

TUESDAY, APRIL 14, 2020

METRO VANCOUVER TOURISM AND HOSPITALITY INDUSTRY RESPONSE AND RECOVERY TASK FORCE

Honourable Minister Joly,

Every year, the tourism and hospitality industry supports 70,000 jobs in Metro Vancouver and generates \$4.8 billion in economic activity. With the extreme impact on our sector due to measures taken to slow the spread of COVID-19, we are speaking as a united voice to effectively highlight the challenges our sector has faced. We write to you today as Chairs of the Metro Vancouver Tourism and Hospitality Industry Response and Recovery Task Force with our dozens of members representing over 1,500 businesses in the tourism and hospitality industry.

The tourism and hospitality industry in Metro Vancouver welcomes 26 million visitors as they pass through world renown YVR, British Columbia's primary international airport, supports a \$3 billion annual cruise ship industry and many of our members stand at the centre of maintaining and expanding Canada's presence on the world stage, hosting global conferences and events. Our sector, more than any other, reflects Canada today: thousands of employees showcase our diversity to the world with unmatched festivals, food and hospitality; small businesses run by new immigrant families underpin much of our sector; women feature prominently on the front lines and in executive boardrooms; and growing Indigenous and adventure tourism businesses highlight our incredible natural landscape and history.

We are writing to you today to share the information that government Ministers, like yourself, need to help you make decisions that support the Canadians employed in tourism and hospitality, including tens of thousands in Metro Vancouver. Our sector, unlike many others, has now slid into our third month of impact by COVID-19, after having first felt its effects in mid- to late-January, with the collapse of visitors who regularly visit Canada's gateway to Asia, as part of their Lunar New Year celebrations. This collapse began the now common trend of many small- and medium-sized operators struggling to pay the bills. While government attention is starting to turn to important longer-term recovery planning, we also know that without immediate assistance, there will be no 'longer term' for much of our industry, as many small businesses will not likely survive.

The scope and scale of measures taken to limit face to face interactions and restrict both international and domestic travel are previously unheard of. The actions taken by all levels of government, while appropriate for public health, have had a profound and debilitating effect on the viability of the tourism and hospitality industry, particularly in the short- and medium-term. Most businesses face extreme liquidity shortfalls, as revenues have all but disappeared and fixed costs such as rent, continue to accrue.

Steps your government has taken to support businesses and our employees to date – establishing the Canada Emergency Wage Subsidy, creating the Canada Emergency Response Benefit, deferring income tax payments, and providing working capital through BDC – as well as potential announcements about recovery measures that are anticipated in the coming weeks, are welcomed and supported by our operators. Yet, every day we continue to hear of businesses in our sector that will not be able to survive the necessary restrictions, as they relate to pandemic control, and be able to re-open, without additional supports.

Canadians have pulled together to weather this storm but to position our tourism and hospitality sector for economic recovery, we need your support in the following three areas. As one of the largest groups of employers in the country, the tourism and hospitality sector must be part of any effective recovery. And in order for us to be there, we need government's support. To that end, we hope to work with you to advance proposals that will address our immediate needs and position us well for the future.

Together, we must:

1. Extend the wage subsidy to at least six months in order to support those businesses and employees who are not working or working drastically reduced hours due to mandatory restrictions on their business;
2. Keep businesses solvent in the short-term, so they can thrive when the economy is moving again, by fully backing loans available through BDC and utilize existing capacity at charter banks and credit unions to process applications rapidly;
3. Support small businesses that are the backbone of our economy by increasing funding available through the Canada Emergency Business Account beyond \$40,000, extend the repayment period to at least three years or more and increase the potential non-repayable portion of that funding; and
4. Enact measures that prevent evictions of commercial tenants and establish provincial rent assistance for those businesses that are struggling to meet lease terms pay rents, similar to the program created in Prince Edward Island or the Landlord-Tenant Code of Conduct in Australia (attached).

We thank you for your prompt attention to this urgent matter and look forward to working productively with you during this difficult time to ensure that Metro Vancouver's tourism and hospitality industry can continue to thrive for years to come.

Sincerely,



Ted Lee
Acting CEO, Tourism Vancouver
Chair, Industry Task Force



Nancy Small
CEO, Tourism Richmond
Co-Chair, Industry Task Force



Ingrid Jarrett
CEO, BC Hotel Association
Co-Chair, Industry Task Force

CC Honourable Chrystia Freeland, Deputy Prime Minister, Minister of Intergovernmental Affairs
Honourable Jean-Yves Duclos, President of the Treasury Board
Honourable William Morneau, Minister of Finance
Honourable Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion

Attachments:

Metro Vancouver Tourism and Hospitality Industry Response and Recovery Task Force
Member List
Overview of Australia Code of Conduct for Commercial Rent Relief