

OVERVIEW

Beginning April 1, 2013, Regional Tourism Organizations (RTOs) will be eligible to receive “partnership” funds from the Ministry of Tourism, Culture and Sport (ministry) as part of their funding allocation.

The funding approach described in this document will provide the sector with additional tools to encourage more partnerships, strategic coordination and leveraging of regional resources.

The Regional Tourism Approach

The 2009 report, [*Discovering Ontario: A Report on the Future of Tourism*](#), made 20 recommendations to government to grow tourism in Ontario. One of these recommendations was to establish tourism regions, each with their own “Destination Marketing and Management Organization,” to better coordinate tourism marketing and management across the province. In response, the ministry established 13 tourism regions, each with a strong RTO, to create a more competitive tourism industry in Ontario and increase economic activity. Ontario’s tourism industry now has a stronger combined voice and an increased competitive advantage.

Ontario’s Regional Tourism Organizations

RTOs are independent, industry-led, not-for-profit organizations that lead tourism growth in regions by coordinating the development and delivery of tourism strategies in partnership with local operators and other industry stakeholders.

RTOs provide leadership and coordination to support competitive and sustainable tourism regions. As a result, each region is better equipped to attract more visitors, generate more economic activity, and create more jobs across the province. RTOs are active participants in the regions and are responsible for:

- undertaking research to identify regional strengths, gaps and opportunities to inform regional activities and decisions;
- developing and delivering regional marketing campaigns;
- offering region-specific training to tourism operators and stakeholders;
- attracting new, and retaining existing, tourism investments in the region; and,
- undertaking activities to create tourism assets that benefit the region.

Revised Funding Approach

The ministry remains fully committed to the regional tourism approach and will continue to provide \$40 million annually to the regions.

Beginning in 2013-14, a revised approach to funding tourism regions will ensure that each RTO receives consistent annual funding. The \$40 million will be allocated to base funding, proportional funding, and partnership funding.

The funding approach will enhance the government's support for tourism at a regional level by encouraging strong partnerships and a coordinated approach to product development, regional planning and marketing – all of which are essential to the future competitiveness of tourism across the province.

The revised funding approach will include:

1. **Base Funding:** As in previous years, each region will receive \$500,000 in base funding to maintain its operation and support the RTO's business plan.
2. **Proportional Funding:** As in previous years, each region will receive funding proportional to that region's tourism performance. This funding is calculated based on historical tourism data, such as overnight visits. The proportional allocation is based on the same dollar amount as was allocated in the 2012-13 fiscal year.
3. **Partnership Funding:** In recognition of strong partnerships and a coordinated approach, an RTO will be eligible to receive additional funds where they can demonstrate that they have received funds from other sources in support of regional activities. Partnership funding will be capped at a maximum of 20% of the proportional allocation to a maximum of \$1.5 million. RTOs are encouraged to engage with multiple partners.

The funding approach is guided by the following set of objectives:

- Enhance tourism across the province
- Support the RTO as the leader in regional tourism
- Maximize support for tourism at a regional level by encouraging strong partnerships, expanding the breadth and diversity of funding partners
- Encourage RTOs to engage industry partners to broaden their financial base to extend reach
- Support a coordinated approach that aligns planning, marketing, product development, investment attraction, and workforce development in the region
- Assure the transparency and accountability of funding through the transfer payment agreement process

Definition of “Partnership”

In the context of the funding model, “partnership” is defined as the agreement of the RTO to work with one or more entities on a specific project in support of the RTO’s business plan. The RTO is the project lead and partner contributions “flow into” the RTO – they do not “flow through” to the partner(s).

Through partnerships, RTOs, sector associations and destination marketing organizations can broaden their financial base to extend their reach and grow tourism throughout Ontario.

The value of partnerships among industry sectors cannot be overstated. Regardless of the partnership funding component, RTOs can maximize support for tourism in their regions by expanding the breadth and diversity of their partners. Strong partnerships and a coordinated approach to product development, regional planning and marketing are essential to the future sustainability and increased competitiveness of tourism across Ontario.

Partners

The ministry strongly encourages RTOs to work with all tourism partners in their region to grow tourism. RTOs may also work collaboratively across regions and with sector-based organizations.

RTOs are encouraged to consider a broad range of partners reflecting their local area and business plan objectives. These might include destination marketing organizations, other levels of government, and the private sector.

Ineligible Contributions

Funding from Ontario government programs, such as Celebrate Ontario, or Ontario government agencies, such as the Ontario Tourism Marketing Partnership Corporation, or other RTOs, is not eligible for partnership funding. In-kind donations, “flow through” payments, such as those from reservation systems, and funding for capital projects are also ineligible.

Use of Funding

RTOs are expected to use ministry funding to develop and deliver strategies to support the following destination management priorities:

1. Marketing
2. Tourism Product Development
3. Investment Attraction / Investor Relations
4. Workforce Development / Training

RTOs may not use funding received from the ministry for advocacy work, fundraising, hiring a lobbyist, capital expenses, or as prize money. Funds may not be given to other organizations for operational funding or to a political party.

Accessing Partnership Funding

In January 2013, as part of the regular transfer payment negotiation process, the RTO is required to submit an Annual Business and Operational Plan that outlines how the RTO allocation will be used for the coming year. For 2013-14, this plan must also indicate the amount of funding the RTO has generated through eligible partnerships in order to access ministry partnership funding. Throughout the year, the RTOs will have the flexibility to adjust and update the amount they identify in the plan as new partnership arrangements are secured or anticipated arrangements are dissolved.

Reporting

RTOs are currently required to submit an interim progress report, year-end summary report and audit in each fiscal year. The interim reports for 2013-14 will also include statements that confirm the receipt of partnership funds by the RTOs where the funding will be used to access ministry partnership funding. The year-end report and audit will include all funds provided by the ministry as well as the partnership funds received by the RTO. RTOs will be required to track performance measures against objectives connected to all funding received, including partnership funds, to help measure progress and value-for-money.

Questions and Contact

If you have any questions about the new guidelines, please contact your [Regional Tourism Advisor](#).