

METRO VANCOUVER TOURISM AND HOSPITALITY INDUSTRY RESPONSE AND RECOVERY TASK FORCE



August 6, 2020

Hon. Mélanie Joly
Minister of Economic Development & Official Languages
House of Commons,
Ottawa, Ontario K1A 0A6

Re: Canada Emergency Wage Subsidy Program

Dear Minister Joly,

On behalf of the members and stakeholders of the Tourism Industry Association of British Columbia (TIABC) and the Metro Vancouver Tourism & Hospitality Response and Recovery Task Force, thank you for the work your government is doing to help individuals and businesses during this extraordinary time. Your leadership in helping Canadians stay safe, as well as coping with the economic hardships caused by COVID-19 is both widely acknowledged and sincerely appreciated.

My purpose for writing is to provide further recommendations from a tourism and hospitality industry perspective to improve the efficacy of the Canada Emergency Wage Subsidy Program (CEWS) to ensure that it provides the maximum benefit to the most number of businesses and employees.

As you are aware, CEWS has been a lifeline for our broad and diverse sector by allowing employers to hire back temporarily laid off employees as the visitor economy slowly re-opens. Given the projected lengthy recovery period for tourism and hospitality, the recently proposed extension of CEWS to December 31st, is seen as a very positive step. Similarly, the subsidy amount and maximum available (e.g. 85%) based on revenue loss is also welcome given that it helps the hardest hit businesses the most.

Conversely, because many tourism businesses are either seasonal or will see fewer visitors beyond August, the decrease in the subsidy over time will further hamper recovery, particularly since the industry is not expected to rebound for 12-18 months. To that end, CEWS will be needed well into 2021.

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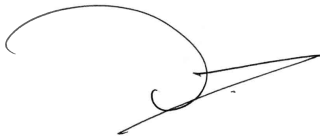
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Minister Joly,

With respect to the qualification criteria (i.e. calculating revenue loss), seasonal businesses are also at a disadvantage given the fluidity of monthly revenues versus fixed cost expenses such as payroll. We propose that revenue comparisons reflect year-over-year income versus month-to-month.

In conclusion, while we sincerely appreciate CEWS and generally support the proposed changes, it would be helpful to receive more lead time for any adjustments given that operators are in the middle of trying to keep their businesses open and require sufficient time to plan for the months ahead.

Minister, thank you for your consideration. Please feel free to contact us if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to be 'Ted Lee', with a large loop at the end.

Ted Lee, CFO
Tourism Vancouver
Chair, Metro Vancouver Tourism &
Hospitality Industry Response & Recovery
Task Force
604-375-0021

A handwritten signature in blue ink, appearing to be 'Walt Judas', with a large loop at the end.

Walt Judas
CEO, Tourism Industry Association of BC
778-953-0620