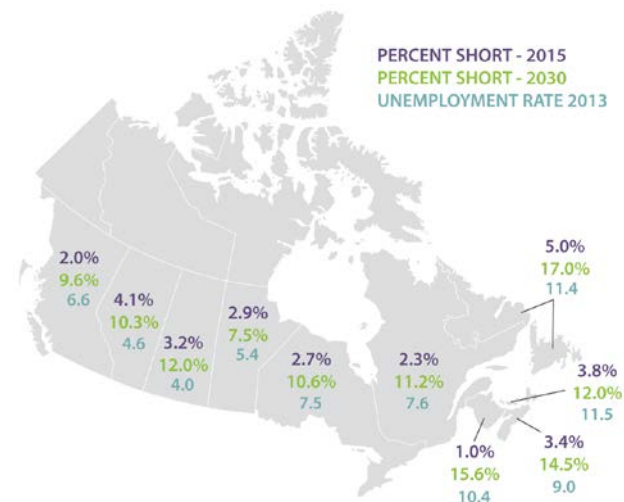


## Tourism Industry Association of Ontario (TIAO) Submission to The Changing Workplaces Review

Good morning. My name is Beth Potter and I am the President & CEO of the Tourism Industry Association of Ontario (TIAO). TIAO is the recognized umbrella association that advocates on behalf of the tourism industry as a whole on issues affecting the industry.

Tourism is vital to the provincial economy. Present in every riding in Ontario, tourism’s 149,000 businesses generate \$28 billion in annual receipts, are responsible for 4% of Ontario’s GDP, and represent more than 1.7 million employees in tourism-related industries<sup>1</sup>. Larger than agriculture, forestry and mining combined, the tourism sector is vast and varied—it includes attractions, festivals, events, accommodations, conventions, recreational activities, camping, culinary and more.

Globally, tourism is growing at a rate of 5% per year. In Ontario, however, the industry is growing at a rate of only 2.3%. About 1 in 10 Canadians are employed in the tourism industry, and about one-third of all tourism jobs are held by youth. Regardless, the tourism industry is facing labour shortages, with Ontario projected to fall 2% short of labour demand in 2015 and 11% short by 2030. If realized, this shortage will result in \$31.4 billion in forgone revenues for the tourism industry.



*Per cent Short of Meeting Labour Demand*

*Source: TIAC (2014). Gateway To Growth: Travel & Tourism Labour Force Report*

A study by the Canadian Tourism Human Resource Council (CTHRC) found that the probability of retaining staff increased 79% when training was made available for employees<sup>2</sup>. However, as Ontario’s tourism industry is largely comprised of SMEs that often lack resources and funding, the cost of this training can be exorbitant and as such discourage employers from providing it. A streamlined system across multiple disciplines (i.e. health and safety, accessibility, etc.) of training and certification for tourism employees would help offset this burden and positively influence labour retention.

<sup>1</sup> Ministry of Tourism, Culture and Sport (2015), Current Performance Indicators

<sup>2</sup> CTHRC (2013), Using Benefits to Attract Workers: The value proposition of non-wage benefits

Many tourism owners and operators have expressed that finding, training and maintaining staff is an ongoing challenge; therefore it is imperative that tourism businesses have access to a sufficient labour pool in order to be successful to today's economic climate. A large portion of Ontario's tourism industry is comprised of SMEs; the needs and capabilities of these businesses must be taken into account in order for Ontario's tourism industry to prosper.

We would suggest that the Government of Ontario should carefully consider any changes made to the Employment Standards and Labour Relations Acts through a tourism lens. Higher labour costs result in fewer employees being hired by tourism businesses, and additional administrative duties take away valuable time. By thoroughly examining the potential impacts of any and all changes made to the Act, negative unintended consequences for tourism businesses—such as job losses—can be minimized.

Under the current circumstances, the Employment Standards Act (ESA) hinders both employers and employees within the tourism industry in a number of ways. When combined, these obstacles effectively add to the labour shortage seen in the tourism industry overall—issues which are then exacerbated by the seasonality of tourism, as well as the non-standard work practices associated with it. Thus, consideration of the areas of interest above would facilitate flexibility for tourism employers and their employees under the ESA, and ultimately make tourism jobs more attractive. There's a perception of tourism industry jobs as simply jobs, and not viable career paths. Incentives and opportunities for youth—particularly those in college and university—are paramount to combatting the tourism labour shortage, creating jobs and positioning Ontario's tourism industry for growth.

While TIAO and its members understand that the provincial government has good intentions to include all interested parties in the consultation process, I would like to share with you that our members, the tourism businesses that contribute so much to our provincial economy, have been very busy over the past 12 weeks. They've been providing their guests, visitors to Ontario, with an exceptional experience. Thus, we look forward to a more detailed and productive discussion with you as you move forward to the next phase of this review.

Ontario generates \$15.8 billion annually in tourism labour income, but current and projected labour shortages show there are billions more remaining in untapped potential. Tourism accounts for 5.2% of provincial employment and 9.4% of national employment, but demand is nevertheless greater than supply. Reviewing and potentially amending the Employment Standards Act are positive steps towards protecting tourism employers and employees and ultimately growing the economic impact of tourism in Ontario.