



## Memorandum of Understanding

**BETWEEN:** Aboriginal Tourism Association of Canada  
300- 3665 Kingsway, Vancouver, BC V5R 5W2

*(hereinafter “ATAC”)*

**AND:** Canadian Tourism Commission (D.B.A. Destination Canada)  
800 – 1045 Howe St, Vancouver, BC V6Z 2A9

*(hereinafter “DC”)*

### ***Preamble***

#### **WHEREAS:**

The Aboriginal Tourism Association of Canada (“ATAC”), a registered federal non-profit society, was formally established in the summer 2015 in the Province of British Columbia;

ATAC is dedicated to improving the socio-economic situation of Aboriginal people by providing economic development advisory services, conferences, professional development training and workshops, industry statistics and information for Aboriginal tourism operators and communities and information for those looking to start an Aboriginal tourism business within the 10 provinces and 3 territories of Canada;

ATAC is comprised of 15 Aboriginal tourism industry organizations and government representatives across Canada (*Appendix A*) and focuses on creating partnerships between associations, organizations, government departments (federal, provincial, territorial and municipal levels) and industry leaders to support the growth of Aboriginal tourism in Canada;

ATAC develops relationships with other groups and/or regions with similar mandates, uniting the Aboriginal tourism industry in Canada. ATAC works to enable collective support, promotion and marketing of authentic Aboriginal tourism businesses;

ATAC recognizes the opportunity for the Aboriginal tourism sector to provide employment, cultural revitalization and economic benefits for communities and entrepreneurs.

In its 2014-2015 Annual Report, ATAC details the work of the Aboriginal tourism industry across Canada coming together to create a new national Aboriginal tourism voice, including research and international marketing strategies to increase support for Aboriginal tourism operators and the entire tourism industry.

DC's mission is to harness Canada's collective voice to grow tourism export revenues;

DC acknowledges the added value of Aboriginal tourism products for Canada.

In the context of its strategy, DC continues to deepen and enrich Canada's tourism brand in key international markets as more travellers are seeking authentic, experience-based travel, choosing to visit exciting destinations and immerse themselves in all aspects of culture in Canada.

DC wants to ensure that Aboriginal tourism businesses have access to the relevant programs, services and partnerships provided by Destination Canada.

DC and ATAC want to:

- (i) share knowledge, complementary expertise and market intelligence;
- (ii) facilitate, educate and consult on product readiness and connect international travel trade to export-ready products (as defined by *Appendix B. Glossary of Terms*) through available programs; and
- (iii) cooperate in marketing programs in countries of mutual interest.

ATAC is authorized to sign this Memorandum of Understanding by the Motion of the ATAC Board of Directors.

DC is authorized to sign this Memorandum of Understanding under the *CTC Act*;

Considering the foregoing, the Parties:

- (i) believe that their respective goals can be reached through the implementation of this Memorandum of Understanding; and
- (ii) acknowledge and agree they are each entering into this Memorandum of Understanding to improve relations between the Parties and set forth their views and joint expectations and this document shall not legally bind either Party to specific initiatives or any funding or financial contribution.

**THE ABORIGINAL TOURISM ASSOCIATION OF CANADA AND DESTINATION CANADA AGREE TO THE FOLLOWING:**

**1.0 CONTENT OF THE MEMORANDUM OF UNDERSTANDING**

This document, and any subsequent amendment, constitutes the Memorandum of Understanding between ATAC and DC.

**2.0 PURPOSE OF THE MEMORANDUM OF UNDERSTANDING**

- 2.1 The purpose of this Memorandum of Understanding is to set out the general terms of cooperation between ATAC and DC in order to enhance the implementation of their respective approaches in the area of tourism.
- 2.2 It is also intended to facilitate the consolidation of relationship in which the Parties support each other in order to maximize the impact of their actions and their use of allocated resources on the vitality of Aboriginal tourism businesses within the scope of tourism services provided by DC.

**3.0 GUIDING PRINCIPLES**

The Parties agree that this Memorandum of Understanding shall be implemented in accordance with the following guiding principles:

- 3.1 cooperative projects shall encourage knowledge exchange and transfer between the Parties;

- 3.2 cooperative projects shall respect the needs, mandates and strategies of the two organizations and are subject to specific agreements that set forth the terms and conditions applicable to each project;
- 3.3 ATAC and DC shall abide by the applicable laws of privacy and protection of personal information with regard to the disclosure of information concerning their respective clientele;
- 3.4 ATAC and DC shall seek to maintain an optimal balance between cooperation and efficiency;
- 3.5 this Memorandum of Understanding shall serve to strengthen the working relationship between ATAC and DC in supporting Aboriginal tourism businesses, while recognizing DC's status as a Crown corporation as well as its mandate and strategies to market Canada in its key international markets;
- 3.6 nothing in this MOU is to be considered as creating any manner of legally binding commitment on the part of the parties. This Memorandum of Understanding represents a statement of general intention on the part of the Parties and does not represent any manner of binding contractual or other legal Memorandum of Understanding on the part of either of the parties to the other whatsoever;
- 3.7 each of the Parties acknowledges and agrees that they are acting independently in participating in this Memorandum of Understanding and that none of the Parties are employees, agents, partners or representatives of each other for the purposes of binding any other Party through any contract, communication or action to any third party; and
- 3.8 nothing herein shall be construed as creating a partnership or an association or relationship between the parties hereto other than for the purpose of this Memorandum of Understanding.

#### **4.0 RESPONSIBILITIES OF THE ABORIGINAL TOURISM ASSOCIATION OF CANADA**

ATAC agrees to:

- 4.1 continue to develop and implement a National Aboriginal Tourism Strategy;
- 4.2 enhance the promotion and support for export-ready Aboriginal tourism products (as defined in *Appendix B. Glossary of Terms*);
- 4.3 support DC in its international marketing strategies, in the area of Aboriginal tourism, according to the availability of its resources;
- 4.4 share its knowledge of Aboriginal tourism with DC, as much as possible; and
- 4.5 help DC in its effort to reach Aboriginal tourism industry stakeholders.

#### **5.0 RESPONSIBILITIES OF DESTINATION CANADA**

DC agrees to:

- 5.1 cooperate with ATAC in support of the relevant components of the National Aboriginal Tourism Strategy;
- 5.2 support ATAC in its own activities, where possible, to strengthen the promotion of Aboriginal tourism in international markets of mutual interest;
- 5.3 share its knowledge on what it takes to be export-ready, international markets, and market insights with ATAC, where possible;
- 5.4 encourage the development and presence of Aboriginal tourism products within the Canadian Signature Experiences collection; and

- 5.5 take part in ad-hoc working groups to carry out specific mandates jointly with ATAC.

## **6.0 SHARED RESPONSIBILITIES**

The Parties commit to cooperating in achieving the following objectives:

- 6.1 taking into account their respective mandates and organizational strategies, integrate export-ready Aboriginal tourism products, where possible, in their regular activities, should these product partners be interested in working with international travel trade;
- 6.2 Identifying joint or individual actions, tools and best practices that could bolster the efficacy of proposed steps and contribute to the tourism promotion of Aboriginal experiences in international markets of mutual interest;
- 6.3 collaborate in the planning and implementation of joint initiatives;
- 6.4 organize and execute communications activities in connection with this Memorandum of Understanding;
- 6.5 support the execution of joint projects;
- 6.6 promote collaboration among their respective members, partners and clientele, in full observance of applicable privacy laws;
- 6.7 cooperate in developing an evaluation framework for the implementation of joint initiatives that are carried out; and
- 6.8 consult each other, if need be, on strategies, programs and projects that might have a particular impact on the promotion of Aboriginal tourism.

## **7.0 AREAS OF COLLABORATION**

ATAC and DC shall collaborate mainly in the following areas, subject to specific agreements that will set out the terms and conditions:

- 7.1 Sharing of market insights and research intelligence;

- 7.2 Collaborative marketing programs:
- the Parties shall exchange, where possible, public information and expertise in marketing and tourism development;
  - the Parties shall collaborate to educate and connect trade to the inventory of export-ready Aboriginal tourism products; and
  - the Parties shall collaborate to increase the awareness and the benefits of being export-ready, should these product partners be interested in working with international travel trade;
- 7.3 Liaison
- The Parties shall collaborate to improve liaison among tourism industry stakeholders; and
- 7.4 Partner representation and awareness
- Through their collaboration within the framework of this Memorandum of Understanding, the Parties will help increase the awareness by federal, provincial and territorial, as well as private sector tourism partners of the added value of the tourism industry and the importance of Aboriginal tourism to the Canadian economy and to the diversity of cultural tourism offerings in Canada.

## **8.0 GENERAL**

The following provisions generally apply:

- 8.1 This Memorandum of Understanding may be amended by mutual consent of the Parties. To be valid, amendments must be made in writing and ratified by both Parties.
- 8.2 The Parties agree to conduct an annual review of the results of their collaboration.
- 8.3 This Memorandum of Understanding may be terminated at any time upon thirty (30) days written notice by either of the Parties.
- 8.4 Each Party will be solely responsible for their own activities in regards to this MOU. Each Party is responsible for any damages caused by the conduct of its employees or agents in carrying out the provisions of this Memorandum of Understanding.



## APPENDIX A - ATAC Membership

1. Keith Henry – Chief Executive Officer  
Aboriginal – British Columbia Representative
2. Teresa Doolittle  
Aboriginal – Ontario Representative  
Six Nations Tourism Association
3. Jeff Provost  
Aboriginal – Manitoba Representative  
Eastside Aboriginal Sustainable Tourism Inc.
4. Robert Bernard  
Aboriginal – Nova Scotia Representative  
Unama'ki Tourism Association
5. Patricia Dunnett  
Aboriginal – New Brunswick Representative  
Metepenagiag Heritage Park
6. Robin McGinley  
Aboriginal – Northern Quebec  
Cree Tourism
7. Trina Mather-Simard  
Aboriginal – Ontario Representative  
Aboriginal Experiences
8. Lori Beaver  
Aboriginal – Alberta Representative
9. Linda Sarazin  
Aboriginal – Ontario Representative  
Aboriginal Experiences
10. Carole Bellefleur  
Aboriginal – Quebec Representative  
Quebec Aboriginal Tourism
11. Dave Laveau  
Aboriginal – Quebec Representative  
Quebec Aboriginal Tourism
12. Dana Soonias  
Aboriginal – Saskatchewan  
Wanuskewin Heritage Park
13. Charlie Sark  
Aboriginal – Prince Edward Island  
Indian Arts and Crafts
14. Kevin Eshkawogan  
Aboriginal – Ontario Representative  
Great Spirit Circle Trail
15. Charlene Alexander  
Aboriginal – Yukon Territory  
Representative  
Yukon First Nations Tourism Association

## APPENDIX B - Glossary of Terms

- **Aboriginal tourism product** can be defined as a product that provides an authentic Aboriginal travel experience
- **Export-ready product** is a product that meets the generally accepted requirements of the Export-Ready Criteria for the Canadian Signature Experiences collections (*Appendix C*).

## APPENDIX C- Export-Ready Criteria for Canadian Signature Experiences collection



### Export-Ready Criteria

#### **Forward:**

The Canadian Signature Experiences (CSE) program promotes unique and compelling Canadian experiences to the international travel trade, and through the trade, to consumers. Working with the travel trade requires some additional practices on the part of businesses, due to the greater degree of pricing reliability, operational integrity, and marketing lead time required. As the CSE program has been developed to promote sales of your tourism experiences through the travel trade, these practices must be adhered to by any business applying to have a tourism experience included in the CSE program. These include:

#### **Required Criteria:**

##### **Proven Track Record & Safety:**

- The supplier must be in the market delivering a tourism experience for a minimum of two (2) years, with a proven track record for safe and professional operation (measured by the norms of the tourism sector they are operating within). When introducing a new product, the supplier must commit to supporting/maintaining that product for at least three (3) years (enough time to get into the marketing chain).
- The supplier must carry adequate insurance:
  - All suppliers must have liability insurance.
  - A minimum of \$2 million liability insurance for an adventure product supplier is recommended.
  - Where air travel is involved the above minimum may be higher. The supplier must adhere to provincial liability guidelines/policy.
- All suppliers must ensure they meet Provincial/Territorial and Federal Health & Safety Regulations for their business operation.<sup>1</sup>
- The supplier's business and required operating licenses must be current.

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<sup>1</sup> International markets vary in the level of consumer protection laws and health & safety requirements and the supplier should be aware of these regulations. Some international tour operators may have more stringent requirements that more closely follow their own countries rules and would have a questionnaire that they would need filled in before working with a new business partner. If working through a RTO, the supplier will be advised by the RTO on such matters on a case-by-case basis.

### **Inquiries and Reservations:**

- The supplier must be able to accept reservations and deal with inquiries by email, internet, or telephone/fax on a year-round basis.
- The supplier must be able to respond to all inquiries and/or provide confirmation of booking arrangements within 24 hours (one business day).

### **Marketing:**

- The supplier must be able to demonstrate an adequate budget and marketing plan that includes international travel trade. Travel trade includes but is not limited to tour operators, wholesalers, receptive tour operators and travel agencies.
- The supplier must be able to demonstrate an adequate knowledge and understanding of the roles played by Receptive Tour Operators (RTO's), tour operators/travel wholesalers (domestic & international), and retail travel agents (see Glossary of Terms for definitions).
- The supplier must offer retail pricing, agent commissions wholesale net rates; and maintain client relationships at each level of the trade supply chain.
- The supplier must be able to provide their provincial or territorial tourism marketing organization (PMO) and Destination Canada (DC) with up-to-date, rights-free images/video and written content for the designated experience. These are for print and on-line marketing and sales efforts.
- Provide support (complimentary or reduced rates) for international media and travel trade familiarization tours.
- Attend travel trade shows involving international buyers, either in North America or overseas or support your PMO to attend.
- The supplier must have a tourism website and/or a PDF Information sheet for the RTO's & Tour Operators on all the pertinent information related to their experience. This may include net rates, booking and cancellation policy, payment methods, product information, provided transportation services, specialized on-site customer services (examples: dietary considerations, spoken foreign languages, pre-trip training and orientation) as appropriate and applicable.
- The supplier should be prepared to commit to at least three years of working with the travel trade when they have chosen to promote the supplier's product.

### **Contracting and Payments:**

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- In order to position the product in international markets with Receptive Tour Operators or Tour Wholesalers, the supplier must be willing to provide contracted wholesale net rates. While they are fully negotiable, the supplier can be asked for net rates of at least 25% to 30% off of retail rack rates.<sup>2</sup>
- The supplier must honour contracted net rates and refrain from raising prices before the expiry of the contracted agreement.
- The supplier must provide detailed pricing and program information at least 12-18 months in advance of selling season, i.e. March 2015 for the spring/summer/fall 2016 season.
- When selling to international market through the travel trade, billing arrangements must be negotiated and agreed to in writing. Industry standard is to invoice the receptive tour operator or tour wholesaler on a monthly basis as opposed to each booking made.
- The supplier must accept client vouchers as confirmation of payment for reservations.
- The supplier must have the ability to accept payment from overseas clients, either by credit card, cheque, or by wire transfer.
- The supplier should be prepared to negotiate credit terms with Receptive Tour Operators when requested, and negotiate industry standard billing arrangements as well.<sup>3</sup>
- The supplier must establish purchase options and cancellation policies for their products and services, including penalties that may apply, in line with industry standards.

## Glossary of Terms

- The **supplier** is any Canada-based tourism business that has a contractual business relationship with a Receptive Tour Operator, Tour Operator, Tour Wholesaler and/or Travel Agent to develop sales opportunities for their business from international markets. (*Note: For CSE Program purposes, international markets include the UK, France, Germany, Australia, Japan, China, Mexico, Brazil, India and the USA.*)

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<sup>2</sup> Net rates are required for a number of reasons. First, under international consumer protection laws, a service/activity/attraction cannot be re-sold to the end-user above the retail rate. If a traveler purchases a vacation product and then finds that the retail price is less than what they paid, they can demand compensation/refunds from the travel agent/ tour wholesaler which then can come back to the RTO if they provided the original product.

Secondly, the 'food chain' of how a product is sold through the trade distribution channel – Supplier → RTO → Tour Wholesale → Travel Agency → Consumer, requires the provision of healthy and reasonable net rates. Each of these entities requires a return on investment. For example, an RTO puts significant marketing efforts into selling all the product they put together from suppliers (tariffs, tradeshows, sales missions, brochures, organized FAMs, etc.) and for that they expect to make a profit. Likewise other entities in the chain also provide an incremental marketing effort as the supplier's product reaches the attention of the potential customer.

Price protection for each level in the chain is also critical. A supplier working through an RTO or directly with an international tour wholesaler is encouraged to put a pricing model in place that protects them.

Given that the goal of the CSE program is to bring the CSE experiences to the international markets, a business relationship with an RTO or an in-market tour operator is a common place start in order to have a broad reach in the international marketplace. Unless the supplier is prepared to invest in significant international marketing costs (trade shows, sales trips), they should consider the wholesale discount for RTOs as their 'international marketing' costs. There is no risk and no upfront cost to this – the supplier only pays when their trade partner books, so there is a guaranteed return on the 'investment'.

<sup>3</sup> RTOs generally prefer to work with suppliers that will invoice/grant credit but it is not a prerequisite. Terms and conditions are negotiable between the supplier and the RTO. An advantage for providing credit terms to an RTO is that any dispute is resolved in Canada, and the supplier does not have to chase owed money around the world.

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- **Tour Operators** either contract products, ground and air services from an RTO or a tour wholesaler or they may contract directly with the supplier. They then package these products and resell to the consumers in their respective markets.
- **Tour Wholesalers** may contract products and services from either RTO's or Suppliers and then resell these products and services to other Tour Operators or Travel Agents.
- **Receptive Tour Operators** are 'business to business' Canadian-based Tour Operators who contract products and services with Canadian Suppliers. They specialize in ground services within a destination. They resell these services to international Tour Operators and Tour Wholesalers, who then resells these services to the Consumer in their respective markets.
- **Travel Agencies** sell travel services, including ground services and airline tickets to the consumer at retail prices. The retail price is provided by the Tour Operator or Supplier and includes the Travel Agency's commission in the total cost.

## Suggestions for Best Practices

Many of Canada's most successful tourism businesses have incorporated these elements into their marketing and operations strategies:

### Marketing

- Determine business priorities in terms of group and FIT business. If you plan to pursue group business, consider access by tour buses, parking/turnaround areas, washroom facilities etc. Determine your minimum and maximum group size.
- Consider the inclusion of receptive tour operators in your marketing and sales plan, and implement a regular sales call program for these companies if you decide to use this distribution option to develop your international business.
- As your business grows, consider expansion of your sales call program to include overseas contacts as well as Canada or US-based receptive operators.
- Produce video footage of your product or operation for promotional and training purposes.
- Be careful in naming your package, make sure it includes some notion of what the experience is all about and is not simply a catchy phrase.
- Develop a webpage offering information on your product.
- Contact the local regional tourism office in your area to update them on your product and learn about marketing opportunities available to your organization.

### Operations

- Be prepared to adapt to the uniqueness of certain overseas markets. Flexibility may be required with regard to last minute bookings and changes, dietary requirements, cultural differences.
- Hire frontline staff who speak the language of the markets you are interested in pursuing.
- For a packaged, multi-day tour commit to operating a minimum number of departure/operation dates. International operators are not likely to offer brochure space to a product that operates only 2-3 times per season. Minimum bi-monthly departures are recommended for peak season.
- Single day trips or excursions should operate daily and if adding unique language provisions, should feature that language at least 3 times a week.
- Provide transportation to/from a nearby gateway for international clients if required by providing transfer or public transportation advice from the nearest airport or train station.
- Provide all necessary equipment needed to participate in your program. Overseas visitors do not normally carry their own sleeping bags, fishing rods, etc.