

3.10—Tourism Program

BACKGROUND

The Tourism Program of the Ministry of Tourism and Recreation is responsible for developing and promoting Ontario's tourism industry. This industry includes a number of businesses that provide services like accommodation, food, attractions, transportation, retail opportunities, and travel assistance. The Ministry estimates that these businesses employ approximately 500,000 people and that the industry is the province's largest employer of young and seasonal workers. Annually, tourism generates an estimated \$17 billion for the Ontario economy and \$2.5 billion in provincial tax revenue.

The objectives of the Tourism Program are to promote tourism; stimulate employment; support the use of parks, tourist facilities, and attractions in Ontario; and encourage improvement in the standards of accommodations, facilities, and services offered to travellers. The role of the Ontario Tourism Marketing Partnership Corporation (Corporation)—a ministry agency that was established by regulation under the *Development Corporations Act* and began operating in 1999—is to market Ontario as a tourist destination by developing and implementing tourism advertising and marketing plans and enhancing partnerships with the tourism industry.

The *Tourism Act* and the *Ministry of Tourism and Recreation Act* provide the legislative authority for the operation of the Tourism Program. The Ministry operates 18 tourist information centres and is responsible for a total of nine tourism agencies and attractions. The Ministry directly operates the tourism attractions Huronia Historical Parks and Old Fort William. The tourism agencies, in addition to the Corporation, are governed by their own legislation and generate revenue to pay for the majority of their own expenses. These agencies are: Ontario Place, Metropolitan Toronto Convention Centre, Ottawa Congress Centre, Niagara Parks, St. Clair Parks, and St. Lawrence Parks.

For the 2001/02 fiscal year, tourism operating expenditures totalled \$83 million, of which \$52 million was spent by the Corporation and \$11 million was provided to the other tourism agencies.

AUDIT OBJECTIVES AND SCOPE

The objectives of our audit of the Tourism Program were to assess whether the Ministry and the Ontario Tourism Marketing Partnership Corporation had adequate procedures in place to:

- measure and report on the effectiveness of the program in promoting tourism in Ontario;
- ensure compliance with legislation as well as government and ministry policies; and
- manage resources with due regard for economy and efficiency.

The criteria used to conclude on our audit objectives were discussed with and agreed to by senior management at the Ministry and at the Corporation and related to systems, policies, and procedures that the Ministry and the Corporation should have in place.

The scope of our audit, which was substantially completed in March 2002, included discussions with ministry and corporation staff, as well as the review and analysis of documentation maintained at their offices and the office of Management Board Secretariat's Shared Services Bureau, which is partly responsible for the acquisition of consulting services. In addition, our audit work related to tourism agencies and attractions, with the exception of the Corporation, was limited to ministry funding for the maintenance and repair of capital assets.

Our audit was conducted in accordance with the standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

We also reviewed the relevant work performed by the Ministry's Internal Audit Services, which had undertaken a review of the Ministry's accountability framework with its agencies. This review was useful in reducing the extent of our audit work.

OVERALL AUDIT CONCLUSIONS

In the past decade, the Tourism Program has experienced numerous shifts in focus and organizational structure—as evidenced by its five different mission statements—as the responsibility for the Program has changed ministries six times. Another major change was the recent creation of the Ontario Tourism Marketing Partnership Corporation, which was delegated the responsibility for tourism marketing and advertising. In addition, at least 11 provincial ministries have a tourism objective as part of their mandates. Given the significance of tourism to the Ontario economy, the Ministry needs to take a more proactive leadership role in developing and implementing a long-term tourism strategy to help co-ordinate the many activities of public- and private-sector organizations that contribute to the promotion of tourism in Ontario.

Overall, we concluded that the Ministry and the Corporation did not have sufficient procedures to measure and report on the effectiveness of the Program in promoting tourism in Ontario. As well, in its annual business plan, the Ministry did not report the actual results achieved for any of its previously published performance measures. Also, after three years of operation, the Corporation had not submitted an annual report to the Legislature as required.

We also found that the Ministry and the Corporation did not have adequate procedures in place with respect to several aspects of their operations to ensure that the Program was delivered with due regard for economy and efficiency. Specifically, we noted the following:

- Tourism publications were not sufficiently comprehensive and were not published on a timely basis. For example, the Corporation's main tourism guide lists only 1,400 of an estimated 8,000 tourism facilities, and the 2001/02 winter events guide was not published until December 2001 and contained listings for events that had already taken place.
- There was no process in place to collect information on the tourism-related activities undertaken by other ministries and on the financial support provided by other ministries to the tourism industry. As a result, there was a risk of overlap and duplication of tourism-related programs and services offered by the government's ministries and agencies.
- Ontario's accommodation rating system and quality assurance standards for accommodations have not been adequately co-ordinated between ministries and the private sector. As a result, Ontario is one of only a few leading tourist destinations that does not have province-wide quality assurance standards or an accommodations rating system.
- Based on our examination of a sample of consulting contracts, we found that management consulting services were in many instances not justified by a business case, nor were related contracts signed on a timely basis. Moreover, several contracts were awarded directly to the vendor without competition, and other projects were split into separate contracts, thus allowing the Ministry to avoid open competition requirements.
- Both the Ministry and the Corporation maintain separate tourism information databases, and they do not have a process in place to periodically compare and update the information contained in these databases.

DETAILED AUDIT OBSERVATIONS

STRATEGIC PLANNING AND REPORTING

Ministry Vision and Strategic Planning

An organization's vision or mission statement identifies its overall purpose, provides general direction, and is important for developing specific plans for implementation. The development of a ministry vision statement assists in defining how services are to be provided and helps in the development of quality programs and services with greater efficiency and effectiveness.

Over the past 10 years, responsibility for the Tourism Program has changed ministries six times as a result of government reorganizations. Each reorganization has resulted in changes to the vision for tourism to reflect the focus of the new ministry. The following table illustrates some of the changes in the vision for tourism since 1993.

Tourism Program, 1993–2002

Ministry Responsible	Period	Vision or Mission Statement
Tourism and Recreation	To 1993	To "enhance the economic and social well-being of residents of Ontario by ensuring the development and maintenance of services, programs and facilities to support a wide range of tourism and recreation opportunities and choices in Ontario for residents and visitors."
Culture, Tourism and Recreation	1994–96	To "promote accessibility, economic advancement and development of culture, information management, tourism and recreation."
Economic Development, Trade and Tourism	1997–99	To help Ontario "achieve sustainable growth and jobs and to position Ontario as a leading North American destination for domestic and international travellers."
Tourism	1999–2000	To be "an innovative and dynamic tourism industry" that: "raises Ontario's profile around the world as a must-see tourist destination; encourages visitors to stay longer and return more often; shares the most accessible, up-to-date information with potential tourists; offers world-class tourism facilities and experiences for visitors; boasts the best trained, friendliest staff in the world; and generates jobs and develops the full economic potential of every region of the province."
Tourism, Culture and Recreation	2000–02	To be "a recognized national leader in job creation and investment through the support and development of the tourism...sector."
Tourism and Recreation	From April 2002	To be determined.

Source of data: Ministry of Tourism and Recreation

As indicated in the table, the Tourism Program’s vision or mission statements have changed with each successive ministry realignment. Normally, mission statements and their related goals do not change unless the circumstances under which they were created have changed. The Tourism Program has experienced significant changes in organization and focus over the past 10 years, and with each realignment, management structures within the Tourism Program have also been subject to numerous changes. In addition, in 1999, the responsibility for tourism marketing was transferred to a new agency, the Ontario Tourism Marketing Partnership Corporation.

In 1999, the then Minister of Tourism announced that, “our Ministry will co-ordinate the development of the province’s first comprehensive tourism strategy.” The anticipated strategy was developed but was never formally approved. In reviewing this document, we observed that it contained measurable short- and long-term objectives and an outline of specific activities to be completed. Given the complexity of the tourism industry and its significance to Ontario’s economy, there is a need for an overall strategic plan that would provide program staff with clear direction that transcends organizational restructuring, outlines accountability for program responsibilities, and prioritizes the Program’s many objectives.

Recommendation

To help strengthen accountability and provide clear direction to fulfill its vision, the Ministry should develop a strategic plan for the Tourism Program that has measurable short- and long-term objectives and an action plan with a defined accountability framework.

Ministry Response

The Ministry agrees with the recommendation and proposes to develop a renewed Tourism Strategic Plan that includes measurable short- and long-term objectives and a defined accountability framework.

Procedures to Measure and Report on Program Effectiveness

Management Board of Cabinet directives require that ministries publish a combined business plan and annual report that outlines plans for the following year and reports on performance from the previous year. The purpose of the government business planning process is to improve decision-making, support the development and delivery of high-quality programs, ensure outcomes are aligned with overall government priorities, and improve accountability for measuring and achieving results. Published business plans and annual reports are also intended to support openness and accountability to the public and the Legislature.

We reviewed the Ministry's business planning process for the 2000/01 and 2001/02 fiscal years and noted that the Ministry outlined a number of performance measures, each having targets and commitments for its core businesses. Although some actual results were reported internally, the Ministry did not report on the results of any of its performance measures in its published business plans. Therefore, the intent of the business planning process to support openness and accountability to the public and the Legislature for the achievement of program objectives was not fulfilled.

We also noted that the Ministry's performance measures and related commitments were often high-level indicators of Ontario tourism trends. For instance, one of its 2001/02 commitments was to generate \$500 million in total incremental tourist spending. This measure does not indicate the extent to which ministry activities increased tourism spending. Such high-level measures are affected by a variety of factors outside the Ministry's control, such as currency exchange rates, international events, and domestic economic conditions. Furthermore, local municipalities, private organizations, independent businesses, and several other provincial ministries also promote tourism in Ontario. With multiple organizations promoting different aspects of tourism, it is difficult to isolate the Ministry's contribution to achieving the stated goals of the Tourism Program. Performance measures that relate to the Program's activities needed to be developed to isolate the Ministry's contribution to the overall objective of promoting tourism.

The Ontario Tourism Marketing Partnership Corporation recognized the need to measure and report on the achievement of its objectives and established the Marketing Performance Assessment Committee in 1999. In July 2001, a performance report on the Corporation's operations was prepared for the committee. We observed that the Corporation had developed a number of performance measures. However, the Corporation needs to develop specific standards or expectations for many of these performance measures. For example, many measures are based on specific activities, such as the number of calls received or the number of publications distributed. Activity reporting without comparison to an established benchmark or expected outcome makes it difficult to determine whether the reported activity represents success or failure.

In addition, for the Corporation to be accountable for its expenditure of public funds, it is required to prepare an annual report on its affairs to be tabled in the Legislature. However, after three years of operation, the Corporation had still not prepared an annual report for the Legislature.

We observed that other jurisdictions had developed performance measures and were annually reporting on their achievements. They were also providing explanations as to why key measures were not met. For instance, in 2001, another Canadian province publicly released an annual report on tourism that contained a number of performance indicators including comparisons of targets with actual achievements, along with an analysis of achievements or reasons for not achieving each target.

Recommendation

To provide better accountability to the public and the Legislature for their use of public funds and to encourage a results-based operational focus:

- the Ministry should develop performance measures over which it has a reasonable degree of influence, report on the actual achievement of these measures, and provide explanations for any significant deviation from the expected outcomes; and
- the Ontario Tourism Marketing Partnership Corporation should develop standards for its performance measures and prepare the required annual reports for submission to the Legislature.

Ministry and Corporation Response

The Ministry agrees that some of its performance measures are out of its sphere of influence and will develop additional measures that are more directly influenced by ministry programs. Both commitments and results for these measures will be reported.

The Ontario Tourism Marketing Partnership Corporation supports the development of an effective method of measuring performance. The Corporation will report on its performance in its 2003/04 business plan. The Corporation will develop standards for its performance by end of fiscal 2002/03, by researching other jurisdictions of comparable mandates and budgets to establish benchmarks. The Corporation currently employs a return-on-investment model, which uses ad tracking to assess the effectiveness of its advertising and measures performance of this aspect of marketing. The Corporation is also building in performance tracking as part of the implementation of a new planning and accountability framework. We will implement these standards for the 2003/04 fiscal year and monitor them throughout the year to ensure they provide results-based information.

The Ministry will work with the Corporation to ensure that it prepares the required annual reports for the Minister's approval and submission to the Legislature.

Co-ordination of Tourism Initiatives

The Ministry and the Corporation are not the only promoters of tourism in the province: many other public and private organizations and businesses promote tourism in Ontario. For example, the Ministry indicated that there were at least 11 other provincial ministries that have a tourism objective in their mandates.

In the past there have been attempts to co-ordinate the various tourism-related activities administered and funded by different ministries and agencies. For instance, in 1997, an inter-ministerial committee comprising twelve ministries with a tourism mandate was

created to analyze policy issues related to tourism. During its two years of operation, the committee produced a draft “Tourism Action Plan” for submission to Cabinet but the plan was never submitted.

At the time of our audit, the Ministry was using a wide range of approaches to co-ordinate tourism-related activities. For example, ministry staff attended meetings with many of the major tourism associations, and corporation personnel conducted province-wide “town hall” meetings to discuss marketing initiatives. Policy was co-ordinated through a number of formal and informal means with staff from other ministries and agencies. As well, the Ministry was regularly commenting on submissions that had a tourism component and were prepared by other ministries and agencies for government committees. However, the Ministry did not have adequate information on the tourism-related programs administered by other ministries and agencies or on the related funding provided to the tourism industry by these ministries and agencies.

The Ministry stated that most other provincial programs provide funding to specific industries or regions with tourism as a secondary objective. For example, the Ministry of Northern Development and Mines provides assistance to support northern communities, and the Ministry of Agriculture, Food and Rural Affairs provides assistance to rural areas. In fact, each of these ministries provide more direct financial assistance to the tourism industry than the Ministry of Tourism and Recreation. The Ministry therefore needs be aware of the financial support the tourism industry is receiving from other provincial ministries to prevent possible overlap and duplication.

Given the number of different approaches and programs supporting the tourism industry, there is a need for more proactive leadership in the co-ordination of tourism activities. For effective co-ordination, roles and responsibilities need to be well defined. The lack of clear responsibilities can lead to inefficiencies in program delivery. For example, in 1998, the Minister of Northern Development and Mines announced the creation of the Northern Ontario Tourism Marketing Association (Association) with the objective of developing tourism programs to market Northern Ontario. From the outset, the Corporation and the Association experienced difficulties co-ordinating their activities, and the intended integration of their marketing plans and customer information systems was never accomplished. The Ministry informed us that the Association is no longer in operation.

Given that the activities of various ministries and agencies can contribute to the Ministry’s overall objective of promoting tourism, it is important for the Ministry to co-ordinate its activities with other government and industry programs to ensure that Ontario tourism is effectively marketed.

Recommendation

To help ensure that provincial funding in support of Ontario’s tourism industry is used in an efficient and effective manner, the Ministry should:

- minimize the risk of overlap and duplication between its programs and services and those of other ministries and agencies;
- develop a process to collect financial information on the support provided to the tourism industry by other ministries; and
- develop a strategy to assist in the co-ordination of all government activities that promote tourism in the province.

Ministry Response

The Ministry recognizes the importance of minimizing the risk of overlap and duplication between its programs and those of other ministries. The new Tourism Strategic Plan will provide a focus for co-ordinating government efforts in support of tourism.

To support ongoing co-ordination, the Ministry will develop an annual survey in 2003/04 to collect information on the programs, services, and financial support provided to the tourism industry by other ministries.

Legislative Review and Tourism Licensing

The *Tourism Act* gives the Ministry the authority to license and regulate tourism and accommodation establishments. The Act outlines, for instance, how no advertising matter or sign connected with a tourist establishment that is subject to the provisions in the Act shall contain any inaccurate or misleading statements. The *Ministry of Tourism and Recreation Act* outlines the objectives of the Ministry and provides the authority to develop programs of financial assistance to further those objectives.

In 1996, the Ministry reviewed the *Tourism Act* and explored alternatives to the licensing of tourist establishments, and, in 1998, legislative amendments were proposed that would remove the province-wide requirements of the *Tourism Act* to license tourism establishments. These proposed amendments were considered to be an interim measure until the licensing of establishments that use Crown resources could be replaced by an industry self-managed certification process. The legislative changes were intended to better reflect the province's perceived role in tourism, but the proposed changes were not made.

The Ministry is attempting to move away from its direct regulatory role citing a lack of resources and expertise to properly administer and enforce the provisions of the *Tourism Act*. The Ministry also contends that revisions to the *Ministry of Tourism and Recreation Act* also need to be made to reflect the current role of the Tourism Program.

As part of the 1998 legislative review, the Regulation to the *Tourism Act* was amended, exempting approximately 2,500 tourist establishments that do not use Crown lands from the requirements of the Act, including the need to obtain a licence. The Ministry would continue to license the approximately 1,400 tourist establishments that use Crown lands. In having made these regulatory amendments, the Ministry may have created inequities

between the tourist establishments that use Crown lands and those that do not in that only establishments using Crown lands must obtain a licence and comply with the many requirements of the *Tourism Act*.

In the 2001/02 fiscal year, the Ministry planned to conduct another review of legislation, which would include consultation with the industry. This review is expected to provide a timely and appropriate context for examining solutions proposed for tourism licensing. As of March 2002, this review was still in progress.

In addition we noted the following:

- The Ministry informed us that approximately 290 tourist operators using Crown lands had not renewed their licences for the 2001/02 fiscal year. While the Ministry did not know why these establishments had not renewed their licences, ministry staff believed that most of the establishments were still operating.
- The Ministry does not conduct any routine inspections of tourist establishments. The licensed establishments are required to provide for the health and safety of their guests, and facilities must comply with other legislation such as the *Building Code Act, 1992*, the *Health Protection and Promotion Act*, and the *Environmental Protection Act*. We were informed that the operator is relied on, as a condition of the licence, to ensure compliance with the regulatory requirements of the *Tourism Act*. The Ministry did not have a process in place to periodically ensure compliance with the legislation.

Recommendation

To clarify the Tourism Program's responsibilities and ensure compliance with relevant legislation, the Ministry should:

- consider reviewing all other tourism legislation during its current review of the *Tourism Act*; and
- follow up on establishments that have not renewed their licence and review procedures to ensure that tourist establishments comply with the legislation currently in place.

Ministry Response

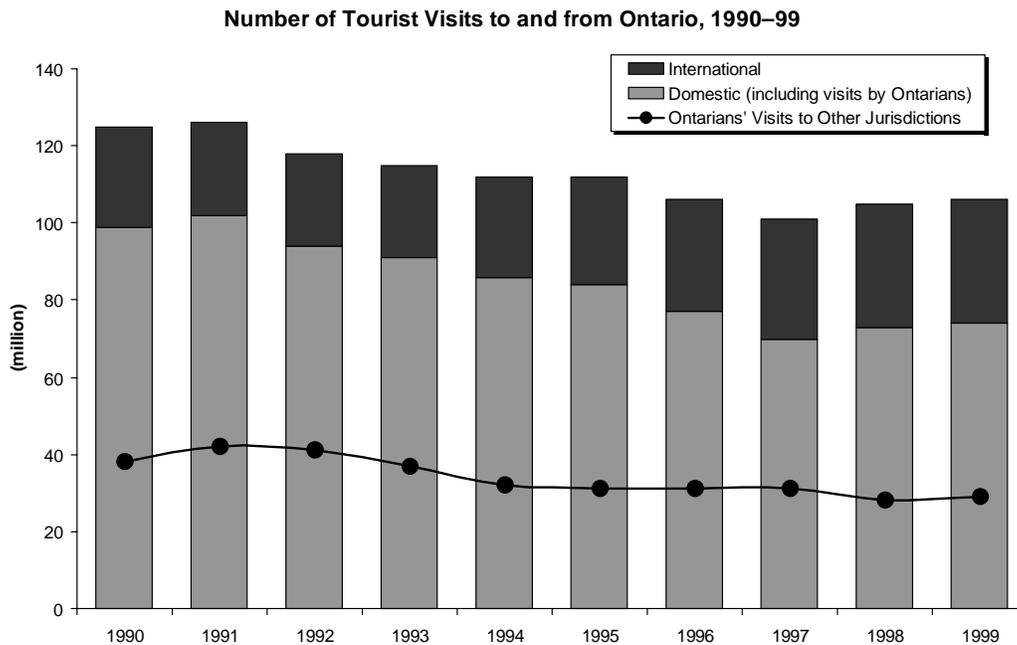
The Ministry appreciates the value of a comprehensive approach to legislation affecting tourism but notes there are 92 provincial statutes and regulations that affect tourism in Ontario with most not exclusively related to tourism or administered by the Ministry. The Ministry will need to weigh the anticipated costs and benefits of conducting a review of those statutes and regulations to determine its feasibility.

To deal with those establishments that fail to renew their licences, the Ministry will review the licensing function in 2003/04 with a view to removing impediments that deter tourism operators from complying with the legislation and to increasing the incentive to do so. The Ministry will work with its own

field service offices and those of the Ministry of Northern Development and Mines to ensure there is a timely and effective follow-up with delinquent tourism operators.

TOURISM PROMOTION

Ministry statistics indicate that the number of tourists visiting Ontario has gradually declined over the last 10 years. A tourist is a person who travels for leisure, business, or other purposes at least 40 kilometres outside their usual environment, either overnight or for same-day activities. As illustrated in the following bar graph, the decline results from a 25% decrease in the number of domestic tourist visits (including those by Ontario residents), which was partially offset by an increase in international tourist visits. In comparison, the number of visits by Ontario residents to other jurisdictions was also reported to have declined.



Source of data: Ministry of Tourism and Recreation

The domestic statistics for 2000 and 2001 and the international statistics for 2000 indicate further declines in the number of tourist visits. In spite of the overall decline in the number of visitors over the last 10 years, the Ministry estimates that expenditures made by tourists in Ontario have increased marginally.

The overall decline in the number of people vacationing in Ontario is attributed to a number of factors—such as recessions and currency fluctuations—that are outside the direct control of the Ministry and the tourism industry. However, innovative marketing and advertising can attract both domestic and international visitors to the province and encourage Ontario residents to vacation in Ontario.

Marketing Plans

The Corporation is responsible for tourism marketing. Its annual tourism marketing plan provides a high-level assessment of the products and services offered by the tourism industry in Ontario, as well as the geographic areas that the Corporation will target in its marketing activities. The plan also outlines the resources available to the Corporation and provides general direction to its management for decision-making relating to marketing and the use of resources.

We reviewed the Corporation's 2001/02 and 2002/03 marketing plans and the supporting documentation and analyses. We observed that the published marketing plan, which is available to the public and industry stakeholders, provided an indication of the Corporation's marketing objectives for the year, including the industry products and services it intended to promote. However, we observed that documentation and analysis used to support the marketing decisions needed to be improved. Specifically, we noted that there was a lack of documentation to support the decisions on the markets to be included or excluded from the annual marketing plan. We also found no formal analysis of the viability of potential demographic or geographic markets to target for advertising campaigns.

In reviewing other jurisdictions, we noted that the federal agency responsible for tourism marketing for Canada had developed a market portfolio analyses process. The process was developed to assist in decision-making by providing a method to objectively evaluate and prioritize the tourism potential and performance of the target markets fairly and consistently. The process complements subjective market intelligence and feedback from the industry. The federal process indicated that a number of countries had a high potential for good marketing results, including countries not being targeted by the Corporation, such as Mexico, Taiwan, Hong Kong, South Korea, and Brazil.

Recommendation

To maximize the impact of its marketing process for attracting visitors to Ontario, the Ontario Tourism Marketing Partnership Corporation should:

- **require the selection of potential markets be supported by documented analysis; and**
- **review the applicability to Ontario of marketing analysis research used in other jurisdictions.**

Corporation Response

The Corporation's annual marketing strategy will include a market portfolio analysis (MPA) process, based on best practices found in other jurisdictions, including the Canadian Tourism Commission (CTC).

In developing its marketing strategy for 2003/04, the Corporation has reviewed the CTC's MPA model, and made use of documented analysis of consumer data

on U.S. and domestic markets to guide its marketing direction in those markets. It has also used information on overseas markets based on recent reviews involving interviews with industry sources.

The Corporation will continue to improve on documenting its evidence-based decision-making and refine its marketing plan development process in the next two years.

Advertising Program

To promote Ontario as a tourist destination, the Corporation, in association with the government's Advertising Review Board, engages advertising agencies to assist in the creation and placement of advertisements in a variety of media, including television, radio, and print materials. To share the cost of its advertising campaigns, the Corporation enters into arrangements with tourism industry partners, such as hotel chains and local tourism associations. The Advertising Review Board and the Corporation have contracted with three advertising agencies to provide advertising services. For the 2001/02 fiscal year, the Corporation spent approximately \$30 million on tourism advertising campaigns, which included special one-time funding of \$12 million for an enhanced marketing strategy to promote Ontario as a travel destination, and the Corporation recovered \$6 million from its industry partners.

We reviewed the policies and procedures in place to monitor the approval and payment of advertising agencies. We observed a number of financial control weaknesses, some of which we reported in 1999 as part of a review of financial controls at the former Ministry of Economic Development, Trade and Tourism. Specifically, in this audit we observed the following:

- Agency billings were not checked to ensure that the advertising had actually been completed in the manner and volume agreed to. In addition, invoices from two of the agencies did not specify what part of the total billing was for commissions. Consequently, the accuracy and completeness of advertising payments could not be verified by corporation staff. Contracts with two of the advertising agencies allow for the auditing of the agency's billings up to four years after the expiration of the contract. However, these two advertising agencies' billings had never been audited. The current contracts with the three advertising agencies expired between January and November 2001 and have been extended by letters of agreement. We were informed that, subsequent to our audit and based on a competitive process, the Corporation negotiated new advertising agency agreements.
- The contracts with the advertising agencies require that performance reviews of the agencies' delivery of service be carried out annually to ensure the execution of programs in accordance with stated objective and policies. However, the Corporation has not formally reviewed the performance of its advertising agencies.

Recommendation

To help ensure the economic, efficient, and effective delivery of its advertising campaigns, the Ontario Tourism Marketing Partnership Corporation should:

- conduct or arrange for the auditing of the billings of the advertising agencies it contracts with to ensure that planned advertisements have been placed and agency billings are accurate; and
- complete, as required, the annual performance reviews of the advertising agencies.

Corporation Response

The Corporation previously used the services of three agencies in addition to the agency of record for the government of Ontario—one for domestic advertising, one for international advertising, and one for publications. As of August 2002, the Corporation has consolidated its use of agencies to two—one for both domestic and international advertising and one for publications.

The Corporation will engage the agency of record to be responsible for purchasing all media, both domestic and international. The Corporation's new advertising agency will only undertake media planning and production. The agency of record will be responsible for all other documentation and invoices. The Corporation is also in discussions with the Advertising Review Board's executive director on the issue of periodic auditing. The Corporation will monitor this process and make recommendations to the Advertising Review Board as appropriate.

Training will be provided to the Corporation's management on agency management, including contents and terms of the agency contract.

A formal agency performance review will be completed annually. Informal review sessions will take place periodically.

Consumer Publications

An integral part of the Corporation's tourism marketing process is the production and distribution of printed promotional and informational materials. These publications are designed to attract travellers to Ontario and help encourage travellers to stay longer and spend more. Publications also provide tourist operators with a cost-effective medium to promote their establishments. The revenue generated through the sale of advertisements within publications helps reduce the Corporation's production cost. In the 2001/02 fiscal year, the Corporation spent approximately \$3 million to create, publish, and distribute about 10 publications, and the Corporation recovered \$1 million from the advertisements placed by tourist operators.

We reviewed the Corporation's policies and procedures related to the production and distribution of publications and observed the following:

- Tourists had expressed concerns to the Ministry about the Corporation's publications, specifically that they were not sufficiently comprehensive and were not easy to use in planning a trip. For example, we observed that the Corporation's main tourism guide contains listings for about 1,400 facilities that had paid a fee to be included in the publication; however, more than 8,000 facilities are recorded in its database. In comparison, tourist publications in other jurisdictions, such as British Columbia and Nova Scotia, contain detailed information on large numbers of their provinces' facilities, making these guides far more complete than those currently available in Ontario.
- Many of the Corporation's publications were not available on a timely basis. In some cases, they were not available prior to the start of the season for which they were intended to be used. For example, the *2001/02 Winter Events Guide* was not available to the public until early December 2001 and contained listings of events that had already taken place. This publication would not be helpful for tourists wanting to preplan vacation activities. In comparison, other provinces generally had seasonal publications available to the public as much as four months prior to the start of the related season.
- The Corporation did not offer tourist operators the option of placing advertisements in its French-language publications. Therefore, none of the French-language publications produced by the Corporation contained partnership advertisements. In contrast, the Corporation's English-language publications generate revenues that represent one third of the production cost. We noted that Nova Scotia had been successful in arranging for a considerable amount of advertising in its French-language tour guide.
- The Corporation supplies publications to regional travel associations and municipalities in quantities that are based on the amounts supplied in the previous year rather than on an objective assessment of demand. In addition, we noted that the Corporation's publications inventory contained a significant quantity of old products that are no longer useful to tourists and for which it continues to pay storage costs.

Recommendation

To help ensure that its tourism publications are produced and distributed in an economical and effective manner and that they effectively meet the needs of tourists, the Ontario Tourism Marketing Corporation should:

- **review the completeness of the tourism information contained in its publications, and release publications on a more timely basis;**
- **assess the potential for obtaining advertising revenue for its French-language publications; and**
- **review its distribution and inventory policies.**

Corporation Response

The Corporation has begun a comprehensive review of its consumer publications. The review will be completed in March 2003 and will look at the role of both electronic and print publications in consumer decision-making, timing of trip planning, and the type of information that is most in demand. Consumer market research will be conducted to determine how people are using the publications. Secondary research will involve a competitive review of other tourism jurisdictions relative to consumer publications.

The Corporation will assess the potential for advertising revenue from its French-language publications. If there is good potential, appropriate industry partners will be approached for advertising participation in the 2003 publications.

In conjunction with the publications review currently underway, the Corporation will review its inventory and distribution policies and revise them as appropriate.

Festival and Event Grants

The Corporation administers two grant programs: the Tourism Event Marketing Partnership (TEMP) and the Industry Partnership Proposal (IPP). These grant programs provide financial assistance to eligible organizations for their marketing and advertising initiatives. The programs' primary objective is to encourage and increase tourism in the province. The amount of the grants they provide is based on the percentage of an organization's eligible project costs. The maximum grant amounts per eligible recipient are \$50,000 for the TEMP and \$60,000 for the IPP. During the 2001/02 fiscal year, approximately 100 eligible recipients received grants totalling \$2.7 million.

In 2001, the Ministry engaged a consultant to compare the province's funding and other initiatives in support of festivals and events with those of other jurisdictions. The consultant made a number of recommendations, including the need to streamline application forms and develop a province-wide festival and events strategy.

We reviewed the Corporation's administration of its grant programs and found that grants were properly reviewed and approved according to program eligibility and funding criteria. However, improvements were required as follows:

- One of the key goals of the TEMP program is to develop off-season events. Applications for festivals and events that take place in the spring and winter (the off-seasons) should be given priority. The Corporation does not set a specific deadline date for grant applications but requires applications be submitted four months prior to the date of the event. We reviewed the 2001/02 approved applications and found that six months into the fiscal year (September 2001) the TEMP's budget had been fully committed, primarily to summer and fall events. As a result, no budgeted funding was available for

winter and spring events that had not, as of September 2001, submitted their applications for review and approval. We were informed that the Corporation had to allocate additional funding to support off-season events.

- One of the Corporation's key performance measures for the grants programs is the value of contributions, both financial and in-kind, that festival and event organizers raise from other sponsors. The information on the value of sponsorship revenue is a measure used by the Corporation to demonstrate its effectiveness in developing partnerships.

We noted that the information to support this performance measure needed to be more closely monitored. For instance, when applying for a grant, festival and event organizers are required to submit letters from each of their sponsors indicating what funds they have committed; however, we observed that only half of the applications sampled submitted sponsor letters. As well, the Corporation had no procedure for periodically verifying the accuracy of the sponsorship contributions and therefore could not be assured that the information it was using to measure its performance was accurate.

- After festivals and events have taken place, grant recipients are required to submit a post-project report to the Corporation that details how the grant was spent and outlines the results obtained. However, the Corporation had not received the required reports from 30% of the recipients. The Corporation also did not assess whether the grant programs met the objective of increasing tourism in the province.

Recommendation

To ensure that the financial assistance provided to festivals and events through its two grant programs achieves the overall objective of encouraging and increasing tourism in the province, the Ontario Tourism Marketing Partnership Corporation should:

- **develop a formal, province-wide strategy for providing financial support to eligible festival and event operators;**
- **more effectively monitor grant approvals to help achieve the goal of developing off-season events;**
- **develop procedures to periodically verify the sponsorship commitments that are generated through festival and event organizers; and**
- **ensure that grant recipients submit the required post-project reports and review all reports received to assess the success of the grant programs.**

Ministry and Corporation Response

A study commissioned by the Ministry identified festivals and events as key players in reflecting community culture, history, and traditions, thereby having tremendous value in drawing national and international visitors and reaping the economic benefits.

The Ministry, in partnership with the industry, will publicly release the study's recommendations in November of 2002.

The Corporation has now developed and implemented major Ontario event funding criteria for large, world-class events and festivals in Ontario as part of its Tourism Event Marketing Partnership Program.

The Corporation has recently negotiated an agreement with ministry field services staff to identify off-season and winter-season events for program support. Funds have been allocated to support events during these seasons.

To support its oversight of sponsorship revenues, the Corporation will work with the Ministry's Internal Audit Services to develop and implement procedures that will periodically verify these revenues.

The Corporation will continue to require post-project reports from event organizers and ensure future funding is contingent on receiving such reports. For events not requesting additional funding, the Corporation will monitor to ensure the event was implemented as outlined in the proposal.

The Corporation will develop a formal evaluation framework in which all post project reports will be analyzed to assess program success and will use this information to improve program decisions in the future.

TOURISM OPERATIONS AND SERVICES

Travel Information Centres

The Ministry operates eleven year-round and seven seasonal travel information centres with annual expenditures of approximately \$4.2 million. In addition to welcoming tourists and providing travellers with information on Ontario, the objectives of the centres are to encourage visitors to stay longer, return more often, and spend more money in Ontario. For the 2001 calendar year, the travel information centres received approximately 2.3 million visitors. This represents a decline of almost 25% in the number of visitors using a travel information centre since 1998.

In 1997, the Ministry surveyed visitors to determine their opinion on the effectiveness of the travel information centres. The survey indicated that, as a result of the information obtained at a travel information centre: approximately 13% of the visitors extended their stay by an average of 1.7 days; 64% of the visitors intended to return to Ontario; and during the survey period (July to September 1997) tourists spent an estimated \$12 million more in the province.

In 1998, the Ministry's Internal Audit Services reported on the operations of the travel information centres. In their report, Internal Audit Services concluded that the Ministry's survey was an adequate measurement tool and recommended that the survey be conducted

every two years. The Ministry agreed they would do so provided sufficient funding was available.

The Ministry has not conducted a survey of visitors to travel information centres since the 1997 survey and does not have other performance measures in place to measure the effectiveness of the centres in meeting their objectives. In 2001/02, the Ministry had planned to conduct a similar survey to obtain a better understanding of customer needs and to identify actions required to meet visitors' expectations and increase the number of visitors to Ontario. However, at the time of our audit, the planned survey had not been undertaken.

Recommendation

To help assess whether provincial travel information centres are effective in meeting their objectives, the Ministry should develop procedures to periodically evaluate whether the centres continue to encourage visitors to stay longer, return more often, and spend more money in Ontario.

Ministry Response

The Ministry agrees that a thorough evaluation of the travel information centres to ensure objectives are being met is important for the future effectiveness of operations.

The Ministry will continue to monitor customer satisfaction and the development of information services throughout travel centres. We will continue to monitor the effectiveness of the travel centres and their ability to deliver travel information services that entice visitors to stay longer, return more often, and spend more money in Ontario.

The Ministry will also review opportunities that will enhance the centres' ability to create a positive image of Ontario, through the development of a business case that provides a long-range plan to guide the future direction of its travel information centres and meets the ever-changing visitor expectations for easily accessible information and travel choices.

Maintenance of Agency and Attraction Assets

The Ministry's tourism agencies and attractions are responsible for maintaining a broad range of assets, including 150 historic heritage buildings. Heritage assets are usually considered irreplaceable and are intended to be preserved in trust for future generations. Most of the tourism agencies' and attractions' assets have had no significant capital investments for repair and maintenance in recent years. Tourism agencies and attractions require significant capital investment to remain competitive and attract repeat visitors.

In its 2000/01 capital plan, the Ministry indicated that without multi-year capital investments for rehabilitation and improvement, some of the sites at its attractions might need to be closed due to the level of disrepair, which could result in reduced attendance and revenues. The government's capital planning process requires that the Ministry conduct a formal assessment of the value and condition of its assets, including those of a historic or heritage nature. However, for most assets, no monetary value was assigned and no condition assessment done. In those instances where a condition was provided, it was often too imprecise to determine the amount of funding required to maintain the asset. For instance, some assessments identified an asset as "deteriorating" or "fair".

Many of the assets at the province's agencies and attractions are considered by both ministry and agency management to be in serious need of repair. For the 2001/02 fiscal year, tourism agencies had estimated that \$75 million in capital funding was required over the next five years for repairs and maintenance. The Ministry received approval for \$30 million over the next five years. During the 2001/02 fiscal year, the Ministry allocated the \$5 million in funds received to high-priority health and safety capital projects. No funding was available for regular repairs and maintenance or for new capital projects.

Recommendation

To ensure that its tourism agencies' and attractions' assets are adequately maintained for the benefit of future generations and provide a safe environment for staff and visitors, the Ministry should:

- **conduct a formal assessment of the value and condition of all of its assets, especially those of a historic or heritage nature; and**
- **develop a long-term capital maintenance plan to identify the funding needed to rehabilitate the capital infrastructure and preserve assets.**

Ministry Response

The Ministry concurs with the recommendation that a formal assessment of the value and condition of all its assets is key to a long-term maintenance plan—to identify funding needed to rehabilitate infrastructure and preserve assets and to build solid business cases for continued investment by the province in its assets.

The Ministry currently does not have operating funds available and will need to examine alternative avenues to implement the recommendation related to the formal assessment. However, the Ministry will continue to prioritize health and safety needs among other capital requests on an annual basis.

The Ministry is working on the development of a more strategic approach to capital maintenance planning.

Service Standards and Accommodation Rating Systems

One of the primary objectives of the Ministry of Tourism and Recreation is to encourage and promote improvements in the standards of accommodations, facilities, and services offered to travellers in Ontario.

Accommodation rating systems enable a future visitor to plan and choose accommodations based upon a quality-assurance system. With the increased use of the Internet, potential travellers can now plan their trips by accessing the Web sites of prospective destinations. To remain competitive, potential destinations must offer a variety of experiences and provide an indication of the quality of the service or attraction.

Although private organizations have established rating systems for accommodations, Ontario is one of a few leading tourist destinations that does not have province-wide quality assurance standards or an accommodation rating system. Some Canadian provinces have province-wide, voluntary, accommodation rating systems that are either government operated or administered by the private sector. In 1999, as part of the Ministry's draft Tourism Strategic Plan, the need for an industry-led rating system for hotels, motels, and campgrounds was highlighted as an important initiative to enhance industry competitiveness.

We reviewed several recent attempts by the province to develop tourism service standards and accommodation rating systems and noted the following:

- In March 2001, the Ministry agreed to provide \$155,000 towards a tourism excellence program. The goal of the program was to raise the level of service and professionalism in Ontario's tourism sector to international standards. The program consists of three levels; commitment, implementation and results. As of March 2002, only 15 businesses had registered in the program and only five of these businesses had achieved the first of the three levels of excellence. If the program is going to meet its goal of improving the level and quality of service provided, more tourist establishments need to be registered.
- In 2000, the Ministry of Agriculture, Food and Rural Affairs, through its Rural Jobs Strategy Fund, agreed to provide \$1.1 million to two private-sector organizations to develop voluntary rating systems for roofed accommodations (hotels, motels, lodges, and resorts). However, as of March 2002, the private organizations had only rated 170 of the estimated 5,500 establishments in Ontario. In contrast, another Canadian province reported that more than 2,800 accommodation establishments were members of its rating system and they were targeting an annual increase of 2%.

Due to a lack of support from the industry, the Ministry of Agriculture, Food and Rural Affairs withdrew funding from one of these organizations. It funded a third private organization to deliver a quality assurance program for campgrounds. Staff of the Ministry of Tourism and Recreation were not aware of the results achieved for this program.

Recommendation

To help encourage and promote improvements in the standards of accommodations, facilities, and services offered to travellers in Ontario, the Ministry should:

- review accommodation rating systems in other provinces and those supported by other Ontario ministries;
- take a lead role in encouraging and promoting the development of province-wide rating systems in Ontario; and
- integrate any resulting rating systems into its information network.

Ministry Response

The Ministry will be undertaking a review in December 2002 of the Tourism Excellence Program, a voluntary program, to determine the reasons for the lack of participation by tourism operators.

The Ministry will explore ways to renew the interest of tourism operators in the Tourism Excellence Program and implement changes required to ensure the program is accessible and of interest to tourism operators/businesses.

The Ministry will explore with the Corporation the concept of rating systems and the value of incorporating rating systems into our programs.

Currently, the tourism industry uses the Canada Select Program as its rating system, which is administered by a tourism industry alliance.

Consumer Comments and Complaints

To encourage and promote improvement in tourism establishments and services, the Ministry invites travellers to provide comments and complaints regarding their visits to Ontario. Comments and complaints are received primarily at travel information centres or by direct contact with other ministry offices.

The *Ministry of Tourism and Recreation Act* does not give the Ministry the direct authority to collect personal information, including any personal information contained in a comment or complaint. When written correspondence is received, ministry staff are instructed to remove any personal information. After receiving the written authority of the complainant, the ministry forwards the original complaint to the public or private organization that can provide some assistance.

The *Tourism Act* states that the Minister may appoint one or more persons to investigate, inquire into, and report to him or her upon any matter connected with or affecting the tourism industry. However, the 1998 amendments to the Regulations under this Act eliminated the Minister's broad investigative powers by indicating that the Act and Regulations apply only to tourist establishments that make use of Crown land.

Consequently, the Ministry has limited authority to investigate public comments and complaints arising from products and services delivered by most of the tourism industry.

Consumer comments and complaints about goods, services, or travel experiences can provide useful information about the quality of the services provided by the Ministry and the tourism industry. However, the Ministry does not have a formal process in place to track the number and type of comments or complaints it receives each year. Ministry correspondence indicates that the majority of complaints it receives relates to accommodations, attractions, and border crossing. The tracking of comments and complaints could reveal trends over time and would support the Ministry's activities to encourage and promote improvements in the standards of the province's accommodations, facilities, and services.

Recommendation

To help assess the quality of service and consumer satisfaction with Ontario's tourism experiences, the Ministry should:

- **reassess the need for the current restrictions on responding to concerns and complaints from the public; and**
- **establish standard guidelines for recording, consolidating, evaluating, and taking action on public comments and complaints.**

Ministry and Corporation Response

The Ministry agrees it is important to be aware of the quality of its services and consumers' satisfaction with Ontario's tourism experiences. The Ministry will review its consumer complaints processes and will seek legal advice on the legislative requirements.

The Corporation and its service provider have been tracking the number and nature of complaints received via the Tourism Consumer Information System, which includes a 1-800 number, e-mail, web concierge, and regular mail. Reporting will become more accurate and formal as the system moves from "pilot" to "ongoing run" mode, which is expected to happen by the end of 2002. The feedback will be used to track consumer satisfaction with our services and operation of the services. We will make improvements and adjustments based on this feedback and other information throughout the life of the system.

Management of Consulting Services

The Ministry and the Corporation engage management consultants for a number of reasons, including the lack of in-house expertise, the need for independent review, and the need for resources over short time periods. During the three years ended March 31, 2002, the Ministry and the Corporation entered into more than 200 consulting contracts at a

value of \$9 million. We selected a sample of contracts and observed that the Ministry's and the Corporation's procedures did not ensure compliance with the Management Board of Cabinet requirements for engaging the services of a consultant. For example:

- Most projects examined did not have an adequate business case on file, and terms of reference were either not prepared or did not provide sufficient detail on the project's scope and deliverables. In several instances, the contract terms and conditions had not been reviewed and approved by legal counsel to ensure the interests of the Ministry and the Corporation were appropriately protected. We also found that the performances of consultants had not been formally evaluated as required after projects were completed.
- The required competitive acquisition processes often did not meet the approval and competitive acquisition requirements. Several contracts were awarded directly to the vendor without competition even though the ceiling price exceeded the tendering limit of \$25,000. Other contracts with a ceiling price of less than \$25,000 did not include, as required, anticipated expenses—which would have brought them over the \$25,000 tendering limit.
- We observed situations where projects were split into separate contracts each valued at less than \$25,000, thus avoiding open competition requirements. The consultants were hired continuously on year-to-year contracts. In some instances, the total value of all follow-on agreements was more than double the ceiling price of the initial agreement. These extensions were made without evaluating the consultant's performance or assessing the reasons why the original deliverables had not been provided.
- In several instances, consulting services had commenced prior to the contract being signed or finalized, and in two instances, no contract was prepared at all. In another instance, a \$40,000 contract extension was signed even though the original contract had expired a year earlier. During the period when the consultant was not under contract—between the expiration of the original contract and the signing of the contract extension—the consultant was paid over \$25,000.
- We observed instances where the relationship between the Corporation and consultants could be construed as an employee–employer relationship and therefore may have been subject to a number of income tax rules, such as the requirement to withhold income tax and Canada Pension Plan contributions. For example, we noted that a consultant's contract stipulated a daily per diem rate, but the consultant received a monthly payment regardless of the actual number of days worked. In addition, one consultant was using business cards from the Corporation and was giving his business address as the Corporation's head office.

Recommendation

To help ensure that consultants are engaged in a fair and competitive manner and that value for money is being achieved, the Ministry and the Ontario

Tourism Marketing Partnership Corporation should comply with the Management Board of Cabinet (MBC) directives on the acquisition of consulting services. Special emphasis should be placed on improving the monitoring and evaluation of consultants' performances and on improving contracting practices.

Ministry and Corporation Response

The Ministry has implemented a Web-accessible Spending Delegation Framework that clarifies the requirements set out in the MBC directives on consulting services. In addition, a "Best Practices for Managing Consulting Services" pamphlet that emphasizes the importance of evaluating consulting performance will be provided to all managers. Presentations will be made to managers to ensure the Framework and Best Practices are understood and adhered to.

The Corporation will put in controls beginning September 2002 to improve procurement practices and execution of consulting contracts to ensure they comply with the MBC directives. The Corporation will consult with Management Board Secretariat and Shared Services Bureau on procurement when hiring consultants and consult performance evaluation tools to support contract management. Training on procurement and contract management for managers and staff is planned for fall 2002. The objective of the training is to increase managers' understanding of contract management, and improve their skills in monitoring and evaluating the work of consultants and in providing required documentation for consultants' performances, results, payments and contract conclusions.

INFORMATION MANAGEMENT

Tourism Consumer Information System

In 1999, the Ministry and the Corporation decided to develop a new Tourism Consumer Information System (System) to promote Ontario as a tourist destination using an integrated telephone call centre and Internet system. In 2000, the Ministry obtained approval from the Management Board of Cabinet to engage a private-sector company to develop and operate the new system. The Management Board of Cabinet indicated that the entire project's costs over four years were not to exceed \$17.7 million.

In August 2000, the Corporation issued a request for proposals (RFP), prepared by a consultant, for the development of the proposed System. In January 2001, the successful supplier was selected and the Corporation began negotiating a contract with the help of a consultant. At that time, it was anticipated that the proposed system would be operational by the summer of 2001. However, a contract was not finalized with the successful vendor until August 2001. The contract that was arrived at after lengthy negotiations was for a

three-year period and was worth \$16.2 million. At the time of our audit, the Corporation anticipated that the new system would be operational by June 2002.

We examined the processes and procedures followed by the Ministry and the Corporation in the approval, acquisition, and development of the System. We found that the Ministry followed the Management Board of Cabinet directive for competitive tendering. However, we noted a number of areas where the Ministry and the Corporation needed to improve their information technology project management. Specifically, we noted the following:

- Neither the Ministry nor the Corporation had the necessary in-house staff skills to develop the RFPs, negotiate the contract, and manage a project of this magnitude and complexity. As a result, corporation and ministry staff responsible for the project relied on staff from other ministries and private consultants to provide expert advice and support during negotiations and all phases of the project. Although such specialized expertise was necessary, we found little or no evidence of a transfer of knowledge from consultants to ministry staff to avoid a continuous reliance on consultants. The experience gained can facilitate the monitoring of the system once it is operational and help in the retendering and renegotiation of the existing contract when it expires.
- A key component of the development of the System, as outlined in the RFP, was a \$2-million marketing strategy. However, we noted that the intention to fund the marketing strategy as part of the development of the System was not disclosed in the Ministry's submission to the Management Board of Cabinet for approval. In addition, the Corporation did not receive specific approval for this marketing strategy from the Advertising Review Board, which is responsible for approving all government advertising or communication projects in excess of \$500,000.
- The RFP developed by the consultant did not provide prospective bidders with sufficient information on the expected system requirements, the scope of the work, service standards, or remedies for nonperformance. Consequently, prospective bidders raised over 100 supplementary questions, which had to be clarified during the contract negotiation process. The lack of clarity in the RFP was a major reason for the delay in the tendering process and contract negotiations.
- In the RFP, the Corporation indicated its desire to have the System developed and operated on a fixed-price basis. For a fixed-price contract, the risks of cost increases are borne by the successful bidder unless there are significant changes to the original specifications. The financial terms and conditions agreed to with the vendor were based on a fixed price for the development and maintenance of the system. However, the supplier does not assume any of the financial risks associated with fluctuations in service levels but the Corporation does. For example, the supplier is guaranteed a minimum of \$950,000 annually regardless of the actual volume of telephone calls and Internet activity; but should the number of calls exceed the estimate, then the Corporation would be required to pay an additional \$4 per contact.

Recommendation

To support the efficient and economic administration of systems development projects, the Ministry and the Ontario Tourism Marketing Partnership Corporation should ensure that:

- a transfer of knowledge occurs from consultants to staff to avoid a continuous reliance on consultants;
- all significant deliverables and options are included in project business cases and all required approvals have been received;
- requests for proposals are well researched and provide a clear description of project requirements; and
- financial and operational risks are adequately managed and shared with the vendor.

Ministry and Corporation Response

The Corporation will facilitate a transfer of knowledge from consultants to staff to the extent feasible since consultants' work is often highly specialized. We will continue to apply knowledge and skills to future large-scale projects to ensure that project teams sufficiently research the business case, consider the options, and seek approval for the project plan prior to issuing a request for proposal (RFP). The Corporation will continue to consult with Shared Services Bureau and the Ministry's Internal Audit Services as appropriate to ensure RFP's are clear and that risks are identified, managed, and appropriately shared with the vendor.

The Corporation is currently working with the Ministry's Internal Audit Services on a plan to educate the new Tourism Consumer Information System team on the details of the contract with its service provider. As well, training will be provided on researching, writing, and managing RFPs.

Internal Audit Services will conduct a risk assessment on the Tourism Consumer Information System project. Based on this analysis, risk mitigation strategies will be developed as appropriate.

Facilities and Attractions Databases

In 1998, the Ministry developed a tourism information database to support tourism industry planning and decision-making and to assist visitors at the Ministry's Travel Information Centres. The database contains information on accommodation establishments, tourist attractions, and golf courses. In 1999, selected information was transferred to the Corporation so it could also provide a tourist establishment database for public use on its Internet site.

In reviewing the administration and maintenance of the two databases, we observed a lack of co-ordination between the Ministry and the Corporation, as follows:

- The Ministry and the Corporation were using different methods to verify the accuracy and completeness of the tourist establishment information contained in their respective databases. The Ministry annually engages consultants to survey all existing establishments to ensure its information is current and accurate. In the 2001/02 fiscal year, the cost of conducting the survey to update the Ministry's database was \$129,000. To keep its database up to date, the Corporation encourages tourist operators to input their updated information on its database.
- The Corporation and the Ministry do not have a process that would periodically compare the information contained in their respective systems and update them as needed. Currently, the Ministry's database contains approximately 10,000 establishments, while the Corporation estimates it has 8,000 in its database.
- The Ministry is actively searching for new tourist establishments to add to its database by acquiring non-tourism related databases, such as the databases for the Alcohol and Gaming Commission and for municipal property tax assessments. However, we noted that neither the Ministry nor the Corporation had entered into partnership agreements with the various regional and municipal tourist associations to share information about tourist establishments.

Recommendation

To help ensure that tourist information is collected in an economical and efficient manner and provides prospective tourists with complete and accurate information, the Ministry and the Ontario Tourism Marketing Partnership Corporation should:

- **establish procedures to share information between their current databases and consider establishing one shared database;**
- **review the feasibility of developing a single method of obtaining and verifying data from tourist operators; and**
- **determine the practicality of entering into partnerships to share data on tourist establishments with other organizations, such as municipal and regional travel organizations.**

Ministry and Corporation Response

The Ministry will work with the Corporation to establish procedures and guidelines for sharing database information in 2003.

The Ministry and the Corporation will in 2003/04 jointly review the feasibility of developing a common process for obtaining and verifying data from tourist operators.

The Ministry has agreements with the Municipal Property Assessment Corporation (a Crown agency), the Alcohol and Gaming Commission, and the Ministry of Natural Resources to exchange or buy data relevant to tourism. The Ministry also receives data from a number of municipalities around the province.

The Ministry previously shared data with tourism associations; however, it discontinued this in 1999/2000 because the Ministry collects data that is not to be used for solicitation or sold. We are exploring ways to make data available for use by tourism stakeholders.