



Ontario's Tourism Industry
New Regions
New Opportunities

Ontario Ministry of Tourism and Culture

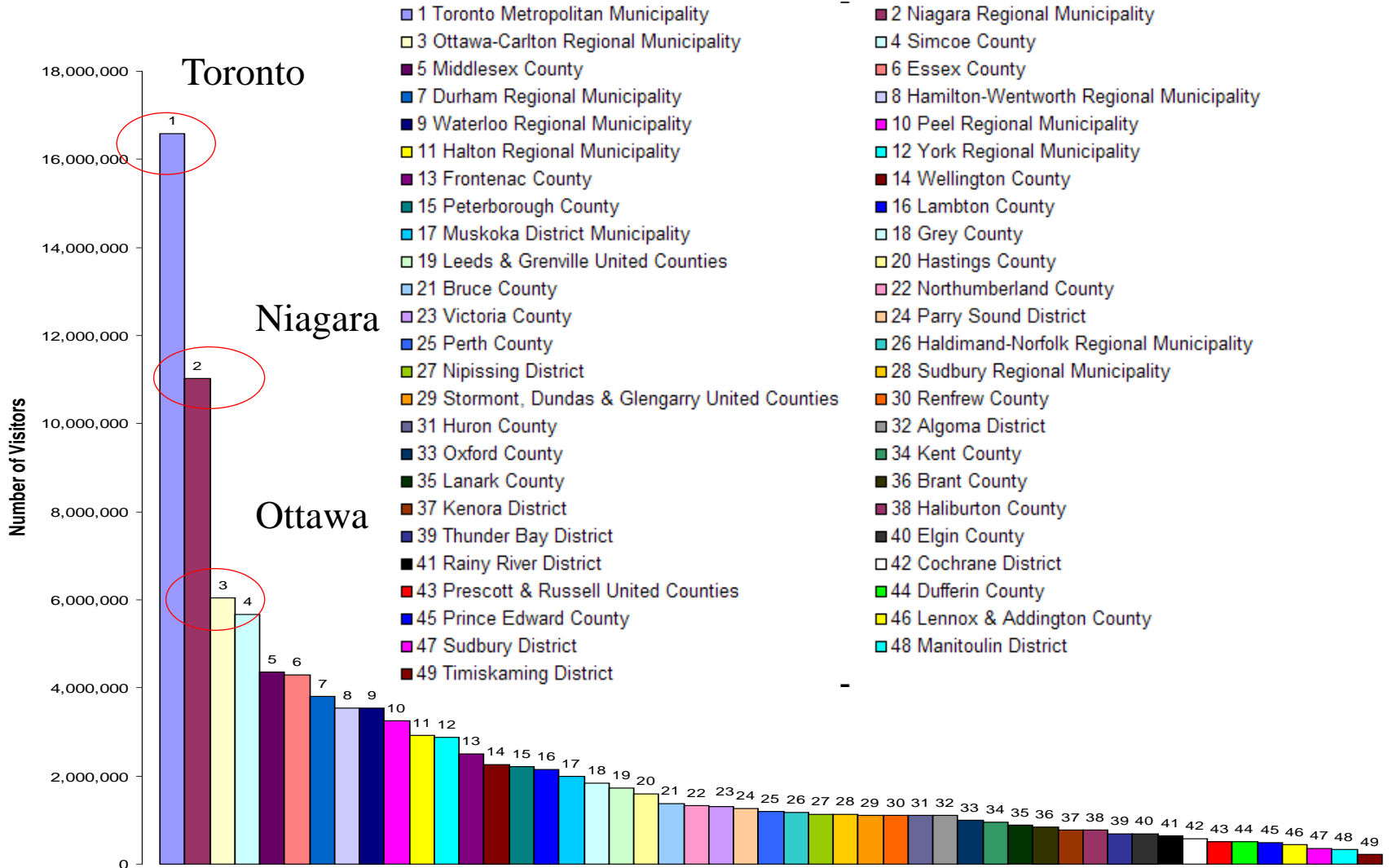
April 23, 2010



Nature of Tourism Businesses

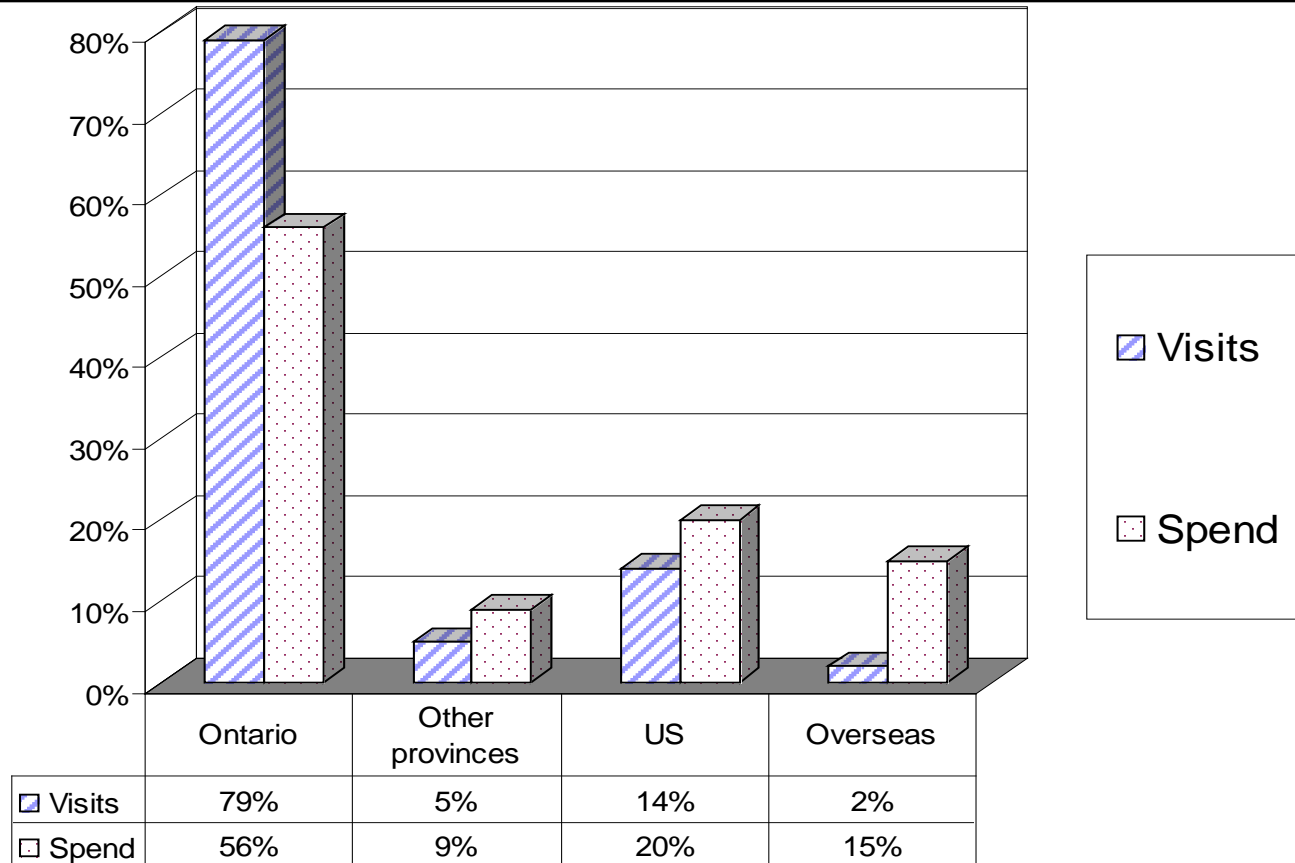
- \$23 billion industry
- 300,000 jobs
- Large but fragmented:
 - Almost 152,000 businesses in Ontario provide goods and services for tourists, representing 17% of the total number of businesses in 2007
 - More than 90% are small and medium sized businesses with fewer than 20 employees
- Industry is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

Where Visitors Go



Source: Statistics Canada, TSRC & ITS 2007

Where visitors come from



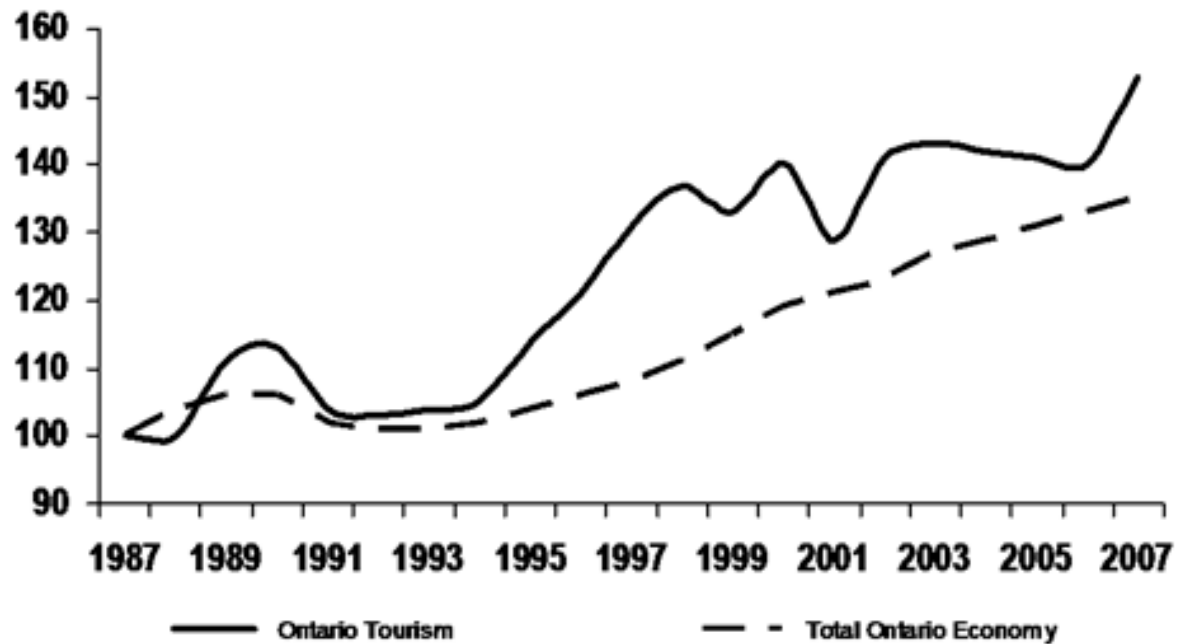
Source: Statistics Canada, TSRC and ITS 2007

Tourism Employment

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

Chart 4

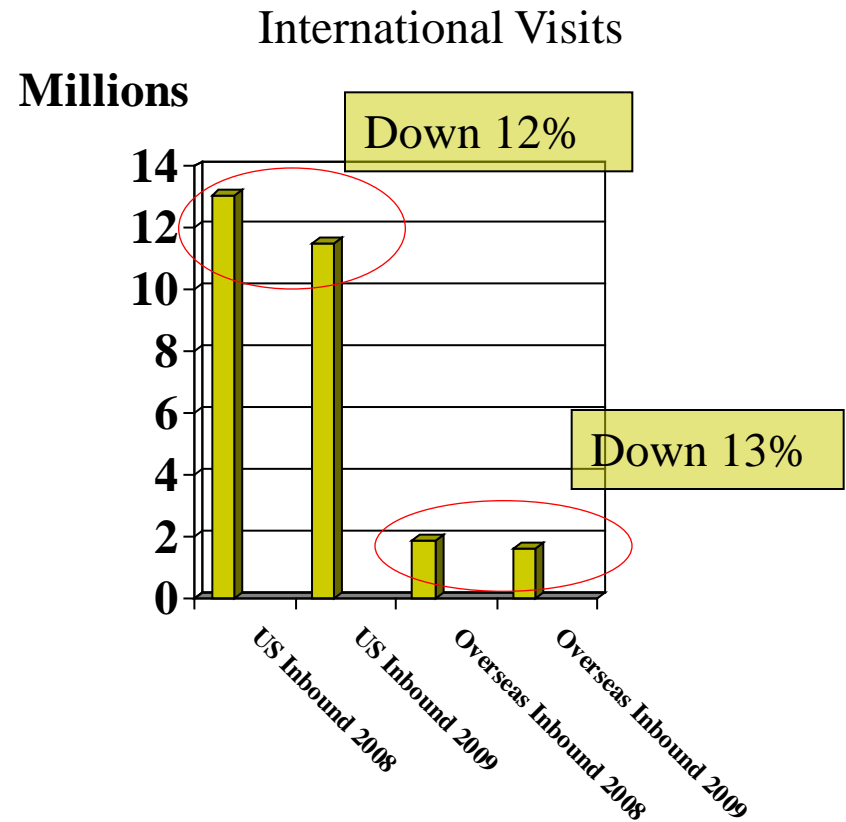
(Employment Index: 1987 = 100)



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

- 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

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

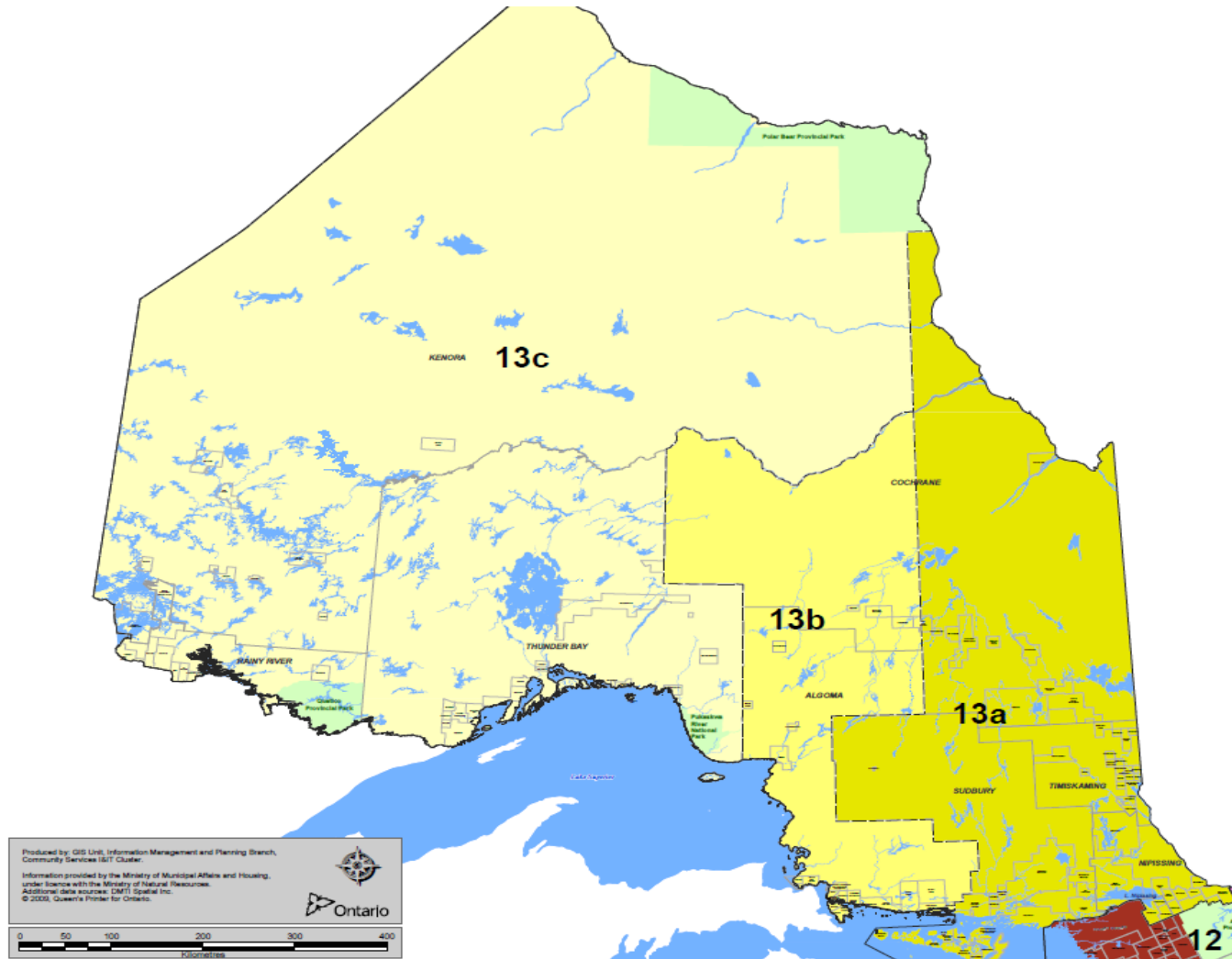
- Existing structure a barrier to achieving industry potential
 - n Over 100 organizations involved in tourism across the province (Destination Marketing Organizations, economic development agencies, municipalities, Chambers of Commerce)
 - n Many organizations small, financially fragile, especially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



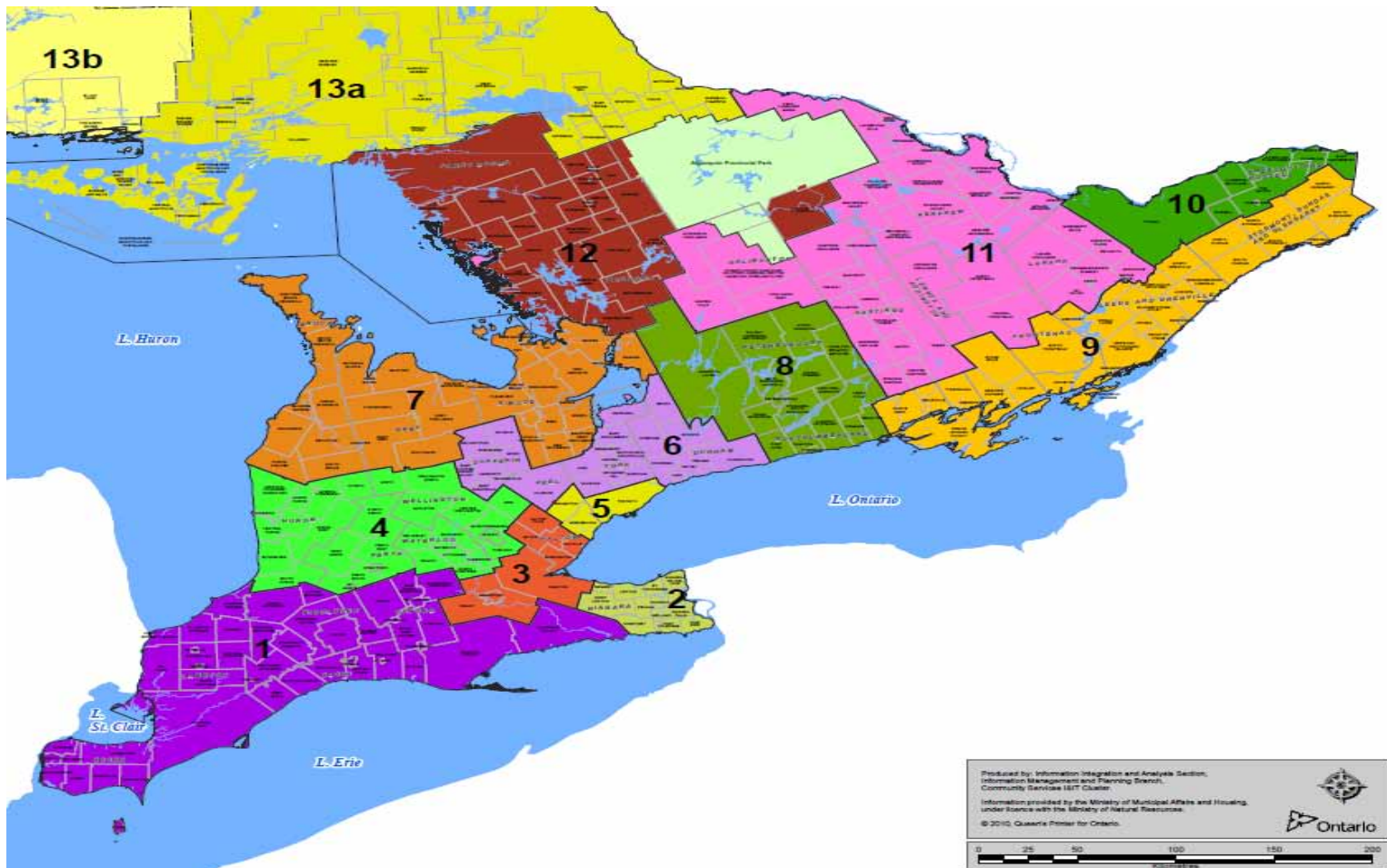
Regional Approach

- 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

- Request for Expressions of Interest (RFEI), issued on January 26th and were due March 1st, 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

- *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

- 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