

The Regional Economic Impact of Operational Spending AQ 2019 in South Eastern Ontario (RTO 9) in 2021

**This report was generated by
the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries TREIM model.**

October 07,2021

Note: The Ministry of Heritage, Sport, Tourism and Culture Industries does not take any responsibility for inputs that the user has provided, nor for the interpretation of the results.

1. Introduction

This report provides an estimate of the economic impact that Regional Economic Impact of Operational Spending AQ 2021 is expected to have on Ontario's economy, in terms of Gross Domestic Product, employment and taxes generated. The analysis is based on the following information the user has provided to the MHSTCI Tourism Regional Economic Impact Model:

User Input

Facility (operation) type	Retail Trade
Number of Jobs	30
Total Revenue (incl. sales taxes & grants, subsidies)	\$1,380,000
Grants and subsidies	\$1,000,000
Cost of goods sold	
Food products	\$0
Alcoholic beverages	\$0
All other merchandise	\$35,000
Other operating expenses	
Office and all other supplies	\$95,000
Salaries, wages	\$617,000
Commission paid	\$0
Employee benefits	\$130,200
Sub-contract laundry, cleaning and maintenance	\$40,600
Legal, accounting and other professional fees	\$0
Marketing, advertising and promotion	\$23,815
Travel (transportation, accommodation, food, entertainment)	\$2,500
Rent or lease	\$126,100
Repair and maintenance	\$0
Insurance	\$125,000
Heat, light, power and water	\$125,000
Telephone, fax and internet fees	\$10,000
Depreciation	\$150,000
Royalties and franchise fees	\$0
Property tax and business tax, licenses and permits	\$0
All other operating expenses	\$0
Non operating expenses	
Interest expenses	\$0
Sales Taxes	\$0
Total operating expenses	\$1,480,215
Gross Output	\$380,000

Note: Gross Output (incl. imports) equals Total Revenue less Grants and Subsidies or Total Operating Expenses plus profits.

The user also has selected the following parameters:

- The operation takes place in South Eastern Ontario (RTO 9) in 2021
- The impact is to be shown for South Eastern Ontario (RTO 9)
- Induced impacts of household spending are included
- Induced impacts of business investment are included
- Local government property tax revenue impacts are included

2. Summary of Findings

Table 1. Regional Economic Impact of Operational Spending AQ 2021 in South Eastern Ontario (RTO 9) in 2021 (in dollars)

	South Eastern Ontario (RTO 9)	Rest of Province
Total Revenue	\$1,380,000	
Gross Domestic Product (GDP)		
Direct	\$796,985	\$0
Indirect	\$173,880	\$205,710
Induced	\$434,392	\$258,116
Total	\$1,405,257	\$463,826
Labour Income		
Direct	\$927,157	\$0
Indirect	\$100,313	\$116,413
Induced	\$272,526	\$170,929
Total	\$1,299,996	\$287,342
Employment (Jobs)		
Direct	30	0
Indirect	1	1
Induced	3	2
Total	34	3
Direct Taxes		
Federal	\$187,740	\$0
Provincial	\$117,015	\$0
Municipal	\$2,829	\$0
Total	\$307,584	\$0
Total Taxes		
Federal	\$305,402	\$63,848
Provincial	\$200,681	\$47,366
Municipal	\$53,518	\$19,989
Total	\$559,601	\$131,203

Table 2. Economic Impacts of Regional Economic Impact of Operational Spending AQ 2021 in South Eastern Ontario (RTO 9) on GDP by industry (in dollars)

Industry	Impact on South Eastern Ontario (RTO 9)		Impact on Rest of Province	
	Direct GDP	Total GDP	Direct GDP	Total GDP
Crop and Animal Production	\$0	\$1,218	\$0	\$2,174
Forestry, Fishing and Hunting	\$0	\$249	\$0	\$355
Mining and Oil and Gas Extraction	\$0	\$3,720	\$0	\$4,779
Utilities	\$0	\$23,915	\$0	\$64,403
Construction	\$0	\$55,853	\$0	\$46,285
Manufacturing	\$0	\$33,913	\$0	\$25,384
Wholesale Trade	\$0	\$12,777	\$0	\$37,154
Retail Trade	\$796,985	\$830,697	\$0	\$20,234
Other Transportation and Warehousing	\$0	\$6,211	\$0	\$8,977
Ground Passenger Transportation (excl. Rail)	\$0	\$2,325	\$0	\$3,176
Information and Cultural Industries	\$0	\$17,364	\$0	\$29,826
Other Finance, Insurance, Real Estate and Renting and Leasing	\$0	\$152,645	\$0	\$125,571
Car Renting and Leasing	\$0	\$1,509	\$0	\$997
Owner Occupied Housing	\$0	\$75,164	\$0	\$8,976
Professional, Scientific and Technical Services	\$0	\$37,457	\$0	\$28,211
Other Administrative and Other Support Services	\$0	\$11,724	\$0	\$11,121
Travel Agencies	\$0	\$655	\$0	\$711
Education Services	\$0	\$16,296	\$0	\$4,290
Health Care and Social Assistance	\$0	\$15,098	\$0	\$3,676
Arts, Entertainment and Recreation	\$0	\$3,225	\$0	\$3,596
Accommodation Services	\$0	\$551	\$0	\$541
Food & Beverage Services	\$0	\$11,041	\$0	\$5,557
Other Services (Except Public Administration)	\$0	\$18,229	\$0	\$15,106
Operating, Office, Cafeteria, and Laboratory Supplies	\$0	\$0	\$0	\$0
Travel & Entertainment, Advertising & Promotion	\$0	\$0	\$0	\$0
Transportation Margins	\$0	\$0	\$0	\$0
Non-Profit Institutions Serving Households	\$0	\$4,138	\$0	\$1,063
Government Sector	\$0	\$10,844	\$0	\$4,756
Net Indirect Taxes on Production	\$0	\$58,441	\$0	\$6,907
Total	\$796,985	\$1,405,257	\$0	\$463,826

Appendix:

The Economic Impact of Visits in South Eastern Ontario (RTO 9) and, if applicable, the rest of Ontario: since no Ontario region is economically self-sustaining, in order to produce the goods and services demanded by its visitors, it will need to import some goods and services from other regions. As such, some of the economic benefits of the visitors' spending in South Eastern Ontario (RTO 9) will spill over to the rest of the province and to regions outside Ontario. Impacts outside Ontario are not estimated by the TREIM.

Gross Domestic Product (GDP): value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. GDP is measured at market prices which include net indirect taxes on products. Tourism GDP refers to the GDP generated in those businesses that directly produce or provide goods and services for travelers.

Direct impact: refers to the impact generated in businesses or sectors that produce or provide goods and services directly to travelers, e.g. accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.

Indirect impact: refers to the impact resulting from the expansion of demand from businesses or sectors directly produce or provide goods and services to travelers, to other businesses or sectors.

Induced impact: refers to the impact associated with the re-spending of labour income and /or profits earned in the industries that serve travelers directly and indirectly.

Employment: refers to number of jobs, it include full-time, part-time, seasonal and temporary employment (based on the share of the year worked), for both employed and self-employed workers.

Federal tax revenues: include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deduction that is collected by the federal government.

Provincial tax revenues: include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and employer health tax that is collected by the Ontario provincial government.

Municipal tax revenues: include business and personal property and education taxes that are collected by the municipalities. Collection, however, does not follow immediately the consumption or production of goods and services in a municipality by visitors (as is the case with HST or personal income taxes). Rather, these taxes show the percent of the total property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.

Industry: The industry follows Statistics Canada's North America Industry Classification System (NAICS) Input-Output small aggregation industry classification.