

CCT Deputation to Standing Committee on Finance and Economic Affairs
June 4, 2020

Good afternoon. I would like to thank you for providing me the opportunity to speak in front of you today. My name is Chuck Thibeault and I am the Executive Director of Central Counties Tourism, a provincially funded not for profit dedicated to developing, supporting and promoting the tourism assets of Durham Region, York Region and the Headwaters Tourism Region which is made up of Dufferin County, Caledon and Erin.

For years, the word “tourism” has been a barrier for success in the Province of Ontario. And that is because it conjures an image of a group of people wearing Tilley hats, Hawaiian shirts, shorts with socks and sandals, getting off a tour bus with cameras at the ready. The truth is that the vast majority of “tourists” are Ontarians who have travelled to a community where they don’t live or work to spend some of their hard-earned disposable income. They don’t regard themselves as tourists any more than the communities they visit recognize them as such. But that community is benefiting from new money being left in their cash registers.

Since taking the post of Minister of Heritage, Sport, Tourism and Culture Industries, the Honourable Lisa MacLeod has spoken of the “double bottom-line”, referring to the contribution the businesses that make up her portfolio have on the province. The effects of the COVID-19 pandemic have shone a spotlight on this truth.

Tourism is a by-product of a vibrant community. The art, culture, heritage, attractions, sports, public spaces and hospitality that make a community a wonderful place to live and work are also the same reasons people choose to visit. We often speak of the economic impact of tourism in Ontario, but that is only telling a fraction of the story. “Tourism Businesses”, from community museums to Canada’s Wonderland rely on locals for their bread and butter. Because of this, the revenue numbers and staffing numbers for “tourism” are only a percentage of the revenues and staff of each business as a whole. That is why the province recognizes 200,000 tourism-related businesses but only 400,000 staff attributed to tourism.

But the impact **each** of those businesses has on their communities is 100%. When a business closes, the community loses 100% of the revenue it brought to the community and 100% of the staff and the wages they were able to spend within

that community. The economic impact of tourism on the economy may be \$36 billion dollars, but the economic impact of the businesses that make up the tourism sector is exponentially higher than that, and spread to every corner of the province.

The first tourism business to close within a community is like a crack in the dam that protects the vibrancy – both social and economic – of that town. And every business that closes afterwards places the community in a deficit position of being able to attract residents and new businesses – not to mention visitors. The issue is that if other provinces do a better job of maintaining the vibrancy of their communities, Ontario will lose their competitive advantage of being the best place to live, work and visit.

When it comes to the current support measures for businesses, many are falling flat for the businesses that make up the tourism industry. And that is because the vast majority of their revenues are perishable. If you need a new car but find yourself in a position because of COVID-19 that you can't afford one at the moment, you still need a new car and will go purchase one when things improve. If you visit an attraction or restaurant three or four times a year, you aren't going to double up your visits once they re-open to "catch-up". You are going to go back to your normal routine of visitation. This means that the tourism related businesses forced closed by the pandemic have lost 100% of the revenue they would normally have made during their closure with no chance to recover it. Loans for these businesses are not the solution because it is just layering on debt which may just delay the inevitable.

How does the province help? Well, on a call several weeks ago, Premier Ford challenged the sectors that make up Minister MacLeod's portfolio to come up with re-opening processes and protocols that meet provincial guidelines like social distancing. We have met that challenge. In the Tourism Industry Association of Ontario's written submission, they are recommending, and I am endorsing here, that businesses that demonstrate they can meet the current provincial safety guidelines, be permitted to open now rather than lumped together in a phased approach. For many businesses, even with the reduced capacity social distancing means, it could mean the difference between survival or

insolvency. Don't worry about how long it will take some to re-open, give the green light and the businesses will open as soon as they can.

Insurance companies have not been honouring business interruption claims, that protects the revenue lost by the mandated closures. It would be great if government could talk with the insurers about creating a relief pool of funds much like they did in New York after 9/11. Business may only get pennies on the dollar compared to what full coverage was supposed to be, but at this point, some is better than none.

Fix and extend the commercial rent relief program to at least the end of the summer. This will be a great benefit to many of the businesses in the industry because even when they do get open, it will be at a fraction of their normal capacity.

It would be great if a fund was created to assist businesses with the new, unbudgeted expenses they will have to incur to prepare themselves for re-opening. Things like plexiglass shields, touchless faucets, handwashing stations and PPE can cost thousands of dollars even for the smallest business. These businesses have seen no revenue for three months and many will find it difficult to find the resources to pay for these additional costs. A similar program was just announced in PEI.

What I hope you have taken from this brief presentation is the importance of keeping Ontario communities vibrant so that people choose to move here or stay here, companies choose to lay down roots here and visitors from across the world look to us a destination of choice when it is safe to travel. Thank you.

6min, 22sec