

# 2022 STATE OF THE ONTARIO TOURISM INDUSTRY REPORT



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## About Ontario Chamber of Commerce

For more than a century, the Ontario Chamber of Commerce (OCC) has been the independent, non-partisan, indispensable partner of Ontario business. Together with over 157 member chambers of commerce and boards of trade and our network's diverse 60,000 members, the OCC's mission is to support economic growth in Ontario by defending business priorities at Queen's Park. The OCC undertakes important research on Ontario's most pressing policy issues, advocating for solutions that will foster the growth of Ontario businesses and lead to the creation of jobs in the province. Our mission is to convene, align, and advance the interests of our members through principled policy work, value-added business services, and broad engagement to build prosperity for all Ontarians.

## About Tourism Industry Association of Ontario

The Tourism Industry Association of Ontario (TIAO) works on behalf of its membership, collectively representing businesses and employees across the province to take on pressing policy issues that impact Ontario's tourism industry. TIAO leads the way in government relations on behalf of tourism businesses and operators, destination marketing organizations, regional tourism organizations, and educators. We provide evidence-based policy recommendations to ensure all levels of government understand and address the multifaceted needs of the tourism industry.

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# THE STATE OF THE ONTARIO TOURISM INDUSTRY REPORT

## INTRODUCTION

Tourism and hospitality play a significant role in creating vibrant communities to work and live in. Tourism is therefore not only a key economic driver as an industry, it is an indispensable component of broader economic development.

In 2018, Ontario was home to 200,000 tourism businesses. The sector directly employed 400,000 Ontarians across a range of sub-sectors, including culture and heritage, recreation, entertainment, food and beverage, attractions, transportation, and accommodation, and travel services. The sector contributed over \$5 billion in annual tax revenues for the province and benefits numerous adjacent industries.

With the onset of the COVID-19 pandemic, Ontario's tourism industry was one of the hardest hit—and it will be one of the last to fully recover and rebuild. The crisis continues to have a severe and enduring impact on the tourism industry in Ontario. Border closures, capacity restrictions and lockdowns exacerbated structural issues that have left the industry far from recovery.

In need of a path forward, the Tourism Industry Association of Ontario (TIAO) and Ontario Chamber of Commerce (OCC) worked closely with the sector over the last year to inform and develop: The State of the Ontario Tourism Industry Report. The report offers a blueprint for recovery through practical recommendations to confront both immediate and long-term challenges.

The insights and recommendations in this report are informed by two policy roundtables held in the Summer and Fall of 2022, bringing together tourism operators, industry experts, associations, chambers of commerce, and boards of trade from across the province.

We thank the Honourable Monte McNaughton, Minister of Labour, Immigration, Training and Skills Development and the Honourable Neil Lumsden, Minister of Tourism, Culture and Sport for their attendance and insights at these roundtables.



# THE STATE OF THE ONTARIO TOURISM INDUSTRY REPORT

## KEY HIGHLIGHTS

This report explores the obstacles that the tourism industry still faces on the road to economic recovery, and anticipated opportunities for the future of tourism in Ontario. It outlines a comprehensive multi-pronged strategy to make Ontario the best destination in the world to visit, operate a tourism business, and invest in premier visitor experiences. The key issues have been grouped under four broad sections: Economy, Labour, Infrastructure, and the Future of Tourism in Ontario. Below are some key highlights:

- After two unprecedented years, Ontario's tourism industry is rebuilding its economic impact, but several barriers still hinder its recovery.
- 4 in 10 tourism operators forecast profitability in 2024 and beyond.
- Tourism businesses have accumulated soaring debt to remain financially viable during the pandemic.
- Not all tourism markets and regions are rebuilding at the same pace, with Northern Ontario still hard-hit.
- Business travel—including transient travel and meetings and conventions—has been far slower to return. This has a disproportionate effect on major urban centres, but most consumers are also unaware of the range of Ontario destinations outside of urban centres that benefit from meeting and convention options.
- International gateway cities like Greater Toronto and Ottawa play an important role in attracting high volumes of visitors, many of whom travel to other regions of the province.
- Provincial and federal taxes present barriers for growth (e.g., provincial beer tax, federal excise tax). While other taxes are geared toward growth (e.g., Municipal Accommodation Tax), these could be retooled to maximize their benefits.
- Tourism faces ongoing workforce challenges and a multi-faceted labour crisis, which warrant a targeted strategy. This includes:
  - Re-conceptualizing how people view tourism careers
  - Optimizing work placement opportunities for post-secondary students
  - Reforming immigration to retain international students and reliably attract international workers that meet the needs of the industry
  - Consistently promoting job-ready skills in the high school curriculum
  - Ensuring that decision-making is data-driven and specific to each locality and region
- The lack of comprehensive and affordable public transportation within and between Ontario destinations limits travel and commuting options, precludes opportunities for multi-destination travel, and impacts business recruitment and retention.
- Limited availability of affordable housing impacts workforce recruitment, retention, and dispersion to rural tourism economies.

# THE STATE OF THE ONTARIO TOURISM INDUSTRY REPORT

## KEY HIGHLIGHTS

- Access to reliable, high-speed broadband is critical to participating in an increasingly digital economy. Some areas of Ontario remain underserved, placing rural and Indigenous tourism economies at a disadvantage.
- Current and future disruptions to the reliable flow of international visitors—e.g., climate change events, global pandemics, global conflicts—highlight the importance of building sustainable domestic visitor markets.
- Consumer interest in cultural tourism presents opportunities to create innovative, sustainable tourism offerings that engage in intercultural exchange. Indigenous and Francophone tourism sectors are prime examples.
- Prior to COVID-19, Indigenous tourism was the fastest growing tourism sector in Ontario, with 1 in 3 international visitors to Canada expressing an interest in Indigenous tourism experiences.
- Pandemic conditions and current lifestyle trends have laid the groundwork for the growth of wellness tourism, where destination or operators appeal to visitor health and wellbeing.
- Canadians dominate nature-based tourism and Ontario attracts more nature-based tourists than any other province.
- Sustainable tourism is a growing preference among travelers but it is also becoming increasingly important to the viability of tourism experiences. Agritourism is an industry ripe for growth, offering Ontario farmers diversified income.
- Cannabis, sports, and film also present several promising opportunities for the future of tourism and hospitality.

This report builds upon the recommendations outlined in the [2021 Tourism Economic Recovery Ministerial Task Force report](#). It is intended to be a living document and outlines comprehensive recommendations for recovery, growth, investment, and stability that will make Ontario the best destination in the world to visit, start a tourism business, and invest in unique visitor experiences.

## RECOMMENDATIONS

### ECONOMY

Government		
Provincial	Federal	Municipal

#### 1. Providing Debt and Insurance Relief

A) Increase the Canada Emergency Business Account (CEBA) and the Regional Relief and Recovery Fund (RRRF) maximum loan forgiveness amount by up to \$10,000 if the remaining loan balance is repaid by the end of the qualifying period for partial loan forgiveness.		CA	
B) Extend the interest-free repayment period (i.e., the qualifying period for partial loan forgiveness) for CEBA loans and RRRF loans to December 31, 2024.		CA	
C) Work with the insurance industry to explore solutions to rising commercial insurance premiums and reduced liability coverage.	ON	CA	

#### 2. Supporting the Return of Meetings, Conventions, and Business Travel

A) Develop a strategy for business events, including support for destination marketing organizations to effectively promote Ontario's business event destinations.	ON		MU
B) Increase the maximum tax-deductible amount for business-related food and beverage expenses from 50% to 100%.		CA	
C) Develop an opportunity fund to support the delivery of high-quality hybrid events for small and medium-sized enterprises (SMEs) that have limited resources and capacity to do so.	ON		
D) Create an enhancement fund for cities to boost competitive bids for major meetings, conventions, and events.	ON	CA	
E) Review additional airport locations for offering customs pre-clearance in Ontario for ease of business travel.	ON	CA	

# RECOMMENDATIONS

## ECONOMY

	Government		
	Provincial	Federal	Municipal
<b>3. Reducing Red Tape and Tax Burdens</b>			
A) Pledge to fully eliminate or at least defer the automatic provincial beer tax increase to take effect on March 1, 2023.	ON		
B) Freeze the federal excise tax on beer, wine, and spirits.		CA	
C) Introduce amendments to the Municipal Accommodation Tax (MAT) legislation to optimize its revenue generation capacity to benefit local tourism marketing and product development.	ON		
D) Explore alternate revenue tools to support local tourism promotion in northern, rural, and remote areas where a MAT cannot be applied	ON		

## LABOUR

	Government		
	Provincial	Federal	Municipal
<b>4. Promoting Tourism as a Career</b>			
A) Confer with TIAO and industry stakeholders to develop marketing communications and jobseeker resources that convey the range of careers in tourism and hospitality.	ON		
B) Continue to support job-matching initiatives like <i>A Three Fires Collaborative Quest</i> .	ON		
C) Support the development and expansion of work-integrated learning programs, such as Be Our Guest, a partnership among the Toronto District School Board (TDSB), George Brown College, and hospitality centres.	ON		MU
D) Continue to support targeted, industry-led workforce programs that boost recruitment and retention from underrepresented groups.	ON		
E) Continue to support micro-credential programming targeted towards jobseekers looking to pursue careers in tourism and hospitality and workers looking to upskill within the tourism industry.	ON		
F) Implement a Career Exploration Program in elementary schools that introduces children, parents, and educators to a wide range of career options based on the types of careers that are most likely to be needed by the time children in the program graduate high-school.	ON		
G) Implement a Career Mentorship Program and co-op vocational training at the high-school level with particular focus on sectors of the economy where job vacancy rates are expected to be the highest.	ON		

# RECOMMENDATIONS

## LABOUR

	Government		
	Provincial	Federal	Municipal
<b>5. Optimizing Work Placement Opportunities</b>			
A) Revisit post-secondary co-op term dates for the tourism and hospitality industry to ensure that tourism businesses can offer a professionally rewarding placement experience.	ON		
B) Offer incentives to employers working with young job seekers, including those in work integrated learning placements.	ON		
<b>6. Recruiting and Retaining International Talent</b>			
A) Address the immigration backlog of 151,000 international students and develop processes to prevent future backlogs.		CA	
B) Amend the Canadian Experience Class (Express Entry) to include TEER 4 in qualifying job offers and work experience.		CA	
C) In consultation with industry, launch a 2-year 'Introduction to Canada' visa targeted at entry-level skillsets, with a pathway to permanent residency.		CA	
D) In consultation with industry, amend the Ontario Immigrant Nominee Program (OINP): <ul style="list-style-type: none"> <li>• Include TEER 4 and TEER 5 occupations for qualifying job offers and work experience given that in-demand frontline positions in tourism and hospitality are heavily represented in those skills categories.</li> <li>• Increase the number of newcomers allowed to enter under the OINP from 9,000 to 18,000.</li> <li>• Allow OINP work permit applicants to qualify for two-week processing timelines offered for Global Skills Strategy applications.</li> </ul>	ON	CA	
E) Ensure that newcomer settlement programs are prioritizing employment and training opportunities for Ontario's most high-demand occupations.	ON		

# RECOMMENDATIONS

## LABOUR

	Government		
	Provincial	Federal	Municipal
<b>7. Securing Essential Workers in Resort and Hospitality Sectors</b>			
A) Revisit the LMIA requirements under the TFWP to remove unnecessary cost and burdensome regulation and to ensure the TFWP meets the needs of the tourism and hospitality industry.		CA	
B) Improve the efficiency in processing times for the Temporary Foreign Worker Program (TFWP).		CA	
C) Fund a pilot program, to produce a pool of candidates with Restricted Area Identity Card (RAIC) by establishing a process to pre-qualify workers for airport jobs. Specifically, allow applicants to begin or obtain their Transportation Security Clearance in advance of receiving an offer of employment		CA	
D) Establish a process to pre-qualify workers for jobs at airports, by allowing them to begin or obtain their Transportation Security Clearance in advance.		CA	
E) Extend the temporary 30% hiring cap for accommodation and food and beverage sectors under the TFWP.		CA	
<b>8. Investing in Future Talent</b>			
A) Integrate service excellence training and certification consistently across the Ontario high school careers curriculum.	ON		
B) Elevate the Hospitality and Tourism Specialist High Skills Major (SHSM) to an industry-recognized accreditation to recognize the skills and knowledge gained through the program and its value to tourism and hospitality employers.	ON		
<b>9. Data-Driven, Locally and Regionally Specific Decision-Making</b>			
A) Work with industry to establish a common tourism labour market data and forecasting strategy that supports evidence-based recovery planning.	ON		
B) Support Tourism SkillsNet Ontario's efforts to coordinate consistent, evidence-based regional labour market planning in member destinations across the province.	ON		
C) Support workplace-based training and consulting services specifically designed for SMEs' unique needs as they struggle to recover.	ON		

# RECOMMENDATIONS

## INFRASTRUCTURE

	Government		
	Provincial	Federal	Municipal
<b>10. Transportation</b>			
A) Collaborate between ministries, levels of government, and industry to ensure better transit and transportation integration across Ontario, with an emphasis on enabling infrastructure in rural destinations for tourism.	ON	CA	MU
B) Establish the necessary infrastructure and/or funding that make it feasible for municipalities and regions to identify transit gaps and extend existing transit service across municipal boundaries.	ON		
C) Invest in cross-regional transit plans.	ON		
D) Improve regional transit connectivity to Toronto Pearson, Canada's biggest airport.	ON		MU
E) Investing in more electric vehicle charging stations, especially in rural regions where they are in short supply.	ON		
F) Support efforts by municipal governments to install wayfinding signs and amenities such as public washrooms to make travel in Ontario convenient and accessible.	ON		
G) Expand the Community Transportation Grant Program to encourage and specifically support municipal collaboration.	ON		
H) Work with the motor coach sector to provide a carve-out of federal public transit investments that support private motor coach operators in delivering vital rural bus transportation options.	ON		
I) Collaborate with the private motor coach sector to deliver more bus transportation routes across the province	ON		
J) Invest in efforts to support electricity infrastructure for boat marinas, particularly in Northern communities, to promote the transition to sustainable transportation.	ON		
K) Work with Ontario's major airport hubs to address infrastructure gaps that curtail capacity to handle growing visitor volumes.	ON		
L) Work with all levels of government and the private sector to develop high speed rail services in Ontario.	ON	CA	MU
M) Work with the aviation sector to reliably deliver a robust network of aviation routes that supports regional tourism economies.	ON	CA	
N) Re-invest the rent collected by the Government of Canada from the twenty-one airport authorities that form the National Airport System into transformational airport infrastructure projects.		CA	
O) Fund active transportation infrastructure (e.g., biking and walking infrastructure) across Ontario to allow ease of movement and attract active visitors.	ON		

# RECOMMENDATIONS

## INFRASTRUCTURE

	Government		
	Provincial	Federal	Municipal
<b>11. Affordable Housing</b>			
A) Consult with TIAO, industry stakeholders, and workers to develop effective affordable housing strategies across Ontario.	ON		
B) Incentivize the development of purpose-built rentals in Ontario.	ON		
C) Work with the federal government to expand the Canada Housing Benefit to help more Ontarians access affordable rental and homeownership options.	ON	CA	
D) Work with the private sector and municipalities to incentivize the development of affordable housing, particularly tailored to rural municipalities.	ON		MU
E) Work with private developers and municipalities to ensure appropriate, available residential lands move to the market for development.	ON		MU
F) Expedite the planning process for developers to start and complete projects, eliminating any excessive regulatory costs and exploring opportunities for streamlining.	ON		
G) Amend the Ontario Building Code Act to allow municipal discretion over the use of existing Building Permit Reserve funds to offset costs associated with future affordable housing developments.	ON		
H) Require municipalities to intensify development and approve more multi-unit residential buildings as part of their official plans.	ON		MU
<b>12. Broadband</b>			
A) Sustain and roll out investments in the delivery of reliable, high-speed broadband to northern, rural and remote regions.	ON		
B) Coordinate with Ontario Municipalities, in partnership with telecommunications companies, utilities, and Internet Service Providers (ISPs), to develop a Dig Once strategy.	ON		
C) Create regulations that make the laying of conduit/fibre assets mandatory for public infrastructure builds.	ON	CA	

# RECOMMENDATIONS

## THE FUTURE OF TOURISM

### Future Challenges

	Government		
	Provincial	Federal	Municipal
<b>13. Building Sustainable Visitation</b>			
A) Promote Ontario as a premier travel destination for local, domestic, and international visitors.	ON		
B) Make the Ontario Staycation Tax Credit an annual offering and broaden the program to include transient boating.	ON		
C) Develop a destination marketing opportunity fund to amplify tourism marketing and product development in rural and northern tourism economies, with the objective of cultivating stronger domestic markets for more sustainable visitation.	ON		
<b>14. Ensuring Seamless Travel</b>			
A) Work with the tourism industry and government partners to create strategies to ensure seamless inbound and outbound travel for US visitors in the event of future border disruptions.	ON	CA	
B) Work with US authorities to return to pre-pandemic capacity levels and hours of operation at preclearance airports and to re-open Canadian NEXUS enrollment centres, closed as a result of the COVID-19 pandemic, or quickly find alternative ways to process applications.	ON	CA	
C) Invest in a modern digital border and effective screening procedures. Explore a domestic trusted traveler program to facilitate smoother travel and ensure border services resources are focused most effectively.	ON	CA	
E) Digitize and streamline processes to reduce the backlog in Canadian passport and visa applications so that Canada can welcome more visitors and international students.	ON	CA	
F) Establish globally competitive processing standards for CATSA and CBSA, including at peak hours at all CATSA checkpoints.		CA	
<b>15. Addressing Rising Visible Homelessness and Precarity</b>			
A) Increase investments for municipalities and non-profits to expand access and availability of addiction and mental health services, shelters, transitional housing, and other emergency and long-term supports and services.	ON		

# RECOMMENDATIONS

## THE FUTURE OF TOURISM

### Future Opportunities

Government		
Provincial	Federal	Municipal

16. Cultural Tourism			
A) Leverage Ontario's recent investments in projects such as Route Champlain to create new business opportunities for Franco-Ontarian communities to benefit from the visitor economy's growth and socioeconomic spinoffs.	ON		
B) Implement a tax credit program (similar to the Ontario Film and Television Tax Credit and the Canadian Film or Video Production Tax Credit) providing a 20-25% tax credit/rebate on labour and production capital expenses for live productions (e.g., theatre, music, dance) produced, co-produced, or presented by Canadian-based companies.	ON		
17. Indigenous Tourism			
A) Provide sustainable funding for the Indigenous tourism sector to support continued development and growth	ON	CA	
18. Cannabis Tourism			
A) Advance licensing for cannabis consumption inside public venues.	ON	CA	
B) Allow public events such as concerts, conventions, and sports games to offer gated pop-up cannabis retail and consumption zones for adults.	ON	CA	
19. Outdoor and Nature-Based Tourism			
A) Promote Ontario as a prime destination for agritourism and other forms of nature-based tourism.	ON		
B) Leverage Ontario's natural beauty and greenspaces to attract visitors and reinforce Ontario's tourism brand.	ON		
C) Ensure government programs and initiatives for agritourism consider the time restraints and seasonal pressures associated with growing agriculture by timing funding application deadlines appropriately.	ON		

# RECOMMENDATIONS

## THE FUTURE OF TOURISM

### Future Opportunities

Government		
Provincial	Federal	Municipal

20. Sustainable Tourism			
A) Offer targeted investments to support tourism operators seeking to implement green infrastructure and practices.	ON		
B) Provide supports to prevent and mitigate climate change impacts for resource-based tourism operators and tourism businesses located in regions at high risk of extreme weather events.	ON		
C) Increase climate resilience from erosion, flooding, and extreme weather events by preserving and enhancing natural infrastructure. This includes investments in afforestation and the expansion of greenspace.	ON		
21. Implementing the Recommendations of the Tourism Economic Recovery Ministerial Task Force			
A) Continue to foster collaboration between public health officials and tourism sectors.	ON		
B) Emphasize local pride of place and Ontario as a diverse, inclusive, and multicultural "world in one province" through destination marketing.	ON		
C) Provide travel incentives to encourage more people to make local travel and hospitality plans.	ON		
D) Leverage transportation infrastructure (e.g., airports, visitor information centres, highway signage) to attract visitors, reinforce Ontario's tourism brand and direct visitors to destinations and cultural interest areas.	ON		
E) Highlight Ontario's talent and creative industries by supporting the creation of music cities and film destinations to highlight filming locations.	ON		
F) Cross-promote Ontario's tourism offerings as contributors to physical and mental health, through partners such as Ontario Parks and Parks Canada, as well as private operators.	ON	CA	

# SECTION 1 Economy

To facilitate the tourism industry's recovery, immediate action is required to address operators' soaring debt while simultaneously supporting their capacity to remain competitive through long-term strategic investments.

## SECTION 1 Economy

### 1.1. Providing Debt and Insurance Relief

The COVID-19 pandemic has put significant financial strain on businesses across Ontario. Province-wide lockdowns, capacity restrictions, indoor closures, revenue losses, and ongoing expenses have left many businesses struggling with an unsustainable amount of debt. As of April 2022, 7 in 10 businesses have taken on debt to remain afloat, with 20% accruing over \$100,000 in debt.<sup>i</sup> At least 7 in 10 businesses have taken on federal CEBA (Canada Emergency Business Account) and/or RRRF (Regional Relief and Recovery Fund) loans.<sup>ii</sup> Added to these pressures, recent data shows that tourism businesses are generating on average just 64% of 2019 revenues, with 4 in 10 businesses forecasting profitability in 2024 and beyond.

<sup>iii</sup> Moreover, 78% of tourism operators reported increased commercial insurance rates, with many citing issues with reduced coverage.<sup>iv</sup>

Sole proprietors have been unable to access (or fully access) critical funding opportunities due to business type. This includes several key COVID-19 relief programs such as the Tourism Relief Fund and the Ontario Tourism Recovery Program, as well as the Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy. As a result, Ontario's small tourism operators are beginning their recovery at a significant financial disadvantage.

#### Debt in Northern Ontario's Resource-Based Tourism Sector

In Northern Ontario, where up to 60% of the resource-based tourism sector is unincorporated,<sup>v</sup> the debt situation is magnified. Evolving border restrictions have severely curtailed tourism operations since 2020, as operators are dependent on American tourists for between 60% and 100% of clientele—and the US market has yet to return to pre-pandemic levels.<sup>vi</sup> Moreover, efforts to attract the domestic market have been ineffective, especially for remote locations and the northwest, as the US market is geographically closer and therefore the dominant clientele.<sup>vii</sup> These factors have put northern operators at a financial disadvantage, with debt skyrocketing; resource-based tourism operators have accumulated on average \$187,000 in debt.<sup>viii</sup>

Debt directly impacts the capacity for tourism businesses to hire necessary staff, pay competitive wages, resume full capacity operations, maintain cash flow, cover rising expenses, undergo necessary upgrades, and recover. One-third of tourism operators point to debt as hampering the recovery of their business.<sup>ix</sup>

Although the Government of Canada's extension of the interest-free repayment period for CEBA and RRRF loans from December 2022 to December 2023 provided some welcomed relief, it will not be enough given the slow pace of recovery across Ontario. Further debt relief is needed to support the viability of SME tourism businesses.



# SECTION 1

## Economy

### 1.1. Providing Debt and Insurance Relief

We recommend:

- Increase both Canada Emergency Business Account (CEBA) and the Regional Relief and Recovery Fund (RRRF) maximum loan forgiveness amount by up to \$10,000 if the remaining balance of the loan is repaid by the end of qualifying period for partial loan forgiveness.
- Extend the interest-free repayment period (i.e., the qualifying period for partial loan forgiveness) for CEBA loans and RRRF loans to December 31, 2024.
- Work with the insurance industry to explore solutions to rising commercial insurance premiums and reduced liability coverage.

### 1.2. Supporting the Return of Meetings, Conventions, and Business Travel

Meetings and conventions generate disproportionate visitor spending that benefits a wide range of businesses beyond the hotel sector, including event planners and designers, food and beverage providers, transport operators, and other event suppliers. The impact of business travel is multi-fold: business travel occurs during off-peak periods, with business travellers often extending their trip for leisure travel and spending more on average than leisure travellers.<sup>x</sup> Major meetings also introduce the local destination and Ontario as a whole to future investors and talent. The benefit of meetings and conventions extends widely to the local tourism economy.

Business travel has yet to return to pre-COVID numbers. Attracting international and domestic business travellers to Ontario is crucial to rebuilding the sector. It is imper-

ative that the Province promotes an array of destinations including gateway cities and those beyond Ontario's major urban centres.

A comprehensive provincial strategy to grow the impact of business events would focus on both large-scale meetings that are best executed in Toronto and Ottawa, drawing the largest volume and most internationally diverse delegates, and smaller and mid-size events that can be done in a broader range of destinations including cities such as Niagara, Hamilton, Kitchener-Waterloo, Windsor, London, Cornwall, Kingston, and Collingwood. As business travel returns to in-person formats, considering additional airports to offer pre-clearance security checks may improve ease of travel. Currently, only two airports in Ontario offer pre-clearance security.<sup>xi</sup>

# SECTION 1

## Economy

### The Slow Return of Business Travel

In Toronto, business event bookings are behind pre-pandemic levels, with local/regional visitation insufficient to reach 2019 business travel numbers.<sup>xii</sup> In Ottawa, the slow return of business travel—particularly the long lag in return of government travel—means greater reliance on other meetings, conventions, and events to fill the gap—and, resultantly, greater investments needed in sales and marketing.<sup>xiii</sup> In Kitchener-Waterloo, the region's largest meeting, convention, and events operator has reported that 2022 year-to-date revenues are only at 64% of 2019 revenues for business event catering; while future business events are being booked, the number of visitors for these events has decreased, as have bookings from out-of-region groups.<sup>xiv</sup> With almost 40% of regular business yet to return, this operator forecasts profitability in 2024.<sup>xv</sup>



Greater Toronto and Ottawa are home to the province's major international airports and are the starting and ending point for most trips to Ontario, as well as home to major convention centres and other key drivers of inbound visitation. Visitors to Toronto and Ottawa alone spent \$12.9 billion in 2019, generating almost \$2 billion in tax revenue for the province.<sup>xvi</sup> Gateway regions disperse visitors to other destinations in the province, with international visitors frequently exploring communities beyond Toronto and Ottawa. In 2019, visitors to Toronto spent \$2 billion in other communities.<sup>xvii</sup>

Greater Toronto and Ottawa compete against other global hubs and gateway regions to attract major events. However,

COVID-19 has impacted destination marketing budgets, with the drop in visitor accommodation stays reducing municipal accommodation tax revenue, which comprises a sizeable proportion of many destination marketing budgets. The cost of marketing and submitting competitive event bids has risen enormously.

Further, with hybrid events here to stay post-pandemic, the cost of hosting events has dramatically increased, particularly for SMEs. Government should work with industry to enable gateway regions and cities to successfully bring back major business events, trade shows, and conventions to generate revenue, tax dollars, and good jobs.

# SECTION 1

## Economy

### 1.2. Supporting the Return of Meetings, Conventions, and Business Travel

We recommend:

- Develop a strategy for business events, including support for destination marketing organizations to effectively promote Ontario's business event destinations.
- Increase the maximum tax-deductible amount for business-related food and beverage expenses from 50% to 100%.
- Develop an opportunity fund to support the delivery of high-quality hybrid events for SMEs that have limited resources and capacity to do so.
- Create an enhancement fund for cities to boost competitive bids for major meetings, conventions, and events
- Review additional airport locations for offering customs pre-clearance in Ontario for ease of business travel.

### 1.3. Reducing Red Tape and Tax Burdens

Regulatory barriers and rising taxes create added operational costs for tourism businesses – costs which limit the economic potential of the industry. One in four tourism operators report that red tape is their biggest challenge to recovery.<sup>xviii</sup> After two years of restrictions, closures, and rising costs, businesses need more freedom to focus on operating and innovating.

In addition, food and beverage operators in the tourism and hospitality industry face added losses stemming from taxes on beer, wine, and spirits. Current regulations will automatically increase the Ontario basic beer tax by inflation on March 1, 2023, unless the Government of Ontario commits to repealing or deferring the tax. The federal excise tax is also due to increase in Spring

2023. Deemed the 'escalator tax,' the federal excise tax on beer, wine, and spirits automatically increases annually, producing added operating costs for businesses.

At a time when tourism and hospitality businesses are already struggling to rebuild, the tax increases further exacerbate this by reducing revenues, cash flow, and limiting opportunities for commercial growth. Ontario has among the highest beer taxes in the world with approximately 45% of the price of beer due to federal and provincial commodity taxes.<sup>xix</sup> If the government allows the scheduled beer tax increase to proceed in 2023, it will add an additional \$27 million tax burden to Ontario consumers and the hospitality sector.<sup>xx</sup>

# SECTION 1

## Economy

### Municipal Accommodation Tax (MAT)

A significant aspect of tourism-related tax and regulatory issues is the Municipal Accommodation Tax (MAT). Levied on visitor accommodation stays under thirty days, the MAT is a tax revenue tool that municipalities can choose to adopt. A portion of MAT revenues must go towards a tourism entity to support tourism promotion and development, with the remaining amount to go to the municipal budget. The MAT is intended to enhance investments in tourism marketing, sales, and product development by putting visitor dollars back into the local visitor economy; in doing so, it provides local tourism with a diversified and reliable source of income that builds the economic resiliency of local destinations.

The tax has been implemented across many regions of the province. However, destination marketing organizations, tourism entities, and municipalities have reported practical challenges, including seeking appropriate guidance to structure MAT collection arrangements, accessing revenues generated by the MAT from short-term rental accommodations, and remitting HST (which diverts limited municipal and organizational resources that could otherwise benefit tourism). Moreover, accommodation providers accrue added business costs by absorbing the additional credit card processing fee charged on the MAT amount by credit card companies.

Possible amendments include mandating MAT collection and remittance from operators that fall under a MAT bylaw, implementing an official rate change process to prevent municipalities from increasing or decreasing the MAT at their own discretion, providing municipalities with a toolkit to advise on possible models of MAT implementation and on HST remittance, and requiring municipalities to have a local tourism strategy in place prior to implementing the MAT.

To help support the competitiveness of remote destinations, alternative revenue tools that similarly benefit tourism marketing and development should be explored in areas that stand to benefit from a MAT but where a MAT is not applicable. These areas include those situated beyond municipal boundaries, unorganized townships, or Crown land.



We recommend:

- Pledge to fully eliminate or defer the automatic provincial beer tax increase to take effect on March 1, 2023.
- Freeze the federal excise tax on beer, wine, and spirits.
- Introduce amendments to the Municipal Accommodation Tax (MAT) legislation to optimize its revenue generation capacity to benefit local tourism marketing and product development.
- Explore alternate revenue tools to support local tourism promotion in Northern, rural, and remote areas where a Municipal Accommodation Tax cannot be applied.

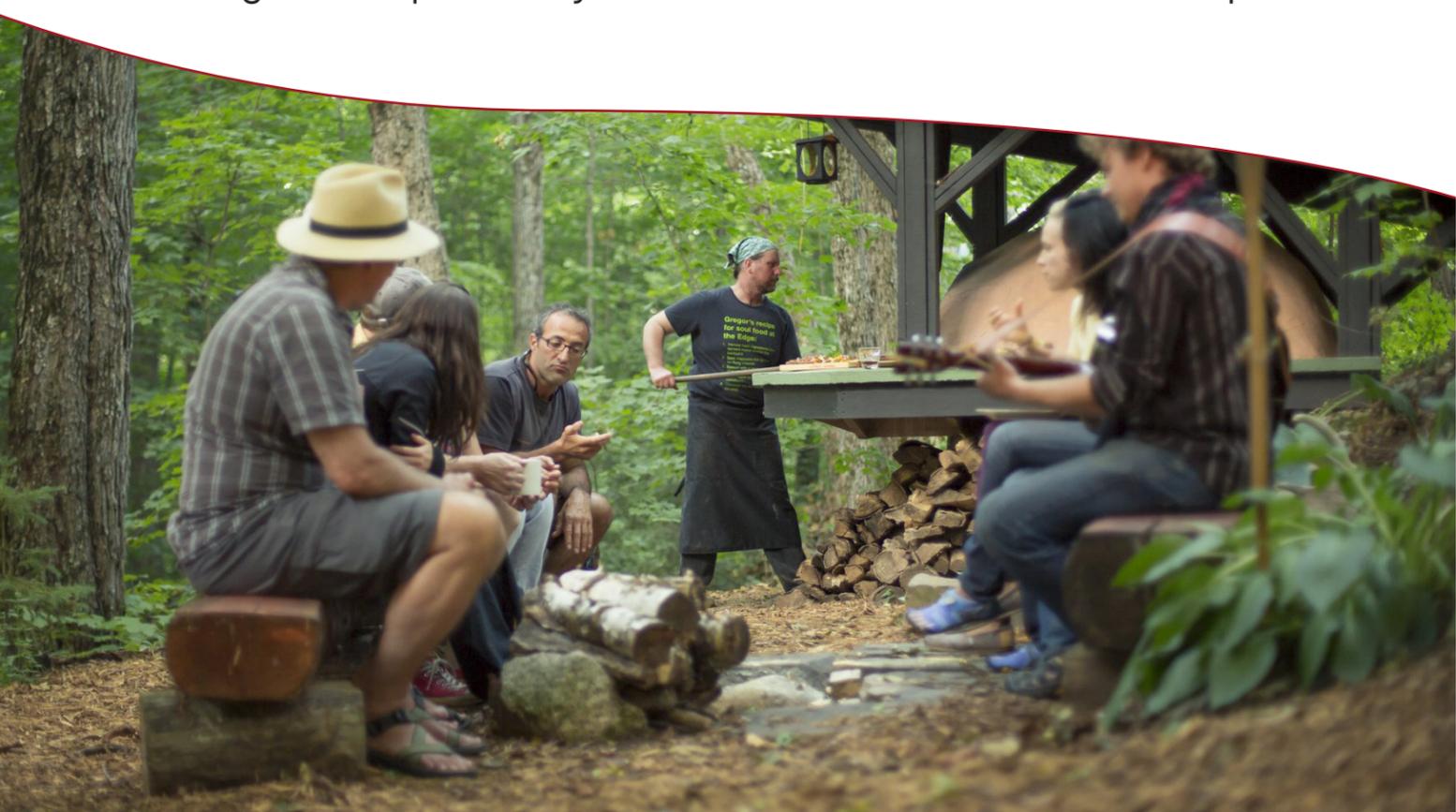
# SECTION 2

## Labour

The COVID-19 pandemic exacerbated an already tight labour market. Many Ontarians who formerly worked in the tourism and hospitality industry moved to other industries and occupations. As a result, there has been an 81% increase in Ontario tourism and hospitality job postings in Spring 2022 compared to Spring 2019.<sup>xxi</sup>

With tourism businesses unable to hire the staff they need, and existing staff capacity strained by COVID-related worker absences and burnout, the labour crisis is affecting the ability of businesses to meet visitor demand. The majority of tourism operators cite staffing challenges as the greatest barrier to recovery.<sup>xxii</sup> In fact, 69% of tourism businesses in Ontario are concerned about how recruitment and retention challenges will affect the future of the industry.<sup>xxiii</sup> Between 2020 and 2025, Ontario is projected to lose \$34.7 billion in direct and indirect tax revenue from tourism and hospitality.<sup>xxiv</sup>

To rebuild, Ontario needs an industry-specific workforce strategy addressing the unique and systemic barriers to workforce development.



# SECTION 2

## Labour

### 2.1. Promoting Tourism as a Career

General public awareness of tourism and hospitality careers is limited. For instance, student exposure to tourism and hospitality careers tends to be limited to accommodations, food and beverage, and front of house or kitchen staff positions. Sixty-four percent of tourism operators think that government does not effectively promote tourism as a possible career.<sup>xxv</sup> A career in tourism can include areas such as: marketing, communications, management, finance, human resources, office administration, lobbying/government relations, guest services/customer service and event planning/designing. Further, temporary jobs exist alongside long-term careers, and the array of sectors under one umbrella offer the unique benefit of job-mobility while staying within the industry.

Work-integrated learning opportunities are beneficial to expand students' perceptions. For example, the Toronto District School Board (TDSB) offers the [Be Our Guest](#) pro-

gram for high school students. Programs like *A Three Fires Collaborative Quest* bring awareness and offer work opportunities to Indigenous peoples in the tourism space. Showcasing the benefits of working in hospitality will position the sector as both attractive and diverse.

Approaching students with opportunities to discover in-demand career paths within tourism and hospitality can start as early as Grade 1. Where applicable, such programs should bring in special guests that combat gender stereotypes associated with the profession. Moreover, sharing diverse career paths with parents, educators, and guidance counsellors can contribute to these efforts.

Micro-credential courses in skills relevant to tourism and hospitality, including customer service and management, serve as a convenient and affordable means of upskilling workers for jobs in the sector.

#### We recommend:

- Confer with TIAO and industry stakeholders to develop marketing communications and jobseeker resources that convey the range of career opportunities available in tourism and hospitality.
- Continue to support job-matching initiatives like *A Three Fires Collaborative Quest*.
- Support the development and expansion of work integrated learning programs, such as *Be Our Guest*, a partnership among the TDSB, George Brown College, and hospitality centres.
- Continue to support targeted, industry-led workforce programs that boost recruitment and retention from underrepresented groups.
- Continue to support micro-credential programming targeted towards jobseekers looking for a career in tourism and hospitality and workers looking to upskill within the industry.
- Implement a Career Exploration Program in elementary schools that introduces children, parents, and educators to a wide range of in-demand career options.
- Implement a Career Mentorship Program and co-op vocational training at the high-school level with particular focus on sectors of the economy where job vacancy rates are expected to be the highest.

## SECTION 2

### Labour

#### 2.2. Optimizing Work Placement Opportunities

Post-secondary education co-op terms are aligned with the school calendar year rather than industry needs. As such, students do not experience a business's peak commercial season, particularly in attractions, resorts, and seasonal tourism businesses. This deprives students of valuable work experience in the industry they are pursuing while also leaving businesses in need of support during periods of peak commercial activity. Additionally, by incentivizing employers, government can expand the pool of placements.

#### We recommend:

- ➔ Revisit post-secondary co-op term dates for the tourism and hospitality industry to ensure tourism businesses can offer a professionally rewarding placement.
- ➔ Offer incentives to employers working with young jobseekers, including those in work-integrated learning placements.

#### 2.3. Recruiting and Retaining International Talent

In Ontario, domestic student enrolment in tourism and hospitality post-secondary education programs is far outpaced by international enrolment. Strong international uptake creates an opportunity to recruit global talent to bolster our workforce.

#### International Student Demand for Tourism and Hospitality Education and Jobs

According to Statistics Canada, 29.9% of Ontario college students are international,<sup>xxvi</sup> making up substantial portion of tourism and hospitality programs. For instance, at Centennial College, a major player in Ontario's tourism and hospitality postsecondary education:

- *2-Year Tourism Program*: 92% international enrollment
- *3-Year Advanced Diploma in Hospitality and Tourism Administration*: 55% international enrollment
- *86% of Centennial College international students* reported that they planned to apply for a post-graduate work permit



Unfortunately, as of September 2022, there remain significant backlogs within Immigration, Refugees and Citizenship Canada for international student permits.<sup>xxvii</sup>

Moreover, available immigration streams through federal and provincial routes are targeted at TEER 0 (management jobs), TEER 1 (professional jobs), and TEER 2 and 3 (tech-

nical and skilled trades) in qualifying work experience and job offers.<sup>xxviii</sup> This includes the federal Express Entry pathway and the Ontario Immigrant Nominee Program (OINP), a joint government program that allows immigrants to apply for permanent residence, should they have the skills and experience needed in Ontario's economy.<sup>xxix</sup>

## SECTION 2

### Labour

#### 2.3. Recruiting and Retaining International Talent

These programs could be improved to serve the tourism industry and the economy better. Not only are the requirements out of reach for many recent graduates in tourism and hospitality, but by disqualifying most tourism and hospitality jobs from eligibility (as they tend to be in TEER 4), it actively encourages international students to leave the industry they trained for to remain in Ontario—or leave Ontario altogether if they want to pursue a career in tourism and hospitality.<sup>xxix</sup> Express Entry (Canadian Experience Class) and the OINP overlook the labour market needs of tourism and hospitality businesses, which tend to have diffi-

culty filling lower-skilled frontline positions on a permanent and reliable basis. Consequently, Ontario's tourism industry loses out annually on a promising pipeline of international talent, exacerbating longstanding challenges in attracting and retaining talent.

With over 80,000 jobs projected to go unfilled in the industry by 2025, the need is urgent to reliably secure labour over the long-term.<sup>xxx</sup> Allowing the tourism industry to permanently and reliably access external non-specialized workers would also help fill chronic labour shortages.

Immigration Program	Current Eligibility	Proposed Additional Eligibility
Canadian Experience Class (Express Entry)	Managerial jobs (TEER 0)	Jobs requiring a high school diploma or several weeks of on-the-job training (TEER 4)
	Professional jobs (TEER 1)	
	Technical jobs and skilled trades (TEER 2 and 3)	
Ontario Immigrant Nominee Program (ONIP) (International Student Stream)	Managerial jobs (TEER 0)	Jobs requiring a high school diploma or several weeks of on-the-job training (TEER 4)
	Professional jobs (TEER 1)	
	Technical jobs and skilled trades (TEER 2 and 3)	

## SECTION 2

### Labour

#### 2.3. Recruiting and Retaining International Talent

We recommend:

- ➔ Address the immigration backlog of 151,000 international students and develop processes to prevent future backlogs.
- ➔ Amend the Canadian Experience Class (Express Entry) to include TEER 4 in qualifying job offers and work experience.
- ➔ In consultation with industry, launch a 2-year 'Introduction to Canada' visa targeted at entry-level skillsets, with a pathway to permanent residency.
- ➔ In consultation with industry, amend the Ontario Immigrant Nominee Program (OINP):
  - Include TEER 4 and TEER 5 occupations for qualifying job offers and work experience given that in-demand frontline positions in tourism and hospitality are heavily represented in those categories.
  - Increase the number of newcomers allowed to enter under the OINP from 9,000 to 18,000.
  - Allow OINP work permit applicants to qualify for two-week processing timelines offered for Global Skills Strategy applications.
  - Ensure that newcomer settlement programs are prioritizing employment and training opportunities for Ontario's most high-demand occupations.

#### 2.4. Securing Essential Workers in Resort and Hospitality Sectors

Resort and hospitality sectors are highly service-dependent, relying on frontline workers. However, frontline workers can be difficult to recruit – particularly for housekeeping, cleaning, and groundskeeping staff. This longstanding issue deteriorated

further during the pandemic when many workers dispersed to other industries. Resorts also suffer from the decreased availability of working students, due to the shift to online learning.

##### COVID-19 and Demographic Changes Among Resort Employees

Even for resorts with primarily domestic housekeeping staff pre-COVID, the aforementioned labour pressures have meant increasing wages and relying more on temporary foreign workers to fill staffing needs. One resort showed that between 2017 and 2021, their housekeeping staff decreased by 55% despite hourly wages increasing by 70% in an effort to attract and retain staff.<sup>xxx</sup> By 2021, temporary foreign workers comprised 59% of their staff (up from 0% in 2017), with local residents comprising just 25% of domestic staff (down from 85% of domestic staff in 2017).<sup>xxxii</sup>



## SECTION 2

### Labour

#### 2.4. Securing Essential Workers in Resort and Hospitality Sectors

The Temporary Foreign Worker Program (TFWP) has been a critical pathway for essential workers. However, barriers limit the extent to which resort and hospitality sectors can leverage the TFWP. While recent federal changes to the program have enabled accommodation and food and beverage businesses to hire up to 30% of full-time equivalent staff through the TFWP, this change is temporary. Tourism and hospitality businesses in high unemployment regions will be able to use the TFWP to fill persistently vacant essential positions; however, the process to do so is costly, as businesses are required to submit a Labour Market Impact Assessment (LMIA) to demonstrate that there are no Canadian candidates available to fill the job. Currently there are 130,070 vacancies within Canada's accommoda-

tion and food services sectors.<sup>xxxiv</sup>

Efforts to address staffing at airports have been another area of focus in the wake of the pandemic. Between April and August of 2022, over 1,700 Canadian Air Transport Security Authority (CATSA) screening officers were hired across Canada.<sup>xxxiii</sup> To support staffing at airports, pre-qualifying workers for airport positions is advised. Allowing potential workers to begin or obtain their Transportation Security Clearance in advance of an offer of employment would enable employers to access a ready pool of qualified candidates. Transportation Security Clearance is required for a Restricted Area Identity Card (RAIC), which allows an employee to work in the restricted areas of the airport.

We recommend:

- ➔ Revisit the LMIA requirements under the TFWP to remove unnecessary costs and burdensome regulation and to ensure the TFWP meets the needs of the tourism and hospitality industry.
- ➔ Improve the efficiency in processing times for the Temporary Foreign Worker Program.
- ➔ Fund a pilot program, to produce a pool of candidates with Restricted Area Identity Card by establishing a process to pre-qualify workers for jobs at airports. Specifically, allow applicants to begin or obtain their Transportation Security Clearance in advance of receiving an offer of employment.
- ➔ Establish a process to pre-qualify workers for jobs at airports, by allowing them to begin or obtain their Transportation Security Clearance in advance.
- ➔ Extend the temporary 30% hiring cap for accommodation and food and beverage sectors under the TFWP.

## SECTION 2

### Labour

#### 2.6. Investing in Future Talent

Tourism and hospitality play a critical role in providing first jobs and foundational skills for many of Ontario's youth. Customer service training prepares students for the workplace, with service skills transferable to all sectors. As work environments evolve, social and emotional skills such as

problem-solving, decision-making, communication, teamwork, and adaptability are becoming more important to success and retention in all industries, including in service-intensive industries like tourism and hospitality.

To further develop these social and emotional competencies into job-ready skills, we recommend:

- Integrate Service Excellence training and certification consistently across the Ontario high school careers curriculum.

Furthermore, to cultivate early career interest, high school co-op programs offer a way to combine course-based learning with experiential on-the-job learning, enabling students to gain both knowledge and practical experience in a focused discipline. Ontario's Ministry of Education has invested \$39.6M

over three years to expand its Specialist High Skills Major (SHSM) program, which includes a Hospitality and Tourism stream. Continued support for such programs is increasingly important as the industry works to reverse a declining talent pipeline.

To increase recognition of the professional knowledge and experience gained through the Tourism and Hospitality SHSM, we recommend:

- Elevate the Hospitality and Tourism SHSM to an industry-recognized accreditation to recognize the skills and knowledge gained through the program and its value to tourism and hospitality employers.

## SECTION 2

### Labour

#### 2.7. Data-Driven, and Locally-Specific Decision-Making

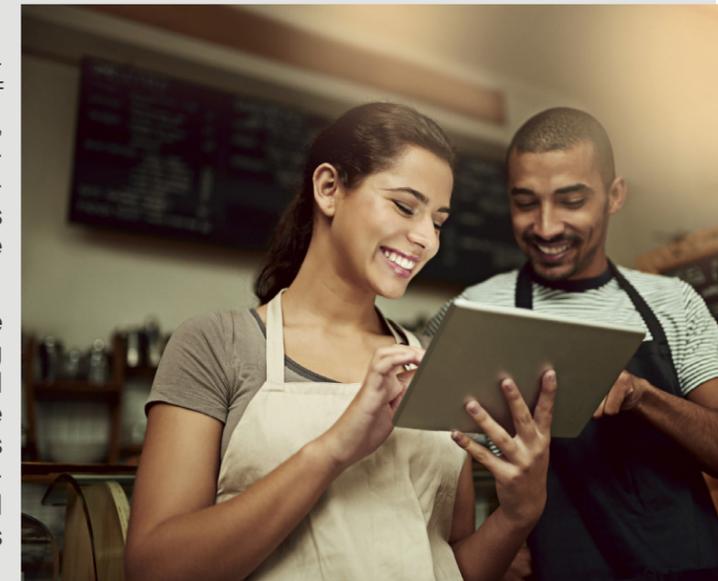
Across Ontario, regional differences exist in economic opportunities, workforce dynamics, and post-pandemic recovery. It is imperative to ensure workforce development decisions and policies reflect real-time, and regionally specific economic needs.

Tourism SkillsNet Ontario (TSNO) is an example of data-driven decision-making in tourism. Led by the Ontario Tourism Education Corporation (OTEC), the initiative enables stakeholders to develop strategies for local recruitment and training models, based on industry needs.

##### Tourism SkillsNet Ontario

Tourism SkillsNet Ontario is a provincial, industry-driven workforce development initiative comprised of over 300 organizations and 19 tourism destinations, including tourism organizations, employers and trainers, training/educational institutions, industry associations, regional tourism organizations, Indigenous organizations, and community employment service providers.

TSNO helps the tourism and hospitality industry solve provincial labour market challenges by increasing the capacity of members to anticipate, plan for, and adapt to fluctuations and shocks, creating a more resilient industry. TSNO accomplishes this through its proprietary Provincial Framework model, which enables stakeholders to develop collaborative local strategies that align recruitment and training models with the skills needed by businesses.



We recommend:

- Work with industry to establish a common tourism labour market data and forecasting strategy that supports evidence-based recovery planning.
- Support Tourism SkillsNet Ontario's efforts to coordinate consistent, evidence-based regional labour market planning in member destinations across the province.
- Support workplace-based training and consulting services specifically designed for SMEs' unique needs as they struggle to recover.

# SECTION 3

## Infrastructure

Local and regional infrastructure are a critical component of destination development. Investments in transportation, affordable housing, and broadband infrastructure enable visitor movement and improve tourism offerings, while also facilitating worker movement, retention, and labour dispersion to rural areas.



## SECTION 3

### Infrastructure

#### 3.1. Transportation

Transportation links facilitate visitor and worker movement to, from, and within destinations across the province, directly impacting the tourism sector's ability to attract and retain talent and grow, particularly in rural and remote destinations.

Where there is a lack of comprehensive, affordable public transportation, workers and visitors predominantly rely on cars to get from place to place. On the labour side, this affects recruitment and retention, especially in rural destinations. Similarly, the mobility of visitors from urban to rural destinations is impeded, with multi-destination travel

el beyond urban cores being inconvenient or expensive without a car. Consequently, multi-destination travel in Ontario cannot compete with Europe on factors of cost and relative ease. While these challenges are to some degree inherent to a geographically expansive province, the global competitiveness of Ontario's tourism product is seriously hampered without affordable public transportation links. The Community Transportation Grant Program provides funding for transportation services in unserved and underserved regions across Ontario.<sup>xxxv</sup>

#### Ontario's Private Sector Transit Service

Ontario's private sector transit service, specifically motor coach providers, do not receive support through federal or provincial transportation transfers, nor do they benefit from GST or HST fuel rebates. Yet, they play a vital role in connecting our communities. They offer thousands of kilometres in non-subsidized transportation routes, are often the only mode of transportation into rural and Indigenous tourism destinations and communities, and contributed \$333 million dollars in tourism spending in 2019 alone.<sup>xxxvi</sup>



A robust network of transportation routes is necessary to support regional tourism economies; this includes aviation routes. Ensuring Ontario's major airports can keep up with rising visitor demand is important to the competitiveness of Ontario's tourism offerings. Coming out of the pandemic, where airport capital projects were deferred because of revenue declines, Ontario's major airports need infrastructure upgrades to ef-

ficiently process growing volumes of leisure and business travelers.

Currently, the 21 airport authorities that form the National Airport System pay rent to the federal government for grounds leased.<sup>xxxvii</sup> These rents could be re-invested into transformational airport infrastructure projects to further improve our critical gateways.

## SECTION 3 Infrastructure

### 3.1. Transportation

#### Toronto Pearson International Airport

Toronto Pearson, Canada's largest airport, is the anchor business in Canada's second largest economic zone, the Airport Economic Zone. Pre-pandemic, 50,000 people worked at over 400 companies operating at Toronto Pearson; Toronto Pearson generated more than 330,000 jobs through direct and indirect employment, spending by tourists, and catalytic jobs generated by international connectivity.

Toronto Pearson facilitates tourism across the country; historically, of all the visitors that arrived in Canada by air, more than 40% were welcomed through Toronto Pearson.

While Toronto Pearson continues to recover from the impact of the pandemic, the airport has dropped to the 19th most connected airport in the world, a drop from its 6th place ranking pre-pandemic. Toronto Pearson's direct global connectivity—enabling trade, tourism, immigration, and investment in Ontario—must be invested in and preserved.



As the transportation sector transitions to net-zero greenhouse gas emissions, considerations regarding how travellers get around are necessary. For one, ensuring leisure marine vessels have appropriate battery charging infrastructure at marinas across Ontario is important. Secondly, providing safe, active transportation infra-

structure will serve travellers and communities alike. Providing way-finding signage and public washrooms for those engaging in active transportation will improve accessibility. Finally, better access to charging infrastructure across all of Ontario is needed as electric vehicles usage becomes more widespread.

## SECTION 3 Infrastructure

### We recommend:

- Collaborate between levels of government, across ministries, and with industry to ensure better transit and transportation integration across Ontario, with an emphasis on enabling infrastructure in rural destinations for tourism.
- Establish the necessary infrastructure and/or funding to make it feasible for municipalities and regions to identify transit gaps and extend existing transit service across municipal boundaries.
- Invest in cross-regional transit plans.
- Improve regional transit connectivity to Toronto Pearson, Canada's biggest airport.
- Investing in more electric vehicle charging stations, especially in rural regions where they are in short supply.
- Support efforts by municipal governments to install wayfinding signs and amenities such as public washrooms to make travel in Ontario convenient and accessible.
- Expand the Community Transportation Grant Program to encourage and specifically support municipal collaboration.
- Work with the motor coach sector to provide a carve-out of federal public transit investments that support private motor coach operators in delivering vital rural bus transportation options.
- Collaborate with the private motor coach sector to deliver more bus transportation routes across the province.
- Invest in efforts to support electricity infrastructure for boat marinas, particularly in Northern communities, to promote the transition to sustainable transportation.
- Work with all levels of government and the private sector to develop high speed rail services in Ontario.
- Work with Ontario's major airport hubs to address infrastructure gaps that curtail capacity to handle growing visitor volumes.
- Work with the aviation sector to reliably deliver a robust network of aviation routes that supports regional tourism economies
- Re-invest the rent collected by the Government of Canada from the twenty-one airport authorities that form the National Airport System into transformational airport infrastructure projects.
- Fund active transportation infrastructure (e.g., biking and walking infrastructure) across Ontario to allow ease of movement and attract active visitors.

## SECTION 3 Infrastructure

### 3.2. Affordable Housing

For housing to be deemed affordable, a general rule of thumb is that housing costs must represent no more than 30% of pre-tax household income.<sup>xxxviii</sup> In Ontario, 46% of renters spend more than 30% of their income on housing, underscoring the increasingly limited availability of affordable housing.<sup>xxxix</sup>

Limited availability of affordable housing impedes the ability of workers to live close to where they work, impacting local and regional workforce recruitment, retention, and labour dispersion to rural tourism economies. Lack of affordable housing therefore limits the sustainability and growth of tourism activity in high traffic tourism destinations.

#### Ontario's Affordable Housing Crisis in Numbers

According to the Canada Mortgage and Housing Corporation (CMHC), in 2003/2004, a household on an average income would have had to devote close to 40% of their disposable income to buy an average house in Ontario. By 2021, the average household would have had to devote close to 60% of their disposable income to buy the average house.<sup>xl</sup>

In 2022, the situation has steadily worsened with home sale and rental prices surging amidst a cost-of-living crisis. As of September 2022:

*The average rent for all property types in Ontario was \$2,451, representing an 18.4% increase over the previous year<sup>xli</sup>*

In Toronto:

*The average monthly asking price for a 1-bedroom rental is \$2,474, representing a 27.5% year-over-year increase<sup>xlii</sup>*

*The average monthly asking price for a 2-bedroom rental is \$3,361, representing a 27.7% year-over-year increase<sup>xliii</sup>*

In the Greater Toronto Area, the average home price rose 453% in the last twenty-five years.<sup>xliiv</sup>

To restore affordability, the CMHC estimates that over 22 million housing units are needed by 2030 in Canada.<sup>xlv</sup>



## SECTION 3 Infrastructure

### Short-Term Accommodations, COVID-19, and the Housing Supply

In Ontario and across Canada, the growth of short-term rental accommodations (STAs) has expanded travel experience options, but it has also worsened an already tight housing supply—exacerbating the affordable housing crisis. Almost 50% of all Airbnb revenue in 2018 was generated by commercial operators who manage multiple listings, contrary to the rhetoric of 'home sharing.'<sup>xlvi</sup> In the same year, 31,000 entire homes in Canada were rented frequently enough that they were unlikely to house a permanent resident.<sup>xlvii</sup> STA activity was found to be concentrated in major cities but growing at substantially higher rates in rural areas in Ontario, where STAs may be the primary source of visitor accommodation.<sup>xlviii</sup>

However, in some regions, the role of second home buyers is eclipsing STAs in contributing to the tight housing supply, leading to rising rental and home sale prices. This is the case in Prince Edward County, where the average home sale price has almost doubled in the span of a few years with the total number of home sales doubling and even tripling.<sup>xlix</sup>



#### We recommend:

- Consult with TIAO, industry stakeholders, and workers to develop effective affordable housing strategies across Ontario.
- Incentivize the development of purpose-built rentals in Ontario.
- Work with the federal government to expand the Canada Housing Benefit to help more Ontarians access affordable rental and homeownership options.
- Work with the private sector and municipalities to incentivize the development of affordable housing, particularly tailored to rural municipalities.
- Work with private developers and municipalities to ensure appropriate, available residential lands move to the market for development.
- Expedite the planning process for developers to start and complete projects, eliminating any excessive regulatory costs and exploring opportunities for streamlining.
- Amend the Ontario Building Code Act, that would allow municipal discretion over the use of existing Building Permit Reserve funds to offset costs associated with future affordable housing developments.
- Require municipalities to intensify development and approve more multi-unit residential buildings as part of their official plans.

## SECTION 3

### Infrastructure

#### 3.3. Broadband

Access to reliable high-speed broadband is critical for tourism businesses' capacity to operate, grow, and meet rising visitor demand. It is also important to ensuring that the visitor experience aligns with consumer expectation for broadband access. In underserved areas, this is especially important given the growing demand for visitor experiences in rural and Indigenous destinations. According to the CRTC, 98.6% of Canadians living in urban communities have access to high-speed internet.<sup>i</sup> In ru-

ral regions, this number is 45.6%, and 34.8% of households on First Nations reserves.<sup>ii</sup>

The provincial government has committed to bringing high-speed internet access to all households in Ontario by the end of 2025 and has passed legislation to make it easier to build broadband infrastructure. Building upon this, sustained investment and timely delivery is necessary, especially for Indigenous communities.

#### Broadband Access and Indigenous Tourism

Ontario has the largest Indigenous population in Canada: in Ontario, 78% of First Nations communities are located in the north and 1 in 4 First Nations communities is located in a remote area.<sup>iii</sup> Given that 60% of Ontario's Indigenous tourism operators are located in northern Ontario<sup>iiii</sup> with many located in remote areas that are underserved by reliable broadband connections, continued progress in this area would support the competitive commercial capacity of Indigenous tourism economies and northern tourism economies more broadly.



As road infrastructure projects take place, a 'Dig Once' policy could facilitate easier, faster, and cheaper broadband installation. This policy involves placing conduits to hold fibre-optic cable in the ground during road construction. Later, the cable can be pulled through the conduit without any excavation.

#### We recommend:

- ➔ Sustain and roll out investments in the delivery of reliable, high-speed broadband to northern, rural and remote regions.
- ➔ Coordinate with Ontario Municipalities, in partnership with telecommunications companies, utilities, and Internet Service Providers (ISPs), to develop a Dig Once strategy.
- ➔ Create regulations that make the laying of conduit/fibre assets mandatory for public infrastructure builds.

## SECTION 4

### The Future of Tourism in Ontario

Several key challenges and opportunities lay ahead for Ontario's tourism industry. A high-level forecast of the next five years is presented below.



## SECTION 4.1 Future Challenges

### The Future of Tourism in Ontario

#### 4.1.I. Sustainable Visitation

Ontario faces increasingly complex challenges that may impact the reliable flow of international visitors. This requires engaging in long-term planning that builds a culture of domestic travel and encourages more seamless travel for inbound US visitors.

The COVID-19 pandemic has shown just how prone Ontario's tourism industry is to international visitor disruptions. In northern Ontario and border-adjacent regions dependent on US tourism, border restrictions meant a virtual shutdown of local tourism economies. Moreover, due to the long-standing dependence on US visitors, oper-

ators had difficulty pivoting to the domestic market.<sup>liv</sup> Building a tourism industry that is more resilient to such disruptions begins with developing a consumer culture of domestic travel.

The Ontario Staycation Tax Credit was established in 2022, to encourage locals to explore Ontario.<sup>lv</sup> In its initial form, the program did not include transient boating, wherein boaters travel from town to town, docking in a local marina and staying overnight. Continuing this government tax credit, with the inclusion of transient boating, would incentivize domestic travel over the long term.

#### We recommend:

- ➔ Promote Ontario as a premier travel destination for local, domestic, and international visitors.
- ➔ Make the Ontario Staycation Tax Credit an annual offering and broaden the program to include transient boating.
- ➔ Develop a destination marketing opportunity fund to amplify tourism marketing and product development in rural and northern tourism economies, with the objective of cultivating stronger domestic markets for more sustainable visitation.

#### 4.1.II. Seamless Travel

Disruptions at the border during the pandemic impacted visitation at land, air, and marine borders. Minimizing barriers to travel is a critical component of sustaining reliable streams of visitors. Land border crossings are still at only 50.8% of normal travel volumes,<sup>lvi</sup> illustrating the extent to which border restrictions have stymied US travel to Ontario. For border-adjacent destinations dependent on the 'rubber tire' tourism market, the financial impact is staggering.

## SECTION 4.1 Future Challenges

### The Future of Tourism in Ontario

#### 4.1.II. Seamless Travel

##### Niagara and the Loss of US Visitors

Americans make up about 35% of visitors to Niagara Falls and about 50% of tourism revenue.<sup>lvii</sup> With American and long-haul international visitors (e.g., from Asia, Europe) likelier to visit and spend at multiple sites, these visitors have higher per capita spending than domestic visitors.<sup>lviii</sup> However, US visitation is currently at less than half of 2019 numbers and long-haul international markets have barely returned at all.<sup>lix</sup>



##### Northern Ontario and the Loss of US Visitors

As a result of border restrictions and reduced visitors, the recovery of northern Ontario tourism sectors is taking place at a much slower rate than the rest of the province. As of summer 2022, US arrivals were at only 25-33% of what they were pre-pandemic.<sup>lx</sup> In 2022, international land border crossings into Canada as a percentage of 2019 numbers have reduced in: Fort Frances (-70.4%), Rainy River (-74.9%), Pigeon River (-57.7%), Sault St. Marie (-70.4%), and Ontario overall (-66.1%).<sup>lxi</sup>

Given the importance of the US market to northern resource-based tourism operators, Nature and Outdoor Tourism Ontario (NOTO) estimates resultant 2022 revenue losses to date at almost \$100M.<sup>lxii</sup>



For travelers wishing to travel between the United States and Canada, enrollment and renewal of NEXUS status has been made difficult as a result of the COVID-19 pandemic. NEXUS is a bi-national, Canada-US program that plays a key role in facilitating frequent travel between Ontario and the US. NEXUS enrollments were closed during the pandemic and have yet to reopen in Canada, and more than 500,000 applicants are on a waitlist. This creates a significant barrier for travelers.

Given the importance of the US market to Canadian tourism, it is critical to ensure that inbound and outbound travel is as seamless as possible for US visitors now and in the future to cultivate long-term economic growth.

## SECTION 4.1 Future Challenges

### The Future of Tourism in Ontario

#### 4.1.II. Seamless Travel

We recommend:

- Work with the tourism industry and government partners to create strategies that ensure seamless inbound and outbound travel for US visitors in the event of future border disruptions.
- Work with US authorities to return to pre-pandemic capacity levels and hours of operation at pre-clearance airports and to re-open Canadian NEXUS enrolment centres, closed as a result of the COVID-19 pandemic, or quickly find alternative ways to process applications
- Invest in a modern digital border and effective, efficient screening procedures. This includes implementing biometrics and the digital processing of travellers at our border similar to what travellers experience in Europe. We also recommend exploring a domestic trusted traveler program to facilitate smoother travel and ensure border services resources are focused most effectively.
- Digitize and streamline processes to reduce the backlog in Canadian passport and visa applications, so that Canada can welcome more visitors and international students. For example, this could include expanding the Electronic Travel Authorizations (ETA) program to more low-risk visa-requiring countries.
- Establish globally competitive processing standards for CATSA and CBSA, including at peak hours at all CATSA checkpoints.

#### 4.1.III. Addressing Rising Homelessness and Housing Precarity

Over the course of the COVID-19 pandemic, communities across Ontario have seen a rise in homeless and vulnerable populations, a phenomenon driven by multiple factors including: the closure of emergency homeless shelters, municipal reductions in mental health and addictions services, limited supply of supportive housing for those with long histories of homelessness and complex challenges, rising poverty, and the pandemic-related reduction in the affordable housing supply especially in suburban and rural regions.

Recent provincial investments to provide more supportive housing in Ontario are promising, including investing an additional \$25M into the Homelessness Prevention Program. However, more can be done.

Building upon these investments to address homelessness in the short-term and long-term, we recommend:

- Increase investments for municipalities and non-profits to expand access and availability of addiction and mental health services, shelters, transitional housing, and other emergency and long-term supports and services.

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.I. Cultural Tourism

Cultural tourism is defined by the UN World Tourism Organization as tourism centered on cultural attractions and products, including heritage and religious sites, crafts, performing arts, food, and festivals and special events. Cultural tourism is one of the fastest growing segments of the tourism industry, accounting for about 40% of tourism worldwide.<sup>lxiii</sup> The global heritage tourism market was valued at over \$550 billion (USD) in 2021 and is expected to expand at a compound annual growth rate of 3.8% from 2022 to 2030.<sup>lxiv</sup>

The growth of cultural tourism reflects an increased desire by travelers to seek out tangible and intangible cultures while on vacation, particularly in international travel.<sup>lxv</sup> Cultural tourism presents opportunities to create innovative, sustainable tourism products that engage in intercultural exchange.

It also creates valuable opportunities for workforce development. For instance, Francophone and bilingual tourism play an important role in attracting highly skilled workers to Ontario's tourism industry, strengthening Ontario's bilingual workforce.

#### Global Reach of Francophone Tourism

Francophone and bilingual tourism in Ontario targets niche markets to attract visitors, appealing to a domestic and global Francophone market of 300 million people worldwide. It highlights the unique culture of Francophone communities, offering Francophone visitors services in the language of their choice. 81% of Quebecers say it is very important and important to have a minimum of service in French when they travel.<sup>lxvi</sup>

Eighty-seven percent of Canadian tourism operators offering francophone and bilingual services are interested in attracting more francophone markets.<sup>lxvii</sup> The benefits of appealing to this visitor market include enhancing high yield spending, supporting shoulder season visitation, mitigating the risks of relying on more traditional markets, and fostering cultural-linguistic ties that create opportunities for inter-provincial and global investment in Franco-Ontarian tourism products.



Culture plays an important role in attracting both visitors and residents to main streets and urban cores. However, in addition to the rising cost of marketing and submitting competitive event bids, major cultural events and entertainment productions are bypassing Ontario cities for North American locations with more favourable tax incentives. Government should work with industry to enable cities and destinations to successfully attract major cultural events and productions.

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.I. Cultural Tourism

We recommend:

- Leverage Ontario's recent investments in projects such as Route Champlain to create new business opportunities for Franco-Ontarian communities to benefit from the visitor economy's growth and socio-economic spinoffs.
- Implement a tax credit program (similar to the Ontario Film and Television Tax Credit and the Canadian Film or Video Production Tax Credit) providing a 20-25% tax credit/rebate on labour and production capital expenses for live productions (e.g., theatre, music, dance) produced, co-produced, or presented by Canadian-based companies

#### 4.2.II. Indigenous Tourism

Prior to the COVID-19 pandemic, Indigenous tourism was the fastest growing sector in Ontario's tourism industry, experiencing annual exponential growth and drawing significant foreign investment. In fact, 1 in 3 international visitors to Canada express interest in an Indigenous tourism experience.<sup>lxviii</sup> Between 2014 and 2017, Indigenous tourism grew 23%, surpassing Canada's overall tourism activity growth by 8.7%.<sup>lxix</sup> Indigenous tourism contributes over half a billion dollars (\$622.1 million) to Ontario's GDP.<sup>lxx</sup> Moreover, Ontario is home to Canada's largest Indigenous tourism sector.

As a cultural tourism market, Indigenous tourism is leading the development of unique offerings that engage in intercultural exchange. For instance, some Indigenous operators are developing Indigenous food tourism as a means for meaningful cultural exchange with visitors, cultural revitalization, and community empowerment with valuable implications towards reconciliation.<sup>lxxi</sup> Other Indigenous operators are using augmented virtual reality to create

experiences for visitors unable to visit sites physically, creating a unique tourism product while broadening their reach to distant consumer markets.

Moreover, as the fastest growing demographic outside of new immigrants, Indigenous people can be part of the solution to the industry's ongoing labour crisis. With Indigenous people comprising one-third of northern Ontario's population, increased participation in the tourism industry supports northern tourism growth and the economic development of Indigenous and northern communities.

COVID-19 resulted in a 47% loss in real GDP for the Indigenous tourism sector, with employment falling by 28% in 2020.<sup>lxxii</sup> However, Indigenous tourism businesses may recover faster than the rest of the overall industry. Indigenous Tourism Ontario estimates that the Indigenous tourism sector will return to 2019 levels of economic activity as early as 2023.<sup>lxxiii</sup>

We recommend:

- Provide sustainable funding for the Indigenous tourism sector which supports the continued development and growth of Indigenous tourism in Ontario.

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.III. Wellness Tourism

Wellness tourism involves promoting health and personal well-being through physical, psychological, and spiritual activities, as well as through services, including lodging, transport, food and beverage, and shopping. Current lifestyle trends such as visiting wellness spas, fitness centres, wellness resorts, healthy eating, and self-care have enabled the growth of wellness tourism globally. According to the Global Wellness Institute, wellness tourism is worth \$639 billion in yearly visitor expenditure.<sup>lxxiv</sup> The global wellness tourism market is projected to reach \$1,592 billion by 2030, a compound annual growth rate of 7.2% from 2021 to 2030.<sup>lxxv</sup>

During the COVID-19 pandemic, consumer and business interest in wellness tourism increased with the rise of at-home fitness and renewed interest in self-care. As people looked to travel locally, destinations and operators that appealed to themes of health and wellbeing in their travel offerings were viewed favourably by visitors, with health being synonymous with feeling secure.<sup>lxxvi</sup>

The growth of wellness tourism will continue to be driven by current lifestyle trends combined with the expansion of cultural tourism: visitors are not only more interested in learning about the culture and nature of a destination, but they are doing so to help maintain a healthy lifestyle, reduce stress, prevent disease, and enhance their wellbeing.<sup>lxxvii</sup>

#### Wellness Travel

According to a 2019 survey conducted by the Global Wellness Institute's Wellness Tourism Initiative<sup>lxxviii</sup>:

- Canada was the second-most popular destination North Americans wanted to visit for wellness travel.
- The top three most important things to travellers on a wellness trip were: location connected to nature, quality fresh local cuisine, and quality accommodation.
- The vast majority of travellers book direct with the brand via the website.
- Travellers will pay a premium for accommodations that meet their wellness needs, with 8 in 10 respondents willing to pay up to 20% more.



## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.IV. Film Tourism

Film tourism generates visitation through portrayals of destinations in film, video, and television.<sup>lxxxix</sup> It is a growing sector globally, driven by the growth of the entertainment industry and the increase in international travel.<sup>lxxx</sup> Blockbuster films can bring a significant influx in tourism to the locations where they are filmed. For instance, the Harry Potter film franchise caused visitation to increase by at least 50% to every UK location where the movies were filmed.<sup>lxxxi</sup> Film tourism can boost shoulder season visitation and offer destinations additional sources for revenue generation.

Film tourism is a promising sector for growth, as more productions choose Ontario locations for varied and scenic backdrops and cheaper production costs. Recent locally filmed TV productions include 'The Handmaid's Tale' and 'The Queen's Gambit,' both filmed in Cambridge, and the 'Umbrella Academy,' filmed in Hamilton and Toronto.

#### 4.2.V. Sport Tourism

In Ontario, sport tourism generates significant economic activity and is a catalyst for visitor attraction. In 2019, sport tourism in Ontario generated \$2.5 billion in spending from domestic and international visitors.<sup>lxxxii</sup> This includes both spectator (e.g., Pan Am Games, Special Olympics, Grey Cup, all star games, and Canadian and world championships) and participatory (e.g., marathons, tournaments) sport tourism, which appeal differently to different destinations. Ontario attracts 33% of all sport visitors to Canada.<sup>lxxxiii</sup>

The sport tourism sector contributes millions of dollars annually to the province, supports thousands of jobs throughout the province, and spurs infrastructure investments and upgrades that benefit the wider community. The 108th Grey cup, hosted in Hamilton, is estimated to have brought in \$29.8 million in Hamilton alone and nearly \$35 million in overall economic activity for the province.<sup>lxxxiv</sup> Moreover, the total GDP generated by the 2019 Special Olympics Ontario Invitational Youth Games was \$2.4 million for Toronto and \$3.7 million for Ontario.<sup>lxxxv</sup>

#### 4.2.VI. Cannabis Tourism

Cannabis presents several promising opportunities for the future of tourism and hospitality. If permitted, cannabis experiences in public culinary and hospitality settings could offer consumers and tourists a new way to appreciate cuisine. Moreover, public events such as concerts, conventions, and sport games could offer gated pop-up cannabis retail and consumption zones for adults.

#### We recommend:

- Advance licensing for cannabis consumption inside public venues.
- Allow public events such as concerts, conventions, and sport games to offer gated pop-up cannabis retail and consumption zones for adults.

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.VII. Outdoor and Nature-Based Tourism

Outdoor and nature-based tourism involves fishing, hunting, rafting, hiking, cycling, caving, and other outdoor activities. When included within the broader adventure tourism market, outdoor and nature-based tourism was valued at \$282 billion USD in 2021 and is expected to grow at a compound annual growth rate of 15.2% from 2022 to 2030.<sup>lxxxvi</sup>

In 2016, nearly 7 in 10 Canadians participated in outdoor or nature-based activities, with hiking being the most popular activity.<sup>lxxxvii</sup> As such, this sector offers opportunities to grow the domestic tourism market, especially given that Ontario attracts more nature-based tourists than any other province.<sup>lxxxviii</sup>

#### Canadians and Outdoor Activities

According to the 2016 General Social Survey,<sup>lxxxix</sup> the most popular outdoor activities among Canadians were:

- Hiking or backpacking (44%)
- Wildlife viewing or photography (32%)
- Tent camping (24%)
- Fishing (22%)
- Canoeing or kayaking (22%)
- Motor boating or jet skiing (20%)
- Snowmobiling or other off-road vehicle use (17%)
- Foraging for food (16%)
- Mountain biking (13%)
- Snowshoeing or cross-country skiing (13%)



Agritourism is a form of nature-based tourism that allows visitors to learn about, explore, and taste Ontario's vast agricultural offerings. Agritourism is an industry ripe for growth and economic opportunity. By enabling farm businesses to expand their business offerings and enhance their revenue streams, local and provincial governments stimulate the economy while providing the public with an opportunity to experience local, healthy food and reconnect with the natural environment.

Ontario farmers are increasingly turning to agritourism for diversified income. The Ontario Federation of Agriculture (OFA) conducted a survey of its members,<sup>xc</sup> where they found the following opportunities most promising for agritourism:

- Teaching/educational workshops
- Farm tours
- On-farm retail stores/markets
- Farm stays/bed and breakfasts
- Weddings/special events

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.VII. Outdoor and Nature-Based Tourism

We recommend:

- ➔ Promote Ontario as a prime destination for agritourism and other forms of nature-based tourism.
- ➔ Leverage Ontario's natural beauty and greenspaces to attract visitors and reinforce Ontario's tourism brand.
- ➔ Ensure government programs and initiatives for agritourism consider the time restraints and seasonal pressures associated with growing agriculture by timing funding application deadlines appropriately.

#### 4.2.VIII. Sustainable Tourism

Sustainability is one of the biggest consumer trends in tourism, with growing interest and demand from travelers.

##### Consumer Attitudes Toward Sustainable Travel

Recent consumer research shows:

- Consumers are making more mindful decisions when travelling, such as visiting local cultural or historical sites (46%), using more environmentally friendly transportation options (43%), and traveling to smaller, lesser-known destinations (41%)<sup>xcvi</sup>
- 9 in 10 consumers said they look for sustainable options when travelling<sup>xcvii</sup>
- Half of consumers expressed willingness to pay more for sustainable transportation, activity, and lodging options<sup>xcviii</sup>
- Nearly 70% of consumers expressed willingness to sacrifice convenience to be a more sustainable traveller<sup>xcix</sup>
- 86% of respondents agreed sustainability is important to travellers and 56% stated that global warming has prompted their desire to travel sustainably.<sup>xcv</sup>



Apart from consumer demand, sustainability is becoming increasingly important to the viability of tourism experiences and commercial livelihoods. All visitor experiences in Ontario are impacted by more frequent and extreme climate events.

## SECTION 4.2 Future Opportunities

### The Future of Tourism in Ontario

#### 4.2.VIII. Sustainable Tourism

We recommend:

- ➔ Offer targeted investments to support tourism operators seeking to implement green infrastructure and practices.
- ➔ Provide supports to prevent and mitigate climate change impacts for resource-based tourism operators and tourism businesses located in regions at high risk of extreme weather events.
- ➔ Increase climate resilience from erosion, flooding, and extreme weather events by preserving and enhancing natural infrastructure. This includes investments in afforestation and the expansion of greenspace.

#### 4.2.IX. Implementing the Recommendations of the Tourism Economic Recovery Ministerial Task Force

The recommendations outlined in the [2021 Tourism Economic Recovery Ministerial Task Force](#) report<sup>xcvi</sup> provide a path for tourism recovery, in addition to continued growth and sustainability as the industry, visitors, and global contexts evolve.

Recommendations include:

- ➔ Continue to foster collaboration between public health officials and tourism sectors.
- ➔ Emphasize local pride of place and Ontario as a diverse, inclusive, and multicultural “world in one province” in destination by marketing.
- ➔ Provide travel incentives to encourage more people to make local travel and hospitality plans.
- ➔ Leverage transportation infrastructure (e.g., airports, visitor information centres, highway signage) to attract visitors and reinforce Ontario's tourism brand and attracting visitors to destinations and cultural interest areas.
- ➔ Highlight Ontario's talent and creative industries by supporting the creation of music cities and film destinations to highlight filming locations.
- ➔ Cross-promote Ontario's tourism offerings as contributors to physical and mental health, through partners such as Ontario Parks and Parks Canada, as well as private operators.

#### 4.2.X. Tourism as a Component of Economic Development

As we grapple with how to mitigate the labour crisis across the local and global economy, the value of tourism and hospitality should not be overlooked. Culture is a major factor workers consider when deciding where to live. Tourism and hospitality enable culture through dining, gathering, leisure, entertainment, and celebration experiences. Local tourism economies are therefore hugely responsible for attracting, retaining, and dispersing domestic and international workers. Simply put, tourism is not only a key economic driver as an industry, it is an indispensable component of broader economic development. The tourism industry's recovery, growth, and long-term sustainability should therefore be part of any local, regional, provincial, and national economic development strategy.

# CONCLUSION

In order for Ontario's tourism industry to grow, attract investment, and remain resilient, we must address the economic, labour, and infrastructure barriers impeding the full potential of the industry.

This report covered four major areas: economy, labour, infrastructure, and the future of tourism in Ontario. The key issues and recommendations discussed speak to themes of labour gaps and instability, the uneven pace of economic recovery, red tape, the housing crisis, connectivity, transportation networks, investment attraction, destination development, economic growth, and sustainability.

The report also lists opportunities for the future of tourism in Ontario to create world-leading innovative tourism products and experiences that can unleash industry growth. Through our recommendations, we outlined a comprehensive multi-pronged strategy to make Ontario the best destination in the world to visit, start a tourism business, and invest in world-renowned visitor experiences.

While the industry is still recovering from the economic impacts of the COVID-19 pandemic, the future of tourism in Ontario is a promising one. We look forward to continued collaboration between industry and government partners to help make this future possible.



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Skill type or level	NEW* TEER category
Skill type 0	TEER 0
Skill level A	TEER 1
Skill level B	TEER 2 and TEER 3
Skill level C	TEER 4
Skill level D	TEER 5

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Skill level C	TEER 4
Skill level D	TEER 5

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