

***Economic Renewal and
Protecting Canadians
Through Sport: Written
Submission for the Pre-Budget
Consultations in Advance of
the Upcoming Federal Budget***

August 2020

Submitted By:

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Recommendations

1. Sport for Life calls on the federal government to provide funding in the amount of \$250 million for a *Local Sport Organization Recovery Fund* made available to the 30,000+ non-profit community sport organizations based on specific eligibility criteria, to support the sustainability of local sport organizations and provide equitable access to sport, contributing to federal public health, workforce development, the economy, and social renewal in communities.
2. Sport for Life and Sport Tourism Canada call on the federal government to provide funding in the amount of \$100 million for a *Community Sport Event Recovery Fund* to support local sport tourism as an economic driver and community leader in entrenching public safety protocols in sport tourism events across Canada.

Preamble

The Sport for Life Society is recognized as the global experts on Long-Term Development in Sport and Physical Activity, and physical literacy, linking sport, education, recreation, health and governments to align community, provincial, territorial and national programming.

Sport Tourism Canada is a non-governmental, member-based, capacity building organization that promotes sport tourism as a grassroots economic and social development initiative at the community level, servicing 150 municipalities, 300 national and provincial sport, multi-sport and major games organizations, and other industry partners.

In May 2020, Sport for Life conducted a national survey to measure the operational and financial impacts of COVID-19 on community sport organizations. Data was collected from 1,300 respondents representing nearly 4 million members across 56 sports.

The results confirm significant operational and financial impacts due to COVID-19 and a dire need for support; 99% of Canada's sports organizations have been affected by COVID-19, 50% will be negatively impacted into 2021, and 21% may not recover without emergency support, resulting in less opportunities for community sport, especially impacting vulnerable populations.

The objective of our recommendations is to support the sustainability of local sport organizations, ensuring they can build on and renew their essential role in the economic, health and social future of Canada with an emphasis on public safety.

This submission complements those submitted by the Canadian Parks and Recreation Association, recommending funding to provide safe municipal spaces; ParticipACTION, supporting Canadians to return to physical activity; and the Canadian Olympic Committee calling for support to national sport organizations.

Economic Impacts of Sport and Physical Activity at the Grassroots Level

Local sport acts as an important economic driver where 30,000+ organizations across the country contribute significantly to Canada's GDP. These organizations collectively report \$6.1 billion in annual revenues and serve a total membership of over 33 million Canadians.¹ Ontarians, for example, spend

¹ Gumulka, Glenn, Cathy Barr, David Lasby, and Barbara Brownlee. "Understanding the Capacity of Sports & Recreation Organizations," 2005, 66.

http://sectorsource.ca/sites/default/files/resources/files/understanding_capacity_of_sports_rec_report.pdf

more than \$12 billion annually on amateur sport; Ontario households invest an average of \$3,500 each year on community-based sport activities.²

Community sport also drives Canadian employment rates. In 2016, for instance, 2.3% of Calgary's employment was fueled by amateur sport, affecting the employment of almost 17,000 jobs.³ Sport for Life's survey revealed the 1,300 organizations collectively employ roughly 14,500 employees. Given the number of local sport organizations across Canada, the viability of the community sport sector could affect more than 350,000 jobs significantly impacting Canada's unemployment rate.

Local sport organizations provide Canadians with a multitude of social services including summer camps, allowing children to benefit from organized daytime activities. However, Sport for Life's survey revealed of the organizations that host summer camps, 92% have curtailed these services this year because of COVID-19, impacting parents and guardians' ability to return to work and contribute to Canada's economic recovery.

The Canadian sport tourism industry represents the fastest growing segment of the tourism industry in Canada with over \$6.8 billion in annual spending by domestic and international visitors.⁴ Yet, the capacity of Canadian communities to host events will be impacted without federal support and will limit the health, economic and social renewal of Canadian communities.

As per Sport for Life's survey, local sport organizations have experienced decreased revenue from registration fees, sale of goods, fundraising, sponsorships, and from the inability to host events or travel between jurisdictions. Most organizations are trying to adjust their operating costs to survive. All have expressed significant concern about membership and volunteer retention and recruitment. Focus has shifted to delivering basic programming in keeping with public health and safety guidelines. Without support, community sport event hosting is unfeasible within the foreseeable future, primarily due to the costs local organizations incur, and the need for sizeable volunteer commitments to facilitate events, the latter largely drawn from parents, seniors, and students at the community level.

Sport for Life's survey revealed 53% of the organizations have not laid off staff because they do not have paid employees; 40% explicitly indicated they're primarily or entirely volunteer-led. COVID-19 presents a risk of a significant loss in volunteers within the sport sector, in part due to the increased demands additional safety measures require. Additionally, more than a third of local sport organizations indicated they are ineligible for the current federal and provincial/territorial emergency funding initiatives. If these volunteer-based programs and services cannot survive in the current climate, this will have drastic

² Toronto Star. "Bringing Sport Back Includes Important Considerations for Amateur and Youth Sports Too," July 16, 2020. <https://www.thestar.com/opinion/contributors/2020/07/16/bringing-sport-back-includes-important-considerations-for-amateur-and-youth-sports-too.html>.

³ Sport Calgary. "New Research Reveals Significant Economic Impact of Amateur Sport in Calgary." Accessed August 5, 2020. <https://www.sportcalgary.ca/news-releases/2018/5/1/new-research-reveals-significant-economic-impact-of-amateur-sport-in-calgary>.

⁴ Sport Tourism Canada. "Sport Tourism Spending in Canada Holds Steady at \$6.8 Billion," May 20, 2020. <https://sporttourismcanada.com/sport-tourism-spending-in-canada-holds-steady-at-6-8-billion/>.

impacts on household contributions to the amateur sport industry, which as indicated above, influences Canada's GDP and community economic stability.

Given these far-reaching impacts and implications, and consistent with federal commitments to "supporting a broad range of economic sectors⁵," support to the sport and sport tourism sectors in Canada is a strategic investment.

Social, Health and Wellness Benefits of Community-based Sport

Beyond the economic impacts, community-based sport also provides extremely valuable social services and programs to Canada's vulnerable youth, as well as other vulnerable populations including older adults, Indigenous peoples, women and girls, newcomers, and people with a disability.

These beneficial social services however are in jeopardy of becoming inaccessible to lower socio-economic families. For Canadians who were laid off in this state of emergency or have been otherwise financially impacted by COVID-19, the increased costs of participating in community sport will have more barriers, preventing them from being able to reap the health, social, physical and psychological benefits of community sport.

Recommendations

#1 Local Sport Organization Recovery Fund

- Based on Sport for Life's nationwide survey:
 - 65% of local clubs and associations cannot access Canadian emergency funding initiatives;
 - 66% of organizations with staff have or will be laying off employees; only 21% know they will be able to rehire their staff based on the current funding measures;
 - As many as 21% may not recover without emergency support, resulting in less opportunities for sport;
 - 30% of organizations need only a small amount of emergency funding – less than \$20,000 – to help with COVID-19 inflicted challenges; 11% reported needing more than \$100,000 to maintain operations.
 - Given the amount of funding indicated by these organizations, the community sport sector would need an aggregate amount of \$1.1 billion to fully address the identified need.

⁵ Prime Minister of Canada. "First Ministers' Statement on Shared Public Health Approach to Support Restarting the Economy," April 28, 2020. <https://pm.gc.ca/en/news/statements/2020/04/28/first-ministers-statement-shared-public-health-approach-support>.

- This *Local Sport Organization Recovery Fund* would enable organizations to continue programming, focus on equitable access to sport, and contribute to federal public health, workforce development, the economy, and social renewal in communities while:
 - Recouping their losses in decreased revenue and other financial impacts incurred;
 - Purchasing personal protective equipment (PPE) to ensure the safety of their participants;
 - Covering the costs of increased facility rentals needed to run programming, while adhering to safety protocols such as maintaining physical distancing;
 - Rehiring staff, including seasonal and part time staff, contractors, and students to deliver programming;
 - Providing incentives to volunteers for their additional time spent ensuring safety guidelines are met; and
 - Promoting their sport to returning and new members while offering registration fees reflective of the services able to be offered.

Delivery Options

- Federal government or, in partnership with provincial governments, delivers funding earmarked for local sport organization recovery direct to organizations based on specific funding criteria.
- Sport for Life serves as official administrator and delivery arm of the fund through a public health recovery-focused project application process.

#2 Community Sport Event Recovery Fund

- Based on the significant impact to the sport tourism sector identified in survey data from both sport and tourism groups⁶, losses were equally split among provincial, national, and international sport events.
- Barriers identified by host communities and sport organizations to future sport hosting include financial (government and corporate support), tourism capacity (hotel availability and air access), venue readiness, and community commitment to hosting local through provincial sport events during the recovery phase.
- Sport Tourism Canada has established a *COVID-19 Recovery Task Force* representative of all regions of Canada with sport, tourism, municipalities, hotels, and venue inclusion, addressing a strategic safe approach for the return of sport tourism.
- The current sport events funding model in many communities in Canada is dependent on municipal accommodations tax revenues to provide access to grants for events; those funds have been depleted based on the loss of revenue from hotel customers in 2020.

⁶ Sport Tourism Canada. "Survey Summary Findings COVID-19 Impact," May 2020.
<https://sporttourismcanada.com/wp-content/uploads/2020/05/CSTA-Survey-Findings-COVID19-Final.pdf>

- This *Community Sport Event Recovery Fund* would enable organizations to entrench public safety protocols in sport tourism events while:
 - Generating much needed revenues to ensure the liquidity of these community-based groups to again achieve self-sustainability;
 - Working with local accommodations providers to generate hotel stays;
 - Providing opportunities for restaurants to host visiting groups and teams;
 - Supporting sport event supply chain partners in several industries to provide goods and services for the staging of sport events;
 - Engaging members of the community to recruit and manage volunteers in a safe manner;
 - Providing much needed revenue to local sport facilities while enabling them to rehire staff and deliver a positive event experience for all participants; and
 - Promoting the benefits of sport tourism at the community level while showcasing sport to new audiences and engaging local residents.

Delivery Options

- Federal government or, in partnership with provincial governments, delivers funding earmarked for community sport event recovery direct to local organizations based on specific funding criteria.
- Sport Tourism Canada serves as official administrator and delivery arm of the fund through a public health recovery-focused project application process.

Since the current emergency funding initiatives are inaccessible to most local sport organizations, particularly those who are volunteer-led, Sport for Life and Sport Tourism Canada recommend the eligibility criteria for these funds include the following for applicants:

- must be a registered non-profit organization;
- grant sizes are connected to annual operating or event budget;
- have not accessed other federal COVID-19 recovery programs or funding;
- utilize recognized assessment tools to measure impact (e.g. STEAM model), and
- can demonstrate delivery of quality sport experiences.

Conclusion

COVID-19 is a disease of inequity, and socio-economic status is not bound by provincial/territorial jurisdiction. The viability of community sport should be a national concern to support the Canadian economy, ensure sport can continue to play an essential role in building resilient communities, break down socio-economic barriers and encourage equitable access to social services. Sport for Life and Sport Tourism Canada would like to thank the Finance Committee for consideration of our recommendations to ensure the sustainability of local sport organizations as an economic and social driver benefiting the physical, mental, and emotional wellbeing of Canadians.