

# Staff Report

2024-90 - Sustainability Department



**To:** Mayor Koetsier and Members of Council  
**From:** Jennifer Schnier, Director of Sustainability  
**Date:** May 13, 2024  
**Subject:** Municipal Accommodation Tax

## Report Highlights

- Under the Municipal Act - O. Reg. 435/17: TRANSIENT ACCOMMODATION TAX (Municipal Accommodation Tax, or MAT), municipalities can collect tax from accommodators within their geographic borders.
- The intention of the tax collected is to support tourism related activities and infrastructure upgrades in the Township of Georgian Bay.
- 50% of the funds must be transferred to an agency that participates in tourism related activities or related beautification or upgrades and can be at the discretion of the municipality if the Destination Marketing Organization (DMO), wishes not to participate.

## Recommendation

BE IT RESOLVED THAT Council direct staff to enter into Memorandums of Understanding with The Georgian Bay Mnidoo Gamii Biosphere (GMB) and the Southeast Georgian Bay Chamber of Commerce and Tourism (SEGBAY) at a proportionate split of the 50% Municipal Accommodation Tax at 25% to GMB and 25% to SEGBAY; and

THAT Council direct staff to update the terms of reference of the Sustainable Community Advisory Group to include review and recommendation of the Memorandums of Understanding (MOU) with GMB and SEGBAY to ensure environmental tourism related activity is completed within the terms of the MOU; and

THAT Council direct staff to draft a by-law for the collection and administration of a Municipal Accommodation tax in the amount of 2% of all accommodations that occur within the Township of Georgian Bay for stays that are twenty-eight (28) days or less and are for non-residents of the Township of Georgian Bay; and

THAT Council direct staff to create an enforcement measure within the Administrative Monetary Penalty System (AMPS) program to support this By-law; and

THAT Council direct staff to host a townhall for accommodators to understand the program, the submission process and to ensure the intent of the program matches the needs of the operator.

## **Environmental Consideration**

The Township of Georgian Bay has a very strong influence on, and has made a priority for activism, support, activity, protection and celebration on the environment.

The Township is unique from many Ontario municipalities, and has intentionally made forward steps toward sustainable efforts with the Short Term Rental market, by incentivizing hosts to action efforts that protect the environment, register their property and be more accountable for septic approvals and occupancy regarding the travelling public and hosts that house them.

Partnering with GBB and SEGBAY provides an opportunity to leverage both the commercial as well as environmental angles, in promoting ecological tourism.

## **Background**

In 2022 staff presented to Council a Short Term Rental [report](#) that spoke of Accommodation Tax, and Short Term Rental Policy. This began the process of examining options for the municipal accommodation tax, and also licensing or registering Short Term Rentals

At the time, Council opted to not pursue the Accommodation Tax, however during the budget process, have since redirected staff to review the option of collecting in 2024-25 a 2% tax for any municipal accommodator who provides shelter for non-residents (transient persons) in the Township of Georgian Bay regardless of the type of accommodation be it commercial, from an online travel agency (Airbnb, VRBO) or any other agency that participates in short term accommodations in the Township of Georgian Bay.

The theme of this report is to provide options to Council to explore what would be best suited for the the collection of the tax, distribution of the tax, and the implementation timeline of the tax, including its use.

Staff have developed two draft Memorandums of Understanding and have met with both agencies on how to distribute the 50% Municipal Accommodation Tax ensuring that both agencies will support Council's number one priority; that of the environment.

The draft memorandums are not included in this report as they are being worked out with the agencies, but will be presented to Council once the percentage allocation of funds is finalized through a resolution proposed in this report.

## **Analysis and Options**

### **What are the trends in travel?**

In a 2023 study, an online travel agency known as [Booking.com](https://www.booking.com) released a study based on sustainable travel and the trends globally regarding the intentions, interests and influences of travelers regarding the importance of climate change and more sustainable travel choices. This is the 8th year that this report has been provided. Among many countries, Canada, the US and Mexico represented 10% of the respondents.

Highlights of the report as it relates to North America (NORAM in the report) is that 44% of travelers are influenced to make more sustainable choices, and 47% of the travelers would like tips on how to travel more sustainably on a budget.

The report also identifies that 75% of those travelling seek to experience authenticity of the local cultures, while 40% don't know where to find the tours and activities that provide the outlet to access local cultures.

The most telling information is that in the last 12 months, in Canada 81% of travelers are converting their intention into action by making small steps at home to drive a more sustainable future.

In short, the environment matters to travelers, and most recently through the registration process of Short Term Rentals in the Township of Georgian Bay, over 90% of applicants for registration are filling out their sustainability plans with actionable items for the coming year.

Travelers are intentionally turning down air conditioning, reusing towels, turning off lights, recycling, etc. while they travel.

Transferring these habits to what the traveler is looking for, in North America 42% of travelers favour small independent stores, with a 'buy local' mantra.

Pairing these findings, understanding where the traveling public arrive from and working with agencies that support sustainable tourism/travel, environmental conservation and a 'locals know' approach encourages staff to outline the following considerations for the dissemination of funds that must be transferred under the act to a Destination Marketing Organization (DMO).

**Who can be considered to be the DMO for the required minimum 50% of MAT Tax that must be put back toward local tourism.**

The regulations do not provide a definition for a "Destination Marketing Organization (DMO)."

The transient accommodation tax regulation requires the Township of Georgian Bay to share a minimum 50% portion of their revenues from the tax.

The transient accommodation tax under the Municipal Act, 2001 requires municipalities that choose to implement a transient accommodation tax to share a portion of their

revenues from the tax with an “eligible tourism entity.” Depending on the circumstances, this may be a Destination Marketing Organization, Regional Tourism Organization, or other not-for-profit tourism organization. **The amount to be shared, and with whom, would depend on whether or not there is an existing destination marketing program in the community.**

The Township of Georgian Bay is in Regional Tourism Organization RTO 12, which has been branded over the years as Explorers Edge, and most recently the Great Canadian Wilderness just north of Toronto. This is a provincially funded agency who's Mission and Vision include regenerative development, long term sustainability and success for all stakeholders ensuring that RTO12 is a leader in the Canadian Tourism Industry.

Their focus is not to support the local host and visitor, but rather to ensure that the host and traveler are successful in Muskoka, as opposed to Prince Edward County, or Niagara or any of the other 12 regional DMO's exist.

*Staff reached out to Explorers Edge and they do not want to be a recipient of the Municipal Accommodation Tax.*

*This therefore means the Township can determine who can act as their DMO.*

### **Options for a DMO**

In Muskoka, there is an agency known as Muskoka Tourism, who have not been very active in the Township of Georgian Bay for over a decade. Staff have been removed from the travel centre once located at the Bressette house, and with a series of organizational restructuring, the agency has not been focused on the interests of those in Georgian Bay.

In Georgian Bay, the area is largely served by The Georgian Bay Mniidoo Gamii Biosphere in areas such as the Honey Bee Festival, Amazing Places, partnerships with Parks Canada at the Georgian Bay Biosphere, and Lock 45 and Lock 44. They have had some presence in the lower section of the Biosphere and have made continuing efforts to improve and have an active interest with programs like indigenous plant sales, local gardens, pollinator support and support for species at risk throughout the township.

The Southeast Georgian Bay Chamber of Commerce and Tourism (SEGBAY) is a direct connection with many commercial operators and limited Short Term Rental operators. This organization is connected to local events, hosts a calendar for community activity, participates in community led activities and is an active voice in the business community.

### **What is required of the municipality to support chosen tourism agency to support related activity for the 50% allocated?**

Staff are providing Council with several considerations for the distribution of the 50% required to be allocated to Tourism related activity.

- The following considerations would be in effect from July 1, 2024 to December 31, 2026, to provide enough time for the program to be developed and evaluated.
- Any funding and MOU agreements created by staff would be accountable to the Sustainable Community Advisory Committee of Council annually to review workplans and ensure workplans match the strategic plan of the Township and the interests identified by the hosting community, both commercial and short term rental hosts.
- This review will be done annually and be established based on feedback from a survey and community engagement to determine support to tourism operators and hosts within the Township of Georgian Bay.
- Projects may including large and small scale environmental support for events, education, workshops, webinars, and feedback for sustainable hosting for hosts in the Township of Georgian Bay, asset beautifications and upgrades. A portion of the MAT tax could also be used to support medical health projects (e.g. doctor or medical care funding).
- Both agencies represent municipalities outside of the Township of Georgian Bay and understand that funds collected must be accounted for and distributed within the Township of Georgian Bay or for the benefit of rate payers of the Township of Georgian Bay.
- Staff have met with both SEGBAY and GBB and have had discussions regarding the proportionate allocation of funds.

### **Options on who should be the DMO for the Township of Georgian Bay.**

Option 1 - Recommended: Enter into a Memorandum of Understanding with the Southeast Georgian Bay Chamber of Commerce and Tourism at an allocation of 25% of the funding and enter into a memorandum of understanding with the Mnidoo Gamii Georgian Bay Biosphere at 25% of the funding.

Option 2 - Not recommended: Enter into a Memorandum of Understanding with the Mnidoo Gamii Georgian Bay Biosphere at 50% of the funding of the Municipal Accommodation Tax.

Option 3 - Not recommended: Enter into a Memorandum of Understanding with the Southeast Georgian Bay Chamber of Commerce and Tourism at an allocation of 50% of the funding of the Municipal Accommodation Tax.

Option 4 - Not recommended: Enter into a Memorandum of Understanding the Mnidoo Gamii Georgian Bay Biosphere at 35% of the funding and enter into a Memorandum of Understanding with the Southeast Georgian Bay Chamber of Commerce and Tourism at an allocation of 15% of the funding. This percentage allocation of funds is cognizant of the relative size and resources that the two organizations have, which can be revisited at the end of the first MOU agreement.

Option 5 - Not recommended: Staff can create an in-house tourism board that would provide tourism related activity and support. This option may require additional staffing resources, and it is preferred to wait and see how the MAT tax file develops

within the Township over the next 2-3 years before making an assessment of the viability of administering this program in-house.

## **Financial Considerations**

A conservative analysis of proposed municipal accommodation taxes that could be collected in the Township is around \$100,000 to \$200,000 in collected fees for 2024.

If the Township decides to implement the municipal accommodation tax, the next step is to enact the appropriate by-law in order to implement the tax.

The Township has the flexibility to determine the design of the tax, including the appropriate enforcement mechanism.

Funding re-allocations in the Township of Georgian Bay that could occur as a result of the collection of the Municipal Accommodation Tax may include:

Municipal Parks and Recreation support;  
Municipal Grant Funding;  
Municipal Capital Grant Funding;  
Physician Recruitment;  
Scholarships for Graduating students;  
Streetscaping Banners and Branding; and  
Financial support for environmental activity within the Township.

Savings to the municipal tax levy may be reported in the 2025 budget.

## **Conclusion**

The regulations around the Municipal Accommodation Tax allows leniency for the municipality to establish their DMO as they see best using Not-for-Profit or Tourism agencies.

Staff refer back to the alignment of the strategic pillars and suggest that environmental protection, and community engagement, paired with the travel trends as it supports sustainable tourism, means that agencies such as those suggested in the report may be best suited for the distribution of the MAT tax.

## **Report Supported By**

This recommendation report is in alignment with the following strategic pillars:

- Environmental Protection
- Fiscal Responsibilities and Technology Efficiencies

- Streamline Planning Policies and Procedures
- Customer Experience and Community Engagement
- District and Township Relationship
- Engage with Indigenous Communities

## Relevant Background Report

[Sustainability Department Report 2022-11](#)

Reviewed By/Collaborated With:

- Chief Administrative Officer
- Chief Building Official
- Director of Corporate Services / Clerk
- Director of Finance / Treasurer
- Director of Fire and Emergency Services / Fire Chief
- Manager of Human Resources
- Director of Operations
- Director of Planning
- Director of Sustainability
- Other

## Attachments

[booking.com-sustainable-travel-report2023](#)

### **Reviewed By**

Karen Way, Director of Corporate Services / Clerk  
Greg Mariotti, Chief Administrative Officer

### **Status:**

Approved - 29 Apr 2024  
Approved - 29 Apr 2024



Booking.com

# SUSTAINABLE TRAVEL REPORT 2023



# The Dilemma Dividing Sustainable Travel in 2023

Now in its eighth year, Booking.com’s annual Sustainable Travel Report, which gathered insights from over **33,000 travelers across 35 countries and territories**, spotlights how economic uncertainty is informing meaningful sustainable travel decisions this year. This highlights a dilemma where people feel potentially forced to choose between cutting costs and making more sustainable travel choices.

In a world with the turbulence of geopolitical conflict and rising inflation, travelers are increasingly recognizing the urgency to act now to save the planet for future generations.

The most extensive Sustainable Travel research from Booking.com to date also highlights a divide in people’s actions; some are more intentional about how they spend their money with the perception that sustainable travel options are too expensive, while others are willing to pay more for these options to feel reassured they are driving impact.

Despite financial barriers, it’s clear there’s a huge appetite for sustainable solutions – especially those that don’t impact spend. On a micro level, today’s responsible traveler is converting intent into action with a meaningful uptick in more sustainable travel behaviors such as turning off the air conditioning and reusing towels in accommodations. Travelers are also making conscious choices beyond everyday habits such as choosing more sustainable ground transport and shopping local.

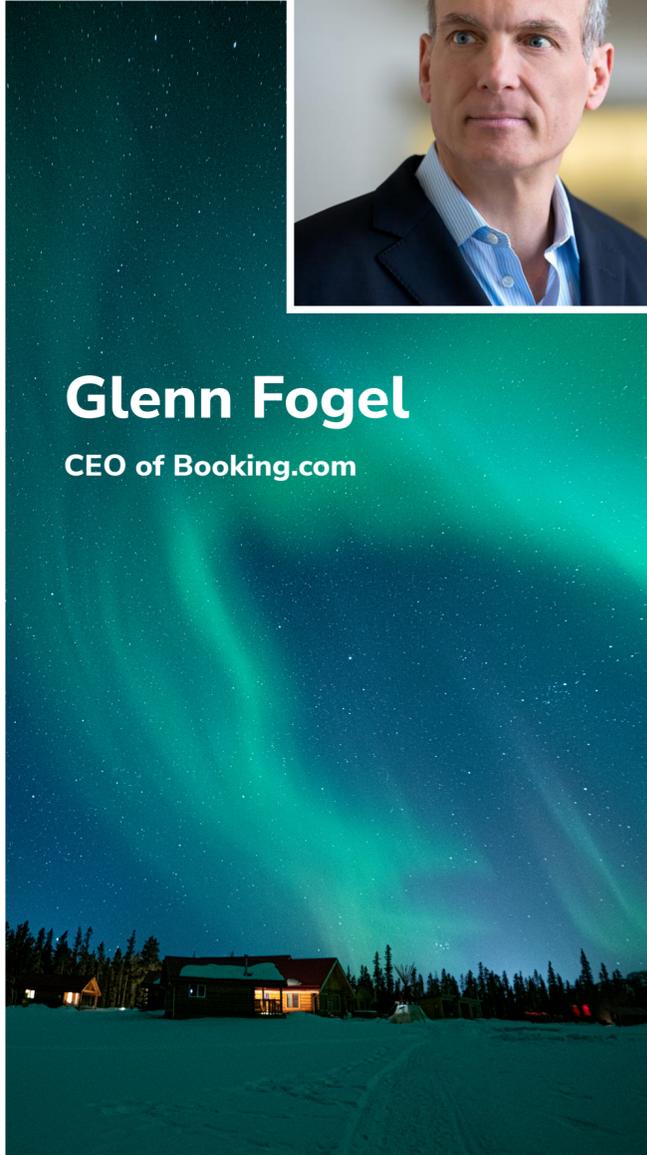
From the economy to the environment, travelers are rethinking what ‘value’ means to them. At a macro level, sustainable trends point to an increase in more purposeful travel in

2023, with travelers finding more meaningful ways to spend their money. More and more, they are carving out regenerative experiences that positively impact destinations with benefits to wildlife, conservation and the local community, and engaging in local philanthropy and ethical experiences.

While travelers recognize the critical nature of climate change, there is still some disconnect between impact and action. From limited data to a perceived lack of credible options, this report exposes barriers to traveling more sustainably and the huge strides travel providers need to make in order to gain their trust. Ultimately, building a truly sustainable industry will take time, but progress is underway to ensure that it’s becoming easier for everyone to experience the world in a more mindful and responsible way.



**Travelers are rethinking what ‘value’ means to them, from carving out regenerative experiences to finding more meaningful ways to spend their money**



**Glenn Fogel**  
CEO of Booking.com

“Over the eight years that Booking.com has conducted this research, the growing urgency that people feel to act now and make more sustainable travel choices continues to be encouraging. The report promisingly points to the traveler mindset evolving with some noticeable shifts in the more

sustainable behaviors that travelers say they have put into practice over the past year.

We feel that urgency too and at Booking.com, our ambition is to create a more sustainable business, as well as contribute to a more sustainable travel industry. This will take time, cooperation and systemic changes.

With regards to our own business, in 2022 we set out our ambition to be net-zero by 2040 as part of our Climate Action Plan, aligning our emission reduction roadmap to the Science Based Targets Initiative (SBTI). As such, our aim is to achieve a 95% reduction in scope 1 and 2 emissions and a 50% reduction in scope 3 emissions by 2030 and to reach net-zero by 2040.

When it comes to our platform and the impact we are striving to have across the travel industry, our Travel Sustainable program now recognizes the sustainability efforts of more than 500,000 accommodations worldwide. We are encouraged by the number of our accommodation partners that are taking steps to operate more sustainably, but there is more work to be done to make it easier for travelers to find and book more sustainable options across the entire travel experience.

At Booking.com, our aim is to find scalable ways to surface experiences across the entire trip that truly enrich the connection between travelers and destinations, from impactful activities to supporting local communities.

In order to bring the ethos of traveling more sustainably into the mainstream, the onus is on us in the travel industry to provide more information to travelers in a credible and trusted way. With continued industry collaboration and the dedication of our partners, we are on course for more sustainable travel to become the norm, and not the exception.”

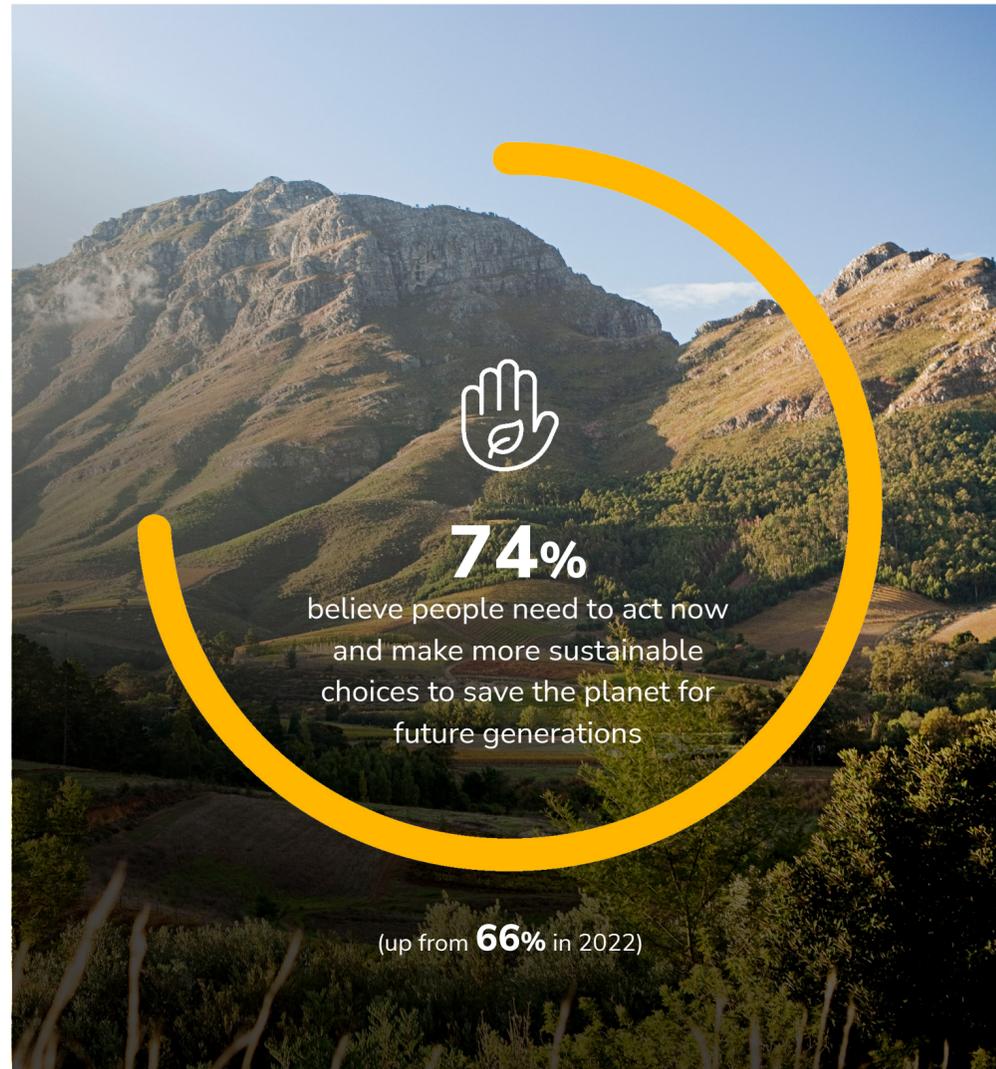


**“With continued industry collaboration and the dedication of our partners, we are on course for more sustainable travel to become the norm, and not the exception.”**



## An Urgency to Act Now

At a time of general global uncertainty, with the turbulence of climate change and rising cost of living, traveling more sustainably continues to be front of mind for travelers.



### 4 Highest



### 4 Lowest



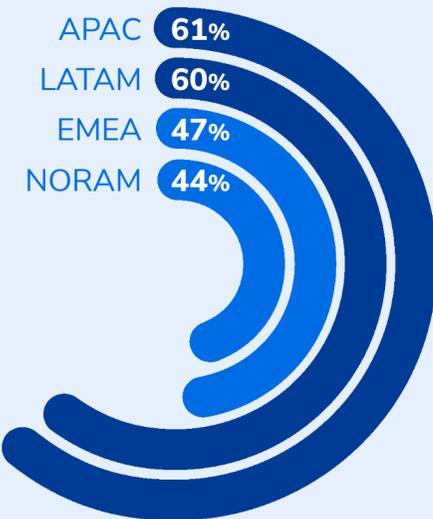
The news continues to be a key influence driver:



**43%** would consider themselves knowledgeable on sustainability, with the news and social media the two top sources of learning about the topic



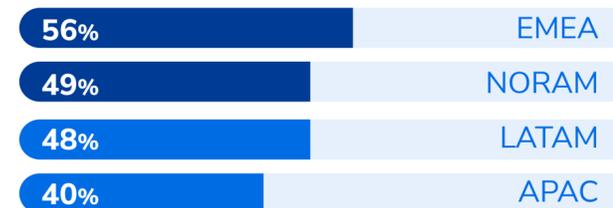
**53%** say that recent news about climate change has influenced them to make more sustainable travel choices



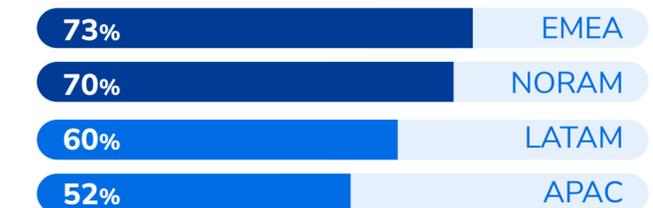
Yet the news also speaks to a quandary people are facing when it comes to being more mindful about when, where and how they travel. Increasingly, people are unsure of what to prioritize as they work to reconcile what is important to them with the demands of everyday life:



**49%** think the environment will get worse in the next six months



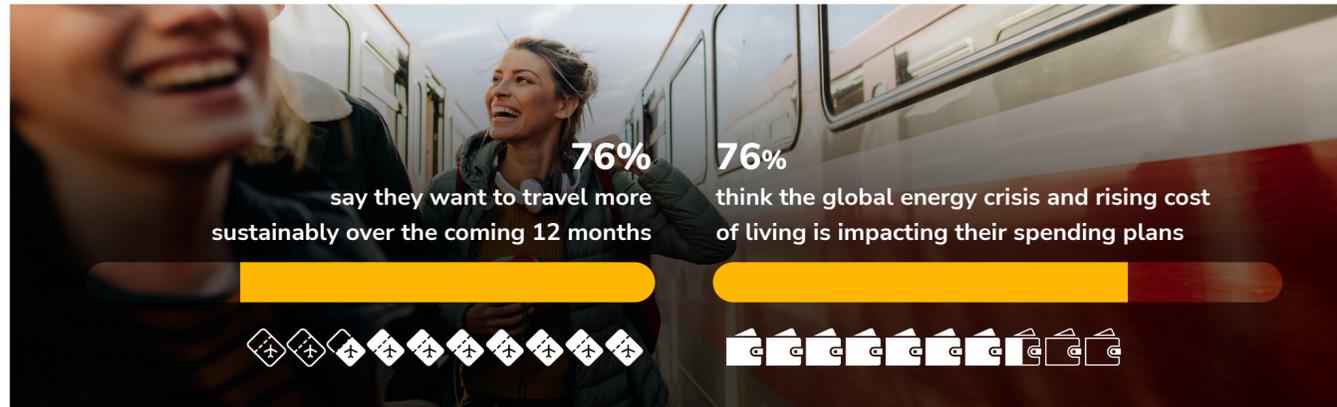
**64%** believe the cost of living crisis will get worse in the next six months



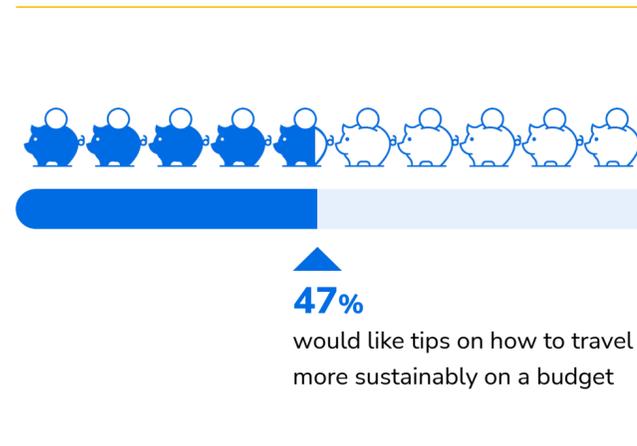
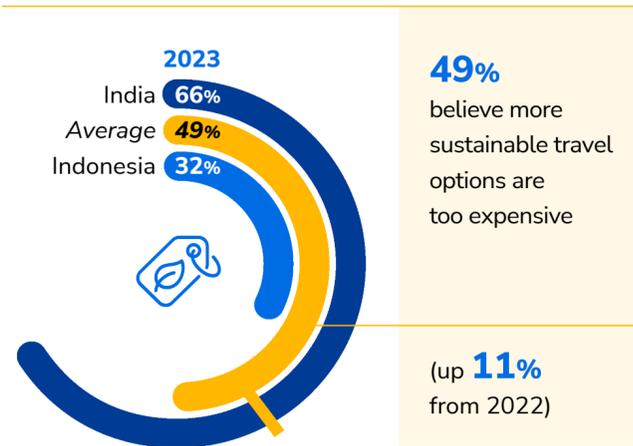


## Cost vs Conscience

The economic weather has changed drastically in the past 12 months, and the big topics at the front of people's minds today are the cost of living crisis and the climate crisis.



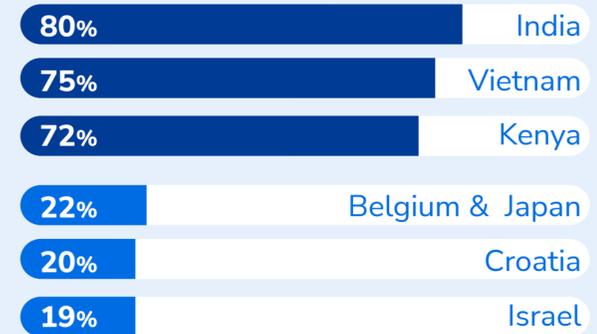
With rising inflation, travelers are stuck in the notion that they must make a choice between sustainability and spending. For these people, sustainability and travel combined can seem non-urgent when they are worried about bills and the energy crisis.



On the flip side, with bucket-list travel well and truly back for others and a more urgent focus on conscious choices:



### 3 Highest

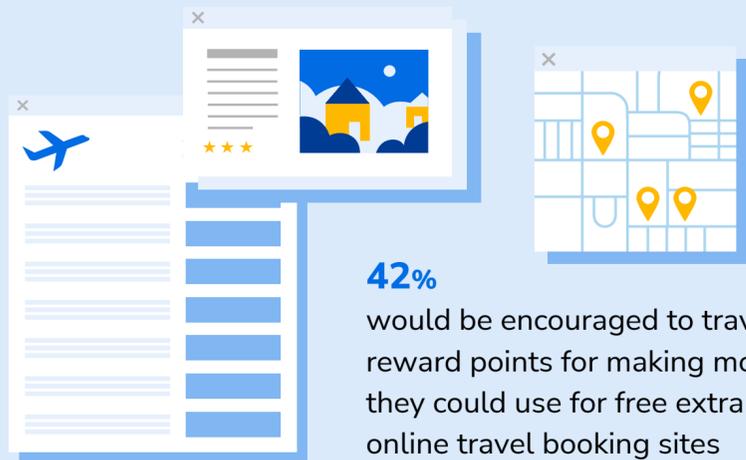


### 3 Lowest

With an increasing number of travelers feeling the pinch, they are seeking more sustainable travel options rich in rewards, with the need for incentivization:

**49%**  
want discounts and economic incentives to opt for eco-friendly options

(up **12%** from 2022)



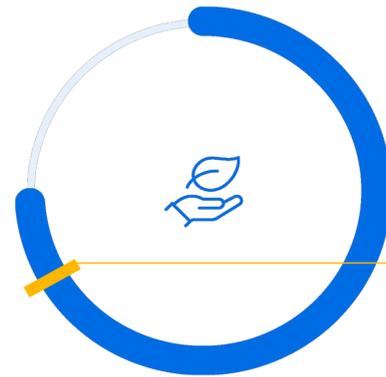
**42%**  
would be encouraged to travel more sustainably with reward points for making more sustainable choices that they could use for free extra perks or discounts through online travel booking sites





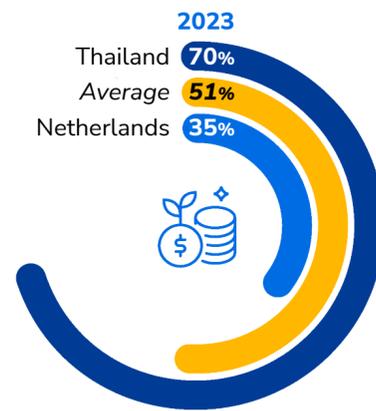
## Breaking Through Barriers

It's not just cost that is a perceived hurdle to traveling more sustainably. From limited data to a perceived lack of options, barriers to traveling more sustainably appear higher than ever, with some telling shifts in the past 12 months.



**74%**  
want travel companies to offer more sustainable travel choices

(up from **66%** from 2022)



**51%**  
believe there are not enough sustainable travel options



Despite good intentions, **44%** of travelers don't know where to find more sustainable options. For example:

**75%**  
seek authentic experiences that are representative of the local culture

**40%**  
don't know how or where to find tours and activities that will ensure they give back to the local community



## The Responsible Traveler

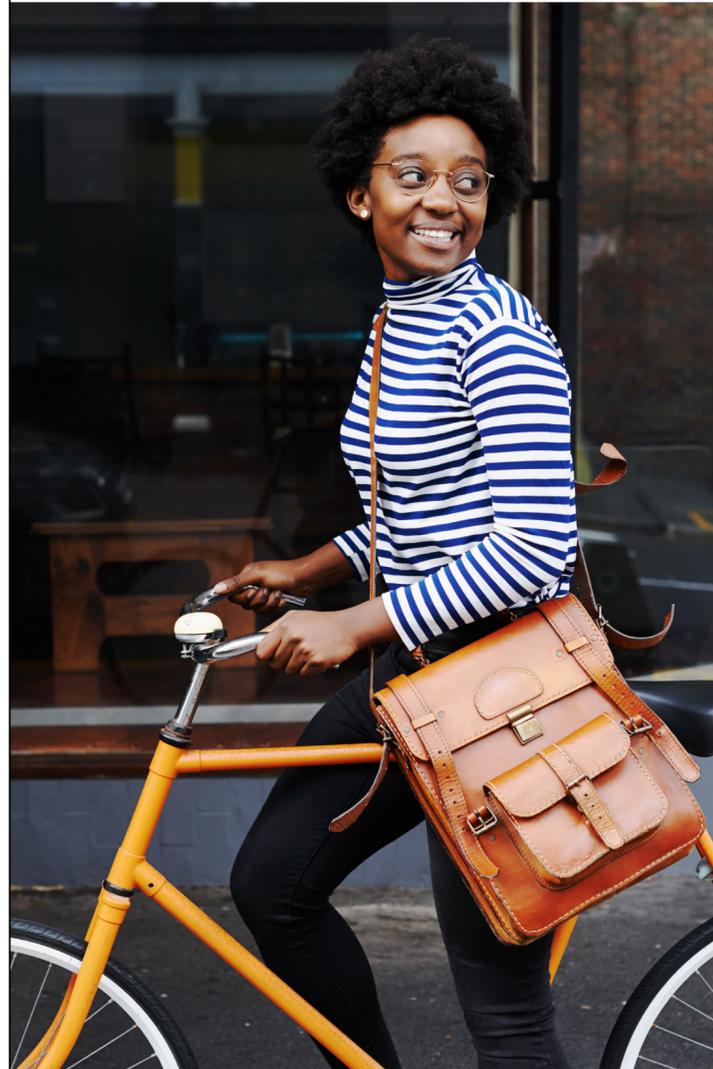
Despite existing barriers and the tightening of purse strings, it's clear there's a huge appetite for solutions, with two thirds (59%) more determined to make more sustainable choices now than when they traveled a year ago.

In the past 12 months, people say they have been converting intent into action by taking active small steps at home – and increasingly when traveling – to drive a more sustainable future.

### Sustainable Steps taken at Home

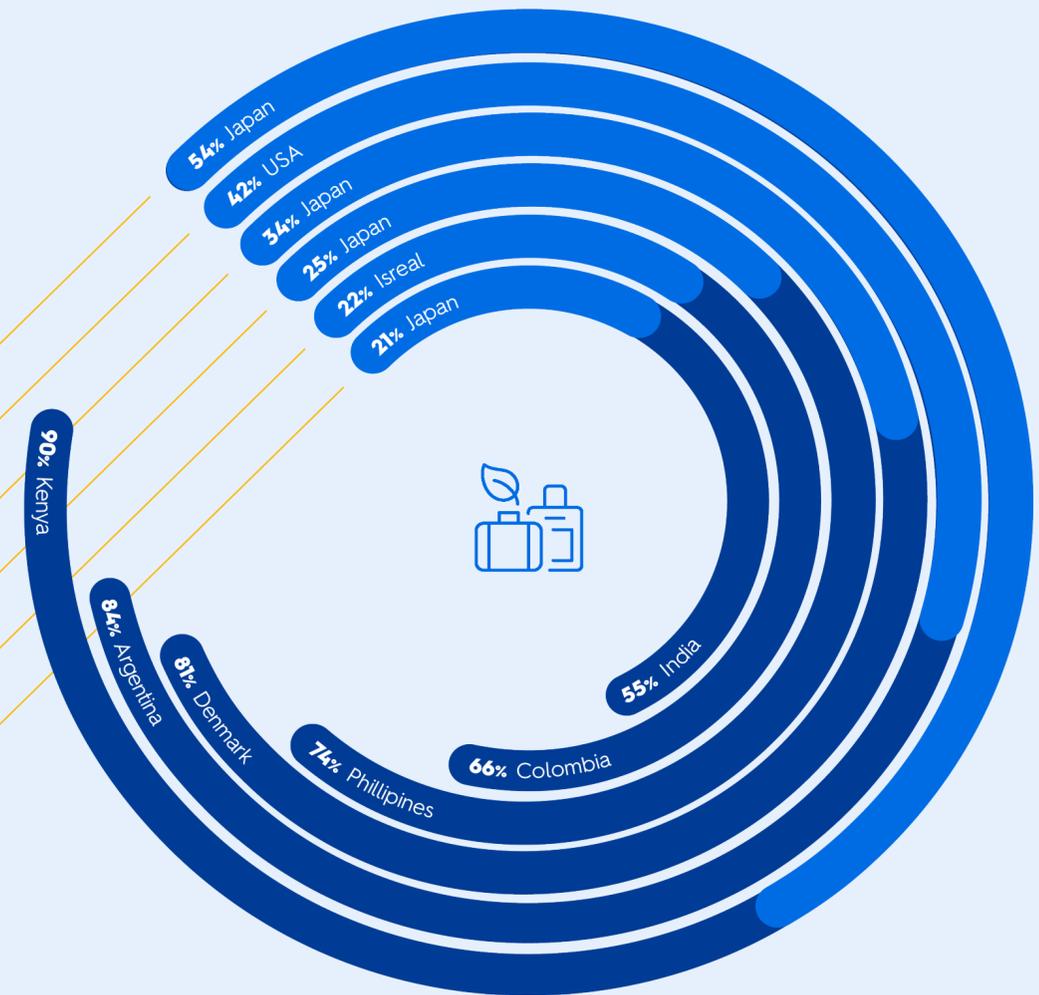
- 68% used reusable shopping bags
- 64% recycled waste
- 58% carried their own reusable water bottle
- 56% reduced their usage of single-use plastic
- 39% took public transport or bicycle over car
- 39% favored small, independent shops
- 13% have eaten an exclusively plant-based or vegetarian diet





### Sustainable Steps taken on Vacation

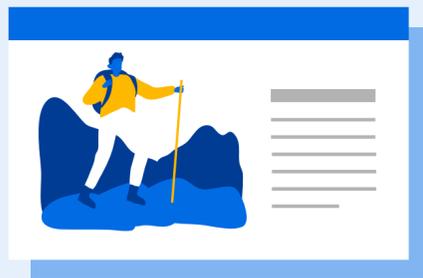
- 67% turned the air conditioning off at accommodations when they weren't there
- 60% re-used the same towel multiple times
- 55% used their own reusable water bottle
- 77% turned off the lights and appliances at accommodations when they weren't there
- 45% recycled their garbage when traveling
- 40% opted out of having their room cleaned daily



### From Tourist to Changemaker

The responsible traveler is switching up responsible travel in 2023 – and their every small step counts. This shift in behavior highlights the urgent action travelers are taking as they strive to make more sustainable choices to save the planet for future generations.

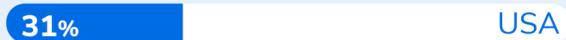
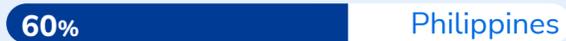
Even more promisingly, travelers took action to make conscious choices on vacation that went beyond everyday micro-habits in the past 12 months.



#### Transportation



Highest

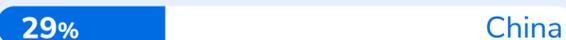


Lowest



**43%** traveled outside of peak season in a bid to avoid overcrowding

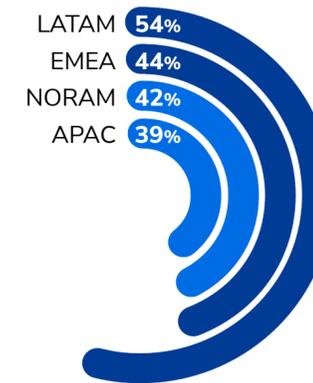
Highest



Lowest

### Buying Local

There is also consensus amongst travelers on adopting the 'buy local' mantra on vacation and using their currency as a force for good:



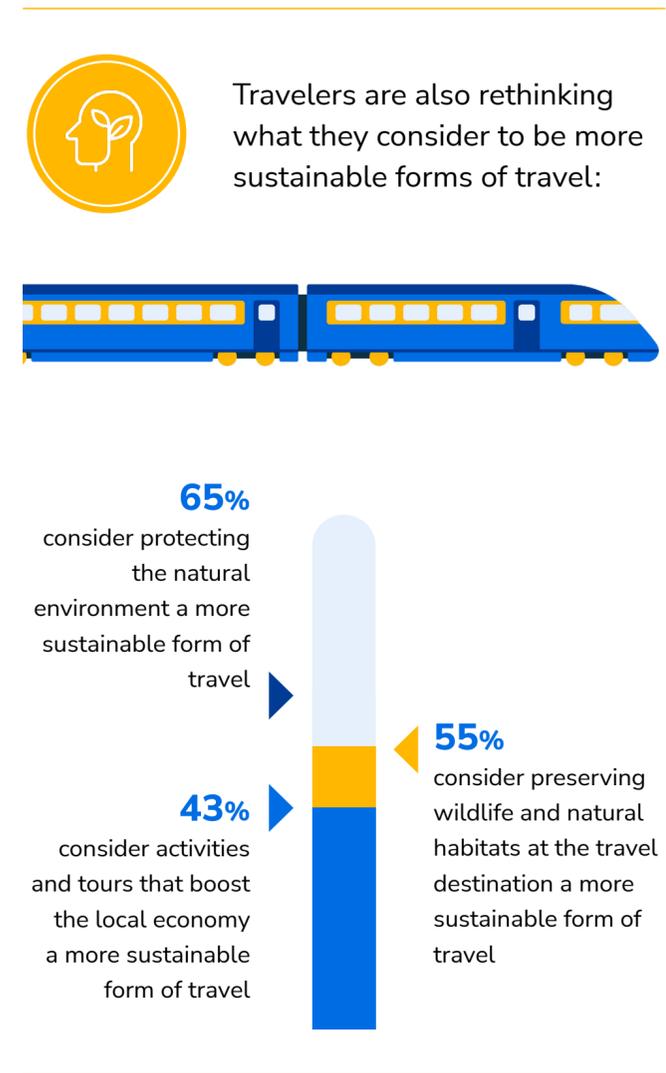
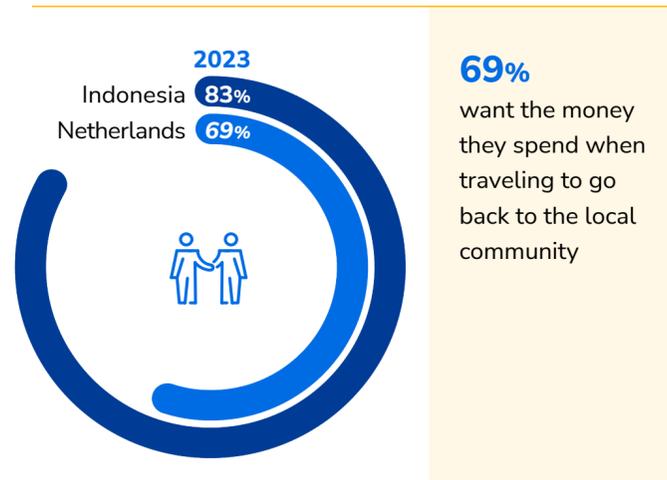
**43%** favored small, independent stores





# The Rise of Regenerative Travel

Amid rising climate anxiety, today's travelers are increasingly adopting a regenerative approach to travel and searching for vacations with maximum positive impact.





# Trust, truth and the Travel Industry

Travelers are becoming more responsible amid rising climate anxiety – from their accommodation to their transport choices. As a result, they are seeking credible assurance when booking across the entire travel experience.



**65%** would feel better about staying in a particular accommodation if they knew it had a sustainable certification or label



**59%** want to filter their options for those with a sustainable certification next time they book



**69%** are interested to learn more about why specific options are recognized as more sustainable

In response, the travel industry must adapt to meet the changing expectations of these more conscious travelers, and make strides to gain their trust:



**44%** like it when brands offer products or services that are more sustainable, but it doesn't always influence their decision



**39%** don't trust that the sustainable travel options labeled are truly more sustainable



**30%** are always on the lookout for brands that promote sustainability

**11%** only buy products and services from brands that promote sustainability





## Making solutions Easier for *Everyone*

Travelers can choose more sustainable options across the world for their next trip through Booking.com search filters.



**500,000+** more sustainable accommodations available, no matter the property type, labeled with a certified Travel Sustainable badge



Rental car search filters to quickly find fully electric and hybrid cars across **111 countries**



**95 cities** worldwide where travelers can now find and book greener taxi options by looking for the 100% Electric tagging in the search results



**47 cities** worldwide where public transport ticketing options are now available after making an accommodation booking



Tagging to indicate when a certain route or carrier is offering a relatively lower emissions option – for transparency on the impact of flights and to compare CO2 emissions for different options





## Methodology



Research commissioned by Booking.com and independently conducted among a sample of 33,228 respondents across 35 countries and territories (1,019 from USA, 1,002 from Canada, 1,007 from Mexico, 1,005 from Colombia, 1,008 from Brazil, 1,015 from Argentina, 1,008 from Australia, 504 from New Zealand, 1,008 from Spain, 1,002 from Italy, 1,008 from France, 502 from Switzerland, 1,008 from the UK, 1,000 from Ireland, 1,008 from Germany, 1,006 from the Netherlands, 1,006 from Belgium, 1,004 from Denmark, 1,007 from Sweden, 1,016 from Croatia, 1,012 from Israel, 504 from UEA, 1,012 from India, 1,001 from China, 1,000 from Hong Kong, 1,000 from Thailand, 1,020 from Singapore, 1,001 from Taiwan, 1,000 from Vietnam, 1,002 from Indonesia, 1,007 from Philippines, 1,002 from South Korea, 1,009 from Japan, 1,005 from South Africa and 510 from Kenya).

In order to participate in this survey, respondents had to be 18 years of age or older, had to have traveled at least once in the past 12 months and must be planning to travel in 2023, and be either the primary decision maker or involved in the decision making of their travel. The survey was taken online and took place in February 2023.

