COVID-19 Impacts in Ontario's Camping Sector

Submission for the study of recommendations relating to the Economic and Fiscal Update Act, 2020

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Ontario's camping sector has been impacted in myriad ways, with lack of access to federal funding the sector was relied heavily on the Ontario government granting allowances to reopen. As campgrounds have reopened, they are concerned about labour shortages, securing the PPE supply chain, acquiring temporary financial support and cutting red tape.

Re: Study of the recommendations relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy

On behalf of Camping In Ontario and its 443 member campgrounds in Ontario, we would like to thank the Standing Committee on Finance and Economic Affairs for taking the time to review and consider our submission.

Much of the camping sector is fortunate enough to have opened prior to “Stage 2” of Ontario’s Reopening the Economy Framework. The tourism industry has been hit particularly hard in the COVID-19 pandemic, and the Ontario government must be aware that in economic crises, it is tourism that stimulates economies and moves society forward. However, many of these businesses are still struggling to stay open as the costs to run the business have increased, while amenities must remain closed. There must be recognition for the myriad of sectors in the tourism industry that will play a pivotal role in developing a post-COVID-19 Ontario.

As we have seen, there is a demand by Ontarians to tour, creating an opportunity and a tremendous risk for Ontario’s campgrounds.

The camping sector in Ontario generates $1.2 billion annually in GDP for Ontario, it attracts tourists from all around the world and is accommodates the highest volume of campers every year. Ontario’s 1,144 campgrounds draw 1.82 million campers from around the world annually. The camping sector is a sustainable sector relying on proper legislation to reduce red tape and ensure the longevity of the rural small businesses.

Please review the following concerns highlighting the needs of organized campgrounds in Ontario:

1. Address Labour Shortage

The Ontario Government has heard time and time again that the Canadian Emergency Response Benefit (CERB) is now creating a labour shortage, due to the high monthly value that federal government pays out. Businesses that have now opened due to the "Stage 2" approach are lacking the proper staffing levels to operate safely and provide adequate services. Despite the high demand from Canadians to visit campgrounds, these businesses are forced to reduce capacity due to high staffing costs and a shortage of access to talent and labour. This is a missed opportunity for the province of Ontario, as employment opportunities are currently available. Opening beaches, washrooms, marinas, or pools all require additional staff to regulate social gathering laws and ensure safe and proper protocols are followed.

The tourism industry has laid off roughly 37 per cent of its staff, and 23 per cent of the tourism workforce is between the ages of 15 and 24 years old. Therefore, Camping In Ontario recommends partnering with colleges and universities and both public and private campgrounds to provide employment for students who have lost summer job options.

2. Secure PPE supply Chain

Almost all regions in Ontario have now reopened to "Stage 2" and campgrounds are now adjusting to the new regulations outlined by the Ontario Government to safely operate. To operate the beach, pool, marina, washrooms and other amenities, proper PPE must be provided for employees and staff to effectively and safely clean and operate these facilities.

Camping In Ontario recommends creating proper communication and realistic timelines on where to find PPE, quantities to order in, and timelines to expect before the proper PPE arrives.

3. Supporting Financial Burden

In tandem with incentive programs to encourage people back to work; proper funding to help with overhead costs for campgrounds is integral to guarantee longevity and a healthy recovery as the economy enters a post-COVID-19 world. Seasonal businesses rely heavily on late spring, summer, early fall months to earn as much revenue as possible to make it through the late fall, winter, and early spring seasons.

The Canadian Emergency Wage Subsidy (CEWS) is an effective tool to keep businesses afloat with keeping employment numbers high. The CEWS does not pay off for employers until the second or third month of employment. For seasonal businesses this means the best time to hire employees was March and April, which was obviously made impossible by the COVID-19 outbreak. CERB caused a labour shortage by removing incentives for employees to work. It is understood why CERB exists, it is a barrier for post-COVID-19 economic stimulus. Now that CERB is extended another eight weeks into August, employers still cannot hire staff. September is not a viable date to be hiring and training employees and the end of the season cannot be the time for campgrounds to start earning for the winter months. They need sizable revenue coming in immediately.

For a campground that owns 50 hectares of land to conduct its business, it sees to severely high property taxes and monthly hydro costs even though the Ontario Government has lowered the cost of hydro until October 31, 2020. Over the last three months of struggling to open for business, private campgrounds have seen their bank accounts empty due to high overhead costs and refunds for campers. In addition, there is little to no adequate funding program for the seasonal small business owner. Many campgrounds in Ontario lost up to $7,000 a week for two months with 0$ in revenue. For example, credit card processing fees were paid by owners to accept a reservation and refund reservations. When reservations were cancelled due to government closures, no cancellation fee was charged. Not only did they lose out on the reservation, they also lost the processing fees at both ends of the transaction. This occurred in some campgrounds hundreds of times, the financial lost was significant.

Camping In Ontario recommends that funding be provided for campgrounds and businesses to help provide incentives that outweigh the CERB enough for employees to return to work.

4. **Reduce Red Tape**

Over the last decade, Camping In Ontario has been working with the Ontario Government to reduce the red tape around building septic systems in campgrounds. In 2008, the Ontario Government "created" a daily water usage per campsite limit of 800 litres per day per campsite. This number was chosen with no supporting data. Camping In Ontario spent years and thousands of dollars to study the correct evaluation and, it was concluded that the average water usage in campgrounds in Ontario is 275L/day/site.

This poor regulation has created massive costs and red tape to overcome for campgrounds. Costs can reach up to $500,000 in consultations, take up to seven years, and up to five levels of government to seek approval. The septic systems (if approved at this higher rate) are then overbuilt and eventually fail due to "starvation" from being too big and not having enough materials to effectively operate.

Camping In Ontario recommends that the regulation be lowered to 275L/site/day to allow realistic and safe septic systems to be built. In discussions for reopening the economy, this is an excellent long-term solution to red-tape reduction for small businesses spread across Ontario. The anticipated expansions currently stalled in the system will boost tourism in rural Ontario.

We look forward to hearing your remarks and seeing this committee's recommendations going forward.

Thank you,

Alexandra Anderson