



*Nature & outdoor Tourism Ontario*

# **2022 State of the Resource Based Tourism Industry Survey**

**May 31, 2022**

---

*NOTO is a not-for-profit trade organization that represents the Resource-based Tourism Industry in Ontario.*

*This 90-year-old organization supports the industry through advocacy, information services and business support. We work with Government on policies that will support a strong and vibrant outdoor tourism industry in Ontario. Currently NOTO is communicating with over 1300 outdoor tourism businesses to help guide them through this pandemic.*

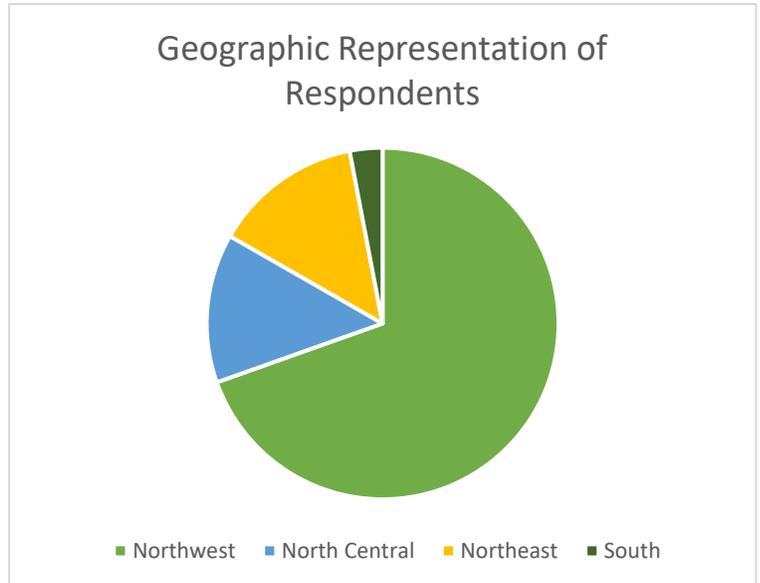
**Contacts:**

Laurie Marcil, Executive Director [laurie@noto.net](mailto:laurie@noto.net)

Kate Boissonneault, Research and Stakeholder Relations [kate@noto.net](mailto:kate@noto.net)

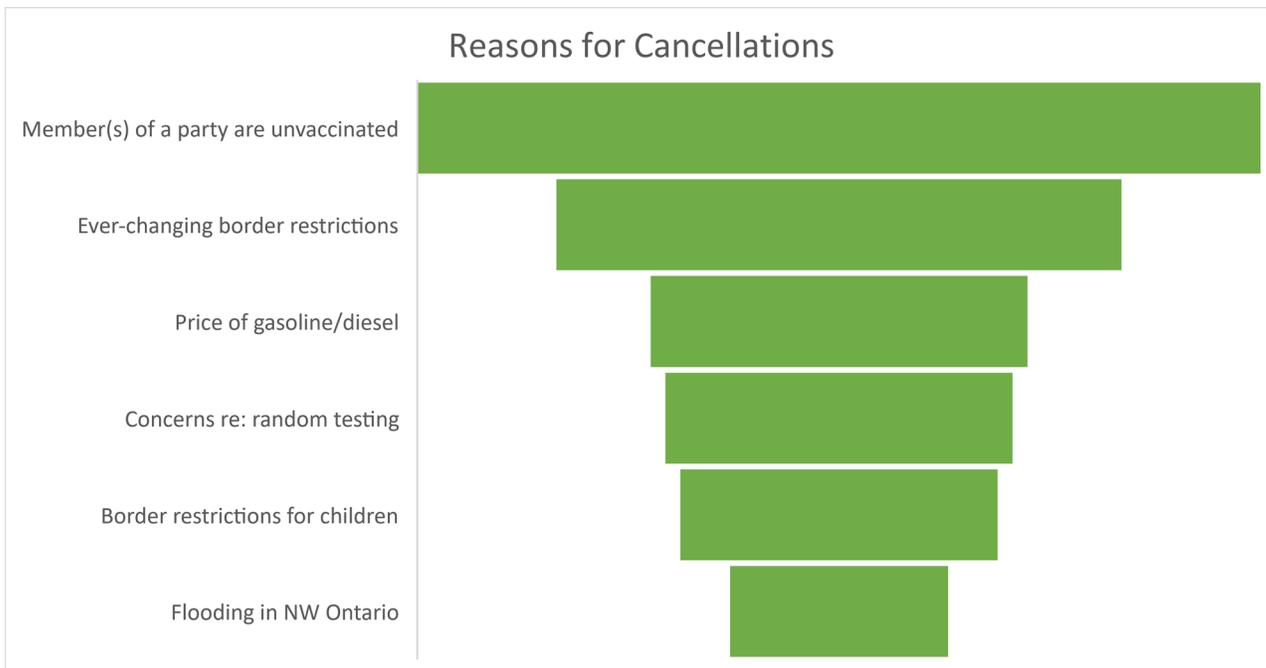
## About Survey Respondents

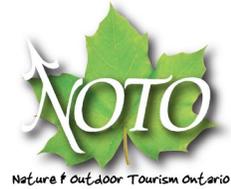
The survey was circulated to 1,319 resource-based tourism businesses across Ontario with 138 responding to the survey. We anticipated the potential of lower survey responses since this time is when seasonal tourism businesses are just opening and there is much to do for business owners. We also appreciate that there is considerable survey fatigue being felt across this sector. We are very appreciative of those who did take the time to respond to our survey and share with us their stories.



## 2022 CANCELLATIONS:

All 138 participating businesses have reported cancellations for the 2022 season. As of May 31<sup>st</sup>, on average, businesses reported receiving cancellations from 73 individuals, with 400 individuals being the highest number of cancellations reported by a single business.





Other notable comments regarding cancellations included:

- Concerns surrounding air travel (costs, wait times, loss of luggage reports, etc.)
- Rising costs of travel/inflation
- Worried about catching COVID-19 on the way to Canada
- The way travellers view Canada as a travel destination has changed
- Older demographic has difficulties uploading their information onto the ArriveCAN app, or they fall for the scam apps.

## **2022 REVENUE LOSS:**

As a result of the reported cancellations, businesses have to date, lost an average of \$89,806 in revenues for the 2022 season. These cancellations are taking place just as the season is getting underway but *AFTER* they have spent a significant amount of money to open their facilities. Filling these unexpected gaps will be challenging as the main marketing season is over and time must be spent on serving the guests that they do have.

In Northwestern Ontario, there is that added challenge of an ongoing spring flood that covers nearly the entire northwest. This flooding has caused docks to be destroyed, cabins to be flooded and guest bookings to be delayed yet again. Of course all of this damage comes at a significant cost when cashflow is non-existent for most.

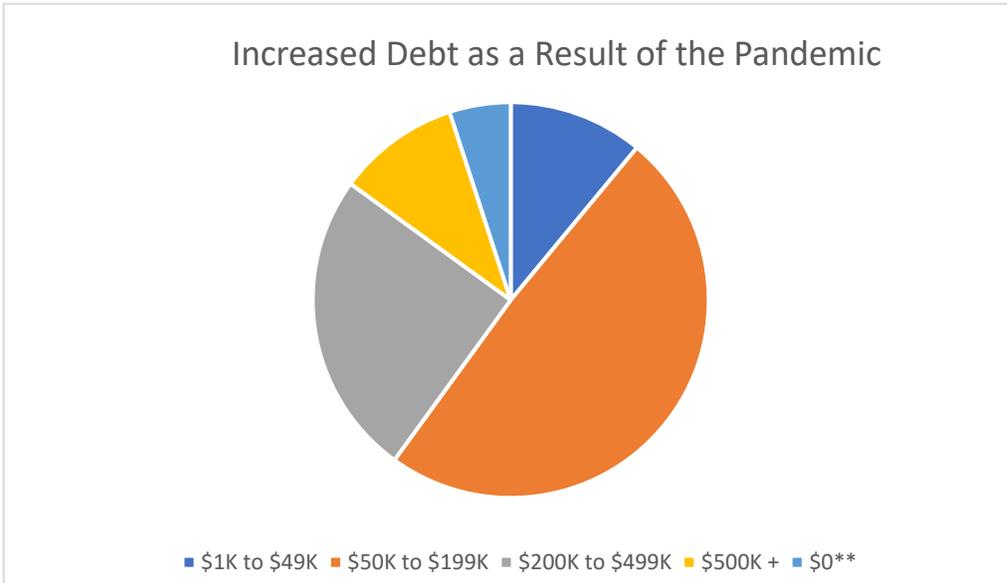
***In total, the 2022 revenue loss reported by all 138 participants of the survey amounts to \$12,213,730.***

It is important to note that there are over 1300 resource-based tourism businesses in Ontario therefore the total amount of revenue loss in 2022 to date across the entire industry could be closer to \$100M, with additional cancellations expected as the border restrictions and flooding conditions in the Northwest continue.

## **ON-GOING PANDEMIC IMPACTS:**

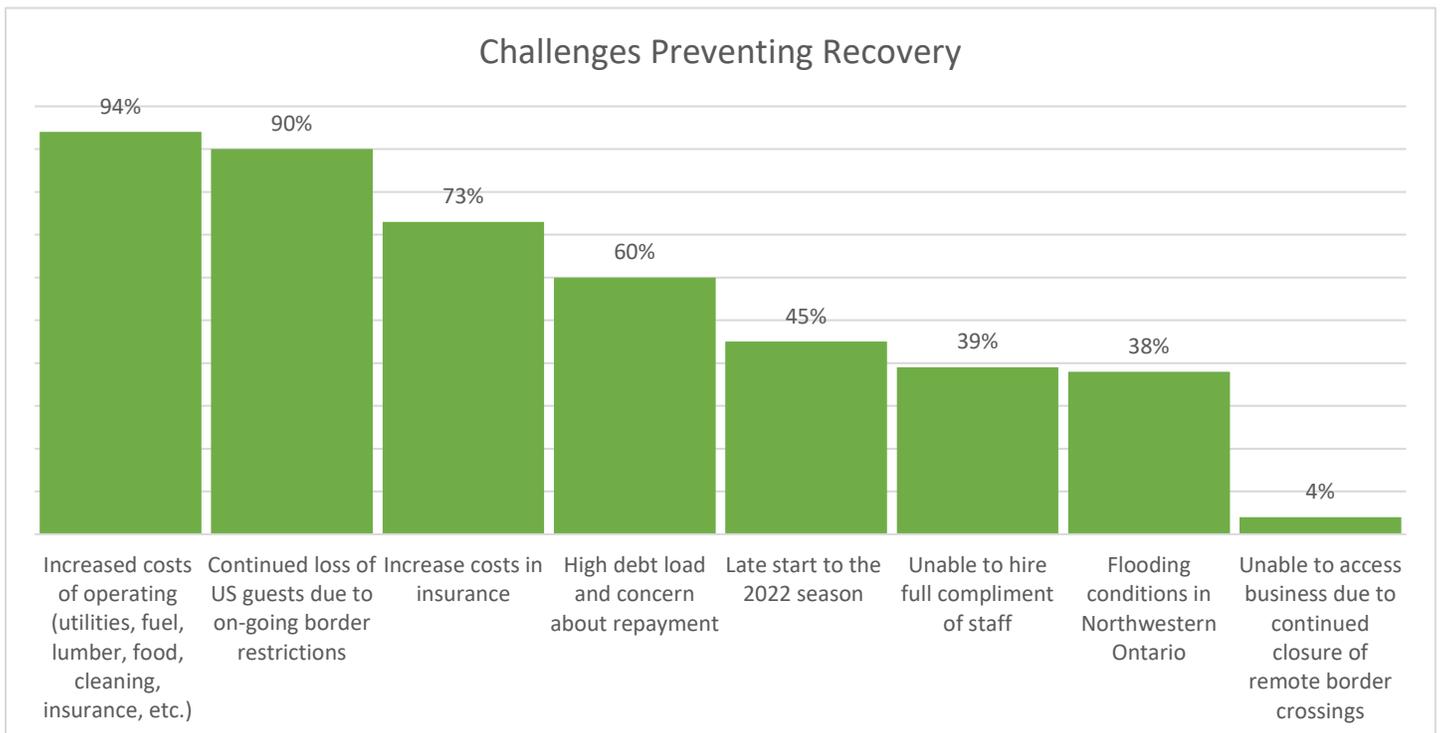
Over the course of the pandemic, resource-based tourism business owners have accumulated an average of \$187,000 in debt. Owners are deeply concerned about repaying this debt. After 2 years with minimal revenue due to shortened operating seasons, minimal US guests due to border restrictions, as well as other factors leading to cancellations (forest fires, flooding, late ice out, high cost of travel, etc.) planning repayment is a worrisome challenge.

In addition to pandemic-related debts, tourism operators are concerned about the additional debt they will need to take-on in order to recover from last year's forest fires and this year's flooding event.

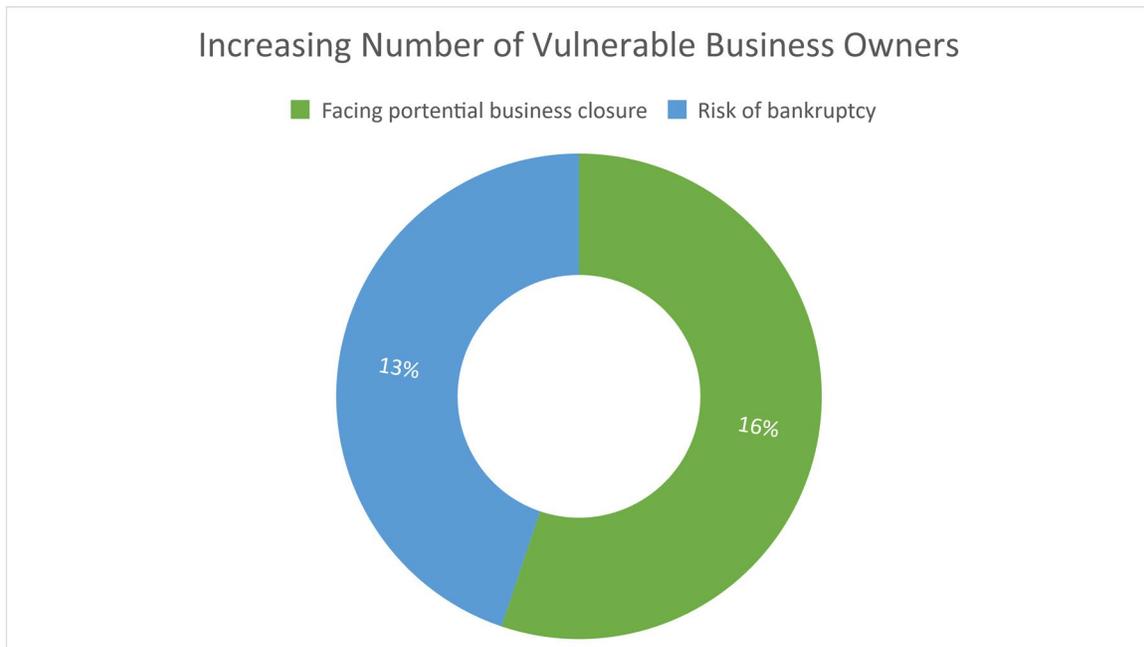


\*\* While 5% of respondents indicated they did not acquire any new debt due to the pandemic, they reported exhausting personal savings and not pulling an income from the business during the pandemic.

### Resource-based tourism operators are facing a wide range of challenges for the 2022 summer season and beyond.



Since our last survey was conducted in September 2021, we are seeing an increase in the number of tourism business owners that are deeply concerned about their business viability. These small business owners have been challenged with a great deal over the last two years and for some, if this 2022 season does not produce substantial revenues for them, they will most certainly face some difficult decisions ahead.



## Shared Perspectives from Respondents

We've operated at a loss for two years. Using our retirement savings to stay afloat.

The psychological effects of continued border closures, changes to border crossing, exchange rates, increased costs of insurance, fuel products, equipment, etc. ***I'm tired of the mental stress***

I have put around \$60,000 of my own savings into the business to remain solvent. Based on the lack of bookings this year, it will take several years to recover, if ever. I expect that many long-time guests will never return, as they have found other

It is unfortunate that we had to use all our savings to survive. We have put our repairs on hold until we can save some more money. It has been a struggle, but I know we are not alone. We have raised our rates to try and compensate but that has put another strain on getting customers back.

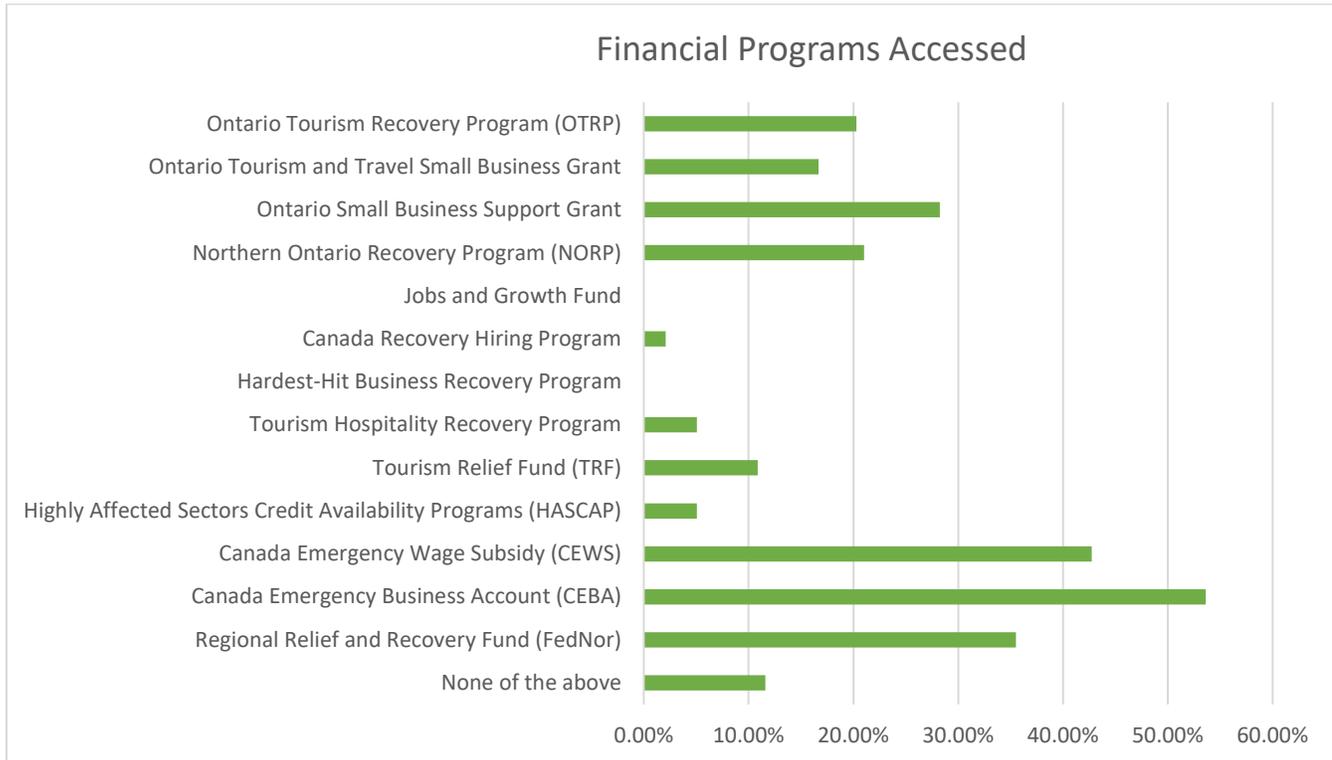
Some have moved on to other USA areas, some are now too old to return, some are not going to get vaccinated, some are battling underlying conditions that put them at a higher risk. We have kept up with the recommendations that Health Canada has put forward and will continue to strive to erase Covid.

Major repairs are needed following flooding, and this is impossible without incurring yet more debt. Cancellations continue to come in as US guests become more anxious about border crossing requirements and regulations. It's impossible to plan or forecast what revenues may truly end up like.

We are unvaccinated camp owners from the U.S. so are not being allowed to cross the border this year when we were allowed to cross the border the last two years in the heat of the pandemic. It makes no sense. With all the high-water levels now, we just found out from friends in the area of our camp, that our docks are starting to float away. We just need to be able to get up there to Ignace to take care of things. Due to our great loss of income because of the pandemic, it would sure be helpful if the government would allow us to keep all of the CEBA money they loaned us.

## Accessing Financial Assistance

Over the course of the pandemic, the survey participants reported they were able to access the following programs:



As indicated above, the top five programs accessed by the resource-based tourism industry included the Canada Emergency Business Account (CEBA) at 53.6%, the Canada Emergency Wage Subsidy (CEWS) at 42.7%, the Regional Relief and Recovery Fund (RRRF) at 35.5%, the Ontario Small Business Support Grant at 28.8%, and the Northern Ontario Recovery Program (NORP) at 21%.

There were several businesses that reported not being eligible for the significant majority of the programs listed above for the following reasons:

- Their business is seasonal and most of the Ontario support programs were geared to support those impacted by the “current lockdowns” over the winter months. This did not account for seasonal businesses who were faced with two shortened seasons (2020 and 2021) and that continued to be financially impacted by COVID-19 regulations and border restrictions. – reported by 70% of participants.
- Calculations for the majority of the Federal Programs involved comparing month over month revenues, which made it hard for seasonal businesses to qualify. – reported by 60% of participants.
- Could not afford to purchase new equipment or invest in projects for the business. Many programs required businesses to pay for their projects up front, then submit receipts for reimbursement. – reported by 47% of participants.

- The need to be incorporated. The business is registered as a sole proprietorship or partnership. – reported by 26% of survey participants. In another survey conducted by NOTO during the pandemic, we learned that over 60% of resource-based tourism businesses are not incorporated.
- Were unable to open in 2020 and/or in 2021 which impacted eligibility. – reported by 14% of participants.
- Accumulated too much debt in the first year of the pandemic. – reported by 8% of participants.
- New owner – purchased in 2020 or 2021 and did not qualify due to eligibility requirements. – reported by 6% of participants.
- Houseboat operators were not included in the eligibility list and did not qualify for most programs.

## RECOMMENDATIONS:

As you can see through these survey results, reopening does not mean recovery and the resource-based tourism industry continues to need urgent financial support in order to recover. NOTO provides the following recommendations that based on our consultation will enable our valuable resource-based tourism sector in Northern Ontario to begin to recover from the tragic losses they have suffered.

- Remove the remaining border restrictions and allow all travellers, regardless of vaccination status, to enter Canada. The RBT sector in Northern Ontario will NOT SURVIVE without allowing unvaccinated travellers into Canada. It has become clear that the way international travellers view Canada as a travel destination, especially those from the US, has changed as a result of the on-going restrictions. As the rest of the world begins to move beyond the pandemic, Canada continues to maintain strict barriers which is hampering the recovery of the tourism industry.
- Open remote border crossings like Sand Point Lake Customs Station and all seaplane ports effective immediately.
- Make Larger portions of the loan programs forgivable and extend the repayment dates for the loans as we work hard to turn onto the road to recovery.
- Provide grant programs to help those who are still struggling to get back on their feet without incurring more debt.
- Develop programs to support operators who have been impacted by flooding and forest fires over the last few years. These recovery programs can be further expanded over the next few years to help operators become more climate resilient by helping them invest in sprinkler and pump systems for forest fires, or to better prepare for flooding.

***Without immediate action on these recommendations, we are going to continue to see the RBT sector in Northern Ontario deteriorate and many business owners become financially devastated. Tourism is the life blood of many of our Northern Ontario Communities. Ontario NEEDS tourism! We must ensure that this sector does not become another casualty of the pandemic and support these tourism businesses into recovery.***