



17 April 2018

Hon. John Ames
Minister of Tourism, Heritage and Culture
Government of New Brunswick
Marysville Place
PO Box 6000
E3B 5H1

Dear Minister Ames:

Re: *Destination Marketing Levy Decision*

We are writing today to reconfirm our support for the call by New Brunswick's tourism industry that the Government of New Brunswick pass enabling legislation allowing communities and regions to collect a "Destination Marketing Levy" on hotel accommodations. We were surprised by the announcement earlier this month rejecting this proposals from the industry, which has broad support throughout the business community.

This decision will make it more difficult to achieve your government's stated goal of increasing visitor spending from \$1.3 to \$2 billion by 2025. A good place to start trying to meet this lofty goal is by fairly engaging with stakeholders as partners. In addition to previous, long-standing support for the levy, we specifically supported it in a letter to Dan Myers, Chair of TIANB, dated 17 October 2017 and a letter to Premier Gallant dated 15 December 2017.

Industry experts have clearly and convincingly stated that this levy is need in order to compete in the highly-competitive tourism market. Most other jurisdictions in North America have a similar levy, meaning that New Brunswick tourism is at a self-imposed disadvantage and the businesses reliant on attracting visitors (along with their employees) will be bearing the brunt of this decision. If the government is serious about reaching \$2 billion in spending by 2025, they will have to use even more taxpayer money to replace this lost opportunity to collect funds from tourists, many of whom are from outside of New Brunswick.

With returns estimated at around \$3.19 per dollar spent on marketing, the money collected is put to good use - an actual investment providing a quantifiable return. Moreover, all regions of the province stand to benefit as the funds collected would remain in that particular region, used by the knowledgeable local stakeholders to have maximum impact. The Saint John Hotel Association, Miramichi River Tourism Association, Events Bathurst, Charlotte County Tourism Association, and the City of Edmundston already administer their own levies. It is a common and expected expense for travellers.



**FREDERICTON
CHAMBER
OF COMMERCE**

— *The Voice of Business* —

364 York Street, Suite 200
Fredericton, NB
E3B 3P7



We are requesting a explanation, including an economic impact analysis, that explains why the decision was made to reject the tourism industry's call for the levy, given the news release issued by your department on 6 April 2018 provides no details regarding the decision-making process. The government's spending increase touted in that release is not relevant. We are trying to understand your department's thought process for making this decision, which appears to be incongruous from stakeholder opinions, competitive realities and customer expectations.

We are also available to meet at any time should you wish to discuss this issue further in person.

Sincerely,

Keir Clark
Scotia Wealth Management
President, Fredericton Chamber of Commerce

Krista Ross, CEO
Fredericton Chamber of Commerce

cc: Hon. Brian Gallant, Premier, Province of New Brunswick
cc: Dan Myers, Chair, Tourism Industry Association of New Brunswick
cc: Ron Drisdelle, President and CEO, Tourism Industry Association of New Brunswick
cc: Brenda Perrin, President, Fredericton Hotel Association
cc: Sheri Somerville, CEO, Atlantic Chamber of Commerce
cc: David Seabrook, Manager, Economic Development, Tourism & Culture, City of Fredericton