

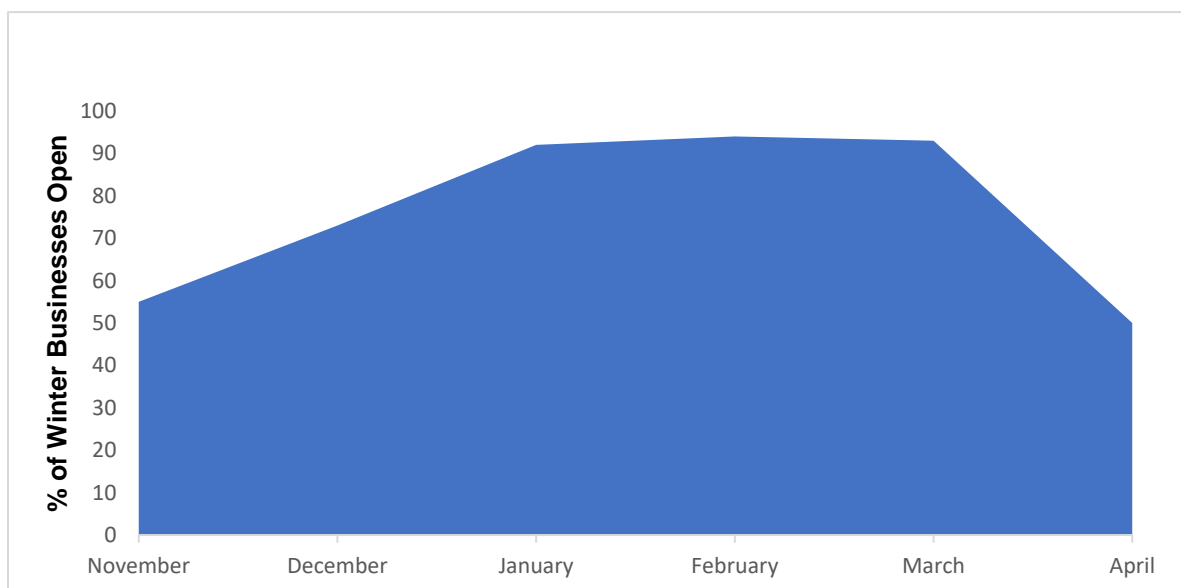


**NOTO's COVID-19 Winter
Lockdown Impact Survey**

The goal of NOTO's COVID-19 Winter Lockdown Survey is to reinforce our request to add tourism operators to the eligibility list for the Ontario Small Business Support Grant, as well as highlight the continued losses our industry faces as we continue to advocate the need for additional support. This survey focuses on the winter revenues lost as a result of the recent lockdown and stay-at-home order, as well as the likelihood of replacing bookings with essential workers and/or those in need of housing during the emergency period. The data was collected between January 20th to January 24th, 2021.

There was a total of **184** survey participants.

The majority of resource-based tourism businesses that are open during the winter months **operate annually from January to March.**

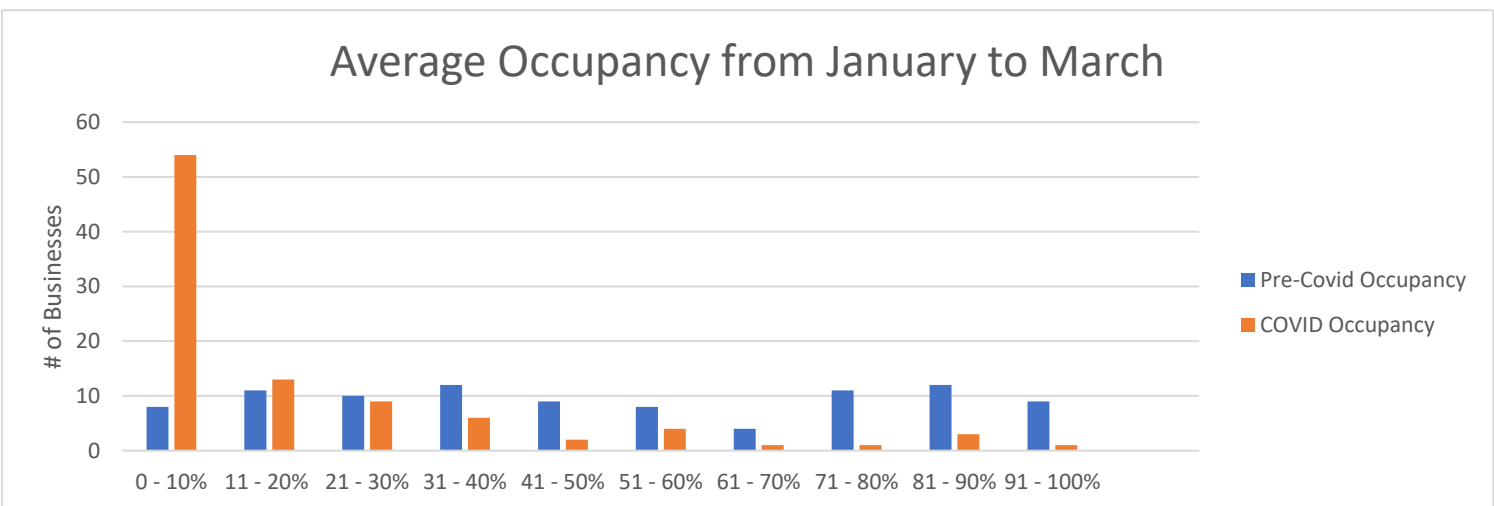
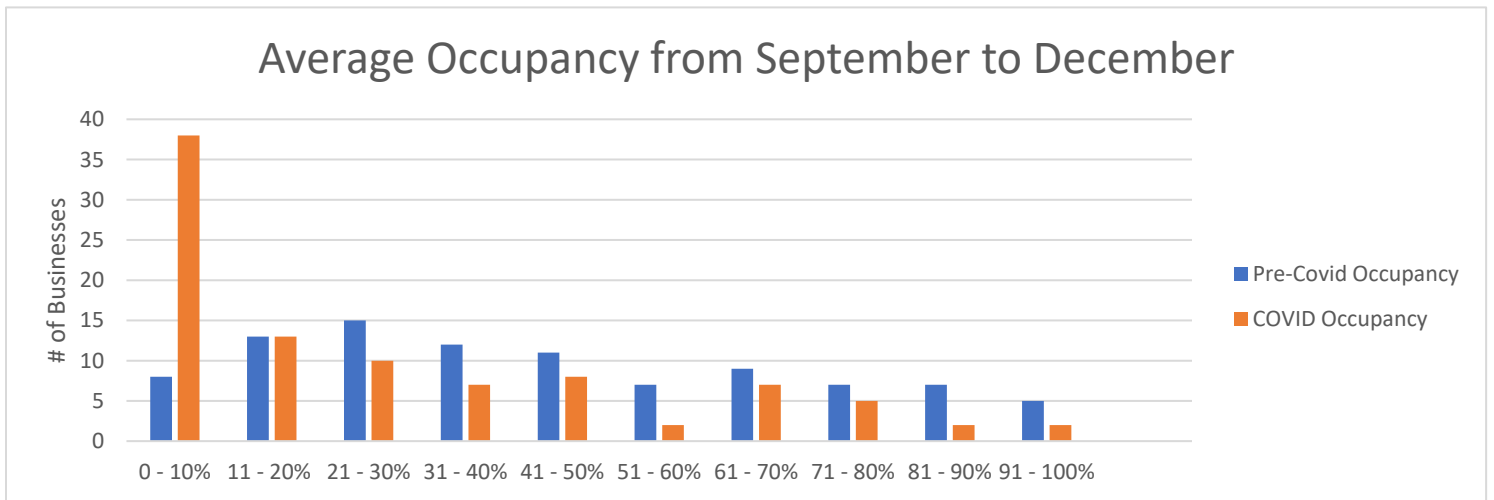


The primary activities these businesses cater to/offer are:

- Ice Fishing (75%)
- Snowmobiling (72%)
- Getaway Packages (family, romantic) (58%)
- Snowshoeing (49%)
- Accommodations Only (43 %)
- Hunting (38%)
- Skiing (cross country &/or downhill) (35%)
- Ice Skating (rinks, ponds, trails) (25%)
- Sliding/Tubing (18%)
- Ice Climbing (2%)

**Percentages indicate the number of participants that offer these services. Many businesses offer more than one of these services.*

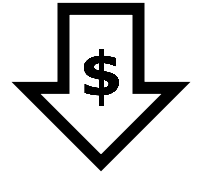
The following charts demonstrate the average occupancy rate of resource-based tourism businesses from September to December, and January to April during a typical year (pre-COVID, in blue), compared to their September to December 2020 occupancy and their current 2021 occupancy bookings for January to March (in orange).



As you can see, the current occupancy rate of the vast majority of businesses has **significantly decreased** as a result of COVID-19, with the majority of businesses now reporting occupancy bookings **below 40%** for the months of January to March 2021.

There have been **3869 bookings lost** as a result of the province-wide shutdown and stay-at-home order.

These bookings account for over **\$4,178,900+* in lost revenue** by the resource-based tourism industry, with an average **loss of \$45,922 per operator**.



* This number only indicates the revenue loss reported by the participants of the survey, highlighting only the losses felt as a result of the province-wide shutdown and stay at home order.



39% of participants have closed their businesses for the winter season as a result of the province-wide shutdown and stay-at-home order.

An Operator's Story

"It's difficult to shut down in the middle of winter (i.e. bleeding all the lines, pumping out hot water tanks, etc.) We kept the heating in the cottages to a minimum but this requires propane and hydro. All of these are additional expenses that we need to cover **with no revenue**. We hope we can reopen mid-February to attempt to get some winter revenue back. The added restrictions put in place by the Nipissing Parry Sound Health Unit also don't help.

Our key months are November (Hunting), December (Christmas and New Years) and February (Family Day long Weekend). Hunting **was cancelled** due to COVID-19, we were fully booked for Christmas and New Years (until the lockdown was announced) and we were fully booked for the February long-weekend. We had many ice fishing, snowshoeing and pre-bookings for snowmobilers that **all had to be cancelled**, with no end in sight.

We support the shutdown as it helps Canada save lives but **we need financial assistance!** We are getting virtually no support from Government as we are seasonal. The \$10,000 to \$20,000 grant would have helped ride the storm through to the summer but we were once again left behind. It feels like Ontario doesn't want tourism to succeed on home soil.."

Opening Accommodations to “Those in Need of Housing” to Make Up Lost Revenue

36% of businesses have opened their accommodations to those in need of housing during the emergency period.

The remaining **64% have not**, highlighting the following reasons:

- My business is **located in an isolated area**, away from any major highway/road, municipality/city. **(67%)**
- The **cost to open** accommodations with significantly reduced revenue is **too high**. **(35%)**
- We decided to **close the business** for the remainder of the 2021 winter season. **(23%)**
- We tried opening our accommodations in the spring, but we **had 0 bookings**. There's no point in trying again. **(12%)**

In the spring, operators were able to salvage on average **\$15,462 in revenue** by housing essential workers during the lockdown, for a total sum of \$432,950 reported by all participants. **28 businesses** reported being **open but receiving no bookings (zero revenue)** in the spring.

During this current lockdown, operators were able to salvage on average **\$3,287 in revenue** by housing essential workers, for a total sum of \$69,030 reported by all participants. **35 businesses** reported that they **are open but have no bookings (zero revenue)**.

IMPORTANT NOTE: As a result of the stay-at-home order and the province-wide lockdown, the average **loss in revenue is \$45,922 per operator**.

This indicates that operators can not replace the majority of the revenue they have lost by opening their accommodations to those in need of housing during the emergency period.

An Operator's Story

“We have **cancelled all bookings** up to February 11th. We need to salvage what we can of the winter season and we can not afford to cancel the whole season.

With the possibility of extensions of these orders, people are reluctant to book any travel, we are getting very concerned. This makes it difficult to commit to any possible options (opening accommodations to those in need of housing, insurance claims, etc.).

We have bookings and even deposits for the remainder of February and early March. We can not afford to lose that revenue without some sort of financial support. Unfortunately, **we don't qualify for the Ontario Small Business Grant**.

Even if we did, the April of 2019 to April 2020 comparison to qualify for the grant **does not work** for us. Neither does December.

Our **main months are January and February**. We get virtually no revenue in April, November or December. We've seen between 85-95% drop in revenue in January, and for February (depending when the restrictions get lifted and how many others cancel due to reluctance), anywhere between 40% to 70% of revenue. These are the comparisons we need.”

An Operator's Story

"The revenue we get from January and February is what we use to **carry us through** to July and August as the other months typically result in losses.

We have **lost all our profits** from January and February and we will just to say break even if we open come February 11th.

We need access to money.

We **lost over \$500,000 since last month.** We were offered loans as a means to support which is just going to bury us alive.

Our bank has already told me we have taken on too much debt.

We bought our resort in August of 2018. I need access to funds so that I can make the changes I need to make my resort better so that we can be profitable later. Based on my current financials, I will maybe last another year before I have to sell at a loss."

Some of the comments received included:

"We are located 80km away from the nearest health centre. No essential worker would travel all this way to self-isolate."

"My business model and infrastructure exist to provide tourism accommodations and leisure getaways. I'm located far from businesses, health care centers or educational facilities. I don't have the amenities to provide "housing" to those in need (no cooking facilities in accommodations). I need financial assistance"

"We were able to house construction workers in the spring (highway workers), but there are no infrastructure projects happening in the winter."

"We opened our accommodations in the spring but no one booked. We did not want to try again and risk losing additional finances."

"We've shifted to long-term rentals to try make some revenue and cut costs, but we don't make nearly as much as we would with our typical weekly rentals."

"We were able to book Hydro workers which brought in \$30,000 but in the same time frame I could have made \$97,000 with our typical tourism clients."

"I would have opened to essential workers but an enforcement officer told us we were not allowed."

Operators also submitted the following comments at the end of the survey:

"We lost \$6000 from January 14th to February 11th. If these orders are extended, I will lose another \$8000. Why can hotels and motels be open and not restricted to those in need of housing? Very disappointed and financially burdened."

"I've lost a significant portion of the summer season, and now the winter season as well. Government assistance of some kind is very much needed."

"The Nipissing Parry Sound Health Unit closed all sliding hills, skating rinks and trails, and ordered OFSC to close snowmobile trails. We can't even book locals."

"Guests are hesitant to book because of all the uncertainty and confusion surrounding the COVID regulations."

"Usually in January we are requesting deposits for reservations made for the upcoming summer. With the closure of the border, we moved all our US reservations to 2021. We do not have any new revenue from guest deposits to pay for expenses. Now we can not even open to local residents, this is causing many financial difficulties."

"The closure of snowmobile trails has resulted in many cancellations of our guests. This also impacted our restaurant sales as no customers are stopping in for takeout."

"Loyal employees have lost their wages and food spoilage costs have been substantial. We need more notice on when these orders will be implemented or extended."

"We also run a small store that sells bait and gas, hardly anyone comes around due to the lockdown (80% less people than last winter)."

An Operator's Story

"We are still open but we can't take any of our regular customers because of the stay-at-home order."

People are now starting to cancel their reservations in late February and March.

We made \$50,000 on snowmobilers in 2 months last year. We would have made more but the trails were shut down mid-March for the first COVID Lockdown.

We had 120 snowmobilers booked for this winter. It would have been more but reservations stopped coming in because of the stay-at-home order.

We had to cancel 70 bookings so far."

An Operator's Story

"Just as the bookings were starting to come in, the stay-at-home order was put into place so **bookings stopped coming in.**

We also still have US guests booked in for March since we moved them from 2020 to 2021.

There is no information given on what is going on with the border so we can't double book for that month.

Many of our annual customers are now enjoying the same fishing on Lake of the Woods **from businesses in Manitoba or Northern Minnesota**, as they haven't been hit with restrictions &/or have been ordered to close.

Our future bookings will **definitely take a major hit** as we do not operate in a region that has a large population to pull from."

"Why can't we offer guide services? Ice fishing is the definition of social distancing. We can easily provide this service while maintaining distance and never having to interact closely with our clients. It a huge hit to our business."

"We are having to borrow money at high interests' rates to pay bills and feed ourselves. We started selling off assets."

"We are renting to long-term renters and we have not been getting any deposits for the 2021 summer season."

"It takes a lot of work and resources to maintain and heat cottages. I'm regularly on the phone cancelling guests and I had to lay off staff before the season was able to start. The one family per cottage and ice hut regulation was okay but it still killed the business. I understand the need for these orders but it's a huge loss which usually takes me through financially until May."

"We have spent a great deal of money to prepare for COVID during the winter months, to keep our guests and staff safe through social distancing. But yet the Provincial Government has implemented all these orders but has done nothing to ensure that businesses don't suffer. We understand the need for caution but this blanket closure was not well executed, and is a slap in the face to Ontario businesses."

"Tourism and ALL seasonal businesses need to be included in all grant opportunities to survive."

"There is a severe lack of support for the accommodation industry. We were trying to pick up some business in the winter to pay the bills but then the shutdown happened. Our facilities are very safe (each has their own cabin) and we were prepared to rent to individuals from the same household. All cabins are spaced very well apart and people are not mingling their activities. This is much safer than staying at a hotel with a common lobby or facility, and much safer than going into a crowded Walmart. We need financial support."

OUR RECOMMENDATION:

NOTO is the trade organization representing the resource-based tourism industry in Ontario since 1929. We are requesting that **modifications be made to the Ontario Small Business Support Grant that would add small businesses that offer accommodations to the eligibility list.** We are also requesting that the **comparative revenue timelines be more flexible for seasonal businesses.** We are urging for meaningful discussion with our organization at your earliest convenience.

Contact: Laurie Marcil, Executive Director 705-499-7556 laurie@noto.net