



NOTO Resource-Based Tourism Survey Report, May 6, 2020

Overview

As the advocacy and support organization for the resource-based tourism (RBT) industry, NOTO has taken the initiative to design a survey to measure the severe impacts that we have heard anecdotally as a result of the global pandemic reaching Canada and Ontario, and the measures all levels of Government have taken to protect the public and reduce the spread of COVID-19.

To date, the challenges for this sector are immense. With the 2020 marketing season cut short and no means to generate revenues, seasonal tourism businesses are being stretched to cover fixed costs, maintain staff and simply stay afloat. The uncertainty of whether they will have a spring, summer or fall season makes it near impossible to plan or pivot for these small businesses.

Cancellations from US guests beginning with those booked for the Spring bear hunt have been numerous and tourism operators are finding it challenging to negotiate postponing trips vs cancelling and providing refunds. The challenge for operators is that they use the money from deposits to carry them through the off-season and/or to cover start-up costs for the season so they don't necessarily have the cash to provide refunds to guests who are cancelling due to COVID-19.

At this point, we know that a good majority of operators are working with their guests to provide partial deposit dollars towards future trips (i.e. operators retain 60% of the deposit and the guest can use 40% towards their next trip). The rationale behind this is that it is not the fault of the camp operator or the guest that the trip has been cancelled and sharing the burden is the fairest process to take.

In early surveys, 121 bear hunters reported that if the US border remained closed and the spring hunt was not able to take place, they would lose collectively \$2.2M. The total number of bear outfitters is approximately 436. It is now confirmed that the US/Canada border will remain closed through the Spring bear hunt season (May 1 – June 15) and these losses are now an unfortunate reality.

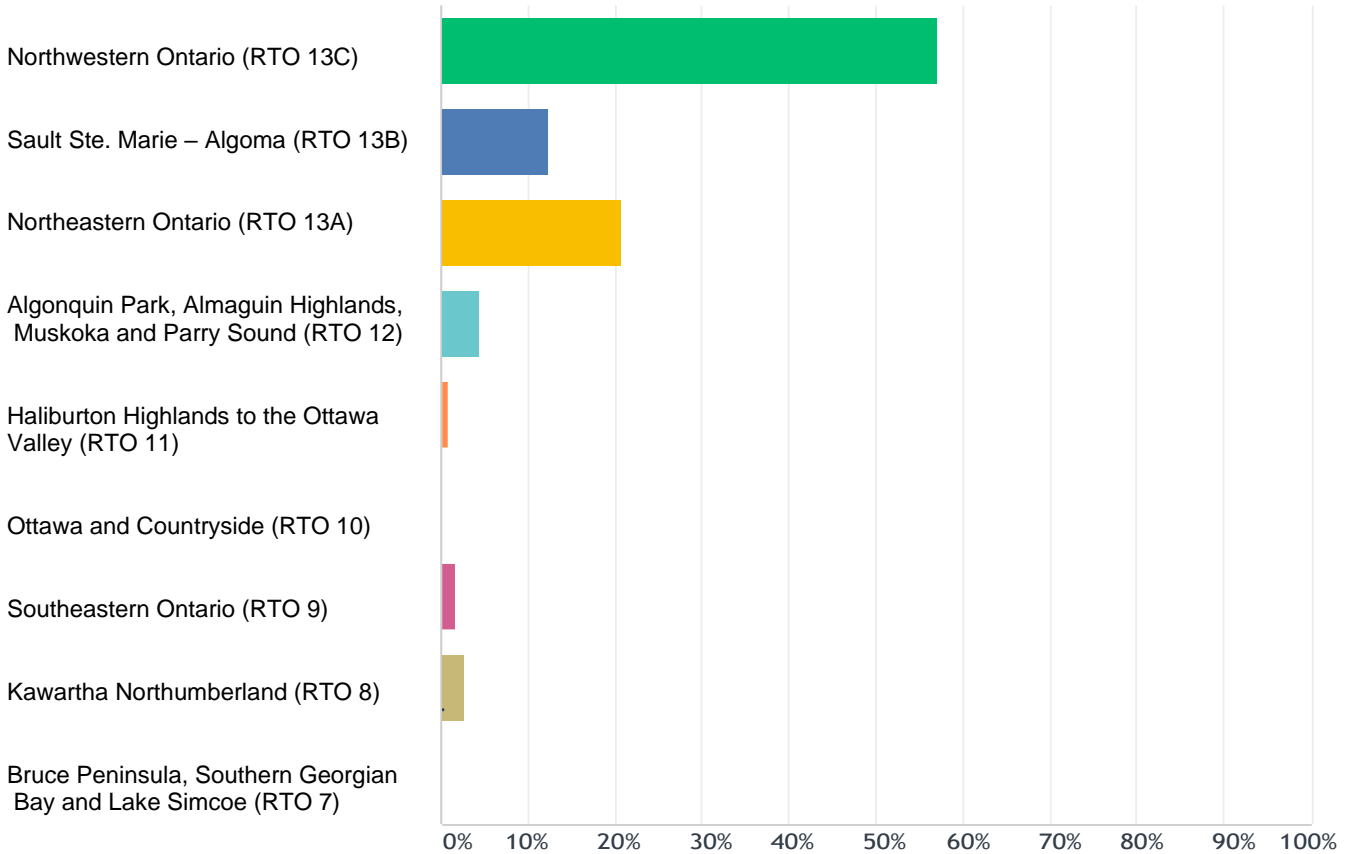
This survey will show that 225 RBT businesses will lose \$50M if May and June operating months are not able to take place. These 225 businesses represent approximately 20% of the RBT industry in Ontario. This is absolutely devastating to an industry who provides such a significant contribution to the economy each year. Our ability to serve the US angling and hunting markets are vital to this industry's survival. For many operators in Northwestern Ontario particularly, it will be a challenge to pivot their marketing and business models to target the domestic market. They will need support to do this.

The financial burden due to COVID-19 on the RBT industry is truly devastating. Many small businesses in this sector are not eligible for the financial support offered by the Federal Government. They are forced to seek additional loans which leave their ability to recover from COVID-19 on shaky ground. This survey takes a closer look at the programs currently offered and the gaps reported by this sector.

In order for this sector of tourism to survive and recover, we must have more meaningful support.

Survey Results:

Q1. Which of the following travel regions is your business located in:



ANSWER CHOICES	RESPONSES	
Northwestern Ontario (RTO 13 - Subregion C)	57.08%	129
Sault Ste. Marie – Algoma (RTO 13 - Subregion B)	12.39%	28
Northeastern Ontario (RTO 13 - Subregion A)	20.80%	47
Algonquin Park, Almaguin Highlands, Muskoka and Parry Sound (RTO 12)	4.42%	10
Haliburton Highlands to the Ottawa Valley (RTO 11)	0.88%	2
Ottawa and Countryside (RTO 10)	0.00%	0
Southeastern Ontario (RTO 9)	1.77%	4
Kawartha Northumberland (RTO 8)	2.65%	6
Bruce Peninsula, Southern Georgian Bay and Lake Simcoe (RTO 7)	0.00%	0
TOTAL		226

Revenues:

We asked respondents to provide us with their total revenues for May and June 2019. With the loss a major portion of the marketing season earlier this year due to COVID-19, to give a true picture of the traditional revenues generated in these first two months of the summer season, we felt that 2019 recorded revenues would provide the most accurate numbers.

Q2. What were your total revenues in May 2019?

Total revenues reported by 215 tourism businesses for May 2019 is \$19,375,938.

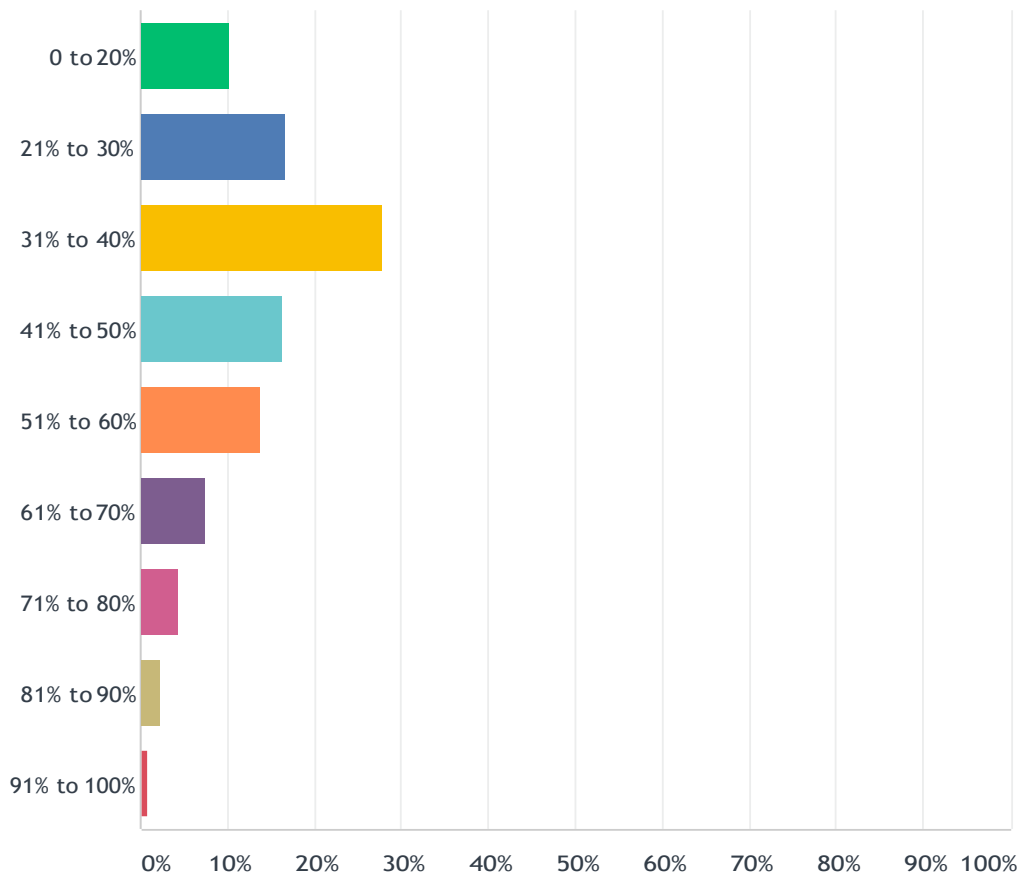
Q3. What were your total revenues in June 2019?

Total revenues reported by 215 tourism businesses for June 2019 is \$31,780,006.

Total impact of being unable to open in May and June of 2020 is \$51,155,938 in lost revenues. 215 operators represent approximately 20% of the RBT Sector in Ontario.

Q4. What percentage of your annual revenues do the combined revenues of May and June 2019 represent to your business?

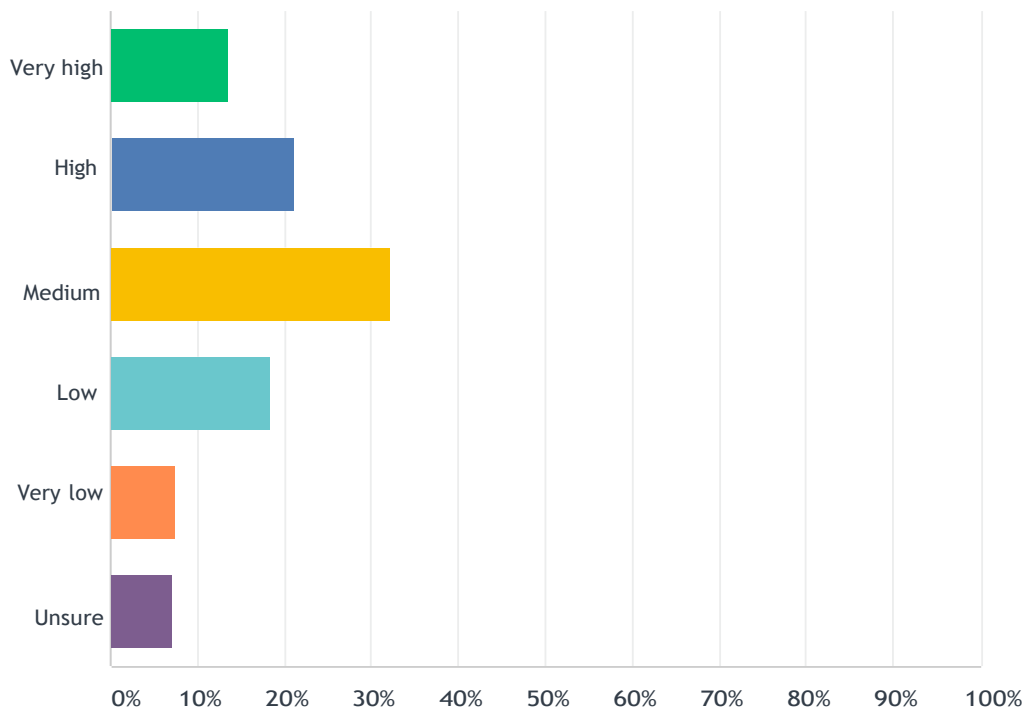
Answered: 226 Skipped: 1



ANSWER CHOICES	RESPONSES	
0 to 20%	10.18%	23
21% to 30%	16.81%	38
31% to 40%	27.88%	63
41% to 50%	16.37%	37
51% to 60%	13.72%	31
61% to 70%	7.52%	17
71% to 80%	4.42%	10
81% to 90%	2.21%	5
91% to 100%	0.88%	2
TOTAL		226

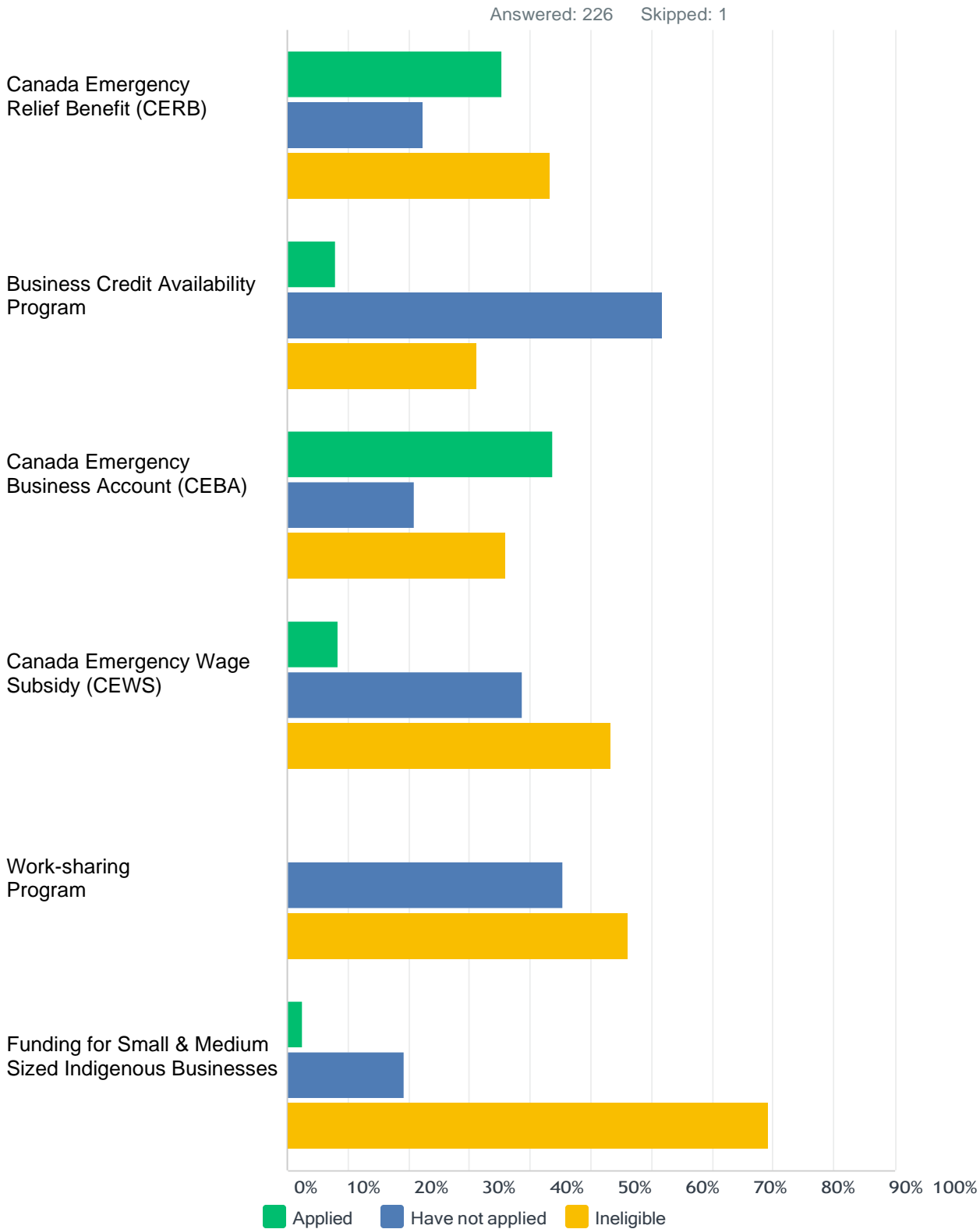
Q5. If you are unable to open your business to guests in May and June, rate the risk that you will not open or operate your business this year (2020)?

Answered: 227 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very high	13.66%	31
High	21.15%	48
Medium	32.16%	73
Low	18.50%	42
Very low	7.49%	17
Unsure	7.05%	16

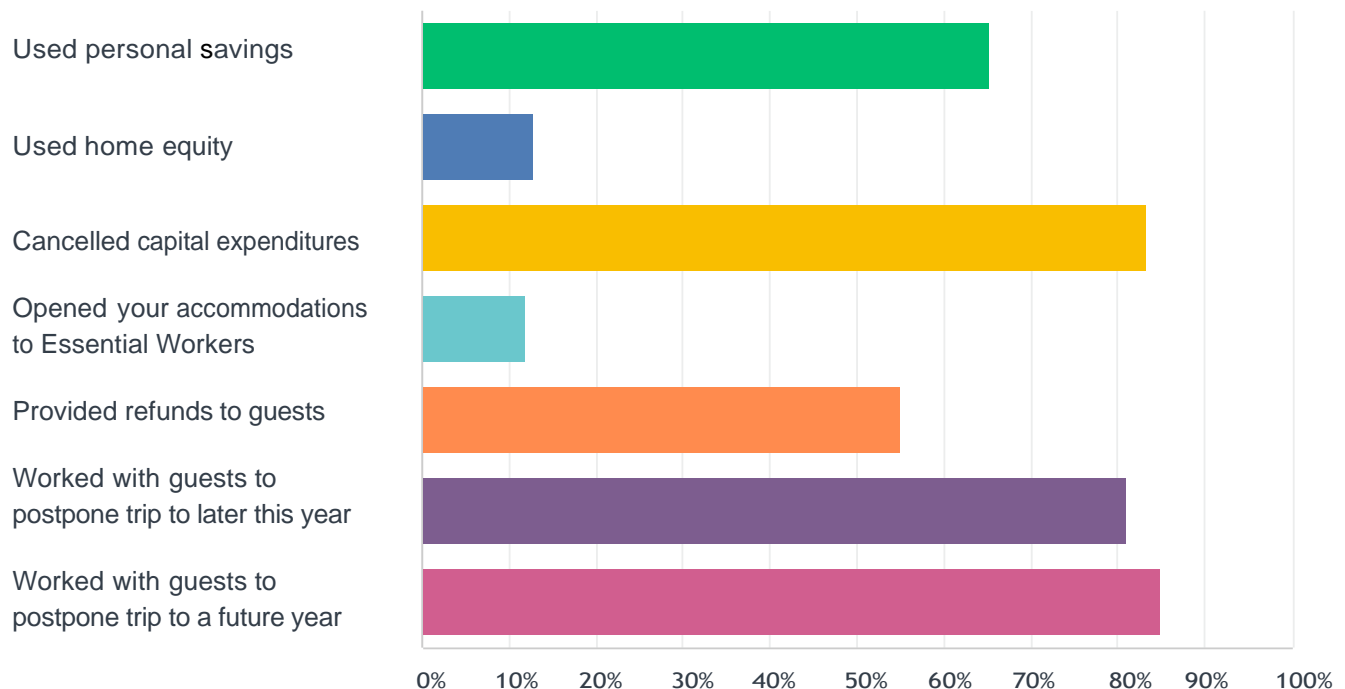
Q6. What has been your activity with regard to the following Federal support programs?



SUPPORT PROGRAM	APPLIED	HAVE NOT APPLIED	INELIGIBLE	
Canada Emergency Relief Benefit (CERB)	35.35% 76	22.33% 48	43.26% 93	215
Business Credit Availability Program (loan guarantees through BDC and financial institutions)	8.04% 16	61.81% 123	31.16% 62	199
Canada Emergency Business Account (CEBA) - \$40,000 loan program	43.64% 96	20.91% 46	35.91% 79	220
Canada Emergency Wage Subsidy (up to 75%)	8.33% 17	38.73% 79	53.43% 109	204
Work-sharing Program	0.00% 0	45.50% 91	56.00% 112	200
Funding for Small and Medium Sized Indigenous Businesses	2.53% 5	19.19% 38	79.29% 157	198

Q7. Other than applying for emergency programs, what steps have you taken to adapt your business since the onset of this pandemic? Check all that apply.

Answered: 227 Skipped: 0



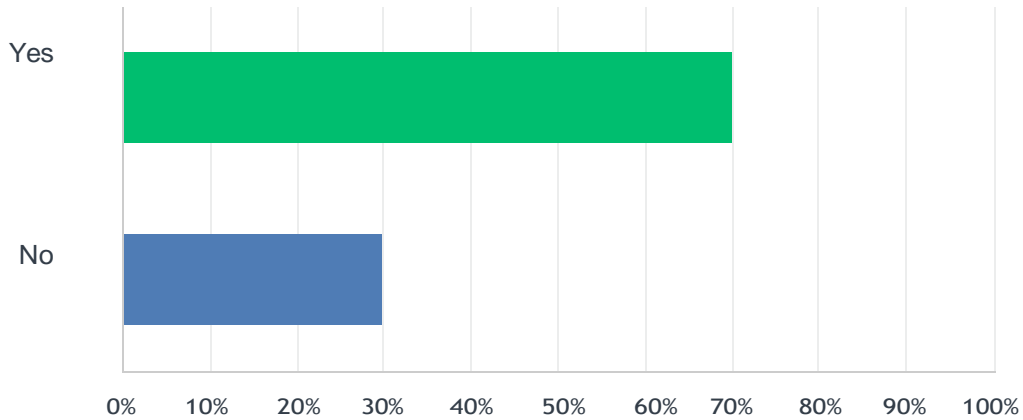
ANSWER CHOICES	RESPONSES	
Used personal savings	65.20%	148
Used home equity	12.78%	29
Cancelled capital expenditures (renovations, expansions, equipment purchases etc.)	83.26%	189
Opened your accommodations to essential workers	11.89%	27
Provided refunds to booked guests	55.07%	125
Worked with guests to postpone trips to later this year	81.06%	184
Worked with guests to postpone trips to a future year	85.02%	193
Total Respondents:		227

Additional Responses: (provided by 54 respondents)

ANSWERS CATEGORIZED	RESPONSES	
Using personal income/savings/credit cards	7.40%	4
Reducing costs (i.e. insurance, utilities) / Deferring payments (i.e. mortgages)	11.11%	6
Laying off staff / postponing / reducing staff hiring	18.52%	10
Re-booking guests / crediting accounts / pro-rating deposits / fees	5.56%	3
Modifying operations / changing business model	9.26%	5
Shutting down	3.70%	2
Unable to refund deposits (no money)	3.70%	2
Undertaking capital work or preparing camp themselves	5.56%	3
Pursuing alternate funding (i.e. loans, lines of credit)	9.26%	5
Have another job	3.70%	2
Other	20.37%	11
Total Respondents:		54

Q8. Do you pay Municipal Tax?

Answered: 226 Skipped: 1



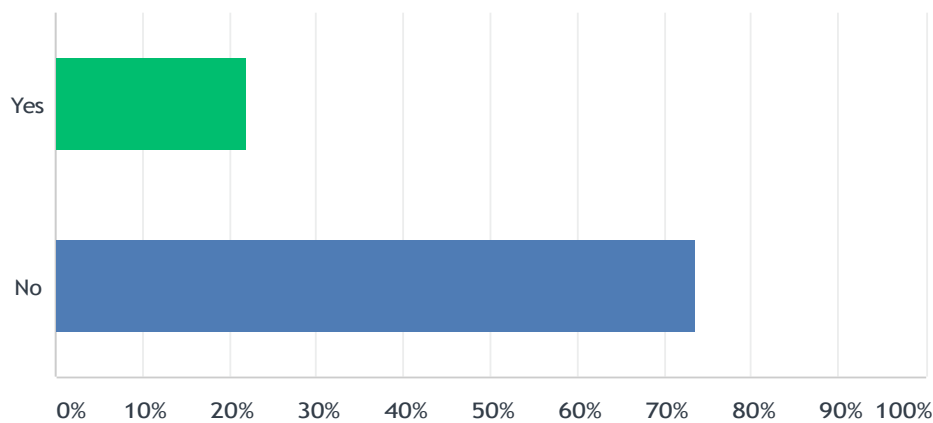
ANSWER CHOICES	RESPONSES	
Yes	70.80%	160
No	9.20%	66
TOTAL		226

Q9. What is your annual Municipal tax bill?

The 160 tourism businesses that reported they pay Municipal taxes in the previous question, collectively pay \$1,683,405 in Municipal taxes annually.

Q10. Has your Municipality offered tax deferrals as a result of COVID-19?

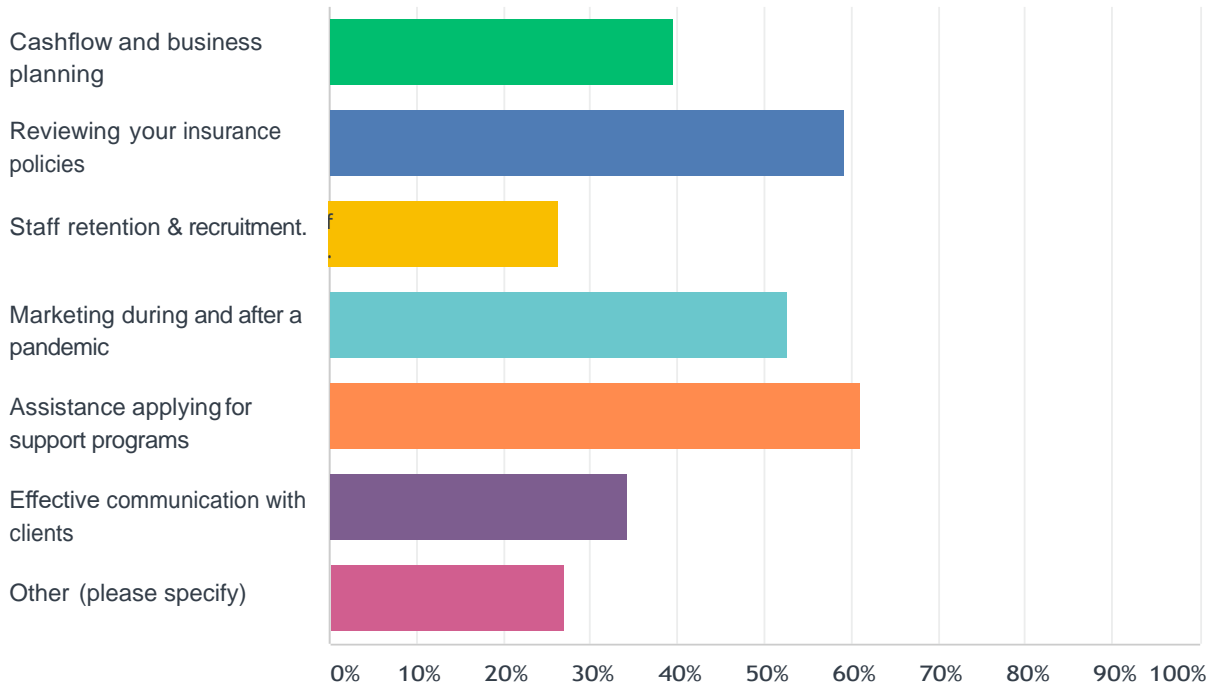
Answered: 201 Skipped: 26



ANSWER CHOICES	RESPONSES	
Yes	21.89%	44
No	73.63%	148
TOTAL		201

Q11. Beyond direct financial help, what business supports would you find helpful now and over the coming months? (check all that apply)

Answered: 218 Skipped: 9



ANSWER CHOICES	RESPONSES	
Cashflow and business planning	39.45%	86
Reviewing your insurance policies	59.17%	129
Staff retention and recruitment	26.15%	57
Marketing during and after a pandemic	52.75%	115
Assistance applying for support programs	61.01%	133
Effective communication with clients during a pandemic	34.40%	75
Other (please specify)	27.06%	59
Total Respondents: 218		