2023 RECOVERY: CANADA'S TOURISM RENAISSANCE

ANNUAL REPORT 2023

DESTINATION CANADA

Canada

AS STORYTELLERS AND REPRESENTATIVES OF CANADA'S TOURISM SECTOR, WE RECOGNIZE OUR POSITION OF INFLUENCE, AND THE IMPORTANCE OF OUR WORK, WORKPLACE AND WORKFORCE IN REFLECTING THE MANY VOICES AND PLACES THAT MAKE UP CANADA.

AT DESTINATION CANADA, WE ACKNOWLEDGE THE INDIGENOUS PEOPLES OF ALL THE LANDS THAT WE WORK AND LIVE ON. WE DO THIS TO REAFFIRM OUR COMMITMENT AND RESPONSIBILITY IN IMPROVING RELATIONSHIPS BETWEEN NATIONS AND OUR OWN UNDERSTANDING OF LOCAL INDIGENOUS PEOPLES AND THEIR CULTURES. FROM COAST TO COAST TO COAST, WE ACKNOWLEDGE THE TERRITORY OF THE INUIT, MÉTIS, AND FIRST NATIONS PEOPLE WHO HAVE CALLED THIS PLACE HOME FOR GENERATIONS BEYOND MEASURE.

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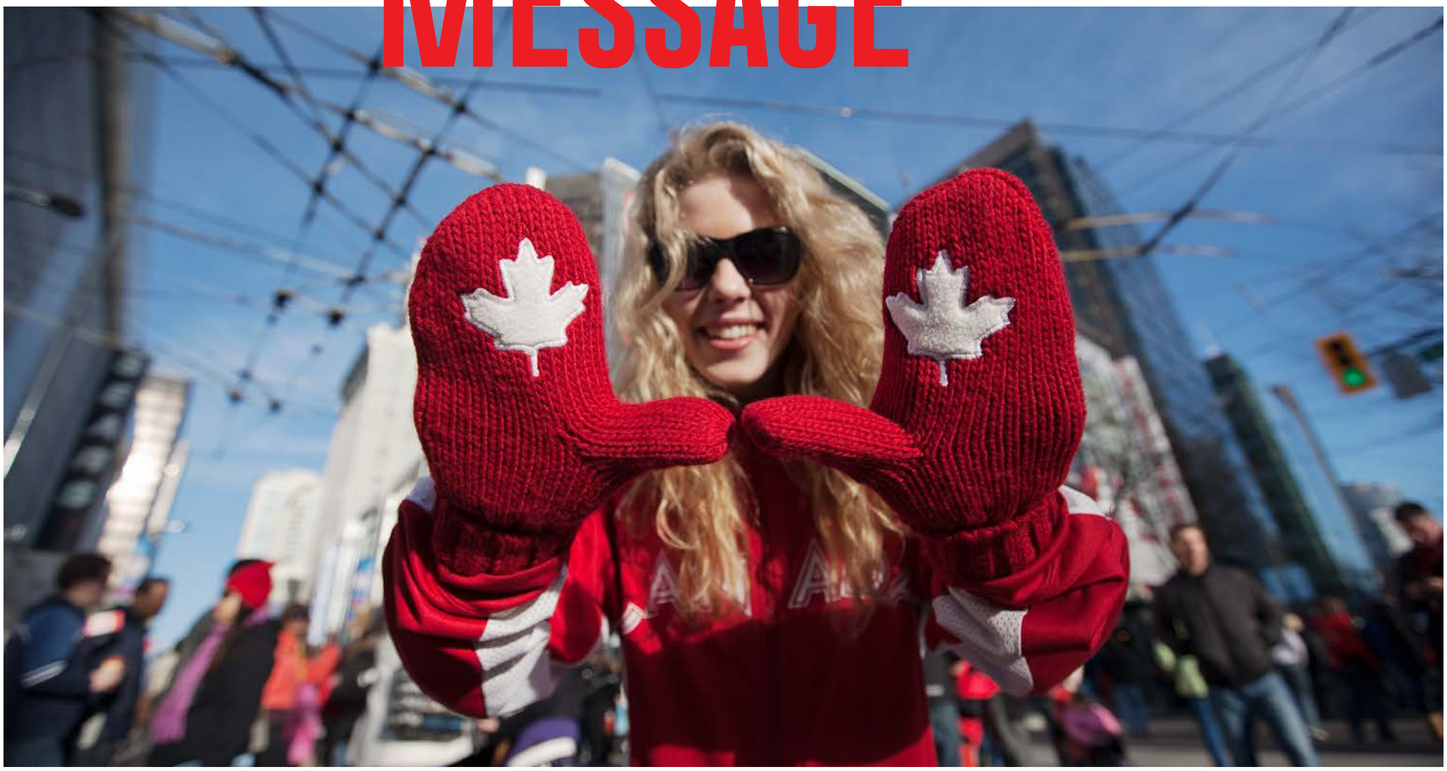
MESSAGE



Canada is back!

Our tourism sector has made significant strides in the last two years and is now moving past recovery to a much-welcomed rebound, with tourism spending having returned to pre-COVID levels in 2023. This recovery is a year earlier than previously forecasted and represents a significant turning point for the sector. We recognize that the recovery across Canada is uneven, with some regions and sub-sectors faring better than others. And we recognize that many businesses continue to face severe challenges such as labour shortages, high debt loads, and the rising cost of supplies caused by inflation.

But as we now move from surviving to thriving, the sector and all the industries, businesses, communities and people in it are at a crossroads: do we stay the current course, risking further slips in global competitiveness and a lack of real growth in profitability, or do we seek to transform tourism in Canada in order to truly realize its full potential?

Destination Canada has chosen the path of transformation to realize the enormous opportunity for real growth that is before us. We spent much of 2023 understanding where Canada's competitiveness is lacking and the levers our industry can influence to realize Canada's true potential. Recognizing that transformation necessitates a comprehensive and collaborative effort, we've been actively consulting with stakeholders and partners on this new ambition.

RECOVERY IS A YEAR EARLIER THAN PREVIOUSLY FORECASTED AND REPRESENTS A SIGNIFICANT TURNING POINT FOR THE SECTOR.

Our 2030 strategy *A World of Opportunity* charts an ambitious path for sustainable growth. Transformation means unlocking an additional $20 billion in annual revenue by 2030 to generate $160 billion in annual revenue. It means real profitability for tourism businesses and a steady stream of capital for re-investment in our country's tourism assets. It means well-paying jobs and actively engaged communities. Ultimately, it means supporting the wealth and wellbeing of everyone who lives in Canada.

Our organization has made considerable progress this year towards a transformed tourism future ... identifying target audiences that will strengthen yield in peak seasons, expanding Canada's seasonality for leisure guests, elevating Canada's global reputation as a premier host of international business events, supporting the return of critical air routes, enabling strategic destination development and tourism investment, and significantly expanding industry access to quality data intelligence. We have much to be proud of.

We are grateful to the talented people who have helped us build a new future for tourism, including our tremendous staff for their hard work and dedication to the industry, and the Board of Directors for their unwavering leadership and guidance.

While we have accomplished a lot and are now on the other side of the pandemic, there is still much to be done. We will continue the journey, side-by-side with our partners, to realize transformative growth of the sector by 2030. We have an exciting future ahead.

Marsha Walden
President & CEO

Liza Frulla
Chair of the Board of Directors

VALUE OF TOURISM

Canada's tourism sector plays a paramount role in generating prosperity and quality of life for all Canadians. A tapestry of industries and services, catering to both residents and travellers, come together to create a vibrant economic landscape that enhances life for individuals and communities throughout the country.

At its core, the tourism sector acts as an important catalyst for economic expansion. It breathes life into economic opportunities across diverse sectors such as hospitality, transportation, retail, arts and culture and entertainment. In Canada, the tourism sector generates approximately $300 million per day in economic revenue and has historically been Canada's top service export, contributing to 2.1% of Canada's gross domestic product in 2019. It served as a significant source of employment for Canadians, accounting for nearly 1 in 10 jobs nationwide with a diverse and inclusive workforce comprising youth, women, people of colour, 2SLGBTQ+, Indigenous, and new Canadians.

Tourism's economic contributions are multifaceted and the industry accommodates a diverse range of skills and occupations. It also demonstrates remarkable geographical diversity, with a significant presence in every province and territory across Canada. This is particularly significant in rural and remote areas, where tourism accounts for 10% of local jobs.

NO OTHER INDUSTRY IN CANADA HAS THE FAR-REACHING POSITIVE IMPACTS ON THE PEOPLE, PLACES AND PROSPERITY OF OUR NATION.

Tourism for All Canadians

Tourism supports the wealth and wellbeing of communities in every corner of Canada, helping to sustain a host of amenities that make life richer for Canadians. Tourism businesses create local jobs and encourage residents and guests to buy local goods and services, leading to profits that stay close to home and strengthen communities. It enables Canadians to celebrate the diverse places, multicultural voices and linguistic heritage of our nation and support the rich cultures of Canada's Indigenous peoples.

ABOUT US

Central Library Calgary Alberta

OUR ASPIRATION IS FOR TOURISM TO GENERATE WEALTH AND WELLBEING FOR ALL OF CANADA AND ENRICH THE LIVES OF OUR GUESTS.

Mandate

Destination Canada is a federal Crown corporation owned by the Government of Canada, reporting to the Minister of Tourism and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec.

Established under the *Canadian Tourism Commission Act* in 2001, our legislative mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

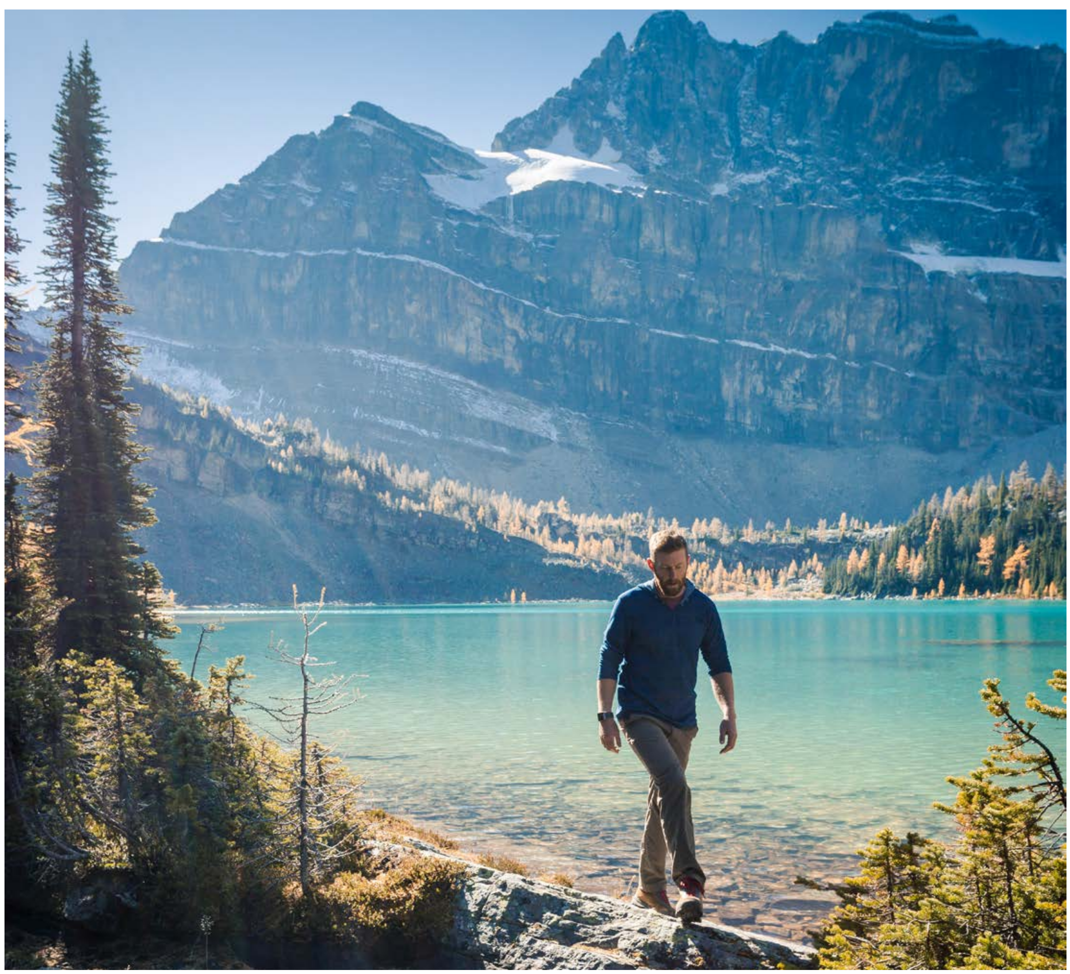
Who We Are

Our mission is to influence supply and build demand for the benefit of locals, communities and visitors through strategic development, leading research, alignment with public and private sectors, and marketing Canada internationally to attract leisure travellers and business events.

Our work supports the growth of Canada as a premier four-season tourism destination that is regenerative in nature—ensuring economic vitality, sociocultural vibrancy and environmental thrivability.

Funding Sources

We are financed primarily through parliamentary appropriations and operate on a calendar fiscal year. In addition to our base funding of $96.2 million in 2023, we spent the final balance of 3-year incremental funding of $100 million that was provided in response to the pandemic through Budget 2021 for marketing campaigns to help Canadians and other visitors discover and explore the country. In total, our parliamentary appropriations in 2023 were $106.4 million.



LANDSCAPE

Georgian Bay Ontario

State of Global Tourism

Supported by strong pent-up demand, international tourism recovered to 88% of pre-pandemic levels in 2023, according to forecasts by UN Tourism. Similarly, global tourism receipts hit $1.4 trillion in 2023, equating to roughly 93% of the levels recorded in 2019. This pent-up demand coupled with increased air connectivity and a stronger recovery of Asian markets and destinations are expected to underpin a full revenue recovery by the end of 2024, albeit with corporate travel and business events remaining down.

However, geopolitical strife, including political instability, civil unrest and wars, continue to fuel persistent economic and social uncertainties. Notwithstanding these geopolitical tensions and their implications on travel and tourism, leisure travel remains a priority. Travel enthusiasm remains strong among cautious consumers who continue to prioritize travel over other categories of discretionary spending. Importantly, Canada remains a safe place to travel, with a recent Berkshire Hathaway Travel Protection study naming Canada as the #1 safest place in the world to travel.

State of Canadian Tourism

Strong recovery of the tourism sector has lifted spending above its prior peak in 2019. An estimated revenue of $109.5 billion generated in 2023 represents sector recovery from the COVID-19 pandemic one year earlier than projected.

While this is positive news, overall visits are not projected to return to pre-pandemic levels until 2024. Furthermore, recovery to date has been uneven geographically and across sub-sectors and revenue growth is largely driven by inflation, with inflation comprising approximately 13%.

Leisure has been the main driver of travel to and within Canada over the last two years, but business travel is picking up. Similarly, bookings for business events remain well below pre-pandemic levels and are not projected to fully regain their footing until 2028.

Outlook for Canada

Post recovery, tourism in Canada is expected to grow faster than the general economy (5.8% vs. 4.5%) but is expected to fall short of the global tourism average of 7.1%. Short-term economic headwinds such as higher interest rates will result in modest growth for tourism through mid-2024, followed by a rebound in 2025.

International tourist visits have grown swiftly in the last two years. In an environment of fierce competition for global travellers, demand for tourism continues to grow and international visits are expected to surpass 2019 levels in 2025. The United States (US) remains Canada's largest source of visitors and tourism spending, but Canada has been losing market share as Americans are choosing to vacation farther afield.

China is still in the early stages of outbound travel recovery but presents an enormous long-term opportunity. The nation is expected to represent approximately one quarter of all global travel dollars by 2033 and to be Canada's largest overseas market for spending by 2030, surpassing the United Kingdom (UK). The UK has traditionally been a stable market for Canada but continued economic turbulence in the country and increasing competitive pressures for visitors will challenge Canada's position.

MANAGEMENT DISCUSSION & ANALYSIS

Jasper Alberta

Strategic Performance

Our aspiration is for tourism to generate wealth and wellbeing for all of Canada and to enrich the lives of our guests.

To help realize this vision, our strategy in 2023 was centred on four strategic drivers to continue propelling rapid recovery in the short-term while setting the foundations for increased sector resilience and prosperity in the long-term:

- Strengthening the appeal of Canada through **brand resonance**
- Influencing the quality and quantity of **legendary experiences** that appeal to international travellers
- Inciting action across multiple factors to improve **industry vitality**
- Gaining **support from Canadians** for tourism by improving their understanding of the contribution that tourism makes to their wealth and wellbeing

Across all our business lines, our efforts complimented each other to increase the vibrancy of the sector and enable it to thrive economically, socially, culturally and environmentally. Leveraging our new brand of openness, we focused on key aspects of the leisure travel market—those guests, products, seasons and geographic markets—offering the greatest prospects for recovery and the best promise for future growth. We enthusiastically showcased Canada as the premier destination for hosting international business events. We launched our program to support regional tourism development and have taken our data and analytics capabilities to the next level though the new Canadian Tourism Data Collective. And all our work was supported with strategic partnerships to drive positive and long-term transformation of the sector.

Destination Canada's Impact

In 2023, the Canadian tourism sector experienced a robust recovery, particularly in leisure travel, surpassing its pre-pandemic peak and achieving recovery one year ahead of projections. Canada remains a top choice for many travellers in our source markets, particularly in the US, France, the UK and Germany.

Growing the Economy

Tourism economy grows from hosting visitors

Attributable tourism revenue[a]

Target $8.56B by 2027
Result $1.37B
Status On track

Attributable tourism revenue as a result of $100 million in incremental funding through Budget 2021 (2021–2023)[a]

Target $565M between 2021-2025
Result $413M
Status On track

Shaping Perceptions

Canadians appreciate visitation in their communities

Support from Canadians: Perceived impact of the tourism sector on individual quality of life[b]

Target	Result
60%	49%

Canadians value hosting visitors in their communities

Canadians' perception of the contribution of the visitor economy to their wealth and wellbeing[c]

Target	Result
85%	82%

Tourism is seen as a positive impact by Canadians, but is perceived to be greater on the community as a whole than on individual quality of life.

Motivating Travel

Target US travellers seek out Canadian destinations

Lift in search for Canadian destinations in target US states versus control[d]

Target	Result
15% lift in search activity	16.6%

Target international travellers seek out Canadian destinations

Air ticket bookings[d]

Target	Result
10% growth over 2022	38%

At the time of target setting in late 2022, the volatile environment—marked by geopolitical tensions, inflationary pressures and other uncertainties—signaled delayed recovery. Speedier recovery in international markets due to an earlier lifting of pandemic restrictions helped to significantly contribute to growth in international air travel.

Attracting Business Events

Target decision makers choose Canada for their next business event

Number of booked business events for future years from international organizations[d]

Target	Result
709 events at year end	1,266

Value of booked business events for future years from international organizations[d]

Target	Result
$1.19B	$1.73B

Confidence and activity in the business events industry has been steadily increasing and booking windows have shorted as planners catch up on re-booking events that were postponed due to the pandemic.

Driving Destination Development

Strategic alignment with regional partners is increased

Number of shared regional strategies with demonstrated and aligned funding[c]

Target	Result
8	3

The launch of our pilot Tourism Corridor Strategy Program was a tremendous success, yielding 15 program applications. Although we had targeted eight corridor development strategies when the Corporate Plan was developed in 2022, industry feedback and available corporate resources later directed us to focus on three higher-impact pilot projects that crossed regional borders. Based on the 2023 pilot year, we will be extending this program through 2024.

Engaging in Strategic Partnerships

Partners are aligned

Partner co-investment on international programs

Target	Result
$37.5M	$48.1M

Strategic and aligned partnerships account for most of this value. In particular, our US marketing campaigns generated higher-than-expected investment.

Legend

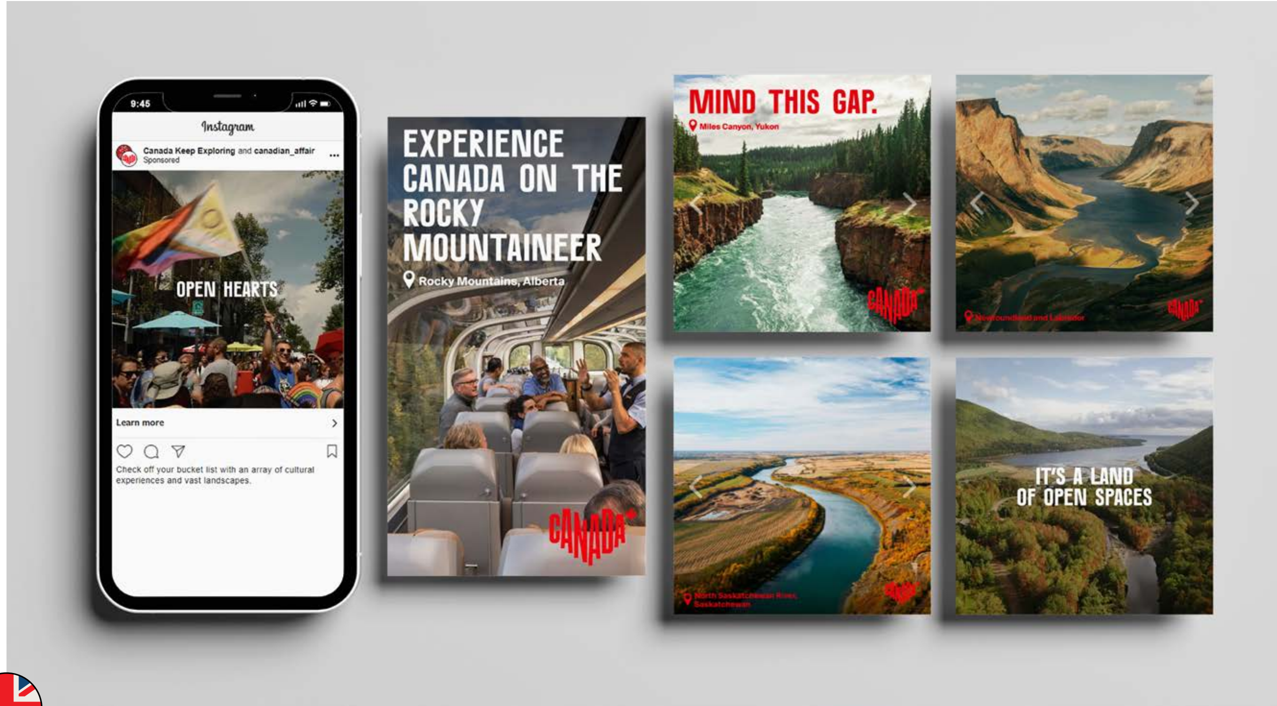
Each of the above measures corresponds to one of the following strategic drivers:
[a] Industry vitality
[b] Support from Canadians
[c] Legendary Experiences
[d] Brand resonance

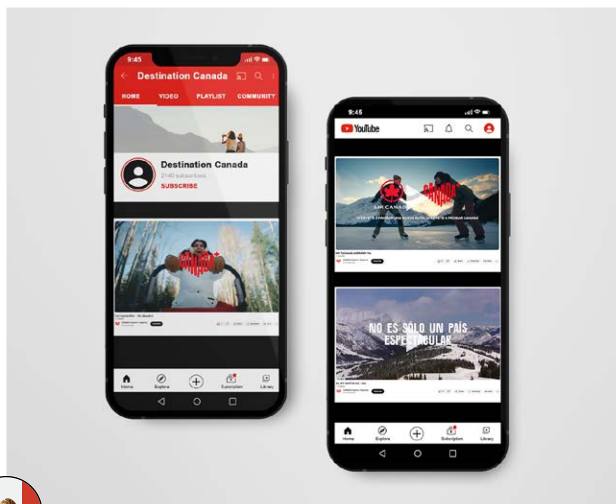
Leisure Marketing

Using new global partnerships, new media partners and high-end trade partners, we targeted High-Value Guests—those that stay longer, spend more, engage with locals, visit often and leave destinations better than they found them. In addition, we invested the last tranche of special funding from Budget 2021 to drive visitation and spending from all our key source markets, with growing emphasis on expanding into the fall and winter seasons.

With our new brand positioning around openness—open spaces, open hearts and open minds—we worked to strengthen Canada's appeal as a travel destination across our markets, investing more where the growth opportunities were the greatest. Additionally, through our marketing campaigns, media events and trade shows, we concentrated on expanding growth into the seasons and regions where Canada has greater capacity to host.

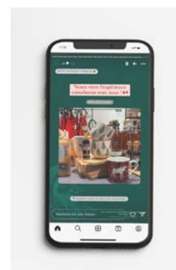
Key themes across our programming included showcasing the diversity of Canada's fall and legendary winter experiences and its natural wonders in epic outdoor settings. Differentiating Canada from competitors was paramount, as was leveraging global partnerships and our self-produced media and trade events.





Understanding that sustainability is becoming an increasingly important travel consideration for some guests, and aligned with our own strategy to promote regenerative tourism business practices, certain in-market activations incorporated the promotion of sustainable and regenerative tourism packages developed by our key trade partners.

In our largest and nearest US source markets, paid media, public relations, media relations and localized social media were the primary investment channels to drive awareness and revenue recovery. In our long-haul overseas markets, where travel trade partners drive a much more significant portion of bookings, we invested in building agile co-operative programs to develop new itineraries and travel packages.



Business Events Marketing

Fueling the Pipeline

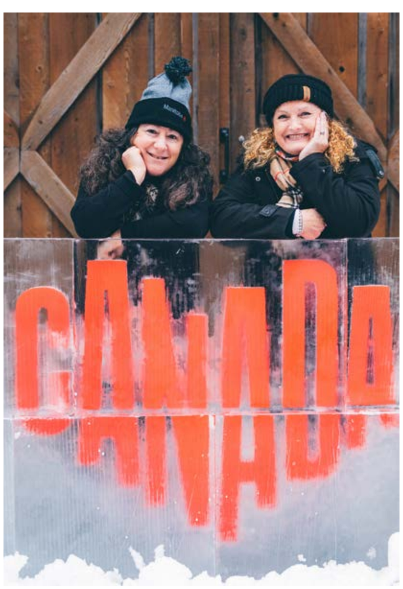
The goal of our Business Events team in 2023 was to attract business events that would fuel recovery and drive economic growth across the country. To do this, we elevated Canada's global reputation and reinforced confidence in booking Canada for future business events.

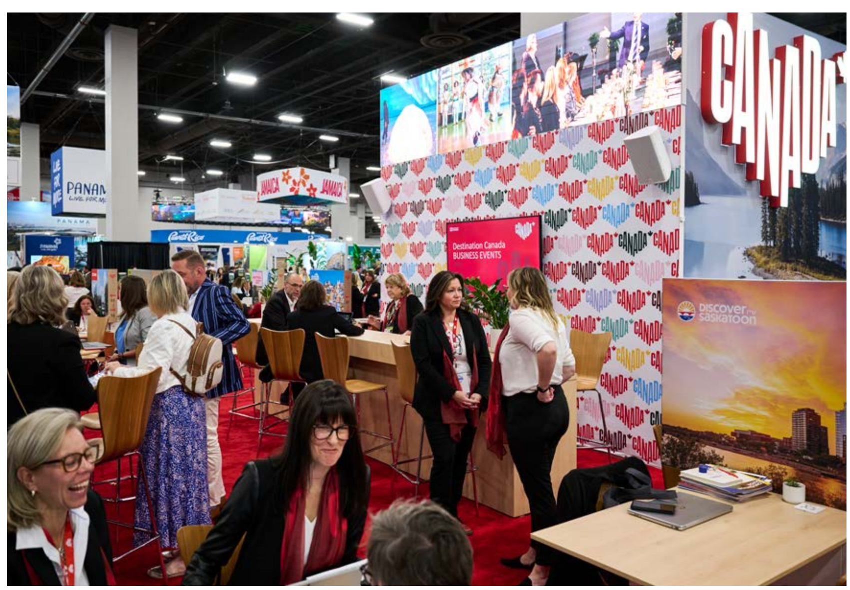
We prioritized the business events that would have the most impact on Canadian economic recovery and the perseverance to continually raise awareness for Canada as we emerge from the pandemic. Our priority target markets consisted of international associations, corporations and corporate incentive agencies within the six key economic sectors in which Canada has centres of excellence and that give the country a competitive advantage:

- Digital Industries
- Life Sciences
- Natural Resources
- Advanced Manufacturing
- Agribusiness
- Finance & Insurance

Over the course of 2023, we participated in countless trade shows and events around the world to communicate Canada's business event strengths and to ultimately convince target decision makers to choose Canada as the destination to host their next event.

Based only on six of the major shows and events we attended, more than 30 unique partner organizations from across the country—small and large—joined forces under a unified Canada banner to take part in over 2,000 one-on-one meetings with global meeting planners and decision makers. Combined, these six events garnered nearly 500 hosting opportunities, representing over 200,000 potential delegates spending an estimated $340 million in Canada. These valuable leads fuel the pipeline for potential business events to be hosted in Canada over the next 2–10 years.





Canadian Visionaries Network

Canada is home to visionary minds pushing the boundaries of global innovation. This expertise is especially important for attracting international conferences to the country's diverse destinations, as it gives organizations the chance to supercharge their event agendas with acclaimed keynote speakers and unparalleled networking opportunities.

Check out the Canadian Visionaries Network (CVN) website

Canada's thought leaders are invaluable not only for enhancing the country's global reputation as innovators and leading host of business events, but for strengthening local conference ambassador programs and bid activity. Recognizing this, we launched the Canadian Visionaries Network (CVN) to support the growth and reach of these programs while simultaneously raising international awareness of the country's immense intellectual capital offerings.

A national platform, the CVN is a one-stop shop for event organizers looking to connect with local thought leaders, academics, and highly accomplished professionals at the top of their fields. With extensive knowledge capital and industry excellence, these top-notch experts help to secure high-profile conference wins aligned with Canada's six priority economic sectors. Consisting of 28 founding members across the sectors, the CVN amplifies local conference ambassador programs and highlights the academics and industry leaders who are influential in attracting key business events.

Driving Sustainability in Business Events

As business travellers increasingly want to avoid negative impacts on the environment and local communities, sustainability continues to be an essential component of business events. The work we are leading in sustainability is invaluable in strengthening Canada's broader regenerative tourism ecosystem for years to come, but driving action and raising the standards for business event sustainability requires a collaborative approach.

Visit the dedicated Sustainability page on our client-facing Business Events website

To help others in the sector engage with this process, our Canadian Business Event Sustainability Plan focuses on boosting sustainability for international association conferences, trade exhibitions, workshops, seminars, corporate meetings, and incentive group events. It is designed to improve the economic, socio-cultural, and environmental sustainability practices of business events hosted in Canada. A first-of-its-kind, the national program provides turnkey sustainability programs to global clients to drive action, raise standards and propel the entire business event industry toward being more sustainable. To date, 16 Canadian destinations have signed onto this Plan to measure and benchmark against sustainability targets through the Global Destination Sustainability Index.

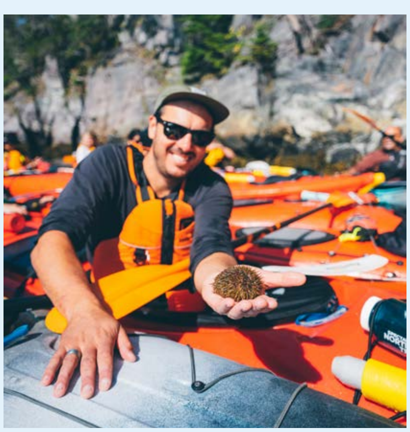
Just one year after the launch of this ground-breaking initiative, we are proud to be the recipient of the 2023 IMEX-EIC Innovation in Sustainability Award that champions leaders and organizations whose actions are creating a positive impact on the environment and communities, as well as strengthening the global business events industry as a whole. This global recognition cements our collaborative approach with city partners to accelerate change within the industry.

Going Carbon Neutral

Inciting change within the business events community includes leading by example.
We demonstrated our leadership in event sustainability by hosting the following signature events that included actionable plans to reduce and offset event-related carbon emissions, reaffirming our commitment to sustainability:

Innovate Canada takes qualified international C-suite executives behind the scenes to see what's occurring across Canada's leading innovation sectors. Innovate Canada 2023 – Advanced Manufacturing and Innovate Canada – Oceans represent our first two carbon neutral events. Both events brought together clients and media with destinations and partners to highlight Canada's cutting-edge work in these two leading economic sectors.

Incentive Canada invites top international meeting planners to take part in unique and transformative experiences that make Canada an incentive reward worth bragging about. Our summer event incorporated a multitude of sustainability options and initiatives to deliver a carbon neutral event.



Additional Funding Through Budget 2023

Through Budget 2023, the Government of Canada announced $50 million in one-time, additional funding to Destination Canada over three years. The majority of this funding will establish an International Conventions Attractions Fund (ICAF) to attract major international conventions, conferences and events to Canada. This new program will provide financial commitments against eligible international conferences to encourage decision makers to choose Canada. The ICAF will increase Canada's competitiveness as a host for international business events by providing federal government financial support—a gap that has existed in Canada for years. The program is expected to run for three years beginning in 2024.

The remainder of this special funding will be invested in differentiating Canada—and all the destinations within it, regardless of size—from competing hosts on the international stage. In particular, investments will be made to strengthen Canada's presence at global sales events and enhance marketing and communications activities.

Destination Development

Tourism Corridor Strategy Program

A pilot program for 2023, the Tourism Corridor Strategy Program was established to accelerate destination development of multiple corridors across Canada. Our programmatic approach emphasized the in-depth collaboration amongst varying stakeholders within a given corridor, particularly between provinces and territories, in order to strengthen capacity and leadership, and ultimately to build a more resilient tourism industry.

Of the 15 corridor submissions, three were selected by Destination Canada to participate in the program. With our leadership and financial support, combined with the assistance of industry experts and the collaboration of regional partners, we co-created a comprehensive strategy, an implementation plan and a financial plan to accelerate development of and surface investment opportunities for each corridor.

Visit the Tourism Corridor Strategy Program page

The Tourism Corridor Strategy Program empowers destinations to consider their participation in the visitor economy and intentionally plan across jurisdictional boundaries. With the goal of increasing authentic and transformational experiences that are distinctly Canadian for both residents and visitors alike, the program reinforces the importance of working together with industry partners to inspire transformative and positive change.

Northern Indigenous Tourism Lodge Network Corridor

Throughout Northern Canada in particular, the strong demand for authentic Indigenous tourism products and experiences exceeds the chronic shortage of accommodations. The Northern Indigenous Lodge Network Corridor project seeks to develop Indigenous lodges throughout the Yukon, western Northwest Territories, and northern British Columbia.

Atlantic Canada UNESCO Corridor

Three of Canada's Atlantic provinces are home to more than a dozen United Nations Educational, Scientific and Cultural Organization (UNESCO) sites which contribute to pride of place and form a network of unique landscapes, rich cultural history, and diverse offerings. Due to their popularity, some sites have reached or exceeded their seasonal carrying capacity while others remain under visited and overlooked. This corridor project will seek to develop shoulder- and off-season offers, redistribute and disperse summer travellers, and attract High-Value Guests that grow local economies while supporting community values and protecting ecological integrity.

Sustainable Journeys Prairies to Pacific

Each year, millions of visitors from around the world make their way to Canada to explore its westernmost provinces—British Columbia and Alberta. While many choose the TransCanada Highway as their travel route through this region, Highway 3 offers a spectacular alternative offering stunning geography and a wealth of experiences. The Sustainable Journeys from Prairies to Pacific Corridor project supports sustainable tourism development as well as the existing traveller dispersion strategies of both Destination British Columbia and Travel Alberta.

International Symposium on Destination Stewardship

Across the globe, there is a growing demand for tourism to place communities and the environment at the forefront. Visitors are increasingly thinking of sustainability when deciding where to travel, forcing destinations to rethink their model for tourism.

The International Symposium on Destination Stewardship gave Canada's tourism sector time and space to explore a regenerative approach to tourism and talk about how it could positively impact residents, the economy, culture and the environment. The experiential event attracted global thought leaders, partners and knowledge holders from diverse sectors to speak on topics that impact the future of tourism. Topics included wildlife policy, working with Indigenous businesses, co-mingling of systems, climate change, innovative community involvement and architecture. In addition to elevating the conversation, the Symposium also served as a step towards solidifying Canada's global reputation as a progressive, innovative leader in destination development.

Review online a summary of the Symposium

The Symposium came at a pivotal moment in the evolution of global tourism, and such events provide a crucial touchpoint to learn from other industries and leaders and to understand the future impacts of changing dynamics as we pursue long-term industry growth and resilience.

"TOURISM IS A FORCE FOR GOOD IN COMMUNITIES ACROSS CANADA—BUT WE MUST ENSURE THAT IT'S A SUSTAINABLE ONE. THIS SYMPOSIUM HELPS CANADIAN TOURISM CHART A COURSE FOR A MORE SUSTAINABLE FUTURE."

The Honourable Soraya Martinez Ferrada

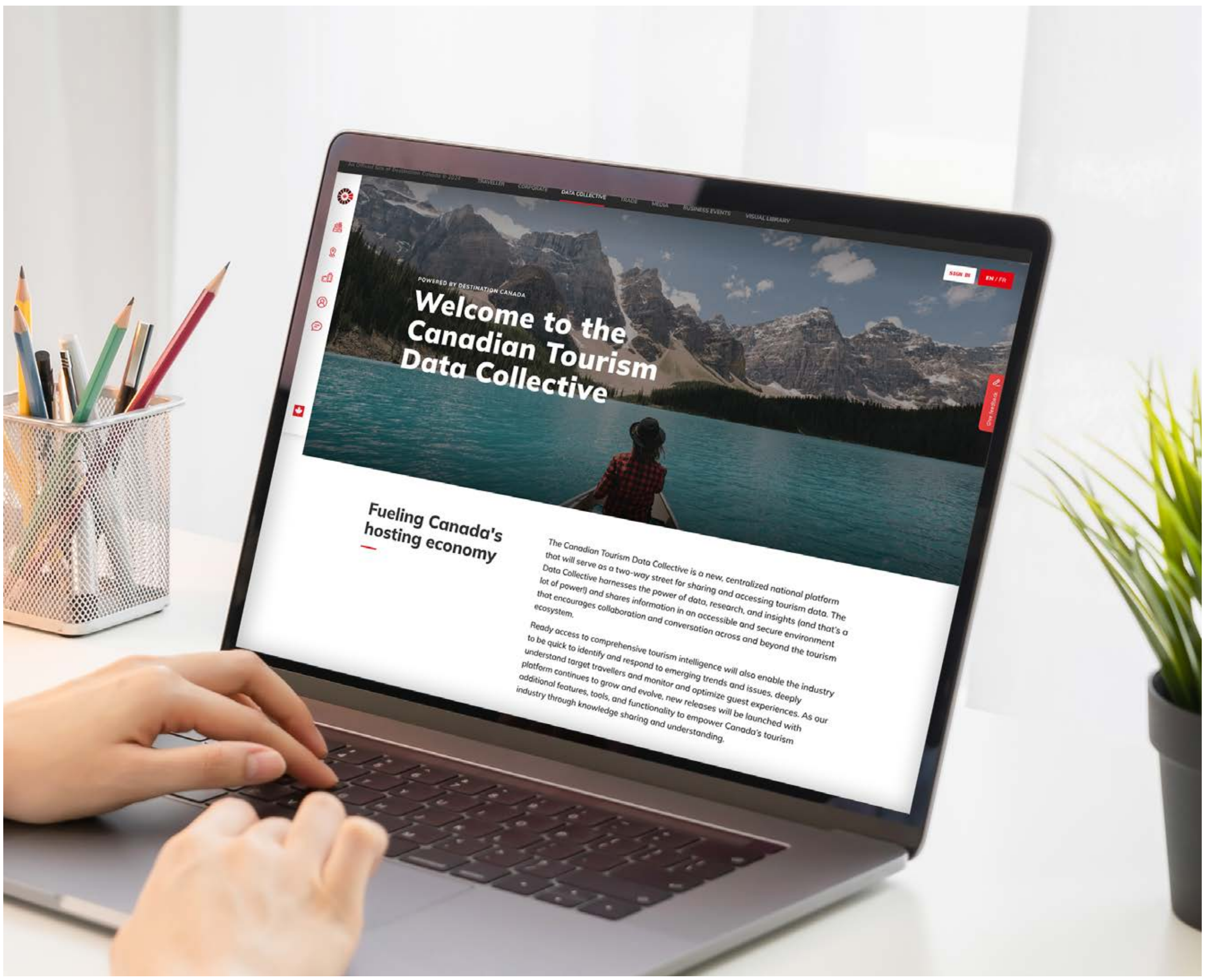
Minister of Tourism and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec

Insights & Analytics

Canadian Tourism Data Collective

Data, insights and analytics play a pivotal role in every facet of our sector's operations and initiatives, driving performance and providing stakeholders with the information they need to make informed decisions.

Over the past two years, we have expanded our data sources and analytical capabilities to better inform decision-making, sector strategies and government policy. The reliance on critical data during the pandemic underscored the need for a trusted, central source of collective data to navigate downturns, accelerate recovery, and capitalize on future growth opportunities.



To fulfill this need, Destination Canada has been collaborating with Statistics Canada and Innovation, Science, and Economic Development Canada (ISED) to create the Canadian Tourism Data Collective (CTDC). Developed in partnership with industry stakeholders, the CTDC aggregates sector-specific and consumer-based data to provide comprehensive and actionable tourism intelligence. It will offer secure access to a range of outputs, including traveller insights, curated datasets, interactive dashboards, research publications and economic modeling.

Visit the CTDC page

In the fall of 2023, we released a beta version of the CTDC to allow for user testing and to solicit valuable stakeholder feedback. This iterative process is crucial for refining the product to meet the dynamic needs of our diverse user base before the anticipated full-scale launch in 2024.

Fueled by a network of tourism partners across public and private sectors, the CTDC will serve as a powerful, national, digital platform for industry data, research and insights. Fostering collaboration, knowledge sharing and innovation across the tourism ecosystem, the platform will be a source of long-term competitive advantage and drive the future of Canada's hosting economy.

Global Traveller Research Program

Destination Canada's Global Tourism Watch stood as a long-standing and impactful research program, providing foundational data to Canada's tourism industry. However, shifts in research technologies, the needs of Destination Canada and our partners and traveller dynamics necessitated a re-evaluation of the program. Through partner engagements, it became evident that a more agile and flexible program with increased data was needed. Further, access to improved insights via multi-modal methodologies was essential. Therefore, a new program was launched and rebranded the Global Traveller Research Program (GTRP).

The GTRP signifies a fundamental shift in how we track, analyze and share traveller research. Building on partner collaboration and engagement, our new program employs greater methodological flexibility and improves insights that go beyond tourism research to delve deeper into the traveller. The GTRP enables a richer understanding of traveller motivations, behaviours and future travel plans, serving as valuable intelligence that inspires content development, provides insights to partners and informs corporate, marketing and destination development strategies. Furthermore, the increased cadence of the GTRP facilitates continuous data monitoring rather than taking a singular assessment at one point in time, helping to fuel Canada's competitive edge.

Tourism Outlook

Over the last year, we enhanced our intelligence and data capabilities to inform our strategies and investment decisions, and to help businesses market to international travellers. Our analysis on Canada's competitiveness is shaping strategic areas of focus for a variety of stakeholders within the tourism ecosystem, including our industry partners and small- and medium-sized enterprises, which is helping to grow Canada's tourism industry.

While we've continued to deliver critical intelligence to the industry and our federal partners, we've made important strides to better understand the future of tourism, enhance our forecasting capabilities and undertake scenario planning to navigate complexity and change. In the fall of 2023, we released our revised Tourism Outlook extending to 2030. This outlook presents the state of recovery of Canada's tourism sector three years after the start of the pandemic. It also highlights the potential for substantial growth by 2030 and outlines strategies to mobilize the industry in overcoming barriers to growth, thereby unlocking the full potential of Canada's tourism sector.

Our ability to plan for various scenarios helps us, our partners and the industry at large anticipate nd prepare for a range of possibilities, thereby enhancing the sector's resiliency and ability to thrive in an uncertain and dynamic environment.

Industry Collaborations

The global tourism ecosystem is complex and involves many players, so mutual success depends on working together, not independently, toward common goals.

We continue to deepen relationships with all our partners to help grow a stronger tourism sector. This includes building agile co-operative programs with travel trade partners, tightening our integration with domestic and international airlines, and aligning resources together with other destination marketing organizations at the city, provincial and territorial levels to extend the impact of our collective investments.

Remobilizing Air Services

As a result of COVID, Canada lost 90% of its air passenger traffic from key source markets. The devasting effects of the pandemic on tourism required us to immediately pivot from our traditional marketing activities to assisting in recovery and revitalizing tourism. Understanding that the restart of international tourism was predicated on the remobilization of air travel, we prioritized the restoration of crucial international routes through marketing efforts.

With the support of additional one-time funding allocated to Destination Canada from the Government of Canada over 2021–2023, we developed an Air Service Development Program to rebuild high-volume and high-value routes from key international markets. Working collaboratively with airports, destination marketing partners and airlines, our initial strategy supported Canadian airlines' efforts to re-establish critical air access from our core international markets to primary destinations in Canada. Later, our strategy for air service development evolved to focus more on targeted routes in order to advance recovery between our key markets and Canada.

A total of 27 routes were supported through this program. Joint investments with partners contributed to the recovery or addition of over one million seats into Canada by the end of 2023 from Destination Canada's target markets, bringing seat capacity to 94% of 2019 levels.

Tapping into Global Travel Networks

Over the years, we have refined our partnership strategy to exchange valuable marketing insights, enhance the effectiveness of our collaborative investments and optimize marketing endeavors, helping to put the industry on a better competitive footing.

In 2023, we deepened our relationship with two major global networks of luxury travel advisors—Virtuoso and Signature Travel Network—to grow interest in Canada as a preferred destination among our target travellers. Combined, these two exclusive travel groups comprise over 27,000 expert advisors armed with in-depth destination and product expertise and access to unparalleled experiences. Travel advisors play a critical role in influencing travel decisions, and nearly two-thirds of High-Value Guests would use one when considering a trip to Canada.

Our collaboration with both these networks allowed our Canadian partners to tap into their highly-seen multi-consumer marketing channels as well as leverage the tremendous selling power of their top tier agents. These strategic relationships with Virtuoso and Signature Travel Network also enabled Canada to showcase Indigenous Experiences, and to address any seasonal knowledge gaps, specifically for fall and winter experiences, through travel advisor education and the hosting of trade familiarization tours.

Supporting the Growth of Indigenous Tourism

Our power to convene means that we have the ability to bring together a spectrum of interests for joint success. Our umbrella agreements with Signature Travel Network and Virtuoso enabled us to facilitate the membership of our long-time partner, Indigenous Tourism Association of Canada (ITAC). ITAC represents the voice of Indigenous led-businesses from every province and territory across Canada. This partnership with both networks expands awareness of Indigenous owned travel products and supports the growth of Indigenous tourism in Canada through increased marketing and promotion.

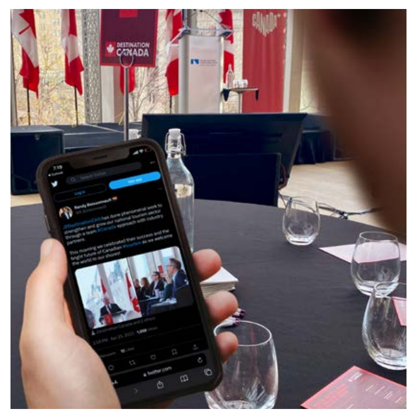
This was the first time that Signature Travel Network and Virtuoso permitted the membership of a secondary national tourism body, and these partnerships signify the first by both networks with any Indigenous tourism association.

Federation of Canadian Municipalities

In late 2023, we entered into a first-of-its-kind partnership with the Federation of Canadian Municipalities (FCM), an advocacy body representing the voice of over 2,100 Canadian municipalities and the homes of over 90% of all Canadian residents. This three-year partnership will proactively engage community leaders, and by extension, their constituents and strategic partners, so they understand the value of tourism, the power of collective destination stewardship and the benefit of thoughtful tourism development. This collaboration will also emphasize how we can leverage the visitor economy to benefit communities and residents across the country.

The FCM is the national voice of municipal government and one of the most influential in community development and operation. This partnership will accelerate awareness of the value of tourism in community-building and Destination Canada's role, and will lay the foundation to build a more robust network of leaders, champions and forward thinkers within different sectors to drive tourism, destination development and stewardship over the long-term. It represents an important step to foster greater support for tourism development within communities, placing residents' interests at the forefront to balance the visitor experience with resident quality of life.

National Tourism Sector Associations Forum 2023 and CEO Summit



New for 2023 was the launch of the National Tourism Sector Associations Forum and CEO Summit. In our role as a convenor of the Canadian tourism sector, Destination Canada brought together thought leaders from national associations whose mission is directly or closely aligned with tourism, travel, hospitality, arts and culture to discuss issues and to influence critical initiatives related to tourism, all with the ultimate goal of making Canada one of the most competitive and desirable destinations in the world.

With over 40 associations from across Canada, the Forum and Summit together represent a powerful and collective voice for programs and initiatives that are crucial for advancing Canada's international competitiveness, and their valuable insights are helping to shape our strategies going forward.

In our unique position as a convenor and a thought leader, Destination Canada is increasing alignment among influential stakeholders to map a course towards a common ambition that improves Canada's global ranking, the quality of experiences available, and the wealth and wellbeing of host communities.

Corporate Social Responsibility

Driving Sustainability

Destination Canada is committed to creating and preserving a Canadian hosting sector that not only benefits the economy, but respects and protects the environment, social cohesion, cultural social sustainability and all communities across Canada. We are taking steps to continuously improve our practices and are encouraging our partners across the industry to do the same.

One of our goals is to be seen as a leader in environmental sustainability. As mentioned earlier, we have been leading by example through the launch of our Canadian Business Events Sustainability Plan and are moving towards hosting events that are carbon neutral.

We've also established working relationships with other organizations at the federal, provincial and municipal levels to learn and share knowledge and best practices. Most recently, we joined the Global Sustainable Tourism Council (GSTC)—an international body responsible for establishing and managing global standards for sustainable travel and tourism. Joining the ranks of other sustainable tourism players reaffirms our commitment to supporting sustainability in tourism and to creating, promoting and facilitating a sustainable tourism economy.

In addition to signing on to the GSTC, we have taken several other actions towards embracing sustainable approaches to business and tourism. These include creating an internal Environmental Sustainability Committee, working with a third-party organization to measure and reduce our overall carbon footprint and taking steps to improve our social procurement impacts.

We recognize our duty to serve as destination stewards and champions of sustainability, and we know the value and importance of a regenerative approach to tourism. We are committed to not only exploring, embracing and applying sustainable policies and practices throughout our organization, but to championing these across the industry.

A Pathway to Reconciliation

We believe tourism, where welcomed, offers a path for economic and socio-cultural reconciliation with Indigenous peoples throughout Canada. As an organization, we continued to develop genuine relationships with, and deepen our understanding of, Indigenous communities and businesses and their unique perspectives so that, together, we can share Indigenous contributions, past and present, with Canadians and the world. This includes the hiring of our first Senior Manager, Indigenous Relations to advance our commitment to uphold reconciliation principles in our work and to co-create solutions with Indigenous peoples.

We strengthened our commitment to the Indigenous Tourism Association of Canada through a five-year Memorandum of Understanding which is helping to propel the recovery and resilience of Canada's Indigenous tourism businesses and communities. We've worked together with Indigenous artisans—chefs, fashion designers, artists, storytellers, musicians and dancers—to share Indigenous culture with the world.

Within our organization, we have been encouraging staff to meaningfully engage in the work of truth and reconciliation and learn about the history of Indigenous Peoples in Canada. Through several educational opportunities with Indigenous leaders, storytellers and historians, we are broadening our understanding of how colonization, oppression, assimilation, and ongoing experiences of racism and discrimination continue to impact Indigenous peoples in Canada.

To further move the needle on cultural competency, we are developing an organizational reconciliation strategy to deepen our awareness, understanding and appreciation.

Fostering an Inclusive and Accessible Environment

Destination Canada recognizes the challenges faced by individuals with disabilities in accessing mainstream employment. As an organization, we are working towards having a workplace that celebrates diverse abilities and perspectives, and we are committed to driving action in all areas of our business.

Our multi-year Accessibility Action Plan, launched in 2022, identifies notable actions needed in our business processes and the built environment to dismantle existing barriers and foster an inclusive and accessible environment. Over the last year, we have made significant strides to improve our physical workspace at our Vancouver headquarters office, to improve our employment and recruitment practices, and to enhance our communications technologies and procurement practices. Moving forward, we are poised to further advance progress against our Accessibility Action Plan and will focus on enhancing the design and delivery of services and programs, addressing barriers in transportation, and further improving our channels of communications.

Management Operations and Controls

Risk Management

We use an integrated risk management approach that considers risks at all stages of the business cycle from the strategic planning phase to day-to-day business operations. We follow a formal risk review process including working groups of key staff, the senior management team, our Board of Directors and the expertise of an independent third party. We use risk assessment in the development of our five-year corporate plan, risk mitigation strategy and internal audit plan. Focus is placed on identifying and mitigating risks that could impede the delivery of our strategic plan.

In 2023, we continued to enhance our enterprise risk management by consulting with our Board of Directors and Audit and Risk committee in the first quarter, holding quarterly business review meetings with senior management to review risk and strategy together, and consulting with a wider array of stakeholders in the last quarter.

Our risk framework categorizes strategic risk under the following four lenses:

Economic: This includes changes in macroeconomic conditions, such as supply chain disruptions, geo-politics and major global events, which could negatively impact business strategies, operations and investments..

Environmental: This includes monitoring impacts to climate change, reducing emissions and supply chain sustainability.

Social: This examines how the business manages labour relations, diversity and inclusion.

Governance: This assesses leadership, internal controls and ethics to promote greater accountability and transparency.

To effectively manage each strategic risk impacting our organizational objectives, we undertook the following risk mitigation activities in 2023:

High residual risk	Medium-high residual risk	Medium residual risk	Low-medium residual risk	Low residual risk

Economic

2022 High | 2023 High

There is a risk that Destination Canada's activities do not generate real growth due to aggressive competition from other countries and other sectors in Canada competing for the same limited supply of labour and investment dollars.

Mitigation activities: Our efforts are focused on elevating the international competitiveness of Canada's tourism sector. In collaboration with provincial, territorial, and municipal partners, we have concentrated our initiatives around seven key areas to synchronize activities, efficiently allocate resources, and enhance return on investment. Utilizing advanced research and data analytics, we have strategically targeted the most advantageous opportunities for Canada in the global market. Responsive to evolving conditions, we have adjusted our financial allocations accordingly. We have also empowered the industry with guidance on navigating technological advancements, supplied valuable media resources, sales opportunities, and research to identify shifts in the competitive environment.

Environmental

2022 Medium-high | 2023 Medium-high

There is a risk that the environmental perception of Canada, tourism and Destination Canada itself could have a negative impact on the tourism assets that are being promoted.

Mitigation activities: Our approach to destination development prioritizes principles that are rooted in local community leadership, environmental stewardship and economic sustainability. This strategy has effectively helped to reduce potential adverse effects on the tourism locations we support. We are examining the impacts of climate change on tourism and building out a more robust disaster response. Our commitment to sustainability is underscored by our active involvement in the Global Destination Sustainability-Index, where Canada boasts the highest national representation worldwide. Additionally, Destination Canada has made significant strides in collaboration with UN Tourism towards enhancing sustainability metrics within the tourism sector.

Social

2022 Medium | 2023 Medium-high

There is a risk that our operations and tourism promotion activities do not consider all stakeholders and are not equitable towards all affected peoples and local communities. There is a further risk that the workload challenges of the past number of years negatively impact the mental health of our employees.

Mitigation activities: We worked across multiple initiatives to ensure that our activities reflect the diversity of Canada. This included working with our agency partners to showcase all elements of diversity in our global marketing; refining our processes in human resource recruitment, procurement and other operational practices; training our staff to be aware of biases; working to support Indigenous reconciliation through tourism; and following a community economic empowerment strategy. We developed and deployed our internal diversity, equity and inclusion strategy to ensure that we embrace diversity in our operations and reflect the communities we serve.

Governance

2022 Medium | 2023 Medium

There is a risk that our corporate governance activities do not respond to the rapidly changing global business environment, leading to lower overall organizational effectiveness, efficiency and compliance.

Mitigation activities: We undertook a scenario planning exercise to envision various futures for the tourism industry, aligning our strategy and governance with evolving conditions. Our Board, comprising of expert industry and business leaders, guides our strategic adjustments to meet rapid changes. Through broad industry consultation, we crafted a robust business strategy and enhanced our risk management. Internally, we enacted comprehensive policies for daily operations and introduced an internal audit as a safeguard. We evaluated our achievements against internal targets and stakeholders' goals, benchmarked market performance against competitors, and fortified information technology controls to guard against contemporary cyber risks.

Using Artificial Intelligence Responsibly

Generative artificial intelligence (AI) is a set of technologies that leverages large volumes of data along with machine learning techniques to produce new content autonomously, often without human intervention. AI supports a culture of experimentation, streamlines content creation, supports data-driven decision-making, maximizes agility and improves overall organizational productivity.

As technology continues to evolve, the responsible and ethical use of artificial intelligence becomes increasingly paramount. In late 2023, we developed guidelines on the use of generative AI to provide a framework that not only guides our own practices but also sets a high standard for the industry. The guidelines encourage using generative AI tools responsibly and ethically, and incorporate the principles of transparency, accountability, safeguarding privacy, data security, and accounting for biased data.

These guidelines will serve as guardrails for the responsible use of AI at Destination Canada. They will allow our organization to quickly adapt best practices to garner productivity benefits and ensure we are global leaders in our work.

Special Examination Preparedness

Crown corporations are subject to a special examination once every 10 years by the Office of the Auditor General of Canada (OAG). Such an audit provides an independent review of whether the organization has systems and practices in place to ensure that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

In preparation for Destination Canada's next special examination occurring in late 2023 until early 2024, we embarked on an organization-wide initiative to review our corporation's systems and practices. Recognizing that adequate preparation facilitates the process for both the examiner and ourselves, we engaged the support of a third party to ensure that systems and processes are aligned with statutory control objectives and that documentations are appropriate and up to date.

Corporate Policy Refresh

Corporate policies are living documents that must grow and adapt alongside an organization. Effective policy management requires regularly revisiting policies for their continued relevancy, to address the latest regulations and technology, and for overall risk management.

In mid-2022, we embarked on an initiative to proactively revisit our suite of corporate policies, including various bylaws, codes and terms of reference, with a view to modernize, streamline and standardize them. Expected to complete in 2025, this multi-year project entails the review of nearly 60 policies at Destination Canada and will establish a centralized process for the ongoing management of these policies. By the end of 2023, over 40% of the policies have been reviewed and updated, as needed.

Audit of Professional Services Contracts

Stemming from a House of Commons standing committee study on consulting contracts awarded to McKinsey & Company by the Government of Canada and federal Crown corporations, Destination Canada underwent an independent examination by the Office of the Auditor General of Canada (OAG). The purpose of the examination was to determine whether professional services contracts were awarded to McKinsey & Company in accordance with applicable policies and whether value for money for those contracts was obtained.

At the time of writing, this examination was still ongoing and a report by the OAG is expected in early 2024.

Workforce Management

We have been on a journey to modernize our HR services in order to enhance operational management and to offer a more efficient and simplified user experience. This multi-year project began with upgrading our pay module in 2020 and introducing a new time management component in 2022.

As a follow up to this initiative, in 2023, we explored new technology to enhance how we recruit and manage talent and are currently in the final stages of selecting and implementing this technology.

Compensation Review

As a regular practice, we review our compensation philosophy every three years to ensure it remains relevant to our business objectives and that our compensation structure reflects market conditions. This latest review was completed and implemented in 2023.

Financial Overview

The financial overview presents supplemental information as context to the financial statements and notes and compares our current year to past year's performance and budget. Our financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

Statement of Financial Position

Financial assets decreased by $23.2 million, or 68%. This change was primarily driven by a lower cash balance of $5.7 million compared to $27.4 million in 2022, resulting from an appropriation drawdown of $15.5 million initiated in December 2023 that was not received until the next fiscal year in January 2024.

Non-financial assets decreased by $0.5 million, or 13%, from 2022 primarily due to less prepaid program expenses at year-end that were disbursed over two fiscal years—2023 and 2024. Any cash sent to partners for programs that had not yet occurred as at December 31, 2023 was classified as prepaid expenses.

Total liabilities increased by $4.1 million from 2022 due primarily to higher trade accounts payable as a result of the timing of disbursements.

As a result, we report an accumulated deficit of $7.9 million as at December 31, 2023.

Statement of Operations

We report an in-year accounting deficit of $27.9 million for the year ended December 31, 2023, compared to a planned deficit of $14.4 million. The current year deficit compared to budget was the result of the December 2023 appropriation drawdown of $15.5 million received in January 2024.

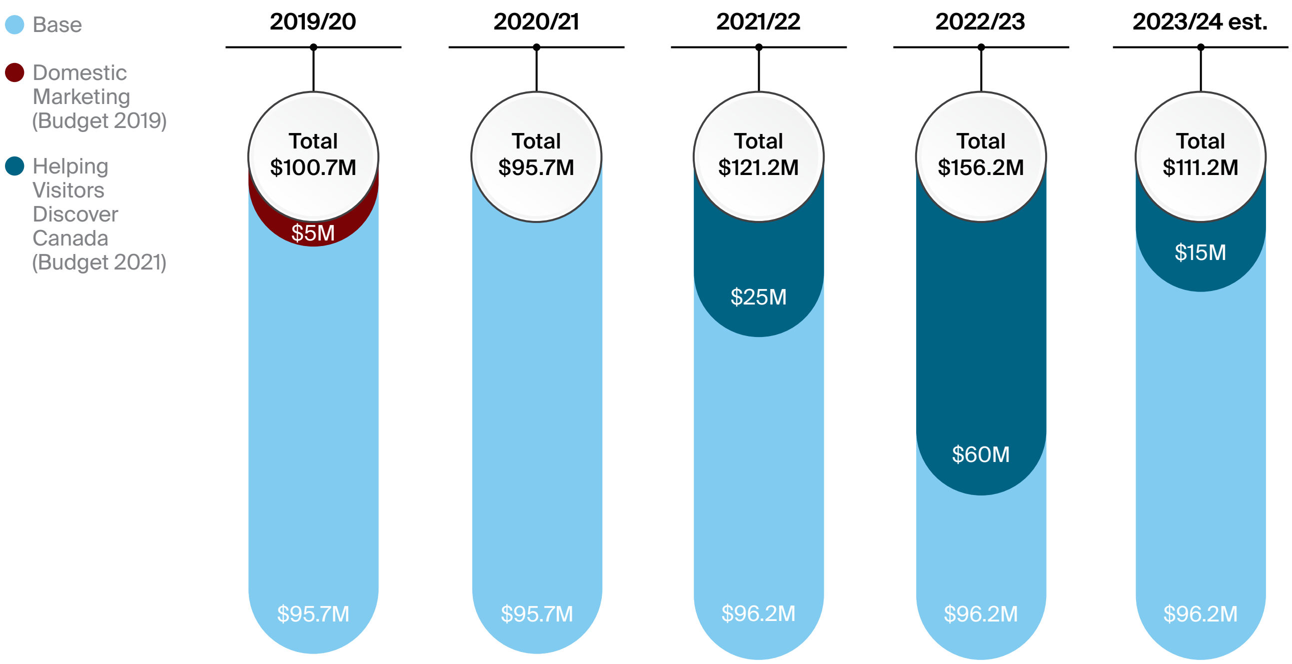
Parliamentary Appropriations by Government Fiscal Year

We are funded primarily by Government of Canada parliamentary appropriations. As our fiscal year-end is December 31 and the federal government year-end is March 31, we draw funding from two government fiscal years.

For the 2023/2024 government fiscal year, we received our base funding of $96.2 million plus $15 million in special funding from the 2021 Federal Budget to Help Visitors Discover Canada.

The accompanying table shows the total funds received from the Government of Canada for the past five fiscal years. Starting in 2019/20, our base appropriations were confirmed at $95.7 million per government fiscal year with a small increase to $96.2 million in 2021/22, allowing for greater stability and the ability to plan multiple years of sustainable programming with confidence. We continue to seek improved operational efficiencies with this funding to deliver our mandate in a scalable, effective and adaptable way.

Parliamentary appropriations by government fiscal year



Partner Revenues

We leverage the power of appropriated funding by engaging other organizations supporting the hosting economy to co-invest in campaigns that we lead. Our partners include provincial, territorial and city/community destination marketing organizations, media publishers, commercial partners and tourism associations.

Through these agreements, partners join us in funding initiatives, whether through cash or in-kind contributions, to market the Canada brand. Only cash partnership contributions are recognized as revenues in our Statement of Operations as per our accounting policy explained in Note 2 of the financial statements.

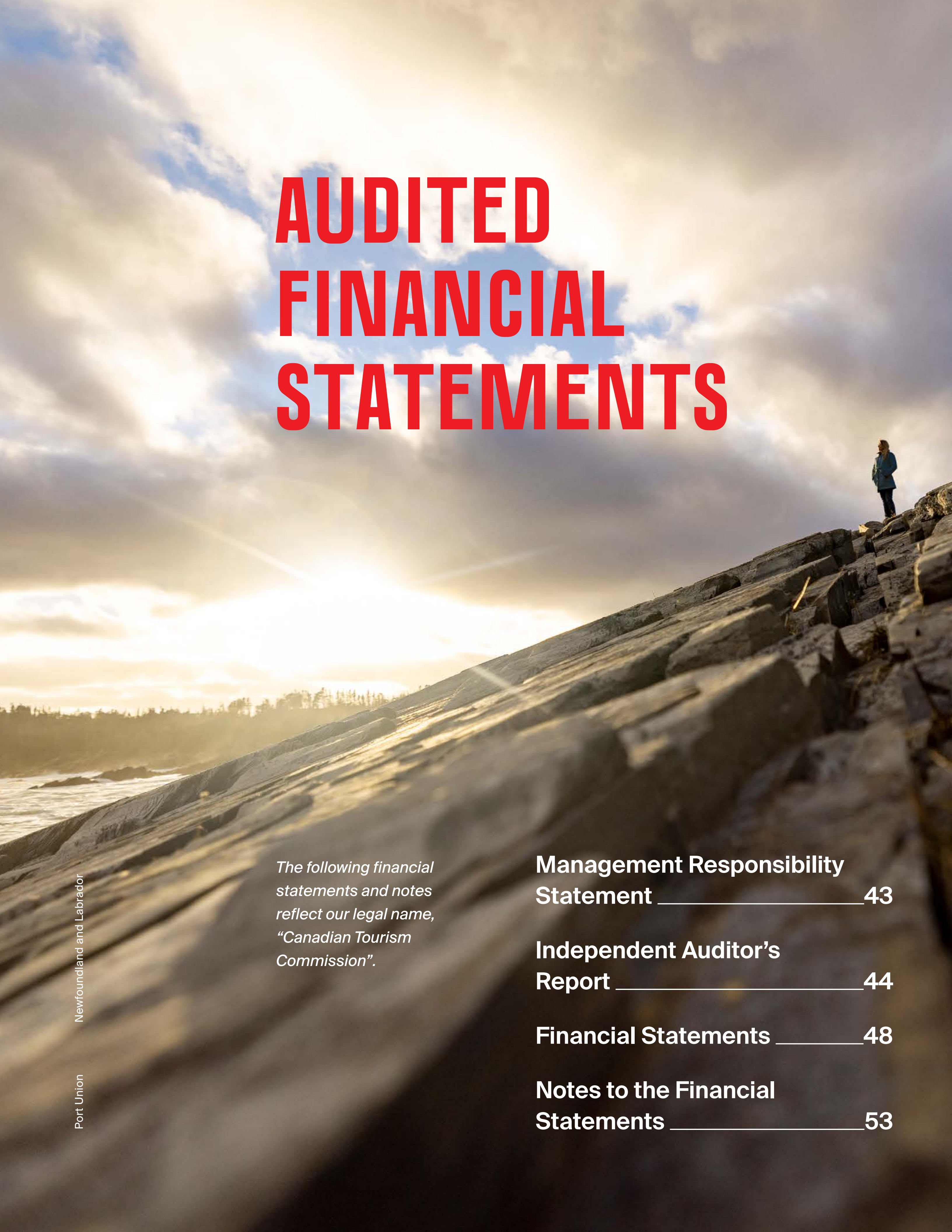
In 2023, the cash portion of these contributions represented $8.8 million compared to $1.8 million in 2022. While this is still well below pre-pandemic cash revenue levels, this higher than budgeted growth is largely a result of higher-than-expected investment in our US marketing campaigns.

Expenses

Total expenses excluding amortization decreased by $6.6 million to $144.5 million in 2023, a 4% decrease from last year. This decrease was driven by a lower allocation in the final year of special funding from the 2021 Federal budget.

The largest change relates to a $17 million decrease in Marketing and sales expenses compared to last year due to the sunsetting of the one-time special funding along with an internal reallocation of $8.3 million to Analytics and Destination stewardship. Additionally, we have been experiencing an erosion of buying power over the years due to inflation and the impact of foreign exchange. The continued weakness of the Canadian dollar, along with disproportionately higher media inflation, resulted in unexpected higher programming costs, particularly in the US market.

Our Corporate services and strategy costs excluding amortization were in line with planned expenditures and represents 7.6% of total expenditures excluding amortization, which is just under the 7.7% budgeted.



Port Union Newfoundland and Labrador

AUDITED FINANCIAL STATEMENTS

The following financial statements and notes reflect our legal name, "Canadian Tourism Commission".

Management Responsibility Statement

March 6, 2024

The management of the Canadian Tourism Commission (the “Commission”) is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements. Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining internal accounting control systems designed to provide reasonable assurance that relevant and reliable financial information is produced and that transactions comply with the relevant authorities.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure the transactions are in accordance with Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, and by-laws of the Commission. These systems and practices are also designed to ensure that assets are safeguarded and controlled, and that the operations of the Commission are carried out effectively. In addition, the Audit and Risk Committee, appointed by the Board of Directors, oversees the internal audit activities of the Commission and performs other such functions as are assigned to it.

The Commission’s external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and for issuing her report thereon.

Marsha Walden
President and
Chief Executive Officer

Meaghan Ferrigno
Senior Vice President, Chief Data &
Analytics Officer and Chief Financial Officer

Office of the Auditor General of Canada

Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Tourism

Report Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canadian Tourism Commission (the Commission), which comprise the statement of financial position as at 31 December 2023, and the statement of operations, statement of remeasurement gains and losses, statement of change in net (debt) financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at 31 December 2023, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Tourism Commission coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canadian Tourism Commission Act*, the by-laws of the Canadian Tourism Commission, and the directives issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Canadian Tourism Commission that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Tourism Commission's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Tourism Commission to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Sophie Bernard, CPA, CGA
Principal
for the Auditor General of Canada

Vancouver, Canada
6 March 2024

Statement of Financial Position

As at December 31, 2023
(in thousands of Canadian dollars)

	Note	Dec. 31, 2023	Dec. 31, 2022
Financial assets			
Cash and cash equivalents	4	5,745	27,411
Accounts receivable	13		
Government of Canada		1,448	1,194
Partner		500	839
Other — Agency Credit		205	1,480
Other		6	8
Accrued benefit asset	8	2,172	2,525
Portfolio investments	5	994	852
		11,070	34,309
Liabilities			
Accounts payable and accrued liabilities	13		
Trade		16,281	12,307
Employee compensation		2,439	2,537
Government of Canada		807	652
Accrued benefit liability	8	2,330	2,528
Deferred revenue		384	–
Deferred lease inducements		188	286
Asset retirement obligation		112	112
		22,541	18,422
Net (debt) financial assets		(11,471)	15,887
Non-financial assets			
Prepaid expenses		2,653	3,358
Tangible capital assets	7	931	755
		3,584	4,113
Accumulated (deficit) surplus	10	(7,887)	20,000

Contractual Obligations, Contingencies, Contractual Rights (Notes 3, 14, 15 and 17); The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors

Liza Frulla

Liza Frulla
Director

Randy C. Garfield

Randy Garfield
Director

Statement of Operations

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2023	2023	2022
Revenues				
Partner revenues		4,000	8,753	1,803
Interest Income		500	1,041	546
Other		750	760	761
		5,250	10,554	3,110
Expenses	12			
Marketing and sales	11	111,456	114,824	131,794
Analytics		14,439	14,870	9,552
Corporate services and strategy		10,889	10,999	8,920
Destination stewardship		4,312	3,824	860
Amortization of tangible capital assets		347	373	317
		141,443	144,890	151,443
Net cost of operations before funding from the Government of Canada		(136,193)	(134,336)	(148,333)
Parliamentary appropriations	9	121,825	106,423	156,160
(Deficit) Surplus for the year		(14,368)	(27,913)	7,827
Accumulated operating surplus, beginning of year		20,069	20,069	12,242
Accumulated operating (deficit) surplus, end of year	10	5,701	(7,844)	20,069

The accompanying notes form an integral part of these financial statements.

Statement of Remeasurement Gains and Losses

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2023	2022
Accumulated remeasurement loss, beginning of year		(69)	(36)
Unrealized loss attributable to foreign exchange		(43)	(69)
Amounts reclassified to the statement of operations		69	36
Net remeasurement gain (loss) for the year		26	(33)
Accumulated remeasurement loss, end of year	10	(43)	(69)

The accompanying notes form an integral part of these financial statements.

Statement of Change in Net (Debt) Financial Assets

For the year ended December 31
(in thousands of Canadian dollars)

	Note	Budget 2023	2023	2022
(Deficit) Surplus for the year		(14,368)	(27,913)	7,827
Acquisition of tangible capital assets	7	(86)	(549)	(113)
Amortization of tangible capital assets	7	347	373	317
		261	(176)	204
Effect of change in other non-financial assets				
Increase (Decrease) in prepaid expenses		(1)	705	1,215
		(1)	705	1,215
Net remeasurement gain (loss)		–	26	(33)
(Decrease) Increase in net financial assets		(14,108)	(27,358)	9,213
Net financial assets, beginning of year		15,887	15,887	6,674
Net (debt) financial assets, end of year		1,779	(11,471)	15,887

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31
(in thousands of Canadian dollars)

	Note	2023	2022
Operating transactions:			
Cash received from:			
Parliamentary appropriations used to fund operating and capital transactions	9	106,423	170,495
Partners		9,476	930
Other		661	663
Interest		1,041	545
Cash paid for:			
Cash payments to suppliers		(119,774)	(138,555)
Cash payments to and on behalf of employees		(18,827)	(17,328)
Cash (used in) provided by operating transactions		(21,000)	16,750
Capital transactions:			
Acquisition of tangible capital assets	7	(549)	(113)
Cash used in capital transactions		(549)	(113)
Investing transactions:			
Acquisition of portfolio investments		(338)	(311)
Redemption of portfolio investments		195	–
Cash used in investing transactions		(143)	(311)
Net remeasurement gain (loss) for the year		26	(33)
Net (decrease) increase in cash during the year		(21,666)	16,293
Cash and cash equivalents, beginning of year		27,411	11,118
Cash and cash equivalents, end of year		5,745	27,411

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

December 31, 2023

1. Authority, Objectives and Directives

The Canadian Tourism Commission (the "Commission") was established on January 2, 2001 under the *Canadian Tourism Commission Act* (the "Act") and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Commission is for all purposes an agent of his Majesty in right of Canada. As a result, all obligations of the Commission are obligations of Canada. The Commission is not subject to income taxes.

As stated in section 5 of the Act, the Commission's mandate is to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and the governments of Canada, the provinces and the territories.

In December 2014, the Commission was issued directive PC 2014-1378 pursuant to section 89 of the *Financial Administration Act* directing the Commission to implement pension plan reforms. These reforms are to ensure that pension plans of Crown corporations provide a 50:50 current service cost-sharing ratio between employee and employer for pension contributions by December 31, 2017. The 50:50 cost-sharing ratio was fully implemented as of December 31, 2017.

In July 2015, the Commission was issued directive PC 2015-1109 pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Commission's next corporate plan. The Commission implemented its new Travel, Hospitality, Conference and Event Expenditures Policy ("THCEE") on August 21, 2015 which complied with the requirements of the directive. The Treasury Board issued revised directives and guidelines in 2017. On November 29, 2018, the Commission approved an updated THCEE policy to align with the new requirements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies are as follows:

a) Parliamentary Appropriations

The Commission is mainly financed by the Government of Canada through parliamentary appropriations. Parliamentary appropriations used to fund core operations and capital expenditures are considered unrestricted and recognized as revenues when the appropriations are authorized and any eligibility criteria are met. Parliamentary appropriations used to fund one-time activities are considered restricted when they have eligibility criteria and stipulations that give rise to an obligation that meets the definition of a liability. Restricted appropriations are recognized as deferred revenue when the stipulation gives rise to a liability. Restricted appropriation revenue is recognized as the stipulation liabilities are settled.

As a result of the Commission's year-end date (December 31) being different than the Government of Canada's year-end date (March 31), the Commission is funded by portions of appropriations from two Government fiscal years. Refer to Note 9.

The Commission will have a deferred parliamentary appropriations balance at year-end when the restricted funding received for the period exceeds the restricted appropriations recognized for the related fiscal period. When restricted appropriations recognized exceed the restricted funding received, the amount will be included in the parliamentary appropriations receivable balance.

The Commission does not have the authority to exceed approved appropriations.

b) Partner Revenues

The Commission conducts marketing activities in partnership with a variety of Canadian and foreign organizations. Where the Commission assumes the financial risks of conducting a marketing activity, contributions received from a partnering organization are recognized in income over the effective life of the contract or when the event has taken place. Partner revenues received for which the related marketing activity has not yet taken place are recognized as deferred revenue.

c) Other Revenues

Other revenues consist of cost recoveries from co-location partners, capital asset sales and other miscellaneous revenues. These items are recognized as revenue in the period in which the transaction or event occurred that gives rise to the revenue.

d) Foreign Currency Translation

Monetary assets and monetary liabilities denominated in foreign currencies are translated into Canadian dollars at the applicable year-end exchange rate. Non-monetary assets and non-monetary liabilities denominated in foreign currencies are translated into Canadian dollars at historical exchange rates. Revenue and expense items are translated during the year at the exchange rate in effect on the date of the transaction. Amortization expenses of tangible capital assets are translated at historical rates to which the assets relate. Realized gains and losses are considered operating expenses and are included in the Statement of Operations as Corporate services and strategy. Unrealized gains and losses are reported on the Statement of Remeasurement Gains and Losses and in the Statement of Change in Net Financial Assets. The Commission does not hedge against the risk of foreign currency fluctuations. Refer to Note 6.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash in bank and mutual funds. These items are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Refer to Note 4.

f) Portfolio Investments

Portfolio investments are measured at amortized cost. Interest income related to these investments is calculated based on the effective interest method. Refer to Note 5.

g) Prepaid Expenses

Payments made prior to the related services being rendered are recorded as a prepaid expense. Prepaid expenses are recognized as an expense as the related services are rendered. Prepaid expenses consist of program and operating expenses such as subscriptions, marketing activities with provincial and territorial marketing organizations and tradeshow expenditures.

h) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and the amount of any write-downs or disposals. Tangible capital assets are written down when conditions indicate they no longer contribute to the ability to provide services and are accounted for as expenses in the Statement of Operations.

Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold improvements	Remaining term of lease
Office furniture	5 years
Computer hardware	3 years

Intangible assets are not recognized in these financial statements. Refer to Note 7.

i) Deferred Revenue

Deferred revenue consists of revenue from partnering organizations and restricted appropriations received from the Government of Canada. When revenues are received from partnering organizations, they are recognized as deferred revenue until the event has taken place or recognized as partner revenue over the effective life of the contract. When restricted appropriations are received from the Government of Canada, they are recognized as deferred revenue until the criteria and stipulations are met that gave rise to the liability. As at December 31, 2023, the deferred revenue balance is solely made up of deferred revenue from partnering organizations.

j) Deferred Lease Inducements

Deferred lease inducements consist of various office lease inducements including reimbursement of leasehold improvement costs and free rent periods. These inducements are deferred and recognized as a straight-line reduction to office lease expenses over the term of the lease.

k) Asset Retirement Obligation

Asset retirement obligation consists of costs to restore leasehold improvements for various office leases. The Commission recognizes asset retirement obligations as a result of legal obligations to restore leased office spaces back to their original states at the end of the lease term. Asset retirement obligations are measured using undiscounted future cash flows based on management's best estimates, with the resulting amount capitalized into the carrying amount of the related asset. The capitalized asset retirement cost is amortized on a straight-line basis over the term of the lease and is included as amortization expense in Corporate services and strategy. Refer to Note 7.

l) Employee Future Benefits

The Commission offers a number of funded and unfunded defined benefit pension plans, other unfunded defined benefit plans (which include post-employment benefits, post-retirement benefits and non-vested sick leave), as well as defined contribution pension plans. The pension plans include a statutory plan, a supplemental plan and a plan to cover certain employees working outside of Canada. Other benefit plans include post-employment severance benefits and post-retirement health, dental and life insurance benefits and non-vested sick leave. The defined benefit pension plans provide benefits based on years of service and average pensionable earnings at retirement.

The defined benefit component of the statutory plan and the supplemental plan has been closed effective December 30, 2017 and benefits and service of plan participants were frozen as of that date. The Commission funds certain pension plans annually based on actuarially determined amounts needed to satisfy employee future benefit entitlements under current benefit regulations. Cost of living adjustments are automatically provided for retirees in accordance with Consumer Price Index increases.

The costs and obligations of the defined benefit plans are actuarially determined using the projected benefit method prorated on service that incorporates management's best estimates of the rate of employee turnover, the average retirement age, the average cost of claims per person, future salary and benefit levels, expected return on plan assets, future medical costs, and other actuarial factors. For the purpose of calculating the expected return on plan assets, those plan assets are based on the market value of plan assets.

Past service costs arising from plan amendments are recognized in the years in which the plan amendment occurred.

The unamortized actuarial gains and losses incurred prior to the plan settlement that relate to the obligation settled are recognized in the period of settlement. This amount is included as part of the gain or loss arising on settlement. Gains and losses determined upon a plan settlement are accounted for in the Statement of Operations in the period of settlement.

Actuarial gains and losses are amortized over expected average remaining service lifetime ("EARSL") of active employees. If no active employees are remaining, actuarial gains and losses are amortized fully in the next fiscal year. For 2023, EARSL has been determined to be 0 years (0 years – 2022) for the Supplementary Retirement Plan for certain employees of the Commission ("SRP"), 12.4 years (12 years – 2022) for the Pension Plan for Employees of the Commission in Japan, South Korea and China ("WWP"), 0 years (0 years – 2022) for non-pension post-retirement benefits, 14 years (14 years – 2022) for severance benefits and 14 years (14 years – 2022) for sick leave benefits.

Employees working in the UK participate in the Global Affairs Canada defined benefit pension plans administered by the Government of Canada. The assets of these plans cannot be allocated among participating employers, and as such, these plans are deemed "multi-employer" plans and accounted for as defined contribution plans. The Commission's contributions to these plans reflect the full benefit cost of the employer. These amounts vary depending upon the plan and are based on a percentage of the employee's gross earnings. Contributions may change over time depending on the experience of the plans since the Commission is required under present legislation to make adjustments for the rate of contributions to cover any actuarial deficiencies of these plans. Contributions represent the total pension obligations of the Commission for these employees and are charged to operations during the year in which the services are rendered.

Gains and losses determined upon a plan curtailment are accounted for in the period of curtailment. Refer to Note 8.

m) Financial Instruments

Financial assets consist of Cash and cash equivalents, Accounts receivable and Portfolio investments, while financial liabilities consist of Accounts payable and accrued liabilities. Financial assets and financial liabilities are measured at amortized cost, which approximates their fair value. Refer to Note 13.

n) Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting periods. Actual results could differ significantly from those estimates. The most significant estimates involve the determination of the employee future benefits liability and related accrued benefit asset, contingencies, accrued liabilities and partner revenues. There is uncertainty regarding partner revenue recognized as management may not be able to estimate if all performance obligations have been satisfied at the date of the financial statements.

o) Related Party Transactions

Through common ownership, the Commission is related to all Government of Canada created departments, agencies and Crown corporations. The Commission's transactions with these entities are in the normal course of operations and are measured at the exchange amount. Refer to Note 16.

Related parties also include key management personnel (KMP) having authority for planning, controlling, and directing the activities of the Commission, as well as their close family members. The Commission has defined its KMP to be members of the Board of Directors and management employees at the Senior Vice-President level and above.

p) Partnership Contributions In-kind

In the normal course of business, the Commission receives in-kind contributions from its partners including the transfer of various types of goods and services to assist in the delivery of programs. The in-kind contributions from partners are not recognized in the financial statements.

q) Inter-entity Transactions

Inter-entity transactions are transactions between commonly controlled entities. The Commission records inter-entity transactions at the exchange amount except the following:

- Audit services received without charge between commonly controlled entities.
- In-kind contributions received from commonly controlled entities.

The value of the audit services is considered insignificant in the context of the financial statements as a whole and inter-entity in-kind contributions are not recognized in the financial statements.

3. Adoption of New Accounting Standards

a) PS 3280 – Asset Retirement Obligations

The Commission adopted PS 3280 – Asset Retirement Obligations, effective April 1, 2022. No significant changes were required as a result of implementing these new standards.

b) PS 3450 – Financial Instruments

The Commission also adopted PS 3450 – Financial Instruments, effective April 1, 2022. No significant changes were required as a result of implementing these new standards.

4. Cash and Cash Equivalents

(in thousands of Canadian dollars)	**2023**	**2022**
Cash in bank	5,712	27,382
Mutual funds	33	29
Total cash and cash equivalents	5,745	27,411

5. Portfolio Investments

The Commission holds portfolio investments consisting of Canadian provincial governmental bonds with maturity dates staggered between 2025 and 2031 and guaranteed investment certificates with maturity dates staggered between 2024 and 2028. The carrying value at December 31, 2023 was $994,000 ($852,000 – 2022).

Issuer *(in thousands of Canadian dollars)*	**Maturity date**	**Cost**	**Interest accrued to date**	**Carrying value**	**Market value**	**Maturity**
Province of Ontario Bond	02-Dec-25	52	28	80	75	84
Province of BC Bond	18-Dec-28	32	19	51	47	59
Province of Ontario	02-Dec-31	33	22	55	49	70
Bank of Nova Scotia GIC	06-Dec-24	100	0	100	100	112
Royal Bank of Canada	03-Nov-25	100	1	101	101	115
RBC Mortgage Corp	02-Nov-27	100	1	101	101	125
Royal Trust Corp	02-Nov-26	100	1	101	101	120
Home Equity Bank	02-Nov-27	100	1	101	101	125
Versabank	24-Jan-28	100	4	104	104	122
Fairstone Bank	07-Dec-28	100	0	100	100	125
Canadian Tire Bank	08-Dec-28	100	0	100	100	124
		917	77	994	979	1,181

6. Foreign Currency Translation

The Commission is exposed to currency risk as a significant portion of its revenues and expenses are earned or incurred, and subsequently received or paid in currencies other than Canadian dollars. Currency risk arises due to fluctuations in foreign exchange rates, which could affect the Commission's financial results. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations.

The undernoted accounts excluding Canadian-denominated balances comprise the following currencies as at December 31, 2023:

Currency *(in thousands of Canadian dollars)*	**Cash**		**Accounts receivable**		**Accounts payable & accrued liabilities**	
	Currency units	Canadian equivalent	Currency units	Canadian equivalent	Currency units	Canadian equivalent
Australian Dollars	170	154	1	1	15	13
Chinese Yuan	1,583	295	–	–	1,379	257
Euros	191	280	–	–	618	906
Great Britain Pounds	163	275	–	–	46	78
Japanese Yen	–	–	–	–	14,155	133
United States Dollars	225	297	250	330	86	114
Total Canadian equivalent		1,301		331		1,501

At December 31, 2023, if the above foreign currencies had strengthened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have increased by approximately $14,000 ($117,000 – 2022). If the above foreign currencies had weakened by 10% against the Canadian dollar, with all other variables held constant, the unrealized foreign exchange gain would have decreased by approximately $14,000 ($117,000 – 2022). The amount of realized foreign exchange losses recorded under Corporate services and strategy on the Statement of Operations in 2023 is $50,000 ($28,000 – 2022).

7. Tangible Capital Assets

(in thousands of Canadian dollars)	**Computer hardware**	**Leasehold improvements***	**Office furniture**	**2023 Total**
Cost of tangible capital assets, opening	825	1,824	337	2,986
Acquisitions	232	–	317	549
Disposals	(57)	–	–	(57)
Cost of tangible capital assets, closing	1,000	1,824	654	3,478
Accumulated amortization, opening	652	1,272	307	2,231
Amortization expense	132	190	51	373
Disposals	(57)	–	–	(57)
Accumulated amortization, closing	727	1,462	358	2,547
Net book value	273	362	296	931

(in thousands of Canadian dollars)	**Computer hardware**	**Leasehold improvements***	**Office furniture**	**2022 Total**
Cost of tangible capital assets, opening	754	1,948	340	3,042
Acquisitions	113	–	–	113
Disposals	(42)	(124)	(3)	(169)
Cost of tangible capital assets, closing	825	1,824	337	2,986
Accumulated amortization, opening	587	1,205	291	2,083
Amortization expense	107	191	19	317
Disposals	(42)	(124)	(3)	(169)
Accumulated amortization, closing	652	1,272	307	2,231
Net book value	173	552	30	755

** Asset retirement costs are included in the cost of tangible capital assets and accumulated amortization.*

Most of the Commission's tangible capital assets are located in Canada. There are no assets legally restricted for the purpose of settling asset retirement obligations.

8. Accrued Benefit Asset/Liability

The Commission offers a number of employee future benefit plans covering its employees in Canada and abroad. The following table summarizes these plans and the benefits they provide:

Employees covered	Name of the plan	Nature of the plan	Contributors	Accounting treatment
Canada	Registered Pension Plan for the Employees of the Commission – Defined Contribution component	Combination of Defined Contribution Plan and Group RRSP	The Commission & Plan Members	Defined Contribution Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Benefit component	Funded, Defined Benefit Plan	The Commission & Plan Members	Defined Benefit Plan
	Supplementary Retirement Plan for Certain Employees of the Commission – Defined Contribution component	Defined Contribution Plan	The Commission	Defined Contribution Plan
	Non-Pension Post-Retirement Benefit Plan for Canadian Employees	Unfunded, Defined Benefit Plan	The Commission & Plan Members	Defined Benefit Plan
China, Japan & South Korea	Pension Plan for Employees of the Commission in China, Japan and South Korea	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan
US	Non-Pension Post-Retirement Benefit Plan for Certain US Employees	Unfunded, Defined Benefit Plan	The Commission & Plan Members	Defined Benefit Plan
UK	Canadian High Commission Locally Engaged Staff Pension Scheme	Funded Multi-employer Defined Benefit Plan	The Commission & Plan Members	Defined Contribution Plan
Canada, China, Japan, US, UK	Severance Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan
	Non-Vested Sick Leave Benefits for certain Canadian and Locally Engaged Employees	Unfunded, Defined Benefit Plan	The Commission	Defined Benefit Plan

● The Commission ● The Commission & Plan Members ● Defined Benefit Plan ● Defined Contribution Plan

Defined Contribution Plans

Canada

The Commission established a defined contribution pension plan for non-unionized employees in Canada, hired on or after August 1, 2005. On January 30, 2007, the Canadian unionized employees of the Commission agreed to participate in the defined contribution plan effective March 8, 2007. This decision impacted unionized employees hired on or after August 1, 2005.

The total cost for the Commission's defined contribution pension plans was $848,000 in 2023 ($714,000 – 2022).

In addition, the Commission provides a defined contribution supplemental plan to cover senior employees whose contributions under the defined contribution plan is impacted by the Income Tax Act. The benefits accrued are paid out each year and deemed immaterial for the Commission's financial statements.

UK

The Commission also participates in multi-employer defined benefit plans providing pension benefits to employees working in the UK. In 2023, the total cost was $155,000 for the UK plan ($215,000 – 2022). The plans are accounted for as defined contribution plans.

Defined Benefit Plans

Canada

The Commission has a number of defined benefit plans in Canada which provide post-retirement and post-employment benefits to its employees.

Effective January 2, 2004, pension arrangements include a registered pension plan as well as a supplemental arrangement which provides pension benefits in excess of statutory limits. The Commission provides pension benefits based on employees' years of service and average earnings at the time of retirement. The registered pension plan is funded by contributions from the Commission and from the members. In accordance with pension legislation, the Commission contributes amounts determined on an actuarial basis and has the ultimate responsibility for ensuring that the liabilities of the plan are adequately funded over time. The supplemental retirement plan liabilities arising on and after January 2, 2004 are funded annually on a hypothetical plan termination basis according to the valuation report prepared by the actuary.

In 2016, the Commission offered former members of the defined benefit component of the registered plan who were entitled to a deferred pension the option to transfer the value of the pension benefits out of the registered plan. There were no related settlements in 2019 or 2018. The defined benefit component of the registered plan and the supplemental agreement was closed effective December 30, 2017, and benefits for participants were frozen as of that date.

In May 2019, the Commission purchased a group annuity buy-out from a third-party insurer for the defined benefit component of the *Registered Pension Plan* ("RPP") for a premium of $30,195,000 and transferred substantially all assets and obligations of all members of the defined benefit component of the RPP to the insurer. The insurer began making payments to the members in August 2019 and the transaction was finalized in October 2019, the date after which premium adjustments were no longer allowed. The form and amount of the benefit payments for the members did not change and are fixed, subject to an annual increase that reflects the same terms and conditions that would have applied under the RPP. The transaction resulted in a plan settlement and a plan settlement cost of $8,936,000 was recognized in the Statement of Operations in the period of settlement.

Amendments proposed to the *Pension Benefits Standard Act* ("PBSA") 1985 under section 17.2 permit an administrative discharge on the purchase of a life annuity in lieu of providing a pension benefit. This proposed section of the PBSA received Royal Assent on June 21, 2019 but is not yet in force. The plan settlement is a significant transaction requiring the use of judgment in applying accounting policy. Key judgments made by management include the expectation that section 17.2 will come into force in the future and that the federal regulations, once developed, will provide a retroactive application to this transaction.

China, Japan and South Korea

The Commission has a defined benefit pension plan for certain locally engaged staff in China, Japan and South Korea. The Pension Scheme for Employees of the Government of Canada Locally Engaged Outside Canada, 1996 (known as the World Wide Plan, "WWP"), provides retirement benefits based on employees' years of service and average earnings at the time of retirement. These liabilities are funded on a pay-as-you-go basis.

In March 2012, the Commission received $1,000,000 from Treasury Board Secretariat ("TBS") relating to locally engaged staff pension benefits under the WWP for service prior to January 2, 2001. Prior to this, TBS had been reimbursing the Commission for amounts related to the past service period. The funds are held by the Commission in bonds and a money market term deposit and are recorded as portfolio investments (Note 5) and Cash and cash equivalents (Note 4). The Commission continues to be responsible for the service accruing on and after January 2, 2001.

Severance and post-retirement benefits

Severance benefits are provided for certain current employees in Canada, China, Japan and the UK. The cost of the benefits is fully paid by the Commission. The severance benefit plans are unfunded.

Post-retirement benefits which may include health, dental and life insurance are provided for certain retired employees in Canada and the US. US employees hired prior to 2001 were eligible for post-retirement benefits. These plans are administered by Global Affairs Canada and provided by United Healthcare. The cost of these benefits is shared by the Commission and the retirees. The post-retirement benefit plans are unfunded.

Measurement date and date of actuarial valuation

The most recent actuarial valuation of plans accounted for as defined benefit plans was as at September 30, 2023, with extrapolation to December 31, 2023.

The Commission measures its accrued benefit obligations and the market value of plan assets of its pension plans and post-retirement non-pension benefits for accounting purposes at September 30th of each year.

Change in accrued benefit obligation

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2023	2022	**2023**	2022
Accrued benefit obligation, beginning of year	2,919	3,129	1,895	2,280
Current period benefit cost (employer portion)	31	45	32	43
Interest cost on average accrued benefit obligation	84	67	59	40
Benefits paid	(132)	(129)	(46)	(46)
Actuarial loss (gain)	111	(193)	(192)	(422)
Accrued benefit obligation, end of year	3,013	2,919	1,748	1,895

Change in Plan Assets

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2023	2022	**2023**	2022
Market value of plan assets, beginning of year	4,389	4,801	–	–
Actual return on plan assets net of actual investment expenses	401	(329)	–	–
Employer contributions	44	46	46	46
Benefits paid	(132)	(129)	(46)	(46)
Market value of plan assets, end of year	4,702	4,389	–	–

Reconciliation of Funded Status

Detailed pension plan information *(in thousands of Canadian dollars)*	**2023**	2022
Supplementary Retirement Plan for Certain Employees of the Commission		
Accrued benefit obligation	(2,391)	(2,278)
Plan assets	4,702	4,389
Surplus	2,311	2,111
Pension Plan for Employees of the Commission in China, Japan and South Korea		
Accrued benefit obligation	(623)	(641)
Deficit	(623)	(641)

The accrued benefit obligation and market value of assets at year-end are the following amounts in respect of plans that are unfunded:

Funded status *(in thousands of Canadian dollars)*	Pension		Other benefit plans	
	2023	2022	**2023**	2022
Accrued benefit obligation	(623)	(641)	(1,748)	(1,895)
Funded status – deficit at end of year	(623)	(641)	(1,748)	(1,895)

Reconciliation of Funded Status to Accrued Benefit Asset (Liability)

(in thousands of Canadian dollars)	Pension		Other benefit plans	
	2023	2022	**2023**	2022
Funded status – surplus (deficit), end of year	1,689	1,470	(1,748)	(1,895)
Unamortized actuarial losses (gains)	(196)	380	96	42
Accrued benefit asset (liability)	1,493	1,850	(1,652)	(1,853)

The cumulative excess of pension contributions on the Registered Pension Plan and Supplementary Retirement Plan over pension benefit cost is reported as an accrued benefit asset. The Pension Plan for Employees of the Commission in China, Japan, and South Korea, the post-retirement, post-employment benefits and sick leave are reported as an accrued benefit liability.

Accrued Benefit Asset (Liability)

(in thousands of Canadian dollars)	**2023**	2022
Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2,172	2,525
Total accrued benefit asset	2,172	2,525
Pension Plan for the Employees of the Commission in China, Japan and South Korea	(679)	(675)
Non-pension Post Retirement Benefit Plan	(1,082)	(1,311)
Post Employment Severance Plan	(364)	(338)
Non-Vested Sick Leave Plan	(205)	(204)
Total accrued benefit liability	(2,330)	(2,528)
Total net accrued benefit asset	(158)	(3)

The weighted-average asset allocation by asset category of the Commission's defined benefit pension plans is as follows:

Asset allocation	**2023**	2022
Equity securities	58%	57%
Cash	1%	0%
Receivable from Government of Canada	41%	43%
Total	100%	100%

Net Benefit Cost Recognized in the Period

(in thousands of Canadian dollars)	**Pension**		**Other benefit plans**	
	2023	2022	**2023**	2022
Current period benefit cost	31	45	32	43
Interest cost	–	–	59	40
Amortization of net actuarial loss (gain)	411	(520)	(247)	(1,312)
Retirement benefits expense	442	(475)	(156)	(1,229)
Interest cost on average accrued benefit obligation	84	67	–	–
Expected return on average pension plan assets	(124)	(117)	–	–
Retirement benefits interest income	(40)	(50)	–	–
Total pension expense	402	(525)	(156)	(1,229)

Significant Actuarial Assumptions Used are as Follows (Weighted Average)

	Pension		Other benefit plans	
	2023	2022	2023	2022
Accrued benefit obligation				
Discount rate				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.65%	2.85%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	4.08%	3.20%		
• Non-pension post retirement			3.88%	3.14%
• Post employment severance			4.08%	3.20%
• Non-Vested Sick Leave Plan			4.08%	3.20%
Consumer price index				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.00%	2.00%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	1.08%	1.05%		
Rate of compensation increase				
• Canadian			2.50%	2.50%
• Locally engaged	2.75%	2.75%	3.40%	3.40%
Pension expense				
Discount rate				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.85%	2.45%		
• Pension Plan for the Employees of the Commission in China, Japan and South Korea	3.20%	1.40%		
• Non-pension post retirement			3.14%	1.92%
• Post employment severance			3.20%	1.40%
• Non-Vested Sick Leave Plan			3.20%	1.40%
Expected long-term rate of return on plan assets				
• Defined benefit component of the Supplementary Retirement Plan for Certain Employees of the Commission	2.85%	2.45%		
Rate of compensation increase				
• Canadian				2.50%
• Locally engaged	2.75%	2.75%	3.40%	3.40%

Assumed Health Care Cost Trend Rate for Other Benefit Plans

Net benefit cost	Other benefit plans			
	2023		2022	
	CDN	US	CDN	US
Initial health care trend rate	5.67%	6.75%	5.73%	7.03%
Ultimate health care trend rate	4.00%	4.50%	4.00%	4.50%
Year ultimate rate reached	2040	2033	2040	2033

Accrued benefit obligation	Other benefit plans			
	2023		2022	
	CDN	US	CDN	US
Initial health care trend rate	6.24%	6.53%	5.67%	6.75%
Ultimate health care trend rate	4.00%	4.50%	4.00%	4.50%
Year ultimate rate reached	2040	2033	2040	2033

Total cash amounts

Total cash amounts for employee future benefits, consisting of cash contributed in the normal course of business by the Commission to its funded and unfunded defined benefit pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, cash contributed to its defined contribution plans and cash contributed to its multi-employer defined benefit plan, is $1,239,000 ($1,078,000 – 2022).

9. Parliamentary Appropriations

The schedule below reconciles the amount of funding available to the Commission during the year with the amount actually used in operations:

(in thousands of Canadian dollars)	2023	2022
Amounts provided for operating and capital expenditures		
Amounts voted:		
Main estimates 2022/23 (2021/22)	156,160	96,160
Supplementary estimates	66	25,000
Less: portion recognized in prior year	(121,579)	(86,579)
Amounts recognized in current year	34,647	34,581
Amounts voted:		
Main estimates 2023/24 (2022/23)	111,153	156,160
Less: portion to be recognized in following year	(39,377)	(34,581)
Amounts recognized in the current year	71,776	121,579
Parliamentary appropriations used for operations and capital in the year	106,423	156,160

The December drawdown of $15.5 million was initiated in 2023 and received subsequent to year end on January 4, 2024.

10. Accumulated (Deficit) Surplus

The accumulated (deficit) surplus comprises:

(in thousands of Canadian dollars)	**2023**	**2022**
Accumulated operating (deficit) surplus	(7,844)	20,069
Accumulated remeasurement loss	(43)	(69)
Accumulated (deficit) surplus	(7,887)	20,000

11. Marketing and sales Expenses

The Commission carries out its activities in a variety of countries. These countries are supported by the Commission's Corporate Marketing and sales units, including Global Programs, located at headquarters. Program breakdown information is as follows:

(in thousands of Canadian dollars)	**2023**	**2022**
North America	48,870	54,663
Global Programs	29,655	22,217
Business Events	13,004	12,426
Europe	11,809	19,162
Asia Pacific	9,900	11,345
Domestic Program	1,586	11,981
	114,824	131,794

12. Expenditures by Object

The following is a summary of expenditures by object:

(in thousands of Canadian dollars)	2023	2022
Program expenses		
Leisure consumer marketing	66,898	79,835
Leisure trade travel	25,432	31,334
Program research	12,025	7,285
Business events	10,498	10,013
Travel and hospitality	2,628	1,683
Destination development	2,620	165
Total program expenses	120,101	130,315
Salaries and benefits	18,884	15,773
Operating expenses		
Professional services	1,588	1,450
Information technology	1,245	1,116
Rent	894	989
Office	610	662
Travel and hospitality	607	438
Other	538	355
Realized foreign exchange loss	50	28
Total operating expenses	5,532	5,038
Expenses before amortization	144,517	151,126
Amortization	373	317
Total expenses	144,890	151,443

13. Financial Instruments

Credit risk

The Commission is exposed to credit risk resulting from the possibility that parties may default on their financial obligations and from concentrations of third-party financial obligations that have similar economic characteristics such that they could be similarly affected by changes in economic conditions. There is no concentration of credit risk with any one customer. Financial instruments that potentially expose the Commission to credit risk consist of Cash and cash equivalents, Portfolio investments and Accounts receivable.

At December 31, 2023, the exposure to credit risk for Cash and cash equivalents was $5,745,000 ($27,411,000 – 2022) (Note 4) and for Portfolio investments was $994,000 ($852,000 – 2022) (Note 5).

The Commission minimizes credit risk on Cash and cash equivalents and Portfolio investments by dealing only with reputable and credit-worthy financial institutions. At December 31, 2023, the Commission held $5,400,000 in Cash and cash equivalents and Portfolio investments with federally regulated chartered banks and $1,339,000 in cash at foreign institutions.

The federally regulated chartered banks and foreign institutions with which the Commission holds Cash and cash equivalents and Portfolio investments have the following long-term bank deposit credit and financial strength ratings:

Credit Ratings

Moody's	Aa3	A1	Aa1
Standard & Poor's	A+	A	A+

In March 2012, the Commission received $1,000,000 from Treasury Board Secretariat relating to locally engaged staff pension benefits under the WWP (Note 8). The Commission's policy is to invest these funds with well-established financial institutions in investments composed of low-risk assets. Currently the Commission has invested these funds in Canadian provincial governmental bonds, guaranteed investment certificates and mutual funds (Note 4 and Note 5). All investments are monitored by management on a monthly basis.

Accounts receivable credit risk is minimized by the fact that many of the partners that work with the Commission are federally, provincially or municipally funded. The Commission measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Commission's historical experience regarding collections.

In 2021, an additional $100,000,000 of funding was approved for the purpose of Helping Visitors Discover Canada.

At December 31, 2023, there is no impairment allowance ($0 – 2022). The amounts past due at year-end are as follows:

Accounts receivable *(in thousands of Canadian dollars)*

	Total	Current	Days 1–30	31–60	61–90	91–120	> 120
Government of Canada	1,448	739	709	–	–	–	–
Partner	500	494	4	1	1	–	–
Other - Agency Credit	205	205	–	–	–	–	–
Other	6	6	–	–	–	–	–
Total	2,159	1,444	713	1	1	–	–

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the credit risk.

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. To mitigate this risk, the Commission monitors cash activities and expected outflows through monthly and quarterly budget and forecast analysis. In addition, investments are maintained in assets that may be converted to cash in the near term if unexpected cash outflows arise. The amounts of financial liabilities past due at year-end are as follows:

Accounts Payable and Accrued Liabilities *(in thousands of Canadian dollars)*

	Total	Current	Days 1–30	31–60	61–90	91–120	> 120
Trade	16,281	4,268	9,588	1,826	39	628	(68)
Employee compensation	2,439	2,439	–	–	–	–	–
Government of Canada	807	807	–	–	–	–	–
Total	19,527	7,514	9,588	1,826	39	628	(68)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the liquidity risk.

Currency risk

Currency risk arises because the Commission operates in several different currencies and translates non-Canadian revenue and expenses to Canadian dollars at different points in time. The Commission does not hedge against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations. At December 31, 2023, the exposure to currency risk based on the year-end monetary balances denominated in a foreign currency for financial assets was $1,632,000 ($735,000 – 2022) and for financial liabilities was $1,501,000 ($1,900,000 – 2022) (Note 6). The impact of a 10% change in foreign exchange rates would not have a material impact on net operations.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the currency risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Commission is exposed to this risk through its interest-bearing portfolio investment balances. The Commission does not hedge against fluctuations in market interest rates and accepts the operational and financial risks associated with any such fluctuations. A variation of 1% in the interest rate would not have a material impact on the financial statements. At December 31, 2023, the exposure to interest rate risk for portfolio investments was $994,000 ($852,000 – 2022).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the interest rate risk.

14. Contractual Obligations

The Commission has entered into various agreements for marketing and consulting services and leases for office premises and equipment in Canada and abroad. The total contractual obligations of the Commission as at December 31, 2023 were $116,292,000 ($100,327,000 – 2022). Also included in the contractual obligation amount are purchase orders issued for which the Commission has not yet received the goods or services.

(in thousands of Canadian dollars)

2024	96,093
2025	18,639
2026	1,477
2027	69
2028	14
Total	116,292

15. Contingencies

In the normal course of business, various legal claims and lawsuits have been brought against the Commission. Where in the opinion of management, losses, which may result from the settlement of the matters, are determinable within a reasonable range and such losses are considered by management as likely to be incurred, they are charged to expenses. In the event management concludes that potential losses are indeterminable, no provision is recognized in the accounts of the Commission. There are no significant legal claims against the Commission.

16. Related Party Transactions

The Commission enters into transactions with all Government of Canada created departments, agencies, and Crown corporations in the normal course of business. Details of these transactions are provided in Note 9 and Note 13.

There were no significant transactions with KMP and their close family members, nor were there any transactions that have occurred at a value different from which would have been arrived at if the parties were unrelated.

17. Contractual Rights

The nature of the Commission's activities can result in some multi-year contracts and agreements that result in the Commission having rights to both assets and revenue in the future. These arrangements typically relate to marketing services. Where the terms of contracts and agreements allow for reasonable estimates, the major contractual rights are summarized in the table presented below.

(in thousands of Canadian dollars)	2024	2025	2026	**Total**
Partner Revenue	384	–	–	384
Other Revenue	348	46	–	394
	732	46	–	778

GOVERNANCE

Fogo Island Inn, Île Fogo
Newfoundland and Labrador

Legislative Framework

As an agent of the Crown, we are a federal Crown corporation wholly owned by the Government of Canada. We are provided with overarching public policy priorities, broad strategic goals and expectations. The *Canadian Tourism Commission Act* and various regulations provide the legislative basis for our establishment and our activities. Through the Minister of Tourism and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, we are accountable to Canada's Parliament through the submissions of an Annual Report, a five-year Corporate Plan and an Operating and Capital Budget annually to Parliament.

Board of Directors

Our Board of Directors consists of up to 12 members who oversee the management of the organization and provide strategic guidance and effective fiduciary oversight. The Board ensures that appropriate systems of governance, leadership and stewardship are in place while at the same time empowering management to deliver on its mandate.

Board membership comprises the Chair and the President and CEO of Destination Canada which are Governor-in-Council appointments, and the Deputy Minister of Innovation, Science and Economic Development Canada (ex officio). Further, up to nine additional directors, appointed by the Minister with Governor-in-Council approval, make up the remainder of the Board. Directors are appointed based on the full range of skills, experience and competencies required to add value to our decisions on strategic opportunities and risks.

Members with expired terms continue to serve on the Board until replacements have been appointed.

Over the course of 2023, the Board met five times and average attendance at meetings was 93%.

Membership

As at December 31, 2023

The Honourable Liza Frulla, P.C., C.M., O.Q.
Chairperson of the Board of Directors

Marsha Walden
President & CEO, Destination Canada

Simon Kennedy (ex officio)
Deputy Minister, Innovation, Science and Economic Development Canada

Brenda Holder
Owner, Mahikan Trails and Chair, Indigenous Tourism Alberta

Julie Canning
Cowgirl & Operating Partner, Banff Trail Riders

Zita Cobb
Co-Founder & CEO, Shorefast Foundation

Stan Cook
Former Owner & President, Stan Cook Sea Kayak Adventures

Randy Garfield
Former President, Walt Disney Travel

Benjamin Ryan
Chief Commercial Officer, Air North

Martin Soucy
CEO, Alliance de l'industrie touristique du Québec

Natalie Thiesen
Vice President, Tourism, Economic Development Winnipeg (Tourism Winnipeg)

Andrew Torriani
President, CEO and General Manager, Ritz-Carlton Montréal

Committees of the Board

The Human Resources and Governance Committee advises and supports directors in applying our corporate governance principles, assists in evaluating potential board candidates and develops recommendations to the Minister on board appointments (excluding the Chair, the President and CEO and the ex officio director). Additionally, the committee reviews and advises on the President and CEO's annual objectives and our human resources policies, plans and processes, including succession, compensation and benefits plans.

The committee met four times in 2023 and meeting attendance was 92%.

In addition to the duties and functions mandated by the Financial Administration Act, the Audit and Risk Committee reviews and recommends to the Board processes for identifying and managing risk, internal control systems and processes for complying with related laws and regulations. The committee also oversees the administration, investment activities and financial reporting of our pension plans.

The committee met four times in 2023 and average meeting attendance was 83%.

Advisory Committees

From time to time, the Board creates advisory committees to advise it on how best to deliver our programs and services. The committees take their direction from, and report to, the Board. Composed primarily of members from private sector tourism entities, these committees play an important role in linking Destination Canada to the tourism industry.

In March 2023, the Board dissolved the reporting structure for the following advisory committees, enabling the committees to report directly to Destination Canada executives in order to support operations:

- Business Events Canada Advisory Committee
- Leisure Marketing Advisory Committee
- Research Advisory Committee

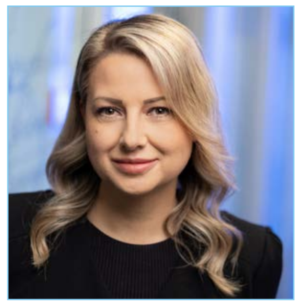
Executive Team

As at December 31, 2023

The President and CEO is accountable to the Board and has responsibility for the day-to-day operations. Senior Management plays a vital role in strategic leadership, working closely with the Board to set objectives, develop strategies, implement actions and manage performance. Senior management also recommends to the Board sweeping changes, identifies business risks and manages the complex intellectual, capital and technical resources of Destination Canada.

Marsha Walden
President & CEO

Gloria Loree
Senior Vice President, Marketing Strategy and Chief Marketing Officer



Meaghan Ferrigno
Senior Vice President, Chief Data and Analytics Officer

Gracen Chungath
Senior Vice President, Destination Development

David Robinson
Senior Vice President, Public Affairs and Corporate Secretary

Maureen Riley
Vice President, International

Joanna Mukai
Interim Vice President, Finance and Chief Financial Officer

Richard Gagnon
Interim Vice President, Corporate Services

DESTINATION CANADA

800 – 1045 Howe Street
Vancouver, BC
V6Z 2A9 Canada

IMPRINT
Photos

Destination Canada: Hudson Bay, Nunavut (3), Innovate Victoria (22 top), Aurora Village, NWT (25 top), 18–20, 26, 32; Indigenous Tourism: Jasper Tour Company (14), Siwash Lake Wilderness Resort (31 right), Warrior Women, Jasper AB (31 left); Destination Ontario: Algonquin Provincial Park (cover), Georgian Bay/AndyBrooks (10), Ripley's Aquarium of Canada (75); Destination BC: Skidegate, Haida Gwaii (2), Vancouver/Albert Normandin (4), SilverStar Mountain Resort/Reuben Krabbe (17); Travel Manitoba: North End Murals (15); Banff/Lake Louise Tourism: Johnston Canyon (8), Skoki Area (9); Travel Alberta: Buffalo Jump World Heritage Site (25 bottom); Indigenous dancer Patrick Mitsuing/ROAM Creative (34), High Level Bridge Lethbridge/Roth and Ramberg (35); Tourism Calgary: Chinook Blast/Roth and Ramberg (6), Central Library/Colin Way (7), Calgary International Airport/Colin Way (30), Centre Street Bridge/Colin Way (73); New Brunswick Tourism: Salmon River Foot bridge (11); Destination Vancouver: Vancouver/Sara Borck Photography (21 left), Vancouver, Pride Parade/Vision Event Photography Inc. (40); Newfoundland and Labrador Tourism: Mistaken Point Ecological Reserve (25 middle), Murphy's Cove Trail, Port Union/Dru Kennedy (42), Fogo Island Inn, Île Fogo (72); Destination Toronto: David Crombie Park (12); Bonjour Québec: Vieux, Quebec (11 left), Parc de la Chute-Montmorency/Gaëlle Leroyer (13); Tourism Nova Scotia: Meat Cover, Cape Brenton Island/Tom Cochrane (17 top), Lunenburg Waterfront/Acorn Art & Photography (24).