House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Recreation Vehicle Dealers Association (RVDA) of Canada

or

( ) **an individual** **Name:** _____

Topic: Financial services and other financial issues

*Recommendation 1: Please provide a short summary of your recommendation.

Changes in the 2012 Federal Budget to increase the value of goods travelers can bring back into Canada free of taxes and duties seriously worsens the ability of Canadian RV dealers to compete with U.S. dealers who already face lower costs. In order to alleviate this situation, the RVDA of Canada recommends that duties on aftermarket RV parts and add-ons be reduced to zero.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 million-4.9 million

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal government could fund the recommendation by expanding the increased travellers' exemptions measure to include a component which would lower the duties Canadian RV retailers pay on imported goods. Currently duties range between seven and 18 percent. The RVDA of Canada would like to see duties on aftermarket RV parts and add-ons be reduced to zero.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Implementation of this recommendation would benefit:

• RV retailers, as engines of the economy, productivity, employment and economic growth
• General retailers across Canada, as many Canadians will also be inclined to purchase other goods while south of the border, representing a loss to Canadian retailers.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Topic: Education and skills training

Recommendation 2: Please provide a short summary of your recommendation.

Canada-wide, there are currently not enough new college apprentice program graduates to replace those who will leave the workforce. In order to promote job creation in Canada, the federal government must play a lead role to support RV service technician apprentice programs across the country.

The RVDA of Canada recommends new initiatives to forgive a portion of Canada Student Loans for trade apprentices. Additionally, the federal government should provide debt relief/scholarships to students entering RV service technician apprentice programs.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$500,000-999,999

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The federal government could fund the recommendation by building on recent actions for family physicians, nurses and nurse practitioners, to forgive a portion of loans under the Canada Student Loans Program for new trade apprentices who work in rural communities. The federal government could also fund the recommendation by implementing a new debt relief/scholarship support program for students entering RV service technician apprentice programs.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Implementation of this recommendation would benefit:

- Students in RV service technician apprentice programs
- RV retailers, as engines of the economy, productivity, employment and economic growth

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

With implementation of this recommendation, we can alleviate the pressure on students in RV service technician apprentice programs, allowing them to succeed within an industry that is key to economic development and stability. While we are not able to predict the number of new jobs that would be created, we are confident that these critical investments in education, recruitment and retention will help create more jobs and stimulate the national economy.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

Please select from the drop down menu

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

Contributing $14.5Billion to the Canadian economy in a given year, the Canadian RV industry makes vital contributions to ongoing tourism and recreation spending across Canada. RV dealers provide employment to a variety of technical services staff, sales and office professionals. Some 14% of Canadian households currently own an RV and there are more than 1 million RVs on Canada's roads today. Through both direct and indirect means, this economic impact is multi-faceted, and includes the manufacturing of RVs, purchasing and servicing of RVs at RV dealerships, expenditures made to maintain and store RVs, and the personal spending of RV users as they travel across Canada. Changes in the 2012 Federal Budget to increase the value of goods travelers can bring back into Canada free of taxes and duties has sideswiped the RV business on aftermarket parts and service. There are two impacts. First, many popular aftermarket parts now fall within the new exemption level giving customers a powerful reason to take their business to the U.S. $800 will buy a new awning for the RV, or a couple can put on a full set of new tires. This offers the chance to make a big saving on a purchase. For example, the duty on RV awnings can be as high as 18 percent, because of the textile content. Adding GST/HST of between 5 and 15 percent means purchasing it at a Canadian dealer priced at the same point becomes an uncompetitive 33% more expensive. Secondly, by raising the threshold so dramatically when the current threshold is already not being enforced actively, it is inevitable that there will be more cross-border tourism, shopping, and border evasion. This will include purchases beyond the products sold by dealers. Savings on the purchase of an aftermarket part or service will make it more attractive to holiday in the US, pulling campground, restaurant and fuel purchases away from Canadian companies. Additionally, Canada-wide, there are currently not enough new college apprentice program graduates to replace those who will leave the workforce. With tuition costs soaring, students in RV service technician apprentice programs are incurring significant debt. Without receiving enough financial support to help them succeed, program recruitment and retention is on the decline. College apprentice programs across Canada are currently in jeopardy and there is an imminent risk of losing them altogether, as there are not enough students to fill the seats. As such, the current supply of new graduates will not be sufficient to address the projected shortages and replace those who will be eligible to retire in the coming years. The RVDA of Canada 2010 payroll survey reported 1273 RV service technicians, compared to only 1083 reported in the 2012 survey. The Canadian RV industry is not simply one time sales; it serves as an engine of the economy, productivity, and employment, making vital contributions to ongoing tourism and recreation spending across Canada.

*Please note that at least one recommendation must be provided