



MAPPING ONTARIO'S TOURISM FUTURE

A Five-Year Look Back at the
Ontario Tourism Competitiveness Study

Executive Summary
November 2014

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The tourism industry is an essential pillar in Ontario's economy and labour force. In recognition of the potential for tourism to be a larger contributor to the provincial economy, and to help determine a future focus for tourism in Ontario, the Ontario government commissioned a Tourism Competitiveness Study in 2008 (the "Tourism Study"). The Tourism Study was chaired by former finance minister Greg Sorbara and included consultation with a wide range of Ontario's traditional and non-traditional tourism stakeholders, including a broad cross section of provincial ministries.

In February 2009, the Ontario government released the Tourism Competitiveness Study Report, *Discovering Ontario: A Report on the Future of Tourism (the "Study" or the "Report")*. In the Report, four key strategies, supported by twenty recommendations, were proposed to increase tourism and economic activity and make Ontario a top tourism destination. The twenty recommendations outlined in the Report were provided as advice to government as opposed to a comprehensive strategic plan for Ontario tourism. Since 2009, the Ministry and industry partners have focused on implementing key recommendations from the Report. Achievements and progress to-date are a result of the combined efforts of the Ministry and tourism industry partners.

The five-year anniversary of the Report's completion was believed to be an appropriate time to re-engage the industry to:

- assess stakeholder perspective of the current status of Ontario's tourism industry;
- validate the relevance of the recommendations;
- collect information to support future planning; and,
- continue to build on the successes to date by continuing to work with industry partners to identify priorities that address current needs and advance the tourism sector.

The Tourism Industry Association of Ontario ("TIAO"), assisted by Toronto-based HLT Advisory Inc. ("HLT") accepted the primary responsibility for completing the review.

CONTEXT

The Study notes that "For far too long, tourism has been viewed as a sidebar in the overall makeup of the provincial economy. As a result, the industry has received less profile than is warranted and less public support than is its due. That needs to change. The contribution from a stronger, more dynamic sector could make tourism a fundamental building block of the next Ontario economy."

The five-year review of the Study sought to gain a current understanding of challenges and opportunities facing the industry. Several industry-wide observations guided the process.

- **Why is government in the tourism industry?** Government's influence on tourism varies across jurisdictions but is always present to some degree given certain responsibilities. Often, these responsibilities exist primarily for the benefit of residents but also have a role in accommodating visitors, such as:
 - Custodial role for art, culture and science via the operation of museums, art galleries and related attractions.

- Custodial role for recreation, parks and outdoor resources.
- Coordination and operational role in bidding for, hosting and/or staging events, festivals and significant celebrations.
- Promotional and operations roles for sports, sport facilities and sporting events (including bidding and hosting).
- Economic development including a cross-section of investment attraction and business promotion activities.
- Operation of transportation, interpretive and related infrastructure.

In addition to these roles, governments take on sales and marketing, product, workforce development and a host of support roles necessitated by the preponderance of small- and medium-sized enterprises that comprise tourism. The tourism "industry" in most Canadian (and many international) jurisdictions has come to expect active public-sector involvement as much out of need as desire.

Beyond the foundational level of support however, governments (in this case provincial governments) can play a significant role in affecting the strength, position and success of tourism by defining:

- What role does tourism play in the provincial economy?
- How is tourism viewed in the context of broader government decisions (i.e., what is the impact of tourism from a decision taken in finance or forestry or transportation)?
- The balance between intra-provincial tourism and inbound tourism together with clarity on the relative importance of each (and the degree to which each is supported financially).

In short, government is involved in tourism because it has to be. But the extent to which tourism is positioned as an economic activity is a choice.

- **How Are Targets Set and Successes Measured?** The Report's goal of doubling tourism receipts by 2020 sets direction but fails to lay out the detail necessary for implementation. In addition to an overall target, specifics are required that address:
 - Visitation targets by source (i.e., within Ontario, elsewhere in Canada, United States, international).
 - The value of in-province versus out-of-province visitation (i.e., is a dollar spent by an Ontarian travelling within the province viewed equally as a dollar spent by a non-Ontarian?).
 - Return on investment thresholds linked to marketing or any other tourism-related investments (i.e., how should government tourism investment be allocated between in-province tourism and in-bound tourism initiatives?).
 - How success will be measured, monitored and communicated.

Without targets (and clear communication of targets) the mandate and actions of MTCS, Ontario Tourism Marketing Partnership Corporation ("OTMPC"), RTOs, DMOs

and sector associations cannot be aligned. For example, a target of doubling visitation from in-bound visitors to Ontario requires a completely different set of activities (e.g., a focus on a small number of high-potential, easily-accessed destinations such as Toronto, Niagara Falls and Ottawa) than a target focused on broad support of tourism as an economic development tool at the local level (e.g., funding support for local events/festivals). Setting targets means hard decisions on amount, place and type of investment.

- **High Impact or Broad Coverage?** The lack of detailed targets, success measures and rewards has created an environment where decisions to deploy limited resources are too easily made on the basis of ensuring every region gets some benefit. Often political considerations enter the decision process notably in grant programs where criteria for obtaining project and event support is unclear.

This approach (like “spreading jam on toast”) may provide benefits at regional and local levels but may not create maximum industry growth at a provincial level.

Without targets, resources cannot be appropriately directed to applicable destinations, products or experiences (and monitored for success).

- **Ontario is Not Unique...But Does Have Considerable Strengths.** Much of the tourism product offered and promoted by Ontario (at the provincial, regional/destination and private-enterprise level) is not unique in a world of growing tourism competitiveness. Ontario’s waterways are shared with several other provinces and states. Commercial attractions, culinary offerings, casino gaming, hunting/fishing and the like are offered in numerous locations.

The challenge confronting the Ontario tourism industry is to identify exceptional primary and ancillary experiences and position these experiences for maximum market acceptance while recognizing that “uniqueness” will be perceived differently by different markets.

- **Wanting To Be a Tourism Destination...Doesn’t Mean You Are (Or Should Be) One.** The market-readiness of tourism product is perceived differently by different consumers (i.e., an Ontario-based day visitor will have different expectations than an international overnight visitor). However, the democratization of tourism (a sense of entitlement where the widest imaginable range of communities, venues, and events self-identify as tourism product in order to obtain public-sector resources and support) has created a culture where tourism is believed to be a “right”. This culture has now been extended to a belief that if product doesn’t exist it should be created through public sector largesse.

These observations set the groundwork for the consultation process.

THE PROCESS

The province-wide consultation process was designed to:

- Engage tourism industry partners to identify priority recommendations, and to address the current needs and goals, in order to grow the tourism industry in Ontario over the next three to five years.

- Support recognition of the tourism industry for its contribution to Ontario's economy and workforce.

Consultation with individual TIAO Board members, the Board as a whole, and the TIAO membership at large identified five priority areas from among the twenty recommendations contained in the Report. The five priority areas (and the associated recommendations from the Report) are:

- Leadership
- Investment
- Marketing Strategically
- Product/Experience
- Regional Structure

The consultation process was completed over the spring/summer of 2014 including hosting 18 regional sessions with 300+ attendees and receipt of more than 100 written submissions.

THE RECOMMENDATIONS

It was generally agreed that Ontario's tourism industry should be keeping pace with the global growth of tourism – currently at a rate of 5% per year. Maintaining the Ontario visitor base is important to keep the industry's doors open, but real growth will only be realized by increasing the number of international visitors and associated visitor spending. In order to achieve this growth rate, the process produced 27 recommendations across the identified priority areas as well as several additional recommendations.

Global Visitor Arrivals Are Strong (% Increase)



UNWTO Arrivals 2013, Tourism Industry Association of Canada

One of the essential recommendations is the development of a provincial tourism strategy that is co-owned by industry and government. The strategy would be supported by a whole-of-government approach to policy and program development and an alignment of the full funding envelope across multiple ministries.

A. LEADERSHIP

Government (Premier, Cabinet, Minister and/or the bureaucracy) by virtue of its myriad roles and funding support across the industry has a, if not the, leadership role to play in tourism.

The industry also needs to take a leadership role. In fact, one of the recommendations in the 2009 Report was the establishment of a single tourism industry association. TIAO stepped up to take on that role and responsibility.

Success will come when government and industry work together to meet the goals of a shared plan. Jointly, industry and government need to support and facilitate a process designed to ensure alignment between:

- Provincially-funded marketing and tourism support entities including OTMPC and the RTOs.
- Provincial ministries with direct impact on tourism (Northern Development and Mines; Economic Development, Employment and Infrastructure; Transportation, etc.)

Going forward, working together, industry and government leadership can work to:

- Set and formally adopt a vision, targets and goals at a provincial level.
- Establish an annual reporting mechanism on the vision, targets and goals.
- Translate the vision, targets and goals to government agencies (notably OTMPC) and the RTOs (alignment of actions).
- Identify research needs (tied back to the targets and goals set out in provincial tourism strategy). This approach will also determine what trends, performance benchmarks and metrics need to be tracked, over what time period and how.
- Communicate within the industry. Lack of communication was repeatedly raised as a challenge and, interestingly, often from the very organizations expected to be facilitators of communication (e.g., RTOs). Ad hoc structures have been created but mostly driven by individuals. Such structures are not sustainable or consistent over the long term.

Leadership by government needs to include a consistent whole-of-government approach to policy decisions that affect tourism (e.g., impact of airline fuel tax increases) and leadership by industry is needed to bind the private sector together.

RECOMMENDATIONS: LEADERSHIP

1. **Communicate the Government of Ontario's position that tourism is a key component of the provincial economy.** Consistent with the emphasis on tourism set out in the *Building Together: Jobs and Prosperity for Ontarians* report, the Government of Ontario should:
 - a. Adopt a whole-of-government approach to tourism where key government decisions (e.g., transportation, taxation, regulation) are viewed through a tourism lens. Alignment of Ontario government and Ministry actions with the targets established in the strategic plan is a necessity.
 - b. Position the Premier and Minister of Tourism as the champions of tourism.
 - c. Align mandates of those entities with a direct (e.g. OTMPC, RTOs) and indirect (e.g., cultural, heritage, parks and recreation assets) impact on tourism with the five-year strategic plan including specific targets (see Recommendation #2).
 - d. Provide a multi-year outline of the Ontario government's role (either directly or indirectly through agencies such as OTMPC) in supporting tourism, tied to the strategic plan.

The Government of Ontario should formally "sign off" on and accept the completed strategic plan.

2. **TIAO should lead the development of an overarching, rolling five-year strategic plan for Ontario tourism** that will:
 - a. Contain five-year, as well as longer-term aspirational, targets for visitation including separate targets for intra-Ontario and inbound visitation to Ontario.
 - b. Identify key challenges and opportunities together with agreed upon strategies and responsibilities to address targets.
 - c. Identify the key entities involved in the development, operation, marketing and regulation of tourism in Ontario, clarify roles and responsibilities as well as establish accountability measures.
 - d. Be refreshed every year so that a five-year horizon (with renewed targets and metrics) is always in view.

The strategic plan should also identify the amount and source(s) of funds for key service delivery entities—specifically OTMPC, RTOs, DMOs and sector associations—for the entirety of the five-year plan (and successive one-year updates).

The ultimate responsibility for developing the strategic plan should rest with TIAO with the MTCS' full support and commitment to implement.

3. **Create an Advisory Committee to monitor progress towards achieving strategic plan targets as well as to provide policy advice to the Premier and the Minister/Cabinet.** The make-up of the Advisory Committee should be determined by TIAO—working in conjunction with the Premier and/or Minister—and shall include up to ten industry leaders who have significant investment in and/or unique insights into Ontario tourism. The existing network of advisory committees (e.g., OTMPC committees) should be drawn upon for input as necessary. The Advisory Committee should meet no less than twice per year and report annually on the status of the objectives and targets set out in the strategic plan.

B. INVESTMENT

The process generally displayed an expectation of government investment that surpasses both financial capacity and willingness.

Transportation infrastructure continues to be a major focus area within the tourism industry at all levels and in every region. Toronto Pearson International Airport, and to a lesser extent the Ottawa and northern Ontario airports, are key fly-in gateways to the province. Connectivity with these airports (primarily via rail and road), enabling visitors to experience more of Ontario, was the main transportation need expressed. In addition, cycling, snowmobiling and hiking infrastructure were identified as needs.

Most sessions raised the prospect of dedicated taxation for tourism investment either through a fixed percentage applied to commercial accommodation or via a fixed portion of the existing HST. Using only lodging revenue as the basis for such a formula is controversial, as it singles out one visitor expenditure (and an expenditure not always made on every trip such as Visiting Friends and Relatives (“VFR”) trips). Therefore no consensus exists on the approach to raise funds, but that all dollars raised would be used solely for tourism marketing and investment. Such an approach would not only provide a consistent revenue stream but also create an incentive to increase visitation and visitor spending.

The Ontario government was encouraged to address investment needs in its own attractions, parks, recreation and related amenities. An alternative would see government considering permitting greater private sector involvement in upgrading, enhancing, repositioning and/or improving these assets provided the original purpose remains unchanged.

One significant area that lacked consensus was the process to “choose winners”. In other words, how should government resources (including investment, product support, and marketing) be directed on a project-by-project basis? If only so many marketing dollars exist should a handful of high-value products be highlighted (e.g., in national/international marketing campaigns to build visitation to Ontario) or should a much larger number be supported (albeit with a lesser scope)? Similarly, should “big win” investment and capital projects be sought or should smaller projects be identified with greater provincial coverage?

These decisions need to be informed through a comprehensive, province-wide tourism strategy. The absence of a comprehensive strategy (with detailed targets) will pose challenges when making investment decisions. A comprehensive strategy would provide guidance as to nature, location and desired results of such decisions. In the current situation, in the absence of specific targets, all options are valid. And all are chasing limited resources.

TIAO acknowledges that the desire for investment in transportation, tourism product, marketing initiatives and related tourism development initiatives far exceeds the availability of resources (public and private sector). However, TIAO believes the following recommendations are best suited to gain maximum value from existing means.

RECOMMENDATIONS: INVESTMENT

4. **Ensure input into provincial transportation investment decisions that reflects the highest-value, highest-yielding tourism opportunities within both an urban and rural context.** Not only should these investment decisions be made on the basis of enabling visitors to Ontario to move about the province—via road, including cycling, rail, air and water—but the transportation needs of tourism industry employees and employers should also be taken into account.
5. **Explore opportunities to involve the financial community in funding new construction as well as expansions and upgrades to existing tourism infrastructure.** The intent is to ensure business cases are reviewed with the rigor expected of a commercial lender but to explore opportunities for government to alleviate overarching tourism industry financing concerns (e.g., northern Ontario locations, seasonality).
6. **Recognize that government has a role in facilitating significant tourism investment.** As with other industries where significant capital investments are contemplated (e.g., auto manufacturing), governments should work to clear red tape, streamline approval processes and bring ministries (and municipalities) together to ensure investments are realized.
7. **Redefine the objectives of existing (and any new) loan, grant, and financial support programs to ensure alignment with the strategic plan.** In particular:
 - a. Tying access to funds to one or more targets contained in the strategic plan as well as a test of the reasonableness of such targets (e.g., an amount provided to support a festival designed to achieve an X% increase in visitors from a targeted geographic market).
 - b. Clarifying the nature of the assistance (e.g., one-time to initiate/incubate an initiative versus ongoing support) and consistently applying the rules.
 - c. Eliminating any perceived politicization of these programs by reviewing metrics to determine if the target or objective was met.
8. **Encourage the Ministry of Tourism, Culture and Sport to either reinvest in its own tourism assets or look for ways to involve third parties to better meet visitor demands.**

9. **Obtain a commitment from the Government of Ontario for continued annual funding of in-market activities including marketing, organization, product development and support.** This funding commitment should be tied to the Jobs and Prosperity plan, consistent with tourism being identified as a leading export market opportunity. Reallocations may be required within the overall funding envelope as a result of introduction of the strategic plan. The overarching message is that Government of Ontario funding to support the strategic plan—whether direct or indirect via new funding mechanisms—needs to be clear, long-term, predictable and tied to success.

C. MARKET STRATEGICALLY

The subject of marketing generated some of the strongest and potentially most irreconcilable opinions during the consultation process. The most fundamental difference of opinion is the degree to which the Ministry should be focused on growing domestic intra-Ontario travel as opposed to generating visits to Ontario. Some stakeholders believe the Ontario market should be the primary focus (notably those relying on major Ontario urban centres such as Toronto and Ottawa as primary origin markets) while others (typically the major urban centres) are focused farther afield. The key questions in this regard are:

- Should the Ontario government fund in-province marketing?
- If yes, who should be charged to undertake in-province marketing (OTMPC and/or RTOs) and how should potential overlapping marketing efforts be addressed (to reduce duplication)?
- Are such in-province marketing efforts designed to capture (or create) additional visits or affect a form of “import substitution” (e.g., enticing Ontarians to stay in province rather than travelling outside)? If the latter, a number of product readiness questions prevail.

For those stakeholders looking outside Ontario to generate visitation, a universal belief exists (across most if not all stakeholder sessions and written submissions) that:

- Ontario needs to focus on the largest and closest potential market: the United States.
- Marketing efforts directed to emerging markets are important but not if budget comes at the expense of U.S. marketing efforts.
- The OTMPC, RTOs and DMOs, as appropriate, need to synchronize efforts in sales and marketing including brand awareness, luring, selling and closing.
- Marketing funds should be determined via a formula linked to HST that would permit both continuity of funding (year-over-year and ability to plan well into the future) and a basis for sharing in success (as visitor spending increases so do the tourism marketing funds).

TIAO acknowledges the importance of intra-Ontario tourism as well as recognizing the relative importance of visitor spending in smaller communities. Further, TIAO acknowledges that despite a small impact on province-wide spending, tourism spending in smaller communities contributes a significant proportion of local economic activity.

However, in order to maximize visitor spending potential within the province, TIAO believes a greater emphasis is required on attracting visitors to Ontario.

The strategic plan should acknowledge the importance of intra-Ontario travel in sustaining Ontario's tourism industry while focusing on visitors to Ontario as the primary means to achieve meaningful incremental growth (5% plan).

RECOMMENDATIONS: MARKET STRATEGICALLY

10. **Allocate marketing resources based on the targets set out in the strategic plan.** Ensure appropriate metrics and benchmarks are in place to gauge effectiveness of marketing spend.
11. **Focus OTMPC's efforts solely on bringing visitors to Ontario.** OTMPC's in-province marketing efforts should be reduced to maintaining the common brand platform as well as marketing activities focused on export substitution opportunities (e.g., where an Ontarian could be expected to forego a trip outside the province for a product/experience within Ontario). Current OTMPC funding programs should be re-evaluated and potentially reassigned to the Ministry where appropriate if they are deemed to be valuable but no longer fit under this changed mandate.
12. **Refocus international marketing efforts on the United States,** Ontario's closest, deepest and strongest potential market.
13. **Lead marketing efforts outside Ontario with the best-known, most saleable destination, brand, product and/or experience.** In some situations, this may involve using a destination brand (e.g., Niagara) together with the "Canada brand" but not the Ontario brand. The branding selection(s) made should be based on the greatest potential impact with the consumer.
14. **Contain in-province marketing to those activities undertaken by the RTOs, DMOs and sector associations.** Financial resources deployed to in-province marketing will either be obtained through funds allocated to the RTOs or through other funding mechanisms by the Province as well as raised through actions of the RTOs, DMOs and/or sector associations.
15. **Consolidate the research functions currently imbedded in each of the Ministry and OTMPC into a single unit.** The goal should be an agreement on research needs including recurring (e.g., ongoing tracking and monitoring, benchmarking) and special research projects (e.g., consumer- focused, product-focused) together with associated timeframes. Research produced for Ontario should link to national research sources and outputs such as the Conference Board of Canada (or describe variances as relevant).

Research intelligence should be used to guide the five-year strategic plan. In particular, the plan should ensure that the product development and market elements of the strategy are built on the same research.

Ultimately, the research produced should be more timely, have greater application (e.g., tied to RTO/DMO needs) and be better disseminated to the industry. A centralized research function is more efficient, eliminates overlap and is the best approach to align objectives. Research should be used to inform and update decisions around market focus, consumer trends, product needs and policy (e.g., gap analyses at the product and regional level). Given the technical focus of research needs and application, the Strategic Plan may include a separate research advisory committee.

D. PRODUCT/EXPERIENCE

A product/experience is an element that fulfills a need for a visitor in the form of, among other things, a physical attraction, infrastructure and/or a cultural benefit. A product/experience has an element of uniqueness or differentiation that attracts the interest of a visitor to a particular area. Successful products/experiences are accessible to a wide range of visitors from a transportation perspective, and shall have a certain scale to the offering in terms of availability to an appropriate volume of visitors.

The product priority area produced wide-ranging views at the consultation sessions and through written submissions, in part reflecting the diversity of Ontario tourism product and visitor base. Generally, consensus exists on the following:

- Some regions will have more export-ready product than others, while some have almost none.
- Some products are better-known locally (Niagara region wine and culinary) but need marketing/packaging assistance further afield (marketing Niagara wine/culinary to Chicago).
- Niche products identified in the Competitiveness Study (e.g., culinary) are now mainstream tourism products.
- The regions (RTOs, DMOs and operators) are best able to define core base of product (e.g., RTO 13 hunting/fishing/snowmobiling) from their region.
- More insights into consumer trends/needs are required. Research should be completed on both a provincial and regional level with an emphasis on timely communication and distribution of the results.

The lack of consensus tends to centre on government's role with respect to the product landscape:

- How (or if) to develop protocol to select "winners" (export-ready or "signature" experiences)?
- Should marketing activities outside Ontario focus on those few regions with significant export-ready product? Some believe that playing to Ontario's strengths by highlighting these products will entice visitors to Ontario...then opening up an opportunity for more active exploring across the Province.

- Should government be building/investing in tourism product—or encouraging others to build/invest—where none exists or is limited?
- Recognizing the overlap with the Investment section, in an environment of limited funds:
 - How can government best be involved in product/experience development?
 - Should government be building/supporting attractions in regions without broader tourism appeal?
 - How should government support and grow its own assets: museums, parks, broader infrastructure (transportation)...and eliminate political overlay in how these assets are managed?
- How can (or should) government help existing operators improve tourism product through either guidance/training or in some cases, financial support (loans not gifts)?
- How should product competition between RTOs (e.g., culinary) be eliminated?

The consultation process displayed a disquieting and far-reaching expectation that provision of tourism product (and experiences) is largely a public-sector obligation. While the public sector (at all levels) controls considerable tourism assets, the public sector has neither the capability nor financial capacity to take on such an obligation (as discussed in the Investment section). As a result, TIAO's product/experience-recommendations are focused on more practical, non-capital-intensive areas.

RECOMMENDATIONS: PRODUCT/EXPERIENCE

- 16. Create a process to identify product/experience winners.** Such a process will seek input from each RTO to identify a limited number of products and/or experiences from within each region. Presumably these products/experiences are currently being used at the RTO level to build in-province visitation (and used in any external marketing activities already undertaken by the RTO/applicable DMO). Once each region identifies core products/experiences, the process will select a reasonable number of key "Ontario" products/experiences to be featured through the majority of marketing activities directed at potential in-bound visitors. Development of such a process assumes:
- a. The selected key Ontario products/experiences will be constantly reviewed to ensure market relevance.
 - b. Additional products/experiences may be identified on a situation-by-situation basis but always within a predetermined framework designed to ensure ongoing improvement and market readiness of Ontario products/experience.
 - c. Significant events (e.g. Pan American Games) and physical assets (e.g., new stadia/arenas, entertainment venues) not necessarily designed to be tourism attractors may be considered when selecting key Ontario products/experiences. The corporate support of these events and assets can be particularly advantageous.

- d. Not all regions will be represented by the selected products/ experiences; some regions may feature multiple products/experiences.

This process should occur in tandem with initiatives tied to the Ontario and Canada Signature Experiences program as well as ensure alignment with product/experience objectives set out in the strategic plan.

17. **Continue the recently-enabled ten-year strategy to stimulate private investment in new tourism product.** This strategy, conducted in conjunction with the Ministry of Economic Development, Employment and Infrastructure, should be formalized through a process that permits industry input into defining challenges and new opportunities as well as the regular reporting on successes.
18. **Demonstrate interest in significant tourism investments by providing similar outreach initiatives as offered to other industry sectors.** The process to facilitate new/expanded manufacturing plants was noted as an example of how a whole-of-government approach can be focused on a significant investment. Such a focus is warranted for significant tourism investment.

E. REGIONAL STRUCTURE

The Study introduced the concept of a regional structure encompassing the entirety of the Province. During 2009, MTCS set up a process for the tourism industry—including private-sector tourism businesses, tourism marketing and management entities, municipal/regional governments—to create an organization and associated governance structure for each of these tourism regions. MTCS embarked on a widespread consultation process to assist in setting up the RTO structure.

The 2010 Ontario Budget contained a funding commitment to implement the regional structure. This investment allowed the RTOs to be established and work undertaken across a broad range of marketing, packaging and general support services. This work is ongoing and evolving as the RTOs have grown into their role. The general consensus during the consultation sessions reinforced the belief that “one-size” does not “fit all” with respect to Ontario’s RTOs. However, some three years after implementation of the regional structure, some issues remain:

- A significant disparity in existing tourism product and market potential between RTOs. In other words while some RTOs are primarily marketing entities others provide more basic support such as product packaging.
- Considerable differences in the size, scale and level of sophistication of private-sector businesses within each RTO and, as a result, a disparity in readiness of tourism product “for sale” outside of Ontario.
- Some RTOs are essentially comprised of the former DMO (e.g., Toronto and Ottawa) while others seek to integrate and cooperate (with varying levels of success) with several pre-existing DMOs within the region.

In addition to these issues, RTOs have set individual mandates and strategies as no provincial framework was established to synchronize strategic and tactical decisions. Recent changes in the leadership and focus within the RTO structure was acknowledged as moving in the right direction.

Fundamentally however, one of the essential ingredients to growing Ontario's tourism industry is alignment among the key players. To this end, the development of the strategic plan needs to ensure alignment among and between the individual RTO plans as well as formal linkages to the overall strategic plan. Differences among the RTOs, the regions they represent and related players (e.g., DMOs, sector associations) should be acknowledged but ultimately harnessed for the greater good of Ontario tourism.

RECOMMENDATIONS: REGIONAL STRUCTURE

19. **The roles and responsibilities of the RTOs need to align with the goals outlined in the five-year strategic plan.** In addition, the roles and responsibilities of existing tourism entities such as DMOs and sector associations should be aligned with the RTO structure.
20. **Government support of the regional structure should be tailored to the roles defined in the strategic plan and aligned with RTO responsibilities.** MTCS needs to support each RTO in their defined role and responsibility.
21. **Fund the RTOs in accordance with the functional responsibilities contained in the strategic plan.**
22. **Coordinate RTO functions and resources for the benefit of the entire Ontario tourism industry.** Unless funded solely by sources generated from within the region (i.e., not through the Province), RTOs should be required to share:
 - a. Marketing and consumer research (possibly through OTMPC).
 - b. Workforce development initiatives, training applications and labour market support (possibly through the Ontario Tourism Education Corporation).
 - c. Small- and medium-sized business support materials (possibly through relevant Ontario support programs provided to other industries).

F. Other Areas of Interest

Several other recommendations with the Report were raised by workshop participants and through the written submission, notably:

Workforce Development—In 2012, employment in Ontario's tourism industry exceeded 330,000 with an additional 210,000+ employed in tourism-related industries. TIAO estimates that by 2030, labour shortages are likely to exceed 88,000 full-year jobs. Elimination of the Temporary Foreign Worker program is likely to exacerbate this problem.

The TIAO-developed "Promoting Tourism As a Career" Campaign has been designed to identify tourism as a career option particularly among underserved and underemployed segments of the Ontario population. The targets for this five-year, multi-faceted program are First Nations, new Canadians and youth/students, focusing on key training and job placement problems.

Both TIAO and OTEC have established roles to play in Ontario tourism. Both organizations should be supported in the development and delivery of initiatives to improve workforce capability and standards.

23. **Support the “Promoting Tourism As a Career” Campaign.** This program is positioned as a 50:50 joint venture between private and public sectors. The provincial government should be encouraged to fund the 50% public-sector share, either through MTCS or through another ministry (e.g., Ministry of Education, Ministry of Training, Colleges and Universities).
24. **Incorporate a workforce development and standards focus within the Strategic Plan.** A range of educational stakeholders should be consulted for input in the preparation of the workforce development and standards aspects of the plan.

Modernize Regulations—Both government and industry need to put more focus on modernizing regulations—labour, way-finding, marketing, liquor and land access regulations—identified in the Sorbara Report. In July, the Ministry of Economic Development, Employment and Infrastructure set a target of “\$100 million in fewer headaches and hassles for businesses by 2016-17” through elimination or modification of rules and regulation. The pending legislation requires annual reporting on efforts made to eliminate unnecessary bureaucratic requirements.

While acknowledging a process has commenced to address the impact of outdated, mis-targeted or otherwise burdensome regulatory requirements, TIAO is concerned that the sheer number and variety of such requirements will impede progress. Therefore, TIAO wishes to ensure proper attention is devoted to regulatory burdens specific to the Ontario tourism industry by engaging the industry in this important work.

25. **Ensure industry input to identify those bureaucratic and regulatory issues causing the greatest challenges and negative impacts on Ontario tourism.** A starting point to identify such issues is the Reducing Barriers to Tourism Business research study that was prepared in consultation with the Study in 2009.

Improve Way-Finding—Way-finding remains a significant and emotional issue within the Ontario tourism industry. Way-finding issues seem more acute in rural areas than urban areas.

MTCS is planning to share the results of the TODS program review with the industry during the fall of 2014. Several RTOs have looked at way-finding initiatives within their region. The result of these reviews should be pooled for the benefit of the provincial tourism industry and reviewed in conjunction with the TODS review underway.

The results from a comprehensive review of TODS will be communicated shortly.

26. **Monitor the outcome of the TODS review and respond accordingly.**
27. **Set a process in place that brings together those way-finding initiatives already undertaken by individual RTOs.** RTOs should be encouraged to work together to propose province-wide way-finding solutions based on work already undertaken and a grassroots-level awareness of issues.

The report identifies timelines and responsibilities for each of the identified recommendations.

SUMMARY OF RECOMMENDATIONS, RESPONSIBILITY AND TIMELINES

The following table summarizes TIAO's recommendations together with responsibility and target completion dates (by year and quarter, based on calendar—year ended December 31st—versus government year).

Priority Area Recommendations	Responsibility	Completion
Leadership		
1. Communicate the Government of Ontario's position that tourism is a key component of the provincial economy.	MTCS	Q4/2014
2. TIAO should lead the development of an overarching, rolling five-year strategic plan for Ontario tourism.	TIAO/MTCS	Q2/2015
3. Create an Advisory Committee to monitor progress towards achieving strategic plan targets as well as to provide policy advice to Premier and Cabinet.	TIAO	Q1/2015
Investment		
4. Ensure input into provincial transportation investment decisions that reflects the highest-value, highest-yielding tourism opportunities within both an urban and rural context.	TIAO	Q1/2015
5. Explore opportunities to involve the financial community in funding new construction as well as expansions and upgrades to existing tourism infrastructure.	TIAO/MTCS	TBD
6. Recognize that government has a role in facilitating significant tourism investment.	MTCS	Q1/2015
7. Redefine the objectives of existing (and any new) loan, grant, and financial support programs to ensure alignment with the strategic plan.	MTCS/OTMPC	TBD
8. Encourage the Ministry of Tourism, Culture and Sport to either reinvest in its own tourism assets or look for ways to involve third parties to better meet visitor demands.	MTCS	TBD

9. Obtain a commitment from the Government of Ontario for continued annual funding of in-market activities including marketing, organization, product development and support.	MTCS	Q2/2015
Market Strategically		
10. Allocate marketing resources based on the targets set out in the strategic plan.	MTCS	Q1/2015
11. Focus OTMPC's efforts solely on bringing visitors to Ontario.	OTMPC	Q2/2015
12. Refocus international marketing efforts on the United States.	OTMPC/selected RTOs	Q2/2015
13. Lead marketing efforts outside Ontario with the best-known, most saleable destination, brand, product and/or experience.	OTMPC	Q2/2015
14. Contain in-province marketing to those activities undertaken by the RTOs, DMOs and sector associations.	MTCS/RTOs	Q2/2015
15. Consolidate the research functions currently imbedded in each of the Ministry and OTMPC into a single unit.	MTCS	Q2/2015
Product/Experience		
16. Create a process to identify product/experience winners.	TIAO/MTCS	Q3/2015
17. Continue the recently-enabled ten-year strategy to stimulate private investment in new tourism product	MTCS/MEDEI	Ongoing
18. Demonstrate interest in significant tourism investments by providing similar outreach initiatives as offered to other industry sectors.	MTCS/MEDEI	TBD/2015
Regional Structure		
19. The roles and responsibilities of the RTOs need to align with the goals outlined in the five-year strategic plan.	TIAO/MTCS/ Industry	Q4/2014
20. Government support of the regional structure should be tailored to the roles defined in the strategic plan and aligned with RTO responsibilities.	Transition Committee	Q2/2015

21. Fund the RTOs in accordance with the functional responsibilities contained in the strategic plan.	MTCS	Q2/2015
22. Coordinate RTO functions and resources for the benefit of the entire Ontario tourism industry.	MTCS/RTOs, Sector Associations	Q3/2015

Other Areas of Interest Recommendations	Responsibility	Completion
Workforce Development		
23. Support the Ontario Tourism As a Career Campaign.	MTCS	Q3/2014
24. Incorporate a workforce development and standards focus within the Strategic Plan.	MTCS/TIAO	Q4/2014
Modernize Regulations		
25. Ensure industry input to identify those bureaucratic and regulatory issues causing the greatest challenges and negative impacts on Ontario tourism.	TIAO	Ongoing
Improve Way-finding		
26. Monitor the outcome of the TODS review and respond accordingly.	MTCS/MTO/RTOs	Q4/2014
27. Set a process in place that brings together those way-finding initiatives already undertaken by individual RTOs.	RTOs	Q1/2015