

March 28, 2018

The Honourable Brian Gallant, M.L.A.,
Leader of the New Brunswick Liberal Association
Chancery Place
P.O. Box 6000
Fredericton, N.B.,
E3B 5H1

Growing Tourism in New Brunswick - Destination Marketing Fund Program

Dear Premier:

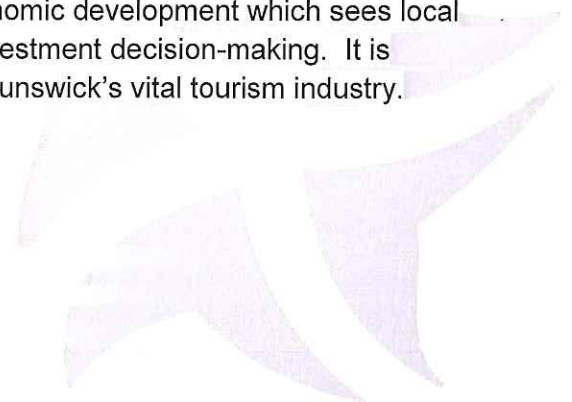
Over the past several years the New Brunswick tourism industry has been concerned about the capacity to access the levels of funding required to support marketing and product development competitiveness. Operators in New Brunswick's well-established tourism industry are proud of the substantial contribution they make to the annual provincial economy.

Today's tourism market is very competitive. Other jurisdictions are utilizing every opportunity to generate revenue to promote their products and services as a first-class vacation experience. New Brunswick is surrounded by provinces and states that have a Destination Marketing Fund (DMF) program. Such is the case for Nova Scotia, Prince Edward Island and Maine.

Concerns over ongoing fiscal restraint measures on traditional public-funding sources remain. This combined with the ever increasing cost of doing business substantiates the effort to establish an accommodations fund to generate much-needed sustainable funding.

*Considering that the 2018 NB Liberal Biennial Policy Convention is being held soon: **the New Brunswick Hotel Association is seeking to have the DMF initiative included in the Liberal Party's Election Platform.***

The DMF is a fee charged on the purchase of accommodation and a means of raising revenue for local tourism marketing, programs and projects. The collection of an accommodation fee represents an innovative, community-based and self-supporting approach to economic development which sees local stakeholders assuming responsibility for fund management and investment decision-making. It is designed to serve as an essential mechanism in support of New Brunswick's vital tourism industry.



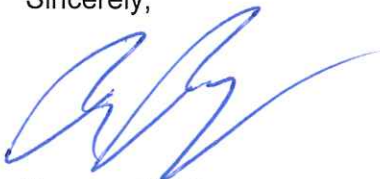
At three per cent per room, in line with the industry standard across Canada, the levy would bring in an estimated \$6 million in extra marketing dollars each year. With returns at about \$3.19 for every dollar spent on marketing, the levy could potentially generate an additional \$18-\$20 million in tourism revenue. Together Industry and government can make the goal of increasing visitor spending to \$2 billion by 2025 a reality.

The newly formed Hotel Association of New Brunswick in partnership with TIANB is the lead organization for the implementation of the Destination Marketing Fund in New Brunswick, using Saint John's model as inspiration.

The authority to collect the tax would be provided via provincial legislation. Under a new or existing provincial act, a tax of up to three percent (3%) on the purchase price of accommodation would be enacted. This lawmaking would be reference as an "enabling legislation".

Thank you for your time. We hope that we can count on your party's support for an enabling legislation. We remain at your disposal to address any questions that you may have and look forward to hearing back from you in the next few weeks. An invitation to meet on this important tourism industry initiative has already been forward to your office.

Sincerely,



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Cc: Michael Pearson – Director Strategic Planning (Section); Office of the Premier

