

DESTINATION CANADA

2026 – 2030 Corporate Plan Summary

TOURISM: A SECTOR OF HIGH GROWTH AND FAST RETURNS

**Approved by Destination Canada's Board of Directors
on October 8, 2025.**

Approved by Treasury Board of Canada on December 4, 2025.

ACKNOWLEDGEMENT

As storytellers and ambassadors of the diverse tourism sector in Canada, we deeply appreciate the significance of our role in representing the multitude of voices and places that collectively shape 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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THE VALUE OF TRAVEL AND TOURISM

Tourism is an economic engine.

Canada's travel and tourism sector is fuel for the whole economy. As one of Canada's largest economic engines, the sector annually contributes \$130 billion in revenue, over \$50 billion in gross domestic product and more than \$250 billion in total economic activity. It supports over 265,000 businesses and delivers quality of life to over 5,000 communities across the country. With more than \$350 million in revenue every day, travel and tourism also generate over \$30 billion per year in direct tax revenue for governments at every level.

Across Canada, one in 10 jobs relies on tourism. There's a place for every talent and temperament, whether it's a first job or a long-term, high-paying career. The sector supports pilots, sommeliers, artisans, tour operators, data analysts, international sales managers, building engineers, park rangers and so many more.

Travel and tourism is Canada's second-largest service export. When foreign travellers spend their money on Canadian goods and experiences in Canada, it's an export — an export worth over \$30 billion last year. This export revenue brings new wealth to Canada, adding more value to local economies than the recirculation of domestic spending. This means more successful businesses, more jobs, more wealth and more wellbeing for all of Canada.

EXECUTIVE SUMMARY

Canada's tourism sector is at a pivotal juncture. As global competition intensifies and traveller behaviours evolve in the wake of major technological, political, and economic shifts, the visitor economy stands out as one of the country's strategic growth opportunities. With the international travel market growth projected to outpace both the Canadian and global economies in the years ahead, the moment is now. Canada is experiencing a groundswell of international interest, driven by its spectacular landscapes, vibrant cultures, Indigenous experiences, and a values-based brand that resonates with today's global traveller.

Our presence in nine priority international markets — including five G7 countries — complements our data and analytics capabilities, providing valuable real-time context on shifting demand, market trends and competitive dynamics. These markets account for the majority of Canada's international tourism revenue, and our Team Canada approach ensures that we market with unity, intelligence and impact. From leisure travel to business events, we are leveraging tourism as a bridge to broader outcomes, generating trade, investment and innovation across Canada's high-growth sectors.

Destination Canada's 2030 strategy is well underway and delivering results. Since pivoting from post-pandemic recovery to a future-focused growth agenda, we've made significant progress across our four strategic drivers: Brand Leadership, Sector Advancement, Destination Development and Collective Intelligence. These drivers are shaping resilient demand, unlocking investment, building competitive supply, and strengthening the data infrastructure needed for long-term success. In 2024, our efforts generated nearly \$1.9 billion in direct economic impact, supported over 11,000 jobs, and delivered \$223 million in federal tax revenue. These aren't just strong returns — they are immediate investments in the resilience and prosperity of Canadian regions.

Beyond Direct Impact

Destination Canada reports on the economic impact that can be directly attributed to our efforts. However, independent third-party validation confirms that our true influence is even greater. When accounting for the full spectrum of economic impact — direct, indirect, and induced — the ripple effects are substantial. The \$1.6 billion in visitor spending generated by our activities in 2023 more than doubled as it moved through the economy, delivering a total return on investment of 24:1. This broader analysis reinforces the far-reaching economic value of tourism and its powerful contribution to communities across Canada.

As the global environment continues to evolve — with geopolitical shifts, economic uncertainty and emerging technologies like AI reshaping consumer behaviour — Destination Canada is doubling down on its long-term strategy. We are scaling innovation, deepening our intelligence infrastructure, and aligning with national priorities to ensure tourism plays a central role in Canada's economic, cultural and environmental future. Tourism fuels local businesses, empowers entrepreneurs, and unlocks growth across urban, rural and remote communities alike. This momentum comes at a time of real economic need and presents an opportunity for Canada to capture a greater share of global demand and translate it into enduring economic and social value.

This corporate plan outlines how we will accelerate delivery through our four interconnected strategic drivers to position Canada as a top global travel destination by 2030 and unlock \$160 billion in annual tourism revenue. With the right strategies in place, Canada is well-positioned to harness this momentum and solidify its standing as a global tourism leader.

ABOUT US

Aspiration

Tourism generates wealth and wellbeing for all of Canada and enriches the lives of our guests.

Mandate

Destination Canada is a federal Crown corporation owned by the Government of Canada, reporting to the Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism). Established under the *Canadian Tourism Commission Act* in 2001, the objects of our corporation are 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.

Corporate Profile

Destination Canada is headquartered in Vancouver, with a small satellite office in Ottawa. As of July 1, 2025, we have a global workforce of 144 people, including staff in China, Japan and the United Kingdom (UK).

We promote demand for travel to Canada and influence the supply of legendary tourism experiences across the nation. We drive marketing in nine key geographic leisure source markets: Australia, China, France, Germany, Japan, Mexico, South Korea, the UK and the United States (US). We support thought leadership in destination development and investment attraction to help Canada's tourism offerings remain fresh and globally competitive. We deliver robust insights and analysis to help the public and private sector make informed business decisions.

Our parliamentary appropriations for the 2026 calendar year will be \$111.8 million which includes an additional \$11.6 million from Budget 2023 for the attraction of international business events to Canada.

Additional information on Destination Canada can be found in our [2024 Annual Report](#).

OPERATING ENVIRONMENT

Internal

Corporate Agility

Destination Canada operates in a complex and fast-evolving landscape that demands flexibility, innovation and strategic foresight. Internally, we have built a culture grounded in collaboration, curiosity, and continuous improvement. Our organization continues to attract and retain exceptional talent through a compelling employee value proposition — one that supports an important national mandate, offers hybrid and flexible work, prioritizes wellbeing, and fosters professional growth in a dynamic and competitive marketplace. These attributes have helped shape Destination Canada into an agile, future-ready workplace, capable of evolving alongside the needs of the sector we serve.

Modern Tools and Future-Ready Teams

As we enter the next phase of our transformation, we are increasingly focused on becoming a data- and insights-driven organization. This evolution is supported by the strategic integration of artificial intelligence (AI) and automation across multiple internal functions, including human resources recruitment and management, procurement, translation and employee performance tracking. Over the next several years, we will continue to scale AI-powered tools to improve internal forecasting, optimize resource allocation and streamline workflows. These technologies are enabling our teams to focus on higher-value strategic work while supporting timelier and evidence-informed decision-making.

To fully realize the benefits of these tools, we are also investing in the digital readiness of our workforce. Over the coming years, staff will receive expanded training on the responsible and ethical use of AI in a highly competitive global marketplace, with a particular focus on decision-support and content optimization. In parallel, we will offer development opportunities to deepen data literacy, strengthen analytical storytelling skills, and improve the integration of insights into program design and corporate planning.

Operationally, we are continuing to modernize our internal systems to enhance transparency, efficiency, and user experience. Work is underway to streamline procurement, contract management, and legal review processes, building on earlier improvements in expense reporting and workflow tracking. We are also evaluating new tools and platforms that enable more integrated project management and cross-functional collaboration.

AI Academy

Central to the above noted transformation is the investment in people, skills and responsible governance. The AI Academy is our internal engine for building AI fluency across Destination Canada, ensuring that intelligence is not only embedded in systems, but embraced by teams across all functions.

Through the Academy, we are strengthening critical AI capabilities that enable innovation at scale, accelerate adoption and translate intelligence into action. We are fostering a culture of experimentation and learning, providing staff with hands-on training, ethical frameworks and shared tools to apply AI effectively in daily work.

The Academy is grounded in guiding principles for responsible, ethical and consistent use. These principles support trust, accountability and safety, and help us lead by example in the use of emerging technologies across the public sector.

By building internal capability and embedding responsible practices, the AI Academy supports scaled innovation and measurable value realization, ensuring that our AI strategy delivers impact across Destination Canada and the broader tourism sector.

Collaborative Labour Relations

Destination Canada's positive and constructive relationship with unionized employees remains a cornerstone of our internal environment. In 2025, we will enter a new round of collective bargaining negotiations. These discussions will take place in a context of mutual respect and shared purpose. We are committed to reaching an agreement that supports fair compensation, reflects employee needs, and aligns with our strategic and operational goals. As we approach this process, we will continue to prioritize open communication, transparency, and collaboration with our union partners.

Endorsed Operational Excellence

Our ability to deliver on our mandate is further supported by strong governance and external oversight. Notably, the Office of the Auditor General of Canada conducted a Special Examination of Destination Canada in 2023–2024 and concluded that our operations are being carried out effectively; the Special Examination report had no recommendations for improvement. This reflects the strength of our internal controls, performance management frameworks, risk management practices, and commitment to public sector excellence. Looking ahead, we will continue to cultivate an internal environment rooted in innovation, accountability and adaptability — ensuring we are well-positioned to meet the demands of a changing and fast-growing sector and deliver long-term value to Canadians.

External

State of Demand and Recovery

International tourist arrivals fully recovered in 2024, reaching 1.5 billion¹. This resurgence has been driven by pent-up consumer demand, improved air connectivity, and the return of key source markets. However, the pace of recovery remains uneven across regions, reflecting persistent geopolitical risks, inflationary pressures, and evolving traveller preferences.

Travel and tourism remains one of the fastest-growing and most competitive sectors in the world. It continues to outpace overall economic growth, and by 2030, Canada's tourism sector is also forecast to outperform the broader economy². While countries like France, Spain and the US continue to hold dominant market share, Canada is gaining ground, particularly among international travellers seeking values-based, safe and welcoming destinations.

In its previous Corporate Plan, Destination Canada set an ambitious target for the sector to collectively grow tourism revenues to \$160 billion by 2030, up from \$113 billion in 2023 (as estimated at the time). Having generated nearly \$130 billion in tourism revenue in 2024, Canada's tourism sector is on track and has been growing two times faster than the general economy. Notably, Canada is emerging as the top alternative for travellers reconsidering visits to the US. This shift is being fueled by a sharp decline in traveller sentiment toward the US, coupled with growing uncertainty around US trade policy and global affairs. The unpredictability and pace of these shifts are creating significant headwinds for the US, while Canada's reputation has soared to an all-time high, bolstering forward bookings and international arrivals well into the fall and winter seasons.

This positive sentiment is translating into increased visitation from overseas markets and rising global awareness of Canada's natural landscapes, vibrant cultures, and Indigenous experiences. More Canadians are choosing Canada, American travellers are increasingly crossing the border, and overseas travellers are showing stronger preference for Canada — not just as an alternative, but as a first-choice destination. Canada is having a moment — one that is creating real momentum to compete vigorously and capture a greater share of global demand.

Federal Mandate Alignment

The Government of Canada has recently set out a renewed mandate that includes strengthening trade, diversifying the economy, and ensuring responsible stewardship of public resources. Destination Canada is aligning its efforts with these priorities by ensuring our programs and strategies contribute to national objectives for trade growth, economic diversification, and inclusive prosperity. We are actively positioning Canadian tourism as a lever for international competitiveness, new market development, and broad-based community benefits that advance the government's economic agenda.

In parallel, the federal government has launched a comprehensive expenditure review to ensure efficient and effective use of public funds. We are fully committed to supporting this exercise and are reviewing our operations with a focus on cost efficiency and prioritization of high-impact activities. Building on our proven ability to deliver strong returns on investment, we will continue to demonstrate fiscal responsibility, align resources with national priorities, and contribute to the government's broader efforts to reduce expenditures across operations while maximizing value for Canadians.

¹ UN Tourism, *World Tourism Barometer*, Vol. 23, Issue 3 (September 2025, Excerpt).

² Destination Canada /Tourism Economics Forecast 2024.

Trends Reshaping Tourism and Destination Canada's Strategy

Looking toward 2030, three global macro trends are emerging as especially influential to Canada's tourism outlook. These trends are not passing fads; rather, they represent enduring shifts in the structure of global travel, consumer behaviour, and destination competitiveness. They are directly shaping Destination Canada's strategy moving forward.

Re-Globalization

Global travel patterns are shifting as the world moves away from a singular, integrated economic model toward more regionalized and politically influenced systems. Trade routes, traveller flows and international partnerships are becoming increasingly concentrated within regional blocs, reflecting a broader realignment of geopolitical alliances and market risks. For Canada, this evolving landscape demands a renewed focus on securing air connectivity, diversifying market exposure, and reinforcing its presence in strategic traveller corridors. Sustaining high-yield demand and long-term growth will depend on staying agile and visible within an increasingly competitive and fragmented global travel network.

Wealth Concentration

While global travel demand is rising, discretionary travel spending is becoming increasingly concentrated among the top income tiers. This has implications for everything from experience design to market prioritization. Rather than maximizing volume, Canada focuses on value — highly-engaged guests who stay longer, spend more, travel outside peak seasons, and seek deeper engagement with people, places and values. Now, with capacity constraints impacting long-term growth potential in peak seasons, our strategy moving forward must continue to emphasize yield over volume, with marketing, development, and business event attraction aligned to premium segments and experiences and off-peak seasons.

Agentic AI

AI is rapidly reshaping how travellers dream, decide and book. We are entering a world of AI-powered travel bots — always-on, always-personalized systems that streamline the entire decision-making journey into a single, smart interaction. Unlike generative AI which responds to prompts by creating content, agentic AI acts independently of human oversight to make complex decisions. This shift has unprecedented influence on platforms, algorithms and content ecosystems. Canada must ensure it is not just telling compelling stories, but that its content is discoverable, structured for AI, and aligned with new modes of digital decision-making. Strategy, media and partnerships must now reflect this new architecture, where the traveller doesn't search and scroll — they ask, and AI answers.

Working Together

Tourism is a team effort, and our team spans every corner of the country. From municipalities and provincial and territorial marketing organizations to national associations and global investment partners, Canada's tourism success is built on deep collaboration and shared ambition.

One of the sector's greatest strengths is its diversity and decentralized structure. Destination Canada works closely with this ecosystem to share insights, navigate change and align for shared success. This spirit of collaboration is more than a value — it is a strategic advantage that allows Canadian tourism to act with agility, purpose and impact, bolstering its global competitiveness.

Over the past several years, our ability to act as *Team Canada* — united across governments, destinations, industry and communities — has been critical to recovery and resurgence. That same unity will be essential to unlocking the next chapter of Canada's growth. Together, we have the power to shape the conditions that drive global competitiveness, fuel community prosperity, and position tourism as a national economic engine.

Destination Canada and its partners benefit from an organized and highly coordinated network of collaboration. This Team Canada approach ensures that every partner's investment goes further to reach wider audiences and power high-impact campaigns across nine priority international markets. It's a uniquely Canadian model that continues to deliver outsized results.

Through national forums, we also create space for evidence-based collaboration on long-standing sector challenges. These platforms help partners co-design solutions in areas such as air access and infrastructure investment, while aligning local needs with national opportunities.

National Tourism Sector Associations are among our closest collaborators — representing key sectors from transportation, accommodations, and hospitality to culinary, culture, and the arts. They play a vital role in advocacy, research, standards-setting and capacity-building, while amplifying tourism's value to Canadians and policymakers.

These partners are instrumental in shaping our collective strategies and informing Destination Canada's programs. By aligning on common goals and creating shared tools, we are helping the sector increase resilience, elevate its global standing, and deliver value across economic, cultural and environmental dimensions.

NorthStar is our strategic forum with Canada's leading destination marketing organizations — provinces, territories, major cities and resorts, along with key national tourism associations. Together, we speak with one voice in international markets, aligning strategies and investments to increase impact and efficiency.

This coordination has been foundational to Canada's recovery, and it remains essential to our long-term competitiveness. In the coming years, we will strengthen this partnership to advance a common agenda: integrate strategies, align budgets, respond to disruptions, address systemic barriers, and coordinate tourism development strategies that serve communities and generate sustainable growth. As destination stewards for Canada, NorthStar partners are central to our sector's shared success.

Industry Stakeholders

Tourism is one of Canada's most entrepreneurial sectors, made up of over 265,000 businesses, the vast majority of which are small- and medium-sized enterprises (SMEs). These businesses are the heart of Canada's visitor economy and the face of our country to the world.

We rely on their insights and experiences to inform our work, and we are committed to supporting their growth. Through advisory committees, working groups, and new channels of communication, we will continue to listen to SME voices and extend the benefits of Destination Canada's tools, data and strategies across every region. Our aim is to empower businesses with actionable intelligence, global exposure and a policy environment that enables them to thrive.

Canada's communities are at the forefront of delivering remarkable visitor experiences, and the **Federation of Canadian Municipalities** (FCM) is a vital partner in ensuring that local governments are empowered to grow tourism. Through our collaboration with FCM, we are helping municipalities across Canada leverage tourism as a tool for economic diversification, community vitality and inclusive growth. Together, we are advancing shared goals such as infrastructure development, destination stewardship and investment readiness, ensuring that tourism policies reflect local needs and unlock new opportunities for communities of all sizes. As we move forward, this partnership will continue to drive alignment between federal and municipal priorities and strengthen the foundations of Canada's visitor economy from the ground up.

STRATEGIC PLAN

Overview

In 2024, we shifted from post-pandemic recovery to a growth-focused approach, setting ambitious goals to elevate Canada's position in the global visitor economy. Our focus was on laying the groundwork — aligning industry priorities, building strategic partnerships, and launching initiatives to drive demand, investment and innovation.

Now, as global competition intensifies and traveller behaviours evolve, Canada's tourism sector stands out as a strategic growth opportunity, driving trade, job creation, and community vitality from coast to coast to coast. With a growing global travel population and mounting international interest, the moment is now. According to Tourism Economics, growth in the visitor economy is expected to outpace both the Canadian and global economies in the years ahead.

Destination Canada is seizing this momentum through four interconnected strategic drivers that are guiding the sector toward unprecedented growth and resilience. Though Canada is well-positioned today, Destination Canada is not being complacent. Our focus for 2026 and beyond is to help shape this growth in ways that deliver real strategic value — resilient demand, equitable benefits across regions, and higher real returns across the visitor economy.

Our Goal

To help position Canada as a top 7 global travel destination by 2030, delivering \$160 billion in annual tourism revenue while advancing economic resilience, cultural vibrancy, and environmental sustainability.

Strategic Driver: Sector Advancement

Driving Growth and Competitiveness

Tourism is one of Canada's most powerful economic engines, contributing to trade, community vitality and inclusive prosperity. Through our Sector Advancement strategy, we will continue to highlight tourism as a national economic advantage — not simply as a leisure activity but as an important driver of Canada's economy, international export revenues, and cultural influence. Over the next few years, Destination Canada will remain focused on deepening understanding of the impact of travel and tourism across all levels of government, industry and Canadian communities.

Supporting Trade and Diversification

Our trade role remains central. With over \$31 billion in annual service exports and significant revenues from nine international markets, tourism is a key source of trade and diversification for Canada. As a convenor and collaborator, Destination Canada brings together sector expertise and national partners to chart a path toward improved global performance. We will continue to leverage our Team Canada approach to ensure that Canadian destinations and operators have a united and visible presence at major international trade forums, including Team Canada delegations to global events. This approach strengthens our capacity to promote Canadian tourism as a key service export and supports economic diversification across regions.

We will continue to host and support industry events such as Rendez-vous Canada (RVC) — Canada’s largest international tourism trade floor — which connects Canadian tourism businesses with international buyers to drive export-ready capacity. RVC 2025, held in Winnipeg, delivered a significant lift to the city of approximately \$4.6 million and boosted Canadian export sales by \$85 million. Beyond RVC, we will continue to collaborate with partners to provide tools, resources and forums that enable Canada’s tourism sector to become more competitive, innovative and resilient.

Fostering Industry Collaboration

Destination Canada plays a key role in bringing together diverse sector voices to reflect, collaborate and unlock shared potential. We create spaces for insight sharing, joint problem-solving, and aligned action, while enabling Canada’s tourism economy to scale, diversify and respond to global signals. Our focus is on creating the conditions for high-growth, high-return activity.

In 2024, we launched the NorthStar Advisory Task Forces to address challenges in key areas of the sector and unlock Canada’s long-term tourism competitiveness on the world stage. This collaborative effort — grounded in the seven levers of competitiveness — has already delivered meaningful progress. NorthStar partners and Task Forces will continue to work with business leaders, national associations, municipalities, Indigenous tourism leaders and other partners to expand these initiatives, strengthen local capacity, and advance strategies that elevate tourism’s role in Canada’s economic and trade priorities.

7 Levers for Improved Competitiveness	Revenue Yield Growth
Brand Leadership	Investment
Access	Workforce
Sustainability	Public & Policy Support

Informing Policy

Destination Canada also plays a unique role in informing policy discussions and decisions, helping to create the space for thoughtful reflection and coordinated input. Our national convening platforms support dialogue across governments and industry to assess evolving global conditions, identify enabling levers, and align around shared priorities. We will continue to share forward-looking intelligence and insights to support the development of policies, ensuring tourism priorities are aligned with broader national trade and economic goals. We will also continue to support a whole-of-government approach for the sector, and coordination and alignment across federal priorities that influence tourism. This work will remain a critical component of how we help the sector adapt to shifting global conditions and seize opportunities for growth.

Looking Ahead

The global visitor economy is entering a new phase — marked by accelerated growth, evolving traveller expectations, and heightened competition for high-value demand — and Canada is well-positioned to lead through high-value, diversified and values-driven growth.

Through the Sector Advancement driver, we will continue to facilitate collaboration, amplify sector priorities, and connect partners across jurisdictions to help realize tourism's full economic potential. By acting as a connector and catalyst, we help ensure Canada's tourism sector is equipped to grow with purpose, pace and profitability.

Strategic Driver: Brand Leadership

Brand Leadership is a central strategic driver in *Tourism 2030: A World of Opportunity* and is critical to capturing Canada's tourism potential. In a highly competitive global travel landscape, Destination Canada may not be able to outspend competitors, but perhaps we can outsmart them. This means shaping demand through insight-driven marketing, compelling storytelling, and strong stakeholder alignment. At the core is a clear goal: build emotional relevance and uniqueness with highly-engaged guests and business event decision-makers, and ensure Canada's tourism brand supports long-term economic, social and environmental value.

Our efforts are anchored in a bold, unifying brand promise — Canada's openness: open-hearted people who create a sense of belonging, open minds that welcome new perspectives, and open spaces that inspire awe. This narrative positions Canada not only as a top destination for travel, but also for business, education, work, and investment. It guides how we engage global audiences in a way that is inclusive, authentic and memorable.

In 2025, Destination Canada is focused on elevating this narrative through our new global brand platform, **Canada, naturally**. This long-term platform enhances coherence and consistency across all priority markets, reinforcing Canada's distinctive identity with renewed clarity and credibility. It invites travellers to connect with real, unfiltered experiences — a compelling proposition in an age of overproduced and AI-generated content.

Our strategy is rooted in data, insights and performance. We focus on high-potential guest segments in each market, using targeted campaigns and meaningful partnerships to grow demand, lift brand equity, and stimulate action. A key priority is ensuring that growth is regenerative: spreading tourism benefits beyond peak seasons, supporting regional dispersion, and creating value for local communities across Canada.

Brand Leadership is how Canada shows up in the world — with confidence, purpose and humanity — propelling our brand positioning around openness. By delivering on our brand promise, we build long-lasting demand and reinforce Canada's place as a safe, inspiring and welcoming destination.

Leisure Travel Marketing

Destination Canada's leisure marketing program is how we activate our brand promise in global markets — turning curiosity into consideration, and consideration into travel. Our focus is on attracting highly-engaged guests — travellers who seek

meaningful, values-aligned experiences, travel in off-peak seasons, stay longer, and contribute more to the communities they visit.

Our approach combines audience insight, data-driven performance planning, and compelling storytelling to create demand for Canada in a way that is targeted, scalable and inclusive. We tailor strategies by market, but all are rooted in a consistent global narrative — Canada’s openness — and expressed through our brand platform, **Canada, naturally**. This platform allows us to build emotional connection with our audiences, while maintaining flexibility to reflect local culture, media habits and readiness.

We are deliberate about what we promote and when. Through seasonal campaigns, shoulder-season inspiration, and regional content, we align our work with the availability and capacity of communities and industry partners. We also prioritize inclusive and Indigenous-led experiences, to ensure the benefits of tourism are shared and the richness of Canada’s cultural diversity is reflected across our marketing and storytelling.

Partnership remains essential to our impact. We work closely with provinces, destinations, airlines and the travel trade to extend reach and convert interest into travel. Our always-on, performance-focused marketing model allows us to optimize in real time — investing where we see traction, refining tactics when the market shifts, and staying ahead of emerging channels and platforms.

Ultimately, leisure marketing is how we drive immediate results while building long-term demand. By connecting the right stories with the right audiences at the right time, we ensure that Canada remains a compelling and trusted destination in a rapidly evolving travel landscape.

Global Hub & Gateway Strategy

Beginning in 2026, we will pilot a Global Hub & Gateway Strategy in one of our mature markets to diversify international demand and expand Canada’s global reach. Using a major international airport gateway and airline hub as a test case into new pathways for growth, this approach offers strategic access points into broader regional demand. By leveraging high-volume airline hubs, we will grow air access, capture high-value audiences, and disperse visitors across Canada’s regions and seasons. This data-led approach marks the evolution of our overseas sales and marketing channels, extending our reach into high-potential markets while deepening partnerships with airlines and global intermediaries to ensure Canada is a compelling choice.

The Hub & Gateway Strategy directly supports federal priorities to diversify the economy, strengthen trade and connectivity, and deliver regional and inclusive prosperity. By meeting the world’s most sought-after travellers where they are, this strategy draws new export revenues into Canada, strengthens international linkages, and ensures that the benefits of tourism are distributed broadly across communities and regions.

Attracting Business Events

Business Events are a powerful tool to shape perceptions of Canada, drive year-round demand, and deliver lasting economic and societal value. As a key pillar of Destination Canada’s brand leadership strategy, the Business Events program positions Canada not only as a world-class host for conferences, meetings and incentive travel, but as a strategic partner for innovation, sustainability and global collaboration.

Our business events strategy is a key differentiator for Canada. Anchored in a global sector approach, it aligns with our country’s six priority economic sectors and the visionary thought leaders in each. These sectors, chosen for their alignment

with federal economic priorities and international growth potential, serve as the lens through which we showcase Canada’s centres of excellence. We engage global decision-makers with sector-relevant value propositions, positioning Canada as an event-hosting destination where transformative conversations and solutions take place. This approach strengthens Canada’s competitive positioning while supporting broader national priorities related to trade, talent and investment.

Canada’s competitiveness is strengthened through a coordinated, cross-sectoral approach. Our Team Canada model unites cities, destination marketing organizations, industry partners and federal departments under a single, national banner for a strategic presence at international marketplaces. These efforts amplify our shared narrative, provide visibility for Canadian destinations of all sizes, and ensure Canada is top-of-mind for global event organizers.



To further support demand generation, we deliver targeted marketing campaigns built around breakthrough storytelling and tailored content. These communications emphasize Canada’s intellectual capital, destination advantages, and values-based strengths and are tailored to C-suite decision-makers and key influencers. These efforts are reinforced through signature annual events such as Innovate Canada which connects C-suite executives with Canada’s priority sector strengths through immersive, behind-the-scenes programs and sparks connections across industries and regions.

Business events are more than economic generators — they are catalysts for sustainable development and social impact. Destination Canada continues to lead with bold initiatives such as the Canadian Business Events Sustainability Plan and a multi-year Legacy & Impact Study that measures beyond-tourism outcomes such as investment, policy change and knowledge transfer.

As we look ahead, our focus is on strengthening Canada’s global competitiveness in business events, deepening alignment with priority economic sectors, and creating more opportunities for the benefits of business events to be shared across Canadian communities.

The **Canadian Business Events Sustainability Plan** sets the course for meetings, conferences and incentive experiences that offer an enduring positive legacy for people, planet and place. With a strong emphasis on environmental sustainability, we have led the way to make our signature events carbon-neutral. Having evolved our plan to also support sociocultural sustainability, we will help build Canada’s reputation as a thought leader that embraces diversity, fosters equity and cultivates inclusion in the business events industry.

Our **Legacy & Impact Study** continues to investigate the powerful regenerative impact of business events held in Canada. Results from the first two years of the study confirm that events designed with purpose can create lasting legacies that extend far beyond financial benefits. Building on this momentum, we will continue to evaluate impacts of specific events, as well as the role of the International Convention Attraction Program in fostering legacy planning and strengthening Canada’s reputation as a destination for purposeful global convening. Insights from the study will inform how we embed legacy thinking across our strategies and maximize long-term value for host communities and the broader economy.

International Convention Attraction Program

Canada’s global economic future depends on its ability to bring the world’s decision-makers, investors and innovators here. Business events are a powerful catalyst for trade, knowledge exchange, investment, and sector leadership, and Canada must remain globally competitive in attracting them. The International Convention Attraction Program (ICAP), launched in 2024, has become one of Destination Canada’s most effective tools in this effort.

In just over a year, with a \$21.4 million federal investment, ICAP has helped secure over 50 major international events for Canadian cities. These events are expected to bring more than 176,000 high-value international delegates and generate \$463 million in direct impact across local economies — a return of more than \$20 for every dollar invested. The program's impact ripples far beyond the events themselves: projected federal tax revenues exceed \$31.8 million, and over 3,800 full-time equivalent jobs have been directly supported across regions, making the program effectively cost-neutral within its first year of operation.

Eligibility for support under the ICAP is determined based on the assessed value of each bidding opportunity. Events are evaluated against a set of criteria, including the anticipated number of international delegates, projected economic impact, alignment with Destination Canada's priority sectors, and contribution to advancing federal government priorities. This structured approach ensures that ICAP resources are directed toward events with the greatest potential for long-term impact and strategic alignment.

ICAP's success stems from its integrated design. The program operates through three interconnected pillars: it builds interest in Canada through brand marketing, drives client engagement via Canada's presence at global trade shows and events, and supports sales conversion through targeted financial subventions that help Canadian destinations win competitive international bids. These pillars work as a cohesive system — generating qualified leads, strengthening Canada's global visibility, and converting opportunity into confirmed event wins.

While the economic returns are compelling, the broader strategic value is equally important. Each secured convention amplifies Canada's visibility in priority growth sectors, fuels knowledge transfer, and opens doors to international partnerships. The program directly advances national priorities by stimulating trade diversification, elevating Canada's global reputation, and supporting regional economic development.

Strategic Driver: Destination Development

Destination development is foundational to the competitiveness of tourism in Canada. It ensures that our tourism experiences are not only compelling to highly-engaged guests, but that they are continuing to add capacity while being sustainable, community-aligned and economically viable. As we approach the third year of our destination development strategy, our work is guided by a clear plan that has been intentionally designed and continually refined in partnership with communities, industry and all levels of government. Our role is that of catalyst and convener — bringing together stakeholders to co-create development strategies, close systemic gaps, identify investment opportunities, and accelerate meaningful progress on the ground.

Advancing Thought Leadership

At a national level, Destination Canada continues to lead in shaping the future of tourism development in Canada through thought leadership, tools and collaborative initiatives that empower local and regional partners. Our goal is to equip communities, destinations and businesses with the knowledge, resources and data they need to align tourism growth with broader economic, environmental and cultural goals. We've advanced innovative concepts such as the regenerative approach to tourism and social return on investment; launched TourismScapes — a GIS-based mapping platform that identifies tourism clusters, analyzes spatial patterns, and provides detailed, community-level data on tourism assets to inform investment, evidence-based planning, and sustainable development; and built a growing Knowledge Hub. We've convened national

conversations on tourism's role in community wealth and wellbeing, and launched toolkits for rural, remote and northern destinations, with an Indigenous-focused toolkit underway in partnership with the Indigenous Tourism Association of Canada. Together with partners like the Federation of Canadian Municipalities, the Economic Development Association of Canada and the federal Regional Development Agencies, we're also building a national destination development dialogue that supports the value of travel and tourism, stewardship, capacity building and localized decision-making.

Scaling Legendary Journeys

Legendary Journeys represents a bold new way to approach destination development in Canada. It connects communities, experiences, and stories along tourism corridors that align with traveller interests and regional development priorities.

Launched in 2023, our Tourism Corridor Strategy Program is accelerating the destination development of interconnected tourism routes that showcase Canada's diverse landscapes and cultural heritage. Under this program, Destination Canada provides support throughout the planning process. We partner to provide strategic planning and facilitation services, conduct in-depth research and data analysis, and help with stakeholder engagement. We also provide knowledge and guidance on investment attraction strategies and assist with the implementation of the Corridor development plans.

Development of seven tourism corridors are currently underway, ensuring alignment with highly-engaged guest interests and community priorities. A core focus of the program is to build long-term localized capacity and ensure tourism development supports community needs, regenerative practices and economic objectives.

Tourism Sprint Program

As part of our ongoing work to sustain a vibrant and profitable tourism industry and to support cooperation between the private sector and governments at all levels, we are identifying high-potential, near-market-ready projects across the country — a pipeline of destination development opportunities for public and private investment that can be prioritized and activated through local leadership and targeted support.

The Tourism Sprint Program (TSP) identifies high-readiness, demand-generating projects that require short-term support to move forward quickly. By operating at the federal level, the TSP moves across jurisdictions to accelerate the development of tourism assets that enhance Canada's competitiveness internationally, and, thereby, aligns with the national priority to expand opportunities for diversified export income.

Attracting Investment

Despite Canada's exceptional tourism assets, global investment flows into tourism-related infrastructure, experiences and innovation have lagged. A recent Deloitte study commissioned by Destination Canada highlighted systemic barriers and opportunities to improve investment readiness across destinations. In response, Destination Canada is advancing a national approach for investment attraction focused on mobilizing capital, identifying investable opportunities, articulating Canada's unique tourism value proposition, and improving local readiness to receive and scale investment. This includes promoting public-private partnerships that support infrastructure development and product innovation aligned with long-term tourism goals.

In 2026, Destination Canada will make its debut at Le marché international des professionnels de l'immobilier (MIPIM) — one of the world's leading forums for real estate and investment held annually in Cannes — where we will host a Canada Pavilion

with public and private partners. Our goal is to showcase Canada as a compelling destination for tourism investment, open new doors to capital, and forge connections that accelerate transformational tourism development.

Strategic Driver: Collective Intelligence

Destination Canada is building the tourism sector's intelligence infrastructure, and empowering destinations, communities, operators and governments with the tools and foresight needed to thrive. Through our Collective Intelligence strategy, we are enabling smarter decisions, stronger planning and more resilient growth across the visitor economy. Aligned with the federal government's priorities for AI, our approach is grounded in trust, sovereignty, adoption and scale. At its core, this strategy is about more than data access — it is about AI-enabled transformation.

AI Strategy

Artificial intelligence is a cornerstone of our transformation agenda — a strategic lever to improve performance, generate new revenue opportunities, unlock investment and strengthen Canada's global competitiveness in tourism.

Our vision for AI is bold and actionable: To empower the tourism ecosystem and its people through AI to drive breakthrough performance and competitive advantage. Our priorities will be to:

- Stimulate targeted demand by deepening our understanding of traveller preferences, decision drivers and engagement channels to focus efforts where they deliver the greatest return.
- Advance smarter destination investments by analyzing destination needs and traveller expectations to help prioritize investment in experiences that elevate the full visitor journey.
- Unlock operational efficiency at scale by automating processes, modernizing tools and embedding AI into workflows for faster, leaner and more agile operations.
- Build foundations for the future by strengthening our capabilities in data, platforms and partnerships to unlock differentiated value and competitiveness.

The Data Collective

At the heart of our strategy is the Canadian Tourism Data Collective, introduced in 2024. Before its launch, data across the tourism sector was fragmented, difficult to access, and slow to generate insight. The Data Collective changed that, giving Canada a first-mover advantage with an AI-powered platform that now serves as the central intelligence layer of the tourism sector.

Built in Canada, for Canada, and anchored in sovereign data architecture and Canadian-owned intellectual property, the platform already serves over 35,000 active users, supports more than 265,000 businesses and 5,000 communities, and draws on more than 230 datasets and 34 billion rows of data. What once took 18 months to report can now be forecasted six months into the future, providing real-time intelligence to communities of all sizes.

The Data Collective represents a national competitive advantage. It's about building collective intelligence so we can act smarter, faster, and scale together. We're now focused on making every product more intuitive, connected and easy to use. As we move into Year 2, our focus is on adoption and scale: expanding partnerships, enhancing data coverage, improving access for businesses, and embedding intelligence into planning and decision-making across the country.

This platform is already helping partners link insights to return on investment, community sentiment, sustainability and policy outcomes. It is opening doors to new investment conversations and enabling Canada to compete globally with confidence. It is also how we aim to deliver AI-powered tourism intelligence that elevates human insight, enables smarter decisions and strengthens the wealth and wellbeing of Canada's hosting economy.

Aurora AI

Aurora AI is a defining feature of the Data Collective — an intelligence layer that turns trusted data into action. Rather than a single product, Aurora AI is a network of AI models, tools and systems woven across everything we build.

With tools like *Aurora Search*, *Market Strategist* and *Scenario Planner*, users can ask natural-language questions and get real-time answers to help simulate visitor behaviour, test marketing ideas and adapt to global changes — all in a matter of minutes. This shift allows us to move from simply reading data to actively working with it.

Aurora AI integrates seamlessly across products and user types to faster, more informed decision-making. It's already improving campaign performance, reducing the time it takes to get insights, and informing investment decisions.

As we scale Aurora AI and expand its reach, it will play a central role in making Canada's visitor economy more predictive, adaptive and resilient, aligned with national objectives around innovation, digital sovereignty and sustainable development.

Traveller Twin

Built on the Aurora AI infrastructure is the **Traveller Twin** — one of the most advanced applications of AI in tourism. A flagship feature of the Data Collective, it's a purpose-built AI simulation tool that mimics real-world conversations with traveller segments to uncover quick and actionable insights into what makes them tick.

Rather than navigating static dashboards, users can converse directly with the data — asking questions and testing scenarios — to uncover what motivates audiences to travel, how they book and what their preferences are. It feels as natural as chatting with a potential traveller. The tool responds clearly, conversationally and instantly, enabling virtual focus groups at scale and speeding up strategy development.

The Traveller Twin is transforming how communities, operators, and marketers understand and serve their most valuable guests. It is also a clear signal that Canada is not just adopting AI but shaping its application in tourism.

APPENDICES

APPENDIX A: MINISTERIAL MANDATE LETTER

Minister of Women and Gender
Equality and Secretary of State
(Small Business and Tourism)



Ministre des Femmes et de l'Égalité
des genres et secrétaire d'État
(Petites Entreprises et Tourisme)

October 3, 2025

The Honourable Liza Frulla, P.C., C.M., O.Q.
Chair
Board of Directors
Destination Canada
1045 Howe Street, Suite 800
Vancouver, British Columbia V6Z 2A9

liza.frulla@ithq.qc.ca

Dear Liza Frulla:

As Minister of Women and Gender Equality and Secretary of State (Small Business and Tourism), and Minister responsible for Destination Canada (DC), I am writing to outline the Government of Canada's guidance for DC's strategic direction and activities over the 2025–2029 planning period. This letter is intended to inform the development of DC's Corporate Plan and business activities to help ensure alignment with the Government's clear and focused agenda.

I would like to begin by acknowledging DC's continued efforts to support the growth and resilience of Canada's visitor economy. In particular, I commend the organization's marketing efforts, which helped generate \$1.89 billion in attributable tourism revenue in 2024; the success of the International Convention Attraction Program, which demonstrates how modest investments can yield outsized benefits for Canadians and communities; and the foundational work under way through the Tourism Corridor Strategy Program and the Canadian Tourism Data Collective. These initiatives underscore DC's important role in advancing the competitiveness of Canada's tourism sector.

As a key partner in promoting Canada as a world-class destination and delivering economic benefits across the country, DC plays a vital role in building a tourism sector that is resilient, responsive, and results-driven. I look forward to our continued collaboration and remain confident in DC's ability to demonstrate leadership, transparency, and alignment with the Government's renewed emphasis on tangible outcomes, fiscal discipline, and economic growth.

The Government was elected with a clear mandate to focus on core priorities, restore fiscal responsibility, and deliver measurable results. In response, we have introduced a responsible, focused plan to grow the economy, make life more affordable, and build a more inclusive and sustainable future for all Canadians.

In this context, I would like to underscore the value of DC aligning its priorities, programs, and operations with the Government's economic and policy agenda. This includes a disciplined focus on core activities that demonstrate a measurable impact, deliver value for public investment, and produce tangible benefits for Canadians.

To support this direction, the Government launched a Comprehensive Expenditure Review (CER) on July 9, 2025, to ensure responsible, cost-effective spending that delivers results. Based on targets identified by the Treasury Board, all departments, agencies, and Crown institutions were required to propose savings over three years, starting in 2026–2027.

Developing this savings proposal has required thoughtful, strategic decisions about where and how to focus resources in order to meet these targets. As we move forward, I would encourage DC to continue to develop its corporate strategy and business plan to reflect the priorities identified through the CER. In particular, I would ask that DC continue to identify efficiencies in its operations while safeguarding activities that align with its core mandate, and that it maintain its strong record of safeguarding public resources.

DC's internal decision making and external messaging should also reflect this context. Strategic choices—across programs, partnerships, investments, and communications—should be guided by value for money, alignment with government priorities, and a clear contribution to building a more competitive, inclusive, and sustainable economy for Canadians.

As DC continues to develop reporting documents, I recommend the following items be reflected in the strategic direction and business activities, and outlined in upcoming corporate reporting documents.

Strategic Direction for 2025–2026

Reinforce Canada's global tourism presence

Given the Government's fiscal and policy direction, DC should prioritize the core activities of its mandate using existing resources, focusing efforts on marketing Canada as a premier tourist destination, with a particular emphasis on geographic and seasonal dispersion, and on strengthening Canada's competitive position in international markets. This could include continued emphasis on high-impact international leisure marketing, targeted efforts to rebuild visitation from key markets—including those sensitive to global economic or geopolitical

shifts—and leveraging NorthStar partnerships to deepen collaboration and enhance collective impact across the sector.

Consider approaches to sustain the impact of the International Convention Attraction Program

DC's work to attract international business events, conferences, conventions, and meetings with funding through Budget 2023 and the 2024 Fall Economic Statement has been instrumental in supporting the recovery of Canada's business events sector. The International Convention Attraction Program is a strong example of an innovative and results-driven program that aligns with the Government's focus on tangible economic outcomes for Canadians.

To sustain the high impact of this initiative, and in recognition of continued stakeholder interest, DC is strongly encouraged to explore viable approaches for maintaining program delivery beyond the current funding horizon. This could include assessing how the initiative might be supported within existing designated funding levels while safeguarding the organization's ability to deliver on its core mandate.

Strengthen strategic focus and operational discipline

In line with the priorities the Government has identified through the CER process, DC is encouraged to remain focused on core business lines that deliver the greatest strategic and economic return. While DC's mandate provides broad latitude in advancing Canada as a premier travel destination, it remains important to apply a consistent, evidence-based approach to assessing where the organization can deliver the greatest value. This includes prioritizing activities that generate clear national benefit and demonstrate strong alignment with government priorities such as economic growth, inclusion, and sustainability. Strategic decisions should be guided by performance data, stakeholder insight, and return on investment.

At the same time, DC is encouraged to identify opportunities to increase operational efficiency—such as through the streamlining and consolidation of internal processes—and to exercise discipline in resource use by reducing discretionary spending. These efforts will help ensure DC continues to operate as a responsive, high-impact organization and a responsible steward of public resources.

In closing, I commend the strong working relationship that exists between DC and Innovation, Science and Economic Development Canada, and the spirit of collaboration and mutual respect that underpins it. It will be important to maintain this relationship in a way that supports strategic alignment, transparency, and effective oversight. In this context, I strongly encourage DC to continue providing corporate documentation that reflects these shared values and adheres to the

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guidelines and timelines established by the Treasury Board Secretariat for Crown corporations.

I look forward to our continued collaboration. Please accept my best wishes.

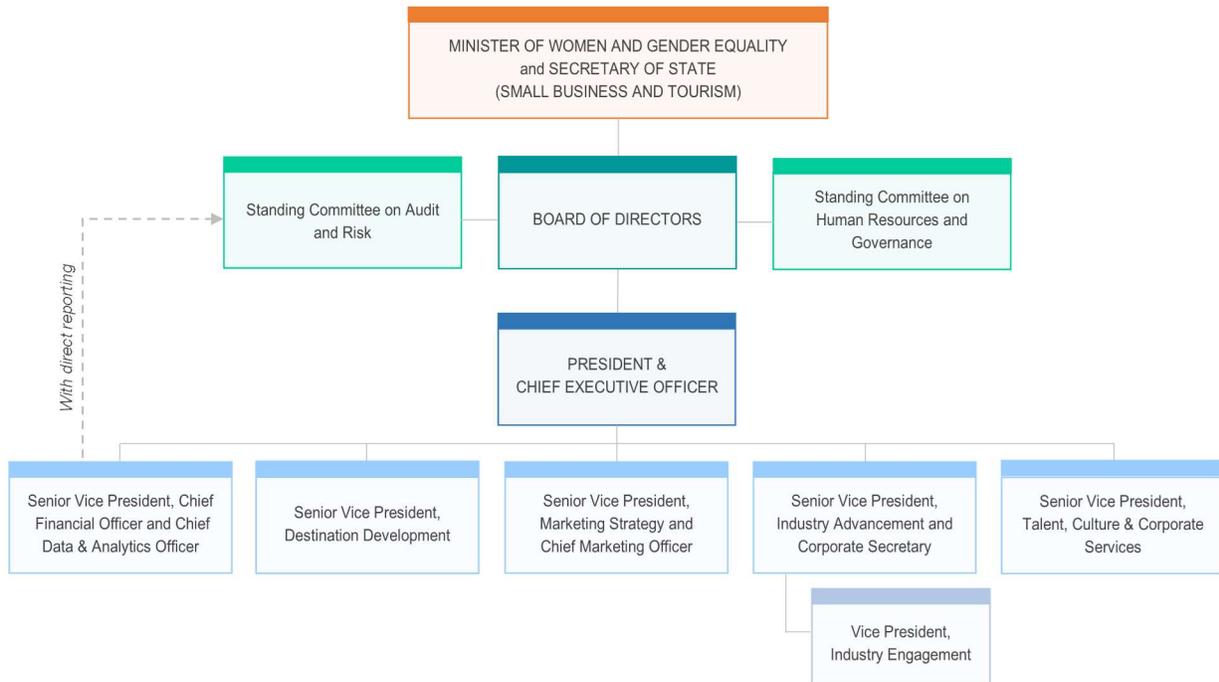
Sincerely,

A handwritten signature in black ink, appearing to read 'Rechie Valdez', with a stylized flourish at the end.

The Honourable Rechie Valdez, P.C., M.P.

c.c.: Marsha Walden, President and Chief Executive Officer,
Destination Canada
walden.marsha@destinationcanada.com

APPENDIX B: GOVERNANCE STRUCTURE



Board of Directors

The Board consists of up to 12 members who oversee the management of Destination Canada and provide strategic guidance and effective fiduciary oversight. With the support of its committees, 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. Examples of specific functions of the Board are:

- Establishing the organization's corporate objectives and strategy
- Monitoring corporate performance and evaluating results
- Ensuring effective strategic risk management
- Providing financial oversight
- Monitoring the Chief Executive Officer's (CEO's) performance
- Overseeing succession planning of the CEO
- Reviewing and approving major decisions affecting the organization

The Board comprises the Chair and the President & CEO of Destination Canada which are Governor in Council appointments, and the Deputy Minister of 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 management's decisions on strategic opportunities and risks.

Over the course of 2024, the Board met six times and average attendance at meetings was 88%.

Membership

As at October 1, 2025



**The Honourable Liza Frulla, P.C.,
C.M., O.Q.**

Chairperson of the Board of Directors
Sutton, QC

Term: August 6, 2021 – August 5, 2026



Marsha Walden

President & CEO,
Destination Canada
Vancouver, BC

Term: August 24, 2020 – August 23, 2025



Sony Perron (ex officio)

President of the Economic Development
Agency of Canada for the Regions of
Quebec / Deputy Minister of Economic
Development
Ottawa, ON



Julie Canning

Cowgirl and Operating Partner,
Banff Trail Riders
Banff, AB

Term: February 1, 2018 – June 22, 2026



Stan Cook

Founder,
Rock + Water Travel
St. John's, NL

Term: February 1, 2018 – February 9,
2028



Randy Garfield

Former President,
Walt Disney Travel
Stratford, ON

Term: April 12, 2017 – March 1, 2028



Benjamin Ryan

Chief Commercial Officer,
Air North
Whitehorse, YK

Term: June 23, 2022 – June 22, 2026



Natalie Thiesen

Vice President,
Tourism, Economic Development Winnipeg
(Tourism Winnipeg)
Winnipeg, MB

Term: June 23, 2022 – June 22, 2026



Andrew Torriani

President, CEO and General Manager,
Ritz-Carlton Montréal
Kirkland, QC

Term: June 19, 2019 – February 9, 2028

Standing Committees of the Board

The Human Resources and Governance Committee advises and supports directors in applying our corporate governance principles and assists in identifying potential board candidates. Additionally, the committee reviews and advises on the President & CEO's annual objectives and our human resources policies, plans and processes, including succession, compensation and benefits plans.

The Human Resources and Governance Committee met four times in 2024 and average meeting attendance was 85%.

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 approach and financial reporting of our pension plans.

The Audit and Risk Committee met four times in 2024 and average meeting attendance was 87%.

Both of the above committees are mandated under the *Canadian Tourism Commission Act*.

Executive Team

The President & CEO is accountable to the Board and has responsibility for 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.

The executive team also recommends to the Board strategic priorities, identifies business risks and manages the complex intellectual, capital and technical resources of Destination Canada.

Executive Team Membership

As at October 1, 2025



Marsha Walden

President & CEO



Gracen Chungath

Senior Vice President,
Destination Development



Meaghan Ferrigno

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



Richard Gagnon

Senior Vice President,
Talent, Culture & Corporate
Services



Gloria Loree

Senior Vice President,
Marketing Strategy and Chief
Marketing Officer



Caroline Séguin

Senior Vice President,
Industry Advancement and
Corporate Secretary



Maureen Riley

Vice President,
Industry Engagement

APPENDIX C: PLANNED RESULTS

The following planned results are based on total parliamentary appropriations consisting of base funding plus one-time limited funding to attract major international conventions, conferences and events to Canada. Incremental funding is blended with base parliamentary appropriations to work as a collective investment towards the achievement of our objectives. As such, performance results will be reported in aggregate.

Lastly, some targets, such as attributable tourism revenue, are reflective of expected multi-year impacts of marketing activities, even after the time-limited funding associated with the activity has elapsed.

	OUTCOME and KEY PERFORMANCE INDICATOR (KPI)	SHORT TERM TARGET (2026)	MEDIUM TERM TARGET (2027 – 2028)	LONG TERM TARGET (2029+)	DATA SOURCE / METHODOLOGY
OVERALL	Attributable tourism revenue has grown <i>KPI: Attributable tourism revenue</i>	2026: \$1.97 billion	2026-2028: \$6.39 billion	2026-2029: \$8.82 billion	Internal assessment of impacts based on Media Mix Modeling attribution, travel trade activities and business events sales activities
SECTOR ADVANCEMENT	Canada's competitive standing internationally has increased <i>KPI: Canada's competitiveness ranking</i>	Together with industry, act on task forces' recommendations and strategic projects to support and strengthen tourism's 7 levers of competitiveness	Meaningful progress on key competitiveness projects is made across industry and public sector	Canada's ranking in the identified 7 levers of competitiveness increases from 2023	Internal tracking
BRAND LEADERSHIP	Canada is considered and recommended as a leisure travel destination <i>KPI: Consideration and recommendation of Canada as a leisure travel destination</i>	Canada ranks 3 rd or better in 4 of our 9 markets vs. competitive set (recommendation score)	Canada ranks 3 rd or better in 6 of our 9 markets vs. competitive set (recommendation score)	Canada ranks as a top 3 destination for consideration and recommendation by target audiences in our markets	YouGov Destination Index
	International business events for future years are booked by the industry <i>KPI: Value of booked business events</i>	2026: \$2.13 billion	2028: \$2.79 billion	2030: \$3.03 billion	Destination Canada Pace reports on industry bookings (monthly)
DESTINATION DEVELOPMENT	Destination Canada's Destination Development program attracts investments <i>KPI: Investment attraction</i>	\$135 million in investment opportunities are identified by Destination Canada	5% of the identified investment opportunities attract funding	Destination Canada influences domestic and foreign investment in tourism by 4% annually	Internal tracking
COLLECTIVE INTELLIGENCE	Canada uses privileged tourism insights to outperform competitors <i>KPIs: Average site visitation, retention rate, stakeholder satisfaction</i>	Average monthly Data Collective site visits meet or exceed the established baseline (2024/2025 average of 8,200/month)	90% of subscribed partners to the Data Collective retain their membership year over year (retention rate)	80% of stakeholders rate the Data Collective as important or very important to making business decisions annually (stakeholder satisfaction)	Internal tracking
PARTNERSHIPS	Partners are aligned in international programs <i>KPI: Partner co-investment</i>	\$37.5 million*	\$37.5 million/year*	\$37.5 million/year*	Internal tracking

* Corresponds to the Budget 2017 funding decision for Destination Canada stipulating that \$37.5 million in international marketing activities must be matched with partner co-investments on a 1:1 basis.

APPENDIX D: FINANCIAL STATEMENTS AND BUDGETS

Financial Overview

Destination Canada enters the 2026–2030 planning period with a clear and purpose-driven mandate: to accelerate growth and fast returns for Canadians by positioning the visitor economy as a vital driver of national prosperity. Guided by the Prime Minister’s mandate to build a more inclusive, sustainable and competitive economy, our financial plan prioritizes translating government investments into measurable value for communities across Canada while supporting reconciliation, fostering economic diversification, and strengthening Canada’s global competitiveness.

Our financial plan is anchored in four drivers — Sector Advancement, Brand Leadership, Destination Development and Collective Intelligence — that unlock Canada’s global potential. By focusing resources where they deliver the greatest outcomes and embracing innovation, including the strategic use of AI, we ensure investments drive efficiency, strengthen Canada’s global competitiveness, and unlock performance in program delivery, insights generation and market influence.

This 2026–2030 Corporate Plan reflects base parliamentary appropriations of \$94.2 million annually, inclusive of incremental decreases that began in 2024 under Refocusing Government Spending (totaling \$3.2 million by 2026 and ongoing). The year 2026 also marks the final draw on the one-time \$50 million from Budget 2023 along with the remaining \$10 million from the 2024 Fall Economic Statement, both dedicated to attracting major international conventions, conferences and events to Canada.

ICAP demonstrates how targeted federal investments generate outsized returns. Initiated with Budget 2023 and reinforced in the 2024 Fall Economic Statement, ICAP is already delivering measurable impact by securing major international conventions and events. These wins elevate Canada’s global profile, generate significant visitor spending in host communities, and create lasting legacies through trade, knowledge exchange and foreign investment.

Total appropriations were \$123.3 million in 2024, are projected to rise to \$127.0 million in 2025, will decrease to \$111.8 million in 2026, and then stabilize at \$94.2 million annually from 2027 onward. Throughout this period, Destination Canada remains agile and impact-driven, ensuring every investment maximizes returns for Canadians.

Major Assumptions

The financial projections are based on a balanced approach between parliamentary appropriations and expenditures. Key highlights and assumptions³ are as follows:

- Base parliamentary appropriations: \$94.2 million per year.
- Budget 2023: \$50 million over three fiscal years ending in 2026 for ICAP to attract major international conventions, conferences and events to Canada.
- 2024 Fall Economic Statement 2024: \$10 million in additional funding for 2025–26 for the International Convention Attraction Fund (ICAF) — the subvention fund component of ICAP.
- Refocusing Government Spending initiative: \$3.2 million reduction in base appropriations in 2026–27 and ongoing, targeted at lowering travel, hospitality and consulting expenses.
- Collective bargaining process: negotiations in progress in 2025, following the expiry of the three-year collective agreement in June 2025.
- Pension funding requirements: based on the most recent actuarial valuations.

The financial projections do not include the following:

- Comprehensive Expenditure Review savings proposals: the federal government's targets for reducing spending by 7.5%, 10% and 15% over 2026–27 to 2028–29, with 15% as an ongoing reduction target. In response to the Government of Canada's Comprehensive Expenditure Review Process, Destination Canada has submitted cost reduction proposals, and forward-looking figures may be adjusted pending the final outcomes and decisions arising from this process.

³ Any changes to these assumptions may impact the projections over the planning periods.

Statement of Financial Position

As at December 31

<i>(in thousands of Canadian dollars)</i>	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Financial assets							
Cash and cash equivalents	14,892	16,028	12,534	10,751	10,664	10,576	10,409
Accounts receivable							
Partner	703	1,063	1,080	1,080	1,080	1,080	1,080
Government of Canada	709	700	700	700	700	700	700
Other	12	12	12	12	12	12	12
Accrued benefit asset	2,373	2,373	2,373	2,373	2,373	2,373	2,373
Portfolio investments	1,061	1,033	1,063	1,096	1,130	1,163	1,197
	<u>19,750</u>	<u>21,209</u>	<u>17,763</u>	<u>16,012</u>	<u>15,959</u>	<u>15,904</u>	<u>15,771</u>
Liabilities							
Accounts payable and accrued liabilities							
Trade	8,919	12,780	11,444	9,663	9,659	9,652	9,651
Employee compensation	2,351	2,822	2,907	2,994	3,084	3,176	3,176
Government of Canada	780	500	500	500	500	500	500
Accrued benefit liability	2,105	2,250	2,200	2,150	2,100	2,050	2,000
Unearned revenue	691	332	332	332	332	332	332
Deferred lease inducements	90	21	267	261	172	82	-
Asset retirement obligation	112	112	112	112	112	112	112
	<u>15,048</u>	<u>18,817</u>	<u>17,763</u>	<u>16,012</u>	<u>15,959</u>	<u>15,904</u>	<u>15,771</u>
Net financial assets	<u>4,702</u>	<u>2,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-financial assets							
Prepaid expenses	2,795	2,800	2,800	2,800	2,800	2,800	2,800
Tangible capital assets	1,655	2,126	2,188	2,052	1,968	1,945	1,942
	<u>4,450</u>	<u>4,926</u>	<u>4,988</u>	<u>4,852</u>	<u>4,768</u>	<u>4,745</u>	<u>4,742</u>
Accumulated surplus	<u>9,152</u>	<u>7,318</u>	<u>4,988</u>	<u>4,852</u>	<u>4,768</u>	<u>4,745</u>	<u>4,742</u>

The overall financial position will remain relatively stable throughout the planning period. A modest decline in the financial trajectory is expected, reflecting the end of one-time ICAP funding from Budget 2023 in 2026 and the progressive impacts of the Refocusing Government Spending initiative, which extends from 2024 to 2030, with the greatest effect in the latter five years and ongoing thereafter. Assumptions for routine operations remain consistent year over year and aligned with directives, with key highlights outlined below.

Assets

Financial assets in 2025 and 2026 are higher relative to the later planning periods, most notably due to ICAP funding. As this funding sunsets, assets begin to stabilize in subsequent years. We anticipate consistent partnership contributions throughout the planning period for continued alignment to transformative growth for Canada's tourism sector.

Liabilities

Consistent with overall assets, liabilities are higher in 2025 and 2026 compared to the remaining planning periods, primarily due to ICAP funding in addition to key planned initiatives in 2025. Liabilities then start to stabilize in 2027 through to 2030 which reflect routine operations.

Accumulated Surplus

Over the next five years, we intend to fully spend all appropriations and cash partnership contributions in support of our strategic priorities. We maintain a prudent accumulated surplus for capital asset amortization, pension actuarial adjustments, deferred lease inducements, and provisions for cybersecurity risk.

Statement of Operations

For the years ending December 31

<i>(in thousands of Canadian dollars)</i>	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Revenues							
Partner revenues	12,805	11,812	12,000	12,000	12,000	12,000	12,000
Interest Income	873	691	500	500	500	500	500
Other	749	617	500	500	500	500	500
	<u>14,427</u>	<u>13,120</u>	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>
Expenses							
Marketing and sales	94,705	110,080	97,007	77,012	77,013	77,013	77,033
Insights and analytics	13,079	14,468	12,838	12,838	12,838	12,838	12,838
Corporate services	10,136	8,160	8,189	8,239	8,239	8,239	8,199
Destination development	2,429	2,868	2,729	2,729	2,729	2,729	2,729
Sector advancement ¹	-	5,621	5,273	5,273	5,273	5,273	5,273
Amortization of tangible capital assets	530	800	1,124	1,272	1,220	1,159	1,159
	<u>120,879</u>	<u>141,997</u>	<u>127,160</u>	<u>107,363</u>	<u>107,312</u>	<u>107,251</u>	<u>107,231</u>
Net Cost of operations before funding from the Government of Canada	(106,452)	(128,877)	(114,160)	(94,363)	(94,312)	(94,251)	(94,231)
Parliamentary appropriations	123,329	127,043	111,830	94,228	94,228	94,228	94,228
Surplus /(Deficit) from operations	<u>16,877</u>	<u>(1,834)</u>	<u>(2,330)</u>	<u>(136)</u>	<u>(84)</u>	<u>(23)</u>	<u>(3)</u>
Accumulated operating (Deficit) / surplus, beginning of year	(7,844)	9,033	7,199	4,869	4,733	4,649	4,626
Accumulated operating surplus, end of year	<u>9,033</u>	<u>7,199</u>	<u>4,869</u>	<u>4,733</u>	<u>4,649</u>	<u>4,626</u>	<u>4,623</u>
Ratio of Operating expenses to Marketing and sales expenses²	9%	8%	9%	11%	11%	11%	11%

¹ Sector advancement, which is a reallocation from Marketing and sales and Corporate services, formed in 2025 as seen in the estimated 2025 to planned 2026-2030 years.

² This ratio is pursuant to Treasury Board Secretariat's directive in 2013 that Destination Canada maintain its ratio of operating to marketing expenses to approximately 15%. Operating expenses include expenses for Corporate services and a portion of Sector advancement (government relations, corporate communications and board relations). Marketing and sales expenses include all program expenses for Marketing and sales, Insights and analytics, Destination development and the remaining portion of Sector advancement (industry engagement and partnerships).

Revenues

Parliamentary Appropriations

Destination Canada is primarily funded through Government of Canada parliamentary appropriations, which amounted to \$123.3 million in 2024.

Between 2025 and 2030, we will receive appropriations from four main sources, offset by spending reductions:

- \$96.2 million annual base funding;
- \$1.2 million compensation adjustment from Treasury Board central vote;

- \$1.9 million spending reduction in 2025 peaking at \$3.2 million in 2026 and thereafter from Refocusing Government Spending reductions;
- \$50 million incremental funding for ICAP in 2024 to 2026 from Budget 2023; and
- \$10 million incremental funding for ICAF from 2024 Fall Economic Statement.

(For a reconciliation of appropriations between the government fiscal year and our calendar fiscal year, please refer to *Reconciliation of Parliamentary Appropriations to Government Fiscal Year*.)

Partner Revenues

Destination Canada continues to leverage the value of appropriated funding by partnering with organizations on marketing campaigns and data platforms to drive the tourism industry. By partnering with provincial and territorial marketing organizations, national, regional and local companies, destination marketers, media, nontraditional partners and tourism associations, we aim to drive transformative growth for our sector through this collective effort in accordance with our 2030 Strategy.

We are committed to continuing partner alignment and contributions, which will remain a focus throughout the planning period.

Expenses

Expenses peak between 2024 to 2026 due to the \$50 million ICAP funding and the additional \$10 million ICAF funding before stabilizing near base appropriation levels from 2027 to 2030.

Over the planning periods, the ratio of operating to marketing costs is expected to remain within the 15% threshold as directed by the Treasury Board Secretariat in 2013. We will manage this metric efficiently throughout the 2026-2030 planning cycle, including the years when appropriations will decrease to base levels.

Programs

Shifts in annual parliamentary appropriations and partnership contributions have a direct impact on program spending levels and percentages, which we will manage through thoughtful planning and strategic pivoting within the operating environments.

To strengthen industry engagement, Destination Canada established Sector Advancement in 2025 by reallocating staff from Marketing and sales and Corporate services. Its mandate is to advance sector competitiveness, foster adoption of regenerative principles and Indigenous tourism, and deepen connections with associations, small- and medium-sized enterprises, and destinations across Canada.

Corporate Services

Corporate Services continues its focus on driving efficiencies through innovation and strategic use of AI. In addition, the collective bargaining process is underway as the existing three-year collective agreement ended in June 2025. For the remaining planning periods through to 2030, expenses are anticipated to stabilize.

Amortization

Amortization of tangible capital assets is the accounting of assets including leasehold improvements, computer assets and office furniture, to reflect their value over time as the assets are utilized. These assets are amortized in accordance with our accounting policy.

Statement of Remeasurement Gains and Losses

For the years ending December 31

(in thousands of Canadian dollars)

	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Accumulated remeasurement (loss) / gain, beginning of year	(43)	119	119	119	119	119	119
Unrealized gain/ (loss) attributable to foreign exchange	119	(35)	(35)	(35)	(35)	(35)	(35)
Amounts reclassified to the statement of operations	43	35	35	35	35	35	35
Net remeasurement gain for the period	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated remeasurement gain, end of year	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>	<u>119</u>

Statement of Change in Net Financial Assets

For the years ending December 31

(in thousands of Canadian dollars)

	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Surplus (Deficit) for the year	16,877	(1,834)	(2,330)	(136)	(84)	(23)	(3)
Acquisition of tangible capital assets	(1,254)	(1,271)	(1,186)	(1,136)	(1,136)	(1,136)	(1,156)
Amortization of tangible capital assets	530	800	1,124	1,272	1,220	1,159	1,159
	<u>(724)</u>	<u>(471)</u>	<u>(62)</u>	<u>136</u>	<u>84</u>	<u>23</u>	<u>3</u>
Effect of change in other non-financial assets							
Decrease in prepaid expenses	(142)	(5)	-	-	-	-	-
	<u>(142)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net remeasurement gain	162	-	-	-	-	-	-
Increase (decrease) in net financial assets	16,173	(2,310)	(2,392)	-	-	-	-
Net (debt) financial assets, beginning of period	(11,471)	4,702	2,392	-	-	-	-
Net financial assets, end of period	<u>4,702</u>	<u>2,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Statement of Cash Flows

For the years ending December 31

<i>(in thousands of Canadian dollars)</i>	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Operating transactions:							
Cash received from:							
Parliamentary appropriations used to fund operations and capital transactions	123,329	127,043	111,830	94,228	94,228	94,228	94,228
Partners	12,909	11,093	11,983	12,000	12,000	12,000	12,000
Other	651	548	746	494	411	410	418
Interest	873	691	500	500	500	500	500
	<u>137,762</u>	<u>139,375</u>	<u>125,059</u>	<u>107,222</u>	<u>107,139</u>	<u>107,138</u>	<u>107,146</u>
Cash paid for:							
Cash payments to suppliers	(107,477)	(117,454)	(106,609)	(86,487)	(84,069)	(83,411)	(83,385)
Cash payments to and on behalf of employees	(19,979)	(19,542)	(20,728)	(21,349)	(21,987)	(22,646)	(22,738)
Cash provided by (used in) operating transactions	<u>10,306</u>	<u>2,379</u>	<u>(2,278)</u>	<u>(614)</u>	<u>1,083</u>	<u>1,081</u>	<u>1,023</u>
Capital transactions:							
Acquisition of tangible capital assets	(1,254)	(1,271)	(1,186)	(1,136)	(1,136)	(1,136)	(1,156)
Cash used in capital transactions	<u>(1,254)</u>	<u>(1,271)</u>	<u>(1,186)</u>	<u>(1,136)</u>	<u>(1,136)</u>	<u>(1,136)</u>	<u>(1,156)</u>
Investing transactions							
(Acquisition) redemption of portfolio investments	(204)	28	(30)	(33)	(34)	(33)	(33)
Redemption of portfolio investments	137						
Cash (used in) provided by investment transactions	<u>(67)</u>	<u>28</u>	<u>(30)</u>	<u>(33)</u>	<u>(34)</u>	<u>(33)</u>	<u>(33)</u>
Net remeasurement gain for the year	162	-	-	-	-	-	-
Net increase (decrease) in cash during the year	<u>9,147</u>	<u>1,136</u>	<u>(3,494)</u>	<u>(1,783)</u>	<u>(87)</u>	<u>(88)</u>	<u>(167)</u>
Cash and cash equivalents, beginning of year	<u>5,745</u>	<u>14,892</u>	<u>16,028</u>	<u>12,534</u>	<u>10,751</u>	<u>10,664</u>	<u>10,576</u>
Cash and cash equivalents, end of year	<u>14,892</u>	<u>16,028</u>	<u>12,534</u>	<u>10,751</u>	<u>10,664</u>	<u>10,576</u>	<u>10,409</u>

Reconciliation of Parliamentary Appropriations to Government Fiscal Year

For the years ending December 31

(in thousands of Canadian dollars)

	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Amounts provided for operating and capital expenditures							
Amounts voted: in the prior year							
Main estimates	111,153	115,968	125,036	94,228	94,228	94,228	94,228
Supplementary estimates	11,509		-	-	-	-	-
Less: portion recognized in prior year	(71,776)	(72,443)	(83,518)	(70,311)	(70,311)	(70,311)	(70,311)
Amounts recognized in current year	50,886	43,525	41,518	23,916	23,916	23,916	23,916
Amounts voted: in the current year							
Main estimates	115,968	125,028	94,228	94,228	94,228	94,228	94,228
Supplementary estimates	-	8	-	-	-	-	-
	115,968	125,036	94,228	94,228	94,228	94,228	94,228
Less: portion to be recognized in following year	(43,525)	(41,518)	(23,916)	(23,916)	(23,916)	(23,916)	(23,916)
Amounts recognized in current year	72,443	83,518	70,311	70,311	70,311	70,311	70,311
Parliamentary appropriations used for operations and capital in the year	123,329	127,043	111,830	94,228	94,228	94,228	94,228

Operating Budget

For the years ending December 31

<i>(in thousands of Canadian dollars)</i>	Actual 2024	Planned 2024	Variance	Estimated 2025	Planned 2025	Variance	Planned 2026
Partnership contributions	12,805	7,000	5,805	11,812	12,000	(188)	12,000
Interest Income	873	500	373	691	600	91	500
Other	749	600	149	617	500	117	500
Operating costs:							
Marketing and sales	94,705	88,096	6,609	110,080	107,600	2,480	97,007
Insight and analytics	13,079	11,673	1,406	14,468	13,693	775	12,838
Corporate services	10,234	10,547	(313)	8,160	9,093	(933)	8,189
Destination development	2,429	2,800	(371)	2,868	2,915	(47)	2,729
Sector Advancement	-	-	-	5,621	4,522	1,099	5,273
	<u>120,447</u>	<u>113,116</u>	<u>7,331</u>	<u>141,197</u>	<u>137,823</u>	<u>3,374</u>	<u>126,036</u>
Net cost of operations	(106,020)	(105,016)	(1,004)	(128,077)	(124,723)	(3,354)	(113,036)
Funded by:							
Parliamentary appropriations	<u>123,329</u>	<u>105,017</u>	<u>18,312</u>	<u>127,043</u>	<u>121,798</u>	<u>5,245</u>	<u>111,830</u>
			-				
Net surplus / (deficit)	<u>17,309</u>	<u>1</u>	<u>17,308</u>	<u>(1,034)</u>	<u>(2,925)</u>	<u>1,891</u>	<u>(1,206)</u>
Adjustments for accrual basis	<u>(432)</u>	<u>(182)</u>	<u>(250)</u>	<u>(800)</u>	<u>(260)</u>	<u>(540)</u>	<u>(1,124)</u>
Net surplus / (deficit) - accrual basis	<u>16,877</u>	<u>(182)</u>	<u>17,059</u>	<u>(1,834)</u>	<u>(3,185)</u>	<u>1,351</u>	<u>(2,330)</u>

Operating Budget key highlights include:

- Continued focus on partnership contributions.
- Formation of Sector Advancement in 2025 from a reallocation of existing resources from Marketing and sales and Corporate services to further support industry engagement in line with our 2030 Strategy.

Capital Budget

For the years ending December 31

(in thousands of Canadian dollars)

	Actual 2024	Estimate 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Tangible capital assets							
Leasehold improvements and decommissioning	34	11	10	-	-	-	-
Office furniture	37	49	5	5	5	5	5
Computer equipment and software	1,183	1,211	1,171	1,131	1,131	1,131	1,151
Total	1,253	1,271	1,186	1,136	1,136	1,136	1,156

The capital budget includes routine capital expenditures to maintain core operations.

Actual and Forecasted Expenditures for Travel, Hospitality and Conferences

For the years ending December 31

<i>(in thousands of Canadian dollars)</i>	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Travel							
Operational activities	3,602	4,256	3,479	3,479	3,479	3,479	3,479
Key stakeholders	8	66	54	54	54	54	54
Internal Governance & Training	249	214	175	175	175	175	175
Hospitality	651	936	765	765	765	765	765
Conferences	81	96	79	79	79	79	79
Total	4,591	5,569	4,552	4,552	4,552	4,552	4,552

Consistent with our 2024 Annual Report which included the reporting of travel, hospitality and conference expenditures pursuant to the Treasury Board Secretariat's *Directive on Travel, Hospitality, Conference and Event Expenditures*, this section reports on actual, estimated and planned expenditures. Such expenditures incurred are related to activities in support of our mandate to promote the interests of the tourism industry and to market Canada as a top destination.

Planned Budget 2023 Spending Reductions

For the years ending December 31

(in thousands of Canadian dollars)

Type of spending	Actual 2024	Estimated 2025	Planned 2026	Planned 2027	Planned 2028	Planned 2029	Planned 2030
Operating	894	1,868	3,202	3,202	3,202	3,202	3,202
Total	894	1,868	3,202	3,202	3,202	3,202	3,202

The Refocusing Government Spending initiative from the 2023 Budget has mainly resulted in a reduction in travel and hospitality activities in the marketing area and a reduction in professional service activities in the areas of legal, finance and IT. We are mitigating the expected impact of the cost reduction by reviewing all travel and hospitality events, ensuring that Destination Canada is focusing efforts on events with the highest return on investment, and ensuring that we have the appropriate staff compliment with the required skills to offset the reduction in professional services.

Significant Accounting Policies

Basis of Reporting

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as established by the Canadian Public Sector Accounting Board (PSAB).

Upcoming Changes in Accounting Standards

Pronouncement	Application
The Conceptual Framework for Financial Reporting in the Public Sector	Fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted.
Financial Statement Presentation, Section PS 1202	Fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if The Conceptual Framework for Financial Reporting in the Public Sector is also adopted at the same time.

APPENDIX E: RISK MANAGEMENT

Overview

As a Crown corporation operating in a dynamic global tourism market, Destination Canada continuously monitors trends, anticipates shifts, and adapts quickly to changing conditions, positioning us well to navigate uncertainties while driving sustainable tourism growth.

Risk Appetite

We assess our risk appetite in terms of the amount and type of risk we are willing to accept in pursuit of our business objectives. Destination Canada maintains a low appetite for financial, legal, regulatory and governance risks, prioritizing compliance and sound financial stewardship. We accept moderate risks in operations and program delivery to adapt to changes and capitalize on emerging tourism trends. While we have a higher appetite for macroeconomic risks beyond our control, we remain focused on leveraging opportunities that align with our mandate to enhance tourism's contributions to Canada's wealth and wellbeing.

Risk Evaluation

When performing our formal risk evaluation, we use the following 5-point scale to evaluate the impact and likelihood of risks occurring residually, after considering our mitigation activities:

RATING	IMPACT DESCRIPTION	LIKELIHOOD DESCRIPTION
High	The risk would have a significant negative impact with material consequences to Destination Canada (e.g. complete inability to function) and our customers, shareholder / stakeholder relations, budget and financial operations, internal operations and learning and growth.	There is an almost certain likelihood the risk would occur (90% or greater). There is potential for the risk to occur in the next 12 months.
Medium-high	The risk would have a negative impact on Destination Canada. Consequences would limit our ability to function effectively and efficiently.	It is likely the risk would occur (less than 90%). It is possible the risk could occur in 1-2 years.
Medium	The risk would have a negative impact on Destination Canada. Consequences would impact our ability to function effectively and efficiently.	There is a reasonable chance the risk would occur (60% or greater). It is possible that the risk could occur in 3-5 years.
Low-medium	The risk would have a minimal impact on Destination Canada. Consequences would be minor or restorable.	It is unlikely that the risk would occur (less than 20%). It is not likely the risk would occur in 5-10 years.
Low	The risk would have an insignificant impact on Destination Canada.	It is extremely unlikely that the risk would occur (less than 10%). The risk is not likely to occur in 10+ years.

Risk Monitoring

The full, formal risk assessment process is conducted annually; however, management reviews changes to risks and assesses progress on mitigation action plans, normally on a quarterly basis, throughout the year.

Risks and Risk Responses

Our risk framework goes beyond standard business and financial risks and begins with first understanding the macro risks facing the economy, followed by the industry risks uniquely impacting the tourism sector. Together, this knowledge provides a foundation for identifying the strategic risks facing our organization, categorized under the following four lenses:

- Economic — This lens includes changes in macroeconomic conditions, such as supply chain disruptions, geopolitics and major global events, which could negatively impact business strategies, operations and investments.
- Environmental — This lens includes monitoring 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.

Destination Canada is operating in a dynamic and ever-changing environment. This landscape is marked by rapid shifts in international markets, unpredictable economic conditions, intricate interdependencies and evolving trends. To successfully navigate these challenges and seize opportunities within the tourism sector, our management team, with the support of the Board, is continually monitoring the external environment for risks that may impact the organization.

This section highlights strategic risks and our proactive responses as part of our ongoing enterprise risk management (ERM) processes. These risks will continue to be monitored and updated throughout the year. Despite implementation of mitigation strategies, we recognize that some residual risks may exceed our risk appetite.

Legend

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

ECONOMIC	2024 ●	2025 ●
<p>Our <i>Tourism 2030: A World of Opportunity</i> strategy will chart a path to sustainable growth to achieve our sector's full economic potential and generate as much as \$160 billion in annual revenue by 2030. However, economic risks may arise from factors that adversely affect Canada's ability to attract visitors, including global conflicts.</p> <p>Overall Summary: There is a risk that the global economy, along with the markets where we invest, could face heightened uncertainty due to factors such as economic instability, trade disruptions and political changes, all of which could impact travel to and within Canada. Additionally, Canada could face competition from well-resourced international countries vying for travellers, while within Canada, Destination Canada could be competing with other sectors for limited labour and investment dollars. Continued economic uncertainty and a shifting geopolitical and policy environment are creating volatility that could reduce visitor numbers, lead to economic losses for the sector and impact how Destination Canada operates.</p> <p>Mitigation Summary: We are strengthening Canada's global tourism competitiveness in collaboration with provincial, territorial and municipal partners, focusing on seven key levers to align activities, allocate resources efficiently, and maximize return on investment. Through innovative</p>		

marketing and go-to-market strategies, we aim to unlock demand in both existing markets and new gateways. Using advanced research and analytics, we target high-value opportunities and respond to evolving conditions such as new visa requirements for Mexican travellers and potential US trade tariffs. We provide industry partners with guidance on global competitiveness, technological adaptation, media resources, sales opportunities and research to support informed decision-making.

Some key risks that we are monitoring are:

- **Resource constraints**

There is a risk that Destination Canada will not have the financial resources required to achieve rapid growth, deliver high returns, and strengthen long-term industry resilience. This risk is heightened by ongoing fiscal pressures, including inflation and broader government fiscal constraints, which may limit available funding and reduce flexibility to invest in strategic priorities. We will mitigate this by implementing our strategy to chart a path to achieve our sector's full economic potential and generate from \$140 billion to \$160 billion in annual revenue by 2030, collaborating with our provincial, territorial and destination marketing partners, adding productivity tools and systems to enhance the capacity of employees and partners, and more.

- **Lack of sector investment, capacity and workforce supply**

There is a risk that Destination Canada may be unable to capitalize on visitor economy growth due to insufficient investment, limited capacity and workforce shortages. These challenges may stem from unfavorable policy environments, economic conditions and limited coordination across jurisdictions, leading to weaker infrastructure, reduced product quality and a constrained talent pipeline that undermine Canada's competitiveness. We will mitigate this by continuing to engage in effective communication with the government to promote the growth of the sector, developing programs that focus on attracting investment in the tourism sector, and continuously fostering discussions and thought leadership across the country.

- **Technology disruption and productivity**

There is a risk that Destination Canada and the tourism sector may be unprepared for technological disruption, particularly in areas such as AI, affecting marketing, operations and service delivery. Without proactive investment in digital modernization and workforce upskilling, innovation and productivity may decline, weakening Canada's global tourism competitiveness. We will mitigate this by collaborating with leading technology partners to overcome barriers, enhance our knowledge and seize opportunities for implementation within our sector, including leveraging generative AI to transform our marketing and investment strategies and operations.

- **Inbound tourism market**

There is a risk that Destination Canada may lose inbound market share due to shifting traveller preferences, increased competition and changes in key source markets such as policy shifts, geopolitical tensions or sentiment. Without timely adaptation to evolving expectations like sustainability, personalization and digital experiences, Canada may experience declines in visitation, revenue and brand strength. We will mitigate this by deploying innovative marketing and go-to-market strategies to unlock demand in both existing markets and new gateways, supported by advanced forecasting and economic modelling tools that allow us to quickly adjust market allocations and respond to emerging shocks.

- **Declining global tourism competitiveness**

There is a risk that Canada's global tourism competitiveness may decline due to external pressures — such as geopolitical volatility, global shocks and rising competition — and persistent structural challenges, including high costs, access limitations and seasonality. These factors may lead to reduced market share, diminished brand relevance and missed opportunities for growth, despite Destination Canada's efforts to mobilize stakeholders. We will mitigate this by ensuring we are leveraging strategic communications with stakeholders, engaging with core tourism groups such as the Tourism Industry Association of Canada and national tourism sector associations, and focusing on the NorthStar 2030 aspirations of global competitiveness.

ENVIRONMENTAL

2024



2025



One of the key initiatives in our strategy is to support sector adoption of regenerative principles. This means balancing economic prosperity with environmental stewardship and social inclusivity. By promoting regenerative practices, we'll maintain visitor trust, protect local communities and preserve the natural and cultural treasures that define tourism in our country.

Overall Summary: There is a risk that our operations, and that of our tourism and travel industry, and the country at large, could be perceived negatively in terms of environmental sustainability and responsibility. Further, the effects of climate change could also negatively influence travellers' perception of the health and safety of our country. Both have the potential to cause reputational damage, loss of shareholder confidence and/or reduced tourism in Canada, creating a negative impact on the tourism assets that are being promoted.

Mitigation summary: Our approach to destination development prioritizes local community leadership, environmental stewardship and economic sustainability. This strategy has helped mitigate potential adverse effects on tourism destinations while emphasizing tourism's role in sustainably optimizing Canada's natural resources, such as parks and conservation areas, and creating diverse opportunities for communities nationwide. Recognizing the growing impact of climate events on tourism, we have been actively examining its effects and collaborating with partners to develop a more robust disaster response framework. Our commitment to sustainability is reflected in our efforts to reduce the environmental footprint of our activities and in our promotion of hosting sustainable business events. Additionally, we have made significant progress in our collaboration with UN Tourism to enhance sustainability metrics within the tourism sector, reinforcing Canada's leadership in responsible tourism development.

A key risk that we are monitoring is:

- **Climate change's impact on tourism**

There is a risk that the effects of climate change (e.g., forest fires, extreme weather, warm and dry winters, floods) and Canada's response to it (e.g. communications) reduce our country's capacity to accept travellers at times of high risk and adversely impact their perception of the health and safety of Canada, diminishing Canada as a destination. We will support the sector's crisis response, maximize tourism's economic benefits year-round, and work with airlines and industry partners to promote seasonal and regional dispersion of visitors, enhancing resilience against climate-related challenges.

SOCIAL

2024



2025



The Social risk lens encompasses our diversity, equity and inclusion initiatives at both an organizational and sector level. These considerations include labour practices, Indigenous reconciliation, and the wealth and wellbeing of Canadians. As well, social risks extend into public and policy support for tourism.

Overall Summary: 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 recent years negatively impact the mental health of our employees.

Mitigation Summary: We pursue multiple initiatives to ensure that our activities reflect the diversity of Canada. This includes 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 deployed an internal strategy to ensure that our work reflects the diverse people and places that Canada represents.

A key risk that we are monitoring is:

- **Public and Policy Support**

There is a risk that we may not effectively strengthen Canadians' positive perceptions of tourism, leading to weaker community support, less favorable policies, and diminished visitor experiences. We will mitigate this by working to deepen Canadians' pride in their communities and their desire to host visitors, communicating the value of tourism and creating a more supportive policy environment where tourism can thrive.



As a federal Crown corporation, we strive to uphold the highest standards of governance and accountability, enabling us to effectively promote Canada as a premier destination while adhering to all applicable legal and regulatory requirements.

Overall Summary: There is a risk that our corporate governance structure does not reflect fair and equitable practices while our activities do not respond to the rapidly changing global business environment, leading to lower overall organizational effectiveness, efficiency and compliance.

Mitigation Summary: We conducted scenario planning to align our strategy and governance with future industry conditions. Our Board, composed of expert leaders, guides strategic adjustments to meet rapid changes. We identify needed board expertise to support the Government of Canada's recruitment efforts and to reflect the diversity of Canada, while offering ongoing professional development for board members. Through broad industry consultation, we developed a robust business strategy, strengthened risk management, and implemented internal policies and audits. Additionally, we benchmarked performance, evaluated progress and fortified information technology (IT) controls to guard against contemporary cybersecurity risks. Furthermore, the results of our recent Special Examination reinforced our strong governance in terms of corporate and operational management, with the OAG making no recommendations for improvement.

Key risks that we are monitoring are:

- **Governance and oversight**

There is a risk that Destination Canada's governance effectiveness may be compromised by limited capacity to adapt internal policies and frameworks to evolving legislation and government priorities. Increasing complexity in areas such as financial, legal and cybersecurity oversight heightens this risk. In parallel, challenges in attracting and retaining qualified Board and executive leadership, exacerbated by the lack of remuneration for independent directors — a condition unique to Destination Canada among Crown corporations — may further weaken oversight and create reputational risk, particularly regarding equity and inclusion. We will work to mitigate this risk through ongoing communication between the Board Chair and the Minister.

- **Cybersecurity**

There is a risk that increasing cyber threats could compromise our systems, leading to potential data breaches, operational disruptions, and loss of stakeholder trust. We mitigate this risk by having established cybersecurity and IT consulting rosters to quickly address incidents and adapt to legislative changes. We will enhance cybersecurity by implementing robust protocols, conducting regular audits, and training staff to respond to threats. We'll also collaborate with government and industry partners to stay ahead of emerging threats and ensure system security.

APPENDIX F: COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS

As a Crown corporation, we are subject to various legislations, Treasury Board policies, and Governor in Council and ministerial directives. Below are examples of our efforts to comply with applicable governing instruments.

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Destination Canada is actively supporting the Government of Canada's strategy to eliminate exploitative labour practices by aligning with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. In May 2025, we submitted our second annual report, outlining the organization's progress in 2024 to identify, prevent and mitigate the risk of forced and child labour in our operations and supply chains. A comprehensive risk assessment identified potential exposure in areas such as branded merchandise, IT equipment, event services and office supplies. In response, we updated our Supplier Code of Conduct, reinforced responsible sourcing language in contracts, and integrated federal compliance requirements into procurement policies.

To support implementation, organization-wide training was delivered, including mandated ethics coursework for procurement staff and awareness materials from Public Services and Procurement Canada. We also began engaging suppliers on their labour standards and practices, with no incidents identified in the reporting period. Work is ongoing to establish a supplier accountability framework, including a whistleblower mechanism and ethical vendor review protocols, and to develop performance indicators for evaluating the effectiveness of these actions. These measures underscore Destination Canada's commitment to ethical procurement and its role in advancing Canada's human rights obligations in the global supply chain.

Access to Information Act and Privacy Act (ATIP)

Destination Canada is committed to transparency and accountability, in alignment with the federal *Access to Information Act* and *Privacy Act*. We provide access to records under our control upon receiving a formal request, unless they are exempted or excluded under the respective Acts. We also maintain internal policies and procedures to guide the processing of such requests.

In late 2024, we refreshed both our Access to Information and Privacy policies, including updated guidelines and procedures. The Privacy Policy refresh reflected recent changes to the Treasury Board of Canada Secretariat's Policy on Privacy Protection and Directive on Privacy Practices.

Destination Canada supports the Government of Canada's directive to provide Canadians with complete, accurate, and timely information through proactive publication. We prepare and submit annual reports to Parliament on the administration of both

Acts, with our most recent reports submitted in July 2025 for the 2024–2025 fiscal year. These reports were aligned with the Directive on Proactive Publication under the *Access to Information Act*. As part of our commitment to ongoing improvement, training related to these updated policies is taking place in 2025–2026 to ensure continued compliance and awareness across the organization.

Official Languages Act

We are committed to ensuring that our activities align with federal policy instruments pertaining to official languages, including the *Official Languages Act*, the *Official Languages (Communications with and Services to the Public) Regulations*, the Treasury Board Secretariat of Canada's *Policy on Official Languages* and related directives.

We prepare and submit annual reports to the Treasury Board Secretariat and Canadian Heritage on our efforts to comply with our obligations under the *Official Languages Act*. Our last report was submitted in May 2025 for the 2024-2025 government fiscal year.

To further align with the spirit of the *Official Language Act* and to foster the linguistic duality of Canada, in 2024, we completed a review of our official languages obligations within the context of our unique business and operating environments. This resulted in us refreshing our internal official languages policy and developing an operations guide to assist staff in better understanding their official languages responsibilities. Both of these steps are helping to foster an increased understanding and respect for Canada's official languages, reinforce to our staff the equal status of English and French in Canada, and ensure compliance with the obligations placed on Destination Canada as a Crown corporation.

APPENDIX G: SUPPORT FOR GOVERNMENT PRIORITIES AND DIRECTION

Ensuring Sound Procurement Practices

Destination Canada is committed to upholding the highest standards of integrity, fairness and transparency in procurement, in alignment with Government of Canada direction. In 2024, we enhanced our procurement governance with proactive conflict of interest measures across both competitive and non-competitive processes, including mandatory evaluator declarations, signed attestations for direct awards, and comprehensive recordkeeping to support compliance and auditability.

We also launched a robust Supplier Code of Conduct, now required in all contracts, which outlines expectations related to ethical business conduct, conflict of interest, environmental sustainability and human rights. To further strengthen oversight, we overhauled our vendor performance management program and implemented a new risk assessment process to identify and address risks early in the procurement lifecycle. These improvements reflect our ongoing commitment to sound financial stewardship and alignment with federal policies promoting transparency and accountability.

In July 2025, Destination Canada was made aware of a new federal policy limiting access to federal procurements to suppliers from Canada and from reliable trading partners that offer reciprocal access under trade agreements. While Crown corporations, including Destination Canada, are not subject to this policy, we will be reviewing it to determine how we can best support its intent and align our practices where appropriate.

Cybersecurity

In 2025, Destination Canada continued advancing its cybersecurity roadmap in alignment with the Government of Canada's Enterprise Cyber Security Strategy. Our efforts focused on strengthening digital resilience, enhancing cloud governance and expanding our ability to proactively detect and respond to threats. Activities this year included executive cybersecurity training for the Board of Directors, improved threat intelligence, and a technical tabletop exercise to validate recovery of the Data Collective platform.

We also expanded phishing simulations, enhanced our disaster recovery planning, and made further improvements to our cloud management practices. These actions reflect our ongoing commitment to responsible risk management and the protection of critical systems, data and infrastructure across the organization.

Greening Government Strategy

Destination Canada remains committed to supporting the Government of Canada's Greening Government Strategy by embedding environmental sustainability into our operations, procurement practices and strategic partnerships. In 2024, we advanced this commitment through continued participation in the Net-Zero Challenge, the Crown Corporations Greening Community of Practice, and the UN Tourism Glasgow Declaration on Climate Action in Tourism.

In 2025, we submitted our first Climate Action Plan, aligning with the requirements of both the Net-Zero Challenge and the Glasgow Declaration. Additional actions included offsetting all corporate business air travel emissions, introducing prompts to support lower-emission flight choices, and launching a Supplier Code of Conduct that sets clear environmental expectations for all vendors. We also strengthened our sustainable event practices through the Business Events Sustainability Plan and contributed to international collaboration as an active member of the Global Sustainable Tourism Council. Together, these efforts demonstrate our alignment with federal climate goals and our leadership in advancing a more regenerative visitor economy.

Climate-related Financial Disclosures

In response to the Government of Canada's directive to advance climate-related reporting, Destination Canada adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework as part of its corporate governance and risk management practices. In 2024, we published our first TCFD-aligned report, structured around the framework's four pillars: governance, strategy, risk management, and metrics and targets.

This report reflects our progress in integrating climate-related risks into our enterprise risk management framework, identifying areas of exposure and assessing our organizational readiness. It provides a foundation for enhanced climate governance, future benchmarking and continuous improvement in line with emerging federal and global standards.