

Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Provincial Budget

By: Ontario Federation of Snowmobile Clubs

Recommendations

1. That the government provide an increase in funding in the amount of \$2.5 million for the Transfer Payment Agreement for the Improvement of Snowmobile Trails in Ontario.
2. That the government review all tourism-related support programs managed by government ministries and agencies to include hard infrastructure and operational equipment as eligible categories where possible.
3. That the government engage in a multi-sector initiative to promote the Ontario tourism industry with international visitors.

Recommendation #1: That the government provide an increase in funding in the amount of \$2.5 million for the Transfer Payment Agreement for the Improvement of Snowmobile Trails in Ontario.

The Ontario Federation of Snowmobile Clubs (OFSC) is a volunteer led not-for-profit association that provides the voice for organized snowmobiling in the province of Ontario. The OFSC delivers two programs on behalf of the Province of Ontario – the snowmobile permit program and the snowmobile driver training program. We also support 16 regional districts and 183 snowmobile clubs through provincial programs and operational equipment.

The snowmobiling industry is the largest contributor to Ontario's winter economy. Last year the OFSC generated \$20.5 million in revenue from the sale of trail permits and the latest economic impact study using the Province's Tourism Regional Economic Impact Model (TREIM) shows the snowmobiling industry delivers up to \$3.3 billion annually. The study also shows that snowmobiling contributes to the creation of over 11,300 direct, indirect, and induced jobs, primarily in small and rural communities.

This past year, the OFSC invested \$1 million from our reserves along with \$500,000 from the provincial government into 12 infrastructure projects. However, a further 17 projects estimated to cost approximately \$1.3 million could not be funded. Many of these projects are on important Snow Tour loops and may lead to the closure of some trails. For example, an important portion of the TOP B Trail in District 8 will not be available this year due to our inability to make the necessary repairs.

Adding to these challenges is the cost of raw materials such as steel and lumber which have seen a dramatic increase that makes it very difficult for non-for-profit organizations such as ours to meet our growing infrastructure challenges. The pandemic has also created supply chain issues which are delaying several projects such as the delivery of trail groomers.

The OFSC believes in working with the government to tackle this important issue. When our funding was reduced two years ago, we followed the guidance from the provincial government to apply through the Investing in Canada Infrastructure Program. We were successful in having three projects jointly funded with the Government of Canada and while we are extremely thankful to both levels of government for their contribution, this level of support will not be available every year.

At the same time, the expectations of snowmobilers continue to grow. The OFSC has seen an increase in permit sales over the past two years and we know riders expect to be able to complete Snow Tours and ride popular trails. Any reduction in the OFSC Prescribed Trail network will lead to negative feedback both for us and the Ministry of Transportation of Ontario.

For these reasons, the OFSC believes the time has come to make a significant reinvestment in snowmobiling in Ontario. A \$2.5 million increase to the current \$500,000 will be matched by an investment of \$3 million from our own reserves. Together, we can relaunch snowmobiling as Ontario's premier winter activity.

Recommendation #2: That the government review all tourism-related support programs managed by government ministries and agencies to include hard infrastructure and operational equipment as eligible categories where possible.

The tourism industry features a broad spectrum of organizations that provide an array of products and services. From attractions to tours to events, it is challenging on occasion to find support programs that can address the variety of interests. Often programs deem infrastructure or equipment as ineligible categories for consideration, yet these are often the most expensive and urgent needs for the organizations.

A couple years ago, the OFSC made a pre-budget submission with a recommendation that the Northern Ontario Heritage Fund Corporation (NOHFC) expand their eligibility categories. This year the OFSC has worked closely with the NOHFC and are very pleased to see that infrastructure projects will now be considered for both the Rural Enhancement Funding Stream and the Enhance Your Community Stream of their Community Enhancement Program.

The OFSC believes that by expanding eligibility criteria for all tourism focused programs, decision makers will gain a full understanding of the challenges facing the industry.

Recommendation #3: That the government engage in a multi-sector initiative to promote the Ontario tourism industry with international visitors.

The COVID-19 pandemic has seen a large decrease in international visitors. This includes snowmobilers who ride from the northern United States to take advantage of the OFSC Prescribed Trail network. As Ontario emerges from the pandemic, there is an opportunity to bring these visitors back in record numbers.

The OFSC recommends that a formal working group be established, possibly with Destination Ontario as the lead, to ensure that winter tourism has a significance presence in any tourism strategy targeting international visitors.