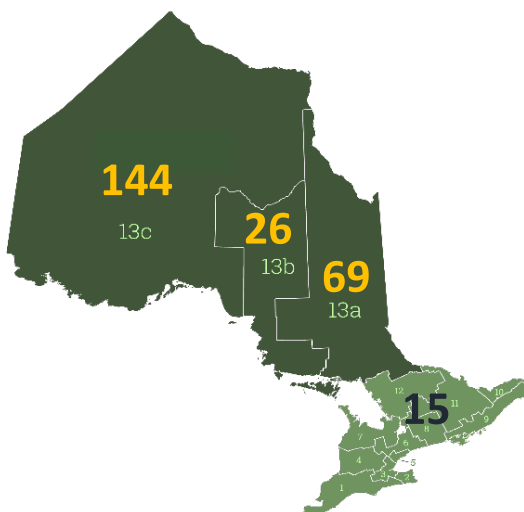


Impacts of COVID-19 on Resource-Based Tourism as of August 2020

Where participants are located:



254 Survey Participants



44%

Businesses are open with restrictions (reduced staff/capacity/services).

27%

Businesses remain temporarily closed.

24%

Businesses are open.

5%

Businesses have closed permanently.

18%

Businesses feel they will not remain economically viable through to 2021.

54%

Businesses are neutral or unsure if they will remain economically viable through to 2021.



79%

On average, businesses have reported losing 79% of their annual revenue as a result of COVID-19.



Use of Federal Support Programs:

CEBA
CERB
CEWS
BCAP

70% businesses applied (**3%** of applications denied),
13% businesses were ineligible & **17%** did not apply.
41% businesses applied (**4%** of applications denied),
28% businesses were ineligible & **31%** did not apply.
40% businesses applied (**3%** of applications denied),
33% businesses were ineligible & **27%** did not apply.
11% businesses applied (**2%** of applications denied),
20% businesses were ineligible & **68%** did not apply.



Other steps operators have taken in 2020:

- 76% have **postponed guests' trips** to a later year.
- 66% have **canceled all their US guests' bookings**.
- 66% **canceled capital expenditures** (renovations, expansions, equipment purchases etc.).
- 61% have used **personal savings**.
- 50% have **refunded booked guests**.
- 47% have **postponed guests' trips** to later in 2020.
- 19% have **accommodated essential workers**.
- 15% have **canceled all 2020 bookings**.
- 12% have used **home equity**.

Risks resource-based tourism operators are facing:

- 75% reported a **significant loss of cash flow**.
- 39% have **laid off employees**.
- 34% risk **closing or have closed temporarily**.
- 29% face **insurmountable debt**.
- 22% are **unable to pay commercial rent/mortgage**.
- 14% are **unable to pay utilities**.
- 7% risk **closing permanently**.
- 7% are **forced to sell their business**.
- 7% risk **filing for bankruptcy**.

Other risks include:

- Increased demand, hours and expenses, with reduced staff.
- Unable to pay insurance & the increase in premiums.
- Unable to pay property taxes, crown resource fees, federal loans, credit card debt, etc.
- No money from deposits to survive winter and open in 2021.
- Loss of regular US clients due to loss of consumer confidence that Canada is a welcoming place to visit.
- Risk of guests getting COVID and repercussions.



Attracting Domestic Travellers

- 54%** businesses have not been successful in marketing to domestic travellers.
- 34%** businesses report being able to successfully market to domestic travellers.
- 13%** businesses have not tried to market to domestic travellers due to various reasons (loss of revenue, closures, etc).



In terms of marketing strategies:

- 71% businesses have marketed on **social media**.
- 27% businesses have worked with **Destination Marketing Organizations (DMOs)**.
- 19% businesses have **partnered with other local businesses**.
- 9% businesses have **newspaper ads**.
- 7% businesses have conducted **contests and giveaways**.
- 4% businesses have **radio ads**.
- 2% businesses have **TV ads**.



Other strategies included:

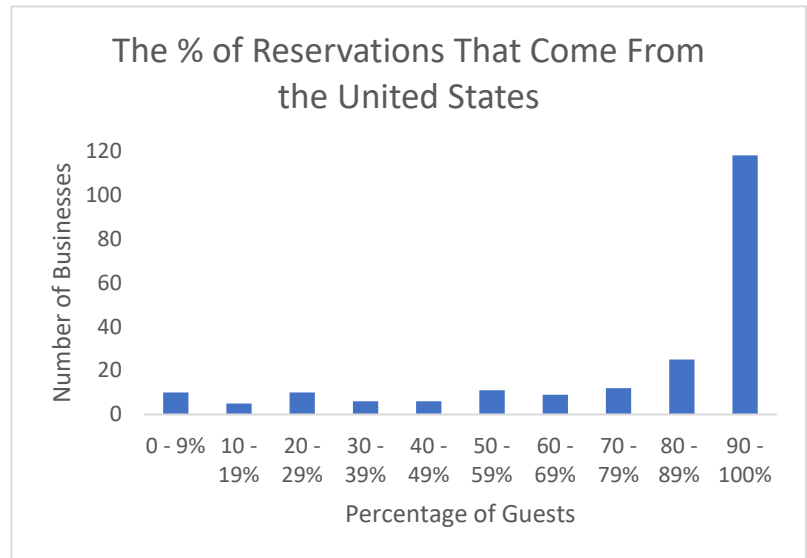
- Listing their business on AirBnB.
- Relying on word of mouth from other guests.
- Advertising through their local chamber of commerce and local bulletin boards.
- Investing in Google and website ads.
- Advertisements through magazines.
- Participating in tradeshow.
- E-mailing previous Canadian guests and encourage them to come back.

The Impacts of the Border Closure

56% of businesses, predominantly from the Northwest, rely entirely on US guests to fill vacancies.

16% of businesses reported having less than 50% of their guests come from the US.

61% of participants are for a gradual reopening of the Canada-US border with a well communicated plan in place to help stop the spread of COVID-19 (i.e. mandatory testing, temperature checks, certificate of health, etc.).



***\$ 102,278,516 +**

has been lost by the resource-based tourism industry as a result of the Canada-US border closure, with operators losing on average \$499,000, and \$8.5 million being the largest loss reported by a single operator.

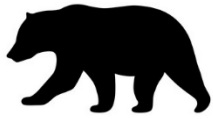
* This number only includes losses reported by the 254 participants of the survey. There are over 1300 resource-based tourism businesses in Ontario therefore the actual losses are significantly higher.

Other comments received surrounding the border include:

- We need the border to open in 2021 to avoid permanently losing US guests/risk permanent business closure.
- Businesses and tourists need time to prepare for the border opening. Government needs to make exact requirements (tests, documents, etc.) and information clear and available prior to border reopening. We need more than a few days notice.
- Health certificates may not be easy to get right before crossing the border. If done too early, the individual may have COVID when coming across. We need a test that can give instant results at the border.
- If testing, temperature screening, quarantine requirements etc. are all enforced, it may still limit travel. Many people may choose not to go through all that trouble to cross the border. If they are turned away, it will cause more damage than good and prevent people from travelling to Canada in the future.
- It's not worth opening the border in 2020 and risk another full shutdown. Keep it closed and have a proper plan for the border to open by 2021.
- Health and safety of Canadians is paramount. Keep the border closed and wait for a vaccine and/or COVID to be under control in the US.

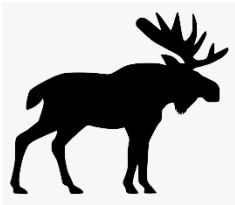


Hunting Losses



1267

Hunters have **cancelled** their fall bear hunt reservations with an average of 11 hunter per outfitter, and 101 hunters being the highest number of cancellations reported by a single outfitter.



492

Hunters have **cancelled** their fall moose hunt reservations with an average of 4 hunters per outfitter, and 91 hunters being the highest number of cancellations reported by a single outfitter.

***\$2,712,320 +**

has been **lost** by the resource-based tourism industry as a result of fall bear hunt cancellations, with operators losing on average \$34,900, and \$165,000 being the largest loss reported by a single operator.

***\$1,804,878 +**

has been **lost** by the resource-based tourism industry as a result of fall moose hunt cancellations, with operators losing on average \$23,440, and \$220,000 being the largest loss reported by a single operator.

***\$6,571,585 +**

in **hunting revenue has been lost** by the resource-based tourism industry as a result of the loss/cancellations of 2020 hunts, with operators losing on average \$54,300, and \$500,000 being the largest loss reported by a single operator.

* These numbers only include losses reported by the 139 participants of the survey that offer hunting services to non-resident hunters. There are approximately 460 resource-based tourism businesses in Ontario who offer bear and moose hunting to non-resident hunters therefore the actual losses are significantly higher than reported.

Regional Overview:

* These numbers only include losses reported by the 254 participants of the survey. There are over 1300 resource-based tourism businesses in Ontario. The true losses are significantly higher than reported.

| | Northwest | North Central | Northeast | South |
|---|---|--|--|---|
| <i>Number of Participants</i> | 144 | 26 | 69 | 15 |
| <i>Average % of Annual Revenue Lost in 2020</i> | 91% <i>with 51 operators reporting a 100% loss.</i> | 72% <i>with 2 operators reporting a 100% loss.</i> | 63% <i>with 9 operators reporting a 100% loss.</i> | 38% <i>with 0 operators reporting a 100% loss.</i> |
| <i>Revenue Lost as a Result of the Canada-US Border Closure</i> | \$84,585,813 <i>with an average loss of \$687,690 per operator.</i> | \$9,187,522 <i>with an average loss of \$540,442 per operator.</i> | \$7,680,181 <i>with an average loss of \$137,146 per operator.</i> | \$825,000 <i>with an average loss of \$103,125 per operator.</i> |
| <i>Value of Fall Bear Hunt Cancellations</i> | \$1,682,075 <i>with an average loss of \$35,788 per operator.</i> | \$250,649 <i>with an average loss of \$25,064 per operator.</i> | \$779,703 <i>with an average loss of \$33,900 per operator.</i> | \$0 <i>No bear outfitters reported.</i> |
| <i>Value of Fall Moose Hunt Cancellations</i> | \$1,519,283 <i>with an average loss of \$35,332 per operator.</i> | \$82,831 <i>with an average loss of \$10,278 per operator.</i> | \$209,500 <i>with an average loss of \$20,950 per operator.</i> | \$0 <i>No moose outfitters reported.</i> |
| <i>Value of ALL 2020 Hunt Cancellations</i> <i>*deer, small game losses included</i> | \$4,675,081 <i>with an average loss of \$64,931 per operator.</i> | \$369,696 <i>with an average loss of \$30,808 per operator.</i> | \$1,546,888 <i>with an average loss of \$57,292 per operator.</i> | \$20,000 <i>Only one outfitter reported small game/deer losses.</i> |

Regional Overview:

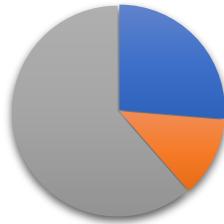
Do businesses feel they will remain economically viable through to 2021:

Blue represents yes, orange represents no, and grey represents unsure.

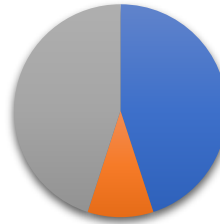
Northwest



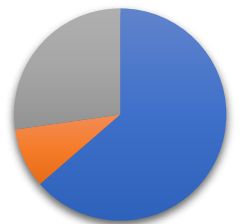
Northeast



North Central



South



Have businesses been able to access the domestic market:

Northwest

- 17% of participants said yes.
- 73% of participants said no.
- 10% of participants haven't tried.

North Central

- 35% of participants said yes.
- 40% of participants said no.
- 25% of participants haven't tried.

Northeast

- 61% of participants said yes.
- 25% of participants said no.
- 14% of participants haven't tried.

South

- 81% of participants said yes.
- 9% of participants said no.
- 10% of participants haven't tried.



Potential Initiatives to Help Mitigate Losses

To Mitigate Hunting Losses:

- **Stop reductions to allocations** (both moose and bear) over the course of 5 years. *(62% of operators are for this initiative).*
- Allow operators to **use non-used 2020 allocations** in addition to annual allocations over the course of the next 3 to 5 years. *(59% of operators are for this initiative).*
- Allow **flexibility to use Form 33s for resident bear hunters in 2020** if non-resident hunters are unable to enter Canada. *(19% of operators are for this initiative).*
- Fast track the **mini-LUP application** process to use moose tag allocations for resident hunters. *(16% of operators are for this initiative).*

Other comments received included:

- Waive crown resource fees and licence fees in 2021 as well.
- Increase outfitter moose/bear allocations and stop cuts.
- Make vacant/unallocated BMAs available to operators to increase their land and allocations.
- Stop the reduction of bear tags during BMA transfers.
- Extend the 2021 hunting seasons by a week.
- Eliminate red-tape and paperwork overload at MNRF to allow for quicker application processing times.
- If any of the changes/recommendations are implemented for 2020, operators need advance notice for them to prepare.
- A few operators are against the idea of using form 33s for resident hunters in 2020.



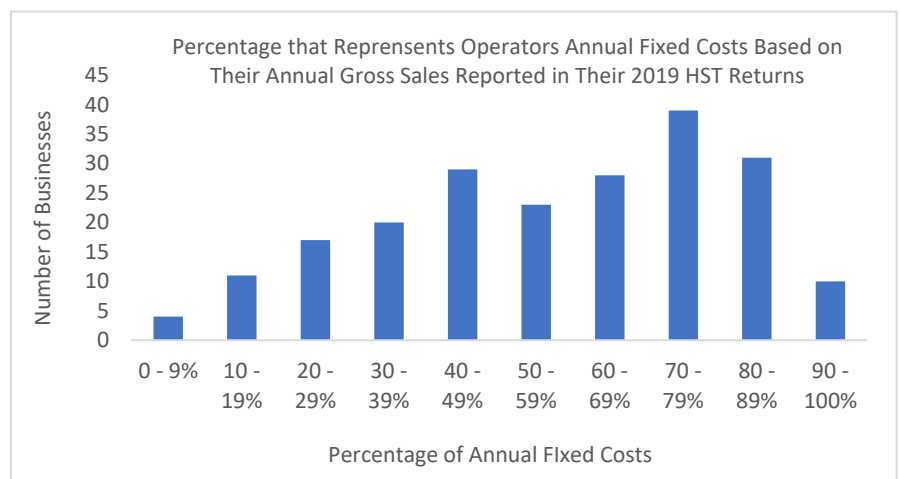
Providing financial assistance without increasing debt:

The resource-based tourism industry in Ontario needs immediate non-repayable financial support before it is too late. Based on the data shared through the survey and additional thorough consultation with these small and medium-sized businesses, support based on a percentage of the gross sales reported on a businesses 2019 and or 2018 HST reports will help these businesses improve their liquidity and cashflow and enable them to survive until the 2021 season. Considering the data collected through this survey the percentage range should be between 40% and 70%. This will help operators cover their annual fixed costs (ie. mortgage, land or property taxes, crown resource fees, utilities, fuel costs for power generation, insurance, loan payments, equipment leases, phone and internet, bank charges and interest, etc.)

NOTO recommends support be provided in the form of an HST refund calculated at

40% to 70%

of 2019 gross sales reported on their 2019 HST returns.



Comments from the Industry

We need access to forgivable loans or grants to keep our business open. We need more than just marketing dollars from both the Provincial and Federal Government.

We need the Canada-US border to open by 2021. We have lost regular US guests as a result of the closure. Our business depends on US guests for survival.

If we can't open by May 2021, we risk closing our business permanently.

We need to pressure insurance companies to stop the increase in premiums, changes/losses of various policies, not paying loss of access coverage, etc.

We can't access the domestic market as we are located more than 6 hours from the GTA. Northern Ontario doesn't have enough population to draw from.

Our property taxes increased this year. With no income we have no idea how we will pay this bill.

Need more specific marketing about the Northwest for residents to consider our product.

Extend CEWS into 2021.

Change requirements to CEWS to allow operators who don't have revenue from November to April but who keep on staff to allow their wages to remain covered without needing to show a drop in revenue during these months.

Make all Federal Support programs available in 2021.

We feel the needs of tourism has been ignored by Government.

There needs to be somewhere you can call to get correct information, assistance, recommendations or clarification on federal program requirements and emergency regulations.

We experienced prejudice. When guests find out we are American owners, they want nothing to do with us.

Government funding should be based on 2019 revenue that has been filed with CRA through HST or tax returns – something that is on file and can't be amended. Between 40-50% HST return would help.

Residents expect great discounts on trips. It's almost not worth opening.

Let American camp owners come across the border without getting a work permit to allow us to check on our properties before the winter.

If the winter season is also affected, it will hurt my business.

Waive LUP, BMA, bait licence fees in early spring of 2021 to allow businesses to get ready and if the border is open and businesses can open in May/June, collect the monies then.

