

2021-2022 Business and Operational Plan

(April 1, 2021 – March 31, 2022)



Pandemic Learnings



SMEs

- Continuing challenges for operators
- No straight path or “finish line”
- Some sectors more challenged than others (e.g. golf vs. live events or the arts)
- Debt (to be paid back), ongoing costs, rural internet, etc.
- Serious staff shortages



Staff

- **Workforce shortages even more pronounced (identified by BoD in 2018)**
- **Service industry is a tough sell and low wage positions even tougher sell**
- **Workers jumping to other industries / being reskilled by government programs**
- **Decrease in tourism schools enrolment**
- **Exponential increase in cost of housing in this region keeping low-wage earners out of housing market**

“50% of respondents noted that they negatively view the tourism industry, with 39% indicating that their perception is more negative than before the COVID-19 pandemic...”

*--Tourism HR Canada Labour Study,
December 2020*



Residents (Community)

- Negative sentiment towards tourism/tourists more pronounced in pandemic times (universal)
- Tension between permanent and seasonal residents
- New and continuing reliance on **hyper local market**, which include both permanent and seasonal residents

Hope you are checking on where they are coming from. You know Toronto is still suppose to stay at home. So if you let them in you are just spreading covid to all of us that live here. I know the greed of these [redacted] and know they don't give a shit.

Your Cottage Country Spirit campaign has done a lot to restore our previous love of Muskoka and our faith in the community. We appreciated the fact that you created an initiative to explicitly promote unity and make seasonal residents feel welcome again, and this act alone was perhaps more meaningful than the actual \$10 vouchers, although those were great as well. We used all of our vouchers, and along the way, discovered several new businesses, which we will regularly patronize from now on. Every business we used our vouchers at was most welcoming of the vouchers and of our business.

Congratulations on a timely, thoughtful and well executed initiative!



Over-Tourism

- Higher volumes of visitation compared to urban destinations
- Potential for over-tourism or disrespect for the natural product offering
- Lack of enforcement or monitoring
- Dispersion / content strategies needed

This is a bit frightening when you think about how messed up some of the Parks got last summer. Twice the number of people isn't going to make things better. Hopefully there will be a greater emphasis on, and enforcement of, Leave No Trace principles by the Parks this summer.

 Ontario Parks @Ont... · 2h

Just in the first few weeks of 2021, campers have made 58,475 reservations, up from 29,504 reservations in the same period in 2020: bit.ly/2o06g10



What's the Plan?

- “Doubling tourism receipts” no longer a sole prudent measurement (KPI of increase visitation & spend)
- Tourism as an industry or career choice is tarnished / “second tier”
- No foreseeable return to mass international visitation
- Hyper-local remains important target
- Potential for natural disaster impacts such as flooding or wildfires to return



Turning the **RTO12** ship once again...



RTO12 Evolution of Competitive Strategy

Industry-Centric Approach: 2011-2014
(no cohesion or overall strategy)



Consumer-Centric Approach: 2015-2020
(increase visitation and spend)

Region-Centric Approach (or Community-Centric Approach): 2021 – present

leverage **the business of tourism** to develop strong, resilient communities
that thrive regardless of the economic situation of the day



RTO12 Evolution of Competitive Strategy

Region-Centric Approach (or Community-Centric Approach): 2021 – present

Float ALL boats to build long-term sustainability of the regional tourism industry and its stakeholders.

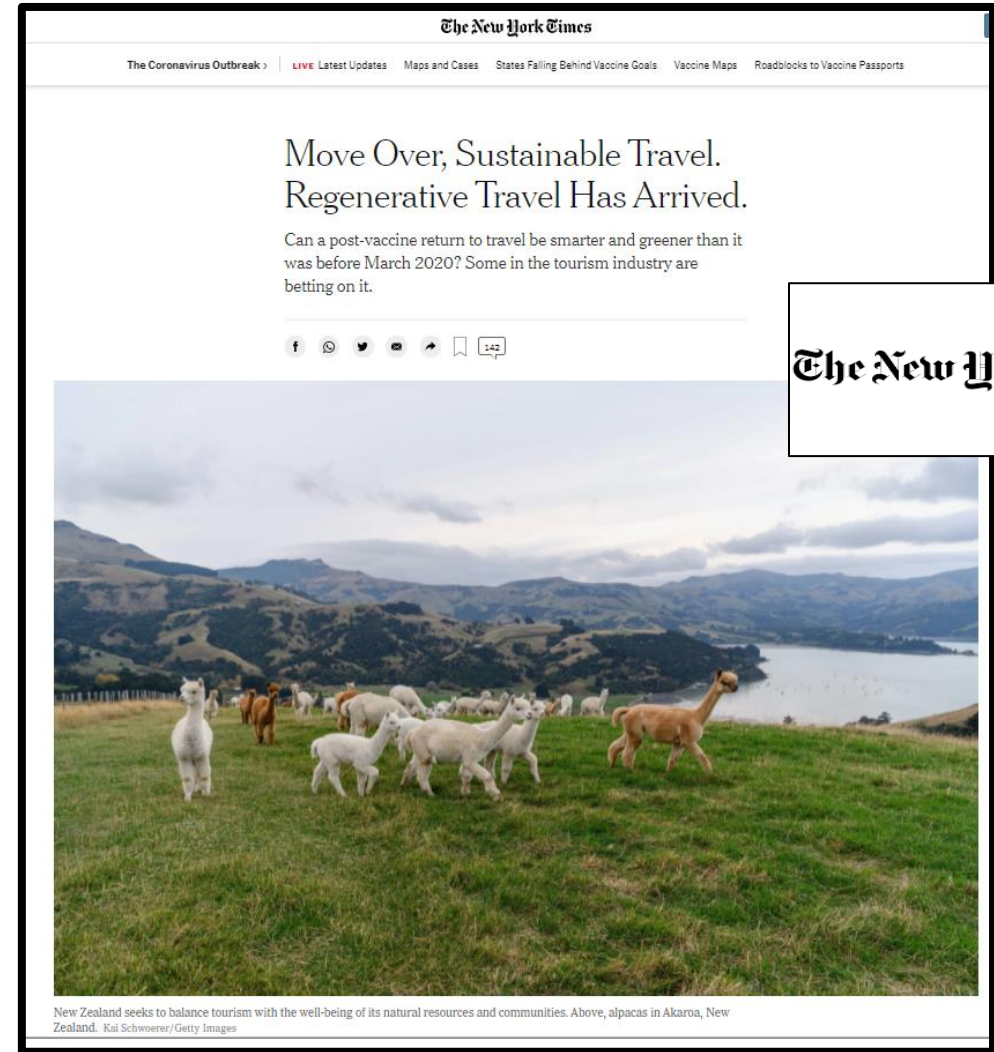
The regional regenerative economy will be tourism-industry lead while broadening the participation of indirect stakeholders for mutual benefit.



Ecotourism vs.

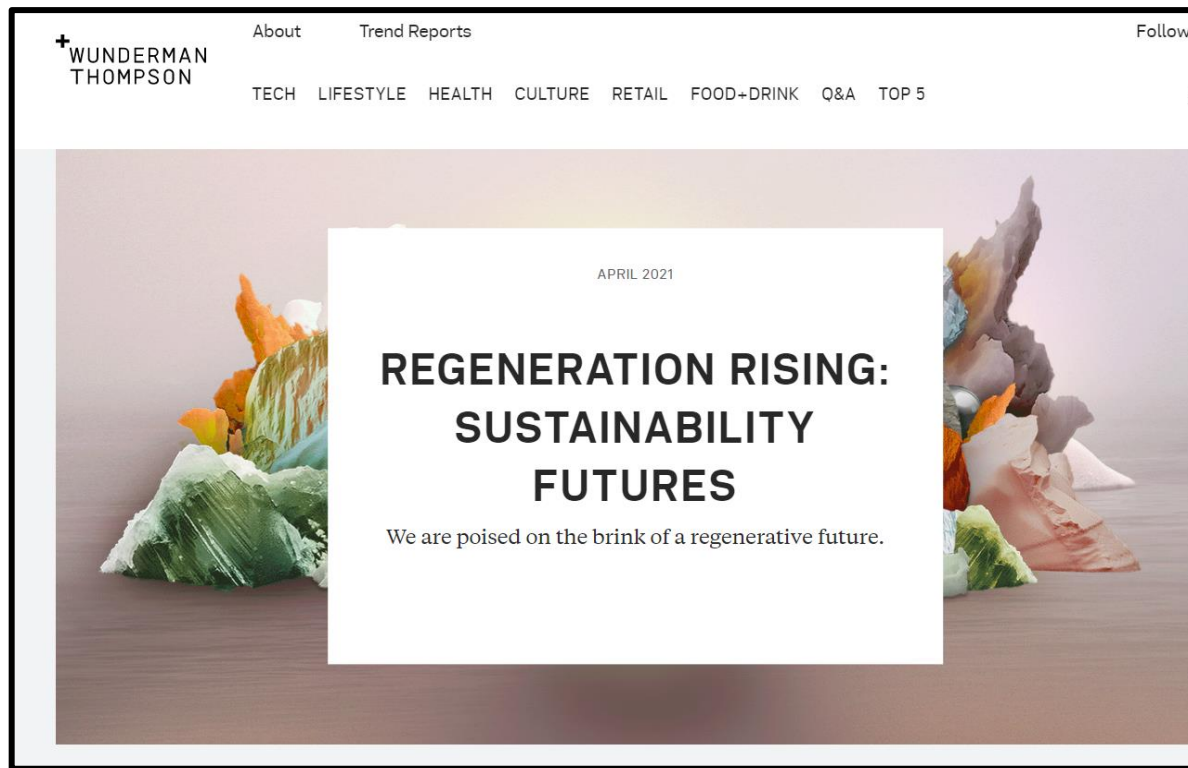
Sustainable Tourism

vs. Regenerative Tourism



The New York Times





**“Regeneration goes beyond sustainability and mitigating harm, to actively restoring and nurturing
– creating conditions where ecosystems, economies and people can flourish.”**



Regenerative Tourism

*Using **the business of tourism** as a catalyst, create resilient communities that will thrive now and into the future.*

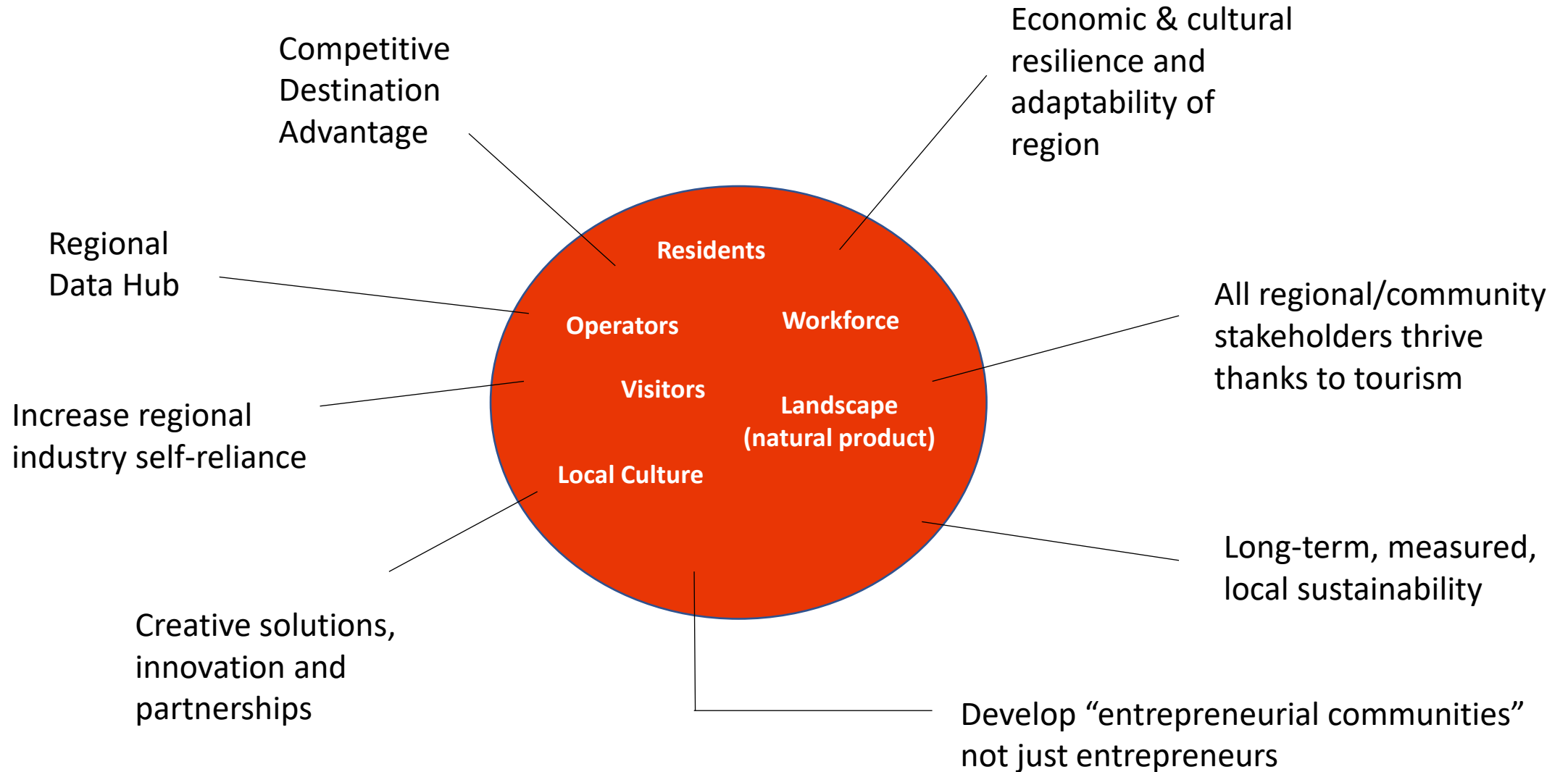
- Constantly build economic, social, cultural & environmental conditions for direct and indirect stakeholders to thrive
- Not anti-development or anti-profit

Economic Nutrition ^{CM}			
fogo island inn			
NIGHTLY STAY	WHERE THE MONEY GOES		
Labour	49%		
Food, Room Supplies	12%		
Commissions, Fees	5%		
Operations, Admin	18%		
Sales, Marketing	4%		
Surplus	12%		
Reinvested in the community of Fogo Island			
Economic Benefit Distribution			
Fogo Island	65%	Canada	19%
Newfoundland	13%	Rest of the World	3%
ECONOMIC NUTRITION is a certification trademark of Shorefast Foundation, used under license by Shorefast Social Enterprises Inc.			

Values are calculated retrospectively and updated when changes are material



Region-Centric Approach

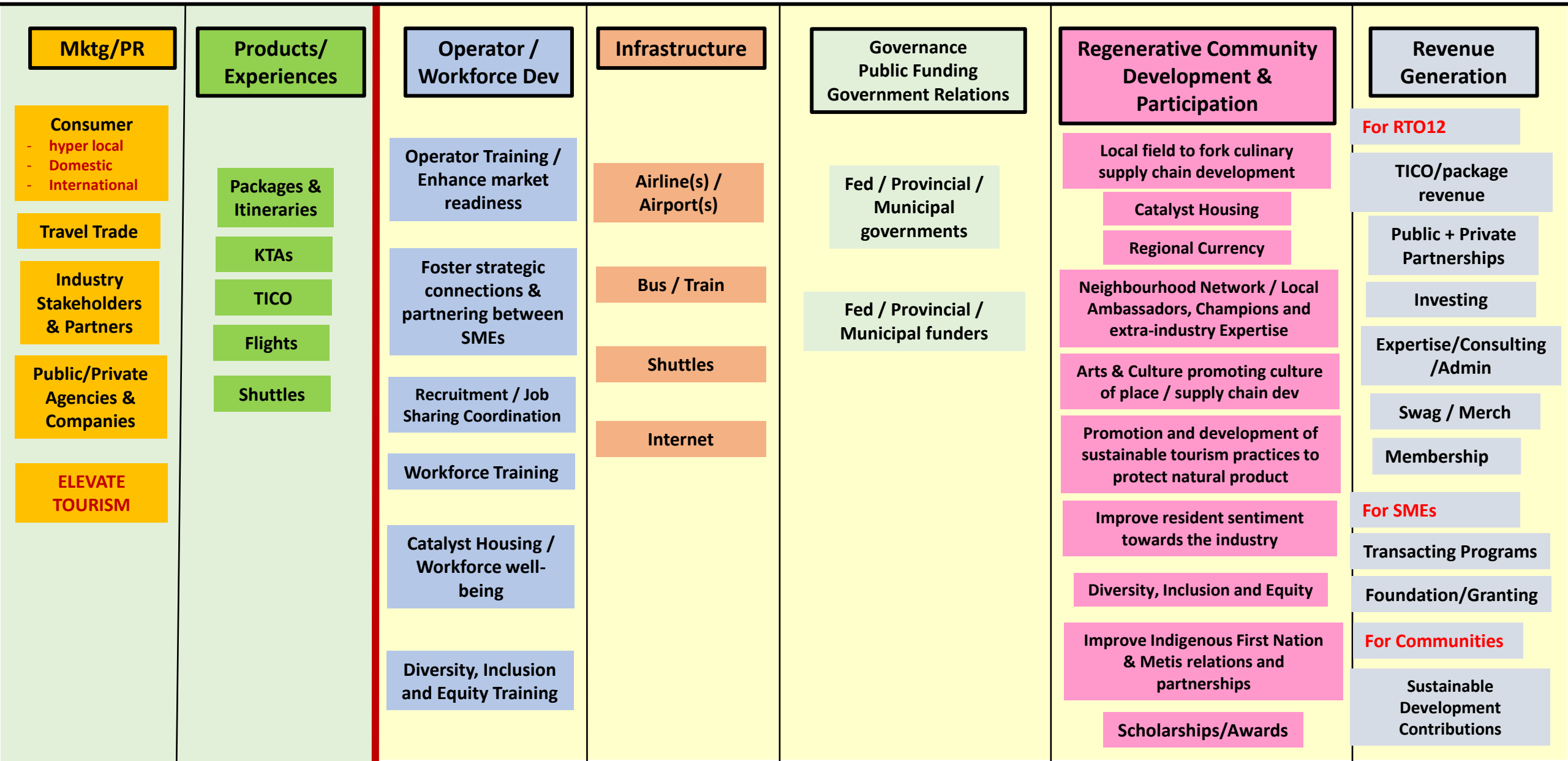


Destination Development Organization

The business of tourism as a catalyst for thriving communities.



RTO12: Destination Development Organization (Region-Centric Approach)



RTO12: Revised 3-Year Strategy

- New KPIs
- Greater Community Outreach & Participation
- Advisory Committees/Coaches to inform the work/team
- Long and short term objectives
- Return of the Business Barometer / Regional Tourism Data Hub



Already Regenerating at RTO12



- Cottage Country Spirit Local Travel Package
- TICO/package payment
- Regional/supplemental currency
- **Catalyst Housing**



Workforce Conundrum

Most tourism positions
are low wage/entry level

Average non-waterfront
house is \$580K

2019 median income
was \$35K

No one wants to work in tourism

Minimum wage workers will never get onto the housing continuum here (same for other sectors)

Workforce Conundrum

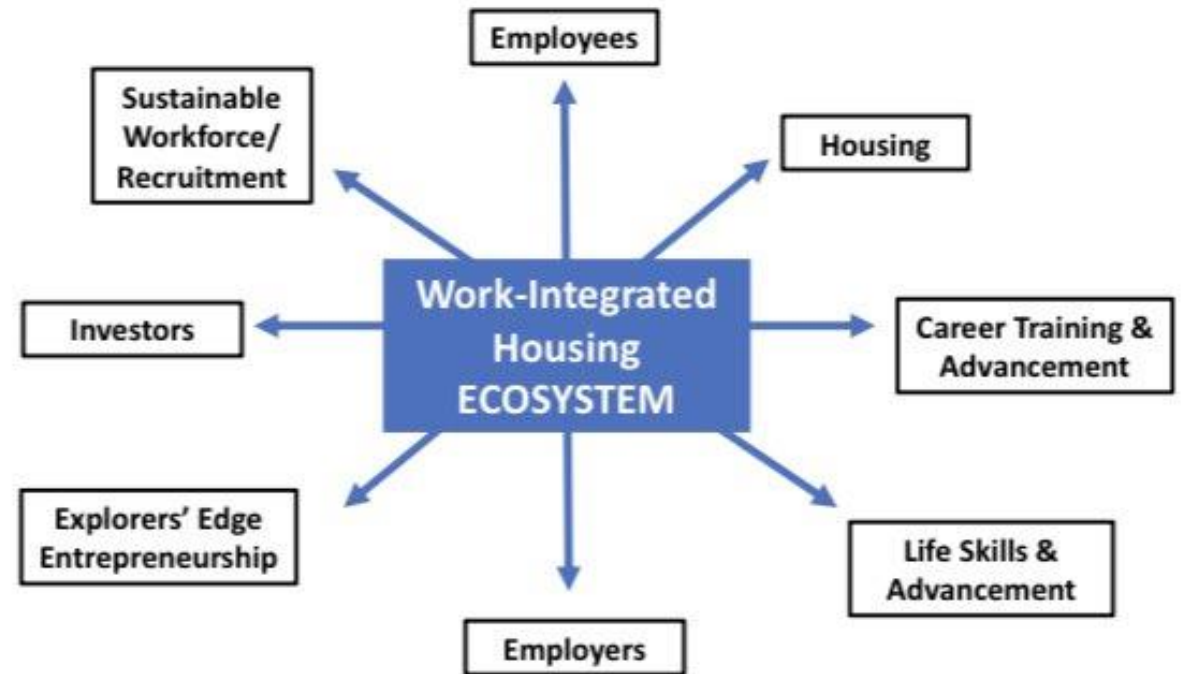
No perceived value in working in tourism as a career

...if we only look at wage.



Workforce Solution (Regenerative)

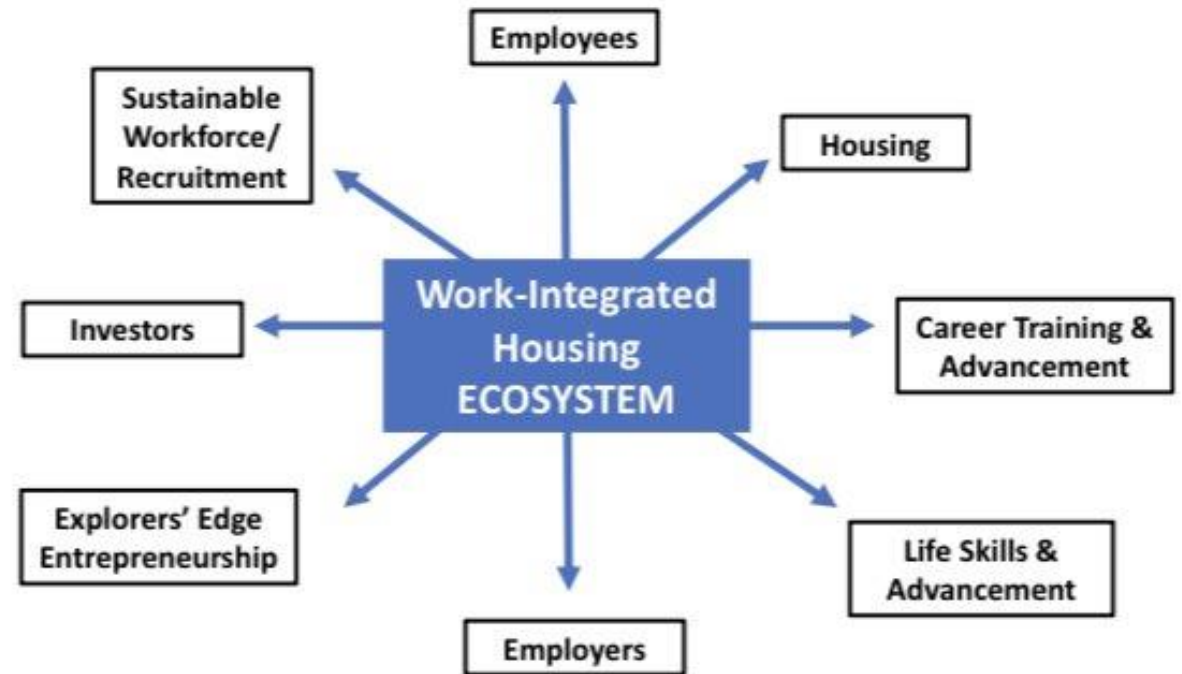
What if our industry and communities invested in housing that is designed to **act as a catalyst** for professional and personal growth?



“attract workers, develop professionals”

Workforce Solution (Regenerative)

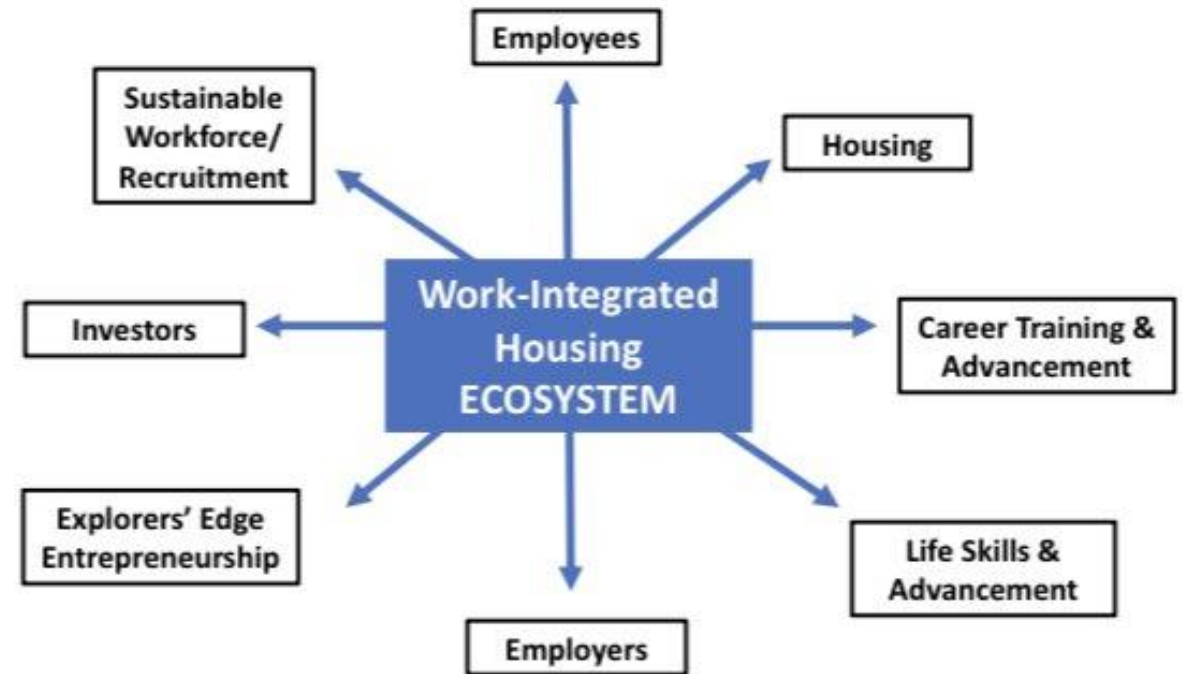
What if we created **additional value** for working in entry-level positions in our communities, and instilled a **sense of pride** through work-integrated training and learning?



“attract workers, develop professionals”

Workforce Solution (Regenerative)

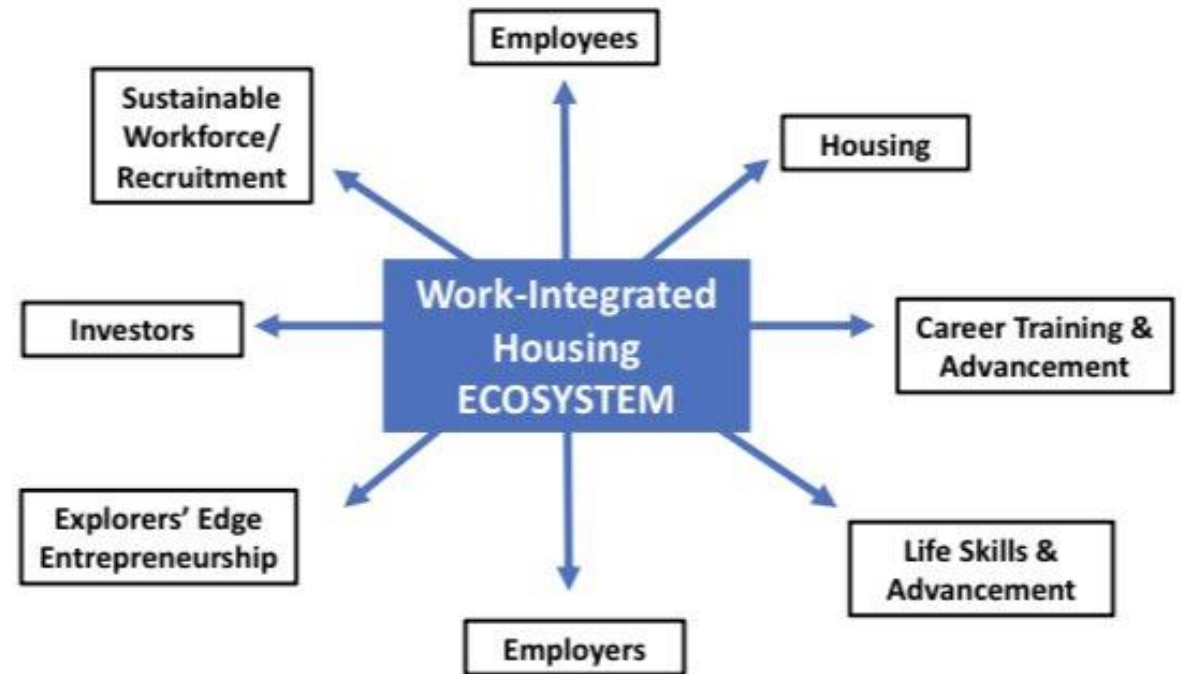
What if we ask tourism stakeholders (direct and indirect) and **impact investors** who believe in community development to make a long-term investment in housing designed to “attract workers, develop professionals?”



“attract workers, develop professionals”

Workforce Solution (Regenerative)

What if we created opportunities for tourism innovation, social enterprise and business incubators as part of the catalyst housing program?



“attract workers, develop professionals”

Value-Added Work

No perceived value in working in tourism as a career
...if we only look at wage.

It changes if there is **valued-added support** for industry workers
and greater likelihood of the overall tourism **business** and
community ecosystems **thriving**.



Regenerative Workforce Development for long-term industry sustainability

Catalyst Housing will offset the burden of high rent (fixed/short-term) while tenants concentrate on learning **professional and personal skills** to move up in their **tourism careers** and onto/upward on **the housing continuum**.

By leveraging work-integrated housing,
we will “attract workers and develop tourism professionals.”

