

Moving Forward:

A Resource-Based Tourism Industry Fit for The Future



**Prepared for Ministry of Natural Resources by
Nature & Outdoor Tourism Ontario in support of Provincial
Resource-Based Tourism Working Group Discussions**

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Table of Contents

Executive Summary	2
Introduction.....	3
Ontario's Resource-Based Tourism Industry: An Overview	3
Current State of the Industry	5
Working Relationships	5
Clients	5
Communities	6
Government.....	6
Industry Organisations	6
Provincial Resource-Based Tourism Working Group	7
Overview of Work to Date	7
Summary of SWOT Analysis.....	8
Overview of New Tenure and Pricing Approach.....	8
Resource-Based Tourism Industry Jurisdictional Scan	9
The Approach	9
The Findings	9
Implications for Ontario.....	10
Resource-Based Tourism Industry Regulatory Framework.....	10
Existing Regulatory Regime Overview and Areas for Review	11
Increasing Value through Enhanced Resource Management & Cooperation.....	13
Licensing Approaches and Options	13
Moving Forward	15
Investing in the Future.....	15
Continuing Role and Future Work of Working Group.....	15
Final Thoughts.....	16
Appendices	17
Appendix A: RBT Industry Expanded SWOT Analysis.....	17
Appendix B: Provincial RBT Working Group Terms of Reference.....	24
Appendix C: Valuation Review Process for Outpost Camps Terms of Reference	27
Appendix D: RBT Industry Licensing Approaches in Other Jurisdictions.....	30
Appendix E: References	35



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Executive Summary

The Provincial Resource-Based Tourism Working Group was established early in 2006 to discuss the policy environment and associated challenges relevant to Ontario's resource-based tourism industry. The multi-ministerial and industry represented group has since met on several occasions and this report reflects the positive discussions and some of the core work to date.

This report, *Moving Forward*, provides an overview of Ontario's resource-based tourism industry. It describes the strengths, weaknesses, opportunities and threats pertaining to it as identified by the working group at the inaugural meeting. Given the groups focus on identifying and resolving issues causing uncertainty in the industry, it describes a new tenure approach based on market values that will move short term land use permits for outpost cabins to longer term leases. The report also examines how the resource-based tourism industry is regulated in other jurisdictions.

From the information presented and considered in *Moving Forward*, NOTO, the provincial association that has represented the interests of this diverse industry since 1927 is recommending a number of steps to encourage industry investment and further strengthen relations between industry and government.

Moving Forward Recommendations and Supporting Rationale

Resource-based tourism businesses depend on continuing access to public resources. Because various resources are regulated in different ways and permissions for use are not necessarily attached to the business, operators must deal with a complex and confusing system that creates a heavy workload and investment uncertainty. NOTO therefore recommends that:

The allocation system be reviewed and consolidated so that all allocations are administered in a clear and consistent way. Allocations be administered jointly by industry and government through a mechanism that is open, transparent and accountable.

Allocations:

- ***Attach to the business***
- ***Automatically transfer when a business is sold***
- ***Be transferable on a short or long-term basis between legitimate tourism businesses***

The "sense of wilderness" is a major factor determining the economic value of a resource-based tourism experience. Forestry and other industrial activities can significantly change the level of remoteness, primarily through the construction of access roads. Although protections are sought through the forest management planning process, there are no guarantees that an access road built for forestry purposes will not bring with it activity that will compromise the experience of those in search of a remote experience. NOTO therefore recommends that:

An improved framework to manage the use of motorised vehicles and maintain remote values on Crown land be developed.

Because quality natural resources add value to businesses, many operators have implemented voluntary management strategies to manage the impact guest activities may have on the natural resource base. Very few opportunities exist to benefit from MNR science and experience or to provide information and data to MNR. NOTO therefore recommends that:

Government and industry develop partnership approaches based on sharing of expertise that encourage more effective management of Ontario's natural resources and communicate these approaches to industry.

Mechanisms to regulate the resource-based tourism industry are complex and disjointed, with some activities or industry segments highly regulated and others not regulated at all. There is also a widespread belief by many operators that there is a large underground economy of illegitimate resource-based tourism businesses. NOTO therefore recommends that:

A clear, comprehensive and inclusive definition of resource-based tourism businesses in Ontario be developed.

A formal licensing system that is mandatory for all tourism businesses that fall within the established definition be created.

Assign licence administration to a suitable industry partner in order to enhance accountability to the industry and provide revenue to support industry development.



Introduction

The government of Ontario defines the resource-based tourism industry as tourism that involves the use and enjoyment of the natural environment and resources on Crown lands and waters, including but not limited to activities such as hunting, fishing, visiting provincial parks and conservation reserves, camping, canoeing, hiking, snowmobiling and wildlife viewing (OMNR 2001). Ontario's resource-based tourism or RBT industry is supported by a Cabinet approved Resource-Based Tourism Policy and NOTO, operating as Nature & Outdoor Tourism Ontario, is the provincial association that has represented the interests of this diverse industry since 1927.

In late 2005, senior Ministry of Natural Resources officials proposed that MNR, NOTO and other key ministries, namely Tourism and Northern Development & Mines, come together in the form of a working group to discuss the policy environment that will help ensure the health and viability of the resource-based tourism industry over the long-term. This report represents one product of the positive discussions to date. It is intended to capture the progress of the working group,



including an overview of how the resource-based tourism industry is regulated in other jurisdictions and what this may mean for the Ontario situation. It will also provide a brief overview of the industry and some of the key strengths, weaknesses, opportunities and threats pertaining to it. Finally it will propose some specific steps that will lead to more effective and open partnerships between NOTO, Ministry of Natural Resources other government of Ontario ministries, and industry supporters. These are the steps NOTO recommends as necessary for Ontario's resource-based tourism industry to respond to the emerging economic, social and consumer climate.

The discussion that follows is not a response to short term problems. Rather, it is an opportunity to look for approaches that would be appropriate fifteen or twenty years into the future. It attempts to recommend a framework that encourages the resource-based tourism industry to make the changes and investments necessary to grow and flourish, and create high value tourism experiences that are sustainable both biologically and economically. This work comes at a time when the tourism industry is facing some serious challenges brought upon by changing consumer and market conditions. At the same time, both organisations and government are challenged to do more with fewer resources. More effective partnerships between government and industry may very well represent our best opportunity to “do more with less”, and allow the achievement of our shared goal of a thriving resource-based tourism industry within a sustainable resource environment.

Ontario's Resource-Based Tourism Industry: An Overview

The industry in Ontario consists of approximately 1200 remote and semi-remote facilities which are accessible by air, boat or train and 700 road-accessible facilities (Brown *et al.* 2003). As some businesses consist of more than one facility (e.g. main base lodge and several remote outpost camps) the total number of resource-based tourism businesses or establishments is approximately 1600. These operations occur roughly from the Huntsville area north to Cochrane in MNR's northeast region and west to the Manitoba border. The figure on the next page illustrates the distribution of resource-based tourism facilities across this area.

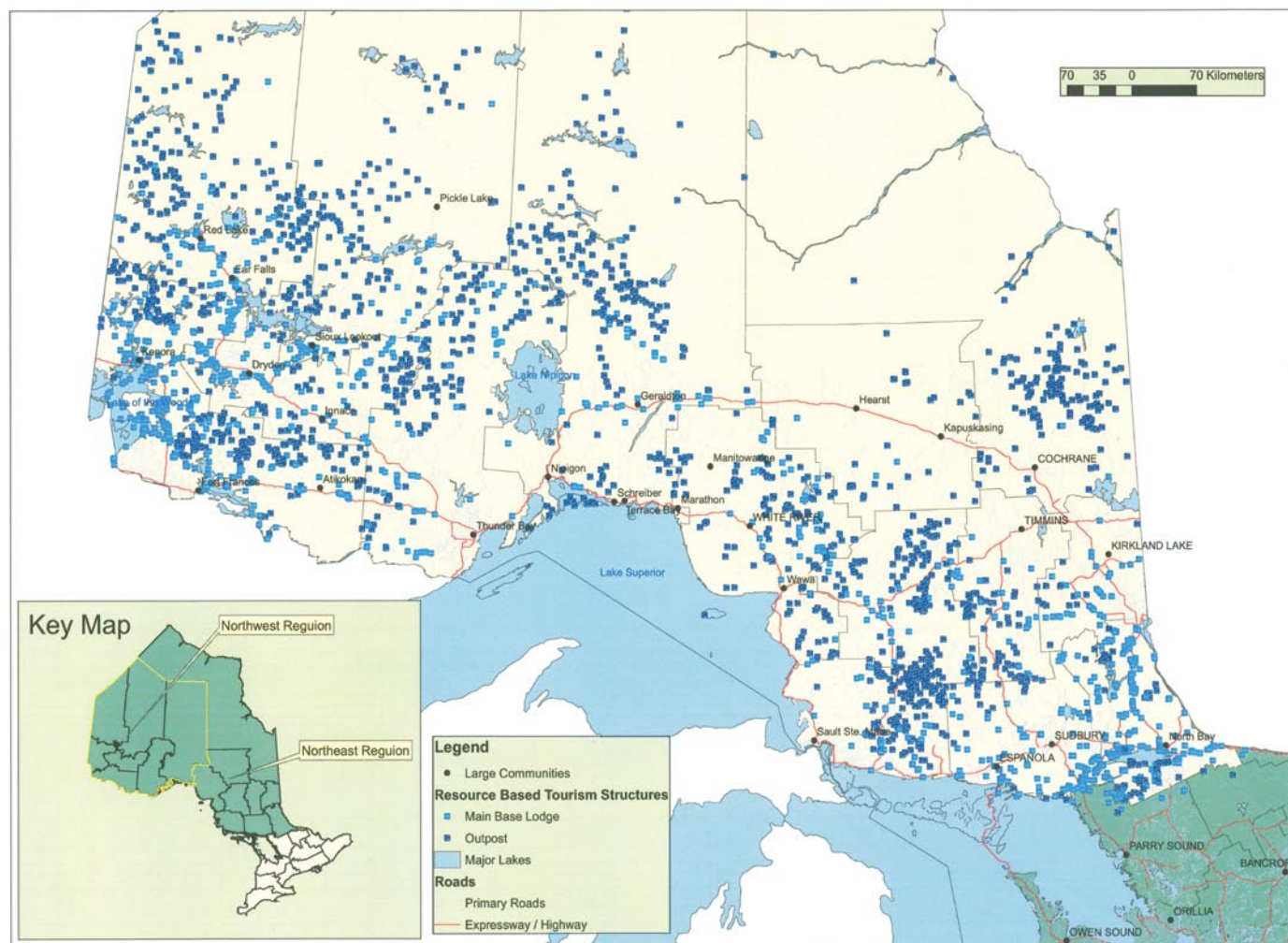


Resource-based tourism establishments offer a wide range of outdoor experiences from the traditional activities of fishing and to a lesser degree hunting, through to canoeing and/or kayaking, snowmobiling, wildlife viewing, hiking and simple relaxation. Most establishments operate seasonally with road accessible facilities open between 19 and 30 weeks and remote facilities open for a period of approximately twenty weeks (Browne *et al.* 2003).

Guests have a variety of accommodation types and packages to choose from ranging from basic off-the grid remote outpost cabins to elaborate full-service lodges. The main packages being offered in Ontario include housekeeping cottages, American plan lodges, and outpost cabins and campgrounds. American plan lodges are full service establishments that typically include all meals plus daily maid service whereas housekeeping cottages and outpost cabins are essentially self-catered facilities.

Guests travelling to resource-based tourism establishments in Ontario originate primarily from Ontario and the north central states of Indiana, Illinois, Michigan, Minnesota, Iowa, Ohio and Wisconsin (MNDM 2002, Hunt *et al.* 2002). The industry

Resource-Based Tourism Facilities in Northern Ontario



also caters to a small percentage of overseas clients, primarily European guests. Northeastern Ontario caters to a greater number of guests from Ontario while northwestern Ontario establishments cater primarily to US clientele.

Current State of the Industry



The resource-based tourism industry has experienced considerable change and turmoil over the past several years, and a number of these changes are likely to continue into the future. A variety of external economic and political factors, including a strong Canadian dollar, rising gasoline costs, enhanced border security and slow economies in certain US border states, have led to declines in many key US tourism markets. Some key hunting and fishing (Fisheries and Oceans Canada, 2005) market demographics are shrinking, as well.

At the same time, interest in exotic, remote outdoor nature travel appears to be growing. This has led to increasing opportunities that are less strongly tied to traditional hunting and fishing activities. While the overall demand for hunting and fishing may be declining somewhat, it appears that the remaining consumers are increasingly demanding a high quality, high value experience. Ongoing improvements to facilities and services, along with enhancements to resource and environmental quality are needed to meet the needs of these changing markets.

There is great variation in how rapidly and effectively businesses have responded to these market changes. Overall, however, the resource-based tourism industry in Ontario continues to largely recruit its clients from within the ranks of traditional anglers and hunters, albeit with increasing emphasis on a higher value, less consumptive demographic. There is still much less emphasis, however, on “an outdoor trip that includes angling” rather than “a fishing trip”.

Working Relationships

Clients

The RBT industry in Ontario consists almost exclusively of small to medium-sized businesses, many of them family owned. Although Ministry of Tourism information suggests that approximately 40 businesses change ownership each year, there are many businesses that have remained in the same family over several generations. Many of these businesses have strong ties to the local community, purchase goods and services locally and employ local residents.

Historically, the clients of resource-based tourism businesses have been extremely loyal, with guests often returning year-after-year. Changing market demographics and increased competition are beginning to erode this loyalty, and this change may have significant implications for how businesses market to the emerging clientele.

Although the clientele appears to be slowly shifting away from a primary focus on fishing and a greater emphasis on wilderness vacations, fishing quality remains an important benchmark for evaluating the remote experience. Increasingly, the clients of resource-based tourism businesses are individuals who experienced such vacations as children with their parents or grandparents and now want their children to have similar experiences. Frequently, however, they are not avid anglers like their fathers and grandfathers were, and are seeking a much higher level of support and amenities. They also may have a much greater need to feel comfortable and secure in an outdoor environment.



Communities

Resource-based tourism is an important contributor to the economic and social well being of many northern Ontario communities. In 2001, over 5.9 million visitors spent more than \$1.3 billion in Ontario, most of it (\$1.1 billion) in northern Ontario. These visitors generated approximately 20,000 direct jobs and more than 15,000 indirect and induced jobs province-wide. Of the direct jobs generated, 85% were retained in the resource-based tourism region which accounts for 3% of the regions employment compared to nearly 6% for the forest products and services industry. In terms of taxes, resource-based tourism generated more than \$550 million in taxes to all levels of government (Ministry of Tourism and Recreation 2003)¹.

¹Once a traveller was identified as a resource-based tourist (engaged in at least one defined outdoor activity in a designated resource-based census division), all spending for entire stay while in Ontario was included in estimates.

Government

In Ontario the provincial ministries that most regularly interact with the resource-based tourism industry include the Ministry of Natural Resources, Ministry of Tourism and Ministry of Northern Development and Mines. As managers of Crown lands and waters, Ministry of Natural Resources is the provincial ministry responsible for the greatest number of policies and



programs of direct relevance to the resource-based tourism industry. Although many operators in the industry may only ever interact with an area biologist or lands technician in a district field office, policies developed by government in several other programs and of MNR have bearing on resource-based tourism businesses.

The Resource-Based Tourism Unit of the Ministry of Tourism works to protect, diversify and enhance resource-based tourism business potential on Crown lands and waters. The unit works to improve the business climate in order to stimulate new investment in the industry. A key responsibility of the Ministry of Tourism is to meet the legislative requirements of the Tourism Act through the issuance of Resource-Based Tourism Establishment Licences. These licences were traditionally limited to businesses providing fixed-roof accommodations but recent amendments to Regulation 1037 under the Tourism Act have further narrowed the definition of those establishments requiring a licence. A licence is only required now if an establishment receives specific Crown land or natural resource allocations from MNR such as moose validation tags or land use permits. Before amendments were made to the act, Ministry of Tourism issued approximately 1600 licences and under the new approach, approximately 940 licences have been issued. Through an arrangement with Ministry of Northern Development and Mines, tourism advisors in that ministry provide professional advice to operators about licensing and process licence applications.

Industry Organisations

On the industry side, Northern Ontario Tourist Outfitters operating as Nature & Outdoor Tourism Ontario or simply NOTO, is the only industry association working on a provincial scale on matters affecting the resource-based tourism industry. NOTO is a non-profit and non-governmental provincial advocacy organisation governed by an industry elected Board of Directors. It is not mandatory for resource-based tourism businesses to belong to NOTO. In addition to or in place of being a member of NOTO, some businesses chose to support their local tourism associations such as the West Nipissing & Upper French



River Tourist Association or Kenora District Camp Owners Association. Some of these associations are more active than others and they are more narrowly focused on issues of local concern. Also supporting the resource-based tourism industry is the Northern Ontario Native Tourism Association which works with its members to support and promote native tourism businesses.

In addition to the industry organisations focused primarily on advocacy, there are six Northern Ontario Regional Travel Associations (NORTAs) including Ontario's Near North, Rainbow Country, Sunset Country, Algoma Kinniwabi, James Bay Frontier and North of Superior Travel Association. These destination marketing organisations are supported by advertising and membership revenue from local businesses as well as project funding from the Ontario Tourism Marketing Partnership Corporation, an agency of the Ontario government.

Provincial Resource-Based Tourism Working Group



In March 2006 the first meeting of the Provincial Resource-Based Tourism Working Group was held. This group was created by senior officials in MNR's Natural Resource Management and Field Services Divisions following on-going discussions between NOTO and MNR regarding issues that were creating uncertainty for the RBT industry. The working group is a provincial level committee that is focused on issues of mutual interest between the industry and ministries of the Ontario government who are involved in tourism. Core membership of the working group includes representation from Ministry of Natural Resources Field

Service Division, the Fish and Wildlife Branch and Land Management Section of the Natural Resource Management Division, Ministry of Tourism Resource-Based Tourism Unit, Ministry of Northern Development and Mines Regional Economic Development Branch, NOTO and the Northern Ontario Native Tourism Association. The working group is co-chaired by MNR and NOTO. The terms of reference for the working group are provided in Appendix B.

Overview of Work to Date

The working group has convened at least ten times since its inception and have achieved a considerable amount in a relatively short period of time. In addition to establishing an excellent mutually respectful working relationship and being provided with updates on various ministerial programs and policies on an on-going basis, the working group has been task oriented on several fronts. At the inaugural meeting, the working group spent a better part of the entire agenda discussing the broad issues facing Ontario's resource-based tourism industry. These issues were captured in the form of a Strength, Weaknesses, Opportunities and Threats or SWOT analysis. In support of this report the issues identified were expanded on by NOTO and are captured in Appendix A.

The larger more complex task of the working group to-date has been an exploration of existing MNR tenure approaches for tourism facilities on Crown land. Beyond looking at ways to simplify the administration of Land Use Permits or LUPs the working group is set to propose a new tenure approach based on market values that will move short-term LUPs to longer term leases. Both a summary of the SWOT work and the proposed tenure approach follow.



Summary of SWOT Analysis

The SWOT exercise identified that the resource-based tourism industry is a significant part of the northern Ontario economy. In addition to its direct employment impact, the industry has substantial secondary impacts on local communities both economically and socially. The industry operates in a world class outdoor environment that supports an unparalleled natural resource base and therefore a wide range of experiences and product types ranging from remote fly-in fishing to backcountry canoeing and wildlife viewing out of full-service road accessible lodges.

Despite its strengths, there are limits to the industry's growth as resources are finite and other industries and users have interests and expectations of the Crown land base. Because of these other demands, an operator has no guarantee that their remote outpost will remain remote or that three years into the future they will have access to a viable number of moose tags. In addition, the industry is somewhat fragmented in that the existing approach to licensing does not capture all businesses, legitimate or not, making profit from the provision of outfitting or tourism services. Operators in the resource-based tourism industry also contend with a very cumbersome, highly variable and sometimes restrictive regulatory environment (e.g. moose, deer, and black bear hunts for non-residents are all administered in a different way). The industry also faces capacity issues. As an industry of small, generally family run businesses, operators don't always have all the skills required to realise the full potential of their operation. These skills could relate to resource management, renewable energy technologies, and marketing and promotion for example. There are also some negative perceptions of the industry among certain individuals and user



groups in local communities. A more serious concern is the stress that a rising Canadian dollar, increased operating costs and enhanced border security measures are having on the industry.

Although there are significant challenges facing today's industry, including a shrinking angling market, there is opportunity. The overall tourism sector has shown sustained growth throughout the world for a number of years and as urban centres continue to expand it is anticipated that interest in outdoor vacations away from the hustle and bustle will increase. Changing public perceptions

around environmental and health and wellness issues may also increase interest in wilderness travel experiences. Although species distribution may vary, climate change is also expected to have a net positive effect on resource-based tourism opportunities by extending the operating season. Finally, enhancements to tenure mechanisms for tourism facilities to offer greater security on the land base should remove some of the barriers to investment.

Overview of New Tenure and Pricing Approach

The need for a more secure business environment has been a concern of the resource-based tourism industry for many years. Land tenure formed a major part of the discussion at a meeting between operators and government in Ignace in 2005 that was convened to discuss concerns regarding bed capacity reductions at outpost camps at time of transfer. Similarly, land tenure has been one of the main topics of discussion of the working group. Although Land Use Permits have been the most commonly used form of tenure on Crown land for the RBT industry, the provincial government directive is that all tenants on Crown land be charged rent based on the market value of the land. Current LUP fees are not based on market value; rather they simply reflect an administrative fee for issuing the permit.



Discussions were held with industry several years ago to attempt to bring the resource-based tourism industry into the provincially mandated market-based framework. Those discussions broke down, and by the time they were re-started at the working group, agreements had been reached with all of the other Crown land users who were in negotiations with MNR.

To assist the working group with their deliberations MNR hired the services of an appraisal consultant to establish market values for outpost camps on Crown land in Ontario. The consultant talked to a number of tourist operators and also reviewed the only other similar appraisal data available, which was the land value for private recreational camps. In the end, in the interest of ease of implementation and consistency, the working group recommended that the consultant's figures be used to establish an overall weighted average in order to arrive at a single figure that would be used for purposes of establishing market value. It is intended that this value be used across the industry to establish the annual lease cost, based on 7% of market value, as required by policy. The current plan calls for the RBT industry to move from single year LUPs to 30 year renewable leases over the next ten years. Further detail regarding the valuation review process is provided in Appendix C.

A further change to MNRs land tenure approach that resulted from discussions at the working group table was the centralization of billing and LUP administrative matters. Operators are now being invoiced for their individuals LUPs through the MNR Land Management Section in Peterborough versus the traditional approach of them being processed in the field at district offices. Now that the nearly 1300 LUPs for commercial tourism facilities have been centralised, the process of consolidating existing occupations into a single multi-site LUP with a ten year term can commence. This means that operators with multiple facilities will eventually receive a single bill for all of their sites.

Resource-Based Tourism Industry Jurisdictional Scan

The Provincial Resource-Based Tourism Working Group determined through their discussions that it would be valuable to research industry certification and regulation approaches in other jurisdictions where there is an active resource-based tourism industry.

The Approach

Tourism industry associations from Quebec, Saskatchewan, Manitoba, Newfoundland & Labrador, and Idaho and/or their relevant government ministries or departments were contacted to learn of any industry certification approaches that were in place or being developed. Representatives from these organisations were contacted by telephone and information collected was later verified through email correspondence. In addition to learning what certification approaches were in place, the scan included a review of regulatory legislation pertaining to the resource-based tourism industry and the purpose and roles of the main agencies having a tourism industry mandate.

The Findings

Outside of a rating system that is in place in Quebec and on-going certification discussions between Saskatchewan Environment and the Saskatchewan Outfitters Association, the jurisdictional scan revealed that industry certification is not a major focus for any jurisdiction at this point in time. Discussions with representatives regarding any standards or certification approaches in place quickly migrated to how the industry was defined and licensed.

What became apparent was that all jurisdictions had or were working toward a clear regulatory framework for the outdoor



tourism industry. Any standards or certification approaches that were in place in the odd jurisdiction seemed to follow the establishment of a well-defined industry.

Appendix D provides an overview of the industry regulatory framework in each jurisdiction. The table on the following page summarises the main findings for each jurisdiction.

Implications for Ontario

The examination of other jurisdictions reveals that Ontario is an exception in that virtually all other jurisdictions have a more comprehensive approach to licensing or regulating their resource-based tourism industries. In some cases, such as Manitoba, the industry definition used is quite broad and captures a wide range of industry activities, from traditional hunting and fishing to ecotourism activities such as canoe outfitting.

These licensing approaches provide a degree of clarity to the industry by helping to define the scope of resource-based



tourism. Since licensing also provides the definition needed to access other regulatory and support programs, it helps set the stage for these development activities.

Although there is some variation among jurisdictions, the administration of licenses jointly by government and industry is a working model. This approach appears to help foster effective collaboration and partnership between industry and government, and also provides a funding model for the delivery of services to industry by an association.

It is also worth noting that although the lead government ministry behind licensing varies, the lead is frequently taken by the natural resource rather than tourism or economic development ministry. This is in contrast to Ontario, where licensing for resource-based tourism has been the mandate of the Ministry of Tourism. It is however, quite consistent with MNR practice in other areas, where activities from trapping, baitfish harvesting to forestry and commercial fisheries have been licensed by MNR. Many of these activities by MNR have also assigned a significant administrative component to industry associations through administrative/partnership agreements and the provision of a portion of licensing revenue.

Although the scan did not concentrate on the ability or approach of jurisdictions to enforce licensing requirements, it was learned that conservation officers of the natural resource ministries perform this function with limited degrees of success in Quebec and Manitoba.

Resource-Based Tourism Industry Regulatory Framework

In order to increase value and address new market opportunities, investment will be required. Enhanced facilities, new products and services and movement into emerging markets require investment in resource-based tourism businesses. Any intelligent business investment requires that there be a reasonable expectation that the business is secure (“I won’t lose all my money”) and that there is a reasonable prospect of a positive return (“eventually I’ll make some money”). Unfortunately,



Jurisdiction	Quebec	Saskatchewan	Manitoba	Newfoundland & Labrador	Idaho	Ontario
Licence Requirement	Yes	Yes	Yes	The establishment requires a licence and not the outfitter (changes recommended)	Yes	Only if establishment receives specific Crown land allocations from MNR
Annual Licence Fees	\$246 Residents \$990 Non-Residents	\$200-includes 1 endorsement \$100 per additional end. \$300 Admin Fee- 1st-time lic.	\$100 plus additional permit fees depending on type of operation	No Charge (changes recommended)	\$400 \$400 Admin Fee - 1st-time lic.	No Charge
Agency Responsible for Administering Licence	Quebec Outfitters Federation	Fish & Wildlife Branch of Saskatchewan Environment	Licensing Advisory Committee- reps from 4 different departments of govt	Department of Tourism, Culture and Recreation (changes recommended)	Idaho Outfitters and Guides Licensing Board	Ministry of Tourism
Governing Legislation	An Act Respecting the Conservation and Development of Wildlife	The Outfitter and Guide Regulations of The Natural Resources Act	The Resource Tourism Operators Act	Tourist Establishment Act	Outfitters and Guides Act (Idaho Code, Title 36, Chapter 21)	Reg 1037, Tourism Act
Outfitter Defined	Yes	Yes	Yes- captures eco-tourism also	Tourist Establishment defined (changes recommended)	Yes	Establishment Defined
Relevant Government Department or Ministry	Ministry of Natural Resources and Wildlife	Saskatchewan Environment	Manitoba Conservation	Department of Tourism, Culture and Recreation	Idaho Fish & Game	Ministry of Tourism
Additional Notes	<ul style="list-style-type: none"> rating system in place for accommodation and amenities 	<ul style="list-style-type: none"> Industry assn currently investigating certification approaches 	<ul style="list-style-type: none"> Deer are considered big-game and non-residents must employ services of an outfitter 	<ul style="list-style-type: none"> moose allocations are granted for 5 year period 	<ul style="list-style-type: none"> licensing board established in 1961- recognised as one of the most comprehensive in western US- industry, public-at-large and govt representation 	
		<ul style="list-style-type: none"> Deer are considered big-game and non-residents must employ services of an outfitter 		<ul style="list-style-type: none"> minimum 1 star Canada Select rating system- not enforced 		

the current regulatory environment causes many business operators to believe the conditions needed for investment are not present. As a result, the level of business reinvestment is low. The resource-based tourism industry requires a regulatory framework that is an enabler of industry growth rather than a barrier.

Existing Regulatory Regime Overview and Areas for Review

In the view of the RBT industry, many of the regulatory structures currently in place severely limit a tourism business's ability to build equity and therefore profit from their investment when the business is sold. Examples of these policies has been the long standing use of Land Use Permits as a primary tenure instrument and limitations on the use and transfer of moose tag shares and bear management areas. The lack of a comprehensive planning mechanism to manage unrestricted motorized recreation in remote areas is another source of investment uncertainty.

The regulatory framework for the industry in Ontario has evolved over time. In many cases, tourism activities are regulated as an adjunct to some other undertaking, such as forestry or fish and wildlife management. Because these structures have emerged to address immediate, narrow concerns, there is very little integration or consistency. As a result, we have an extremely complex and disjointed regulatory structure that treats almost every resource-based tourism activity in a different way. The tourism industry black bear hunt is administered completely differently from the moose hunt or the whitetail deer hunt, for example.



Not only do these policies provide a serious disincentive to investment, but they also may encourage a narrow and short term view that discourages long-term and effective resource management.

Resource-based tourism businesses are dependent on various “allocations” that they receive from MNR. Allocation should not be viewed in the physical sense of a wood supply or commercial fishery allocation, but rather more broadly as a “right of use”. A bear management area, for example, confers the privilege of allowing a tourist operator to conduct a non-resident bear hunt on a defined area rather than permitting the harvest of a certain number of bears. Similarly, the exclusive right to conduct outfitted rafting trips on a particular stretch of river, as is done in some US jurisdictions, is a form of allocation.

A key shortcoming of our current system as described in the weaknesses section of the expanded SWOT analysis in Appendix A, is that these various “allocations” all have unique rules, procedures and restrictions. More importantly, they often do not attach directly to the business. Lack of attachment and restrictions around transferability significantly reduce business value.

Two important changes are required in order to allow allocations to contribute to business value. There should be attachment to the business, which means that all allocations automatically transfer when a business is sold. There should also be transferability, that is, a business should be allowed to sell or lease allocations on a short or long term basis to other legitimate tourism businesses. In considering these changes, since allocations are seen as a core MNR function, there may be policy concerns around transferability that need to be examined.

Changes to the current approach would address many of the concerns around the ability of a resource-based tourism business to acquire value. It would also enhance the flexibility of businesses to respond to changing markets by selling off certain portions of an operation and purchasing others.

A further concern about present allocation systems that is expressed by industry is a perceived lack of transparency and direct accountability to industry. Current allocation systems are often seen as operating in secret with no direct connection to industry representatives such as NOTO.

Based on the discussion above, the recommendations that follow are provided to government by NOTO to encourage industry investment.

Recommendation #1

Review and consolidate the allocation system so that all allocations are administered in a clear and consistent way.

Recommendation #1A

Allocations should be administered jointly by industry and government through a mechanism that is open, transparent and accountable.

Recommendation #2

Allocations should:

- Attach to the business
- Automatically transfer when a business is sold



- Be transferable on a short or long-term basis between legitimate tourism businesses

Recommendation #3

Develop an improved framework to manage the use of motorised vehicles and maintain remote values on Crown land.

Increasing Value through Enhanced Resource Management & Cooperation



Many individual businesses in the resource based-tourism industry have adopted a wide range of practices to increase value in their business through reduced consumption. Resources may be tangible, as in a kilogram of walleye, or intangible, as in the sense of wilderness on a back country canoe trip. However if fewer walleye are caught or an area feels less remote, value to the consumer has declined. In an attempt to minimise the impact on the resource, many operators have instituted special camp rules that are more restrictive than regulations set by government. These range from such direct practices as requiring conservation fishing limits, no live bait or “no

fish home” approaches to less direct means such as enhanced amenities and activities that encourage “less fishing and more relaxing”. Unfortunately there is no established mechanism in place to support these practices, impacts of these approaches have not been well documented and opportunities to work cooperatively with MNR on these self management activities have been limited. This deprives the operator of important advice and support from MNR technical experts, and limits the transfer of valuable field data to MNR.

Recommendation #4

Government and Industry should develop partnership approaches based on sharing of expertise that encourage more effective management of Ontario’s natural resources and communicate these approaches to industry.

Licensing Approaches and Options

What emerged from the jurisdictional scan was that most jurisdictions have very clear definitions of their resource-based tourism industries, and that these definitions are an essential element of a regulatory system that confers the privilege of using public natural resources only on those businesses that are recognised by government.

Unlike most other jurisdictions that were examined, Ontario’s industry definition is an extension of an older definition (now amended) of accommodation facilities under Regulation 1037 of the Tourism Act. This definition seems to be of very limited utility in regulating the resource-based tourism industry, especially those activities of the industry that are related to natural resource access or use. It is understandable, therefore, that the Ministry of Tourism wishes to withdraw from their remaining involvement in tourism licensing. However because of the strategic economic importance of resource-based tourism to northern economies and the province, it is important that all government ministries having a stake in this sector be involved in any licensing reform discussions.

The resource-based tourism industry, on the other hand, continues to strongly advocate for some form of formal licensing.



This seems to be largely due to a perception on the part of the industry that they need to distinguish themselves from irresponsible or illegal operators. Formal recognition of the legitimate industry is necessary to create an administrative structure that can impose sanctions on commercial operations that fail to manage resources responsibly or that fail to treat clients honestly and ethically. In essence, responsible tourist operators wish to have their reputations and the reputation of the Ontario tourism industry protected from the activities of unlawful or irresponsible operators.

From the jurisdictional scan it is evident that a clear definition of the industry, and some form of mandatory licensing or recognition is the norm. Such structures appear to be the basic starting point for any more comprehensive system of joint resource management by industry and government where both partners have clearly defined responsibilities. Indeed, such systems are already widely used in Ontario for fur harvesters, commercial fisheries and the forest industry.

A further benefit of such licensing or partnership agreements is that they are often administered by industry organisations, funded by comparable license or other government revenue. This allows the creation of additional capacity for organisations to support industry members with education, research and other activities that help lead to enhanced resource management.

Recommendation #5

Develop a clear, comprehensive and inclusive definition of resource-based tourism businesses in Ontario.

Recommendation #6

Create a formal licensing system that is mandatory for all tourism business that fall within the established definition

Recommendation #6A

Assign licence administration to a suitable industry partner in order to enhance accountability to the industry and provide revenue to support industry development.

Moving Forward

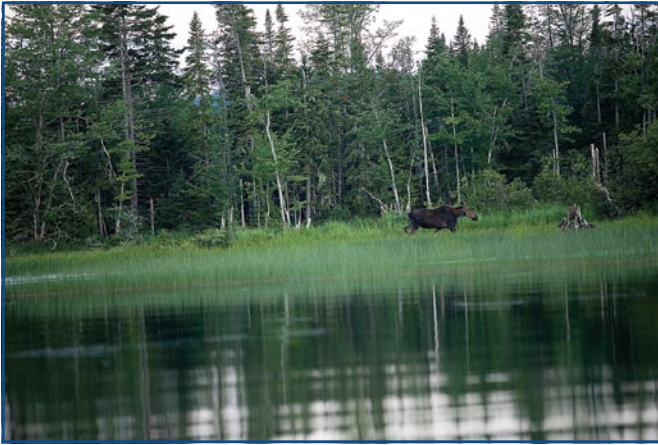
The resource-based tourism industry in Ontario is in transition. There is severe stress due to external market conditions such as a high Canadian dollar, border issues and high fuel costs, as well as a market that is shifting due to social and demographic factors. Despite these stresses, however, it should be noted that the environmental base for Ontario's resource-based tourism industry remains unique and world class. The challenge moving forward will be to create the kind of high value, sustainable industry that meets the demands of the highly discerning consumer that is emerging and that maximizes the social and economic benefit to our communities.

This industry evolution will require significant investment in product development, enhanced facilities and marketing. The regulatory structure and partnership structure for dealing with provincial Crown/public resources will have a very significant influence on the willingness of the industry to make the necessary investments to move the industry forward. Currently, investment in the industry is severely depressed by both the uncertain environment and by the cash constraints resulting from the current tourism market downturn. If investment is not stimulated, it is likely that Ontario's resource-based tourism industry will lose market position when the current down cycle ends.



Investing in the Future

In summary, this paper has identified the broad factors within the MNR regulatory framework that need to be addressed in order to stimulate investment. The first factor is secure, long term land tenure. The Provincial Resource-Based Tourism Working Group is well along the way to addressing this concern. The move from short term Land Use Permits to 30 year renewable leases will make investment in upgraded facilities much more attractive. Leases should also make it easier for businesses to borrow money for improvements, and the greatly simplified transfer requirements will make investment in facilities more secure.



The adoption of leases will not have a significant impact or even uptake if other issues are not dealt with. Business operators have clearly stated that they will have no reason to move to 30 year leases if they cannot receive reasonable guarantees that their current level of remoteness will be maintained. In the absence of an improved framework to manage the use of motorized vehicles on Crown land, it will be very difficult to move forward. This concern may necessitate a review of the significantly dated Public Lands Act and the fact that land use planning in the Area of the Undertaking is effectively being managed through the forest management planning process. Although this process is intended

to be “sustainable”, according to the Environmental Commissioner of Ontario it is not intended to comprehensively plan for all values across the landscape (ECO, 2007).

The other major factor that needs to be addressed is the regulatory framework for access to other natural resources. The current complex, disjointed and inconsistent approach to natural resource licensing and allocations is a serious disincentive to investment. This problem is due, in part, to the lack of a clear and appropriate definition of the resource-based tourism industry. The historical definition that has been used for the Ministry of Tourism RBT licence does not reflect the current reality of the industry nor does it appear appropriate to the direction in which the industry appears to be evolving.

Beside land and buildings, resource-based tourism businesses need the assurance of ongoing access to high quality, well managed natural resources. This assurance needs to include both access – “I will have moose tags to offer my guests” and resource quality – “the hunting quality is good enough that guests will pay to come here”. A regulatory framework to achieve this is almost certain to require greatly enhanced partnership between government and industry.

Continuing Role and Future Work of Working Group

The challenges and opportunities facing the resource-based tourism industry in Ontario are complex and multi-faceted. Many of the recommendations brought forward in this report will require continued work on the part of the working group, while others will involve potential initiatives at the policy, regulatory or legislative level.

It is also clear that many of the issues and challenges are interconnected, requiring action on several fronts if real results are to be achieved. For example, there is little likelihood that industry will embrace 30 year leases if other perceived sources of



investment insecurity are not addressed.

There remain, however, a number of significant tasks for the working group in further developing the identified recommendations as well as continuing to foster effective two-way communication between industry and government.

Final Thoughts

Short term socioeconomic factors and longer term cultural shifts have had a significant impact on the resource-based tourism industry over the past several years. There have also been significant changes to the public policy framework within which the government interacts with the industry. What has not changed is the fact that the RBT industry continues to depend on a public resource - the availability of a high quality natural resource environment. It has always been important for the industry and government to work together, and these working relationships have changed over time.

The resource-based tourism industry in Ontario has existed for most of the past century and NOTO has represented the interests of this diverse industry since 1927. This paper represents an attempt to recognise and integrate the many changes in the natural, economic and social environment in order to help create an approach that through an effective partnership with government, will meet the needs of an evolving industry and its clientele.



Appendix A

Resource-Based Tourism Industry Expanded Strength, Weaknesses, Opportunities & Threats Analysis

STRENGTHS

Economically Significant

Resource-based tourism is a significant part of the northern Ontario economy. In 2001, over 5.9 million visitors spent more than \$1.3 billion in Ontario, most of it (\$1.1 billion) in northern Ontario. These visitors generated approximately 20,000 direct jobs and more than 15,000 indirect and induced jobs province-wide. Of the direct jobs generated, 85% were retained in the resource-based tourism region which accounts for 3% of the regions employment compared to nearly 6% for the forest products and services industry. In terms of taxes, resource-based tourism generated more than \$550 million in taxes to all levels of government (MTR 2003)¹.

¹Once a traveller was identified as a resource-based tourist (engaged in at least one defined outdoor activity in a designated resource-based census division), all spending for entire stay while in Ontario was included in estimates.

Important to local economies

In addition to the direct employment impact, resource-based tourism has significant secondary impacts on local communities, both economically and socially. Resource-based tourism businesses purchase many goods and services locally. The kind of purchases typically made by tourism establishments, such as groceries, fuel and building materials make local purchases a significant part of overall business expenditures.

Amenities that are created by tourism make a significant contribution to the quality of life in local communities. Restaurants, golf courses, marinas, recreational trails etc. are used by both tourists and local residents. These quality-of-life amenities can become a significant asset to communities in their efforts to recruit professionals, such as doctors, nurses and teachers.

A world class resource environment

Ontario has had a vibrant, world class resource-based tourism industry for generations. Our status on the world stage is largely due to a single, key factor – we have an outdoor environment and natural resources that are almost without equal. For tourists who are interested in activities such as angling, hunting and back-country canoeing, Ontario has traditionally offered extremely high quality experiences, and has done so at very attractive travel costs compared to other destinations, such as Alaska.

Sense of wilderness or “perception of remoteness” has been identified as a major determinant of value in resource-based tourism experiences. MNR research indicates that clientele visiting non-road accessible facilities are motivated by the wilderness experience and that remote establishments command about double the price of a similar package that is road accessible (Browne *et al.* 2003). Although challenges around roads created for resource development have and will continue to cause significant concern, Ontario is well positioned in relation to other jurisdictions in terms of the availability of remote tourism destinations.

A mature industry

Although the industry typically sees about 40 businesses change owners each year, it is an industry with many long-time operators, including businesses in the same family for multiple generations. The resource-based tourism industry has generally enjoyed an extremely loyal clientele, with many parties of guests returning year-after-year. Repeat business and referrals have traditionally been one of the most significant sources of clients.

Depending on the type and location of a resource-based tourism establishment clients are generally visiting from Ontario and the states of Ohio, Michigan, Minnesota, Wisconsin, Illinois and Indiana (MNDM 2002, Browne *et al.* 2003). For road-road based establishments, southern Ontario represents approximately 45% of the total market in northeastern Ontario compared to less than 10% in northwestern Ontario. In light of the strength of the Canadian dollar and difficult economic times in the United States, there will be some change in the origin of visitors to Ontario’s resource-based tourism region.

A varied and diverse industry

The resource-based tourism industry is made up of a wide range of experience and product types. Activities are most commonly centered on fishing, but other outdoor experiences, from canoeing and wildlife viewing to simple relaxation are an important part of the mix.

Accommodation types range from very simple outpost cabins to elaborate full-service lodges. In Ontario, the main accommodation packages being offered include housekeeping cottages, American plan lodges, combined housekeeping and American plan lodge, and outpost cabins and campgrounds. American plan lodges are full service establishments that typically include all meals plus daily maid



service whereas housekeeping cottages are essentially self-catered facilities. Outpost cabins are generally single structures in a remote setting tending to have basic accommodation. Amenities and services range according to accommodation type.

Responsive to change

Demographic and market shifts and changing consumer preferences have brought about significant changes in the industry over the past several years. There has been a dramatic shift away from highly consumptive angling activities, particularly in the high-value segments of the industry. A very large number of fly-in establishments impose “camp rules” on their guests in order to reduce resource consumption. These rules commonly include policies such as conservation license limits, no fish out, voluntary slot sizes and other practices that are intended to maintain and enhance fishery quality. Unfortunately, the impacts of these practices, both on resource sustainability and product value have not been well documented. Once effective practices are identified and evaluated, there is a need to effectively communicate strategies for implementing these practices to the industry.

WEAKNESSES

Limits to growth

An industry that has as its primary product the sense of wilderness faces fundamental limits to growth. The lack of a comprehensive framework for managing remoteness as an economic value on Crown land limits growth and investment in the industry. Although research shows that remote experiences typically command higher prices than equivalent drive-in experiences, many operators of remote facilities are reluctant to upgrade or expand in the absence of any certainty over the ability to retain the remote character of the environment their business is located in.

A fragmented industry

According to licensing criteria before Regulation 1037 under the Tourism Act was amended in 2007, the resource-based tourism industry in Ontario consisted of approximately 1,600 businesses. Most of these enterprises are relative small and family operated. Specialized knowledge and management skill in areas like product development and marketing are often very limited. It is also an industry that operates in a complex regulatory environment, interacting with the rules and policies of more than a dozen government departments and agencies.

In terms of the industry itself, resource-based tourism operators may chose to align themselves with one or many of several industry associations. Since 1927, NOTO is the only association with a province wide mandate working on matters affecting resource-based tourism operators. Lobbying the different levels of government to ensure policies support a vibrant industry is NOTO’s primary purpose. Although tourism operators may benefit from the work of NOTO it is not mandatory that they belong to the association. Some may chose instead to support their local tourism association such as the West Nipissing & Upper French River Tourist Association or Kenora District Camp Owners Association for instance. Also supporting the industry is the Northern Ontario Native Tourist Association which works with members to support native tourism businesses. In addition to the industry associations focused primarily on advocacy, there are regional marketing associations such as Ontario’s Near North and North of Superior Tourism Association. Although all the industry supporters mentioned above do not deliberately work at cross purposes to one another, there is likely opportunity for increased effectiveness and collaboration where good working relationships do not already exist.

The current approach to licensing of resource-based tourism establishments in a way further fragments the industry. The Ministry of Tourism issues Resource-Based Tourism License to businesses in the industry. The license is limited to businesses providing fixed roof accommodations, and therefore a large number of businesses, such as campgrounds, canoe outfitters, guided excursions, etc. have not been subject to licensing. Recent amendments to Regulation 1037 under the Tourism Act have further narrowed the definition of those establishments requiring a license to include only those businesses which receive an “allocation” such as moose validation tags or land use permits from MNR. Currently there is no fee associated with obtaining a Resource-Based Tourism License and there is uncertainty surrounding what or if there will be licensing requirements in the future.

In addition to some legitimate resource-based tourism operators not being captured by the existing licensing approach, the industry speaks of competition from “under-the-table” operators. Whether it is an individual in possession of a land use permit for a private recreational camp who is entertaining “friends” every weekend or someone offering fish hut rentals out of their service station, there are people profiting from the use of Crown/public resources with no mechanism in place to regulate their activity.

Many applicable regulations

Because of the diverse nature of resource-based tourism operations, businesses are exposed to a multitude of government regulation and programming. From boating safety and drinking water regulations through to property assessment and forest management planning, in addition to the important task of meeting the expectations of their clients, operators are kept busy trying to understand and comply with these business obligations. On any given day, the common government ministries or agencies interacting with the resource-based tourism industry include: Ministry of Natural Resources; Ministry of Environment; Ministry of Finance; Ministry of Tourism; Ministry of Labour; Canada Customs and Revenue Agency; Ministry of Northern Development and Mines; FedNor; Transport Canada; Ontario Tourism Marketing Partnership Corporation; Canada Border Services Agency; Ministry of Citizenship and Immigration and Municipal Property Assessment Cooperation.



Inconsistent regulatory approaches

The procedures used by MNR for licensing or allocating resource-use vary widely. Land tenure has most commonly been administered by means of Land Use Permits, and although in the process of changing, these have traditionally been issued by MNR district offices. LUPs frequently included additional conditions unrelated to land tenure, such as bed capacity limits that were intended to assist in fisheries management. Work is currently actively underway at the Provincial Resource-Based Tourism Working Group to move from LUPs to longer-term leases as a primary tenure instrument, and to separate the land tenure and resource management functions.

Terms of other allocations also vary. Approximately 12% of Ontario's annual moose harvest is allocated to the resource-based tourism industry, and the majority of non-resident hunters can only obtain a tag by hunting with a licensed outfitter. Access to tags is assigned to outfitters through a system of shares, and only businesses with a Resource-Based Tourism License and providing fixed roof accommodations may own shares. Hunters must be accommodated in that operator's own, licensed facilities. There are no requirements around guiding or other services.

Non-resident bear hunters are required to use the services of a licensed bear outfitter, and to hunt within the outfitter's Bear Management Area. There is no accommodation requirement, and BMA holders are not required to provide accommodation or to have a RBT license. As with moose, there is no guiding or service requirement.

Unlike most other Canadian jurisdictions, except for the territorial district of Rainy River, there is no guide or outfitter requirement in Ontario for non-resident whitetail deer hunters. There have been periodic calls from the industry to consider such a requirement, and these requests have generally been rejected on the grounds that such a requirement would violate the North American Free Trade Agreement. It is not clear why NAFTA concerns have not been an issue in other provinces and territories.

A number of jurisdictions, particularly in the west, have very specific guiding requirements, such as requiring one guide for a maximum of two hunters. These jurisdictions generally allocate tags to individual guides rather than to larger tourism business units. Some have observed that big game hunts in these jurisdictions are typically significantly more expensive than in Ontario, though it is not clear whether it is the guiding requirement or some other factor that leads to the higher price.

Approaches that restrict business flexibility

The rules governing the tourism moose hunt are extremely complex and restrictive, and many do not appear to be at all related to resource management. For example, guests must be accommodated in the operator's licensed, fixed roof accommodations. Opportunities for camping, or accommodation at other facilities are severely restricted. This seriously limits the ability of operators to respond to changing local circumstances or market pressures. A fly-in operator, for example, who has seen his access to quality remote areas severely eroded by access road development, is not easily able to alter his service and move hunting pressure to other, often more appropriate areas of a Wildlife Management Unit.

Transfers of tags among operators in the same WMU are not permitted. In areas where there are several operators, each with very few tags, temporary tag consolidations may make sense. For example, three operators with a tag each could choose to pool their tags and each operate a hunt every three years. An operator nearing retirement may wish to "lease" tags to a neighbouring operator, but is not interested in permanent transfer of the tags, since they represent a significant asset of the business and therefore may be important when he sells.

Bear Management Areas do not formally attach to the holder, and transfers occur by means of a BMA being surrendered and reassigned by MNR. This could lead to a situation where a licensed tourist operator sells a lodge, but the BMA is split off by MNR and transferred to someone else. Cases have occurred where sales of businesses have failed due to the inability to retain the BMA upon sale.

Tourist operators frequently comment that they find the moose and bear allocation systems complex and arbitrary in their operation. Many aspects of these systems are administered to some degree by the Ontario Moose Bear Allocation Advisory Committee. This committee is made up of members directly appointed by the minister, and there is no direct accountability or reporting to the industry.

Appointments to OMBAAC, as well as to other advisory bodies to MNR and other ministries have been criticized for their lack of direct connection to representative industry associations like NOTO.

Competing for resources

In addition to some operations occurring on patent land, the resource-based tourism industry in Ontario largely operates on public lands and waters which are shared by a range of other users, including industries like mining, forestry, trapping and commercial baitfish harvesting as well as recreational users from local communities.

There are frequently concerns expressed, especially in local recreational communities, that there is excessive competition with the tourism industry for limited resource opportunities. Depending on the nature of the landscape and make-up of local communities competition for resources varies in intensity.

The problem is further complicated by the fact that different resource users have different management expectations. A fishery may be biologically sustainable, for example, but not be of sufficient quality to meet the expectations of all tourists. Current management approaches do not allow for the creation of areas or zones that are managed for differing levels of quality of kinds of experience. Other



provinces, such as Quebec, have designated quality fishing zones.

These differences could include not only fish and wildlife management, but also managing to enhance opportunities and reduce conflict between motorized and non-motorized recreation activities. Our inability to manage for different quality levels or experiences may be putting us at a competitive disadvantage with respect to other jurisdictions.

Changing markets and clientele

The size of the traditional angling and hunting markets is not growing (Fisheries and Oceans Canada, 2005), and opportunities in those markets will continue to decline as the traditional clientele ages. Hunting continues to become more highly regulated, with complex firearms control laws and registration requirements to temporarily bring guns into Canada. Highly desirable big game species, such as moose, present a limited number of available license tags.

Clients are increasingly looking for an outdoor adventure trip that includes fishing as one component. Although the availability of a high quality fishery remains a necessity, fishing quality alone will not attract these guests. Couples and extended families are a growing segment of the market (MNDM 2002) as the traditional all male fishing party continues to decline. With this market shift comes a growing emphasis on the availability of a variety of amenities and activities, in addition to angling.

Limited infrastructure

Most of the best resource-based tourism opportunities exist in relatively remote areas of northern Ontario. Unfortunately, these areas often lack some of the basic supports that clients often require. Northern Ontario's airline and airport infrastructure is extremely limited, and problems often exist with highway travel.

The border crossings commonly used by guests of resource-based tourism establishments have limited staff and physical infrastructure, and long delays are common during the peak tourist season. Some do not have 24-hour a day full staffing and this may lead to very significant delays if there are questions around a guest's admissibility to Canada. Concerns around customer service training for border crossing staff and anecdotal accounts of rude and indifferent treatment of guests have been widespread in some areas of the province.

Cellular telephone and high speed internet service are not available in many areas, and many remote lodges still use unreliable radio telephones. This often limits the ability of the tourism establishment to process credit card transactions or make telephone and internet service available to guests. Reliable telephone and internet service may increasingly be seen by some clients as absolutely essential if they are to take a trip to a remote area.

Negative perceptions of the industry

In some northern communities and among certain user groups and individuals there are a host of opinions of the resource-based tourism industry that aren't helpful or warranted. Some believe that outfitters don't pay their fair share for the resources they have access to, that they fish out lakes, that they act exclusively and want resources and surroundings all to themselves, that they don't spend any money in the area, that the industry offers only a few low paying jobs and that outfitting is an easy way of life and very profitable. These beliefs are not unique to Ontario, as other jurisdictions speak of similar attitudes and challenges.

Although as in every industry and user group there are businesses and individuals whose conduct can be questioned, the perceptions that some hold can not be attributed to the industry as a whole. Some of these perceptions are connected to the notion that businesses should not profit from public resources that some see as their own and belonging to them. Largely though these beliefs likely result from a lack of information and that outfitting activity is not visible like the loaded haul truck driving through the centre of town or the steam stack at the mill. Some operators make it a part of their business approach to be active and visible in their local communities but additional effort is required to garner more community support.

An industry under stress

The past several years have brought a number of extreme stresses to bear on the tourism industry in Canada and many of these factors affect the resource-based tourism industry in northern Ontario particularly acutely.

The rise in the Canadian dollar has made Canada a much less attractive destination, in purely economic terms, than it once was. This has opened our industry to increased competition from many other jurisdictions.

Since the vast majority of guests drive to resource-based tourism establishments in northern Ontario, the rapid rise in gasoline prices has had a very negative impact. The fact that Canadian fuel prices are significantly higher than prices in the US has further eroded our competitive position.

Enhanced border security and perceptions that the Canada-US border is now much more difficult to cross has eroded consumer interest in travelling to Ontario's resource-based tourism areas. The pending US passport requirements, and the confusion around its implementation schedule, has further discouraged travellers.

In addition, a range of health issues over the past several years, including SARS, Mad Cow disease and West Nile Virus have further eroded confidence in travelling to northern Ontario.



Organisational stability

Challenges around funding have led to the collapse of tourism organisations such as the Southern Ontario Tourism Organisation, and severe challenges for provincial organisations such as NOTO and NONTA. Narrow funding criteria have also led many organisations to concentrate their efforts almost exclusively on marketing, since these activities most easily attract funds. This has left many important tasks undone, and led organisations to “chase funds” rather than concentrate on providing the most appropriate services to the industry.

Industry support functions such as education and information exchange would greatly enhance the ability of the resource-based tourism industry to improve the quality of tourism experiences and manage resources more effectively. In this vein, effective partnerships between industry and government are required to stimulate this important area of work.

OPPORTUNITIES

Worldwide tourism growth

Tourism has shown sustained growth throughout the world for a number of years, being ranked as the fastest growing industry in many areas. Unfortunately, Canada's tourism industry has fallen well short of competing jurisdictions, despite our many high quality and unique offerings.

As remoteness diminishes worldwide, value of remoteness increases

As civilization continues to encroach on the remaining remote areas of the world, Ontario's vast wilderness has the potential to increase in value as a tourism destination. Although we have done a reasonable job overall of maintaining a level of environmental quality that appears to satisfy the perceptions of tourists, it is important that we carefully manage the remaining remote areas that drive the industry's highest value experiences.

Climate change – we are cool and green

Climate change is expected to have a net positive effect on resource-based tourism opportunities in Ontario in part by increasing the traditional summer season length (Browne and Hunt, 2007). Also for some fish species such as walleye, increased productivity and therefore opportunity is expected with a warming climate. Despite the net positive effect climate change is expected to have, it is recognised that there could be some change to species abundance and distribution.

Changing public perceptions around environmental issues such as climate change are likely to result in increased interest in wilderness travel experiences. Additionally, unusually hot summer weather in many parts of North America may create enhanced interest in vacation destinations that offer a sense of relief from urban life in the summer.

The resource-based tourism industry has traditionally catered to consumers with a strong connection to the outdoors – both traditional anglers and hunters and emerging ecotourism markets. Environmental and climate concern interest now appears to be driving an increasing mainstream interest in nature and outdoor vacations.

Attracting this emerging market will likely require enhancements to amenities and activities, as well as significant changes to marketing. The trend toward enhanced amenities tied to environmental concern is already underway, as many remote tourism businesses embrace newer technologies such as renewable energy, composting toilets, etc. (NOTO, 2006).

As value goes up, consumption goes down

Many operators in the resource-based tourism industry have known for some time that high quality recreational experiences cannot be maintained unless consumption of resources is carefully managed. Even among very low-consumption guests, fishery quality is seen as a benchmark of overall environmental quality. Even if few or even no fish are consumed, the ability to catch many fish is seen as an indicator of a quality remote vacation experience.

In addition to the use of voluntary management strategies, such as conservation limits and no-fish-out rules, many operators have observed that high quality activities and amenities lead to lower consumption. As one operator observed “if you build nice decks and put propane barbecues on them, guests will cook some steaks and have a drink rather than sit in the boat until nightfall.” It also appears that improvement to amenities and activities leads to recruitment of a category of guest who is not only willing to pay a higher price, but is much less interested in bringing home or even keeping fish.

Investment and Product Development

A variety of factors have limited the development of new products and markets and discouraged investment in upgraded facilities. Anglers in the near Border States have represented a familiar and easy to reach market for many years. Operators indicate that economic conditions in traditional markets over the past several years have made fewer dollars available for reinvestment.

The lack of what was perceived as a stable and predictable resource management arrangement with MNR has been cited as a significant disincentive to investment. The use of Land Use Permits for remote outpost camps is one clear example of this lack of security. Ongoing work with MNR on land tenure and other investment security issues should help remove some of these barriers to investment.



Concerns around road encroachment into remote areas remain. Improvements to the planning approaches around maintaining remote recreation values will be needed to more fully address some of the industry concerns around investment security. Remote operators question the value of investing in their operations if there is no guarantee that new forest access roads will not bring with them unauthorised recreational vehicular access.

All-Terrain Vehicle touring represents a new activity or product for resource-based tourism establishments. To capitalise on this opportunity and not detract from remote tourism values and experiences, proper and effective planning and management will be required.

Industry Support and Education

Because resource-based tourism is an industry that is made up of a large number of small businesses, individual operators often have limited access to specialized knowledge and support.

Industry associations such as NOTO represent an opportunity to provide specialized knowledge and support to the industry. NOTO has undertaken a number of such projects in the recent past, including providing consultant support in the development of Resource Stewardship Agreements and assisting the industry in adopting renewable energy strategies.

An industry association is a logical mechanism for making specialized staff and other resources available to the industry. Unfortunately, current program and project funding models do not provide a mechanism to deliver these services in a stable and ongoing way. Additional partnership opportunities exist with colleges and universities to develop and prototype new outdoor experiences and resource management approaches.

These programs need to be delivered to the entire industry in a sustainable way, and organisations like NOTO, which are primarily funded through voluntary membership, are limited in their ability to deliver industry wide services unless new, sustainable funding arrangements are found.

Employment and value grow with quality

Improvements to product quality and value in the resource-based tourism industry have important implications for northern communities. In addition to the need to drive value rather than volume in order to retain the authentic remote tourism experience, high value experiences also bring the benefit of greater employment.

Tourism is almost unique among modern industries in that it becomes more labour intensive as it upgrades and modernizes. While other industries tend to modernize through automation, new tourism experiences and services almost invariably require additional and often more highly trained staff.

THREATS

Rising travel costs

The abrupt rise in the Canadian dollar, combined with rapidly rising fuel costs, are several of a number of factors which have seriously eroded travel between the near border states and Canada. The research unit of the Ministry of Tourism estimates that for each 1 per cent increase in the Canadian dollar per U.S. dollar, same-day and overnight visits from the U.S. are expected to decrease by 1.4 and 2.7 per cent respectively (J. Ma, MTour, pers. comm.). This has had an impact on many Ontario resource-based tourism businesses, and the greatly reduced profitability of many businesses has further limited their ability to invest in new and enhanced services and amenities.

Although Ontario continues to offer outdoor vacation experiences that are unique and world class, it will require effort and investment to find new markets to replace those that are currently shrinking.

Unfriendly borders

Traveller concerns around border crossings are among the most frequently cited industry issues, particularly in northwestern Ontario. Lengthy delays, rudeness and confusion and uncertainty of admission requirements are frequently cited.

Enhanced customer service training for border crossing personnel, along with improvements to infrastructure and staffing levels to reduce delays are needed. There is also a need to make admissibility requirements available to the travelling public in a concise and understandable format.

Poor government support for tourism

Performance indicators produced by the research unit of Ministry of Tourism indicate that tourism visitation to Ontario is on the decline. Marketing and other supports for the industry, at both the federal and provincial levels, have not kept pace with competing jurisdictions. Although government has offered some support in recent years, it is felt that reinvestment in the industry is low in comparison to the taxes, employment, and quality of life supported by the industry.

Future development

Although many resource-based tourism establishments from roaded through to remote fly-in have already experienced an alteration to the



natural environment supporting their operations, future development and the activity that comes with it may threaten existing business approaches. This may come in the form of forest access road construction, forest harvesting, mineral exploration, and private land cottage development for example.

Without some degree of assurance that a remote operation will remain remote, businesses will be reluctant to re-invest in their operations. Similarly, businesses may lack the incentive to support more costly tenure approaches proposed by government.

In many cases, effective planning and pre-consultation can minimise the impact resource development activity can have on natural resource values important to the resource-based tourism industry. Without the appropriate tools in place, it is the secondary impact of resource development activity that threatens the industry. Access roads are attractive to a segment of the population that is interested in exploring new, over-the-next hill opportunities by way of pick-up truck or all-terrain vehicle. Although there needs to be a place on the Crown land base for this interest, approaches are required that will segregate incompatible uses on the landscape. Guests who have paid a premium for a remote-fly-in vacation may consider not returning if they spent any part of their time hearing ATVs behind forest reserves or seeing ATVs at the shoreline of the lake they were flown into.

Climate change

While climate change may present opportunity for the resource-based tourism industry through an extended summer operating season and increased productivity for some fish species, current literature and expert opinion suggests that it could bring with it threats as well. Lower precipitation rates in the northwest may mean lower lake levels and an increase in extreme events such as wildfire and windstorms (Browne and Hunt, 2007). Also some animal habitat ranges may shift northward as temperatures increase.

Rising operational costs- insurance, fuel, labour

Along with challenges on the market side, the industry has experienced rapidly rising costs in a number of areas. Many remote lodges obtain their power from diesel generators, and aviation fuel is a significant cost item for fly-in operations. Insurance costs have also risen dramatically over the past several years. All of these increases have placed a considerable strain on many businesses.

Competition from other jurisdictions

Readily available information on the internet, along with low cost air travel has made the world a much smaller place. In addition to a host of other factors, aggressive support for tourism by many governments has further eroded our market share. Despite continued worldwide growth in tourism, Canada and Ontario's market shares continue to shrink, and the resource-based tourism industry in Ontario is part of that trend.

Northern Ontario's nature and outdoor tourism product continues to have important competitive advantages for many consumers, particularly in the US. We are seen as safe, familiar, nearby, clean and green. However, movement in to new markets, both geographically and in consumer demographic, will be necessary.

Failure to respond to changing markets

For many years, Ontario's resource-based tourism industry was very successful in selling fishing trips to fishermen. Although we have much more to offer, those accessible, comfortable markets may have made some segments of the industry complacent. Although some businesses have successfully responded to the changes in the marketplace and enjoy success and growth, other operations will be challenged to adjust their business models.



Appendix B

Terms of Reference

Provincial Resource-Based Tourism Working Group Resource-Based Tourism Working Group Terms of Reference (Final - April 4, 2006)

Preamble:

Government has had a long relationship with the resource-based tourism industry across northern and central Ontario. As the Province's lead natural resource conservation agency, the Ministry of Natural Resources has responsibilities to ensure the sustainability of the resource base (e.g., fisheries, wildlife) upon which the industry relies. As manager of Ontario's Crown lands and waters, MNR also has requirements to ensure tourism developments have adequate land use support and that there is a fair monetary return to the Crown through the industry's occupation and use of public lands and waters. The Ministry of Tourism and the Ministry of Northern Development and Mines also have important roles in the marketing and promotion of tourism products and the development of tourism opportunities.

The resource-based tourism industry bases its business decisions on a number of factors, including the availability and health of the fish and wildlife populations that provide recreational opportunities to their clientele, as well as balancing the cost of providing these opportunities against the revenue generated through rental accommodation and the provision of services.

The resource-based tourism industry and government must respond to changing conditions and circumstances that have arisen with the passage of time and changing tourism trends. The increasing competition for limited opportunities from recreationalists and resource industries, an improved understanding of the function of natural systems and ongoing fiscal challenges have resulted in the need to improve communications and working relationships between the Ontario government and the tourism industry.

The resource-based tourism industry is an important contributor to the northern Ontario economy. A fair and consistent regulatory and policy environment will help ensure the health and viability of the industry over the long term.

As a result, a Resource-based Tourism Working Group has been formed as a forum for ongoing discussion and resolution of issues and as an aid to fostering improved communications on items of mutual interest.

1.0 Purpose of the Resource-based Tourism Working Group

The purpose of the RBTWG is to:

- facilitate discussion and resolution of resource-based tourism issues that have province wide application and are currently causing uncertainty for the industry,
- provide mutual understanding and consideration of the needs of the tourism industry in the development and the consistent application of provincial policy to encourage tourism industry growth,
- foster dialogue among the members to avoid misunderstanding and to mutually resolve new issues as they arise,
- share accountability for achieving results/deliverables,
- encourage "partnership" approaches to improve the quality of resource management affecting the resource based tourism industry,
- advance resource based tourism issues and inform discussions at other forums, particularly government policy committees, and
- build a stronger relationship between government and the tourism industry by ensuring good communications amongst all to achieve excellence in resource based tourism in Ontario.

The Working Group will focus its attention on matters of mutual interest that are directly related to land use, resource management, permitting and policy development/implementation activities that are provincial in scope and are directly related to the resource-based tourism industry in northern Ontario.

Some specific topics of immediate interest include:

1. Existing tenure options and procedures, and developing tools and solutions towards a more consistent application.
2. Matters associated with fees, permits and land use conditions for facilities and activities.
3. Fisheries sustainability and the application of sustainability concepts to tourism operations.
4. Fish and wildlife allocation processes for the tourism industry (e.g., moose tags, bear management areas, etc).
5. Means of fostering improved communication of government policies and programs with individual tourist operators, tourism organisations and groups.
6. Discussion on government tourism and natural resource policy development and implementation including policy transfer.
7. Recommend shared accountability frameworks related to policy implementation to promote transparency, focus on results and ensure compliance.
8. Challenges faced by the resource based tourism industry including the "managing for remoteness" issue and the changing nature of the



business including best practices.

9. Develop a shared vision for resource based tourism in the future and identify the policy requirements/needs to achieve same.

The Working Group will also provide direction to and review the work of any task teams established at a Regional level to ensure consistency with provincial policies and objectives. Additional topics of mutual interest may be considered by the Working Group at any time, with the agreement of members.

2.0 Membership

The Resource-based Tourism Working Group (RBTWG) is a provincial level committee that will focus on issues of mutual interest between the resource-based tourism industry and ministries of the Ontario government who are involved in tourism. The geographic area of interest is largely in northern Ontario – which includes the MNR's Northwest and Northeast administrative regions.

The following will form the core of the RBTWG:

- Ministry of Natural Resources
 - Field Services Division – Iain Mettam
 - Fish and Wildlife Branch – Deb Stetson
 - Land Management Section - Eric Boysen
Neil Hayward (Secretary)
- Ministry of Tourism
 - Resource-Based Tourism Unit - Gerry Webber
- Ministry of Northern Development and Mines
 - Regional Economic Development Branch - Frank Bastone
- Northern Ontario Tourist Outfitters Association
 - Doug Reynolds, Executive Director
 - o 3 other representatives - Brad Greaves, Hugh Carlson, Marg Watson
- Northern Ontario Native Tourism Association
 - 1 representative - Bill Rogoza, Executive Director

3.0 Roles and Responsibilities

3.1 Chairperson

The Resource-based Tourism Working Group will be co-chaired by MNR - Natural Resource Management Division (Eric Boysen) and NOTO (Doug Reynolds).

The Co-Chairs will:

- Preside over the meetings.
- Ensure effective and efficient functioning of the Working Group.
- With the advice of committee members, set meeting agendas and locations of meetings.
- Ensure recommendations from the Working Group are communicated to the appropriate government staff for consideration and implementation.
- Provide advice on policy level implications of points discussed.
- Liaise with the ADM's committee, and report back to the Working Group on how their advice and recommendations have been addressed.
- Determine when the participation of other experts or policy advisors (i.e. Land Use Co-ordination Section, MNR) is required at RBTWG meetings.

3.2 Role of Members

Members of the RBTWG will:

- Work with other members and the Co-chairs to carry out the tasks necessary to implement these Terms of Reference.
- Bring information and ideas to the committee to stimulate and facilitate discussion.
- Communicate with their parent organisations and Ministries regarding matters being considered by the Working Group and to solicit topics for discussion.

4.0 Duration of the Resource-based Tourism Working Group

The RBTWG is intended to be a temporary advisory group that will be established initially for a period of up to one year from its formation. At the end of this period, the Working Group will provide advice to the co-chairs regarding whether to continue in its existing form, to replace the Working Group with another advisory body or to disband. The co-chairs will discuss same with the ADMs Committee.



The RBTWG is expected to bring forward specific recommendations for improvements in Provincial policy related to topics 1 to 4 noted in Section 1 within 6 months of formation.

5.0 Operating Procedures

The RBTWG is expected to meet face-to-face a number of times over the course of its tenure, at a location convenient to all members. Between such meetings, members may communicate by teleconference or hold discussions among a sub-set of the membership on specific topics for reporting back to the full group. The Co-chairs will solicit discussion items from the membership prior to establishing meeting agendas.

Face-to-face meetings will normally be limited to one or two days in duration (avoiding Mondays and Fridays), and will be scheduled to facilitate travel and reduce expenses.

Meetings of the Working Group are not open to the public. Interim recommendations arising from the work of the RBTWG may be communicated to staff of member Ministries and organisations, as a means of obtaining feedback on courses of action.

An Assistant Deputy Minister's Committee (representing MNR, MTR and MNDM) will be used as an avenue to seek cross-ministry endorsement of the RBTWG recommendations where required.

Minutes of all meetings will be shared directly to the Deputies of MNR, MTR and MNDM.

Any provincial-level policy recommendations proposed by the RBTWG will normally require consultation with other affected and interested parties as well as the public through the policy development process, before having any effect.

6.0 Record Keeping and Communications

Meeting minutes will be kept, and will reflect the essence of discussions, alternative points of view and agreed upon actions and recommendations. Minutes will be shared with members of the working group for review and comment prior to being distributed more broadly within member Ministries and organisations. Administrative support for record keeping will be provided by MNR.

There is an expectation of regular progress reports to industry and timely communications particularly with respect to substantive matters under discussion. However, there may be the need at times for confidentiality given the nature of information being shared or status of discussions respecting substantial policy issues. Confidentiality decisions will be made at the end of each meeting.



Appendix C

Terms of Reference

Valuation Review Process for Commercial Outpost Camps on Crown Land

Terms of Reference for the Request for Quotation for the Consulting Study to Provide Recommendations on Proposed Value Adjustments for Commercial Outpost Camps located on Crown land

Project Scope

The Ministry of Natural Resources ("MNR" or "the Crown") is issuing this Request for Quotation to invite various proposals for the selection of a Consultant to provide the MNR with recommendations on the appropriate value which forms the basis on the annual rent will be paid to the Crown for the occupation of Crown land for the purposes of a Commercial Outpost Camp.

The study is to involve commercial outpost camp sites only and does not include private recreation camps (i.e. remote cottages) restricted land use permits (i.e. "mini-LUPs" or tent sites.) nor main base lodges on Crown land.

Purpose of the Assignment

The purpose of the assignment is provide an update to the information contained within the Benchmark Appraisal Reports for Private Recreation Campsites (see Background) to reflect current market values and the differing values created by the factors listed below.

It is anticipated that the consultant will review the following factors (but not limited to), and provide a recommendation of the impact on values.

- Time – trends in the values water front lands in northern Ontario since previous reports where completed in 1998 and 2003 (see Background). The focus is on the 2003 reports.
- Use - Impact on the 2003 values of commercial use being permitted versus recreational uses typical of other rural and remote Crown land occupations (i.e. private recreation camps)
- Remoteness and isolation - Impact on the 2003 values of remote nature of commercial outpost camps. It is generally accepted that the angling quality is largely affected by the angling pressure on the lake or river , which is turn is largely affected by the accessibility of the water body.
- This should be further explained on differences in value when the remoteness is created by its geographic location (i.e far north) or through measures taken as a result of resource management activities (or creation of provincial parks, conservation reserves).
- Regional Influence - Differences in values based on the regions across northern Ontario where the macro-economics affecting that region affect the land values for that use.

Background

There are currently approx. 1600 commercial outpost camps authorized by the MNR across the province authorized by Land Use Permit or Crown lease, with 964 located in the Northwest region of the MNR, 607 in the Northeast region and approx. 37 in central Ontario. Currently the rental rate for these sites is established through an administrative schedule. As MNR policy is to base rent for Crown land on the market value of the site, discussions are occurring between the MNR and its industry organization, Nature and Outdoor Tourism Organization (NOTO), on the process to establish a rent for commercial outpost camps locations based on market value.

In 1998, benchmark appraisal reports were completed for the purpose of estimating the market value of private recreation sites across central and northern Ontario. Separate reports were created for north-western, north-eastern, and central Ontario. The benchmark reports established values that were used to set the purchase price or the annual rent for the private recreation sites on Crown land across Ontario. The reports considered attributes such as:

- Water frontage or inland site
- Type and quality of access
- Quality of water body
- Geographic location (economic influences)

Updated benchmark appraisal reports for the private recreation sites were obtained by MNR in 2003. A summary table of these values by category is provided in the addenda to this terms of reference.



The Assignment

At a minimum, the consultant is expected to:

- Gain an understanding of and describe the general state of the resource based tourism industry, its current challenges and future outlook
- Describe the main factors that influence the value of an outpost camp site versus those of the private recreation site.
- Gain an understanding of and explain the impacts of governmental land use planning processes, such as resource management plans, parks and conservation reserves.
- Through market evidence and/or supporting information provide an indication of the percentage time adjustment to be applied to the vacant land values contained in the 2003 report (s) as if vacant.
- Through market evidence and other supporting information, establish and quantify the attributes that affect the value of these locations. At minimum, the report would be expected to address those factors detailed in Section 2.0
- Present the report in a format that that would enable MNR field staff and members of the resource based tourism industry to understand the results and apply values to individual sites or site categories based on the information within the report.

“As if vacant” is defined as the existing parcel(s) of land in its current state, but void of structures and infrastructure located **on** the subject land(s). The appraisal report is to recognize any land use controls currently in place by public authorities as well as access and services provided **to or nearby the site**.

Information Available:

1. Local MNR offices will be able to provide resource management plans, parks and conservation reserves and general information of resource stewardship agreements. It is strongly recommended that, as a minimum, the Consultant interview the following:

MNR staff

Gary Davies, Regional Lands Specialist, Thunder Bay, (807) 475-1594,
Email: gary.davies@mnr.gov.on.ca

Bob David, District Manager, Sioux Lookout, (807) 737-5026
Email: bob.david@mnr.gov.on.ca

Graeme Swanwick, District Manager, Red Lake, (807) 727-1333
Email: graeme.swanick@mnr.gov.on.ca

Connie Buck, Regional Lands Specialist, Timmins (705) 235-1176
Email: connie.buck@mnr.gov.on.ca

Terry Taylor, District Manager, Wawa District, (705) 856-2396 x221
Email: terry.taylor@mnr.gov.on.ca

NOTO Representative

Doug Reynolds, Executive Director, NOTO, (705) 472-5552 x23
Email: doug@noto.net

2. Spatial data - A provincial map is included illustrating the geographic distribution of Outpost camps across the province. More detailed maps illustrating road networks and water systems may be available to the selected consultant upon request.
3. Previous Benchmark Appraisal Reports

1998

Appraisal Analysis MNR Multiple Site Evaluation
Limited-Restricted Appraisal Northwestern Ontario
Effective Date: August 15, 1998
Appraisal Firm: Mikelin Corporation Real Estate Appraisals

2001

Appraisal Report To Establish Benchmark Values of
Commercial Outpost Camps
Northwestern Ontario
Northeastern Ontario and
Southern Ontario
Effective date: July 1, 2001
Appraisal Firm: Powell Appraisals Inc.



2003

Appraisal Report on Recreation Camp Site Values

Southern Region

Effective Date: July 1, 2003

Appraisal Firm: Kleinmaker & Bruce Realty Ltd

Update Report: Benchmark Appraisals

Originally Prepared: December 1998

RE: Private Recreational Site In Ministry of Natural Resource

Northeast Region

Effective Date: July 1, 2003

Appraisal Firm: Appraisals North Realty Inc.

Northwestern Ontario MNR Recreational Land Value Update

Narrative Appraisal Report – Limited Scope Analysis

Effective Date: July 1, 2003

Appraisal Firm: GN Butt Appraisals & Realty Services Ltd.



Appendix D

Resource-Based Tourism Industry Licensing Approaches in Other Jurisdictions

Jurisdiction: Quebec
Contact: Dominic Dugre
Organisation: Quebec Outfitters Federation

Licence Requirements

According to the Wildlife Act, An Act Respecting the Conservation and Development of Wildlife, no person may carry on an outfitting operation unless they hold a licence issued for such a purpose.

Outfitting Operation Defined

In the Act an outfitting operation means an undertaking which, in return for payment, provides lodging and services or equipment for the practice of hunting, fishing or trapping activities for recreational purposes.

In order for an operation to be licensed in Quebec, the operation must hold an evaluation attestation for the class and category of the lodging units of the outfitting operation. The standards were developed by industry and include a star rating for the quality of buildings and a diamond rating for amenities (e.g. cold/hot water, indoor bathroom, shower, etc.). The Quebec Outfitters Federation in association with the Quebec Ministry of Natural Resources and Wildlife have been rating all outfitting accommodation units in the province in this manner for a little over 10 years.

Of Particular Interest

In 2000, the Quebec Outfitters Federation asked government to place a moratorium on the issuance of new outfitting licences. This was requested in order to deal with operations acting illegally and the legal definition of outfitting in the Wildlife Act. Just now the Federation is asking government to relax the moratorium for certain projects.

Legislation

An Act Respecting the Conservation and Development of Wildlife

Licence Fees

Licence fees are due annually and cost \$246 for residents and \$990 for non-residents.

For more than 10 years the Quebec Outfitters Federation has been responsible for the administration and collection of outfitting operation licences. The federation receives compensation from government for this work.

Although the federation is responsible for licence administration, the granting of licences resides with the Ministry of Natural Resources and Wildlife.

Relavant Government Departments or Ministries

Ministry of Natural Resources and Wildlife
Ministry of Tourism (primarily with respect to marketing related initiatives)

Additional Notes:

There is no licensing requirement for guides working in the outfitting industry.

There are approximately 675 licensed outfitting operations in Quebec. 200 of these operations are outfitters with exclusive rights (PADE). Only PADE outfitters' clients may hunt, fish or trap in the zone designated by the agreement between the outfitter and the ministry.

To hunt deer and moose non-residents are not required to be registered with a licensed outfitter.

It is not mandatory for outfitters to belong to the Quebec Outfitters Federation. The association has approximately 375 members and membership fees are based on the size of the operation ranging between \$300 and \$1000 annually.

In early 2000, Tourism Quebec worked with every sector of tourism to develop certification standards. It cost one outfitter in Quebec approximately \$65000 to become accredited to the established standard. No other outfitter has sought the accreditation.

Jurisdiction: Saskatchewan
Contact: Phil Haughian
A/Outfitting Coordinator
Organisation: Fish and Wildlife Branch
Saskatchewan Environment



Licence Requirements

According to The Outfitter and Guide Regulations of The Natural Resources Act, no person shall act as an outfitter or advertise or promote his or her availability to act as an outfitter in Saskatchewan without an outfitter's licence.

Outfitter Defined

An outfitter is defined in the regulations as a person who, for or in expectation of any fee, financial gain or reward, provides or organizes the following services for clients in connection with angling and hunting:

- i. The services of a guide;
- ii. Equipment and accommodation;
- iii. Any combination of the services mentioned in (i) and (ii).

There are approximately 660 licensed outfitters in Saskatchewan.

Legislation

The Outfitter and Guide Regulations of The Natural Resources Act

Licence Fees

There is an administration fee of \$300 for a first-time licence.

Licence fees including one endorsement (the angling or hunting activity that is authorised) are \$200 and due annually. The fee for additional endorsements is \$100.

A fee of \$50 also applies to each outcamp or day-use lake used by a licensed outfitter.

The Fish & Wildlife Branch of Saskatchewan Environment is responsible for administering outfitter licences. The Saskatchewan Outfitters Association has expressed interest in assuming responsibility for licensing and is just now investigating voluntary certification approaches which may involve the association playing some role in licensing.

Relevant Government Departments or Ministries

Saskatchewan Environment

Additional Notes:

No person shall act as a guide unless he or she is the holder of an outfitter's licence or employed or retained as a guide by the holder of an outfitter's licence.

The only big game that non-residents can hunt in Saskatchewan are deer, moose, and bear. To hunt these big game non-residents must be registered with a licensed outfitter.

It is not mandatory for outfitters to belong to the Saskatchewan Outfitters Association. The association has approximately 200 members. Members must be licensed outfitters and adhere to an industry Code of Ethics.

In 2004, Saskatchewan Environment and the Saskatchewan Outfitters Association signed a Memorandum of Understanding to enable government and industry to meet each year and develop a work plan to address priority issues for the industry.

Since 2004, Saskatchewan Environment has been working toward a province wide approach to tourism in order to address regional inconsistencies that resulted from the industry developing regionally in the late 1960s.

The Saskatchewan Outfitters Association is currently investigating certification approaches in order to improve the client experience. The association is looking to include Prior Learning Assessment and Recognition in whatever approach is developed. This process would acknowledge the skills and abilities of operators working in the industry.

Jurisdiction: Manitoba

Contact: Shari Gascoigne

Licensing Advisory Committee Coordinator

Organisation: Manitoba Conservation

Licence Requirements

The Resource Tourism Operators Act, governing outfitter services (including eco-tourism) and facilities requires individuals to obtain a licence before acting as an outfitter or advertising that they are an outfitter. Under the Act, a permit is required before operating an accommodation facility or related facility associated with the business.

Outfitter Defined

An outfitter is defined in the Act as a person who, for gain, remuneration or reward or the hope or expectation of gain, remuneration or reward, provides two or more outfitting services to others in connection with hunting, fishing or eco-tourism activities.



Outfitting service means the provision of:

- supplies or equipment for use in connection with hunting, fishing or eco-tourism activities
- the services of a guide, or
- accommodation facilities

The Licensing Advisory Committee or LAC makes recommendations to the Administrator of Resource Tourism on the licensing of outfitters and their services, and the permitting of their associated facilities. Licences and/or permits can only be obtained once the Administrator of Resource Tourism has approved an application.

The LAC comprises representatives from the following provincial government departments: Manitoba Conservation, Manitoba Culture, Heritage and Tourism, Manitoba Aboriginal and Northern Affairs and Manitoba Water Stewardship.

The LAC reviews applications to establish, expand or alter services and/or facilities, to renew, to permit transfer of operating authority and such other matters as are referred to the Committee by the Administrator of Resource Tourism.

There are approximately 580 licensed outfitters in Manitoba.

Of Particular Interest

Ecotourism outfitting businesses which depend on the utilization of natural resources (such as rafting and canoeing, wildlife viewing, boat tours, hiking or horseback riding) are required to obtain a Licence to provide the outfitting service, as is any other business which would involve direct or indirect use of a natural resource in serving tourists.

Note: A person does not require a license if the only outfitting services that he or she provides are in connection with ecotourism activities and take place entirely on private land.

Legislation

The Resource Tourism Operators Act

Licence Fees

There is a \$100.00 non-refundable fee for applications to obtain an outfitter's licence.

In addition to a number of other application fees for a variety of purposes (e.g. establish lodge, establish outcamp, modify lodge, transfer operating authority, etc.) there are several annual licence and permit fees. They include:

Outfitter Licence.....	\$100.00
Lodge Permit	\$200.00
Outcamp Permit	\$100.00
Portable Camp Permit.....	\$100.00
Related Facility Permit	\$25.00
Campground Permit.....	\$100.00

Manitoba Conservation is responsible for administering outfitter licences. Over the next couple of years the Manitoba Lodges & Outfitters Association anticipates there will be some discussion regarding off loading of certain government functions related to the industry. This could mean that the association assume administrative responsibility for such things as licensing of outfitters and guides.

Relavant Government Departments or Ministries

Manitoba Conservation

Manitoba Water Stewardship

Travel Manitoba (mainly responsible for promotion of industry) which is a Crown corporation reporting to Minister of Manitoba Culture, Heritage and Tourism

Additional Notes:

According to Wildlife Branch procedure, only a resident of Manitoba who is a licensed tourism operator and a licence vendor may receive an allocation of non-resident big game licences. If the capital assets of the business (lodge or outfitter) exceed \$350,000 the resident of Manitoba requirement does not apply.

Non-resident hunting licences for big-game (including deer) are sold only through licensed outfitters. Non-resident hunters must be accompanied by a licensed guide.

Licensed operators shall not employ as a hunting guide any person not licensed as a guide under The Wildlife Act.

It is not mandatory for outfitters to belong to the Manitoba Lodges & Outfitters Association. The association has approximately 175 members.



Jurisdiction: Newfoundland & Labrador
Contact: Dan Chaisson, Manager Outdoor Product Development
Organisation: Department of Tourism, Culture and Recreation

Licence Requirements

The Tourist Establishment Act and Tourist Establishment Regulations govern the licensing of tourist establishments. Somewhat different from other jurisdictions it is the establishment requiring a licence and not the outfitter.

Tourist Establishment Defined

In the Act a “tourist establishment” is defined to include a cabin, cottage, hotel, motel, motor hotel, inn, tourist home, tourist information centre, hospitality home, tour company, and trailer establishment and a camp, cabin, tent camp or other premises erected or used for the purpose of catering to hunters and sport fishers and a boat on which food and overnight accommodation is provided for hunters, sport fishers or travel parties.

There are approximately 260 licensed tourist establishments in Newfoundland.

Tourist establishments are required by regulation to attain and continue to hold the minimum one star rating according to the criteria of the Canada Select Program. Despite this requirement the rating program is not applied to the outfitting industry and is related to inadequate rating criteria for fish and hunt operations and the costs associated with traveling to remote camps to conduct inspections.

Of Particular Interest

The Way Forward, a recent report commissioned by the Newfoundland Lodge & Outfitters Association (NLOA) and Department of Tourism, Culture and Recreation is recommending that new licensing criteria be developed for the outfitting industry. The report suggests that a licensing fee be developed and licensing authority and responsibility be transferred to NLOA. The report also suggests that in time NLOA take on greater responsibility for allocations.

The licensing program envisioned in the report includes: a rating system listing amenities, mandatory liability insurance, recording of trophy scores, service levels, adherence to a code of ethics and adherence to all federal and provincial regulations, including those of the Tourist Establishment Act.

Legislation

Tourist Establishment Act

Licence Fees

There is no charge for a Tourism Establishment Licence.

The Department of Tourism, Culture and Recreation is responsible for administering tourism establishment licences.

Relavant Government Departments or Ministries

Department of Tourism, Culture and Recreation
Department of Environment and Conservation

Additional Notes:

The Way Forward identified there is at present, conflict, suspicion, and a lack of trust between stakeholders. A public awareness campaign has been recommended to help improve the image of the outfitting industry in the province.

Moose allocations are granted to outfitters for a five-year period and reviewed every two years.

Jurisdiction: Idaho, USA
Contact: Grant Simonds, Executive Director
Organisation: Idaho Outfitters and Guides Association

Licence Requirements

To operate legally in Idaho outfitters must be licensed by the state Outfitters and Guide Licensing Board.

The Outfitters and Guides Act (Idaho Code, Title 36, Chapter 21) is the Idaho Statute governing the outfitting industry in the state.

Outfitter Defined

An outfitter is defined in the statute as any person who (1) advertises or otherwise holds himself out to the public for hire; (2) provides facilities and services for consideration; and (3) maintains, leases, or otherwise uses equipment or accommodations for compensation for the conduct of outdoor recreational activities.

A guide is an outfitter's employee. Guides must be licensed with the state board, train with licensed outfitters and be certified in first-aid.

The Idaho Outfitters and Guides Licensing Board, regulates the outfitting and guiding industry in Idaho. The board is responsible for setting



guide and outfitter qualifications, issuing, suspending, revoking or restricting licenses, investigating and enforcing the provisions of the outfitting act and the duties of the board, reporting on tag activity, and making tag allocation decisions. This board was created in 1961 and is recognized throughout western states as one of the most comprehensive licensing programs in existence. The board has five members: three outfitters, one Idaho Fish and Game representative and one member of the public at-large. The Board is funded solely from fees generated from the sale of outfitter and guide licenses. There are approximately 425 licensed outfitters in Idaho.

Legislation

Outfitters and Guides Act (Idaho Code, Title 36, Chapter 21)

Licence Fees

There is a \$400.00 1st time application fee for outfitters and a \$400.00 annual license fee.

Relevant Government Departments or Ministries

Idaho Fish & Game

Additional Notes:

The Idaho Outfitters and Guides Association represents approximately 200 of 425 licensed outfitters in the state.

It is not mandatory for outfitters to belong to the Idaho Outfitters and Guides Association.



Appendix E

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