



Ontario's Tourism Industry  
New Regions  
New Opportunities

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**Ontario Ministry of Tourism and Culture**

**April 23, 2010**

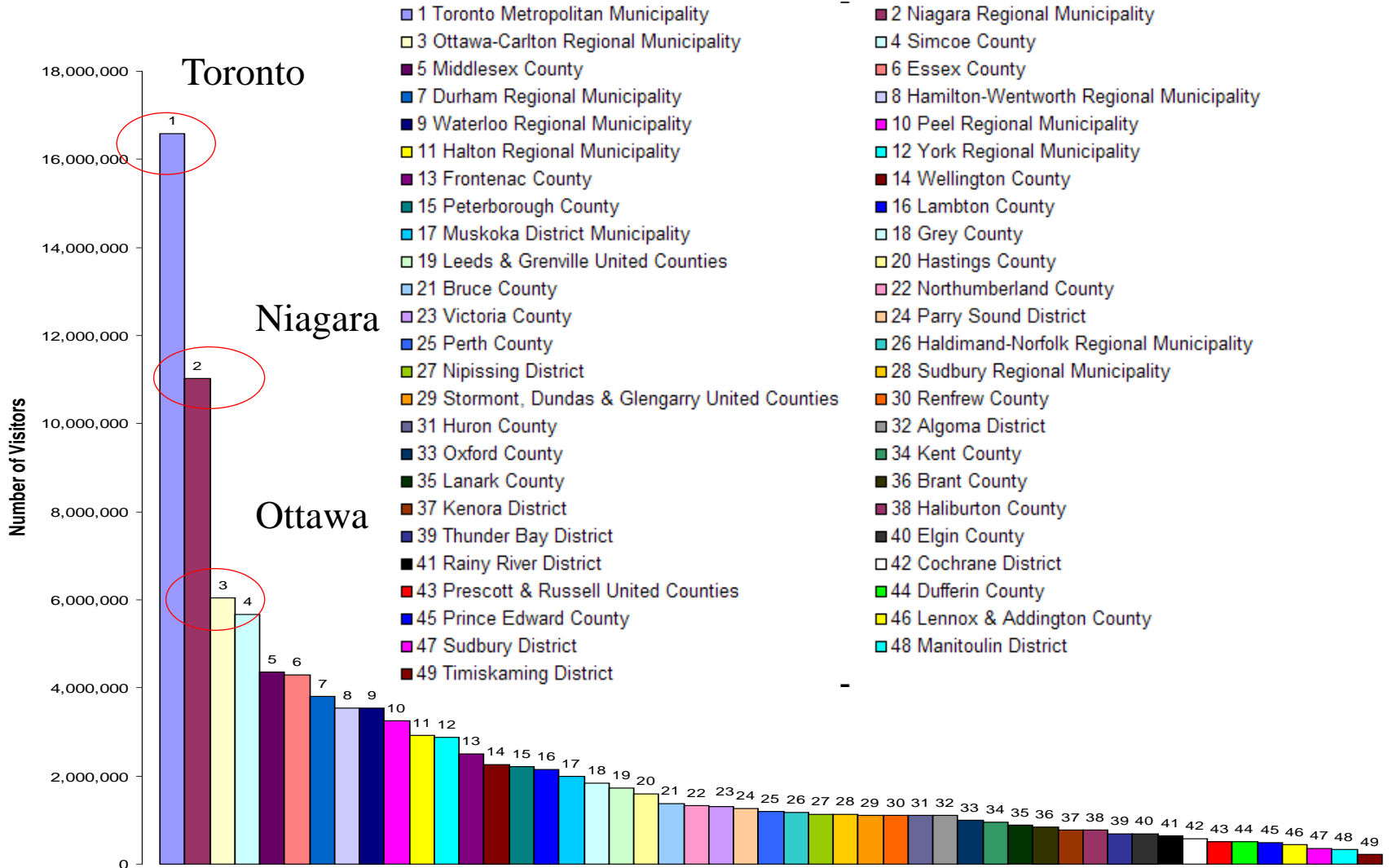


# Nature of Tourism Businesses

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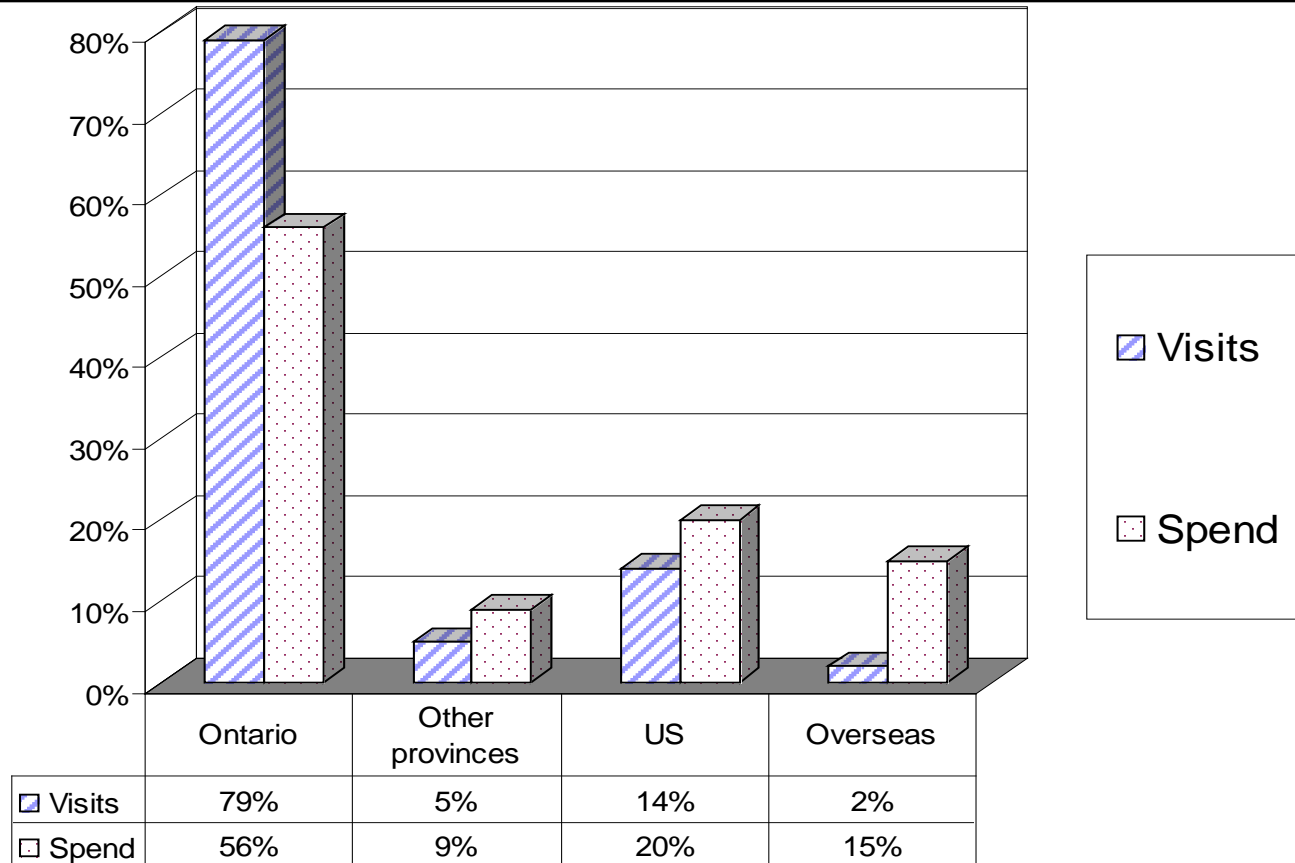
- \$23 billion industry
- 300,000 jobs
- Large but fragmented:
  - Almost 152,000 businesses in Ontario provide goods and services for tourists, representing 17% of the total number of businesses in 2007
  - More than 90% are small and medium sized businesses with fewer than 20 employees
- Industry is widely dispersed:
  - Exists in virtually every part of the province

# Where Visitors Go



Source: Statistics Canada, TSRC & ITS 2007

# Where visitors come from



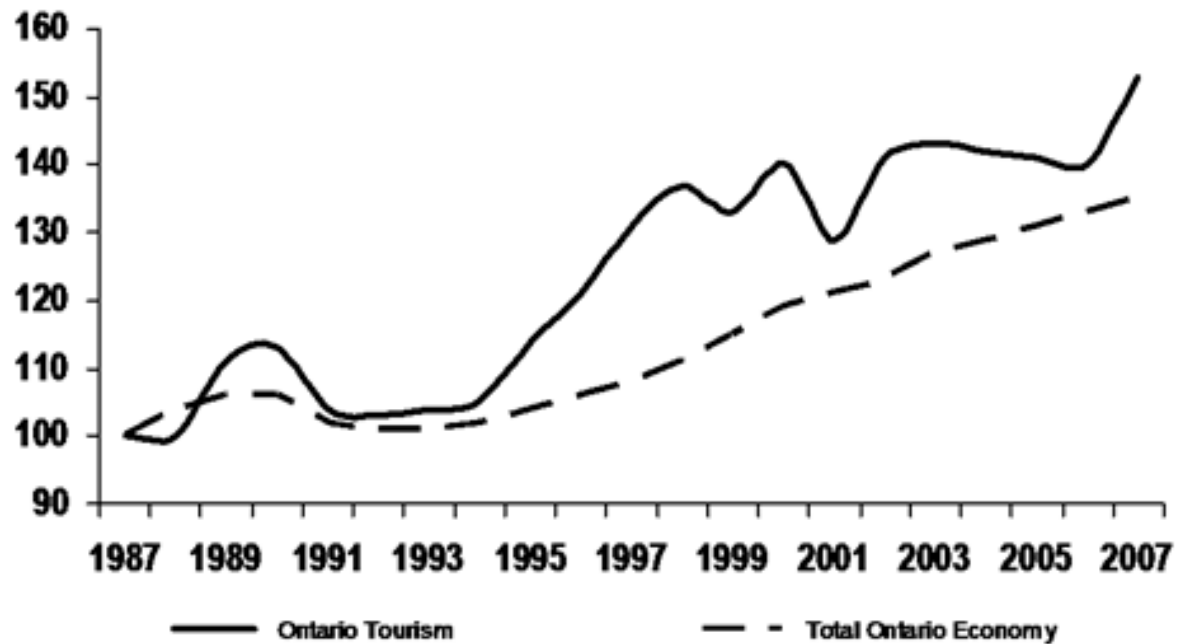
Source: Statistics Canada, TSRC and ITS 2007

# Tourism Employment

## Ontario's Tourism Employment Growing Faster than in Rest of Economy

Chart 4

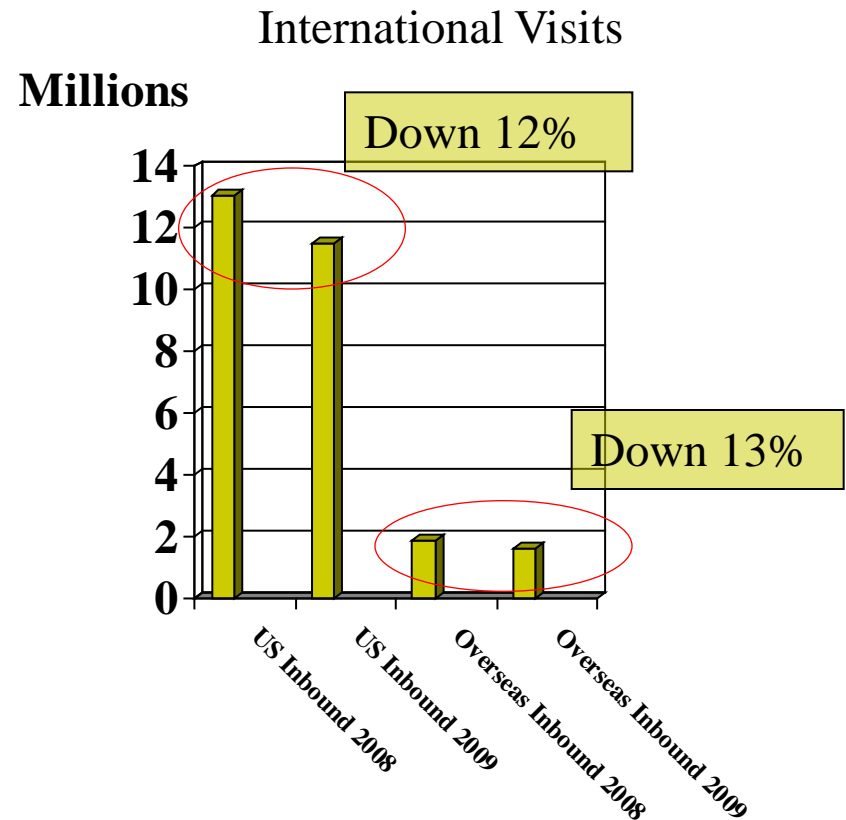
(Employment Index: 1987 = 100)



Sources: Statistics Canada's Labour Force Survey and Ontario Ministry of Finance.

# Tourism Challenges

- 2009 a challenging year:
  - n WHTI
  - n Recession
- Numbers reflect the challenge:
  - n ADR 5.9%
  - n Occupancy 4.4%



# Tourism Opportunities

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- Long-term potential still significant
  - n Globally, tourism is growing steadily
  - n Still a huge US market that wants to travel
  - n New source markets have opened up (China, India, Mexico, South Korea)
  - n UN World Tourism Organization predicting 1.6 billion ‘international arrivals’ by 2020
  - n More Ontarians staying home – our own residents are our biggest customers



# Ontario Tourism Competitiveness Study

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## Background:

- Tourism challenges are not all new – led to study commitment in 2007 election platform
- Final report released February 11, 2009 in Toronto

## The Final Report had recommendations in four key areas:

- Change how government and industry work together – build industry capacity
- Set standards for success
- Invest in private and public tourism product
- Reach out to consumers before they get here and once they arrive - re-define marketing roles at provincial and local levels.





# Need Change to Support Industry

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- Existing structure a barrier to achieving industry potential
  - n Over 100 organizations involved in tourism across the province (Destination Marketing Organizations, economic development agencies, municipalities, Chambers of Commerce)
  - n Many organizations small, financially fragile, especially in areas with lower levels of tourism activity
  - n Resources for marketing or product development often limited

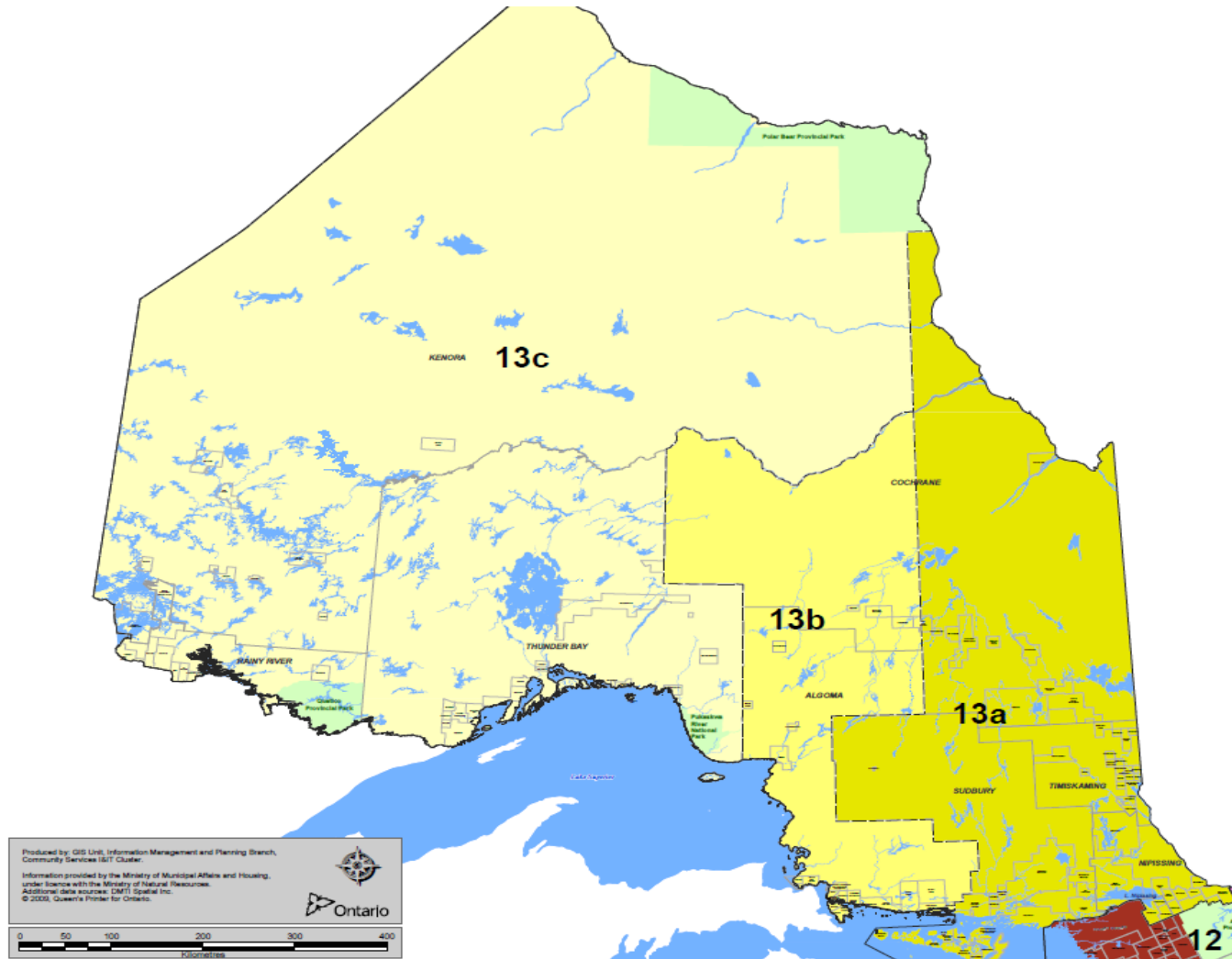


# Regional Approach

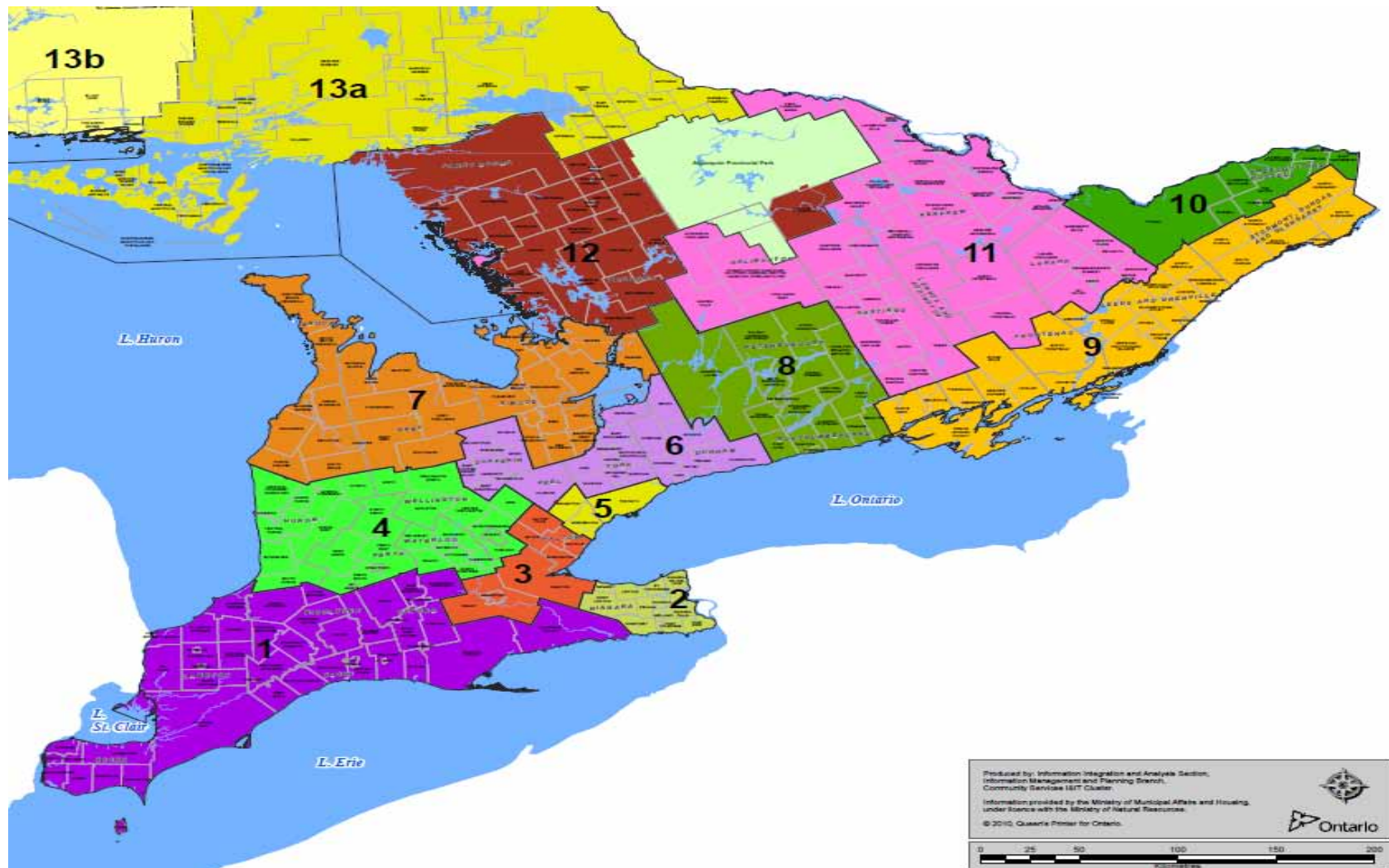
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- Establishing tourism regions with one Regional Tourism Organization (RTO) was a key recommendation in the *Discovering Ontario* report
- Goal is to create a stronger Ontario tourism industry and to strengthen its capacity to support economic growth – working together is vital
- The regional approach moves the tourism industry forward through:
  - Strong centralized Regional Tourism Organization per region
  - Reliable funding
  - Greater capacity for collaboration on industry issues
  - Better coordination with the Ontario Tourism Marketing Partnership Corporation

# Northern Ontario Regions



# Southern Ontario Regions



# Establishing an RTO

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- Request for Expressions of Interest (RFEI), issued on January 26<sup>th</sup> and were due March 1<sup>st</sup>, were looking for:
  - n Organizations working together with a broad base of support across the region and sub-sectors of the tourism industry
  - n A plan and commitment – to develop a strong accountable RTO that reflects the region and delivers on the RTO's key roles and responsibilities
  - n A legal capacity to manage and oversee funding
  - n An effort to contribute existing resources to the RTO
  
- To date:
  - n The industry demonstrated its leadership and commitment to working together resulting in one submission in each region
  - n RFEI submissions have been reviewed by the Ministry and the Ministry is currently meeting with RTO proponents in each region



# RTO Funding

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- *2010 Ontario Budget* confirmed \$40 million on-going funding for tourism regions once they are established as well as the additional \$25 million per year for 2010-11 and 2011-12 to assist in the transition for RTOs.
- All regions, except Toronto and Ottawa, will see a significant increase in funding available to support tourism promotion and development
- Starting in 2012, industry will have the opportunity to collect a Regional Tourism Levy



# Moving Forward

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- RTOs will be in place this summer
- New funding will support new marketing and development
- By 2012, industry will have access to ongoing funding through an RTL
- Opportunity for the industry is significant