

Ministry of Tourism

Minister

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Ministère du Tourisme

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Dear Tourism Partner:

I am pleased to share some good news regarding measures contained in the 2009 Ontario Budget that support Ontario's tourism sector.

This budget takes action to make Ontario more competitive from an economic perspective. It offers significant tax relief to support families, individuals and businesses that are dealing with the challenge of the current global recession. The McGuinty government is facing these difficulties and helping to stimulate the economy by ensuring the long-term competitiveness of our province, helping businesses grow, investing in infrastructure and creating more jobs for all Ontarians.

This budget also recognizes the \$22 billion that the tourism sector contributes to the Ontario economy and notes that, while the tourism sector is vital now to jobs and economic growth, its long term potential is even greater.

The Budget proposes measures that will assist both government and industry in their efforts to deliver on some of the recommendations from the recent report of the Tourism Competitiveness Study.

In direct response to one of the Competitiveness Study recommendations, this budget proposes investments of \$41 million, over three years, in new funding to enhance Ontario's tourism attractions, including \$33 million for revitalization projects associated with Huronia Historical Park and St. Lawrence Parks Commission, as well as \$8 million in infrastructure improvements at Fort William Historical Park.

Also, under the new tax reform package, there would be an allocation of annual net revenue for destination marketing in Ontario tourism regions, once they are established. Currently the RST rate on transient accommodation, such as hotel rooms, is five per cent. Under the single sales tax, the provincial portion would increase to eight per cent. However, the estimated net revenue from that three per cent difference in rates – approximately \$40 million - would come back to the industry for marketing.

I recognize that this budget measure will need further discussion with the industry and I am committed to doing this. In the coming weeks, the Ministry of Tourism will be hosting stakeholder sessions across the province to discuss regional structures. I am confident that government and industry will work together on this initiative and that coordinated marketing efforts will improve Ontario's competitiveness as a tourism destination.

This budget also proposes \$4.5 billion in tax relief, over three years, for small businesses, which are the backbone of tourism. The proposed single, value-added sales tax would generate significant benefits, including saving businesses more than \$500 million a year in paperwork costs and greatly reducing the tax burden on business investment by providing input tax credits. This budget also proposes targeted tax measures that would provide more than \$1 billion over three years, beginning in 2010-11.

If the Budget is passed, over the next two years the McGuinty government will also invest \$32.5 billion in infrastructure, which includes targeted investments that will benefit the tourism sector. Transportation improvements include \$273 million for roads and bridges in Northern and rural Ontario and \$219 million for new highway projects in Southern Ontario.

Additionally, there is a proposed increase in spending on summer employment opportunities for youth by 57 per cent or \$32 million in 2009, bringing spending this summer to nearly \$90 million. The summer jobs program enhancements will continue in 2010. Summer students are a key labour supply for the seasonal tourism sector and this initiative will benefit greatly.

The 2009 Ontario Budget will allow us to develop enhancements that will put Ontario in a strong position to take advantage of the projected growth in global tourism and the resulting economic benefits.

For more details on the budget, please visit
www.fin.gov.on.ca/english/budget/ontariobudgets/2009/.

By working together we will enhance the competitiveness of Ontario's tourism industry. I look forward to this challenge and to the work we will do together to make tourism in Ontario an even more vital part of this province's economy.

Yours sincerely,



Monique M. Smith
Minister