



The standing committee on Finance and Economic Affairs
Amarjot Sandhu, MPP, Chair
Julia Douglas, Clerk
Room 1405, Whitney Block
Queen's Park, Toronto, ON M7A 1A2

Thank you for the opportunity to submit a written submission regarding the state of tourism in South Eastern Ontario.

The tourism industry in Ontario is critical to the survival of small towns, downtowns, service providers, etc. In some towns if the tourism businesses close there are no businesses left that employ more than a few people. There has been a significant shift from industrial and manufacturing in many of our rural areas, and they have become dependant on the tourism industry to provide jobs and drive their economies. Heritage, Sport, Tourism and Culture Industries represents \$75 Billion of GDP annually for the Province of Ontario, this is larger than forestry, mining and agriculture combined.

Prior to COVID-19 the industries of heritage, sport, tourism and culture were leading in growth for the Province of Ontario. Since COVID-19 the hotel occupancy has dropped from 62% to 13%. In 2019 Travel and Tourism supported 330 million jobs globally and generated 10.3% of the global GDP. According surveys conducted by the Tourism Industry Association of Ontario, 65% of Ontario tourism businesses are temporarily closed, and an additional 15% are at risk of closing permanently.

I applaud our government for doing everything that is needed to make us all safe. Stabilization and recovery of the economy are the next steps. Our SME's will not survive a slow response and the long-term process that we normal see to rebuild after an emergency. Action is required now and supporting our SME's should be the priority. We need the government to allow our businesses to reopen, as long as they are meeting the health and safety measures that have been put in place. These businesses also need direct financial support from the government, not just in the form of loans that they are unable to repay, they need grants to stay afloat. Even when they have opened again, it will take years for them to generate sales prior to COVID-19.

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Many of our destinations within the region of South Eastern Ontario are also facing a financial crisis, as their main funding source is the Municipal Accommodation Tax. With our accommodation properties facing all time low room capacity, this funding is not being generated. Having marketing dollars available as we rebuild the economy in South Eastern Ontario will be critical to the efforts of our destinations. Our Destination Marketing Organizations need replacement funding until travel starts to resume and we see funding levels coming back through the Municipal Accommodation Tax.

COVID-19 has been a health crisis that we have all been facing over the past few months and we recognize the toll it has taken on our front-line workers each and everyday. We are very thankful for all they have done.

The economic crisis that COVID-19 has caused to the tourism industry is unprecedented. The impact to our industry will be felt for years to come. This will not be a quick rebound for our businesses or our workforce. We need the help of government to rebuild the tourism industry and ensure that all our operators that make this province a world class destination to visit are still open to welcome back visitors now and in the future.

Thank you,

Bonnie

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