



**The Rural Ontario Municipal Association (ROMA)
Conference**

January 24 to 26, 2021

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Ministry of Francophone Affairs

Francophone and bilingual tourism in Ontario highlight the unique culture of Franco-Ontarian communities and the added value of offering Francophone and Francophone visitors' services in the language of their choice.

The development of Francophone tourism experiences in Ontario and Canada contributes to maximizing the economic benefits of tourism in Francophone communities (high yield and shoulder season visitation).

We congratulate and thank the provincial government for their demonstrable commitment to Francophone tourism as illustrated by the successful delivery of the Francophone Community Grants Program and the recently announced COVID –19 Relief Fund for Francophone non-profit organizations.

At TIAO, we recognize the key role that the Ministry of Francophone Affairs has in ensuring Franco-Ontarians receive government services in French so that they can participate in the social, economic and political life of the province while maintaining their linguist and cultural heritage. This has never been more important or pertinent than during the COVID-19 pandemic.

TIAO recommends:

- Funding to hire more bilingual economic development agents to coach and support tourism businesses in adapting their product and customer services.
- Continued investment so that all educational institutions in Ontario can provide French options in their tourism programs.
- Support for Francophone and bilingual tourism partnership initiatives between SEO and the education and tourism network.

Francophone and bilingual tourism in Ontario targets niche markets to attract new visitors from Canada and other Francophone countries to enhance high yield spending and shoulder season visitation, and mitigate the risk and dependency on more traditional markets.

Thank you to the Ministry of Francophone Affairs for recognizing that ongoing investment in cultural and heritage tourism is a significant way to foster economic growth across Ontario. We look forward to continued collaboration as we work together to promote Francophone tourism.

The State of the Tourism Industry in Ontario – January 2021

COVID-19 has had, and continues to have, a catastrophic impact on the tourism industry in Ontario. The tourism and hospitality industry were the first to be hit and through a combination of government mandated closures, restrictions on operations due to capacity limits and falling consumer confidence in travelling, have also been the hardest hit.

It is estimated that 95,000 jobs have already been lost in the tourism and hospitality industry in Ontario and the unemployment rate within the industry stands at 16%. Since September 2020, whilst other sectors have rebounded, the tourism and hospitality industries continue to lose jobs. This marks a stark contrast from the exponential growth enjoyed by the tourism industry in Ontario before COVID-19, led by entrepreneurs and job creators that had helped to build a \$36 billion industry, maintaining 200,000 businesses and 400,000 jobs, and contributing \$5 billion in tax revenues.

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TIAO's member led policy in a Pandemic

At TIAO we have continued to work on pressing policy files on behalf of the tourism industry and develop member led, evidence-based policy recommendations that reflect the multifaceted needs of the industry. We apply robust methodologies in our research of the key policy needs of the industry including, Critical Discourse Analysis (CDA) and thematic coding of key pieces of legislation, qualitative surveys, semi- structured interviews, focus groups and consultations with industry experts and stakeholders.

Prior to COVID-19, our policy work focused on ensuring the political, economic and regulatory environment allowed for the continued exponential growth of the industry, with recommendations focused around labour, transportation, investment and infrastructure. When COVID-19 was declared a global pandemic, we knew that our policy and advocacy work would need to go into crisis response, and we would need the data to support it. This spurred the launch of our Evidence Generation Strategy (EGS).

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Since March 2020, we have a detailed and real-time tracking system of job losses, revenue falls, business confidence and response to government support, amongst many other metrics. This information has been vital in dissecting what government support the industry needs and to

advise government when a particular support program, such as CECRA, is not reaching its targeted audience.

At the time of publication, TIAO had conducted ten provincial based surveys of the tourism industry in Ontario and consumer sentiment. We use the data sets to build the foundation of our policy recommendations for the short and long-term viability of the tourism industry.

The EGS is multipronged and includes our standard methodology detailed above, whilst also including rolling stakeholder calls, daily industry consultation, strategy development with other networked institutions, and data collected through specific surveys and consultations. The EGS has enabled TIAO to build capacity through other networked institutions and collaborate with applied research institutes. The EGS ensures that we are best representing the rapidly evolving needs of the industry.

Ministry of the Attorney General

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. We recognize that the Ministry of the Attorney General is responsible for the oversight of the justice system in the province of Ontario, and as such we have recommendations on how to ensure that the future regulatory environment around cannabis, edibles, and alcoholic beverages sales reflects the interests of the tourism industry.

TIAO applauds the Ministry of the Attorney General for their flexibility and willingness to support the tourism industry during COVID-19. Specifically, we were grateful for the permanent changes made to the Liquor Act to allow docked vessels to serve alcoholic beverages. This temporary change during 2020, provided tourism businesses with a much-needed source of income. Making this change permanent means that in 2021, in anticipation of the relaxation of government mandated lockdowns, will create a much-needed source of income for operators.

TIAO recommends:

- The continued support for Smart Serve's re-certification program. Smart Serve certification provides invaluable training to those who work in the tourism and hospitality industry.
- That the Ministry of the Attorney General consult directly with TIAO and tourism industry leaders to ensure that the future sale of cannabis edibles is rolled out within an efficient regulatory environment that will enable tourism businesses to safely manage this process, ensuring no undue liability.
- That the Ministry of the Attorney General amend the policy to allow the sale of cannabis edibles (packaged beverages and food) in the On-Premise channel, i.e. restaurants, bars, lounges, event venues, cafes, resorts, etc.

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Ministry of Energy, Northern Development and Mines

The geographically specific impact that COVID-19 has had on Northern tourism businesses and operators means that there is a need for focused investment to support the tourism SMEs that have been disproportionately impacted. We want to discuss strategies to leverage the existing infrastructure to support Northern Resource Based Tourism businesses to ensure they do not permanently close due to bankruptcy and the loss of US visitors because of the closure of the US-Canadian border.

TIAO's own research highlights that tourism businesses in Northern Ontario have experienced higher than average revenue losses, seen more businesses reduce their size and operations, and are more pessimistic about their business's future than those across the rest of the province.

TIAO congratulates the provincial government on their successful roll out of the Northern Ontario Recovery Program. This program was strongly welcomed by Northern Ontario businesses and has helped many alter their operations to operate within the 'new normal'.

TIAO also strongly welcomes the provincial government's continued commitment to ensuring equitable, fast and reliable broadband in Northern Ontario. TIAO recognizes the most recent announcement of a further investment of \$10.9 million, into six broadband projects, to bring faster broadband to several towns across Northern Ontario.

However, due to continuing government mandated lockdowns, the continued closure of the US-Canadian border, and now almost ten months of significantly reduced revenues and increased fixed costs, we need increased and specific support for Northern Ontario tourism to save businesses and jobs in our rural economies.

TIAO recommends:

- The reopening of the Northern Ontario Recovery Program and changes to the criteria for eligibility, allowing businesses greater flexibility on how they choose to spend the grant, as exemplified by the successful Ontario Small Business Support Grant.
- Continued investment and cross ministerial support for northern regions to have broadband internet to support the recovery of tourism and hospitality businesses that have been severely impacted by COVID-19. Ensuring that northern tourism business can both diversify their online offers and also fully take part in the provincial government's move towards a digital identity program and streamlined bureaucratic process.
- Investments in Resource Based Tourism operators in Northern Ontario that are ineligible for COVID-19 economic relief which, with the prolonged closure of the US border, are unlikely to see any upturn in revenues.

- Cross ministerial support for the reopening of northern provincial parks and investment into northern highways and touring routes to accommodate the expected increase in domestic travel anticipated in the year of the Ontario Staycation.
- MENDM to continue to work with the Northern Ontario Heritage Fund Corporation (NOHFC) and the specific tourism stream to provide key strategic investments to stimulate economic development and diversification in Northern Ontario.

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Ministry of Colleges and Universities

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. COVID-19 has created a historic supply shock for the tourism industry, and many laid off workers face barriers to returning to employment. We would like to discuss ways in which Universities and Colleges can play a key role in the recovery and redevelopment of the work in the service sector, through demand driven skills accreditations, and strategic grants that will prevent laid off workers from becoming not in Education, Employment or Training (NEET).

We applaud the provincial government for their work in ensuring that Designated Learning Institutions (DLI) in Ontario have been approved to accept international students. We also welcome the announcement of \$50 million investment in virtual learning and educational technologies to support post-secondary learning.

In 2016, international students contributed \$7.8 billion to the Ontario economy, and many of these international students wanted to stay and work in Ontario upon successful completion of their studies. COVID-19 has ushered a drop in enrolled international students, and the current domestic recruitment scheme will not be adequate to fund Colleges and Universities or fill the future labour shortages that will return once the economy, and our sector, recovers. In addition to the stellar educational offerings of Ontario, pathways to permanent residency are a key factor in drawing international students.

Prior to COVID-19, Ontario had experienced significant growth in its international student numbers, and it is vital we protect this market share to both secure funding of institutions and to ensure the tourism industry has access to the workforce it requires to lead its economic recovery.

TIAO recommends:

- Cross-ministerial support to ensure that there are direct pathways to permanent residency for international tourism and hospitality students in Ontario.

TIAO further recommends:

- That the Ministry of Colleges and Universities confer directly with tourism businesses and operators in Ontario to streamline the apprenticeship and career programs in Ontario. Direct consultation with industry will ensure that the micro-credentials, and all course programming is designed to put students into the job that will function at the highest level and meet the geographically specific needs and timing of businesses.

Almost overnight, the tourism industry went from having a growing labour shortage, to a largely displaced workforce. TIAO anticipates that our industry will take years to reach pre-

COVID levels of growth. A key component of that recovery and rebuilding is ensuring that Colleges and Universities programs and offerings reflect the pathways to permanent residency that attract international students, and that programs are in line with the demand driver needs of the future,

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Ministry of Economic Development, Job Creation and Trade

The impact of COVID-19 touches every region of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. COVID-19 has created a historic supply side shock for the tourism industry, and many laid off workers face barriers to returning to employment. We would like to discuss how the existing infrastructure and programs for MEDJCT can be further leveraged to support SME tourism and hospitality operations that are at risk of bankruptcy or permanent closure due to COVID-19.

TIAO recommends:

- The expansion of the Canada-Ontario Job Grant Program to facilitate the skills that workers and tourism employers will need in the post COVID-19 workplace.
- Restructure Ontario's employment programs for people under 30, to adapt to the historic supply side shock and massive layoffs experienced in the tourism and hospitality sector due to COVID-19.
- Changes to the Ontario Small Business Support Grant to support tourism businesses. The Ontario Small Business Support Grant is a welcome and much needed addition to the tools available to support small businesses in Ontario. However, the current eligibility criteria for inclusion and formulas used to calculate the levels of support awarded are excluding tourism business that desperately need the support. Currently accommodators are not allowed to claim for government support, despite suffering ten months of significant revenue losses. Despite being deemed essential and technically able to open, the stay-at-home order and provincial lockdown has all but shuttered many smaller providers. After ten months of uncertainty and significant reductions in occupancy – to protect our industry – the eligibility criteria should be adapted to include all tourism businesses such as accommodators.

In addition, the current formula used to calculate revenue losses requires businesses to use April for their comparison. For summer seasonal businesses and resource-based tourism operators this precludes them from providing an accurate reflection of the impact on their industry by government mandated closures and restrictions. We ask that the government provide tourism businesses flexibility to choose another month – to ensure they get the support the grant was designed to deliver.

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Ministry of Indigenous Affairs

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TIAO applauds the provincial government for the \$10 million COVID-19 Relief Fund designated specifically for Indigenous SME's, delivered in 2020, and for the continued investment in broadband and communications for indigenous communities.

TIAO recommends:

- Developing new funding strategies to ensure that Indigenous businesses remain economically viable throughout the COVID-19 pandemic.
- Continued and long-term support for the implementation of the Ontario Indigenous tourism and Food Tourism strategies.
- Continued cross ministerial support for Indigenous Tourism Ontario (ITO). We recommend that the Ministry of Indigenous Affairs work in collaboration with the Ministry of Heritage, Sport, Tourism and Culture Industries to invest and support sustainable funding models for ITO.

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Ministry of Finance

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TIAO recommends:

A series of sector specific financial packages for the tourism industry, that recognizes that tourism has faced unprecedented government mandated closures, restrictions on operations and historic low consumer confidence. That no-other industry apart from the health sector have faced the restrictions and damage that the tourism industry has faced in Ontario.

- **The creation of an Ontario Tourism Business and Job's Protection Fund.** Ontario's tourism industry faces an existential crisis and requires the support of the provincial government to rebuild during the COVID-19 pandemic. A top-up grant available to tourism businesses to help plug the gap of rising fixed costs, maintaining their pay-roll and servicing increased levels of debts whilst recouping almost zero in revenues; forgivable grants, dependent on the size of the businesses and revenue losses. TIAO estimates that 112,000 tourism businesses face the prospect of being financially unviable within the next 90 days. |
- **Action on Commercial Insurance price gouging that is damaging the tourism industry.** The tourism industry needs cross-ministerial support for action to be taken against commercial insurance companies practicing price gouging, refusing to pay out legitimate business interruptions claims and refusals to offer the level of coverage needed for some businesses to open. TIAO's own research highlights widespread significant rises in premiums of over 100% and some companies refusing to insure the operations of sound and profitable businesses. Premier Doug Ford and former Finance Minister Rod Phillips stated their intention to take action if these practices continued, sadly they have and now is time for the province to announce its action plan to address it.
- **Changes to the Ontario Small Business Support Grant to support tourism businesses.** The Ontario Small Business Support Grant is a welcome and much needed addition to the tools available to support small businesses in Ontario. However, the current eligibility criteria for inclusion and formulas used to calculate the levels of support

awarded are excluding tourism business that desperately need the support. Currently accommodators are not allowed to claim for government support, despite suffering ten months of significant revenue losses. Despite being deemed essential and technically able to open, the stay-at-home order and provincial lockdown has all but shuttered many smaller providers. After ten months of uncertainty and significant reductions in occupancy – to protect our industry – the eligibility criteria should be adapted to include all tourism businesses such as accommodators.

In addition, the current formula used to calculate revenue losses requires businesses to use April for their comparison. For summer seasonal businesses and resource-based tourism operators, this precludes them from providing an accurate reflection of the impact on their industry by government mandated closures and restrictions. We ask that the government provide tourism businesses flexibility to choose another month – to ensure they get the support the grant was designed to deliver.

- **The creation of an Ontario Tourism Recovery Fund.** Anchor tourism businesses across our province help to create well-paying jobs and stimulate economic activity. Anchor tourism businesses and attractions are often dominant in regional economies, in terms of visitor spending, jobs and seasonal work. Much of the provincial government programs announced so far, are welcomed, but designed to support small businesses.

These businesses are the lynchpin of regional and rural economies and act as a catalyst for connected businesses and industries. For these businesses to survive government mandated closures, TIAO recommends a dedicated fund with regionally designated funds to support with debt relief, lines of credit and preparations to reopen. If not, the ripple effects could be disastrous for local economies.

- **The creation of an Ontario Attractions Protection Fund.** Designed to support attractions and businesses instructed by the government not to reopen during the previous stage 3 framework. In addition, to provide support for the ski hill industry that has been closed due to blanket closures. This fund will help cover the costs of businesses who anticipated opening but were singled-out by government mandated closures.

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Ministry of Seniors and Accessibility

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. We are looking to the Ministry of Seniors and Accessibility to ensure that our industry is accessible and welcoming to all those who live in Ontario, as well as visitors with greater accessibility needs. By meeting the expected standards of accessibility, once it is safe to do so, we can begin to encourage visitors to discover what Ontario has to offer.

TIAO recommends:

- The Ministry to continue to work with TIAO to engage Ontario's seniors and those with advanced accessibility needs in opportunities within the tourism and hospitality industry. It is imperative that when restrictions on movement are lifted, all Ontarian's are able to enjoy the diverse tourism offers available in our province.
- The continued funding of industry led research and infrastructure upgrades that will ensure Ontario tourism and hospitality businesses and operations meet best practices for accessibility, both by domestic and international standards.

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Ministry of Labour, Training and Skills Development

At TIAO we recognize the key role that the Ministry of Labour, Training and Skills Development has in working to prevent injuries and illnesses, promoting and enforcing employment standards, and supporting apprenticeships, the skilled trades, industry training and employment services in Ontario. We have included in our recommendations below strategies to ensure that the return of the visitor economy is supported by new ways of managing worker health and safety in the tourism industry. Furthermore, we would like to discuss strategies to adapt to the major supply side shock in order to ensure that tourism workers do not become permanently dislocated from our industry.

TIAO would like to thank Minister McNaughton and the MOLTSD for your demonstrable commitment to the tourism industry throughout the COVID-19 pandemic. The MOLTSD decisive action on changes to severance activation clauses in the ESA has helped to safeguard the future of tourism businesses and jobs that could have been lost if mass activations of severance pay outs had not been avoided. TIAO also recognizes the work of the MOLTSD in assisting tourism and hospitality employees and employers in the current pandemic landscape.

TIAO recommends:

- Continued support for OTEC and Tourism SkillsNet Ontario as they work with industry to mitigate the impact on workers and help businesses plot the course towards rebuilding the tourism sector.
- Strategic investment into OTEC's Tourism and Hospitality Emergency Response (THER) Program as it expands to support communities across Ontario. Specifically, funding to ensure that the workforce has access to the full breadth of THER resources and supports for workers and workplaces to assist people who have lost their jobs or are working fewer hours due to the COVID-19 pandemic.
- Investment in the 'The Future of Work' for the tourism industry recognizing the short-term and long-term challenges facing the industry. Initially including:
 - (a) A commitment to support research to support skills documentation in the workplace.
 - (b) A commitment to support developing workforce based micro-credentialing efforts undertaken through OTEC and Tourism SkillsNet Ontario to support fluid career paths that recognize both workplace and academic learning.

TIAO further recommends:

- Direct and ongoing consultation with TIAO and tourism employers and workers, as further changes to the Workplace Health and Safety protocols are made.

TIAO recognizes that the province will be continuously updating workplace health and safety protocols to keep pace with developments associated with COVID-19. As the authoritative voice of the tourism industry, we continue to be well positioned to communicate industry best practices and or concerns from the frontline.

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Ministry of Municipal Affairs and Housing

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at rebuilding the tourism industry in Ontario we require the support of all provincial ministries. We are looking to the Ministry of Municipal Affairs and Housing to confer on ways to support the recovery of the tourism industry and the visitor economy, by ensuring that housing and rental policy plans factor in the need to work with industry to grow the availability of affordable workforce housing in every region of the province. Further, we would like to discuss key changes to the Municipal Act that will ensure that the Municipal Accommodation Tax continues to be a crucial funding stream for the industry, and municipalities that implement it.

TIAO recommends:

- Changes to the Municipal Act and the Transient Accommodation Tax, which will ensure the longevity of the Municipal Accommodation Tax as a transformation funding source for the tourism industry. Please refer to Appendix A for our full set of recommendations.
- The development of a strategy to expedite the release of Disaster Recovery Assistance for tourism businesses and communities across Ontario impacted by flooding and rising water levels. Many tourism operators were financially devastated by flooding in 2019 and this devastation has been exacerbated by the impacts of COVID-19.
- Amendments to the Planning Act of Ontario that would allow for inclusionary zoning beyond major transportation hubs. The tourism industry is one of the largest employers of youth, and therefore one of the largest employers of renters, and COVID-19 has exacerbated the need to increase affordable workforce housing across the province.

Specifically, we request that Part V 35.2 pertaining to By-laws to give effect to inclusionary zoning policies, in the Ontario Planning Act, 1990 be amended to provide authority to municipalities to determine where inclusionary housing zones will be located throughout their jurisdiction.

- We recommend that the Ontario government create a mandate to have a percentage of new housing developments be ‘purpose-built rentals’, as opposed to condos across the province. Purpose-built rental units are a key source of affordable housing. In Toronto, in 2017, the average rent for a 1 bedroom purpose-built rental was \$1,194, while the average cost for a 1-bedroom condo was \$1,8035.

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Appendix A

Re: Streamlining the governance model for the Municipal Accommodation Tax, Municipal Act 2001, Ontario Regulation 435/17 Transient Accommodation Tax

At the Tourism Industry Association of Ontario (TIAO), we are proud to be the official voice to Queen's Park on behalf of a powerful growth industry that generates more than \$5 billion in annual tax revenue. We take on pressing policy files on behalf of the tourism industry and develop evidence-based policy recommendations that reflect the multifaceted needs of the industry. As such, see below for proposed amendments to enhance the Municipal Accommodation Tax in Ontario:

The Municipal Accommodation Tax (MAT), was developed to grow the economic impact of the tourism industry in Ontario. The MAT is intended to provide strategic access to funds to augment existing investments into tourism marketing and product development. The MAT has been successfully implemented across many regions of the province. However, the regulatory framework of the Transient Accommodation Tax, 2017 requires amendments to ensure that the funds are used for the explicit purpose of growing tourism marketing and product development, and that there are no unnecessary delays in accessing the funds. As such, we have prepared the following recommendations, developed through robust stakeholder consultations, to improve the MAT in Ontario.

We recommend that the legislation be amended to include a detailed Program Purpose statement such as the following:

“The purpose of the Municipal Accommodation Tax (MAT) is to assist designated recipients to fund tourism marketing, programs, projects, and product development. The MAT is designed to amplify Ontario’s tourism marketing efforts in an increasingly competitive marketplace.”

We recommend that the following amendments be made to the existing Ontario Regulation 435/17 Transient Accommodation Tax:

In reference to the **Interpretation Section 1 (2)** which states:

- For greater certainty, the expressions “promotion of tourism” and “promoting tourism” include the development of tourism products.

We recommend that for greater certainty the following interpretation be included:

- The expression “development of tourism products” refers to the allocation of funds from the MAT used in a capacity that directly aligns with the tourism industry, and the exclusive mandate to increase both domestic and international visitation.

In reference to **Interpretation Section 1 (1)** which states:

- In this regulation, “eligible tourism entity” means a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality.

We recommend that for greater clarity the following additions to the interpretation be made:

- In this regulation, “eligible tourism entity” means a non-profit entity whose mandate focuses primarily on the promotion of tourism in Ontario or in a municipality. It is required that the eligible tourism entity be a separate and distinct, stand-alone not-for-profit organization. The non-profit entity is required to spend the allotted funds from the MAT on tourism promotion, inclusive of product development, in the pursuit of increasing domestic and international visitation to Ontario or in a specific municipality.

In reference to the **Application, Limit re imposition of tax Section 3**, we recommend the removal of the limit that states:

3. A municipality is not authorized to impose taxes under section 400.1 of the Act in respect of the purchase of transient accommodation at a university or a college of applied arts and technology or post-secondary institution whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating operating grants entitlements from the Crown.

Removing the regulatory exemption of college and university residences that function as hotels and short-term accommodations and not as standard student accommodation, will greatly increase the funding that tourism businesses can then leverage to expand operations, create jobs, and increase the overall GDP contribution of tourism in Ontario. Further, this will provide the opportunity for colleges and universities that directly benefit from tourism promotion when securing contracts to host major events to provide funds that support the continuation of that work.

In reference to the **Revenue sharing – destination marketing program exists when a tax is imposed and Revenue sharing – no destination marketing program exists when tax imposed**, we recommend that a penalty and enforcement mechanism be added that:

Requires the municipality to provide the funds allocated to the eligible tourism entity within a 3-month time period from the pre-determined payment periods for each full or partial fiscal year.

Further, we recommend the following additions be made to the existing regulations and definitions:

Implement an official rate change process for an increase or decrease of the MAT to prevent municipalities from increasing or decreasing the rate at their own discretion. We recommend that for an official change to the rate of the tax be voluntary for the impacted businesses, and that this application for a rate change be coordinated by Council consulting directly with the eligible tourism entity and the accommodation sector, to reach a mutual agreement.

We recommend that funds collected through the MAT be used exclusively to augment current funding. This can be accomplished through the creation of a restriction stating that MAT funds cannot be used to replace existing sources of tourism funding in a community.

We recommend that clear, robust, and enforceable rules be put into the existing regulations to provide clarity about how the municipality is to contribute to tourism infrastructure with the 50% of the funds that are put into their budgets. Specifically, we recommend the following:

- Municipalities be required to have a local tourism strategy in place prior to implementing the MAT. The spending of the portion of funds held by the municipality must have a clear and explicit link to the benefit of tourism in the region.

Exempt the credit card processing fee costs accrued through the charging of the MAT

An accommodation provider that participates in the collection of the MAT should be able to retain the credit card processing fee charged on the MAT amount by the credit card companies. Accommodation providers currently absorb the additional processing fee, which increases the burden on the business.

Example: A 125 room hotel located in a community where the municipality has enacted a 4% MAT –

- At a rate of 65% occupancy with \$120 nightly rates, the total room revenue would be \$3,558,750
- 4% MAT = \$142,350
- A 3% credit card processing fee would result in an added cost of \$4,270 a year.

The implementation of the above recommendations will re-regulate and streamline the MAT to provide consumer consistency. These changes will ensure that the funds collected by the accommodation sector are used to increase the investment in tourism marketing, product development and business expansion in every region of Ontario.

Ministry of Environment, Conservation and Parks

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. COVID-19 has ushered in historic disruption to the political, economic, and social dimensions of the tourism industry. Many businesses across the province are unsure if they will be able to remain economically viable throughout 2021 due to ten months of severely decreased revenues, increased fixed costs, government mandated closures, restrictions on freedom of movement and a lack of consumer confidence. It is for these reasons that we offer some suggested key changes that would improve the economic viability of tourism in Ontario.

TIAO recommends:

- Direct and ongoing consultation with tourism industry leaders to ensure that the re-opening of parks and public lands to visitors is rolled out with industry led health and safety protocols, including the international best practices developed by the World Travel and Tourism Council's 'Safe Travels' initiative (*including the re-assessment of previous decisions to close parks in Northern Ontario*).
- Modernizing of Ontario's environmental assessment program, as it pertains to reducing duplications, and ensuring a predictable, efficient, and credible process for tourism operators and businesses.

TIAO also seeks an amendment to the Environmental Activity and Sector Registry (EASR) that would cut red tape for Ontario's microbreweries by ensuring that breweries that are not close to the emissions cap will not be required to hire a private consultant to inspect and report on their emissions. This amendment will provide key economic relief, while ensuring that all activity is well within the mandated limits.

TIAO further recommends:

- Allow an exclusion in the Environmental Activity and Sector Registry (EASR) that exempts breweries that produce under 15,000 litres from the proactive reporting requirement.

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Ministry of Natural Resources and Forestry

The impact of the COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we will require the support of all provincial ministries. We are looking to the Ministry of Natural Resources and Forestry to ensure that all forms of tourism and visitation in Ontario, from camping to fishing and hunting, are utilized in a way that allows tourism operators to be part of the economic re-opening, while showcasing all that Ontario has to offer.

At TIAO, we recognize the key role that the Ministry of Natural Resources and Forestry has in protecting Ontario's biodiversity while promoting economic opportunities in the resource sector, and supporting outdoor recreation opportunities. Whilst Ontario is currently observing a province-wide lockdown and 'stay-at-home' order, we know that when restrictions are relaxed Ontario is well positioned to provide Ontarians the opportunity to re-discover their province and enjoy a diverse tourism offer. It is with this in mind, that our recommendations are structured into the key components of the ministry's mandate.

TIAO recommends:

In line with the mandate to protect people, property and communities from forest fires, floods and droughts we recommend:

- Ensuring that outdoor tourism attractions are supported with the necessary protections and recovery methods against fire, drought and flooding.
- We recommend that your ministry consult directly with private campgrounds around strategies to upgrade fire suppression equipment and staff training. Upgrading fire suppression capabilities would enable private campgrounds to follow similar fire regulations to those on Crown Land.
- The continuation of work across ministries and with the tourism industry to develop regulations that restrict the use of parking lots being used as campgrounds in Ontario. This is a growing trend in Ontario, and it has a devastating financial impact on many private campgrounds in the province.
- A discussion moving forward on hunting regulations during COVID-19 and ways to ensure that the Bear Baiting regulations reflect the needs of trail users and hunters. For instance, it has been brought to our attention that in Northern Ontario there is an overlap between the 'Leave no Trace' policy which requires trail users to go 60 metres off trail for hygienic practices, while allowing Bear Baiting to be as close as 30 meters to trails.

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Ministry of Government and Consumer Services

The COVID-19 pandemic has impacted every sector and region of the tourism industry in Ontario. To ensure that our industry survives and recovers when the pandemic is over, we will require the support of all government ministries. TIAO recognizes the key role the Ministry of Government and Consumer Services has in ensuring consumer protection and public safety and creating a better quality of life for Ontario's families. We thank the Minister for her work in ensuring the portal for the Small Business Support Grant, and other support programs, have been successfully rolled out to ensure much needed support gets into the hands of small businesses.

TIAO recommends:

- That MGCS continues to directly consult with the tourism industry on changes to consumer protection, public safety and business law.

Specifically, on the following:

- In the era of track and trace and COVID-19, the tourism industry has been on the frontline in ensuring private information is held securely. TIAO believes moving forward that it is vital that a system is put in place that protects personal information but is not too onerous on SME's in Ontario.
- TIAO is excited by the government's intention to introduce the digital identity/digital wallet in Ontario. We believe there are numerous positive implications for tourism businesses, employers and consumers.

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Ministry of Education

COVID-19 has impacted the future of work in a profound and historic way. This impact requires a renewed focus on ensuring that educational curriculum are designed to create a resilient future generation. We recognize the innovative work your ministry had implemented into the restructuring of the Ontario curriculum to reflect the skills sets of the future, and we recommend that this work continue to reflect the growing interest in emotional and social skills.

TIAO recommends:

- The implementation of OTEC's Service Excellence Program as a mandatory component of the Ontario Grade 10 career curriculum.
- Implement broader changes to the Ontario career curriculum that reflect the full breadth of skills and training required to future proof the workforce entering the labour market in the years to come.

COVID-19 has caused the largest disruption to interactive service work in history. With this disruption comes the opportunity to ensure that the workforce of the future is resilient and adaptable. Aesthetic labour, emotional, and social skills, are critical components to successful and resilient workers in all industries. We are available for continued consultation on the ways the future of education in Ontario can continue to reflect the future of the work.

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Ministry of Heritage, Sport, Tourism and Culture Industries

TIAO thanks Minister Lisa MacLeod and her ministry for her continued leadership throughout the COVID-19 pandemic. On behalf of the tourism industry, we appreciate the open dialogue we have had with the Minister and her team from the beginning of this crisis. It is because of that regular contact, that we know you will recognize the issues raised in this briefing, TIAO's role in listening to those on the frontline in the tourism industry and the reasons behind our recommendations. We also note, that the majority of our recommendations fall into the purview of the Minister of Finance and Minister of Health. However, we seek government wide support for these to help maintain, protect and rebuild the tourism industry across Ontario.

TIAO recommends:

Cross-ministry support for a sector specific financial package for the tourism industry, that recognizes that tourism has faced unprecedented government mandated closures, restrictions on operations and historic low consumer confidence.

An Ontario Tourism Business and Job's Protection Fund

- Ontario's tourism industry faces an existential crisis and requires the support of the provincial government to rebuild during the COVID-19 pandemic. A top-up grant available to tourism businesses to help plug the gap of rising fixed costs, maintaining their pay-roll and servicing increased levels of debts whilst recouping almost zero in revenues; forgivable grants, dependent on the size of the businesses and revenue losses. TIAO estimates that 112,000 tourism businesses face the prospect of being financially unviable within the next 90 days.

Action on Commercial Insurance price gouging that is damaging the tourism industry

- The tourism industry needs cross-ministerial support for action to be taken against commercial insurance companies practicing price gouging, refusing to pay out legitimate business interruptions claims and refusals to offer the level of coverage needed for some businesses to open. TIAO's own research highlights widespread significant rises in premiums of over 100% and some companies refusing to insure the operations of sound and profitable businesses. Premier Doug Ford and former Finance Minister Rod Phillips stated their intention to take action if these practices continued, sadly they have and now is time for the province to announce its action plan to address it.

Changes to the Ontario Small Business Support Grant to support tourism businesses

- The Ontario Small Business Support Grant is a welcome and much needed addition to the tools available to support small businesses in Ontario. However, the current

eligibility criteria for inclusion and formulas used to calculate the levels of support awarded are excluding tourism business that desperately need the support. We require cross-ministerial support to address this. Currently accommodators are not allowed to claim for government support, despite suffering ten months of significant revenue losses. Despite being deemed essential and technically able to open, the stay-at-home order and provincial lockdown has all but shuttered many smaller providers. After ten months of uncertainty and significant reductions in occupancy – to protect our industry – the eligibility criteria should be adapted to include all tourism businesses such as accommodators.

In addition, the current formula used to calculate revenue losses requires businesses to use April for their comparison. For summer seasonal businesses and resource-based tourism operators this precludes them from providing an accurate reflection of the impact on their industry by government mandated closures and restrictions. We ask that the government provide tourism businesses flexibility to choose another month – to ensure they get the support the grant was designed to deliver.

Ontario Tourism Recovery Fund

- Anchor tourism businesses across our province help to create well-paying jobs and stimulate economic activity. Anchor tourism businesses and attractions are often dominant in regional economies, in terms of visitor spending, jobs and seasonal work. Much of the provincial government programs announced so far, are welcomed, but designed to support small businesses.

These businesses are the lynchpin of regional and rural economies and act as a catalyst for connected businesses and industries. For these businesses to survive government mandated closures, TIAO recommends a dedicated fund with regionally designated funds to support with debt relief, lines of credit and preparations to reopen. If not, the ripple effects could be disastrous for local economies.

Ontario Attractions Protection Fund

- Designed to support attractions and businesses instructed by the government not to reopen during the previous stage 3 framework. In addition, to provide support for the ski hill industry that has been closed due to blanket closures. This fund will help cover the costs of businesses who anticipated opening but were singled-out by government mandated closures.

Changes to the COVID-19 Response Framework: Keeping Ontario Safe and Open: Lockdown Measures

- Tourism businesses have spent millions of dollars on changing the layouts of their businesses and adhering to the highest health safety protocols to operate during the

COVID-19 pandemic. The current COVID-19 Response Framework, depending on the health units given colour, sets arbitrary limits on the ability of tourism businesses to utilize their premises. In addition, the framework sets arbitrary time limits for when businesses can stay open till. TIAO believes it is essential to review the response framework and remove arbitrary numbers and replace it with a formula that calculates the % of a business's capacity to safely adhere to social distancing guidelines.

Continue funding the RTOs on a rolling basis, and restored funding for RTO 5 & RTO 10.

- As you know, and have reflected through your ongoing support, the RTOs are a critical component of the Ontario tourism industry. We recommend continued funding, and restored funding for RTO 5 and 12 so that every region of the province will have the necessary support and infrastructure to rebuild throughout the COVID-19 pandemic and beyond.

Continued support and investment in Indigenous Tourism Ontario (ITO)

- We thank the province for working across ministries to ensure that COVID-19 recovery funds were flowed through Aboriginal Financial Institutions (AFIs) in Ontario. As you know, prior to COVID-19 Indigenous tourism was the fastest growing sector of our industry. We commend the continued investment in this sector through ITO, as they work to implement their key priorities for recovery and rebuilding in the 5-year plan.

Continue to directly consult with tourism industry leaders as part of the long-term strategy for tourism in Ontario

- We recognize that from the beginning of the COVID-19 pandemic, the MHSTCI has consulted with TIAO and industry leaders on what needs to be included in the long-term strategy for rebuilding the tourism industry. In these fast-moving and evolving times, we hope that this dialogue continues as to best serve Ontario's tourism industry.

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Ministry of Transportation

The impact of COVID-19 touches every region and sector of the tourism industry, and to have a chance at economic recovery we require the support of all provincial ministries. We are looking to the Ministry of Transportation to confer on strategies that will support the long-term recovery of the Ontario tourism industry by developing transportation infrastructure that serves the future needs of Ontario and the domestic and international visitor economy. Whilst in the short-term we are focused on the immediate solvency issues and survival of the tourism industry; we know that the long-term future of our industry is only protected by a province wide transport infrastructure that can ensure the efficient and effective carrying of people.

TIAO recommends:

- Investing in the Northern and rural transportation upgrades of highways to improve access to four lane highways, and critical wayfinding signs throughout the province. This investment would bring the next generation transportation infrastructure in line with the needs and interests of the tourism industry and the broader visitor economy.
- Investments to support the movement of tourism workers and visitors to Ontario through the coordination and integration of all transportation in the Greater Toronto and Hamilton area through the Metrolinx agency.
- Investment in the development of the Union Station West Transportation Hub.

COVID-19 has ushered in a period of uncertainty and a greater focus on the hyper-local visitor economy, however, we know that streamlined connectivity will continue to be a pivotal factor of the recovery of the tourism economy in Ontario.

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Ministry of Agriculture, Food and Rural Affairs

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TIAO recommends:

- The continued cross-ministerial cooperation with MOLTSD to ensure a secure agricultural food supply to both agri-tourism businesses and restaurants in Ontario.
- Strategic and ongoing investment to ensure that all tourism businesses and operators have access to reliable broadband infrastructure in rural and Northern regions in Ontario. (*TIAO acknowledges and congratulates the provincial government for their steadfast commitment to improving rural and indigenous access to reliable broadband*).

TIAO recognizes the complex jurisdictional divide between the federal and provincial regulatory framework for the Temporary Foreign Worker Program (TFWP). We recommend the continued whole government approach to ensure that the effect of COVID-19 is reflected in flexibility for extended stays and to ensure migrant work health, so Ontario businesses will continue to have a secure supply chain of produce and other agricultural products.

TIAO further recommends:

- The development of tourism specific grants to be administered through the BR+E programs.

Tourism grants provided with the added infrastructure of the BR+E programs would support the hyper local promotion of tourism recovery in the agri-tourism sector, which in the light of continued lockdowns and government mandated closures, will be essential in keeping tourism businesses economically viable in 2021 and 2022.

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Ministry of Treasury Board Secretariat

The tourism industry has become an integral part of the Ontario provincial economy, not only in Ontario's urban centres, but helping to sustain regional and rural economies. Tourism has helped economies recover when previous industries such as manufacturing and industrial were not viable or have relocated. TIAO recognizes and applauds the Ministry of the Treasury Board Secretariat for its demonstrable commitment to support the tourism industries recovery, through its support for the proposed Ontario 'Staycation' tax credit that will be an essential part of our sectors economic recovery.

However, ten months into this health crisis, with tourism businesses facing insurmountable levels of debt and non-existent revenues, the tourism industry, through government mandated closures, restrictions on movement and plummeting consumer confidence, have been hit harder than any other sector. We require the Treasury Board Secretariat to not only support the long-term plans for the tourism industry, reflected in the Ministry of Heritage, Sport, Tourism and Culture Industries white paper – but also to provide extensive short-term direct financial support to protect the tens of thousands of businesses and jobs in the tourism and hospitality industry, only a matter of weeks away from being lost.

TIAO recommends:

- Short-term sector specific economic investment into protecting tourism jobs and livelihoods through direct financial support (*including provincial top up programs for Canada Emergency Wage Subsidy, Canada Emergency Rent Subsidy and changing eligibility criteria for the Ontario Small Businesses Support Grant and other programs that exclude many tourism businesses*).
- Support to anchor tourism businesses and attractions that have been unable to reopen throughout or during parts of the COVID-19 pandemic (*Such as theme parks, ski hills and waterparks*).
- Long term investment into the rebuilding of the Ontario tourism industry, including supporting the programs detailed in the Ministry of Heritage, Sport, Tourism and Culture Industries white papers and the Ontario 'Staycation' tax credit.

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TIAO'S Evidence Generation Strategy (EGS)

At TIAO, we immediately began working to ensure that as the voice of the Ontario tourism industry, we had an Evidence Generation Strategy (EGS) in place in order to develop a full picture of the rapidly changing political, economic and social impact on the Ontario tourism industry. Specifically, we wanted to be able to illustrate the effects of government mandated closures and the declining confidence of consumers on tourism businesses.

Since March 2020, we have a detailed and real-time tracking system of job losses, revenue falls, business confidence and response to government support, amongst many other metrics. This information has been vital in dissecting what government support the industry needs and to advise government when a particular support program, such as CECRA, is not reaching its targeted audience.

At the time of publication, TIAO had conducted ten provincial based surveys of the tourism industry in Ontario and consumer sentiment. We use the data sets to build the foundation of our policy recommendations for the short and long-term viability of the tourism industry.

The EGS is multipronged and includes our standard methodology detailed above, whilst also including rolling stakeholder calls, daily industry consultation, strategy development with other networked institutions, and data collected through specific surveys and consultations. The EGS has enabled TIAO to build capacity through other networked institutions and collaborate with applied research institutes. The EGS ensures that we are best representing the rapidly evolving needs of the industry.