Emerging Opportunities

Remote Tourism in the Chapleau Crown Game Preserve

A Feasibility Study

Prepared for the North East Superior Chiefs' Forum

By: Ecotrust Canada

April 2015

This report has been developed to guide the ongoing work of the Northeast Superior Regional Chiefs' Forum (NSRCF) and the NSRCF Elders Council. The research is intended to deepen understanding of the potential for creating new forestlands business opportunities, adjacent to forestry, in the Chapleau Crown Game Preserve (CCGP). The assumptions and predictions made in this feasibility study will be confirmed during the summer/fall of 2015 – serving as a focus for work done by the region's emerging Guardians program. It is Ecotrust Canada's intention that this work contributes to the ongoing dialogue and place-based demonstration that will enable the region to build a more resilient economy into the future.

Ecotrust Canada would like to acknowledge and thank the individuals and organizations who provided guidance, support, and resources that contributed to this project. Particularly, the members and staff with the Northeast Superior Regional Chiefs' Forum; NSRCF Elders Council; Doug Reynolds and the staff with the Aboriginal Tourism Association of Canada; Tembec Inc.; and the Ontario Ministry of Natural Resources and Forestry (OMNRF). We acknowledge the financial support of Natural Resources Canada in making this project possible.

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1.1/ Overview of the Tourism Sector

Tourism is an increasingly dynamic sector of the global economy, a $1.4 trillion industry generating over 9% of the world's GDP. Global travel is growing 4% annually, but at a faster pace – 13% – in developing countries. The rapid expansion of middle class consumer populations in Asia and Latin America is driving new market demand throughout the world1. Tourism is the fastest sector in terms of job creation. Tourism is helping to diversify economies, including the creation of wealth and jobs in rural regions. Tourism can also trigger important indirect development benefits that improve the quality of life for the wider global community including: the preservation and restoration of natural ecosystems to attract tourists; government investment in infrastructure such as roads and waste treatment; the protection of cultural and heritage sites; and the raising of cultural awareness.

Tourism is often depicted as an unstable/unreliable industry, one that is susceptible to high levels of change and volatility in response to social, political, economic or natural resource crises. There is also some evidence to suggest that the subsectors of the tourism industry which are dependent on natural resources are particularly vulnerable.[2] Yet, to a large degree, the international flows of travelers appear to be quite resilient over time. For example, since the global crisis in 2009 which resulted in an almost immediate (and inevitable) dip in tourism revenues to Canada, arrivals have rebounded almost completely.

1.2/ Canada's Tourism Activity

- Represented more of Canada's GDP than agriculture, forestry and fisheries combined;
- Generated $84.3 billion in economic activity;
- Was responsible for more than $18.2 billion in export revenue despite a growing trade deficit;
- Generated $9.6 billion in federal government revenue; and
- Fostered 618,000 jobs across the country.

[1] Deloitte Report, Passport to Growth, 2014

http://www2.deloitte.com/content/dam/Deloitte/ca/Documents/international-business/ca-en-ib-tourism-and-trade.pdf

[2] Gossling and Hall, Tourism and Global Environmental Change, as reported in The Polar Journal, June 1, 2012

At 1.5% growth in Canada, the tourism sector looks superficially healthy but between 2002 and 2013, almost all countries involved with tourism posted international tourist arrival gains and Canada did not.

1.3/ Tourism in Ontario

The Ontario Ministry of Tourism, Culture and Sport posted the following statistics in 2012[3] (Figure One) reporting that the tourism sector in the prior year generated $28M in tourism receipts, generated approximately 200,000 jobs (full time and seasonal we presume although the statistics are silent on this breakdown), and $8M in employment income – contributing $2.9M to both the provincial and federal tax base, and more than half a million to the tax base at the municipal level.

	Tourism Receipts	*Visitor Spending*
Spending	$28,093,386,368	$22,321,005,454
Direct Impacts		
Gross Domestic Product (Value Added)	$12,240,576,317	$9,341,806,797
Employment (Jobs)	220,030	177,050
Labour Income	$7,934,491,801	$5,765,422,543
Government Tax Revenue	$6,481,611,965	$5,098,120,870
Provincial Tax Revenue	$2,906,222,027	$2,310,781,247
Municipal Tax Revenue	$663,799,949	$532,814,159
Federal Tax Revenue	$2,911,589,989	$2,254,525,464

Figure One

[3] Source: Statistics Canada; MTCS's Tourism Regional Economic Impact Model, http://www.mtc.gov.on.ca/en/research/econ_impact/econ_impact.shtml

1.4/ Tourism in the Northeast Superior Region of Ontario

Tourism statistics for the Northeast Superior Region (NES) cannot be accurately confirmed because of the federal government's current data collection boundaries. As per the adjacent map inset (Figure Two), and the more detailed maps (Figures Three and Four, next page), tourism statistics for Areas 13a (Northern Ontario) and 13b (Sault Ste. Marie/Algoma) must be combined for a reasonable representation of tourism activity in the NES, and must then be discounted by some unknown percentage because of activity that falls out of the NES Region. Confidence falls further around tourism statistics for the Chapleau Crown Game Preserve which spans some but not all of these two sub Regions (Figure Five).

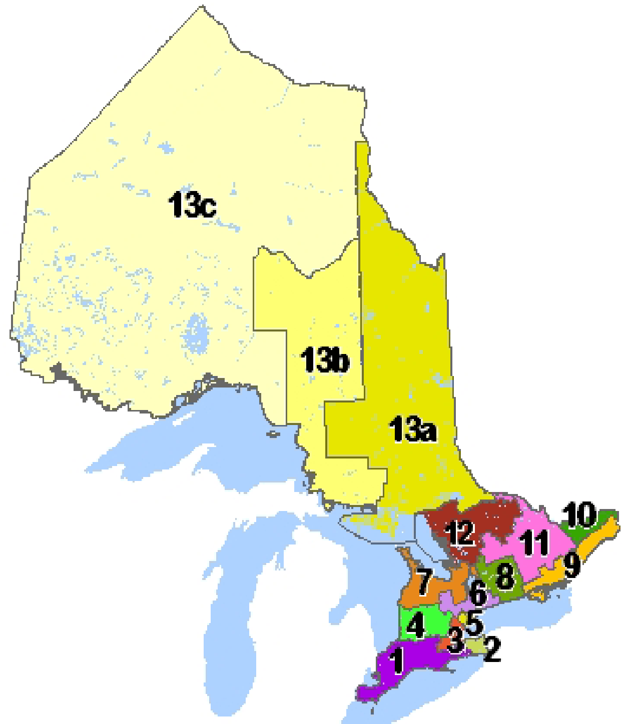

Figure Two

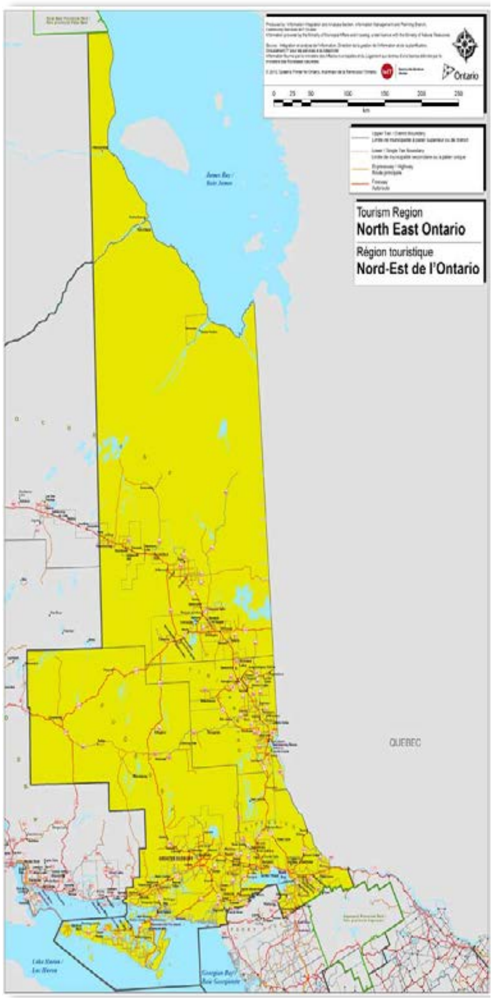

Figure Three:

13a) North East Ontario Region

(Statistics Canada)

Figure Four:

13b) North Central Ontario Region

(Statistics Canada)

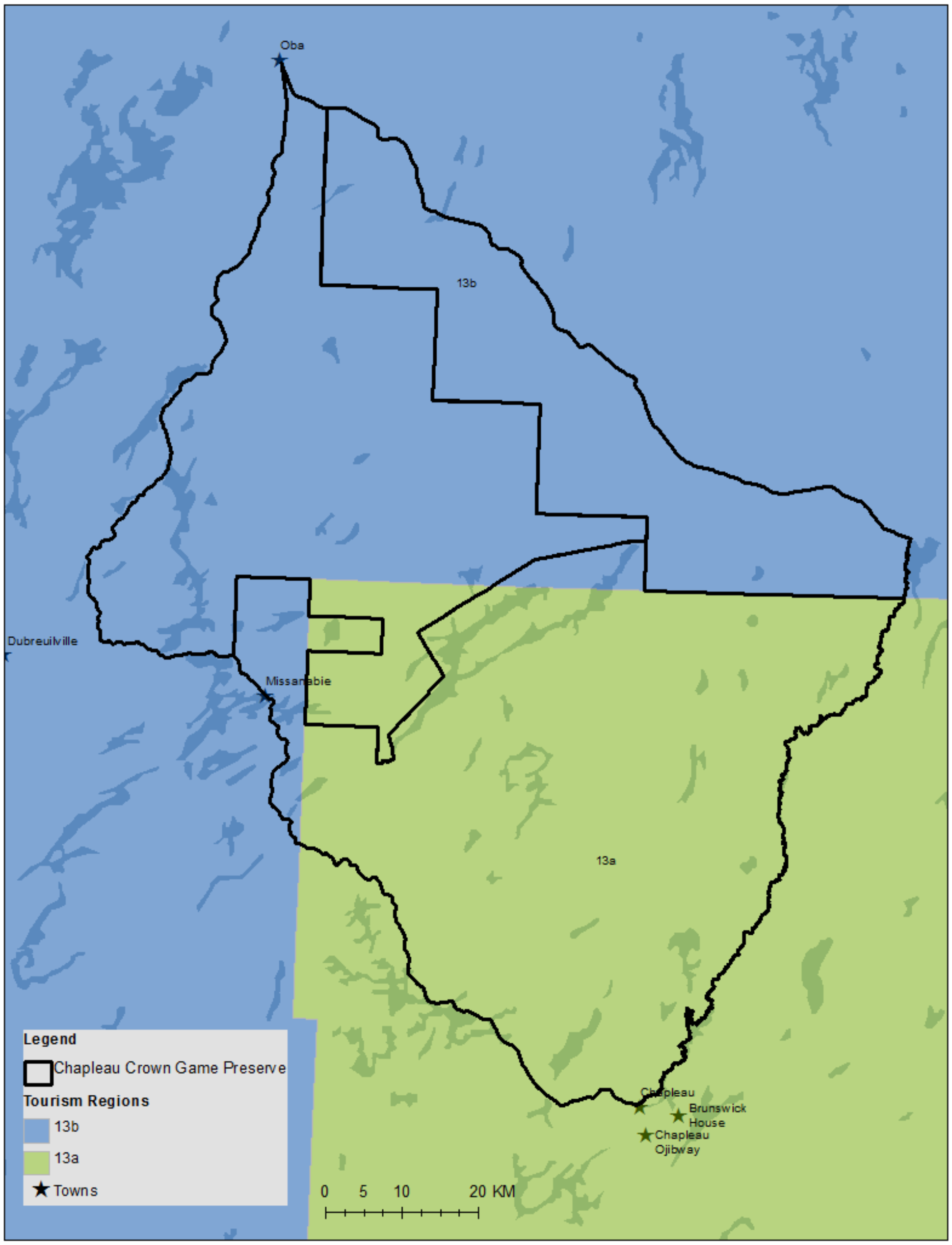

Figure Five:

The Chapleau Crown Game Preserve boundary overlaid on Regions 13A and 13B as defined by Statistics Canada

Itemized Tourism Receipts for RTO 13a - $Millions													
Year	Travel Services	Public Transportation	Private Transportation - Rental	Private Transportation - Operations	Local Transportation	Accommodation	Food & Beverage - At Stores	Food & Beverage - At Restaurants/Bars	Recreation	Culture	Retail - Clothing	Retail - Other	Total
2011	8.663	52.581	26.603	230.604	6.093	118.455	64.791	134.163	13.958	16.898	68.470	14.241	755.520
2012	9.467	62.660	13.867	221.091	2.704	137.153	81.974	122.046	15.636	9.316	85.450	12.605	773.968
Source: Statistics Canada: International Travel Survey; Travel Survey of Residents of Canada; Travel Arrangements Survey; MTCS													

Itemized Tourism Receipts for RTO 13b - $Millions													
Year	Travel Services	Public Transportation	Private Transportation - Rental	Private Transportation - Operations	Local Transportation	Accommodation	Food & Beverage - At Stores	Food & Beverage - At Restaurants/Bars	Recreation	Culture	Retail - Clothing	Retail - Other	Total
2011	6.108	12.448	3.621	51.386	2.764	46.603	16.781	42.372	13.174	10.989	15.683	6.243	228.172
2012	7.465	14.402	1.432	57.931	1.983	39.865	24.487	53.693	15.375	13.548	14.928	4.202	249.310
Source: Statistics Canada: International Travel Survey; Travel Survey of Residents of Canada; Travel Arrangements Survey; MTCS													

Figure Six

Even in light of the statistical anomalies that hamper a thorough evaluation, it is clear that tourism in Ontario's north is a significant economic driver, with close to $1 billion dollars each year spent on tourism activities and the services that support them. These statistics are anticipated to remain in a similar range for the next five to seven years, barring any unanticipated explosion in the price of fuel or any natural disasters.

1.5/ Resource-based Tourism in Ontario

Resource-based tourism (RBT) is a term used to classify a number of types of tourism, including nature-based tourism, ecotourism, adventure tourism, and sustainable tourism. It is dependent on attributes associated with natural and relatively undeveloped settings[4]. The Ministry of Tourism, Culture and Sport licences some but not all RBT operations under the Tourism Act. These licences are limited to establishments with fixed roof accommodations that use Crown Land. Last officially counted in 2005, there were 1,700 licensed RBT operations in Ontario as well as many additional businesses that did not fall under the provincial licensing framework. RBT operations are generally divided into three categories based on accessibility: remote (requiring floatplane), semi-remote (boat or plane), and road accessible.

In Ontario, the term *resource-based tourism* has been officially adopted by government and is used to describe the majority of tourism activity in the north – where approximately 25% of the activity is considered to be remote. Research has shown that remoteness sells.[5] As a segment of the tourism industry, remote tourism products appeal to up-market clients willing to pay up to twice as much as clients of road-accessible tourism. In addition, Ontario research demonstrates that the quality of fishing is much higher in remote lakes than in road-accessible ones, and that new roads tend to result in lakes being 'fished out' very quickly.

Despite the economic opportunity that RBT represents, especially for smaller communities, these types of products are shrinking across Ontario as industrial development moves further into undeveloped northern landscapes. RBT is often treated as a constraint to other commercial industries that utilize Crown lands, and the industry is further challenged as a consequence of its own structure – which is largely comprised of multiple small, seasonal businesses which do not have the capacity or resources to participate consistently in the Crown's land management planning and decision making processes. This is particularly relevant in northern Ontario where the forest industry, and therefore processes to manage for timber, have been dominant for decades.

For northern Ontario, retaining a vibrant tourism industry requires a continuum of recreational opportunities on the land be maintained – requiring significant changes to the current approach to: the protection of wilderness values; access management; land use planning; and infrastructure development. In contrast to industrial development, RBT depends on public lands remaining in a relatively natural state. The industry demands intact forest areas, unspoiled waterways, plentiful fish and game, a range and diversity of access (including roadless areas), and abundant wildlife.

1.6/ The Aboriginal Tourism Market in Ontario

Many tourism market studies have demonstrated positive trends and a growing demand for cultural tourism products and experiences, particularly in the European market. The challenge in this tourism segment remains product availability, quality and coordination, though there have been vast

[4] Ceballos-Lascurain, H. 1996, Tourism, Ecotourism and Protected Areas: the state of nature-based tourism around the world.

[5] Ontario Nature and the Wildlands League, Remoteness Sells – A report on resource-based tourism in northwestern Ontario, 2005

improvements over time. A 1993 Nishnawbe Aski Nation/Ministry of Tourism and Recreation report concluded that tourism development in Aboriginal communities should take different forms depending on access – recommending that road-accessible communities develop facilities to attract the mass tourism market, and fly-in communities focus on specialty markets[6].

Most clearly, the potential strengths of an Aboriginal tourism sector in the north include vast areas of globally significant wilderness, heritage and provincial park river systems, historic settlements and artifacts, internationally significant wildlife, and fisheries resources. And, as with all remote products, Aboriginal tourism markets will be negatively impacted by the high costs of transportation, a short summer season, difficulty accessing capital, and competition with an increasing number of similar product types both within Ontario and in neighbouring provinces.

The ability to offer both traditional hunting and fishing opportunities, packaged together with cultural/interpretive and heritage activities, may give Aboriginal tourism some edge over those products that are of single dimension.

1.7/ Tourism Potential in the Chapleau Crown Game Preserve

Because this is a geography of particular interest, for both historic as well as current reasons, to the region's Aboriginal communities and municipalities – and in the context of the consensus reached over the past three years to explore a conservation economy approach to this geography, this feasibility study has considered the CCGP for its particular and special merits with respect to RBT tourism development.
This assessment, in the absence of statistics targeted to the CCGP, draws heavily on local knowledge and experience provided by Doug Reynolds, the Executive Director of the Northern Ontario Tourist Outfitters Association, in his report to the NSRCF[7].

- Tourism in the CCGP has been in steady decline for many years. When the Algoma Central rail line[8] (ACR) was operating at its peak during the 80's and 90's, there were 30-35 remote lodges that were accessed via rail. Of those 35 lodges on the ACR line, only three remain. Revenues in the remaining lodges have reportedly declined by 40%.
- Five to six fly in lodges persist, employing approximately 130 people.

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[6] Nishnawbe Aski Nation and Ministry of Tourism and Recreation. 1993. Community-based Tourism Opportunities for Remote Native Communities: Final Report. Marshall Macklin/Mattawa First Nations Management.

[7] Reynolds, Doug. Tourism in the Chapleau Crown Game Preserve. 2013

[8] The Algoma Central Railway was initially owned by Francis H. Clergue, who required a railway to haul resources from the interior of the Algoma District to Clergue's industries in Sault Ste. Marie; specifically, to transport logs to his pulp mill and iron ore from the Helen Mine, near Wawa, to a proposed steel mill (later named Algoma Steel). The Algoma Central Railway was chartered on August 11, 1899. In 1998, Algoma Steel closed its iron ore mine in Wawa and the branch line between Michipicoten Harbour and Hawk Junction was abandoned. In January 2014, CN announced it was cutting the service from Sault Ste. Marie to Hearst blaming the Canadian federal government for cutting a subsidy necessary to keep the service running. In April of that year, the federal government announced it would extend funding in the form of a $2.2 million dollar subsidy for one year so that CN rail would continue to provide the passenger service. In March of 2015 it was announced that the passenger service would be assumed by Railmark Canada Ltd with the intention to increase services and marketing and the Canadian government guaranteed funding of the service for an additional three years.

- RBT tourism has declined from ~$28M to ~$4.5M annually

Because the CCGP is defined on 3 sides by rail lines, the majority of tourism activities in this geography were historically supported by the rail. Schedule reductions, including connectivity, has had a significant impact on this economic sector. Further declines have been driven by forest harvesting activity that has created an extensive network of roads which have caused a degrading of remote product offerings for hunters, anglers and wilderness seekers.

Tour operators have continued to depend heavily on traditional markets in nearby US states, mainly Minnesota, Wisconsin and Michigan. There have been a few attempts to expand into new markets like Europe and Asia, but very limited success with expanding offerings in areas such as ecotourism and cultural tourism.

The most immediate barriers to tourism product development in the CCGP include: transportation infrastructure; human resource capacity/interest; capital access; and length of stay requirements created by its isolation. None of these factors are impossible to overcome, but would collectively require putting a careful, staged, multi-year plan together to build out a robust suite of tourism products and services for this location.

The most immediate barrier to remote tourism development in the CCGP involves the complexity of road access management. The type and location of forest access roads forms a part of each forest management plan. These plans are developed through a formal process that includes guidelines on specific issues including *Guidelines for Forestry and Resource Based Tourism*, and the *Guide for Cultural Heritage Values*. Although these guides outline a variety of circumstances where restrictions on the public's recreational use of roads can be used to protect remote tourism values, the OMNRF generally displays reluctance to impose restrictions on road use by local recreational users. Based on the argument that members of the public, because of the Public Lands Act, have the right to use all forest access roads freely, there have been a number of costly and disruptive disputes in the Region that have especially impacted the forest industry and remote tourism operators.

2. STATUS OF KEY REMOTE TOURISM ATTRIBUTES IN THE CCGP

There are a number of attributes which have been demonstrated over time to determine the success of remote tourism products. Using data provided by OMNRF and Tembec, and the map series developed by Ecotrust Canada for this initiative, the assessment of these key attributes in the CCGP lead us to mixed optimism about the potential for a successful remote tourism industry in this geography given the level of resource extraction activity that has occurred over the past 50 years. Should consensus emerge that a coordinated regional approach to remote tourism in the CCGP is a priority for economic diversification, there is sufficient data to enable a deeper analysis of opportunities, and a starting point for considering how the intersection of forestry, tourism and critical habitat protection could be managed.

2.1/ Overview

The Chapleau Crown Game Preserve was established in 1925. It covers 725,000 ha, representing 89% of the total game preserve area in Ontario. The entire CCGP is located within the Boreal Forest ecology. A broad classification of the game preserve into water and land types is represented below in Figure Seven. The majority of the CCGP is currently classified as productive forest-area, capable of producing trees and supporting tree growth. This classification includes both production and protection forest areas.

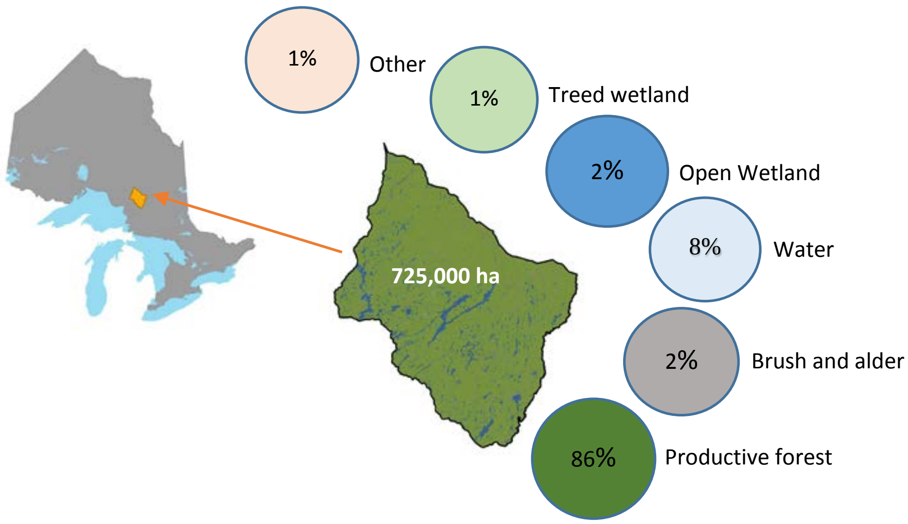

Figure Seven: Land classifications in the CCGP

2.2/ Level of attractiveness of natural values (geology, wildlife, waterways) in the CCGP

Approximately 85% of the game preserve is Crown land (Figure 8, below). In addition, provincial parks and protected areas account for another 8% (58,000 ha), consisting of water-related features: permanent streams, lakes, and ponds. Of that 8%, permanent streams span a total distance of 6845.76 km, including the Canadian heritage waterway – Missinaibi River, and the Chapleau-Nemosegonda River, both of which traverse Provincial Parks. The CCGP is rich with biodiversity, teaming with black bear, moose, marten, beaver and many bird and fish species, although wildlife has been impacted to some degree not yet classified. Located in the Ontario Shield ecozone classification, igneous rock formations and outcroppings can be viewed throughout the CCGP, with the most common rock types being gneiss and granite.

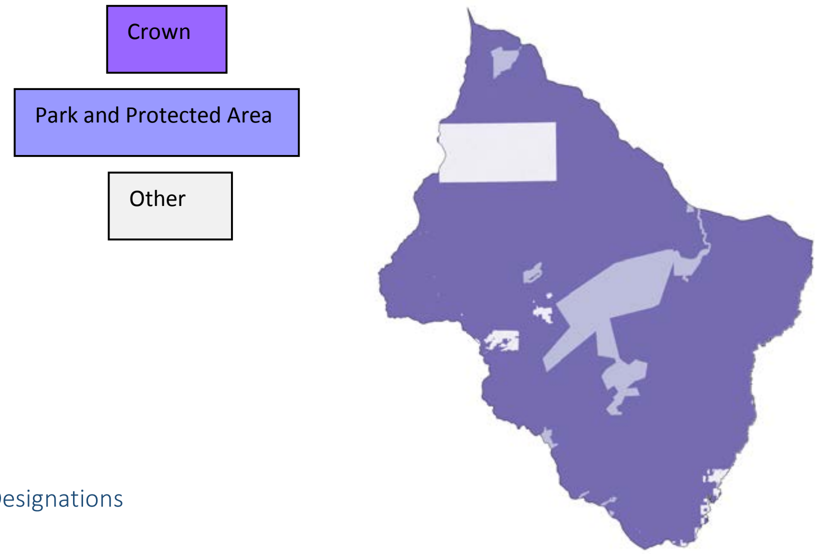

Figure Eight: Land Designations

2.3/ Level of uniqueness of the area's natural heritage

The CCGP is a land of diverse natural features and heritage, formed by two overlapping ecozones, the Canadian Shield and the Boreal Forest. This overlap creates unique habitat for many species of plants and animals that require the diversity formed by this convergence. There are also many opportunities to view the exposed bedrock that makes up this region due to the thin soil layer. The forests are equally stunning, with 16 different classified forest types, including prominently featuring species such as black and white spruce, balsam fir, jack pine, tamarack, white birch, trembling aspen, and balsam poplar.

The Missinaibi River, which traverses the CCGP and is surrounded by Provincial Park, has been designated as a Canadian Heritage River for its unspoiled scenic beauty, significant cultural and historic role in the fur trade, and for the presence of the Fairy Point pictographs, which represent over 100 Aboriginal rock paintings and is considered one of the most significant cultural heritage sites in Canada.

2.4/ Level of health and integrity of the natural environment/ecosystem

The primary commercial activity on the land is forestry, and thus aspects across the entire CCGP have been routinely harvested since operations started in the 1950's. While pockets of healthy and diverse landscapes exist, forestry operations have created disturbances to the natural environment mosaic, affecting waterways, lakes, wetlands, and numerous species' habitats. The later winter moose habitat has received much of the attention in this pattern of degradation, as moose are an integral mammal to the sacred practices of region's Aboriginal peoples[9]. It has been speculated by moose scientists that habitat and forage degradation, exacerbated by climate change and forestry operations, has been the primary

[9] Moose density in 2012 was documented at ~0.22 moose per square km in the northern portion of the CCGP, and 0.05 in the southern portion of the CCGP, whereas the land has traditionally supported between 0.25 and 0.40 moose per square km (CCGP Moose Recovery Strategy Report, 2012)

cause of the moose population decline. Black bear populations have also been on the decline, but less documentation exists to support the accuracy and causes of that decline.

Official tourism sites report "numerous wildlife viewing stations being constructed, and that the Preserve is home to approximately 2,500 black bears, 2,000 moose and numerous other animals, including an estimated 200 bird species that can be seen." It is much less clear from unofficial reporting on the internet from largely disappointed visitors to the Preserve, whether these statistics are actually true.

2.5/ Level of visible impacts from other forms of development

Development on the CCGP does not extend too far beyond the impact that is evidenced from forestry operations, most notably from older large clear cut areas. At the edges of the CCGP, built up areas of sparsely populated villages occur, and largely inactive railways border the western and eastern edges. Active and deactivated forest roads and trails litter the preserve, serving as not only an impediment to habitat range and biodiversity, but as well, man-made access points to previously 'remote' habitats and natural areas. Near the west-central border of the CCGP, several active mineral claims exist, but no active mining developments are taking place within the CCGP boundary. Just outside the CCGP in the small town of Dubreuilville, two active goldmines are in operation[10]. These mines do not degrade the visible aesthetics of the CCGP, as they are not within the preserve boundary, but should mining exploration begin within the CCGP it would pose a significant detriment to the natural heritage and level of attractiveness of the Preserve.

2.6/ Levels of protection from more exploitive/destructive forms of development

Hunting and trapping on the CCGP was formally suspended with the formation of the preserve in 1925 though Aboriginal sustenance activity continues to this day. Fishing is the only form of recreational sport allowed in the Preserve[11], and this activity, managed by the Ontario Ministry of Natural Resources and Forestry, has been supported year over year through an active stocking program.[12] Aside from the ban on hunting and trapping, land use designations within the CCGP create a higher level of protection from forestry and mining development. Four provincial parks, two conservation areas, three wilderness areas, two significant woodlands and one area of natural scientific interests are located within the CCGP. Combined, these lands make up 8% of the preserve and provide visitors an experience that showcases the highest levels of pristine flora and fauna the preserve has to offer.

[10] Richmont and Argonaut mines

[11] The CCGP forms part of Fisheries Management Zone #7

[12] The research for this report could find no stocking information past 2013. It is unclear whether this activity has been postponed or suspended by the Ministry.

2.7/ Land base in the CCGP available for the development of tourism infrastructure and experiences

Much of the CCGP is currently occupied under tenure agreements by Sustainable Forest Licences[13]. The Martel and Gordon Cosens tenures, managed by Tembec Inc, overlap over half of the CCGP; the Crown currently manages the other significant tenure in the Preserve, the Magpie SFL which occupies approximately 30% of the CCGP landbase. Over several decades, there is no question that the inherent values of the CCGP as originally envisioned with its establishment in 1925, have been eroded by other forms of economic activity essentially 'laid over top' of the Preserve designation.

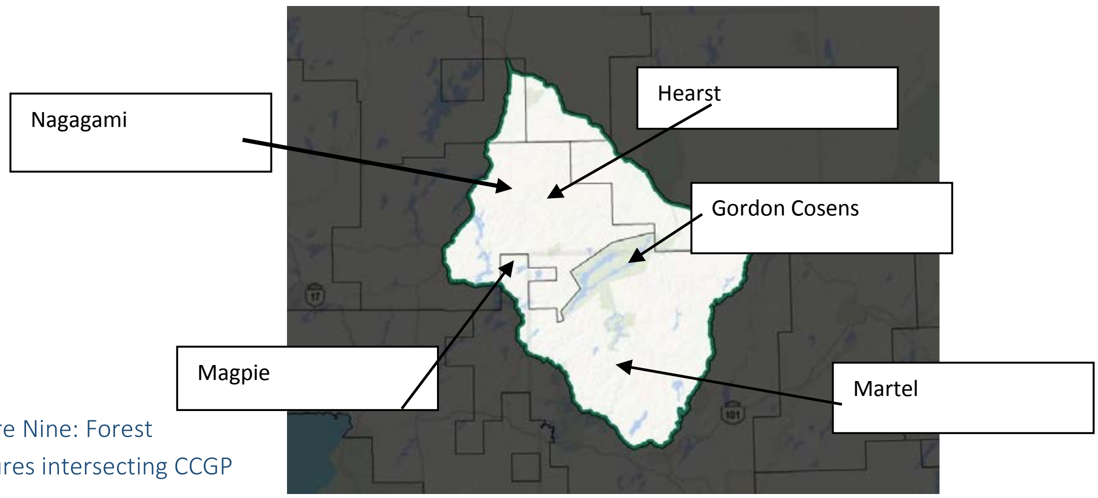

Figure Nine: Forest Tenures intersecting CCGP

2.8/ Level of seasonality of tourism products and experiences due to weather and climate.

Seasonality will be an important consideration for tourism in this Region. While it may be possible (and desirable) to create tourism products that use the fall and winter seasons (wildlife viewing, photography, snowmobiling, cross country skiing and snowshoeing), these offerings, no matter how good, remain subject to the whims of weather particularly when it comes to remote location travel to and from a destination. The most reliable/resilient strategy for seasonal tourism offerings is to consider them as additional (and optional) when it comes to the financial viability of the business.

2.9/ Overall 'Rating' of the natural and physical attributes of the CCGP compared to other national and international tourism offerings.

This is a totally subjective rating based on a review of some of the current eco, remote and cultural tourism destinations that are gaining acceptance and momentum both in Canada and internationally. While it does not have any scientific merit, this rating does provide a 'gut check' about the feasibility of building a successful remote or resource based tourism industry in the Northeast Superior Region of Ontario, using the CCGP's natural and cultural features as a backdrop/key feature/draw. On a scale of 1-10 for natural

[13] Five Forest Management Units: Nagagami Forest, Heart Forest, Gordon Cosens Forest, Magpie Forest and Martel Forest all overlay portions of the Game Preserve

features and curb appeal, the CCGP would currently score only about a 4 or 5 when compared to its competitive cousins around the world. This is largely due to the significant impacts over time of timber harvesting, including the degradation of both wildlife and natural habitats. This subjective rating has to be seen however, in the context of the fact that the Preserve remains the largest of its kind in the world, which is not an insignificant consideration for market development. IF the CCGP were managed for natural and cultural features more deliberately, the potential to return or restore the values that attract tourism could rapidly and radically change the feasibility of mounting a successful tourism industry in this region.

3. STATUS OF KEY ATTRIBUTES IN THE REGION TO SUPPORT TOURISM IN THE CCGP

In addition to the physical attributes of CCGP itself that can help attract and support the development of successful remote or resource based tourism products, tourism research has demonstrated that there are some fundamental attributes of a region itself that must be either present or built in order to sustain tourism activities over time. This section reviews the status of some of these attributes in the Northeast Superior Region.

3.1/ Existence of environmental stewardship initiatives, strategies and plans

At the present time there are no specific environmental stewardship initiatives on the Game Preserve beyond the legislated statement of protection of fur bearing animals. Over time, this geography has been tenured for timber harvest and managed by forest companies according to the requirements of the Crown. There are some additional protections on the Martel forest tenure – for example to create contiguous wildlife corridors, riparian setbacks and reduced visual impacts as a result of Tembec's decision to certify their forest activity under the terms of Forest Stewardship Canada.

The NSRCF is in the early stages of establishing a Guardian's program for the CCGP which is intended to serve as a vehicle to monitor human impacts and ecological change, and act as a knowledgeable interface between stakeholders and the land for planning and project purposes.

3.2/ Tourist infrastructure and businesses to provide supply services (accommodation, transportation, food, equipment rentals), goods (memorabilia, supplies) and services (trails, sites, first aid, evacuation)

While this region is best known for its world class outdoor experiences, summer and winter, it also offers a range of built attractions which have been developed to attract visitors including: Fort William Historical Park; museums focused on farming, sports, military and woodland history; amethyst mines open to the public; outdoor nature parks; art galleries; golf courses; casinos; marinas; and zoos.

The Northeast Superior region is also well known for its Aboriginal artists including the late Norval Morriseau and Roy Thomas. However, while Aboriginal arts and culture still thrive in the region, in a number of the smaller Aboriginal communities where one would expect to find art and artisans, there is only a sorry display of cultural goods imported from China. This is definitely a missed opportunity.

The Region offers a range of accommodation styles and prices, ranging from campgrounds to remote fly-in camps to high end eco lodges designed to suit all types of travelers.

Interestingly, information about the Game Preserve itself is very hard to come by, and opportunities to access and enjoy it are difficult to find and far between. Tourists report on TripAdvisor that in the entire town of Chapleau 'you won't find any trace of tourist information site except one board with the map of the preserved area and some article about its history'. And on the internet, which is the place most independent tourists go to build their trip itinerary, there are no offerings of organized tours or knowledgeable guides for hire, or companies that can build custom tours to suit budgets and interests. Another seriously missed opportunity.

Research for this report was able to identify only six lodge/accommodations situated inside the Game Preserve (Figure 11), together with a handful of Guide Outfitters offering guided land and water tours. We were also able to identify one European tourism company that includes two days in the CCGP as part of a two week circle tour through Northern Ontario.

Loch Island Lodge	www.algomacountry.com/listing/63/loch-island-lodge
Kanipahow Wilderness Resort	www.algomacountry.com/listing/19/kanipahow-wilderness-resort
Paquette's Camp	www.algomacountry.com/listing/135/paquettes-camp
Como Lake Resort	www.algomacountry.com/listing/18/como-lake-resort
Camp Missinaibi/ Northern Walleye Lodge	www.algomacountry.com/listing/77/camp-missanabie--northern-walleye-lodge
Ernie's H.K. Cottages and Campground	www.algomacountry.com/listing/78/ernies-hk-cottages-and-campground
Chapleau Lodge	www.algomacountry.com/listing/17/chapleau-lodge
Errington's Wilderness Island Resort	www.wildernessisland.com

Figure 11: Accommodations in or adjacent to the CCGP

The NSRCF, together with other municipal and industry members of the ACR Stakeholder's Working Group, is currently lobbying for a continuation of a federal financial subsidy from the Remote Rail Program for the Algoma Passenger Train which came to an end March 31, 2015. CN Rail has been subsidized to operate this line since 1977. The current request for $7M in transition funding over the next 5 years is on the heels of the last 2 year- $2.2M subsidy, which the government had indicated was their 'final offer of support'. The Region's Aboriginal communities say that the rail line is an essential aspect of building-out Anishinaabe cultural-based tourism products in their traditional territories.

3.3/ Infrastructure for communicating with tourists (maps, information, internet connectivity, signage, interpretation, visitors center)

Again in this category, the Northeast Superior Region offers a mixed bag. Internet and cell phone connectivity is intermittent, visitor's centers are located in some but not all towns, and detailed information about the region and its offerings is not readily available. The Tourism Association offers information about tours and amenities – but with some of it no longer current, fact checking is required. We could find almost nothing on cultural tourism offerings.

3.4/ Infrastructure for storage of cultural historical and traditional knowledge and artifacts

Research for this report found no record keeping system or public display for cultural information and traditional knowledge except for one museum in the Manitoulin District, and the already noted Fairy Pictographs that have been part of the visitor's offering in the region for many years. While we can assume that each First Nation has its own traditional knowledge keepers and information, it seems that none of this rich cultural history has been organized in ways that allow the general public to participate or learn.

3.5/ Infrastructure for meetings, education, workshops, gatherings

The Region offers a number of facilities with space and amenities suitable for larger gatherings including meetings and social events. None of these are located inside the Game Preserve.

3.6/ Level of outside knowledge of the natural heritage 'brand' of the CCGP.

It is difficult to accurately assess the level of outside knowledge that exists in the region about CCGP, or the utility of this knowledge-set when it comes to establishing tourism products. We do know that:

- members of the adjacent First Nations communities have used this geography continuously for generations and are familiar with its traditional, cultural and current offerings – including cabins on Missinaibi and Dog Lakes, traplines, and cultural uses/trails on Manitou Mountain;
- local anglers and hunters access the Game Preserve from adjacent communities and in many cases have 'sites of special interest' they are eager to protect;
- the forest industry has been active in this geography since the 1950's, has collected field data over time, and has personnel that are familiar with the geography;
- the Province has data that can be used to assess opportunities and options[14];
- there are past and current remote tourism operators with extensive local knowledge;
- this research assumes, but has not confirmed, that the railway and local economic development and tourism agencies have data sets (including travel numbers) that could be accessed.

Should consensus emerge that a coordinated regional approach to remote tourism in the CCGP is a priority worth pursuing, it is possible to assume that this wealth of knowledge, currently found in isolated pockets across the Region, could be consolidated for the purpose of determining where world-class tourism products could be developed.

3.7/Community infrastructure sufficient to support additional pressure from tourism development

Infrastructure in the smaller communities in this Region have not been put to the test of additional usage resulting from tourism. Looking to lessons learned in other jurisdictions, it seems that sewage, water, energy and waste management are important community assets that require audit and consideration if a tourism industry of any size is contemplated. It is unclear at this time where the pressure points might be but further research is recommended.

[14] The Ministry of Natural Resources and Forestry prepared a comprehensive set of features maps in 2014 for the CCGP

3.8/ Overall "Rating" of the region's key attributes to support remote tourism

On a scale of 1-10, research for this report would suggest that the infrastructure necessary to support tourism in the CCGP is largely under developed at this time – leading to us offering a rating of 2-3. There is a skeleton system that could, with coordination and planning, be strengthened. Sault St Marie and/or Timmins offer a reasonably good jumping-off point – hotels, restaurants, air and ground transportation, medical, connectivity. The smaller communities of Chapleau, Wawa and Dubreuilville have limited services which would need to be more deliberately honed to support growth in visitations. In particular the town of Chapleau, sitting at the gateway to the CCGP would require a tourism development strategy that included municipal, Aboriginal and business coordination/collaboration to take real advantage of the Preserve's potential tourism offerings.

4. ORGANIZATION AND INFRASTRUCTURE REQUIREMENTS

In other regions where tourism has become an economic generator of any significance, there has been a convergence of natural amenities, community interest, careful planning, co-branding, and thoughtful steps towards scale. This research suggests that the CCGP and the Northeast Superior Region more broadly, offers a kind of diamond in the rough – the natural amenities are present in spades though sometimes in a degraded state, but the coordinated effort to build a viable tourism industry is almost completely absent. In order to create a tourism industry in this region – especially one focused on the Chapleau Crown Game Preserve, a staged approach must be considered to include:

1. Training and education: Formal and informal education in the offering of a positive visitor's experience must become a region-wide initiative. Everyone from shopkeepers to tour guides must understand the importance of setting a welcoming tone, and learn not only how to hold knowledge about the region's amenities, but how to share it.

2. Tourism infrastructure: Most regions which have had success with tourism as an economic sector have been very deliberate about zoning for, and supporting the emergence of, tourism infrastructure and amenities – everything from food options to visiting sites. These offerings are generally advertised under a regional brand, and often coordinated through package tour development.

3. Marketing, brand-building: This is the most critical aspect of tourism development – especially when a region is aiming at a subset of the tourism industry like canoe enthusiasts, bird watchers, ecotourists, or cultural tourists. Branding requires a sophisticated (and shared) interpretation of what is 'on offer' in a given region; closely followed by a multi-pronged marketing strategy. Most tourism initiatives as a regional scale take 3-5 years to gather steam in the marketplace.

4. Networking to build business relationships and collaborations: A smattering of disconnected/disassociated tourism products that are not coordinated generally fails to meet the

test of tourist success. Regions that have focused on building a strong partnership/collaboration approach to tourism development have done much better than those who have opted to let individual products self-promote and self-brand.

5. Program development (offerings/outings): This aspect of successful regional tourism development is linked to the bullet above. Why build a 10^{th} hotel when the real need is for an eatery? Why offer the 4^{th} taxi service in town when a rental car service is missing? Thinking long term about building a network of businesses that together provide the totality of infrastructure required for tourism is the approach proven to work best.

6. Protection of cultural resources: The obvious dearth of cultural tourism products in a region rich with Aboriginal culture and history leads to the conclusion that this is an aspect of tourism development that could grow both quickly and effectively. It is important to consider, from the outset, what values are being promoted in the opening of a cultural tourism window – and most importantly how cultural resources will be protected over time.

5. SPECIAL CONSIDERATIONS FOR THE REMOTE TOURISM SECTOR IN THE NORTHEAST SUPERIOR REGION

It is accepted fact in the tourism trade that 'the farther one gets from accessible areas the more authentic and real the visitor's experience can be.' This is potentially good news for the Northeast Superior Region of Ontario. But it bears taking a closer look at the second part of this trade knowledge – 'that remote destinations MUST distinguish themselves in a busy marketplace in order to attract and compete with more accessible locations.' In other words, the ordinary will just not do. If the Region is going to build a successful tourism industry – one that contributes substantial dollars and opportunities to local communities – deliberate intention from the outset is necessary.

As for tourism in the Chapleau Crown Game Preserve, the literature tells us that 'remoteness is one of the more important attributes to the resource-based tourism industry, whose clients seek a range of psychological benefits from each trip, such as solitude and escape'. Remoteness, or at least the absence of roads, also assists in shielding fish and wildlife populations from recreation hunters and anglers, and the greater abundance of fish and game in remote areas makes it easier for tourism operators to attract guests. In most instances, remote tourism guests are willing to pay premiums for accessing more remote sites. This is a positive condition from an enterprise development perspective, but it also puts a burden on tourism operators to offer premium products in remote places – which is not always an easy thing to do.

Clearly tourism development at scale in this region will be challenging due to a number of factors including: accessibility; seasonality; and competing interests (recreational, Aboriginal, industry) on the land base. In this context it is crucial that there be consistent involvement of local governments in advancing tourism; that the provincial government participate in establishing enabling conditions on the land; and that there are resources dedicated to capital raising, training, capacity building, coordinating, marketing and empowerment.

Remote tourism studies around the world offer the following list of 'necessary conditions' for success:

- Adequate levels of family and personal savings to take business risks and make business investments
- Presence of diverse and flexible opportunities allowing people to 'string together' employment and livelihoods throughout the year
- Capital investment availability and interest
- Collective will/mutual support for tourism development efforts
- United and articulated goals for tourism developments, including what is not acceptable
- Welcoming attitudes to outsiders who are there to visit the region
- Stable leadership and vision
- Willingness to form partnerships between communities and the private sector
- Appropriate interplay between politics and business to create an enabling environment

6. REMOTE ABORIGINAL TOURISM

There is a growing body of examples in Canada and the USA of successful Aboriginal tourism businesses and products. There is a demand for these types of products, particularly among European visitors. The Aboriginal tourism marketplace is supported by a federally funded Aboriginal Tourism Association of Canada (ATAC).

A report published by the ATAC this year[15], the first major study of Aboriginal tourism in more than a decade, points to the increasing importance, growth and sophistication of Aboriginal tourism across Canada. The study suggests that Aboriginal tourism accounts for $2.5 billion in gross economic output, $1.34 billion in national GDP, $817 million in wages and salaries, and more than $63 million in tax revenue to governments. Surveys of 132 Aboriginal tourism businesses and 36 travel trade representatives also identified barriers that are limiting the ability of Aboriginal tourism to reach its potential. Access to financing, and training and retaining qualified staff are ongoing challenges. Marketing strategies among Aboriginal tourism operators and regions are often poorly coordinated; visibility at transportation gateways such as airports is weak, as is overall market awareness. Travel trade relationships and guidelines governing authenticity of the Aboriginal tourism experience are others areas that survey respondents highlighted as in need of improvement. On the marketing side of the equation, there is a need for more coordination between regional Aboriginal tourism initiatives and Aboriginal tourism organizations.

[15] National Aboriginal Tourism Research Report 2015, O'Neil Marketing and Consulting Group, for the Aboriginal Tourism Association of Canada

7. FINANCIAL PROJECTIONS

The financial analysis for this feasibility study necessarily took a 'what if' formulation because we were not studying a particular business but rather a range of business options associated with remote tourism in the Game Preserve.

The attached spreadsheets demonstrate a range of potential revenues that could be anticipated from various remote tourism products. Of course, the quality of the product offering and the price point of visitors could skew these projections immensely. They are therefore to be seen only as 'indicative', with the understanding that a detailed financial analysis would be required for each business case.

With these provisos, our highly speculative estimates are as follows:

Tent Revenue Potential	Low	Middle	High
Occupancy Rate	10%	30%	50%
Guests Per Year	$ 28.60	$ 85.80	$ 143.00
Potential Revenues	$ 10,439.00	$ 31,317.00	$ 52,195.00
Cabin Revenue Potential	Low	Middle	High
Occupancy Rate	10%	25%	40%
Guests Per Year	31.20	78.00	124.80
Potential Revenues	$ 20,644.00	$ 51,610.00	$ 82,576.00

8. CONCLUSIONS

Remote tourism and resource based tourism is a desired segment of the international tourism industry – one that is garnering more and more attention as visitors seek out-of-the-way places, authentic vacations, low carbon footprint holidays, and educational getaways.

Although the Northeast Superior Region has an incredible offering by virtue of its natural landscapes and relative isolation, it is seriously underdeveloped in terms of its tourism product offerings. This is particularly true in light of the wealth of its history as a frontier for Canada's fur trade; its rich cultural heritage with six Aboriginal communities close at hand; and the fact that it is home to the world's largest game preserve.

Developing a regional approach to tourism development is a complex task – requiring investment from all sectors of the local society. In order for the Northeast Superior Region to become a 'go to' destination, communities must determine that this is an economic sector they wish to develop and engage strategically with advancing on all fronts simultaneously – from critical habitat protection to capacity building to infrastructure development.

It seems that the 'bones' of a successful industry are at hand in this Region, including the railway line that traverses some of the most beautiful landscapes in the country, and nearby city centers that can offer arrival and departure amenities. But the remote tourism products still largely need to be developed, together with the branding of this Region as a place that you will not want to miss.

Whether the powers that be, Aboriginal, municipal, Crown, community, business and industry can agree that this is an economic sector worthy of active pursuit remains to be seen. It is proving itself in other places of similar size and personality but it has taken dedication and commitment to make it so.

9. FINANCIAL ANALYSIS

Attached financial analysis includes:

1. Potential Revenues
2. Cost Estimates
3. Activities & Gear
4. Accommodations
5. Access Options

Potential Revenues

	Proposed Rate	Annual Guest Capacity
Tents	$ 365.00	286
Cabins	$ 661.67	312

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Comparable Rates

$ 1,499.00	7 Night All Inclusive Fishing Trip at Garden Island Lodge (Fly or boat-in only)
$ 999.00	7 Night All Inclusive Fishing Trip at Lost Lake Wilderness Lodge (Vehicle Accessible)
$ 745.00	7 Night Accomodations Only Fishing Trip at Lost Lake Wilderness Lodge (Vehicle Accessible)
$ 450.00	6 Night Accomodations Only Fishing Trip at Northern Walleye Lodge, based on double-occupancy
$ 350.00	Weekly Accomodations Cabin Only (No Boat) at Little Moose Lodge
$ 715.00	Weekly Accomodations & Boat Rental at Little Moose Lodge
$ 254.00	Paid Roof Loding Average Per Night Spending in Northern Ontario in 2012
$ 787.00	Paid Roof Lodging Average per Trip Spending in Northern Ontario

Notes & Limitations:

Tent Rate estimated by determining value of boat rental only at comparable offerings.

Cabin Rate estimated by taking average of weekly rates among lodges offering Accomodations-Only fishing trips. Rates could likely be significantly higher for remote fly-in fishing at a quality lake

There does not appear to be another company offering tent-based accomodations for this type of fishing tour. Given the length of stay required for the remote area in may or may not be feasible. However, a tent outpost may add value by offering access to additional terrain for other activities (ie. hunting where permitted).

Given the remote nature and distance of travel required to reach the destination, only weeklong packages have been considered.

Occupancy Rate Ranges are from "Remoteness Sells: A Report on Resource-Based Tourism in Northwestern Ontario" by CPAWS Wildlands League & Ontario Nature
In order to attract visitors from the US and other markets at greater distance, an all-inclusive option with meals should also be considered. However, costs and
Cost and Revenue Estimates assume a 6 month operating season.
One Large Tent sleeps 11 cot-style beds, while two log cabins offer indoor accomodations for 12 guests

Cost Estimates

Activities & Gear

	Equipment Costs	Staff & Operating Costs
Remote Fishing	$ 65,659.76	$ 26,650.00
ATV Access Roads	$ 37,227.40	$ 17,724.20

Accomodations

	Capital Costs	Staff & Operating Costs
Tent Camping	$ 3,536.82	$ 13,750.00
Rustic Cabins	$ 254,244.00	$ 16,150.00

Access Options

	Capital Costs	Operating Costs
Drive-In	$ 23,190.00	$ 6,181.00
Float Plane	$ 5,040.00	Charter cost paid by visitors

Notes & Limitations

Fishing equipment costs assume that guests bring their own rod and reel, same as fishing operations like Garden Island Lodge remote fishing lodge

Operations are managed by one staffperson working fulltime during the season, covering both guiding and accomodations/operational roles

Estimates assume one full-time staffperson is split between guiding and managing accomodations for the 6 month season.

A dock is needed for both float plane access and remote fishing activities, but to avoid double-counting the estimate is only included once under float plane capital costs.

Further details on cost estimate calculations can be found in the subsequent tabs.

Activities & Gear

Remote Fishing

EQUIPMENT	Costs Per Unit	Units Required	Total Cost	Description	Source
Boats	$ 15,895.00	4	$63,580.00	Lund Rebel XL 4-Stroke 16.5' Fishing Boat	http://www.lundboats.ca/boats/aluminum/rebel/1650-rebel-xl
Landing Nets	$ 14.99	4	$ 59.96	Landing Nets	http://www.basspro.com/
Anchors	$ 149.99	4	$ 599.96	Slide Anchor Box Anchors	http://www.basspro.com/
Life Jackets	$ 34.99	12	$ 419.88	Bass Pro Shops Mesh Fishing Life Jacket	http://www.basspro.com/
Deep Cycle Batteries	$ 249.99	4	$ 999.96	Optima Bluetop Battery	http://www.optimabatteries.com/en-us/shop/bluetop/
Total			$65,659.76		

OPERATIONS

Guiding & Housekeeping	$ 13,000.00	1	$13,000.00	Based on $25/hr, 20 hour work weeks, 6 months/Year
Fuel	$ 3,412.50	4	$13,650.00	Based on Mercury 40 4-stroke motor with WOT consumption 17.5 L/Hr. Assume $1.25/L, 2 hours/day, 3 days/week in season.
Total			$26,650.00	

ATV Access Roads

EQUIPMENT	Costs Per Unit	Units Required	Total Cost	Description	Source
ATV Vehicles	$ 8,899.00	4	$35,596.00	Kawasaki BruteForce 650 4x4	http://www.kawasaki.ca/product/brute-force-650-4x4
Helmets	$ 99.99	12	$ 1,199.88	HJC CS-MX Solid Helmet	https://www.canadasmotorcycle.ca/motocross-dirt-bike/helmet.html
Gloves	$ 35.96	12	$ 431.52	Thor Deflector Gloves	https://www.canadasmotorcycle.ca/motocross-dirt-bike/gloves.html
Total			$37,227.40		

OPERATIONS

Guiding & Housekeeping	$ 13,000.00	1	$13,000.00	Based on $25/hr, 20 hour work weeks, 6 months/year	
Fuel	$ 1,181.05	4	$ 4,724.20	Assumes one 4.8 Gal tank per week	http://www.motorcycle-usa.com/27373/Buyers-Guide-Specifications/2013-Kawasaki-Brute-Force-650-4x4.aspx
Total			$17,724.20		

Accommodations

Basic Tent Camping

	Costs	Units	Total Costs	Description/Assumptions	Sources
Tent	$ 1,199.99	1	$ 1,199.99	Cabela's Ultimate Alaknak Tent- sleeps up to 11	http://www.cabelas.ca/product/964/cabelas-ultimate-alaknak-tent
Roof Panel Protector	$ 119.99	1	$ 119.99		http://www.cabelas.ca/product/963/cabelas-ultimate-alaknak-roof-panel-protector
Vestibule	$ 329.99	1	$ 329.99		http://www.cabelas.ca/product/966/cabelas-ultimate-alaknak-tent-vestibule
Floor Liner	$ 129.99	1	$ 129.99		http://www.cabelas.ca/product/965/cabelas-ultimate-alaknak-tent-floor-liner
Stove & Accessories	$ 436.97	1	$ 436.97	Cabela's Sheepherder Tundra Takedown Stove	http://www.cabelas.ca/product/42762/cabelas-sheepherders-tundra-takedown-stove
Sleeping Cots	$ 119.99	11	$ 1,319.89	Cabela's Alaskan Guide Model Cot	http://www.cabelas.ca/product/22464/cabelas-alaskan-guide-model-cot
			$ 3,536.82		

Rustic Lodge

	Costs	Units	Total Costs	Description/Assumptions	Sources
Cabin Construction	$118,125.00	2	$236,250.00	2- 525 sq ft. log cabins at $225/sq ft. Each sleeps 6.	
				Basis for floor plan is "Camping Crones Cabins" at http://www.sitkaloghomes.com/small-log-cabins.html Cabin cost estimate from http://www.coyoteloghomes.ca/how-to-buy/how-much-does-a-log-home-cost.aspx and confirmed by other builder sites	
Beds & Matresses	$ 2,999.00	6	$ 17,994.00	Pine Ridge Collection Queen bedroom	www.leons.ca
			$254,244.00		

Hospitality Staffing Costs (Tent & Cabin)

	Costs	Units	Total Costs	Description/Assumptions
Housekeeping/Admin	$ 13,000.00	1	$ 13,000.00	Assumes 1 person, 20 hrs/wk in season to complete housekeeping and care for guests.

Tent Operating Costs

	Costs	Units	Total Costs	Description/Assumptions
Wood Fuel	$75	10	$750.00	$75/cord and 10 cords/yr (not in use in winter, but some heat may be needed in shoulder season)

Cabin Operating Costs

	Costs	Units	Total Costs	Description/Assumptions
Electricity	$ 1,200.00	2	$ 2,400.00	Assumed $200/cabin/month
Wood Fuel	$75	10	$ 750.00	$75/cord and 10 cords/yr (not in use in winter, but some heat may be needed in shoulder season)
			$ 3,150.00	

Access Options

	Cost	Description	Source

1) <u>Lodge Expenses</u>

Drive-In

Vehicle Purchase	$ 23,190.00	2015 Jeep Wrangler	www.jeep.ca
Operating Expenses	$ 6,181.00	Assumes 400kms/week. Includes maintenance, insurance, licence, & fuel. Does not include financing & depreciation.	Calculated at http://caa.ca/car_costs/ using average maintenance from Jeep Wranger 5 year cost-to-own projection at KBB.com

Fly-In Float Plane

Dock Infrastructure	$ 5,040.00	$42/sq foot floating dock. Assumes 120 sq feet. Does not include shipping, installation, or special design features	Customer Service Agent at JetDock

2) <u>Visitor Expenses</u>

Example Charter Costs

Shorter Flight	$ 391.02	Temagami to Lady Evelyn Lake- 41km flight distance. One way cost. Up to 4 passengers.	http://www.garden-island.com/ontario-drive-to-walleye-fishing-camp.htm
Longer Flight	$ 1,159.09	North Bay to Lady Evelyn Lake- 125km flight distance. One way cost. Up to 4 passengers.	http://www.garden-island.com/ontario-drive-to-walleye-fishing-camp.htm
Avg Cost/km	$ 9.34		

Passenger Rail Costs

Algoma Central Railway	$ 242.40	Round trip fare from Sault Ste Marie to Hearst. Crosses western border of Chapleau Game Preserve. Three days/week	http://www.agawacanyontourtrain.com/content/tours/passenger/schedules_fares.html
VIA Rail	$ 40.00	One Way Fare from Sudbury, ON to Chapleau, On. Service three days/week.	
	$ 56.50	One Way Fare from Sudbury, ON to Franz, On (Connection with Algoma Central Railway)	