

## **Presentation to Minister of Tourism the Honourable Monique Smith**

Good morning, Minister Smith, and thank you for taking the time to meet with us.

Kenora District Camp Owners Association and Northwestern Ontario Tourism Association represent tourism advocacy in Northwestern Ontario. Both organizations have a long history of working on issues that are important to their members.

In 2005 the two organizations signed a Memorandum of Understanding to work together on these issues. We do this by tracking important data and purchasing independent research. We address these issues pragmatically by developing solutions and presenting them to decision makers.

Tourism is vital to Northwestern Ontario. In the Sunset Country Travel Area (SSCTA) alone tourism employs nearly 10,000 individuals and contributes \$451 million to the economy. In 2008 we presented a document to the Sorbara Competitiveness Study outlining seven issues we felt were important to Northwestern Ontario.

Tourism generates over \$5,400 for every man, woman, and child in SSCTA. This compares to tourism expenditures for the rest of Ontario at a little over \$1,200 per person. With the forest industry declining in Ontario, it is even more important that we do all we can to promote a strong tourism industry in Northwestern Ontario. This has become very evident with the change in attitude amongst community leaders as they start to embrace tourism.

Another major difference between SSCTA and the rest of Ontario is the importance of the U.S. visitor to our area. In the new five-year marketing strategy, the value of the U.S. overnight person visits is listed at 40% for Northwest Ontario. Actually it is 58.8% in SSCTA, but tourism expenditures by U.S. visitors is 80% of SSCTA total. This is in comparison to 23% for the rest of Ontario. (NOSTA=23.1%, TR 10-11=20.6% and S-Ontario = 24.5%)

And finally, when comparing tourism growth in SSCTA to other popular outdoor recreation areas we are losing ground. For example, in 1985 resort sales in SSCTA was estimated to be 4.6 times greater than that of Minnesota. Just 25 years later we are about even. We were over 18 times greater than Northeastern Minnesota and today we are a little over four times.

The question is, "Why?! With far superior wilderness and fisheries management in Northwestern Ontario, offering much greater opportunity to the outdoor enthusiast, why is tourism in our region not growing? We would suggest two key issues may be causing this 1) the border and 2) the need for enhanced marketing for Northwestern Ontario. This is supported in recent studies.

KDCA/NWOTA would like to ask for your help on the following issues

1. The border
2. Enhanced marketing for SSCTA.
3. Infrastructure.

## The Border

Visitors to SSCTA have dropped by 23% since 2000, with travel to our area at its lowest point ever.

In other popular tourism regions tourism is growing. Between 1999 and 2006 SSCTA dropped by .9% while Northeastern Minnesota grew by 7.5%, and Minnesota as a whole grew by 5%. Between 1994 and 2006 Northern Wisconsin grew by an average of 7.2%. During 2001, when the border issues first appeared, Northeastern Minnesota grew almost 14% and SSCTA dropped by 2.7%. Simply put, we lost our guests to Northeastern Minnesota.

We understand that this is a federal issue, but we would like to ask for your help in bringing attention to this as we strongly feel we are the canary in the coal mine. It is **not just a Northwestern Ontario issue, but an issue that is affecting the tourism economy all across Ontario and Canada.** To further support this notion the WTO ranked Canada as the eighth most popular destination in 2006. In 2007 Canada is no longer in the top 10.

*If we ever do make improvements at the border, it will require a major marketing effort to inform those that still want to come back that issues at the border have changed.*

## Enhanced Marketing for SSCTA

Many people believe that fishing and hunting businesses are not showing growth because of a change in demographic—but our research shows differently.

There are many misconceptions about Northwestern Ontario that were identified in a 2008 KDCA/NWOTA study of 15,000 visitors to the National Marine Manufacturers Association sports shows. While those who had visited the area thought it was the best place on the planet for fishing and outdoor activities, 50% of those who had not or were not interested in visiting gave responses indicating that they had low to no awareness of the region. A 2001 Fort Frances study also indicated low awareness of our area.

Our main competition has been fishing and hunting destinations in the U.S. Most of the major destinations have become acutely aware of the value of managing for a high quality fishery and as a result are becoming even more of a competitor.

This year Ontario businesses who attended the Minneapolis and Chicago All Canada shows faced a major marketing blitz organized by the province of Manitoba. It was an effort to support Manitoba booths attending those shows.

On my way to this meeting, I passed a new Manitoba sign, just across the border. Since then another was spotted just west of Thunder Bay where highway 11 and 17 split. This is an obvious indication that there is now another tourism region targeting visitors to SSCTA.

A couple of points about our regional marketing:

1. Timing is everything. Our industry spends \$11.3 million marketing our individual businesses primarily in the U.S. Midwest and predominantly between January and April when people are planning their vacation for the following summer. We need Ontario to provide umbrella marketing to augment industry spending to promote Ontario as a destination. This would help offset other regions targeting our customers.
2. The tourism industry along with many communities in SSCTA are starting to realize the value of Destination Marketing Fees to increase the pool of money available to promote our area and compete with other destinations like Branson (\$10M), Wisconsin Dells (\$7M), and Disney World. Although this effort is in its infancy, we hope to nurture it along so we are able to promote SSCTA on the world market.

We know that our markets are different in Northwestern Ontario. And we know the constant struggle that your Ministry has had in trying to execute an effective program to reach that market. After many years and a variety of different strategies we suggest that it would be more effective if you let us propose a marketing strategy for Northwestern Ontario. We would ask for support in developing that proposal.

Another marketing issue is the location of the Fort Frances Travel Information Center. All resource-based operators in Northwestern Ontario have the opportunity to display their literature in the Fort Frances Travel Center. Visitors to the information center as a percentage of those crossing the border has dropped from over 29% in 2000 to less than 7% in 2009 after the CBSA building moved in 2001.

We would ask that the province relocate the Fort Frances Travel Information Center to an area more in line with the flow of traffic using the border.

### **Infrastructure**

Travel to our area is basically limited to automobile because of poor availability of alternate travel methods. Reasonably priced air and train travel it just not available.

Our guests have or will soon have four lane highways directly to the border. These highways have rest areas, tourism pull overs, and historical markers in all five of our top states of origin. Once visitors cross the border into Northwestern Ontario it is a different story. The roads are poor, and there are very few waysides or historical markers in Northwestern Ontario.

We would ask for your support in insuring our visitors have adequate infrastructure to travel, which would include improved roads with attention to waysides, rest areas and “area interest building” historical markers. We would be glad to offer our assistance in this effort.

To sum this up, we would like to insure that our recommendations are meant to be positive with the intention of improving the tourism economy in SSCTA. We offer the best outdoor experience on the planet, yet we are not growing. Regions around us are offering similar experiences with a far inferior product, but are showing major growth. We could be a world-class destination with just a little help.

And finally, we would like to invite you to visit our area this summer! We would be glad to work with you to set up a trip that would give you a better understanding of what Northwestern Ontario has to offer.