annual budget.

### TOL Board Composition

All Board members should have an active business interest in the N.W.T. The Board would have at minimum one active guide, one outfitter, one hotel operator, and one lodge operator. Five of the seven Board members would be domiciled in the N.W.T.

The Board would be zonally supplemented by regional appointees, if and when regional hearings were deemed desirable. Regional activities of the Board would be handled by one Board member and two local appointees, but final authority would remain with the Board who would consult with their Technical Advisory Committee as required before rendering decisions.

The Technical Advisory Committee would consist of as-when-required seconded specialist government staff who could be called upon to deliver quality advice in a variety of technical matters.

For TOL Board positions, the Minister would seek nominees from the NWT Wildlife Federation, NWT Hotel Association, NWT Lodge Operators Association, the Tourism Industry Association of the N.W.T., and any other N.W.T. -wide tourism-associated bodies which might develop in future years.

For regional panel appointees, the Minister would seek , nominees from zone tourism associations, regional outfitting associations, and other regional tourism-related groups.

Regional panels may choose to set up advisory groups to apprise them on more local conditions and skills (i.e.: guide certification panel) .



## Registrar

To avoid building additional bureaucracy, there is some argument for having a Registrar with wide discretion and authority. This function may be useful where there is concern that there was not sufficient work to justify the setting up of a full-scale independent year-round licensing operation. As envisaged, the part-time Registrar would be appointed under the Act upon a Minister's recommendation, developed after consultation with the TOL Board. A contracted firm/individual could play a Registrar role removed from, but accountable to, the government.

Under this option, the selected person or firm (not an operator or a guide), with a comprehensive knowledge of the industry and demonstrated administrative skills (possibly a former operator or guide), would function in an important staff role. As envisaged, the registrar would be the day-to-day decision-maker who would receive advice from the Board of ministerial appointees. Public accountability would be encouraged for the Registrar/Board operation through the issuance of an annual report summarizing activities.

The Registrar would be a single point of responsibility for issuing licenses and enforcing conditions. He/she would be empowered to approve or reject all registrations, licensing, or certifications. He/she would make **all first-time** license recommendations, license condition adjustments, or license cancellations to the Assistant Deputy Minister of Tourism, Economic Development and Tourism.

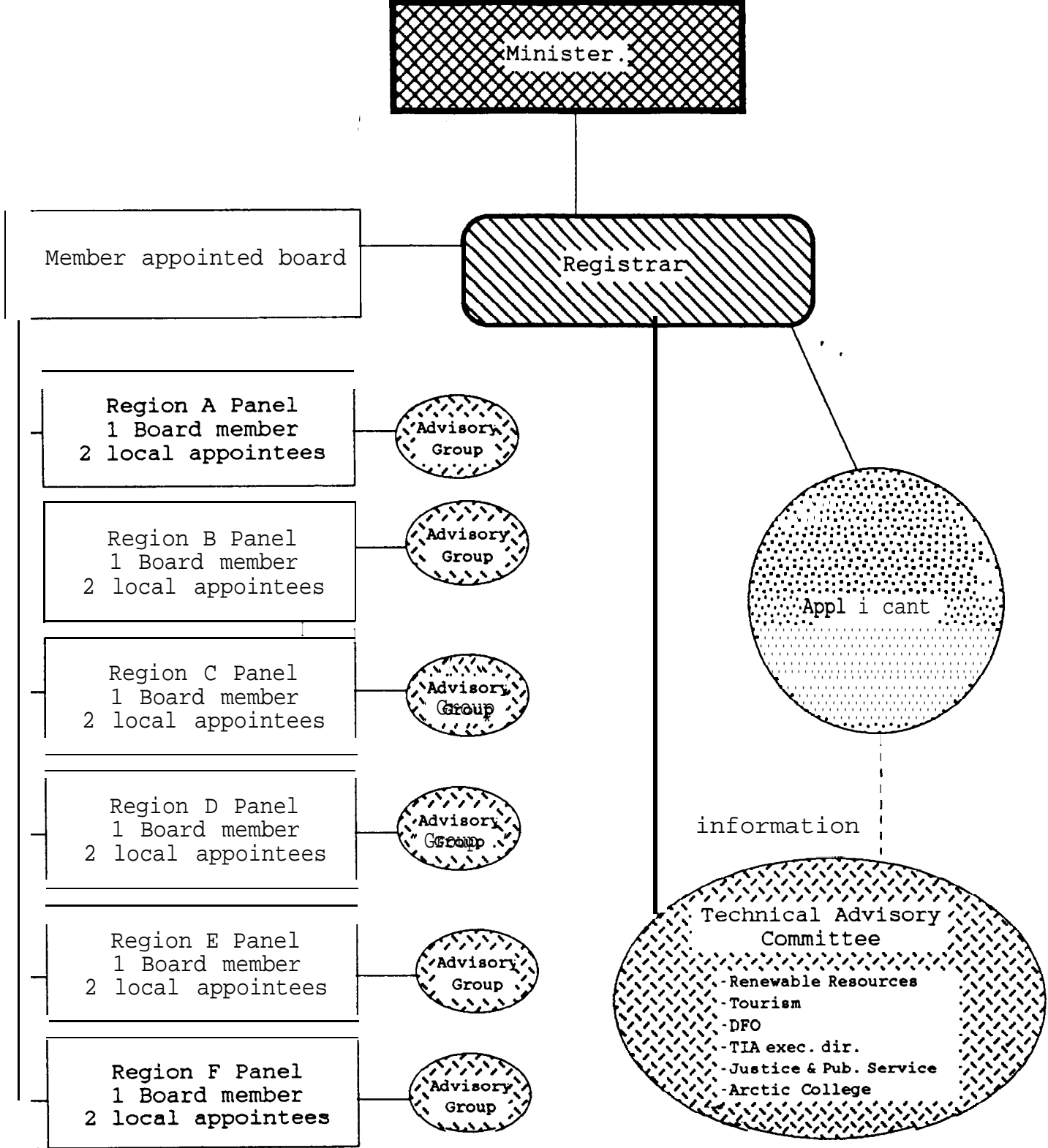
It may be possible to make the Registrar post a contract (for say \$50,000) position for a 9 month period every year. After an individual or firm successfully filled the position for a trial period of one season, a multi-year contract might be offered for a period of perhaps three years (e.g.: nine months a year for each of three years).

Both the Registrar and the Board would depend upon the part-time Technical Advisory Committee of specialist government staff for advice in a variety of technical issues.

See the Exhibit 4 diagram showing the relationship of the various elements of the TOL Board. What is foreseen is a registrar and 7-person Board, with a series of regional panels which could conduct hearings when required. This particular organization should minimize the considerable travel costs which could be incurred with a fully mobile Board participating in all regions, at all times. While regional activities of the Board would be handled by one Board member and two local appointees, final authority would be vested with the Registrar/Board who would consult with the Technical Advisory Committee as required before finalizing decisions. For instance, the Federal Dept. of Fisheries & Oceans, and Territorial Renewable Resources would provide periodic "sustainable yield" figures for various species of fish and game.

With the passage of time, it is thought **likely** that the advisory committee of technically-competent specialists supporting the Registrar and Board would probably wish to create numerically-based measurement indices with regard to the various Issues. This would assist in bringing more comparable unbiased information to bear in decision-making, lessening subjectivity in verdicts, while providing a basis for decisions over the longer term.

**Exhibit 4**  
**N.W.T. Tourism Operations Licensing Board**



### Enforcement:

Depending upon the work load, annual enforcement inspection tours by Economic Development and Tourism would probably be the initial vehicle of enforcement, although operations to be inspected in any one year could be randomly selected. Inspection reports would be tabled with the Registrar/TOL Board.

'Consumer complaints may also be cause for an inspection of a licensee's operations.

Operational audits or field testing of existing operations would be conducted annually by Regional Tourism Officers (RTO's) of Economic Development and Tourism, in conjunction with another non-competing accredited person. The Registrar/Board would also examine changes in operating plans: including areas of operation, facilities to be used, operating season, staffing levels, point of **departure**, typical visitor itineraries.

### Fines and Suspensions:

Minor discretionary fines (maximum - \$500) may be levied by the Registrar/Board for minor breaches of proper operational practice (say, a littered site, poorly maintained " safety equipment, an obvious advertising falsehood, etc.) .

As an option to fines, minor temporary suspensions (maximum - 7 days) of tourism-related activity may be used by the Registrar/Board to underscore operational infractions by license-holders.

Major fines and operational prohibitions for illegal operators, as well as any appeals of any minor fines and suspensions, would normally be handled through the existing court system.

TOL Board License Application Process and Timing:

1. Application submitted to the Registrar for license with fee.
2. Simultaneously applicant self-advertises intent, inviting response to Registrar within 30 days.
3. If no response, Registrar to review application and render a decision within 15 days of closing. If an alternative license application is forthcoming (objection or competing proposal) , or an appeal is launched by an applicant, a Board hearing would be required at the the next "window" opportunity, and decision rendered within a further 15 days.

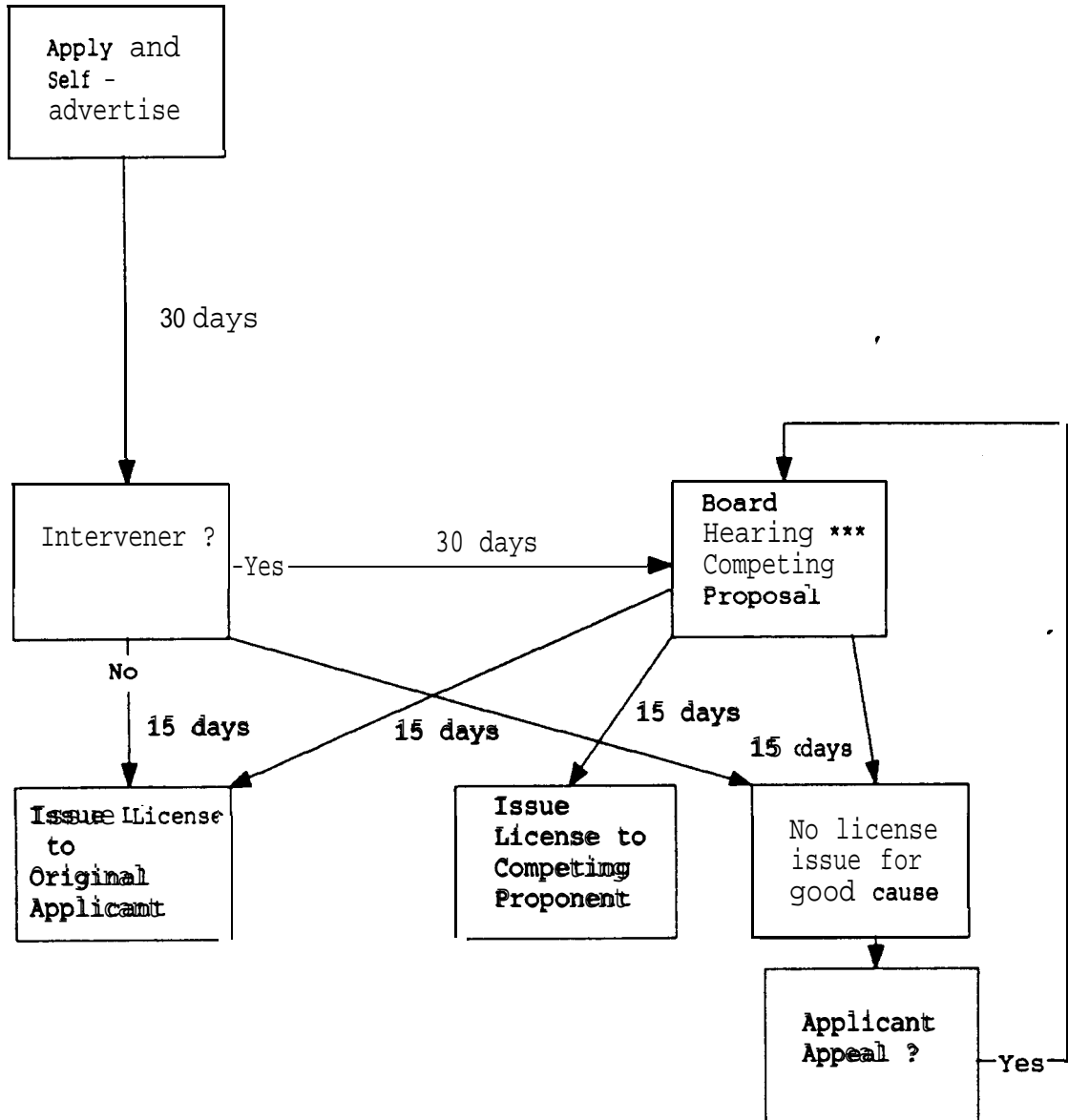
A "window" opportunity is defined as two one-month periods (say February, and September of each year) when the Board may sit to advise the Registrar.

Under special circumstances, an additional meeting may be considered by the Board, however extra meetings **beyond** the normal window opportunities will be the exception rather than the rule.

If after advertisement of application for license there are no interveners, the Board Chairman and the Registrar may in a signed statement declare the application uncontested, and issue the license with information to the next Board meeting. If an application generates an intervener, placement on the agenda for the next Board meeting "window" will be mandatory.

See Exhibit 5 diagram suggests a tentative process of approvals for licensing that could be used by the department,

## Exhibit 5 Licensing Approval Process



\*\*\* - TWO windows a year - February and September of each year

TOL Establishment - Guide Relationship

Licenses would be issued to both outfitters or tourism establishments; guides would function as their employees. TOL-licensed establishments would be expected to hire only N.W.T. -certified guides.

Until such time as an independent Professional Society of Guides was formed, however, the TOL Registrar/Board would be directed to take on the additional job of establishing a guide certification system. With the small scale of many actual operations, it could be that the outfitter/tourism license holder would also be the licensed guide. This possibility would ideally encourage the rise of the small business owner/operator.

### TOL Establishment Transferability

It is envisaged that a licensee would be able to transfer the property, as well as a license (subject to conditions established by the Registrar/Board) to a new owner for consideration. Licenses could be offered on a one year to ten year basis, at the discretion of the Registrar/Board.

### License Renewal vs. Re-licensing

With licenses being extended on a one to ten year basis by the Registrar/Board, all intervening years would be renewed with the payment of the annual fee. All operations would have to **re-apply** for a license after a maximum period of ten years. This mechanism would allow for an adjustment to the operating conditions (example: area of operation for a specific activity, conditions with regard to local employment, etc.) issued with the license. In a rapidly evolving industry, adjustments would normally be made only to recognize the best interests of the industry and **directly**-affected N.W.T. residents.

### Geographic Definitions:

As the number and variety of tourism operations increase in the N.W.T., there will inevitably be more numerous occasions of tourism activity conflicts. Some means of separation for conflicting activities is needed. For this reason, the Department should consider the notion of Issuing licenses for defined geographic areas, for a specified activity or combination of compatible activities. Licenses would then be issued for a defined geographic area, for a specified activity or combination of compatible activities.

### Exclusive License versus Activity Quantities

As an integral part of an annual operating plan, the Registrar/Board may decide to place a condition on a license limiting the quantity of a particular tourism service to be offered by a given operator (example: a licensed operator will be able to run six major canoeing operations on a given river stretch per season) . Alternatively, the Registrar/Board may permit a particular operator an exclusive right for a specific kind of service.



## Tourism Activity Classification

Tourism activities may be grouped for licensing purposes. A tentative categorization of tourism activities is suggested in the following table.

### CLASSIFICATION OF TOURISM ACTIVITIES

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>
Compatible Consumptive	Compatible Non-consumptive	Incompatible Motorized
*Fishing *Hunting	*Wilderness experience *Cultural experience *Camera Safaris *Self-propelled water travel	*Airborne, Jetboat Sightseeing

### Broadening of offered Services:

Where an existing licensee wished to extend his/her range of licensed activities, (say beyond big game hunting to , fishing), an extension of license should be specifically applied for, and approved through due process, before new services were offered to the traveling public.

### Arrangements for Extending Benefits to communities

#### i) Contract for Service

This option would essentially be an extension of existing arrangements whereby a lodge might hire a firm (example: to provide cleaning services) , which in turn would hire small community-based individuals to carry out the work. This would allow non-resident business persons to get a "piece of the action", but also provide employment to the inhabitants of nearby communities. This kind of contracting has been used in general touring to date, but has not been used extensively to date in outfitting/lodge operations.

## ii) Joint Ventures

Joint Ventures in tourism between entrepreneurs and local community residents should be encouraged, as they could be an effective means of working together. Benefits to communities could be enhanced by joint-venture relationships in which a settlement, through their development corporation, would have majority 51% ownership, with the 49% partner providing management, sales leads and training. The minority partner would receive profit for effort through a preferred share arrangement. Once established, any northern majority-ownership joint-venture company should be eligible for all government-assisted training support programs.

The set-up of joint ventures is not a simple and forthright process. To assist individuals, firms and community organizations in this process, it is thought that the Department would do well to establish a series of standardized agreement forms for purposes of expediting legal formations of properly constituted joint-venture corporations. The existence of standardized agreement models would have the effect of minimizing the effort required to negotiate and establish each joint venture arrangement from scratch.

Joint ventures could be formulated in different ways. One method may have community ownership of the physical facilities, and the leasing thereof to the operating company who would conduct operations under conditions that stipulated an amount of local employment, or provide an agreed-upon annual (in effect) , rent figure. This would allow communities to receive some benefit from resource utilization, and permit entrepreneurs profits for finding customers and providing ongoing management. This would not be unlike the existing relationship between building owners and professional property managers in large urban context.

### iii) Community - level Procurement

Supply procurement opportunities through a community commercial outlet may be a optional way of extending benefit-flow to communities. Licensing could be made conditional upon the purchase of consumable supplies (food, cleaning supplies, etc.) through the community whose land is affected by tourism operations, using the "Federal Isolated Post Living Cost Differentials" Indexes (FIPLCD) to establish maximum allowable prices. See following table in Exhibit 6 with recent FIPLCD index figures for most NWT communities.

A local supply procurement procedure would work in the following fashion: If a community (say Norman Wells) was FIPLCD index-rated at 160-169 above a base city, a box of soap nominally worth \$5 in the base city of Edmonton, could be sold at a maximum price of \$8.45 by the community outlet. The ceiling price for another commodity would be established by an calculating a maximum price of 69% above the base city price (an average of two written commodity quotes from base city suppliers) . In the event that a community could not supply the commodity within the F.D.L.C.D. Rate maximum, the licensee would have the freedom to acquire supplies from the supplier of their choice.

	Index	Year	Base City
<b><u>Baffin Region</u></b>			
Arctic Bay	160-169	1982	Montreal
Broughton Island	160-169	1982	Montreal
Cape Dorset	160-169	1982	Montreal
Clyde River	160-169	1982	Montreal
Grise Fiord	190-199	1982	Montreal
Hall Beach	160-169	1982	Montreal
Igloolik	170-179	1982	Montreal
Iqaluit	150-159	1982	Montreal
Lake Harbour	150-159	1982	Montreal
Manisivik	160-169	1982	Montreal
Pangnirtung	150-159	1982	Montreal
Pond Inlet	170-179	1982	Montreal
Resolute	160-169	1982	Montreal
Sanikiluaq	150-159	1984	Montreal
<b><u>Keewatin Region</u></b>			
Baker Lake	160-169	1982	Winnipeg
Chesterfield Inlet	160-169	1982	Winnipeg
Coral Harbour	170-179	1982	Winnipeg
Eskimo Point	140-149	1982	Winnipeg
Rankin Inlet	150-159	1982	Winnipeg
Repulse Bay	170-179	1982	Winnipeg
Whale Cove	170-179	1982	Winnipeg
<b><u>Kitikmeot Region</u></b>			
Cambridge Bay	170-179	1983	Edmonton
Co*mine	170-179	1983	Edmonton
Gjoa Haven	210-219	1983	Edmonton
Holman	190-199	1983	Edmonton
Pelly Bay	230-239	1983	Edmonton
Spence Bay	220-229	1983	Edmonton

## **Secondary Role - Certification of Guides**

Another mechanism for enhancing the long-term growth and maturity of the industry would be the certification of guides. Under this notion, all guiding sources to tourists would have to be provided by "certified" guides. The ultimate objective would be the formation of an independent self-administering and policing "Professional Society of N.W.T. Guides" (similar to a Provincial College of Physicians and Surgeons, or to a Provincial Bar of Lawyers) .

Over the longer-term, this direction could broaden the base of decision-making, and give N.W.T. residents firmer control over their own livelihoods; all the while relieving government from some of its current onerous responsibility to determine all licensing procedures. The Society would be the ideal mechanism for self-regulation and ongoing competency testing of guides by a group of peers. Realistically, however, the Guide Society would probably take some years to evolve.

As a step in the direction of forming a Professional Society of Guides, Government should integrate some of the following notions into the T.O.L. Board:

Recognize three broad classes of guides: Master, Registered, and Assistant, with a possible Special category. For each class, there are envisaged three categories: Hunting, Fishing, and Interpretive.

The Alaska system of guide licensing sets a worthwhile precedent in this regard.

### Objectives

Objectives having to do with the creation of a Professional Guiding Society, which could be added to the mandate of the TOL Board, would be:

- 1) to provide visitors with a uniformly high quality and safe holiday experience.
- 2) to ensure that the tourism potential is managed in a manner that is consistent with short and long-term community, regional and territorial interests.
- 3) to provide an equitable sharing of economic benefits among all Territorial residents from the utilization of the land resource base.

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## Powers of the TOL Board related to Guiding

The powers of the Registrar/TOL Board related to Guiding would be as follows:

- to prepare, grade and administer examinations, including oral examinations where necessary.
- to determine qualifications of applicants for certification and authorize the issuance of certificates to those who qualify.
- to establish guide performance standards and regulate activity.
- to compile, maintain and publish an annual register of all guides.
- to interdict guiding activities which are unsafe, unethical, unsportsmanlike, or degrading to the guiding profession.
- to establish a quota of certified operating **guides** who may operate within a designated geographical area, giving preference to guides who normally live within that area.
- to hold hearings to uphold, revoke, suspend, or deny certification.
- to prescribe information requirements
- to cancel certification.
- to make rules of procedure

As envisaged, individual guides would be certified under one or more categories of hunting, fishing, and interpretive guides. **TOL-Board** documentation would indicate the categories of certification for a guide was approved. In their position as certified individuals, guides would find themselves accountable to the Registrar/Board for professional errors, and legally liable to malpractice suits through the courts.

In pursuing the Professional Guide Society notion further, the TOL Board may establish as a condition of licensing that all commercial operations wishing to offer services beyond bed and board to non-residents, would be obliged to utilize a properly certified guide from the corresponding area, in priority.

The TOL Registrar/Board may further decide to make the use of certified guides mandatory to provide hunting, fishing, and interpretive services to non-resident clients, say in a ratio not to exceed two clients to a guide for hunting, four clients to a guide for fishing, or six clients to a guide for interpretive services (possibly extended to fifty clients to a **guide** for motorized **touring services**) .

## Suaaested Criteria for Guide Certification

In the transition years leading to a full-blown Professional Guide Society system, there would no doubt be some requirement for "grandfathering" of individuals already performing in the role of guides.

Criteria for various classes of guide certification would ultimately be established by the Registrar/TOL Board, in consultation with the Tourism Manpower Needs Board. They may decide to create various classes of guides as follows: Master Guide, Official Guide, Assistant Guide, etc. This would allow a number of lodge operations in a given area to be served simultaneously, and to encourage natural career succession within the profession. Individuals could possibly be certified for the same class in up to three separate categories (hunting, fishing, and interpretive) . General criteria for guide certification are suggested follow:

- Assistant Guide:            - knowledge of geographic area  
                              - five-year residency minimum  
                              - pass examination
- Official Guide:             - knowledge of geographic area  
                              - five-year residency minimum  
                              - pass examination  
                              - be of age of majority  
                              - has served min.1 season as asst. guide  
                              - have sponsorship of 3 Official guides
- Master Guide:              - knowledge of geographic area  
                              - five-year residency minimum  
                              - pass examination  
                              - be of age of majority  
                              - no "wildlife act" offense for 5 years  
                              - has served min.5 seasons as off. guide  
                              - have sponsorship of 3 Master guides

Once certification had been established, it would be reviewed automatically by the Registrar/TOL Board every five years, subject to the proper maintenance of a logbook signed by each commercial guest served by the guide. Between renewal reviews, the Registrar/Board would conduct hearings on formal written complaints, and rule on cases of ethics, dangerous practice or other problems. On the basis of these hearings, certification of individual guides could be suspended or withdrawn for good cause, or fines levied.

Guide certificates would be valid for a **community-** centered, or possibly regional areas. The current Wildlife Management Units and Zones may be useful as a base for guiding areas. See the following Exhibit 7 - Table of Guides that might conceivably evolve with this type of system.

With regard to guiding in areas outside their assigned range, a guide would be able to lead remunerative client parties only with the written permission of the Master guide formally assigned the area by the **Registrar/TOL** Board. Permission would be extended for a defined (with specified dates) period. In these circumstances, the guide would be permitted to service the client party for his particular category of certification ( hunting, fishing, or interpretive) .

It is recognized that ex-Territorial guiding professionals could play a role in the acquisition of skills for territorial guides. For this reason, "outside" professionals coming in to work the **N.W.T.** would be permitted within defined areas, guiding categories, and specified time periods. Proposed conditions for their involvement would be basically the same as any **NWT** guide operating outside of his/her assigned area: written permission of the Master **guide** who was formally assigned the area by the Board. In addition, the **ex-Territorial** professional would make a payment of ten percent of his/her earned service fees to the TOL Board's revenue fund.

#### Broadening of Offered Services :

Fully developed under this scheme, licensed outfitters or tourism establishments interested in extending the geographical range or category type of their operations, would have to make arrangements to acquire the services of a guide with the corresponding category and area qualifications (e.g.: a qualified fishing guide for the Snowdrift area) .



**Exhib  
Table of**

Region or co-unity	Hunting*****			Fishing^	
	Master	Registered	Assistant	Master	Re
1	Jones		Smith	Jones	
2	<b>Tologanak</b>	Powder	<b>Cyr</b>		
3	<b>Nashalik</b>	Nelson	<b>Kunnuk</b>	<b>Poitras</b>	
4		Dillon	<b>Rocher</b>	<b>Fyfe</b>	
5	etc.	etc.	etc.	etc.	
6	etc.				
7	etc.				
8	etc.				
9	etc.				
10	etc.				
11	etc.				
12	etc.				
etc.	etc.	etc.	etc.	etc.	etc.

## Other Related Topics

### Management of the Biological Resource

For Big Game Hunting, the Department of Renewable Resources would probably wish to continue to manage harvesting levels, possibly through the issuance of tags by-species to tourism operators, in conjunction with the Registrar/TOL Board.

With regard to the management of the sportfish resource, Canada Department of Fisheries and Oceans (DFO) has been recommending the capacity of tourist establishments in **guest-bed** terms. Certain problems have been noted with the system, however. The guest-bed system may be too gross to recognize natural fluctuations in the biological resource base, in the context of increasing pressures for additional quantities of gamefish. The guest-bed system does not take into account the length of season. In addition, assumptions about a average turn-over of guests or their **motivation** in visiting may not accurately reflect reality. A growing number of guests to lodges are more interested in "wilderness observation" than taking their "limit" of fish.

The extension of the tag issue system from big game to sportfish, would **quite** likely facilitate a more controlled exploitation of the fishery resource while enabling the expansion of interpretive tourism activities. It is not here proposed that fish tags should replace normal daily or possession limits. As a supplementary control, they would provide an auxiliary instrument of management control for the sport fishery. Knowing that his/her establishment or operation was issued with a certain number of fish tags, the operator could then decide the timing and mix of fishing or interpretive clients for promotion and ultimate service.

While fisheries are currently a Federal responsibility in the Territories, it may be that DFO would see fit to turn over fisheries management to the territorial department of Renewable Resources, thus bringing all wildlife resource management under one roof.

### Workload for Regional Tourism Officers

With the advent of the TOL Board, the workload for Regional Tourism Officers would probably not decrease appreciably because of their periodic participation on the Board's Technical Advisory Committees from time-to time. They would, however, be needed to verify compliance with the terms of license by possibly co-ordinating the assessment of physical conditions, measuring community-acquired commodity flows, etc.

### Physical Infrastructure Standards

For the physical infrastructure components of any tourism operation, fixed-base or mobile, the conventional Public health, Building, and Electrical Codes would prevail, as would Ministry of Transport standards for transportation equipment (boats and aircraft), and Ministry of Communication standards for radios.

## Board Funding

With current directions towards fiscal self-sufficiency becoming more prevalent in the industry and in government generally, it is expected that the TOL Board would achieve some level of financial independence in the briefest period possible.

A number of government departments have a current interest in northern tourism operations. Initial Registrar/Board funding could be effected possibly through some combination of contributions from these departments receiving operational relief from the existence of the Registrar/TOL Board, and through the receipt of fees.

The Territorial departments of Economic Development & Tourism, Renewable Resources, and the Federal Department of Fisheries and Oceans would be natural candidates for contributions to a Board which might jointly represent their interests in the tourism field.

Government of the N.W.T. experience indicates that an average of \$100,000 per year is required to maintain an average person-year in government service. Depending upon the number of TOL Board rendered services desired by government, it is expected that the funding required by the TOL Board (including Registrar) could commence in the area of \$100,000 per year.

All revenues collected by way of fees could be placed in a special revolving fund established under the Act, with the fund being used to offset expenses of the TOL Board operation. Monies thus collected might be matched by government departments to provide an overall operating budget for the Board.

**Fees**

To encourage the responsible use of the Registrar/TOL Board services, and to offset the costs of operating a Registrar/Board operation on government coffers, it is suggested that fees be collected for registration, licensing applications, certification, and license issue. From a perspective of the registration, license of certification applicant, this might be considered as one of the investments **required** to start-up a revenue-producing business.

Depending upon the recipient's potential to generate revenue with each registration, license issue, or certification; the following fee structure might be tentatively considered:

<u>Activity</u>	<u>Initial</u>	<u>Renewal</u>
<i>Registration</i>		
Tour Operator Registration . . . . .	\$100	n/a
Travel Agent Registration . . . . .	..\$50	n/a
<i>License Issue</i>		
Tourism Establishment License . . . . .	..\$1000	\$500
Outfitter License . . . . .	..\$500	\$250
<i>Certification</i>		
Guide Certification (all classes of license including examination.) ..\$ 100		\$ 50

The Board should move in the direction of an autonomous self-financing operation. Once established, the Board should review annually the fees and make recommendations to the Minister on the various fee levels to be established in regulation under the Act.

### Liability Insurance

The current situation would presumably not change for the outfitters and tourism establishments. Mandatory insurance is being considered for the next operational season.

Should the TOL Board decide to certify guides, however, it' is conceivable there would be increased requirements for them to carry liability against field accident or malpractice incidents, in the same way that medical practitioners currently protect themselves against the suits of clients.

### Appeals

The Registrar would be normally empowered to make all decisions with regard to licensing and enforcement **on the** advice of the Board.

If a matter could not be resolved, two conceivable routes are possible:

- a) The Minister of the Department of Economic Development and Tourism would be the last appeal available within the government structure.
- b) Alternatively, and assuming the Registrar was not a civil servant; he/she could be given the power to make final decisions, subject to the right of the applicant to institute a formal petition of the TOL Board for an overturning of a Registrar decision, with no appeal to the Minister possible.

In either instance, all parties would have final recourse to territorial courts and legal system in cases of serious dispute.

## Training

Training is critical to the success of any growing industry. If the Professional Guide Society notion is selected for implementation, the role of formal education will be integral to the process of establishing **qualifications** for candidates.

The Tourism Training and Manpower Needs Board has been created to provide a formal means for the private sector to advise the Minister responsible for Education on training and associated standards for tourism occupations in the N.W.T.

Guide 1 and Guide 2 courses now being offered through Arctic College, and these kind of courses will be critical to the development of the industry.

As noted above, it is recognized that ex-Territorial guiding professionals could play an important role in the acquisition of skills for territorial guides. Professionals from outside the Territories, coming in to work and tutor N.W.T.-resident candidates would be permitted within defined areas, guiding categories, and specified time periods. Proposed conditions for their involvement would be basically the same as any NWT guide operating outside of his/her assigned area: written permission of the Master guide who was formally assigned the area by the Board. In addition, the **ex-Territorial** professional would make a payment of ten percent of his/her earned service fees to the TOL Board's revenue fund.

Tourism- establishment and outfitter operators may wish to periodically hire **ex-Territorial** consultants to provide temporary on-site training expertise in management or operations.

### Visitor Statistics

At the present time, the Department is spending a significant amount of funds to collect and analyze industry performance data. Such information is useful to government, members of the industry, and the general public.

In this connection, it is proposed that the Registrar/TOL Board be given the authority to make the annual reporting of "visitor use data" by operators a condition of their relicensing. As with Statistics Canada Census data, individual operator statistics would be kept confidential. The cost of analyzing and publishing overview statistics would remain with government.



## Tourism Establishments in Municipalities

Historically, the Department has not issued licenses for tourism establishments within municipal boundaries.

With hotels and other tourism establishments in organized municipalities checked for construction, fire, safety, and health standards through the inspection services of the normal municipal and territorial service departments, there is little rationale for the Department to continue to review building plans. **There** are some indications, however, that not all municipalities are inspecting or enforcing the various codes with equal vigour.

This paper presents the notion that all tourism facilities should be licensed by the TOL Board, both within and beyond municipal boundaries. This licensing would be in supplement to the normal code inspections, and would ensure that tourism considerations would be taken into account. .

Alternatively, the need for **any hotel/motel** to **acquire** specific licensing from the Registrar/TOL Board could be dropped. Under this scenario, TOL Board registration would be extended to those hotels/motels that obtained and maintained required business, **liquor**, building and health permits from the appropriate municipal and government service agencies. Incentive to acquire registration with the TOL Board would be that only registered operations would be eligible for financial/technical assistance from the Department, or be eligible for listing or advertising in the Explorers' Guide. Onus for demonstrating to the satisfaction of the Registrar/TOL Board that all necessary permits were in order would rest solely with the operator of the hotel/motel.

Other departments/agencies would be required to accept responsibility for monitoring the quality of adherence to their code standards in all hotels/motels, whether located within or beyond municipal boundaries.

### Independent Rating Systems

The value of inviting an independent firm or agency to measure the performance of tourism operators should not be overlooked. The objective would be to achieve a publishable product in the form of the "Michelin" or other similar rating systems.

While rating systems take some effort to create, they are very useful in that they quickly inform prospective clientele of the facilities/service quality that can be expected at a particular establishment. Published ratings also foster a healthy competitiveness amongst operators who normally strive to acquire the highest possible rating.

What might be desirable in the context of a Territorial TOL Board is a rating system which could evolve as the industry matures. Initial comparability to other systems should not be a problem (i.e. : a five-bear hotel in the N.W.T. need not be the equal of a five-star hotel in another jurisdiction) . There should, however, be sufficient sensitivity within the system to distinguish between differences in Territorial facilities/service levels. The intent would be to fairly measure establishment effort while encouraging a healthy competition amongst operators.

A combined minimum facilities description and "moving average" point-based bear-rating system could be very useful. Under this system, an operator would receive a point-earned bear rating that was consistent with defined facility minimums for each bear-rating. A "moving average" system would not penalize start-up operations in their initial years, but would give them incentive to improve their operations. At the same time, it would recognize the consistent leaders in the industry by yielding them top ratings.

This could be administered by a TOL Board until arrangements could be made to contract the rating system out to a private sector independent. A cross-check on the point system in the form of a pre-paid mailer for the registration of traveling public opinion to the TOL Board would help to ensure consistency. If the TOL Board was selected to devise and apply a rating system, opportunities to adjust the rating system might be made with the advice of the Hotel and Lodge Owners' Association.

Given that these rating systems could eventually be self-sustaining (i.e. : Michelin Tyre Co. guidebooks) , it may be cost-effective for the government to subsidize the initial efforts of an information processing firm to devise and apply an objective rating system to all northern tourism operations, If the rating information proved sufficiently marketable, the job of providing an annual rating could be done on a business footing, with the prospective tourist purchasing information as required.

## Reaistration

Consistent with deregulation trends, certain aspects of the tourism industry, particularly with regard to the functions of tour wholesalers, hotels/motels (or **ex-N.W.T.** - based tour operators and travel agents), might be required to register with the Registrar/TOL Board (as opposed to applying for a license) .

As envisaged, registration would provide:

1. **minimal** verification of facilities and services, and hence a lessened cost of bureaucratic administration. The verification would consist of a compilation of approvals from other agencies: fire and safety approvals, liability insurance certificates, valid land lease, etc.
2. **some** requirement for reporting with regard to **valid** business licenses, **type** of facility services and their quality; the seasonal number and distribution of guests, activities, etc.
3. **the** registration incentive for establishments and operators to comply with reporting requirements would be inclusion in the annual Explorers' Guide produced by the Department of Economic Development and Tourism. Noncompliance with reporting requirements within well-defined time limits would result in listing withdrawal from the Explorer's Guide, as well as ineligibility for territorial government business grants/loans, and other forms of assistance.

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Werbowsky Wes, Guide Development: Strategy Report; prepared by Wilderness Consultants, for Advanced Education of the Government of the Northwest Territories, December 1987, 53 p. + appendices

Appendix A - Documentary items examined

From the Northwest Territories:

Tourism Investors Handbook; by the Government of the Northwest Territories, July 1987

Various items of Correspondence re Licensing - Government of the Northwest Territories -1987

Tourism Establishment Regulations Administrative Directive - Government of the Northwest Territories -1987

Tourist Establishment Regulations - Government of the Northwest Territories -April 1986

Tourism Investors Handbook - Government of the Northwest Territories - Jan 1986

Travel and Tourism Ordinance- Government of the Northwest Territories - 1983

Application for Outfitter's Licence - Government of the Northwest Territories - May 1979

Travel and Outdoor Recreation Ordinance - Government of the Northwest Territories -1968

TFN Interim Wildlife Agreement - extract- undated

Public Forum verbatim record, 21 November 1987. of the Northwest Territories Wildlife Federation, Hay River, N.W.T.

Sport Fishina Guide. 1988; of the GNWT Department of Renewable Resources (pamphlet)

Summary of Hunting Regulations; (Effective 1 July, 1987) of the GNWT Department of Renewable Resources (pamphlet)

From Manitoba:

Regulations 143/83 Tourism and Recreation Act - Regulations governing transient accommodation; Government of Manitoba

Tourism Development Handbook - Travel Manitoba

From Nova Scotia:

Hotel Relations Act and Regulations; as amended to 9 March 1976

Various information and training materials for prospective bed & breakfast, tourist home operators and hoteliers.

Tourism Industry Handbook; dated April 1987

Nova Scotia Travel Guide, 1987 edition

From Newfoundland and Labrador:

Office Consolidation of Tourist Establishment Regulations—1976

From Alberta:

Travel Alberta Minimum Standards for Approved Fly-In Fishing Lodges and Camps; dated July 1985

Fish and Wildlife Division Non-Resident Big Game Outfitting and Guiding Policy; of Alberta Department of Forestry, Lands and Wildlife, revised to 16 March 1987

From Saskatchewan:

Letter of acknowledgement

From New Brunswick:

Tourism Development Act; consolidated to 31 August, 1987

Regulations under the Tourism Development Act; filed 3  
December 1981

From the Yukon:

Letter of acknowledgement, but apparently no direct  
regulations in force. Presumably all others, such as fire  
and health will apply through different agencies.

From Prince Edward Island:

public Health Act Regulations re Eating Establishments and  
Licensed Premises; dated 1978

Public Health Act Amendment to Regulations; dated 1980

Innkeepers Act, dated 1975; Regulations, dated 1980;  
Amendments to Regulations, dated 1980

Liquor Control Act, dated 1975

Various Acts to Amend the Liquor Control Act; 1975, 1982, &  
1987

Liquor Control Act Regulations, as of 31 December 1978

Various Amendments to The Liquor Control Act Regulations,  
dated 1979, 1981, 1982, 1983, 1986



From Ontario:

Tourism Act, Revised Statutes of Ontario, 1980, Chapter 507,  
dated March 1982

From Québec:

Tourist Establishments Act; dated 26 March 1987

Relations respecting Wildlife Conservation Assistants; ,  
dated 1981

Wildlife Conservation Act; dated 1 July 1984

Various Regulations respecting the cost of outfitters'  
licences and Rent for the Lease of Exclusive Hunting and  
Fishing Rights; dated 1977 and 1984

Regulations respecting outfitters; dated 1969

Outfitters (Amendment) Regulation; dated 27 June 1984

Crown Lands Desireated for Development of Wildlife Resources  
Regulation; dated 6 June 1984

Hunting, Fishing and Trapping in the Cree, Inuit and Naskapi  
areas; pamphlet dated 1986

Fishing, Hunting and Trapping Directory of Regulations, 1987-  
1988

Directory of Outfitters Establishments; dated 1987

From Alaska:

Alaska Game Regulations (No.27) by the Alaska Board of Game,  
Alaska Department of Fish and Game, governing the  
recreational, subsistence and commercial uses of Alaska's  
wildlife.

Guide Board Licensing Statutes, Guide Board Statutes,  
Occupational Licensing Regulations, Guide Board Relations;  
by the State of Alaska, Revised 1987

From Other Industry & Government Sources:

Best Western International Inc ., 1987 Best Western Road Atlas and Travel Guide

British Tourist Authority; Official Directory of Hotels and Restaurants; 1988

Air Canada Touram; Sun Holidays brochure for Calgary and Edmonton; Fall, Winter Spring 87/88 Edition

Fun/Sun Tours; Mexico 87/88 brochure

Fun/Sun Tours; Hawaii 87/88 Accommodation Guide brochure

Michelin Tyre Public Limited Company; 1987 Red Guidebook for Great Britain and Ireland

American Automobile Association/Canadian Automobile Association; 1988 Tourbook for Western Canada and Alaska

**Appendix B - Contacts made over course of study**

Contacts were made with the following agencies, organizations and individuals during the course of the study:

Various Tourism Operators  
Tourist Industry Association Conference  
Iqaluit, N.W.T.

GNWT Regional Tourism Officers  
Tourist Industry Association Conference  
Iqaluit, N.W.T.

Mr. Keith Thompson  
Tourism Division  
Dept. of Economic Development and Tourism  
Government of the N.W.T.

Mr. Kent Herbert  
N.W.T. Wildlife Federation

Mr. Paul Craig  
Liquor Inspection  
Dept. of Gov't Services  
Government of the N.W.T.

Ms. Doris Lemouel  
N.W.T. Water Board

Ms. Karyn Dick  
Labour Standards Board

Mr. Alan Vaughan  
Economic Development and Tourism  
Government of the N.W.T.

N.W.T. Public Utility Board

N.W.T. Highway Transport Board

State of Alaska Tourism Department & Alaska Visitors'  
Association

Appendix C - Initial Draft Distribution List

Paul Bates  
Executive Assistant  
Economic Development and Tourism

Fred Koe  
Assistant Deputy Minister  
Business Development  
Economic Development and Tourism

David Brackett  
Assistant Deputy Minister  
Management  
Renewable Resources

Bob Wooley  
Assistant Deputy Minister  
Operations  
Renewable Resources

Al Kaylo  
Director, Marketing  
TravelArctic  
Economic Development and Tourism

J.H. MacKendrick  
Director, Product Development  
Tourism and Parks  
Economic Development and Tourism

Peter Neugebauer  
Director, Planning and Program Development  
Tourism and Parks  
Economic Development and Tourism

Eric Christensen  
Director  
Policy and Planning  
Economic Development and Tourism

Jim Kennedy  
Director  
Finance and Administrative Division  
Economic Development and Tourism

John McGregor  
Director, Small Business  
Business Financial Services  
Economic Development and Tourism

Larry Adamson  
Director, Trade, Investment, and Industrial Development  
Trade and Investment  
Economic Development and Tourism

Syd Kirwan  
Director, Natural Resources  
Natural Resources  
Economic Development and Tourism

Bob Snyder  
Regional Superintendent  
Economic Development and Tourism  
Fort Smith Region

Phil Lee  
Regional Superintendent  
Economic Development and Tourism  
North Slave Region

John Sheehan  
Regional Superintendent  
Economic Development and Tourism  
Deh Cho Region

Katherine Trumper  
Regional Superintendent  
Economic Development and Tourism  
**Inuvik** Region

Bill Graham  
Regional Superintendent  
Economic Development and Tourism  
Keewatin Region

Jack Walker, President  
Tourism Industry Association

Caroline Anawak  
First Vice President  
Tourism Industry Association

Ted Grant  
Second Vice President  
Tourism Industry Association

Klaus W. Roth  
Executive Director  
Tourism Industry Association

Bette **Palfrey**, Director  
Tourism Industry Association

Jim Green  
Big River Travel Association

Gerry Loomis  
Western Arctic Visitors Association

Gary Jaeb  
Northern Frontier Visitors Association

Bill Lyall  
Arctic Coast Tourism Association

Don Baker  
Travel Keewatin

Joanassie Kooneeloosie  
**Baffin** Tourism Association

Mike Freeland  
Qaiwik Limited

Ken Harper  
Arctic Ventures

Jerome Knap, President  
Canada North Outfitting Inc.

Wes Werbowy  
Wilderness Consultant

**M.L. Lefebvre**  
Mones and Associates Insurance Brokers Inc.

Pat Thagard  
General Manager  
Arctic Coast Tourist Association

D.J. Moshenko, Area Manager  
South/Central Arctic  
Canad Fisheries and Oceans

Superintendent  
Nahanni National Park Reserve

Bruce Rigby  
Arctic College  
**Iqaluit**

James G. Mones  
Mones and Associates Insurance Brokers Inc.

Barry Taylor  
Arctic Safaris

Kent Herbert  
N.W.T. Wildlife Federation

Alex M. Hall, President  
Canoe Arctic Inc.

Mavis and Ernie Dolinsky  
Branson's Lodge

C.M. Plummer, President  
N.W.T. Sport Fishing Lodges Association

Glenn Warner  
Bathurst Inlet Lodge

Paul Director  
Director, DRIE

Superintendent  
Wood Buffalo National park  
Parks Canada

Jim Erikson, Manager  
Mack Travel

Gordon Hamre  
Advisor Northern Parks Establishment  
Environment Canada - Canada Parks Service

Gilles Patenaude, Director  
Minerals and Economic Analysis  
Northern Affairs Program

Tom Faess  
East Wind Arctic Tours and Outfitters

Mike Murphy, Superintendent  
Nahanno National Park Reserve

Bill Dolan  
chief Park Warden  
Northern Yukon National Park

Jim Ellsworth  
Director, Operations  
Canadian Parks Service  
Prairie and Northern Region

Ray Woodward  
Arctic Red River Outfitters Ltd.

Tim and Hugh MacAulay  
Redstone Mountain Trophy Hunts

Stan Simpson  
Ram Head Outfitters Ltd.

Greg Williams  
Nahanni Butte Outfitters Ltd.

Stan Stevens  
Mackenzie Mountain Outfitters Ltd.

Warren **St.Germaine**  
Barren Ground Caribou and Guides Association

**Jaqueline** McLean  
Director, Advanced Education  
Department of Education

**Narwal** Northern Adventures



## **Appendix D - Summary of Comment on Initial Draft**

### **Executive Summary**

Reviewer B - perceives paper direction will "stifle" industry development

Reviewer C - found the paper a very good first attempt - the task is much needed and very timely.

### **Chapter 1 - Introduction**

a) Background - p. 1

### **Exhibits 1 & 2 - p.1+ & 2+**

Reviewer D - Would expect a similar increase in zones other than Northern Frontier if operations were not limited to . HTA's and GHL's.

### **Exhibits 3 - p.3**

Reviewer D - does not describe fully the legislation and authorities involved in becoming a viable hunting outfitter.

Reviewer E - relevant legislation for a Tourist Establishment License is the Tourist Establishment Regulations, not the Outfitters' Regulations.

Reviewer F - there are at present no hunting outfitters licensed for fishing in competition (same biological resource) with existing fishing operations.

b) Directions for study - p. 6

Reviewer F - Core philosophy should be articulated in clear and concise terms, as the current paper seems confused.

## Chapter 2 - Unique N.W.T. Conditions

Reviewer G - considers that low population of northern communities, and there is little trained workforce for operators to draw on. . . . suggests that proposed regulations be flexible with regard to licensing and residency of persons employed as guides in the sportfishing industry.

Distance - p. 7

Seasonality - p. 7

Skill Transfer - p. 8

Reviewer B - wants to know about business skills being transferred to employees.

Reviewer D - claims what is needed is an economical will to acquire skills. While he feels sport harvesting compliments traditional hunting skills, but they will never blend well together well.

Land Claims - p. 8

Reviewer F - finds reference to this topic disturbing. . . assumptions about the outcome of this topic should not be integrated into this paper. Licensing of operators should not be affected.

**Chapter 3 - Issues for Tourism Licensing - p. 9**

Reviewer B - problem with item E.. ...why first refusal?

Reviewer E - Item D - transferability of tourism assets and licenses with privileges is highly desirable as a business incentive and necessary to foster healthy growth.

Reviewer E - Item E - would larger NWT communities be left out ?

Reviewer F - Item 3 - You have failed when it comes to hunting. In fact the ideas indicate that unbridled competition will be encouraged with the increased services that guides will offer. We suggest you examine the impact of your ideas more closely in relation to each service area, as operating environment of each is different.

Reviewer F - Item 6 - we don't feel that there should be a regulatory body thrust upon the industry that we must fund. ...as our competitiveness with operators in the rest of the world would be adversely affected.

Reviewer F - Item H - Already agencies in place to monitor volumes RR, DFO and TIA. . . more returns simply raises cost to operator. Efficiencies in government realized at expense of operators.

**Chapter 4 Tourism Actors - p. 11**

Reviewer C - the definitions of terms guide and outfitter are not explicit enough. . . . require specific definitions of the two occupations.

Reviewer G - Guides should be further classified. ..1.the entrepreneur who guides his clients and requires a license to operate and therefore require liability insurance, and 2. the guide employed seasonally by a licensed operator.

Reviewer E - quotes the definition of an outfitter from the Travel and Tourism Act.

Reviewer E - p.12. last para. guides only require licensing for big game hunting under the Wildlife Act.

Reviewer F - def. of guide incorrect as relates to hunting . . . . a guide needs an outfitter. . .as a hunter needs proper equipment to conduct hunt, even in remote areas.

Reviewer F - you have not addressed the fact that an outfitter may operate from a tourism establishment, or a combination of fixed and mobile camps.

**Chapter 5 - The Role of Boards in the N.W.T. - p. 13**

Reviewer B - Not convinced that the board route is the correct one.

**Chapter 6 -Licensing and Enforcement Directions - p.14**

Reviewer B - sees items 4 and 5 as "socialist" approaches!  
Reviewer B - has problem with revenue for licensing body  
Reviewer B - how to competence test for licensing?  
Reviewer B - not certain about review of operating plan

Reviewer F - Conditional licenses. . .there are already agencies that have the power to do this. another agency would be redundant.

**Primary Role - Licensing of Tourism Operations - p. 14**

Reviewer F - what is meant by on-site testing?

Reviewer F - what type of emergency action is foreseen?

Reviewer F - fee structure should be set by regulation, as now.

Reviewer F - what fines are referred to? We don't think the board should be able to levy fines.

Reviewer F - security requirements should be laid out more thoroughly.

Reviewer F - strongly disagree review of operating plans by the board.. . concept is ridiculous

TOL Board Operations and Cost - p. 16

Reviewer D - likes the idea, but wonders whether agencies could see their way to achieve agreement on apportionment of responsibilities. Also thinks that costs for board operation would be higher.

Reviewer F - costs would be borne by operator, and would reduce competitiveness. . . \$100,000 more like it.

TOL Board Composition - p. 17

Reviewer B - sees 10 years residence as "ridiculous"

Reviewer D - expertise should be the requirement for the board, not residency.

Reviewer F - Experience, not residency should be the criteria for membership. . . not clear as to how it operates. . . additional bureaucracy?

Registrar - p. 17

Reviewer G - thinks that board/registrar for licensing requirements is step in the right direction.

Reviewer D - not keen on the Registrar business. Suspects the job is a full-time one.

Reviewer E - proposed workload for registrar is tremendous

Reviewer F - role needs modification. . registrar should be accountable to the board . At minimum, person should not be a civil servant, and should not be the final authority.

Reviewer F - would want RR and various management boards to set yields and allocations.

Exhibit 4 - D.18+

Reviewer D - thinks this demonstrates that the time frame for licensing would be longer than at present. , as bureaucratic delays would be longer than expected.

Enforcement: - p. 19

Reviewer F - what kind of inspections would operators be subject to?

TOL Board License Application Process and Timing: - p. 20

Reviewer B - finds two one-month window periods as overly restrictive

Reviewer E - area dealing with screening of applications, inspections, and documentation are unclear and require further work. Concept is fine, but if required details cannot work within concept, the concept must be abandoned for a workable one.

Reviewer F - don't agree that operators should self-advertise, but rather the agency, perhaps only successful operators to pay. Window suggested is too infrequent.

Exhibit 5 - p 19+

Reviewer B - wishes to subtitle: An exercise in making complex an difficult what should be a simple matter.

Reviewer E - there should be a minimum of 3 windows per year.

TOL Establishment-Guide Relationship - p. 19

TOL Establishment Transferability - p. 20

Reviewer B - likes transferability

Reviewer F - not clear the conditions the board might impose on license transfer.

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Reviewer F - board should not have discretion in awarding licences. . . renewal should be annual so board can react on a timely basis.

License Renewal vs. Re-licensing - p. 20

Reviewer B - "you are supporting that the expansion of business will be stifled"

Reviewer G - re-licensing by operators will be opposed because it will jeopardize the operator's current investment and leaves not protection for continued investment and development.

Geographic Definitions: - p. 20

Reviewer F - has concerns that these defined areas could be too restrictive for caribou outfitters who must be mobile if caribou migration changes as they do periodically.

Exclusive License versus Activity Quantities - p. 20

Reviewer B - finds this suggestion preposterous!

Reviewer F - does not feel that the board should decide on such matters related to hunting. . . with Denendeh Conservation Board in place, an additional board not seen as useful. . .feels it is an economic decision that must be made by the operator as to what activity quantity is required.

Tourism Activity Classification - p. 21

Reviewer F - this may become too restrictive as some operators offer multiple services. . . could result in one operator needing numerous licenses. . rather inefficient process.

Broadening of Offered Services: - p. 21

Arrangements for Extending Benefits to Communities - p. 21

Reviewer I - Licensing should be conditional upon the provision of a certain amount of local benefits. This may create administrative cost, however, the benefits in terms of income and exposure to the industry will far outweigh the costs .

i) Contract for Service - p. 21

Reviewer B - ha-ha, small individuals

ii) Joint Ventures - p. 22

Reviewer B - has a major problem with the notion of joint ventures, as he feels this format stifles innovation. . would prefer to encourage the individual at the community level. He would prefer management fees and performance bonus techniques. Finds the last para "shocking". Feels that the community corporation is foreign to Inuit society. . .co-op movement a failure

Reviewer G - believes that non-territorial residents will be upset with residency requirement, or that companies be required to have majority northern ownership to qualify for government assistance. ..this appears biased. .."Remember we are all Canadians"!!! Many of today's northern residents are tomorrow's retirees in the South.

Reviewer D - thinks there should be no discrimination in eligibility for government-assisted training support programs. Sees current suggestion as encouraging dependence rather than independence. Look to Mexican system, where residents are expected to learn through employment, then take over. . . and it works.



iii) Community-level Procurement - p. 23

Reviewer B - Garbage - a business establishment must be able to do its own shopping from any source it chooses!

Reviewer D - believes suggestion for mandatory local supply procurement would devastate some present tourism operations. None would be better. . .

Reviewer E - will map be drawn showing supply communities for areas?

Reviewer F - good in theory but in practice could be quite harmful. . .find the policy restrictive if it precludes and operator from making reasonable profit. Option of total outside supply must be open to operator.

**Secondary Role - Licensing of Guides - p. 24**

Reviewer B - Years premature, but admits that improvement is necessary

Reviewer A -strongly support idea of professional association of guides, but realize that it can't happen overnight. He is prepared to assist in the development of interim procedures, pending maturity of the Association.

Reviewer D - feels that self-regulation has been passed over too often.

Reviewer F - Professional Society of **NWT** Guides may have limitations. . .he sees diversity of interests between hunting and other guides. . .concerned that public interest would not be protected in this set-up . . . . seasonally occupied workers couldn't maintain the high standards of other professional groups.

Objectives - p. 24

Powers of the TOL Board related to Guiding - p. 25

Reviewer F - does not like limitation to guides of a certain area.

Reviewer F - outfitters are legally responsible. . not reasonable to think that guides could be.

Suaaesteal Criteria for Guide License - p. 26

Reviewer C - his major concern is the use of residency as a basis for establishing licensing categories . . .this is potentially dangerous for tourists. . .**licensing** of guides and outfitters should be tied directly to demonstrated competency and to certifiable training provided through Arctic **College**.

Reviewer D - agrees with a Guide Apprenticeship Program similar to that of Alaska. . . residency does not reflect ability or proficiency. . gives detailed suggestions for levels. .asst. guide **licence**. . class A assistant guide license. . .registered guide license. . . master guide license.

Reviewer E - if grandfathering of guides is used, it should be tempered with a minimum of level 1 guide course.

Reviewer E - 10 and 15 year residency in **Yellowknife** make for better guiding ?

Reviewer E - logbook would be incorporated into tourist establishment renewals.

Reviewer F - wish to tie guides to outfitters . . .definitions need clarification. . . .residency requirements are too severe. . . .prudent to consider violations of the Wildlife Act for all guides.

Broadening of Offered Services: - p. 27

Reviewer D - establishing a quota of guides who may operate within an area is ridiculous. . . there are never too many. . . also dislikes preference for guides living within the area.

Unions - p. 27

Reviewer B - concerned that the consultant was asked to create problems by mentioning strike possibilities.

Reviewer G - thinks being given right to strike is ludicrous, as this would have devastating effect on the industry. . . suggest it be deleted from the proposal.

Reviewer D - don't even think of it.. they don't fit into the industry. . . and could kill the industry.

**Other Related Topics - p. 28**

Management of the Biological Resource - p. 28

Reviewer D - an extension of the tag issue from big game to fish is a fantastic concept and would receive full support from myself.

Reviewer E - tags for fish could replace guest-bed capacity and allow flexibility in regards to bookings. Maximum capacities would still be needed but based on the facilities size capabilities versus the resource's sustainable capabilities.

Reviewer F - this paper should not be considering ways of managing wildlife. . . **best** left to the experts. . . such as fish tags vs. guest-bed capacity.

Workload for Regional Tourism Officers - p. 28

Physical Infrastructure Standards - p. 29

Reviewer D - could use a few minor modifications to better address the an understanding of northern building and conditions.

Board Funding - p. 29

Fees P. 30

Reviewer D - would only discourage participation in the industry further.

Reviewer H - wonders if fee schedule annual or one-time. . . considers that \$250 annual fee would produce, as 250/guide for 600 guides should produce \$450,000, far in excess of requirements. Guide **licence** fees should reflect the short work season.

Reviewer E - may be asking too much for **ex-NWT** travel agents to pay a \$100 registration fee, as most do not know who we are.

Reviewer F - fees unreasonable and exorbitant!

Liability Insurance - p. 31

Appeals - p. 31

Reviewer D - these should be directed first to the registrar and then to the legal system. . . with no politicians

Training - p. 32

Reviewer D - at the grassroots level, the manpower Needs Board was created, but failed . . . .reps receive no input from operators. . . .industry requires a system whereby **guides-in-**training can be used at low cost while perfecting their skills and knowledge.

Reviewer F - levels and time set out for training is prohibitive

Visitor Statistics - p. 32

Reviewer D - no operator would provide individual statistics to the GNWT, as these would become public domain.

Reviewer F - concerned that operators would have to be reporting simultaneously to a number of agencies. . . what's the purpose of the stats? prosecution of violators of confidentiality?

Tourism Establishments in Municipalities - p. 33

Reviewer B - Why bother, if the system mentioned between p.1 and 32 only applies to outside communities?  
Reviewer B - finds third para incomprehensible.

Independent Rating Systems - p. 33

Reviewer B - concerned if information can be bought by incoming tourist. . feels it should be offered for free.

Reviewer D - Rating systems should be left in the private sector.

Registration - p. 34

Reviewer B - You call this deregulation? . . . should be required to register.

Reviewer F - if legally licensed should be eligible for assistance. . . It's a democracy

Non-resident Operators - p. 34

Reviewer B - this is an insult to legitimate non-resident operators

Reviewer C - the report does not adequately deal with extraterritorial guides and outfitters working in the N.W.T. They should have offices in the NWT, or meet certain terms and conditions peculiar to the region in which they're operating. Right now, they don't leave enough benefits locally

Reviewer D - non territorial residents should not be discouraged because they bring skills . . . some not possessed by other residents.

Reviewer D - what is the problem with non-residents as most have been a credit to the NWT Time and money better spent pursuing illegal and unlicensed operators , but no agency would enforce the rules.

Reviewer F - inferred that non-residents and illegal operators are one and the same. This is certainly not the case, and should be remembered that it is many of the non-resident operators that have put the NWT on the map as a world class travel destination.

### General Comments

Reviewer A - applauds effort so far, but would have liked to have had input as major land owner in the N.W.T. He welcomes initiatives in licensing, but would like to ensure federal/territorial co-ordination.

Reviewer C - whatever legislation is drawn up, it must not put eastern outfitters at a disadvantage by assuming that conditions are equal **everywhere**.

Reviewer G - would like to see native organizations get more involved in tourist establishments, but there may be pitfalls. . . , losing goodwill if not careful.

Reviewer D - feels that the overall situation with regard to licensing and enforcement is "confused".

Reviewer H - feels author should be commended for **treatment** of thorny topic.

Reviewer E - much of the paper echoes existing practice. . . .we should be working on improving this paper product based on the feedback from this round.

Reviewer F - While some ideas have merit, we find the general direction that it is going with the guides and outfitters to be poorly conceived.

Reviewer F - Generally, we find allowing a vast increase in the number of people able to offer guiding services directly to hunters to be unacceptable.

Reviewer F - It would be a great disservice to the NWT if major revisions were not made to this paper.



# Attachment B

## Highlights of Discussion Paper on Licensing and Enforcement Options for Outfitters and Tourism Establishments

prepared for:

Tourism Division  
Department of Economic Development and Tourism  
Government of the Northwest Territories

prepared by:

Treeline Planning Services Ltd.  
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August 1988

Contract # SC 271970

## Overview

In the context of current concern over the viability of territorial economy, tourism represents one of the most exciting options for the generation of new wealth. Relative prosperity in the economies of the developed nations, and sophisticated urban markets seeking fresh experiences, underlie the desirability for prompt and orderly development of tourism in Canada's North.

The discussion paper sets out a philosophy for new licensing and enforcement mechanisms which will foster long-term growth in the Territorial tourism sector.

As a starting point, licensing and enforcement documentation of other jurisdictions has been examined. This was followed by an analysis of unique Territorial objectives, conditions, and definitions of the major tourism players in the operations of the Territories.

The important role of boards as a leading form of management in the Territories was reviewed.

The bulk of the paper is oriented to various issues connected with Licensing and Enforcement Directions, Licensing of Tourism Operations, Licensing of Guides, and Related Topics.

The study concludes with the following recommendations: "

1) that a basic board structure with Registrar would probably be the most cost-effective way of **co-ordinating** long-term development.

2) that steps be taken in the direction of a **self-regulating** N.W.T. Professional Society of Guides.

3) that a tourism facility rating system be established to encourage competitiveness in the industry while fairly informing tourists of available facilities and services.

A lengthier version of this paper was previously released on a limited basis to industry and government representatives. With this release, it is hoped that a much wider public discussion will be generated. Should you wish more detail on these topics, please enquire with the closest regional superintendent of The Department of Economic Development and Tourism.

## Highlights

### **Introduction**

The Department of Economic Development and Tourism's current regulations and practices with respect to reviewing applications for licenses do not enjoy broad support from the communities or industry, and there is lack of uniform application of existing regulations.

While there have been some assertions that a libertarian "laissez-faire" model of development might be best, current industry problems underline the necessity for some amount of regulation and control.

In the larger context of the Canadian workplace, there is a noticeable trend to the formation of new professional bodies with their own governing bodies and ethical codes. "Competitiveness" is the new watchword.

The majority of tourism establishments are in the S-W corner of the Territories. N.W.T. lodges have remained fairly stable in number, with a slight rise in number of hotel and motels. There has been a significant expansion in the number of outfitters in the Territories over the same period.

The present license and permit situation is complicated, by the overlapping jurisdictions of many government departments, and boards. The Department of Economic Development and Tourism, particularly, has had difficulty with its dual enforcement and advocacy role.

With the evolving nature of the tourism market, new services are beginning to encroach on other established businesses.

The longer-term biological resource pressure generated by these kind of moves has yet to be effectively measured.

The native population majority and land claim beneficiaries in smaller communities have been expressing a keen interest in participating in tourism industry growth.

The overall situation with regard to licensing and enforcement may be best characterized as "fragmented", lacking in consistency, with little comprehensive policy to steer development.

With outfitting operations and lodges sharing the same land resource base as the communities, vehicles for achieving a measurable employment/revenue benefit, possibly in the form of an ownership stake, are deemed desirable.

From the viewpoint of the prospective tourism investor, any licensing process must be timely, and in scale with profit potential, both in operational and capital appreciation terms.

Some of the fundamental overlapping issues hampering clear-cut conclusions are: land claims, consumer quality assurance, cost-effective government enforcement.

### **Unique N.W.T. Conditions**

The impact of distance on business cost in the Territories is paramount. With few options to the use of aircraft, considerable transport charges are built into every business cost input. All-weather roads connect only the major communities of the western N.W.T. Virtually all building materials, personnel transfers, and consumables for tourism-related operations must be carried by aircraft.

Short working seasons mean that returns from tourism-based operations must be quite concentrated to ensure that there is a sufficient return to justify an investor's outlay. Year-round strategies have not yet been devised for the N.W.T.

Dependence on transfer payments has been a major conundrum for the N.W.T. administration in terms of kicking off an indigenous territorial economy. Tourism offers one of the brightest potentials in a range of possible economic options, if the proper incentives can be put in place. For new business to be developed, however, there is a need for the development of business skills and acumen amongst the whole population.

Outfitting and tourism establishments are ideal for skill transfer because they are in part related to the traditional hunting and gathering skills of native peoples.

There is a need to ensure that future land-based tourism developments complement the efforts made in the arenas of land claims negotiation. Evolving licensing criteria and enforcement procedures must recognize those portions of the land resource-base that will be under the direct control of native beneficiary organizations.

## Issues for Tourism Licensing

An examination of the the documents of other jurisdictions suggest that conventional reasons for licensing of outfitters and tourism establishments are as follows:

- 1) ensuring minimum physical safety standards.
- 2) ensuring that the long-term biological resource base capacity remains sustainable.
- 3) maintaining basic consumer protection .
- 4) forestalling unbridled competition .
- 5) ensuring that there is security for investors.
- 6) earning revenue for the issuing authority.

In contrast to the above, the issues in licensing for the N.W.T. include all of those above plus additional important objectives:

### Major Issues:

- A) ensuring minimum physical safety standards are maintained.
- B) ensuring that the long-term biological resource base capacity remains sustainable.
- C) supporting basic consumer protection through product awareness programs.
- D) ensuring that there is a degree of security for investors, and protection for operators.
- E) the widespread dispersal of economic benefits to populations of smaller communities with few other wealth-producing opportunities.
- F) improved control mechanisms over the pace and nature of development by communities whose land-based economy is shared with the tourism activity.
- G) a respect for the cultural-traditional use of smaller communities' hinterland, connected with the expected land claims arrangements.

- H) once acquired, the transfer of tourism assets (facilities and license with conditions) as a property in the market place, so that business-minded people will have incentive to invest, and will receive fair value for their efforts.
- I) opportunities for the smaller communities on a right of first refusal basis to acquire and to sell licensed tourism assets. This is rooted in the strong sense of ownership with many native peoples through their traditional use of the land.
- J) compatibility of tourism and non-tourism activities minimizing land use conflicts.
- K) a respect for the use of the physical environment which takes into consideration the long-term perspective for the land base.
- L) compatibility between tourism uses minimizing exploitation conflicts, or undue pressure on biological resources

Secondary:

- M) forestalling unbridled competition which would ultimately produce chaos for both industry participants and consumer.
- N) efficient and cost-effective mechanisms to monitor visitor volumes and facility utilization rates across the N.W.T.
- O) desire to better monitor the activities of Southern wholesalers influencing the northern industry
- P) desire to move in the direction of industry self-regulation that develops with maturity.

## Chapter 4 - Tourism Actors

Various actors were defined in the context of N.W.T. tourism operations:

- (i) - Guides
- (ii)- Outfitters
- (iii)- Tourism establishments
- (iv)- Travel Wholesalers
- (v)- Travel Agent
- (vi)- Tour Operator
- (vii)- Tour
- (viii) - Tour Component
- (ix)- Ground Package
- (x)- Receptive Operator

## Chapter 5 - Licensing and Enforcement Direction's

Licensing and Enforcement of Tourism Operations; and the Certification of Guides emerged as key issues in the paper, as follows:

### **Primary Role - Licensing of Tourism Operations**

The establishment of an N.W.T. Tourism Licensing Board, in conjunction with creation of the position of "Registrar", is considered to be the probable best vehicle to handle the issuance of licenses, and the enforcement of terms.

An envisaged Tourism Operations Licensing Board (TOL Board) would be appointed by the Minister of Economic Development and Tourism. The TOL Board would be charged with the task of advising the Registrar, with appeals being directed to the courts.

The objectives in setting up a "Board/Registrar" mechanism for licensing purposes would be:

- 1) to ensure minimum physical safety standards.
- 2) to ensure viability of the long-term biological resource base.
- 3) to maintain basic consumer protection and satisfaction.
- 4) to forestall unbridled competition.
- 5) to ensure a degree of security for investors.
- 6) to earn an offsetting revenue for the issuing authority.
- 7) to ensure consistent timeliness in the review of applications.
- 8) to provide a mechanism for industry input to licensing and enforcement matters.

The TOL Board would handle licensing function; guide certification c) and hotel/motel standards registration function. In the course of time, it is foreseen **that** the guide certification function could be handed over to a **self-regulating Society of Guides**.

It is estimated that a TOL Board/Registrar could operate for a cost of about \$100,000 annually (in 1988 dollars) .

TOL Board members would be individuals involved in the industry, with the majority domiciled in the N.W.T. The Board would be **zonally** supplemented by regional appointees. A Technical Advisory Committee would consist of seconded specialist government staff.

For both TOL Board and regional panel positions, the Minister would seek nominees from N.W.T.-based industry organizations. A part-time Registrar would be appointed under the Act upon a Minister's recommendation after consultation with the TOL Board. A contracted firm/individual could play a Registrar role removed but accountable to the government. As the single point of responsibility for issuing licenses and enforcing conditions, the Registrar would be the day-to-day decision-maker who would receive advice from the Board of ministerial appointees. An annual report summarizing activities of the Registrar/Board is proposed.



Depending upon the work load, annual enforcement inspection tours by Economic Development and Tourism would probably be the initial vehicle of enforcement. Inspection reports would be tabled with the Registrar/TOL Board. Operational audits or field testing of existing operations would be conducted annually by Regional Tourism Officers (RTO's) of Economic Development and Tourism, in conjunction with other accredited persons. Consumer complaint could also be cause for an inspection of a licensee's operations.

The TOL Board/Registrar would have the authority to impose discretionary fines (maximum - \$500) , or suspensions (maximum - 7 days) for minor infractions of good practice.

Major fines and operational prohibitions for illegal operators, as well as any appeals of any minor fines and suspensions, would be handled through the existing court system.

The process for application handling beyond routine matters would be handled within the constraints of **two one-** month window opportunities per year. Under special circumstances, an exceptional meeting may be considered by the Board.

Licenses would be issued to both outfitters or tourism establishments; guides would function as their employees. **TOL-licensed** establishments would be expected to hire only N.W.T. -certified guides. In small operations, the owner/operator could be both licensed operator and certified guide.' .

With licenses being extended on a one to ten year basis by the Registrar/Board, all intervening years would be renewed with the payment of the annual fee.

TOL Board Licenses would then be issued for a defined geographic area, for a specified activity or combination of compatible activities, including activity quantities. Tourism activities will be grouped for licensing purposes. Where an existing licensee wished to extend his/her range of licensed activities, an extension of license will be specifically required.

Three different mechanisms for extending benefits to Communities were examined: Contract for Service, Joint Ventures , and Community-level Procurement

## Secondary Role - Certification of Guides

Certification of guides was examined in some detail. The formation of an independent self-administering and policing "Professional Society of N.W.T. Guides" is discussed at length. The Society would be the ideal mechanism for self-regulation and competency testing of guides by peers. It is recognized that the Guide Society would probably take some years to evolve.

Recognize three broad classes of guides are recognized: Master, Official, and Assistant, with a possible Special category. For each class, there are envisaged three categories: Hunting, Fishing, and Interpretive. The objective of creating a Professional Guiding Society are as follows:

- 1) to supply tourists with a high quality and safe holiday.
- 2) to ensure that the tourism potential is managed.
- 3) to provide a sharing of economic benefits

The powers of the Registrar/TOL Board related to Guiding would be numerous. Individual guides would be certified under one or more categories of hunting, fishing, and interpretive guides. TOL-Board documentation would indicate the categories of certification for a guide was approved. In their position as certified individuals, guides would find themselves accountable to the Registrar/Board for professional errors, and legally liable to malpractice suits through the courts. Mandatory use of N.W.T. guides is suggested.

Some requirement for "grandfathering" of individuals already performing in the role of guides will be necessary in the set-up of a guide certification system. The various classes of guides shown following would encourage natural career succession within the profession. Once certification was established, it would be reviewed automatically by the Registrar/TOL Board every five years, subject to certain reporting conditions. Between renewal reviews, the TOL Registrar/Board would conduct hearings on formal written complaints, and rule on cases of ethics, dangerous practice or other problems. On the basis of these hearings, certification of individual guides could be suspended or withdrawn for good cause, or fines levied.

Guide certificates would be valid for a community-centered area. With regard to guiding in areas outside their assigned range, a guide would be able to lead remunerative client parties only with the written permission of the Master guide formally assigned the area by the Registrar/TOL Board.

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The role of ~~ex-Territorial~~ guiding professionals in the training of territorial guides is recognized. "Outside" professionals **coming** in to work the N.W.T. would be permitted within defined areas, guiding categories, and specified time periods, with certain conditions.

Licensed outfitters or tourism establishments interested in extending the geographical range or category type of operation would make arrangements to acquire the services of a guide with the corresponding category and area qualifications (e.g.: a qualified fishing guide for **the** Snowdrift area) .

### **Other Related Topics**

The management of the biological resource was explored briefly. The most sweeping suggestions in this area concerned the moving of all wildlife harvesting (both 'hunting and under the Department of Renewable Resources, the issuance of sportfish tags to TOL Board licensed operators,

With the advent of the TOL Board, the workload **for** Regional Tourism Officers would probably not decrease appreciably because of their periodic participation on the Board's Technical Advisory Committees.

For the physical infrastructure components of licensing a tourism operation, fixed-base or mobile, conventional safety codes would prevail.

It is expected that the TOL Board would move in the direction of an autonomous self-financing operation, achieving some level of financial independence in the briefest period possible. Initial Registrar/Board funding could be effected possibly through some combination of contributions from government departments receiving operational relief from the existence of the Registrar/TOL Board, and through the receipt of fees.

**All** revenues collected by way of fees could be placed in a special revolving fund established under the Act, with the fund being used to offset expenses of the TOL Board operation. Monies thus collected might be matched by government departments to provide an overall operating budget for the Board.

It is suggested that fees be collected for registration, licensing applications, certification, and license issue. Suggested fees range from a high of \$1,000 for an initial tourism establishment license, to \$50 for a **guiding certification renewal** .

Mandatory insurance is being considered for the next operational season. With independent certification, it is likely that there will be increased requirements for guides to carry liability insurance.

With regard to appeals of decisions made by the Registrar/TOL Board, two routes are possible: the Minister of the Department of Economic Development and Tourism, or the courts. In either instance, all parties would have final recourse to territorial courts and legal system in serious matters,

Training is seen as critical to the growth and maturation of the industry. Formal education will be integral to the process of establishing qualifications for candidates. The Tourism Training and Manpower Needs Board should be involved, and Arctic College's Guide 1 and 2 courses will lend support to the development of the industry. Tourism establishment and outfitter operators may wish to periodically hire ~~ex-Territorial~~ consultants to provide temporary on-site training expertise in management operations.

Industrial performance data is useful to government, the industry, and the general public. It is proposed that the Registrar/TOL Board be given the authority to make the annual reporting of "visitor use data" by operators a condition of relicensing. All raw data would remain confidential.

This paper presents the notion that all tourism facilities should be licensed by the TOL Board, both within and beyond municipal boundaries. This licensing would be supplemental to the normal code inspections, and would ensure that tourism considerations would be taken into account.

An alternative to this would see TOL Board registration be extended to those hotels/motels that obtained and maintained **required** business, liquor, building and health permits from the appropriate municipal and government service agencies. Incentive to acquire registration with the TOL Board would be eligibility for financial/technical assistance from the Department, or listing in the Explorers' Guide.

Rating systems were reviewed, as they are considered useful for usefully informing prospective clientele of the facilities/service quality that can be expected at a particular establishment. Published ratings also drive a healthy competitiveness amongst operators who normally strive to acquire the highest possible rating. A discussion of rating system options ensues.

This could be administered by a TOL Board until arrangements could be made to contract the rating system out to the private sector.

Consistent with deregulation trends, certain aspects of the tourism industry, particularly with regard to the functions of tour wholesalers, hotels/motels (or ex-N.W.T. - based tour operators and travel agents) , might be required to register with the Registrar/TOL Board (as opposed to applying for a license) . Registration would provide for minimal verification of facilities and services, reporting requirements, with incentive for compliance being inclusion in the annual Explorers' Guide.