



BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT  
**COVID-19 TOURISM IMPACT REPORT**

With a focus on British Columbia outside the Lower Mainland and Whistler  
June 1st - June 30th 2021

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FOR QUESTIONS CONTACT  
Anthony Everett  
Chair, BC Regional Tourism Secretariat



### *Opening message*

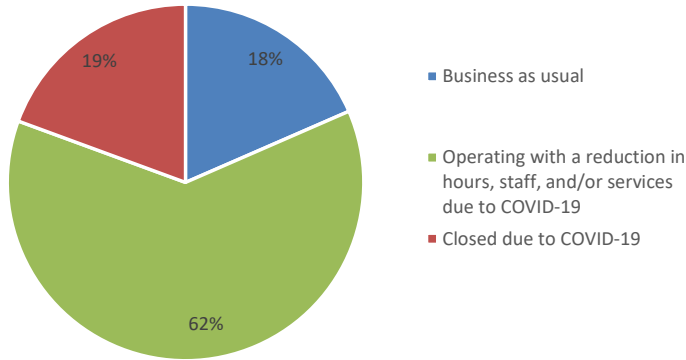
The British Columbia Regional Tourism Secretariat, British Columbia Hotel Association, the British Columbia Destination Marketing Organizations Association, and Tourism Industry Association of BC are continuing to leverage a collective business network to collect, collate and report on the impact of the COVID-19 pandemic on tourism businesses and to gather feedback on potential response and recovery measures. This business intelligence was gathered through online and telephone surveys, based on a randomly selected list, with firms in five tourism regions of British Columbia from **June 1st - June 30th, 2021**. Responses to this survey were collected both before and after these restrictions were lifted. A response rate of 24% yielded **169 responses**. This represents a margin of error for the randomized sample-wide questions of +/- 6%, 9 times out of 10.

### *Key issues for consideration:*

- The percentage of firms reporting **business as usual** is **18%**, remaining similar to last month.
- About **35%** of firms reported using **less than half of their usual staffing capacity** for this time of year. The **average staffing level** firms are operating with is **57%**, representing an increase of 15 percentage points since May.
- Between **22-40%** of firms reported being **ineligible** for major provincial and federal programs targeted for businesses.
- Most firms that take bookings in advance are receiving **less than half as many bookings** for summer 2021 compared to usual, though summer bookings are improving following declines in April and May
- According to businesses, COVID-19 has affected their ability to contribute to community wellbeing, noting that the pandemic-induced setback has brought about reduced revenue for the local economy, fewer employment opportunities, mental health impacts, and fewer opportunities for connecting and joy within the community

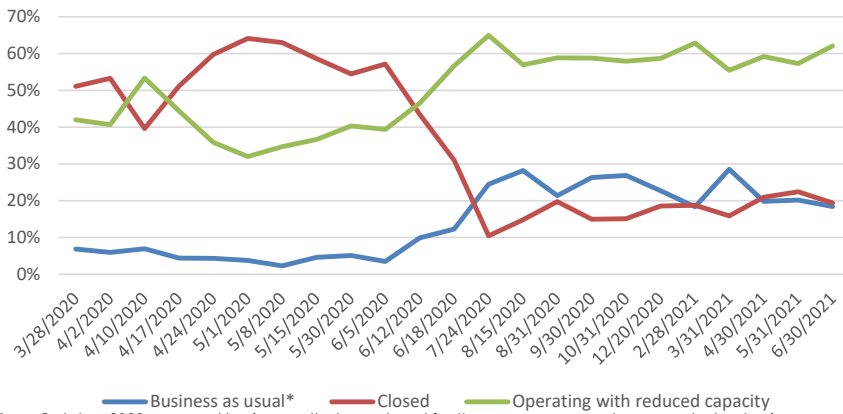


Please indicate the impact of COVID-19 on your business.



Across the tourism regions of Cariboo Chilcotin Coast, Kootenay Rockies, Northern BC, Thompson Okanagan, and Vancouver Island, the percentage of firms operating with a reduction in hours, staff, and/or services due to COVID-19 is 62%, while the percentage reporting business as usual is 18%, similar to last month's report. The percentage reporting being closed due to COVID-19 has gone down from 22% to 19%. Meanwhile, less than 0.5% of businesses are temporarily closed for reasons other than COVID-19 (including seasonal businesses).

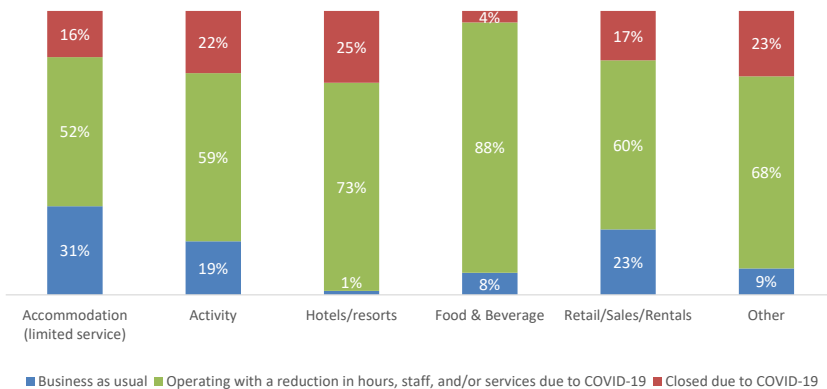
Impact of COVID-19, share of responses since start of survey (excl. VCM)



Comparing over time, the percentage of firms operating with a reduced capacity has increased, while the percentage of businesses operating as usual has stayed the same. The percentage of closed firms has decreased as some businesses slowly begin to reopen.

\*From October 2020, seasonal businesses that are closed for the season per usual are counted as business as usual

Impact of COVID-19, by subsector



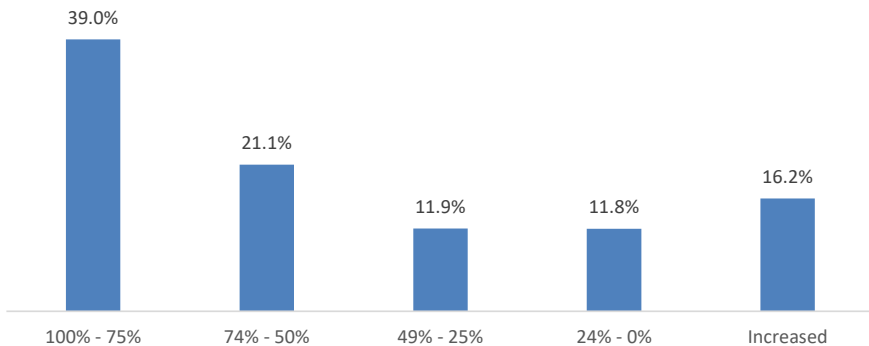
The impact of COVID-19 also varies by subsector. For example, hotels and resorts show the largest percentage of closed firms (25%), and the smallest percentage of firms operating with business as usual (1%). Meanwhile, the food & beverage subsector had the lowest percentage of closed firms (4%) and the highest percentage of firms operating with a reduction in hours, staff and/or services (88%).

All findings are based on member surveys collected by the Secretariat during June 1st - June 30th, except where otherwise noted. For all regions, firms were drawn from a randomized list of firms that had "opted in" to communication under Canada's Anti-Spam Legislation (CASL), and the averages for sample-wide statistics are stratified on region. Data and figures represent a subset of regional tourism operators and are subject to change with changes in coverage, data cleaning, weighting and other statistical correction and/or as data become more complete. Some quotes edited for brevity.

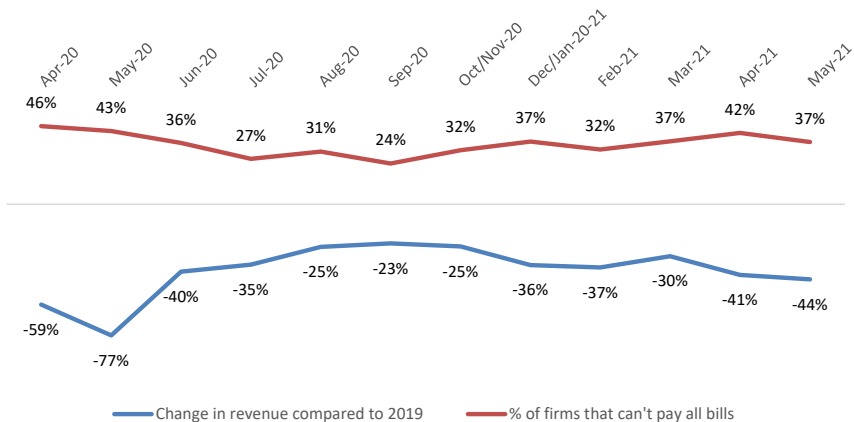
Photo credits: Destination BC/@miracampbell and Destination BC/Andrew Penner.

# PROVINCIAL SUMMARY

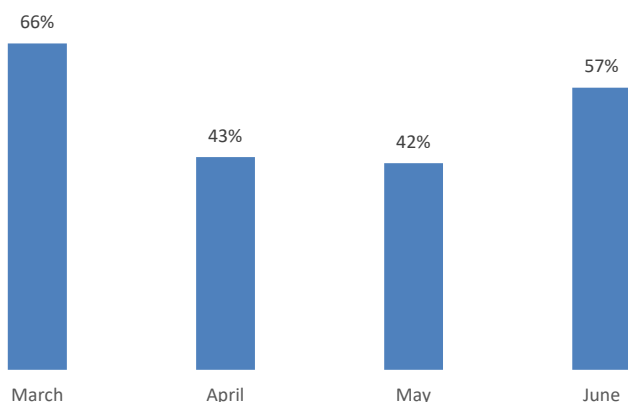
Compared to May 2019, by how much did your revenue fall in May 2021?



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all of their bills (excl. VCM)



Average staffing levels compared to usual



About 60% of firms reported losing more than half of their revenue in May 2021 compared to May 2019, before COVID-19. This figure is about the same as the last report. These trends in the tourism sector have been seen across Canada, with almost half (45%) of businesses in the Canadian tourism sector experiencing a decline of 40% or more in revenue in the year of 2020 compared to 2019.<sup>1</sup>

Meanwhile, the proportion of firms reporting an increase in revenue from 2019 increased 3 percentage points in May to 16%.

The average change in revenue for the five regions in May 2021 compared to May 2019 was -44%, representing a decrease of 3 percentage points compared to April. Meanwhile, the proportion of firms unable to pay their monthly bills was 37%.

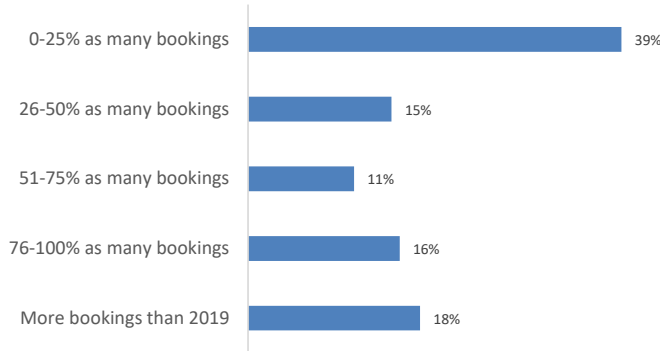
Much of this is likely due to the 'circuit-breaker' restrictions that were introduced at the beginning of April, and lifted on May 25th. After this, and until July 1, travel was only permitted within health regions.

The percentage of firms that reported using less than half of their usual staffing capacity for this time of year is 35%, representing a decrease of 18 percentage points since the last report in May.

The average staffing level firms are operating with is 57%, representing an increase of 15 percentage points since May.

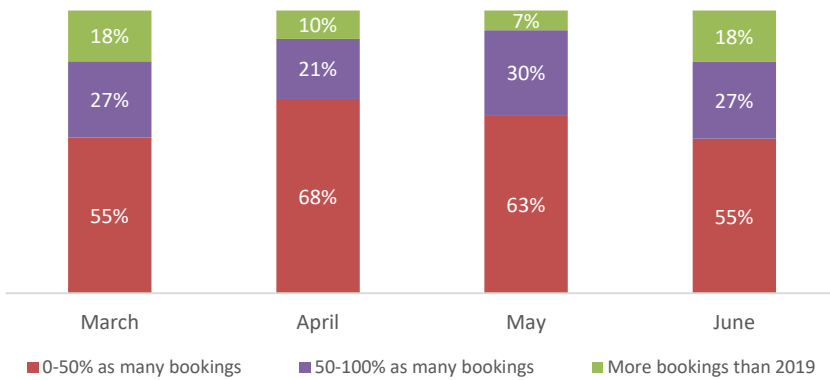
1) Impact of COVID-19 on the tourism sector, second quarter of 2021, Statistics Canada. <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2021001/article/00023-eng.htm>

Compared to pre-COVID-19, how much volume do you have for summer bookings?



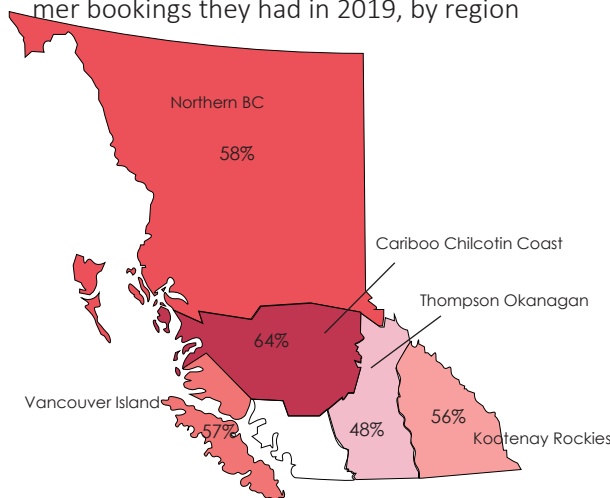
Most firms that take advance bookings are receiving less than half the summer bookings they had in pre-COVID-19, with 39% receiving less than a quarter of their bookings volume compared to pre-COVID-19 levels.

Compared to pre-COVID-19, how much volume do you have for summer bookings?



Over the past few months, bookings went down and then back up again in June, as some restrictions were lifted. For example, since March, the percentage of firms with more bookings than 2019 fell from 18% to 7%, and came back up to 18% in June.

Percentage of firms that are receiving less than half the volume of summer bookings they had in 2019, by region



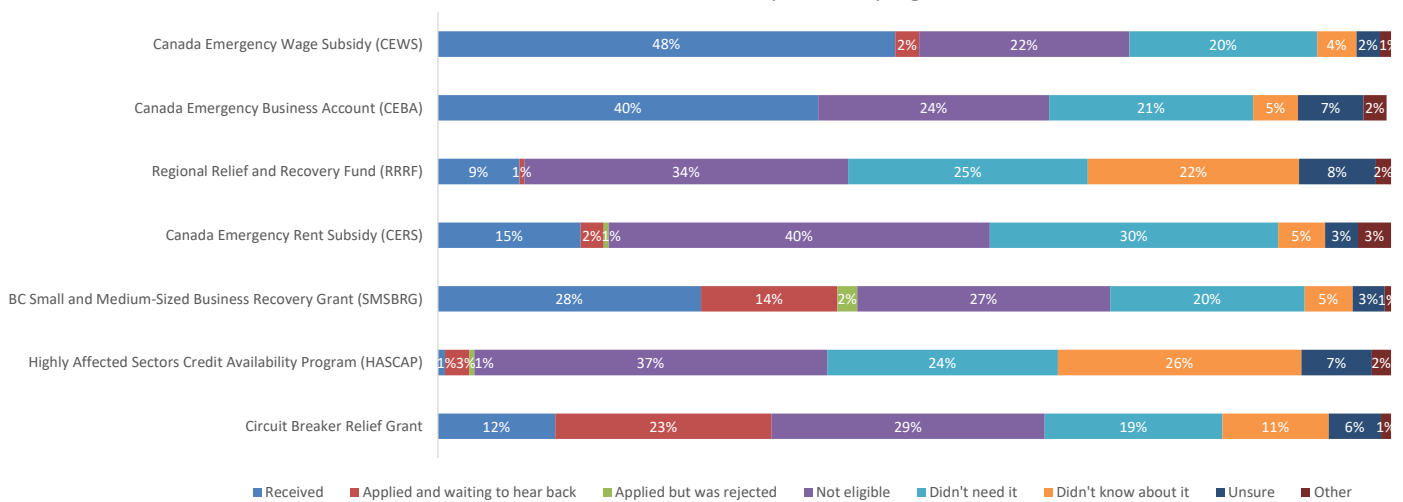
The proportion of bookings businesses are receiving compared to usual varies by region. Firms in most regions are receiving less than half the volume of summer bookings they had before COVID-19, with the exception of Thompson Okanagan, where 48% are receiving less than half the volume of summer bookings they would usually have.

# PROVINCIAL SUMMARY

In June, 48% of businesses reported having used the federal wage subsidy programs (CEWS). It has been the most commonly received federal or provincial program consistently since we started asking this question in November 2020. This is followed by the Canada Emergency Business Account, which is at 40%.

Of programs listed in the survey, the Canada Emergency Rent Subsidy (CERS) had the highest proportion of reported ineligibility (40%). The percentage of businesses that have received the BC Small and Medium-Sized Business Recovery Grant (SMSBRG) is at 28%, representing an increase in take-up of 2 percentage points since the last report. However, there is still a large number of firms (14%) that have applied and are waiting to hear back from this program. The percentage of firms that have received the Circuit Breaker Relief Grant is 12%, with 23% of firms having applied and waiting to hear back. Only 1% of firms reported receiving the federal Highly Affected Sectors Credit Availability Program (HASCAP) which remains the most unknown program at 26%.

Access to federal and provincial programs



When asked to list the reasons why firms weren't eligible or did not apply for particular programs, some common themes emerged:

- The paperwork/application processes are complicated & lengthy
- The owner of the business does not reside in BC or the business is registered elsewhere, despite being located in BC, employing BC residents and paying BC taxes.
- Businesses are unable to provide information on revenue drops or employees due to being a seasonal business or having a different business model
- New businesses were unable to show proof of profitability prior to COVID-19

“There is no help for non-resident owned businesses. Once federal programs lapsed I could no longer take care of our BC workers.” - Remote fishing lodge

“We were largely ineligible for most programs due to the size and ownership structure of our properties. By far the most beneficial program we used was the CEWS which was extremely helpful throughout the pandemic.” - Urban hotel/resort

“Some of the criteria for financial support is too cumbersome and we are not skilled in applying.” - Rural accommodation (limited service) business

“We were not eligible for SMSBRG because we didn't have positive cash flow in the financial period prior to February 2020. This is unreasonable because we just started the business in 2019, and didn't stand a chance of being profitable in that first year.” - Rural accommodation (limited service) business

# A CLOSER LOOK: TOURISM AND THE COMMUNITY

We asked businesses about the positive impacts of tourism on their communities before COVID-19, and the negative impacts of a lack of tourism on communities, to highlight the interconnectedness of tourism businesses with their surrounding communities. For each of these questions, we've included the top four themes with some quotes to display the results below.

## Top positive impacts of tourism on communities, according to businesses

### Tourism brings money into other businesses within the community, which benefits everyone

"We proudly serve only local seafood caught by local fishermen." – Rural food & beverage business

"We draw people from the coast and neighboring provinces that spend money in the community." – Remote accommodation (limited service)

"Our company draws tourists into our area who spend money all over the community including restaurants, hotels and gift shops." – Rural activity business

### Tourism provides a learning experience and cross-cultural exchange for people outside and within BC

"We are proud to showcase the history of this small rural remote community." – Remote heritage site/museum

"We represent over 200 regional artists and give them exposure to visitors and locals alike." – Rural community arts centre

"Our business informs people about First Nations and responsible tourism." – Remote activity business

### Businesses often donate to charities and support local events, which helps build the community

"We donated proceeds to our local fire department" – Rural accommodation (limited service)

"We support local charities and events" – Rural resort accommodation

"Our businesses donates significantly to local conservation and social causes." – Urban accommodation (limited service)

### Tourism businesses encourage recreation, good health and wellbeing

"We provide an affordable, fun, friendly and safe way for people to enjoy the outdoors, learn a skill, socialize and meet new people." – Rural hotel/resort

"Tourism is what gives life to our community. We are surrounded by breathtaking nature and wildlife." – Rural activity business

## Top negative impacts of a lack of tourism due to COVID-19 on communities, according to businesses

### Reduced revenue for the whole economy

"Without travelers and tourism it affects the whole local economy." – Urban food & beverage business

"We live in a resort community, and many of the tourism-reliant businesses have been very hard hit." – Rural museum/heritage site

"The economic down turn has been felt without the usual tourism...most of the other businesses in this area also depend on the summer traffic to make it through the winter months." – Rural food & beverage/Indigenous tourism business

### Reduced employment opportunities

"The lack of tourism has led to job losses." – Urban tour and retail business

"There are fewer educational opportunities and employment for seasonal workers." – Rural Indigenous tourism business

"We have had to scale back staff hours and business hours." – Rural resort/hotel

"Fewer tourists means less revenue which means fewer jobs." – Rural resort/hotel

### Stress and mental health effects

"Managers are extremely stressed and have deteriorating mental health." – Rural hotel/resort

"People have had mental health issues with loss of jobs/social aspects/stress, etc." – Rural activity business

"Lack of tourists in the community means fewer jobs, and lots of stress on working business owners with children as they are unable to find babysitters." – Urban hotel/resort

### Fewer opportunities for connections and joy within the community

"It's hard to connect with people in a meaningful way without that face-to-face component." – Urban Indigenous tourism business

"Differences in opinion are tearing the town apart." – Rural food & beverage business

Businesses were also asked for feedback on BC's Restart plan. A few common themes emerged:

- The need for clearer understanding and communication on guidelines
- Support for removing intra- and inter-provincial travel restrictions
- Desire for clarity on timelines for international travel

"We need clarity and more detail on steps, how they will be achieved, what could hold them back." - Remote activity business

"The Restart plan makes planning easier with some insights into what the coming months may look like." - Rural festival/event

"I think there needs to be a clear understanding and communication on the guidelines. I feel the need to make a risk assessment plan for my business should the restrictions be applied again." - Urban tour/retail business

"We need to reopen the international borders in order for our business and local community to survive." - Remote hotel/resort

In additional observations, businesses further highlighted:

- Worries about the future impact of financial hardship and debt
- Fears about another summer season with travel restrictions still in place
- Difficulty finding employees and planning for summer hires
- Frustration with flow of information about government policies

"I have hundreds of guests "rolling" their tours over for a second season but have lost and continue to lose money and have now been putting personal savings into paying the bills." - Remote activity business

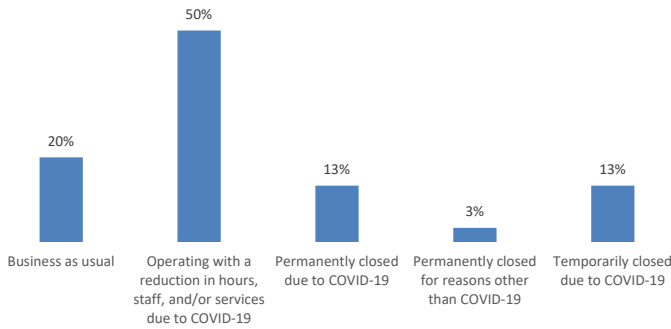
"The unpredictability of the past year has made knowing how and when to market our business challenging. We have found that the directions regarding advertising and when/how we can promote to be somewhat vague." - Rural winery/brewery/distillery

"Hiring, training & retaining staff is one of the primary impediments to resuming business for the summer." - Rural winery/brewery/distillery

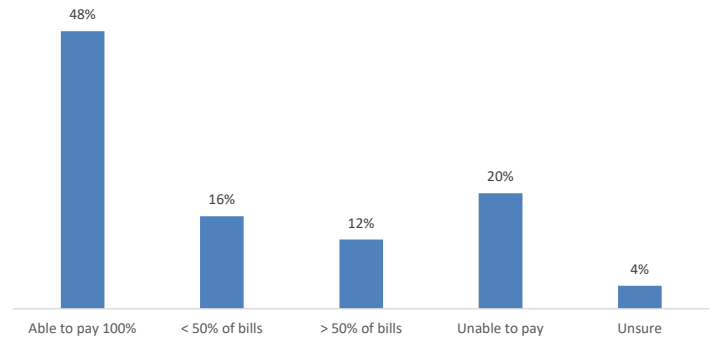
"The pandemic and its fallout has forced us to re-consider our business model going forward." - Remote hotel/resort



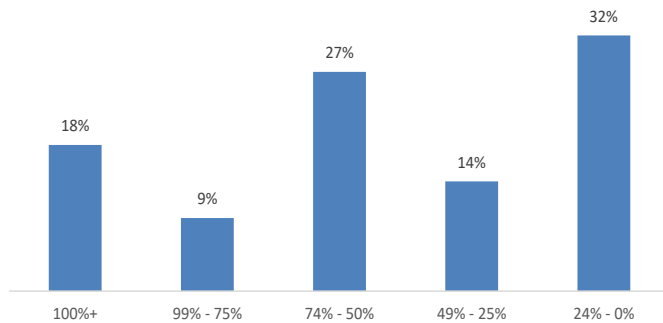
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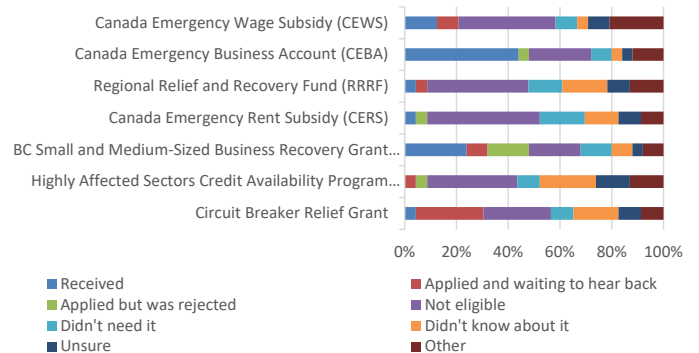
Ability to pay bills, May



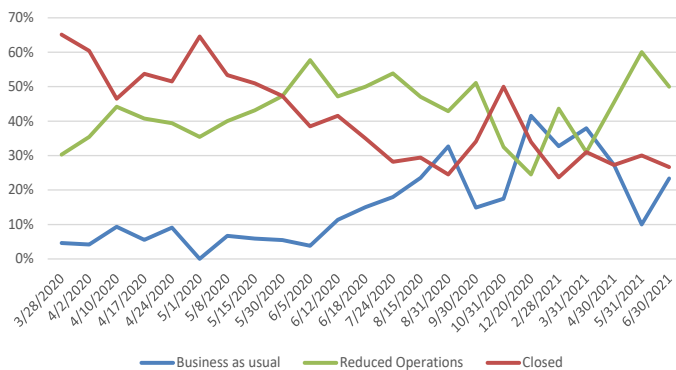
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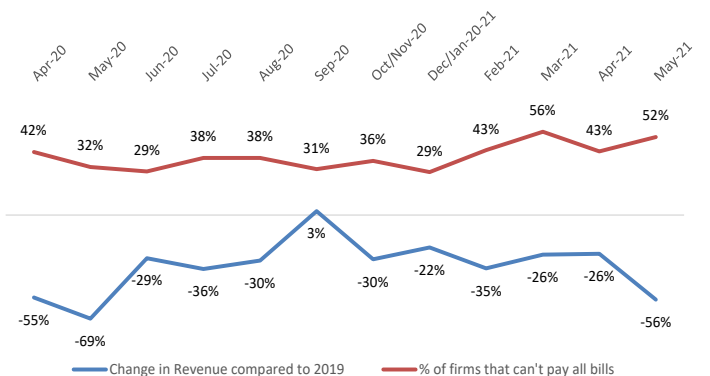
Government assistance take-up



Impact of COVID-19, share of responses since start of survey



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all bills



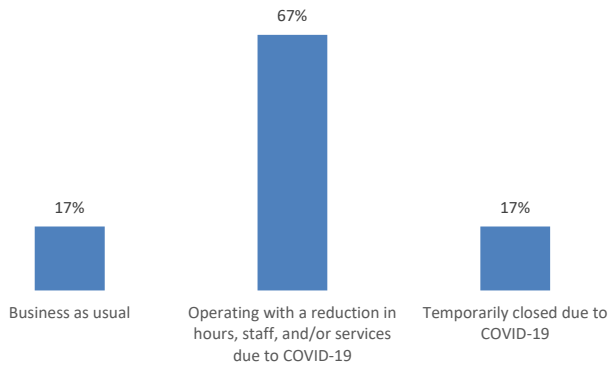
\*From October 2020, seasonal businesses that are closed for the season per usual are counted as business as usual

**Amy Thacker**  
CEO, CARIBOO CHILCOTIN COAST TOURISM

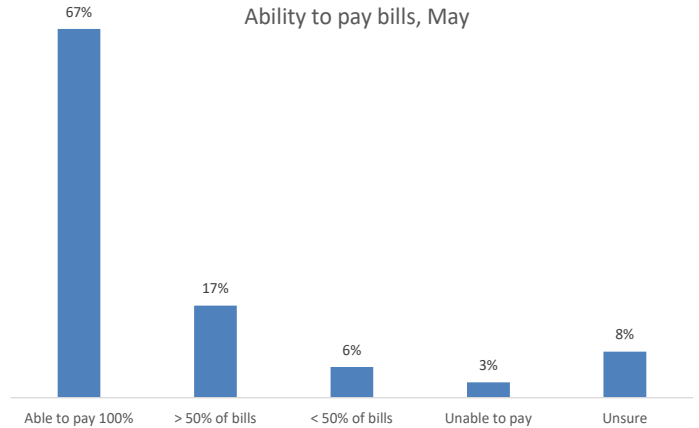
A response rate of 30% yielded 30 tourism businesses, representing a margin of error for the regional questions of +/- 14%, 9 times out of 10.

# KOOTENAY ROCKIES

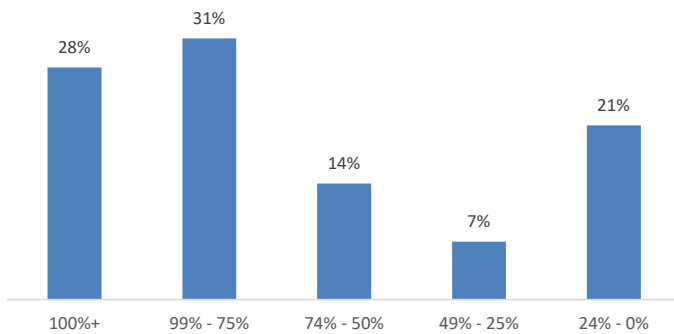
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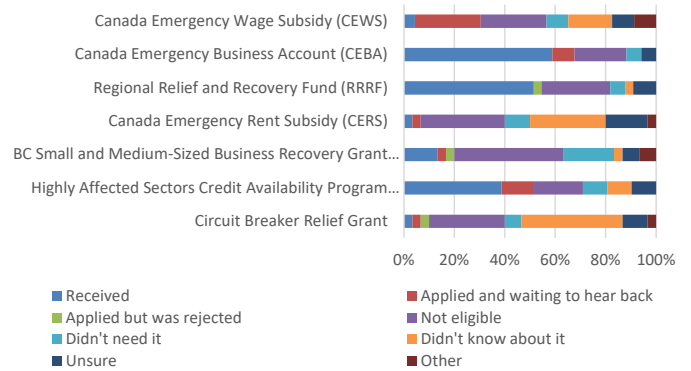
Ability to pay bills, May



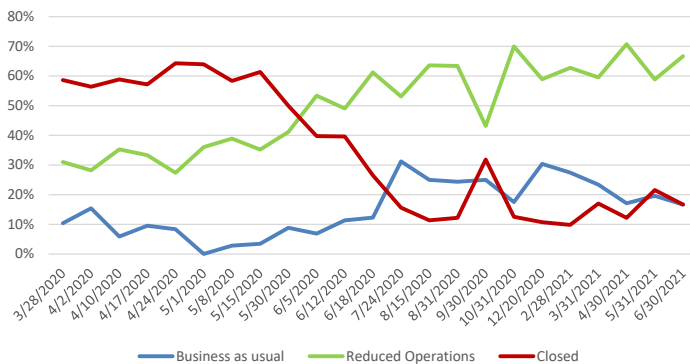
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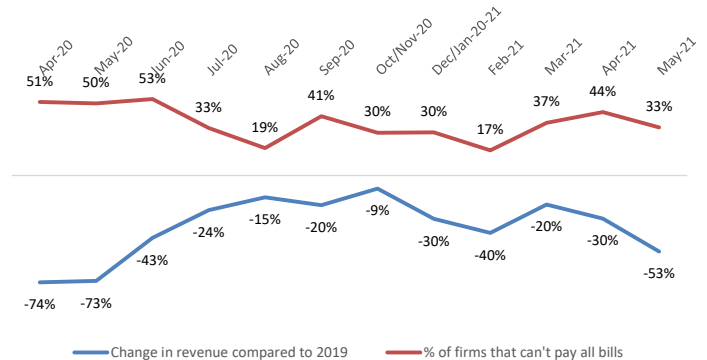
Government assistance take-up



Impact of COVID-19, share of responses since start of survey



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all bills

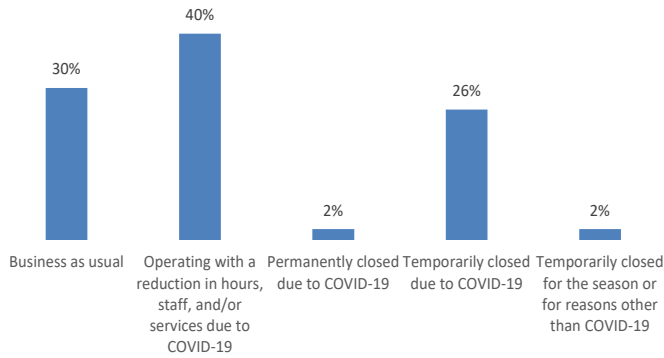


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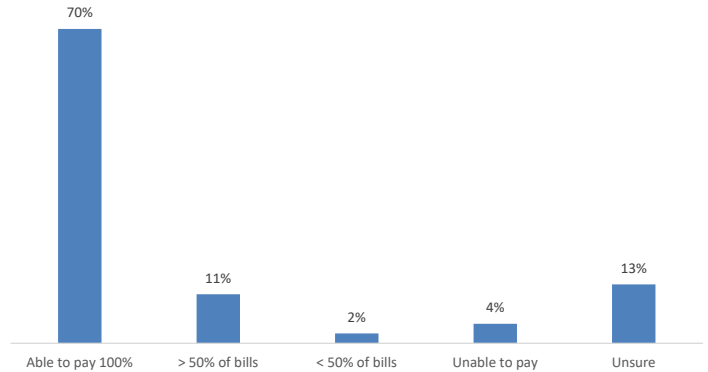
**Kathy Cooper**  
CEO, KOOTENAY ROCKIES TOURISM

A response rate of 37% yielded 37 tourism businesses, representing a margin of error for the regional questions of +/- 13%, 9 times out of 10.

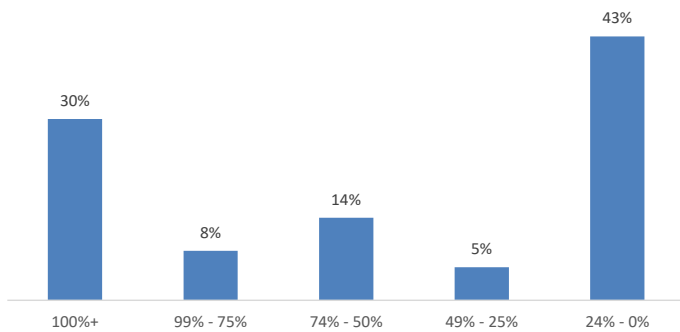
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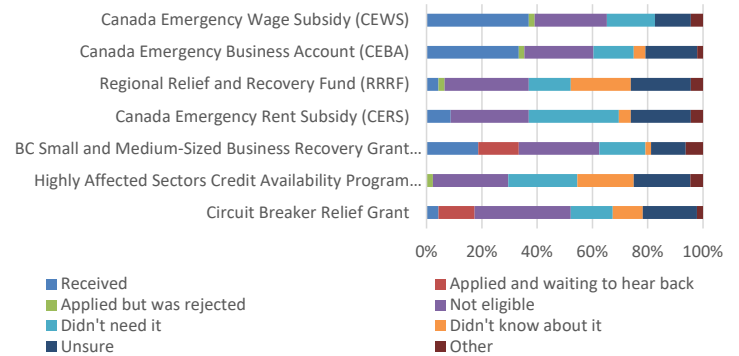
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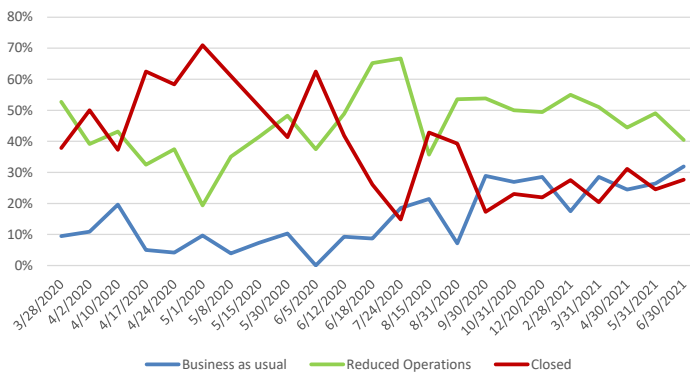
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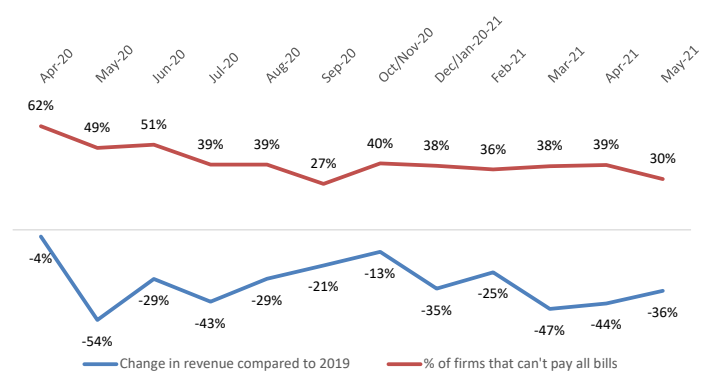
Government assistance take-up



Impact of COVID-19, share of responses since start of survey



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all bills

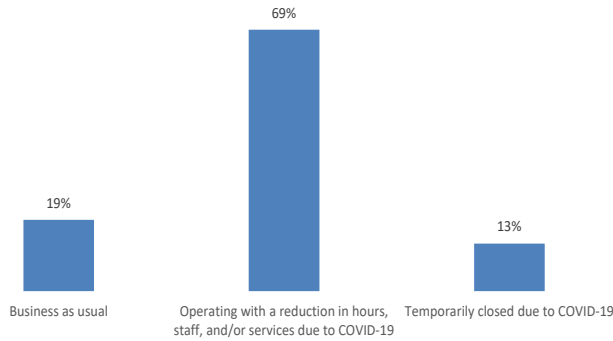


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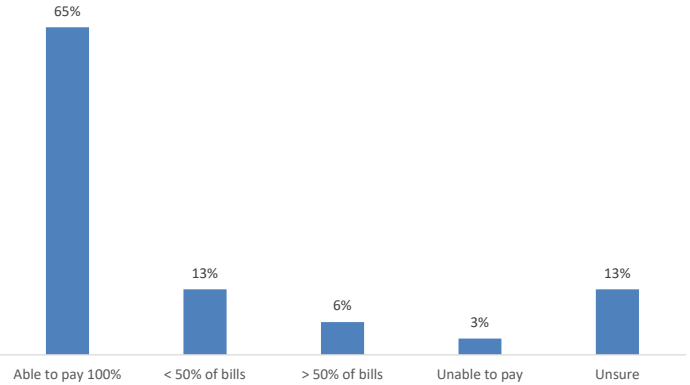
**Clint Fraser**  
CEO, NORTHERN BC TOURISM

A response rate of 24% yielded 47 tourism businesses, representing a margin of error for the regional questions of +/- 12%, 9 times out of 10.

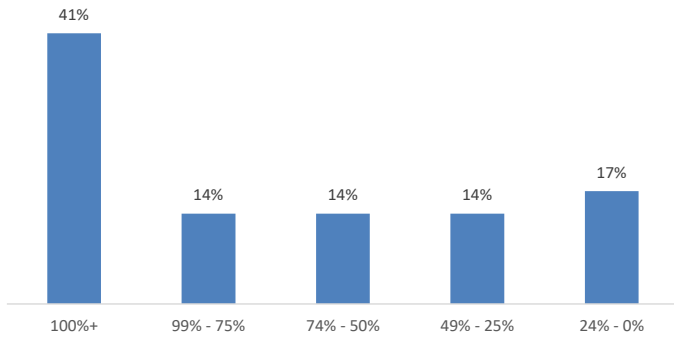
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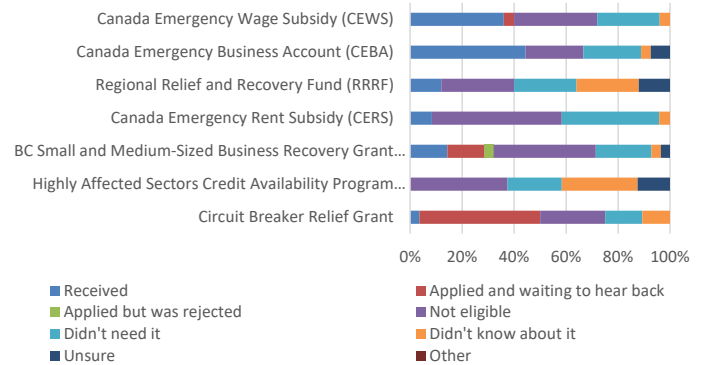
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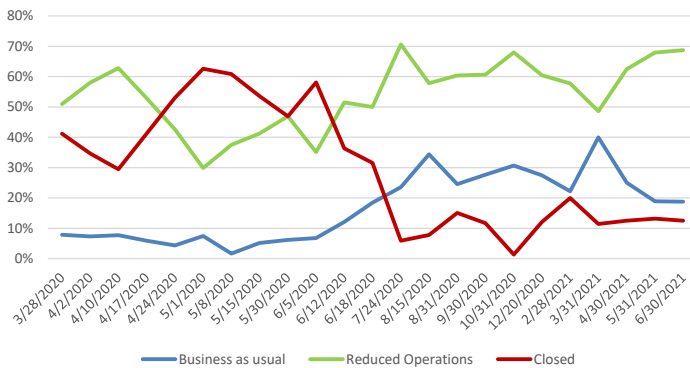
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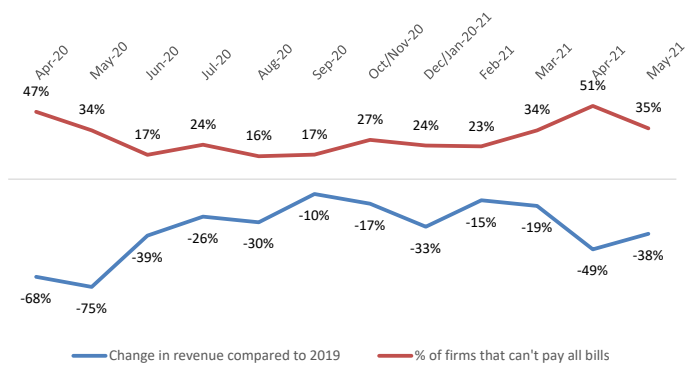
Government assistance take-up



Impact of COVID-19, share of responses since start of survey



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all bills



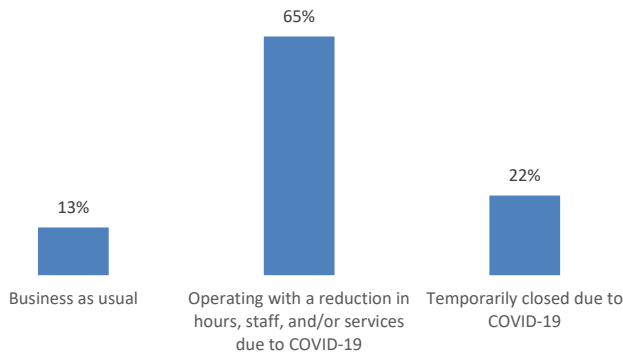
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**Ellen Walker-Matthews**  
**Senior VP and Acting CEO, THOMPSON OKANAGAN TOURISM**

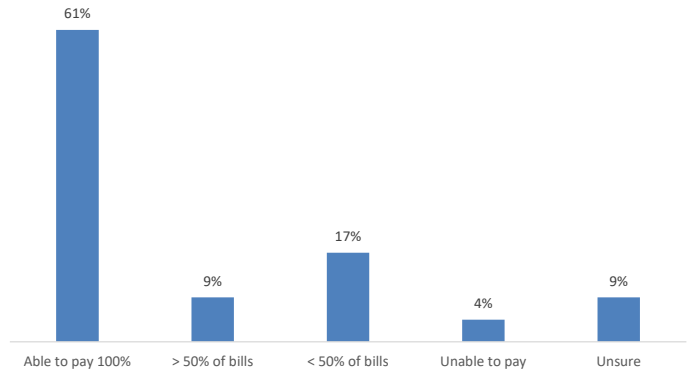
A response rate of 32% yielded 32 tourism businesses, representing a margin of error for the regional questions of +/- 14%, 9 times out of 10.



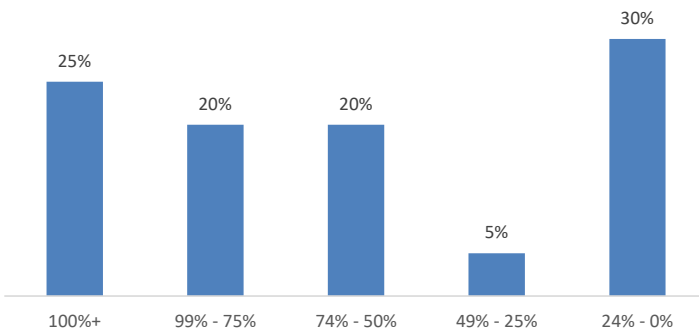
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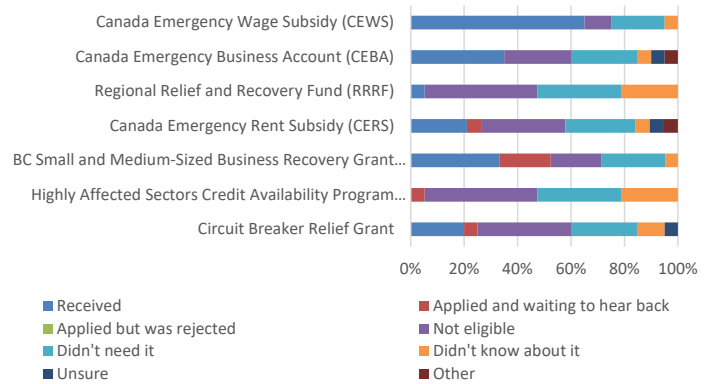
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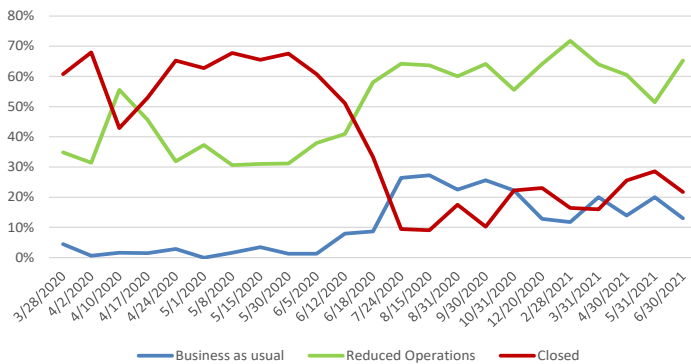
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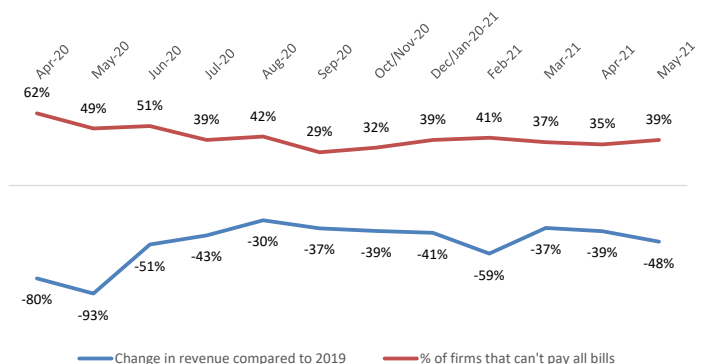
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Impact of COVID-19, share of responses since start of survey



Change in revenue compared to 2019 and percentage of firms without the cashflow to pay all bills



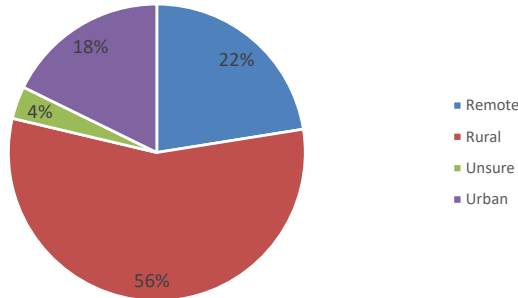
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**Anthony Everett**  
CEO, TOURISM VANCOUVER ISLAND

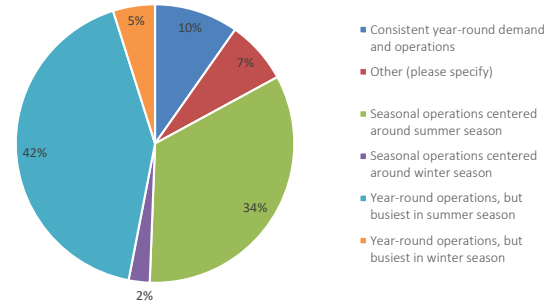
A response rate of 12% yielded 23 tourism businesses, representing a margin of error for the regional questions of +/- 17%, 9 times out of 10

# APPENDIX: FIRMS SURVEYED

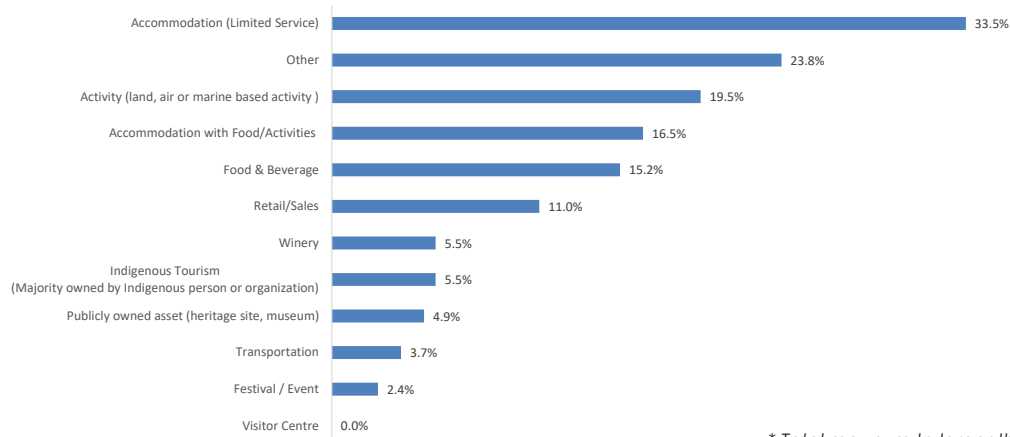
Do you consider the area in which your business operates to be urban, rural, or remote?



How would you describe your business season?

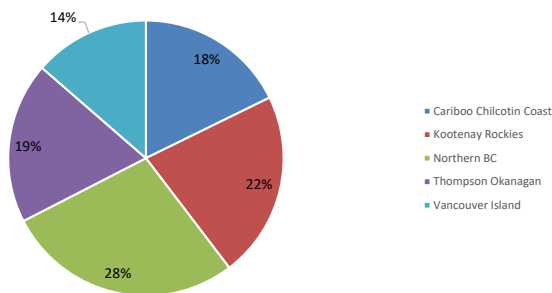


Proportion of firms by business type



\* Total may sum to larger than one as firms were able to identify as multiple categories.

Which BC Tourism Region does your business primarily operate in?



### Calculating means from a stratified sample:

This survey was completed using stratified sampling. Weights were applied to proportion results based on the number of tourism firms in each region.

Sample averages were computed as,  $x^w = \frac{1}{N} \sum_r^R N_r \bar{x}_r$

Where  $N$  is the number of firms in all the regions,  $N_r$  is the number of firms in region  $r$ ,  $\bar{x}_r$  is the average for region  $r$ . The number of firms are based on 2017 levels.