

Executive Summary

Recovery Response for Community Recreation and Sport Facility Closures & Program Interruption Caused by COVID-19



Background

The Canadian Parks and Recreation Association is the national voice for municipal parks and recreation and the significant contributions these services make to individual health and community vibrancy.

On April 23, 2020, CPRA released the attached report entitled ‘*Recovery Response for Community Recreation and Sport Facility Closures & Program Interruption Caused by COVID-19.*’ The report, developed by an independent expert, outlines the key COVID-19 challenges to the sector; calculates the financial implications; and provides policy options to address the implications.

Context

Community recreation, parks and sport are a fundamental service that enhances the quality of life for Canadian communities. These municipal services provide public access to opportunities that may otherwise not be financially accessible.

Municipal recreation, parks and sport are immediately facing a significant loss in revenue as facilities and programs are shuttered due to COVID-19. But in addition, individuals and communities are experiencing a significant loss of social benefits that cannot be provided while facilities are shuttered - this is particularly true for children, seniors and marginalized Canadians.

Returning these services are fully, safely and quickly as possible in a post-pandemic context must be fundamental priority.

Key Facts

- The national financial impact of COVID-19 on the recreation sector is \$2.7B annually or \$221M monthly, because of the incurred fixed cost nature of operating community recreation facilities against zero financial recovery and social benefit
- Fixed costs (utilities, security mandatory staff) to operate Canadian recreation facilities are incurred by municipal operators even as the facilities sit idle due to COVID-19
- When facilities and programs resume operations, new public health requirements (hygiene, cleaning, social distancing, etc.) could raise Canadian facility operating costs by as much as \$226M annually

- At the best of time, Canada-wide, recreation facilities require municipal subsidies because the \$1.7B produced in programming revenues is insufficient to pay for the cost to operate and program these facilities
- Municipal recreation and sport employees have been laid off en masse as municipalities do not qualify for Canada Emergency Wage Subsidy (CEWS). For example:
 - An Ontario municipality has laid off 2,200 part time workers and another municipality will not be hiring 5,600 part time workers this summer
 - A BC municipality has laid off a total of 820 part time and full time workers and will forgo hiring for 100 summer positions
 - A Saskatchewan municipality has laid off 260 workers and postponed the recall of 500 summer staff
 - A municipality in New Brunswick has laid off 5 workers and will not hire for 70 summer positions

New Realities

When restrictions are lifted, Canadians are going to want and need community recreation, parks and sport in the immediate term to bring back a level of normalcy.

- New public health procedures may require infrastructure investments in recreation and sport facilities (i.e. hand wash stations)
- Canadians have a greater appreciation for the benefits of community recreation, parks and sport and will welcome infrastructure investments in these fundamental services that were in desperate need of repair prior to the pandemic
- Not qualifying for the CEWS, municipal recreation will require new hiring and training: subsidies to be able to hire youth will allow the services to return more effectively and efficiently
- Public fears about returning to public facilities will require additional actions (costs) to meet the public's demands for enhanced procedures and cleaning
- Due to ongoing and potential permanent physical distancing requirement -- classes, camps, teams will have smaller numbers of participants but municipal programming will still incur the same costs to run the programs

Recommended Solutions

For municipal recreation and sport to return to provide this fundamental social service in a post-pandemic world, federal/provincial/territorial government support is required.

Youth Employment in Municipal Sport and Recreation

Post COVID-19 economic stimulus provided by government should include a youth employment program targeted at jobs in municipal sport and recreation. Providing financial support (via 75-100% wage subsidy) to municipalities and community organizations would:

- Create jobs for youth experiencing a slow up-take in employment post COVID-19
- Support municipalities who will have endured tremendous revenue loss and would not otherwise be able to hire for these jobs
- Connect youth to their communities as part of the societal recovery from COVID-19;
- Increase the speed by which municipalities can ramp-up the return of their sport and recreation services

Community Sport and Recreation Fund

Municipalities will face multiple challenges and significant costs in resurrecting sport and recreation services in a post COVID-19 environment, including: Re-hiring/hiring/training of new staff; Cleaning of parks and facilities for public return; Preparing major infrastructure (pools, arenas) that has been unused for several months; Addressing new and enhanced public health concerns about facilities and programs. Federal and provincial/territorial governments should create a funding program that municipalities can immediately access to help support the costs of ramping-up sport recreation services to support individual and societal recovery of COVID-19.

Investment in Sport and Recreation Community Infrastructure

A government economic stimulus program to support community sport and recreation infrastructure will not only address an existing multi-billion dollar deficit but also address new infrastructure needs in a post COVID-19 setting. The public may have hesitations in returning to large public recreation facilities and thus this new 'normal' may require infrastructure adjustments (i.e. hand washing stations) that will require financial investments. In addition, recreation has been long identified as one of the municipal infrastructure systems in most need of investment. And now, unlike road, water and bridges that have not been impacted by COVID-19, recreation is in further need of support.

Stimulating jobs and the economy through investing in community sport and recreation infrastructure addresses multiple economic and social government priorities and would be an investment that the public would prioritize in a post-COVID-19 environment. The federal government has an existing infrastructure envelope dedicated to sport, culture and recreation that it can utilize as an efficient mechanism to deliver funding or can use a 'gas tax' structure to allow for the more direct funding straight to communities.

Funding Support for Not for Profits

The economic impact of COVID-19 on not-for-profit organizations is monumental. The cancelling of conferences, fundraisers and programs for the foreseeable future has major financial impacts, as these are often the only generator of income for organizations. While the federal wage subsidy program has been a critical first step, without additional federal and provincial/territorial government stimulus, there will be many not-for-profits (including in the sport and recreation sector) that will not have the financial capacity to keep doors open after the COVID-19 crisis. The government must provide an emergency and stabilization fund of grants and interest free loans is required to ensure the survival of these fundamental community services.