

**Small and Medium Enterprises Sector
Cameron Grant
Policy and Engagement Lead
The Chamber.**

August 28, 2020

**For the
Presentation to the
Ontario Standing Committee on Finance and Economic Affairs**



The CHAMBER.

Good afternoon to the Chair and Members of the Standing Committee.

My name is Cameron Grant, Policy and Engagement Lead for the Timmins Chamber. Every business right across the Province is affected by government legislation, whether it deals with policy, skills, taxation, regulations, and the infrastructure that we use. As a result, the decisions made by the government are critical for the success of our Northern businesses.

To understand the driving forces behind Ontario's regional economic development, consider the footprints of some of its most significant economic sectors: tourism, mining, forestry, agriculture, and manufacturing. While Timmins is an established resource-based community, driven by a century-old tradition of mining and forestry, tourism still sits as one of the top contributors to the health of our local economy.

Tourism is an essential source of employment for communities across the Province, small and large. The sector contributes over \$32 billion to provincial GDP, employs more than 390,000 people, and contributes significant tax revenues to all orders of government. Its impact on Ontario's economy is widespread, generating demand for transportation, accommodation, food services, and several other industries. In some regions, tourism accounts for more than 15 percent of all jobs.

Tourism faces many significant challenges, even before the pandemic. Such difficulties as cross-border competition, input costs have risen, capital investment levels have fallen, and also growing competition with emerging countries like Thailand, who are actively leveraging tourism as an economic development strategy. Restoring competitiveness within these sectors has far-reaching regional benefits, while allowing them to stagnate puts Ontario's broader economic future at risk.

To understand how Northern Ontario can continue to be a prime destination for global and domestic tourism, we must first understand how many arrive here in the North. Most of Ontario's roads serve multiple purposes, making them sound investments in the industrial commons. For example, access roads within Crown forest areas are not just used for forestry, mining, but trapping, and tourism as well. Many of Ontario's Indigenous communities rely exclusively on forest roads to access. The Public Forest Access Roads Program is a cost-sharing program between government and industry that supports construction and maintenance. In 2018, Ontario's Ministry of Natural Resources and Forestry reduced annual funding to \$54 million. In future years, and to ensure that travel to Northern Ontario remains attractive, the Province should reinstate the original funding level of \$75 million to ensure these roads can continue to facilitate tourists, and subsequently, economic activity in the North.



Another excellent example of a multi-use road is Highway 69. As the main connective route between Northern and Southern Ontario, it allows businesses to connect to markets and supply chains, communities to attract and retain workers, and tourists and residents to travel across the Province. A prolonged lack of highway investments has resulted in fatal collisions, road closures, and unnecessary congestion. The Province should expedite the four-laning of Highway 69 to support tourism and economic activity within the many regions along its route.

Understanding that the previous point would require cross-ministerial collaboration and being sensitive to the time, I will segue into my next points.

Assisting operators with their liquidity to meet their obligations would be of tremendous benefit. We are recommending that existing government programs, thinking towards the Northern Ontario Heritage Fund, can be repurposed to see Northern Ontario's tourism industry through this pandemic. Also, supporting capital projects and expenditures for operators will ensure the industry remains competitive.

We know tourism has been very negatively impacted amid the pandemic and continues to be. Even with the recent announcement allowing those in the industry to reopen, Northern tourism will see significant decreases in revenue as historically, it remained dependent on the US and overseas visitors to make up those numbers and margins from the domestic Ontario market.

Information on the tourism industry in the North is sporadic, but an interesting statistic on the Sudbury Fact Book shows that although 90 percent of visitors to the Rainbow County area were from Ontario, tourists from the USA and other countries proportionally spent more money. If the same is true for the entire North, any strategies to increase tourism in Northern Ontario should be refocused, as international and US markets continue to be off-limits amid the pandemic.

The Ministry of Tourism, Culture, and Sport can look to build on existing strengths in natural resources such as mining and forestry to increase not only the development potential but also the probability of establishing successful ventures. Synergy requires cooperation and working in non-traditional ways by collaboration with the private sector, governments, and non-profit organizations. These types of collaboration are heavily encouraged among all members of the aforementioned sectors.



The **CHAMBER.**

Clustering in tourism, as in mining and forestry, is also essential. Hard-pressed to think back as far as the Dynamic Earth project for significant Northern Ontario tourism investments (2003), but it has added to the existing critical mass of tourist attractions in the area that builds on the history and legacy of the mining industry. The scope of this and other attractions has undoubtedly increased the number and length of stay of tourists in the region, resulting in significantly higher expenditures.

Successful tourism initiatives usually thrive on regional cooperation, specifically targeted, and on well-timed government initiatives. Note, for example, in the Province of Newfoundland and Labrador, with only 522,000 people, much has been achieved through the promotion and development of tourism. All levels of government have cooperated in planning, financing, managing, and promoting significant events. Opportunities exist in Northern Ontario to build on the existing heritage and cultural tourism. The Government of Ontario, given the disadvantages of the North in terms of infrastructure, should provide more leadership for the coordination and strategic development of long-term tourism policy and actively participate as a partner in its execution.

As I look to the remaining minutes, I wish to provide the following recommendations to the Ministry of Tourism, Culture, and Sport, but take this opportunity to offer overarching suggestions to the Province by:

- Repurpose funding to float the members in the industry, and support new investments and infrastructure;
- Assist operators with their liquidity to meet their obligations;
- Continue to support broadband investments that provide reliable connectivity to businesses; and
- Work with the federal government to ensure funding is restored to the Canadian Tourism Commission, for the purposes of marketing, to at least \$100 million per year.

I want to thank all members of the Standing Committee for your attention and consideration. Best wishes for productive consultations.

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