



**EXPLORE
Summerside**
The City by the Sea



**Cavendish
BEACH**
PRINCE EDWARD ISLAND



**DISCOVER
CHARLOTTETOWN**
PRINCE EDWARD ISLAND

To:

Hon. Matthew MacKay, Minister of Economic Growth, Tourism and Culture
Hon. Robert Morrissey, MP for Egmont
Hon. Wayne Easter, MP for Malpeque
Hon. Sean Casey, MP for Charlottetown
Hon. Lawrence MacAulay, MP for Cardigan

From:

Regional Tourism Associations of Prince Edward Island

April 27, 2020

Minister MacKay / PEI Members of Parliament,

With thanks, Minister MacKay, for your April 21 response letter addressed to the Chairs of PEI Regional Tourism Associations. RTAs would like to express sincere appreciation to both levels of government for their response and action to the needs of business owners in our province. We know that this is an unprecedented situation and we commend the hard work of political leaders and department staff.

Through our RTA collective of 750+ tourism operators of all sizes and types, **we share industry's latest feedback below, as well as still-existing gaps.**

This feedback is addressed to both Provincial and Federal Governments, and we look to collaborate with both levels of government for solutions.

WHAT'S WORKING:

- ✓ The recently announced **provincial Tourism Assistance Loan Program and the Tourism Interest Relief Program** will be of benefit to larger tourism operators and this is very positive and appreciated. Tourism operators are also taking advantage of the federal CEBA (Canada Emergency Business Account) interest-free loan due to the 25% loan forgiveness option.
- ✓ Operators of all sizes also appreciate that **provincial fees will be waived** related to accommodation licensing, inspection fees and Tourism PEI advertising fees for the 2020 operating season.
- ✓ The **federal CERB (Canada Emergency Response Benefit)** provided to workers who have stopped working because of COVID-19 (including seasonal workers), and the extension to October 3, 2020 has been welcomed by workers and the self-employed in our industry.
- ✓ Many operators are taking advantage of the **provincial COVID-19 Business Adaptation Advice Program**, and we are hearing positive news from operators about their experience in accessing this program.
- ✓ Industry is welcoming the recent **federal announcement regarding the rent relief program for small business**. Once examined further, industry may have further feedback related to the program and its ability to meet the needs of PEI tourism operators.

EXISTING GAPS FOR TOURISM OPERATORS:

- Many of PEI's tourism operators – in particular small to mid-size operators – have expressed concern over taking on debt / more debt. Unfortunately, they will not be in a position to access the loan or interest relief programs, leaving them with few supports. **Grant options would be of greater assistance to operators.**
- Provincial Tourism Assistance Loan Program & PEI Emergency Working Capital Financing – industry questions why the interest rate is 4%. **Industry feels 0% would be more appropriate during these challenging times.**
- As operators work with their financial institutions, deferral of mortgage payments is appreciated. However, operators will still have to deal with the full amount when the bill comes due. **Industry feels it is appropriate for financial institutions to contribute in some capacity.**
- The Provincial government has deferred property taxes until December 2020, but taxes will still have to be paid. **A reduction for 2020 would align with the reality that businesses will be conducting significantly less business (or no business), resulting in a decline in property worth.**
- Programs offering deferrals will simply be adding to operator debt and is **not sustainable.**
- Further support is needed for culture and heritage venues that exist within the tourism landscape (ex. Acadian Musical Village, Farmers' Bank of Rustico, Victoria Playhouse, King's Playhouse and many others). The provincial Tourism Assistance Loan Program and Tourism Interest Relief Program exclude non-profits. **We would like to see these programs extended to non-profit tourism entities. We would also like to see government explore grant options.**
- Lack of 'pivot funding'. **Non-repayable, start-up funding for new tourism product ideas can support tourism businesses in 'pivoting' and get innovative ideas off the ground** (for resources that would be needed above and beyond what's available through the provincial Business Adaptation Advice Program). Examples: virtual experiences & tours/products/services online, a pivot in market focus to local travellers, essential business travellers, local stuck at home in lock down.
- Industry has a need for a **'COVID-19 safe practices' guide** for all sectors and types of operators.
- As outlined in RTA's previous letter, the need remains to **assist tourism business owners (who cannot currently access the EI program) to claim a personal income.**

GAPS FOR TOURISM WORKERS:

- The federal CEWS (Canada Emergency Wage Subsidy) that currently covers 75% of an employees' wages (accessible to employers who have suffered a defined reduction in revenues) is only in place for a 12-week period until June 6, 2020. **Will this be extended through to September and made available to seasonal operators through September? Feedback from PEI tourism operators is that a lack of extension will mean they will not open, or may open on a skeleton staff only.**
- EI benefits: Our industry is concerned about seasonal tourism workers who access EI and may not be able to earn insurable weeks this tourism season. **Can EI be extended or a program offered to support these workers in either a) getting their weeks or b) covering what would have been their EI in the fall 2020 / winter 2021?**

- While we are aware there are funding supports that have been recently announced for students, we would like to share that many PEI tourism operators have long-time, experienced staff that do not fit under these student programs. **Wage supports as proposed above would support these longstanding tourism workers.**

URGENT:

In the immediate, tourism businesses are trying to figure out: 1) *Should we spend money to open?* 2) *Do we continue taking bookings?* 3) *Do we hire staff?* 4) *Do we invest \$ for new social distancing practices and measures and what are they?*

For tourism operators to be able to answer these questions, they need:

1) Stronger communication from government.

2) A hypothetical timeline with various scenarios provided by government to support recovery.

RTAs are aware there is discussion and consultation happening internally within government, but because this is not being shared with industry, it inspires fear and a lack of confidence. Without scenarios, operators are at a standstill in making decisions related to the operation of their business this season.

To support efforts to create a recovery plan, RTAs have the ability to survey members in each of the regions to collect data on operator's ability to open based on various scenarios (ex. PEI economy vs. PEI-Maritime economy, or other; based on various date scenarios).

We know operators and industry are keen to collaborate with government on recovery. We would like to see more discussion on how this could take place. If a plan does not come to fruition immediately, tourism operations will be forced to close due to uncertainty.

Further, we provide the following example from British Columbia as a best practice that would address the communication needs of industry and that Tourism PEI and others could lead: <https://www.destinationbc.ca/covid-19/destination-bc-response/?fbclid=IwAR2GD9iC6or6fjgO92-a-vVKFffH2M0zoiNEBE3TNdqT1Kl6pRZ5HDcSYAY>

PEI's tourism industry recognizes that serious challenges lie ahead in 2020. To lessen the impact and to retain our industry in the years ahead, further support, communication, innovation and proactive measures are needed quickly.

We look forward to your outreach and collaboration in the days and weeks ahead. Derrick Hoare, President of the Central Coastal Tourism Partnership, representing all of the Regional Tourism Associations, may be reached at 1-647-920-1542.

Yours in partnership,

Stanley MacDonald, President, North Cape Coastal Area Tourism Partnership

Don Quarles, President, Explore Summerside

Derrick Hoare, President, Central Coastal Tourism Partnership

Steve Murphy, President, Tourism Cavendish Beach

Ben Murphy, President, Discover Charlottetown

Tanya Calver, President, Points East Tourism Partnership

Marcel Bernard, Président, Association touristique Evangeline

Kirk Nicholson, President, Tourism Industry Association of PEI

c.c.

Hon. Dennis King, Premier of Prince Edward Island

Mr. Kent MacDonald, CEO, Tourism PEI

Mr. Mitchell Rennie, Economic Development Officer, ACOA PEI & Tourism

/pm