



PHOTO CREDIT: CHRIS REES ON UNSPLASH

► A Crisis Response for Wilderness Tourism

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Few, if any, areas of the Canadian economy have been hit as hard as tourism, particularly the kind of adventure recreation for which this country is justifiably famous. From wildlife excursions in the High Arctic to white water rafting expeditions in the Rocky Mountains, fishing trips to Northern Quebec and Northern Ontario, canoeing trips along the Churchill River, and kayaking cultural journeys in Haida Gwaii, Canada has emerged one of the world's most diverse and exciting destinations for wilderness adventurers. Until 2020, that is.

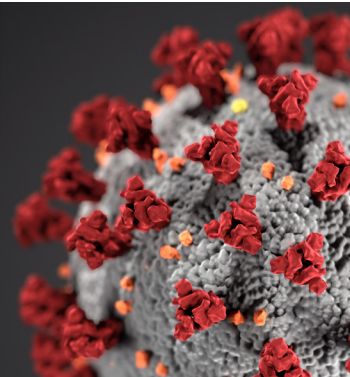
The situation facing the sector is truly dire. Right now, people cannot travel at all and it is not clear when the restrictions will be lifted. The near-total lockdown on international travel blocks access to the largest and wealthiest markets. Cutbacks on domestic travel – most Canadian flights have also been cancelled – exacerbate the problems, and these may stay in place for months to come, destroying the 2020 season. As a result, the cancellation of wilderness excursions

has expanded rapidly. Vacations, after all, are typically at the bottom of family priority lists; expensive wilderness excursions are typically lower than visits to Victoria, Niagara Falls or, this being Canada, Southern California or Mexico.

Canada needs a vibrant wilderness tourism sector. It is a key employer across the Canadian Arctic and sub-Arctic and has been a central element in the growing Indigenous tourism economy. The latter was on the verge of becoming a \$1 billion a year industry before the crisis hit, with many Indigenous businesspeople and communities investing heavily in the area. The near collapse of the 2020 market, with unknown and unpredictable downstream implications, is extremely worrisome for tourism businesses, suppliers and contractors, employees and the related activities in transportation and accommodation.

COVID-19 SERIES: FROM CRISIS TO RECOVERY

This issue of *JSGS Policy Brief* is part of a series dedicated to exploring and providing evidence-based analysis, policy ideas, recommendations and research conclusions on the various dimensions of the pandemic, as it relates here in Canada and internationally.



Most of the Government of Canada's current stimulus initiatives are understandably focused on existing employees and companies. Wage substitution and business support will not be directed, at least not right away, to individuals not yet hired and for business losses that will not become clear for some months. Positive and supportive signals must be provided, ideally in a manner that capitalizes on the situation to let more Canadians know about the scale, diversity and strengths of our wilderness tourism sector.

Of course, the federal, provincial and territorial governments are experiencing exceptional demands on their attention and funding. Finding the millions of dollars needed to support such a diverse and complicated wilderness tourism industry—particularly one that is far from front of mind for most Canadians—will be extremely difficult. There is, however, an accessible policy instrument available to federal and provincial governments that could be of great assistance to the sector.

►► Canadian lotteries: A revenue source

Canadian lotteries are one of the most isolated and neglected policy tools available to Canadian agencies and, indirectly, to governments. Each of the lotteries in the country distributes hundreds of millions of dollars in winnings annually. Much of the "profit" from Canada's most successful legal "sin" industry goes back to governments to distribute on a wide variety of educational, social, cultural and recreational programs.

Comparable sums, adding up to hundreds of millions of dollars per year, go back to lottery winners in the form of tax-free payouts. Forgoing the tax revenue is a strange Canadian twist; American lottery winners surrender a large portion of their 'take' to the government, a nice way of converting personal lottery winnings into public revenues. Taxing lottery winnings under the shadow of an international crisis is perhaps not a good idea, for it would add uncertainty into an already confusing and worrisome situation, but it is worth considering. Public sympathy would not be great for a \$5 million lottery winner asked to share their tax with Canadians at large.

There is, however, a way that the lottery system can help sustain the broader Canadian economy, including specifically the wilderness tourism sector. While media attention focuses on the big winners—anything over about \$5 million attracts national coverage—virtually nothing is said about the literally hundreds of small prize winners allocated each week and the millions of dollars distributed to lower tier winners. If Canadian federal, territorial and provincial authorities can be brought on board, the lottery winnings could be used proactively and could assist in the support of specific commercial sectors.

The proposal for the wilderness tourism industry is simple. Keep the high-end prizes as they are, for the other prospect of winning is

what sells the tickets. But take a significant portion of the remaining lottery winnings and allocate these funds specifically to a large number of wilderness tourism prizes. If \$50 million can be awarded to a single Lotto Max winner, surely a sizeable sum could be set aside to promote adventure activities. Setting aside \$50 million a year for tourism packages for two people, a \$10,000 prize for each winner, would produce 5,000 prizes. Doubling the sum while keeping the largest prizes intact, which would not cause irreparable harm to the large and multi-level lottery effort, would result in the awarding of 10,000 wilderness adventure packages—a major shot in the arm for a troubled sector at a time of crisis.

This kind of an initiative would have several key benefits: providing vouchers for future wilderness travel would provide financial support for vulnerable companies and the initiative would draw national and international attention to an important national sector. The promotion of individual winners would publicise the offerings of specific wilderness adventure firms in Canada. Indeed, the availability of large numbers of extremely attractive travel opportunity could potentially make the Canadian lottery system even more compelling, offering a diverse set of prizes that would, in the process, profile many of the most exciting adventure opportunities in Canada.

Numerous issues have to be addressed: eligibility of firms (Canadian or non-Canadian ownership), timelines for the use of the awards and the transferability of prizes. After all, not everyone will want to go white-water rafting on the Yukon's Firth River even though it is one of the most compelling journeys in the world, while others might not want a fly-in fishing experience in northern Saskatchewan. There will have to be quality requirements for suppliers. Given current commercial realities, governments, prize winners and industry would need to know what happens if the adventure firm exits the industry between the awarding of the prize and the opportunity to take up the award. But these are technical details. For now, the country should give serious consideration to the broader and more effective use of lottery prizes and thereby capitalize on a unique opportunity to support the wilderness and adventure tourism sector at a time of profound need.

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People who are passionate about public policy know that the Province of Saskatchewan has pioneered some of Canada's major policy innovations. The two distinguished public servants after whom the school is named, Albert W. Johnson and Thomas K. Shoyama, used their practical and theoretical knowledge to challenge existing policies and practices, as well as to explore new policies and organizational forms. Earning the label, "the Greatest Generation," they and their colleagues became part of a group of modernizers who saw government as a positive catalyst of change in post-war Canada. They created a legacy of achievement in public administration and professionalism in public service that remains a continuing inspiration for public servants in Saskatchewan and across the country. The Johnson Shoyama Graduate School of Public Policy is proud to carry on the tradition by educating students interested in and devoted to advancing public value.

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