

## TIAO COVID 19 Update – April 2, 2020

The COVID-19 pandemic has had a historic and devastating impact on the Ontario tourism industry. The shut-down of tourism businesses, and massive layoffs is unprecedented and requires immediate action. If tourism businesses do not receive economic recovery packages immediately, the temporary closures will become permanent, the layoffs will increase, and we risk losing our workforce permanently, preventing the ability of businesses to survive and continue to support the cultural fabric and heritage of our province. Serious threats include:

- Permanent loss of workforce from layoffs
- Increase in permanent business closures
- Laid off and dislocated workers experience significant financial burdens
- Tourism businesses experience significant financial burdens

Our team at the Tourism Industry Association of Ontario (TIAO) is in ongoing conversation with our counterparts across the country, nationally and globally and can confirm that our message to government is in-line with the industry around the globe. To quote and reinforce the message from the World Travel & Tourism Council, we are also requesting:

*"Significant and swift measures are needed to support the Travel & Tourism sector in the turbulent months ahead. WTTC [and TIAO] urges governments to implement policies that will directly support the sector across the following three areas, namely:*

- **Protecting the Livelihoods of Workers:** Financial help must be granted to protect the incomes of the millions of workers in severe difficulty.
- **Fiscal Support:** Government must extend vital, unlimited interest-free loans to global Travel & Tourism sector need to be waived with immediate effect for at least the next 12 months.
- **Injecting Liquidity & Cash:** Cash flow assistance to support players big and small of the Travel & Tourism sector is critical as well as to offer targeted support to severely affected industries within the sector.<sup>1</sup>"

Earlier this week, TIAO and its members, had the opportunity to meet with MPPs from the Conservative, NDP and Green parties. During these meetings, we updated the MPPs on the effects that the covid-19 pandemic has had on the tourism industry in Ontario. We were able to answer direct questions and share with them our preliminary asks for assistance from the government of Ontario.

### **Immediate Action is Required:**

Our recommendations reflect the crisis that tourism SMEs are in, as many businesses are closed indefinitely, as the necessary state response to COVID-19 has mandated this for non-essential services. Given the financial impact of this, we recommend a greater focus on debt forgiveness, to ensure that tourism SMEs can recover from the economic crisis, once the state mandated restrictions are lifted.

Tourism is a powerful economic driver, and a robust industry and it is in crisis. The Ontario tourism industry is more than consumer demand. The loss of the visitor economy has meant that an entire industry and workforce are facing an

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<sup>1</sup> Covid-19 Related Policy Shifts Supportive of Travel & Tourism Sector, [www.wttc.org](http://www.wttc.org)

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unprecedented crisis.

**1) Our Workforce Hangs in the Balance:**

We require immediate support to prevent the permanent loss of our workforce.

With massive business closures and unprecedented layoffs, our industry faces the real risk of permanent dislocation and loss of tourism workers. While we await the details about how the 75% will be rolled out at the federal level, we require the province to:

- An immediate amendment to the Employment Standards Act which limits temporary lay-offs to a 13 week period. If the employee is not called back to work after 13 weeks, they will have been considered terminated, and termination pay would be required. During the province's-imposed State of Emergency and the following recovery period, we ask that the lay-off period be extended to a minimum of 26 weeks.
- Investment in improvements and efficiencies to job sharing programs, rapid response service centres to address immediate workforce needs and plan and deliver targeted training to support re-entry and reskilling of workers. Similar efforts undertaken by OTEC and UNITE HERE / Hospitality Workers Training Centre in Toronto after the SARS crisis proved effective in supporting employee retention.

**2) Financial Aid, Not Debt Deferral**

With indefinite closures, we need all levels of government, in particular the government of Ontario to provide direct funds to tourism SMEs that have been forced to close and take on debt, and for seasonal businesses where the start of the season has been indefinitely delayed. Debt deferral does not allow tourism SMEs to bounce back as an economic driver. We need the province to provide a financial aid package for SMEs that will cover all expenses and cash flow needs from now, to when businesses re-open.

**3) The Crisis is Everywhere but the Impacts are Geographically Specific**

The policy tools required to address this crisis *must* be tailored to the geographically specific impacts including:

- Mandate all municipalities to implement an immediate moratorium on provincial land tax as well as a land use permits or lease fees for Northern Ontario tourism businesses until the end of June.
- Mandate a hold on rent collection for all residential and commercial tenants who have been impacted by covid-19 through loss of work, loss of business, or temporary closures.

We would also reinforce the need that Indigenous organizations (i.e. Aboriginal Financial Institutes, Indigenous Education Institutes, and Indigenous Tourism Ontario) must be part of every suggested tourism business initiative to identify an appropriate solution for Indigenous tourism businesses.

**Release of Survey #3**

On Wednesday, April 1<sup>st</sup>, TIAO released its third survey in order to monitor the real impacts of this crisis on our industry. We are asking tourism businesses across the province to complete the survey by 8am, Monday April 6. The results that we have collected to date have helped to support our asks of government at all three levels. We have



shared the results with media at the community level to help raise the level of awareness of the impact this crisis is having locally.

### We are Here for You

Everyday tourism operators are connecting with TIAO with their own questions and concerns. We are deploying our Evidence Generation Strategy, through direct consultation, data collection and analysis of our province wide survey, and answering your questions around the clock. The data we collect from the industry, directly informs our recommendations to government. Please continue to engage with us. Participate in our conference calls. You can also connect with us by phone or email:

Email: [feedback@tiaontario.ca](mailto:feedback@tiaontario.ca)

Phone toll free number: 1-888-436-6441 (We are checking that voicemail box on a regular basis throughout the day and will return messages.)

TIAO is the recognized voice of the tourism industry to government in Ontario. We work on behalf of the 189,000+ businesses and the close to 400,000 employees. During the Covid-19 pandemic, we have been in regular contact with the industry at-large, and have completed two surveys of industry needs. For more information on the survey results, and for more details on the above asks, please refer to TIAO's [\*\*COVID-19 Policy Tools for Economic Recovery\*\*](#) document.

For more information, please contact the Tourism Industry Association of Ontario or visit [www.tiaontario.ca](http://www.tiaontario.ca).

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