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**ONTARIO TOURISM MARKETING PARTNERSHIP
CORPORATION: ORDER-IN-COUNCIL
APPOINTMENT OF DENNIS MATTHEWS ***

Prepared for:

Standing Committee on
Government Agencies

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INTRODUCTION

This paper was prepared for Members participating in the Committee's review of the Order-in-Council appointment of Dennis Matthews as a part-time member of the Ontario Tourism Marketing Partnership Corporation, which operates under the name Destination Ontario. It describes the operations of the Corporation, presents information about the intended appointee, and identifies possible lines of questioning.

ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION (DESTINATION ONTARIO)

Enabling Statute	Responsible Ministry
Development Corporations Act and O. Reg. 618/98	Heritage, Sport, Tourism, and Culture Industries
Agency Type	Current Annual Report
Operational Service	2019-2020
Activities of the Agency	
Ontario Tourism Marketing Partnership Corporation, which operates as Destination Ontario, is a non-profit Crown agency. It markets Ontario as a travel destination; undertakes marketing initiatives with the tourism industry; supports and assists the marketing efforts of the tourism industry; and promotes Ontario as a travel destination in cooperation with the tourism industry and governments.	
Board Membership	
Statutory No. of Members: at least 3 ¹	Remuneration: Expenses
No. Appointed by Cabinet: All	Term of Office: As determined by Cabinet but not exceeding 3 years
Position Requirements	
One member must be a deputy minister from a ministry other than the Ministry of Heritage, Sport, Tourism, and Culture Industries, but otherwise no requirements are specified. ²	

MANDATE AND OPERATIONS

Ontario Tourism Marketing Partnership Corporation is a non-profit Crown agency. It was established in 1998 by O. Reg. 618/98, under the *Development Corporations Act*.³ It has been operating under the name Destination Ontario since 2017.⁴

¹ According to the [Public Appointments Secretariat](#), there are currently 17 positions on the board, nine of which are filled.

² O. Reg. 618/98, s. 4(1).

³ *Development Corporations Act*, R.S.O. 1990, c. D. 10, s. 5; O. Reg. 618/98, ss. 1 and 2.

⁴ Destination Ontario, *2019-2020 Annual Report*, Financial Statements, p. 9.

Under O. Reg. 618/98, Destination Ontario's mandate is to

- market Ontario as a travel destination;
- undertake joint marketing initiatives with the tourism industry;
- support and assist the marketing efforts of the tourism industry; and
- promote Ontario as a travel destination in cooperation with the tourism industry, the Government of Ontario, and other governments and government agencies.⁵

The Corporation works with the travel industry to develop and deliver marketing programs in Ontario and 11 countries around the world. It provides a range of services to the travel industry including advertising opportunities, partnership investments, promotion, market research, and consumer information programs.⁶ It also operates Ontario Travel Information Centres and the multilingual ontariotravel.net website, and enters into agreements with private and public sector partners that aim to add value to marketing programs.⁷ For example, it has partnered with Indigenous Tourism Ontario in a marketing campaign to highlight Indigenous experiences. It also has a specific focus on increasing visitation to Northern Ontario.⁸

Structurally, the Corporation is organized into four areas:

- the President's Office;
- Marketing, Strategy and Insights;
- Industry Relations, Communications and International Marketing; and
- Corporate Services and Operations.⁹

ROLE OF THE BOARD OF DIRECTORS

The Corporation is governed by its Board of Directors, all of whom are appointed by Cabinet on the advice of the Minister of Heritage, Sport, Tourism, and Culture Industries.¹⁰ As a provincial agency, it is not part of a ministry, but it is accountable to the government, and ultimately the Legislature, through the responsible Minister.¹¹ A [Memorandum of Understanding](#) (MOU) between the

⁵ O. Reg. 618/98, s. 3.

⁶ Destination Ontario, "[About Destination Ontario](#)."

⁷ Destination Ontario, "[Ontario Travel Information Centers](#)"; Destination Ontario, 2019-2020 *Annual Report*, p. 5 and Financial Statements, p. 9.

⁸ Destination Ontario, 2019-2020 *Annual Report*, pp. 2, 6, and 14.

⁹ *Ibid.*, p. 5.

¹⁰ *Ibid.*, p. 7.

¹¹ *Memorandum of Understanding Between Minister of Heritage, Sport, Tourism and Culture Industries and Chair of the Ontario Tourism Marketing Partnership Corporation (also known as Destination Ontario)* (MOU), s. 4; Management Board of Cabinet, [Agencies and Appointments Directive](#), s. 1.2.

Chair of the Board and the Minister sets out the accountability framework and the working relationship between the Ministry and the Corporation.

Under the MOU, the Board is responsible for, among other things,

- establishing the goals, objectives, and strategic directions for the Corporation;
- directing the development of and approving the Corporation's business plans and annual reports;
- ensuring that the Corporation uses public funds with integrity and honesty, and only for the business of the Corporation;
- establishing performance measures, targets, and management systems for monitoring and assessing the Corporation's performance; and
- directing corrective action on the functioning and operations of the Corporation, if needed.¹²

FUNDING AND FINANCIAL MATTERS

Destination Ontario is funded primarily by the Government of Ontario out of the Consolidated Revenue Fund.¹³ In 2019-2020, 95% (\$33.4 million) of Destination Ontario's \$35.1 operating revenue came from the Ontario government. Most of the remaining \$1.7 million revenue was earned from product sales to consumers, interest income, and advertising sales to marketing partners.¹⁴

Advertising and marketing constitute Destination Ontario's largest category of expenses (\$17.3 million), followed by administration (\$7.5 million, including salary and benefits), and expenditures for Ontario Travel Information Centres (\$6 million).¹⁵ Salaries and benefits to Destination Ontario staff, including at Ontario Travel Information Centres, comprised 23.6% of the Corporation's total operating expenses.¹⁶

In 2019-2020, Destination Ontario recorded an operating deficit of \$3.9 million. The deficit was due in large part to a \$5 million reduction in government funding, but offset by an operating surplus from the previous fiscal year.¹⁷

The Corporation is subject to periodic review and value-for-money audits by the Auditor General.¹⁸ The last such audit appears to have occurred in 2002 as part of

¹² MOU, s. 8.3

¹³ MOU, s.14.2. The CEO of the Corporation provides estimates of the Corporation's expenditures for inclusion in the Ministry's business plan for presentation to the Legislative Assembly.

¹⁴ Destination Ontario, *2019-2020 Annual Report*, p. 37.

¹⁵ Ibid., Financial Statements, p. 6.

¹⁶ Ibid., p. 37.

¹⁷ Ibid.

¹⁸ MOU, s. 15.1.

a broader audit of Ontario's Tourism Program.¹⁹ A follow-up report was released in 2004.²⁰

RECENT DEVELOPMENTS

Ontario's tourism industry has been hit hard by COVID-19. As of August 2020, the industry was estimated to have lost \$20 billion due to pandemic-related closures.²¹ Destination Ontario's most recent Annual Report is for fiscal year 2019-2020 and thus only speaks to the first few weeks of the pandemic-related closures. However, it does note that COVID-19 resulted in a significant impact on tourism near the end of fiscal year 2019-2020. Destination Ontario ceased all marketing programs and activities at that point, and turned its attention to helping the industry work through, and recover from, the impacts of COVID-19.²²

From March to December 2020, Destination Ontario released [research reports](#) each month on the impacts of COVID-19. The reports contain information from economic models and consumer sentiment studies, and aim to promote understanding about when and where to re-engage visitors about travelling and with what messaging.²³

Over the past year, the Government of Ontario has announced funding to support the tourism sector, including \$13 million through Destination Ontario to support marketing efforts in each one of Ontario's 13 Regional Tourism Organizations.²⁴

THE WITNESS

According to the Office of the Premier, Dennis Matthews, of Toronto, is the Vice President of marketing and communications for Enterprise Canada, a former Director of strategic communications for the Office of the Leader of the Opposition, and a former general manager and marketing director for Sun Media/Quebecor.

POSSIBLE QUESTIONS

What has attracted the witness to seek this appointment?

What particular skills does the witness bring to the Board of the Corporation?

¹⁹ Auditor General of Ontario, 2002 *Provincial Auditor's Report*, [VFM 3.10 "Tourism Program."](#)

²⁰ Auditor General of Ontario, 2004 *Annual Report of the Provincial Auditor of Ontario*, [Follow-up 4.10 Tourism Program](#).

²¹ Donald MacDonald, "[Province injects \\$1.2M into Northern Ontario tourism marketing](#)," *Sudbury Star*, August 21, 2020.

²² Destination Ontario, 2019-2020 *Annual Report*, p. 1-2.

²³ Destination Ontario, "[Research](#)."

²⁴ Merna Emara, "[\\$1 billion in funding to keep Ontario's tourism sector afloat: MacLeod](#)," *Fort Frances Times*, July 17, 2020.

Can the witness describe the witness's experience in, or understanding of, the tourism industry?

In the witness's opinion, what challenges does the Corporation face in exercising its responsibilities in light of the COVID-19 pandemic?