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Chair: Mrs. Sherry Romanado

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• (1225)

[English]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): I call this meeting to order.

Good afternoon, everyone. Welcome to meeting 29 of the House of Commons Standing Committee on Industry, Science and Technology.

Pursuant to the order of reference of Saturday, April 11, the committee is meeting for the purpose of receiving evidence concerning matters related to the government's response to the COVID-19 pandemic. Today's meeting is taking place by video conference. The proceedings will be made available via the House of Commons website.

I'd like to remind members and witnesses to please wait before speaking until I recognize you by name. When you are ready to speak, please unmute your microphone and then return it to mute when you are finished speaking. Please speak slowly and clearly so that the translators can do their work. For those of you with earbuds, it is important that you bring the microphone close to your mouth when you are speaking.

Please make sure you select the right channel for your intervention. If you are speaking English, please make sure you are on the English channel. If you are speaking French, please make sure you are on the French channel.

As is my normal practice, I will hold up a yellow card when you have 30 seconds left in your intervention and a red card when your time is up.

I would now like to welcome our witnesses, as follows: from the Alliance de l'industrie touristique du Québec, Yan Hamel, a member of the board of directors; from the Association Restauration Québec, Martin Vézina, head of communication and public affairs; from the Canadian Association of Fairs and Exhibitions, Christina Franc, executive director; from Festivals and Major Events Canada, Martin Roy; from the Hotel Association of Canada, Susie Grynol, president and CEO; from Meetings Mean Business Canada, Clark Grue, chair; and from the Tourism Industry Association of Canada, Charlotte Bell, president and CEO.

Each witness will have five minutes for their presentation, which will be followed by rounds of questions.

With that, our first witness will be the Alliance de l'industrie touristique du Québec.

Mr. Hamel, you have the floor for five minutes.

Mr. Yan Hamel (Member of the Board of Directors, Alliance de l'industrie touristique du Québec): Out of respect for Mr. Sébastien Lemire, the member who invited me, my presentation will be in French.

[Translation]

Good afternoon, everyone.

I'm the president and chief executive officer of Canada's largest cruise line. We operate 25 ships. In 2019, we carried 600,000 passengers, 65% of whom were from outside Canada. We had 750 employees. However, as of March 15, we were down to 33 employees. As a result of the Canada emergency wage subsidy, or the CEWS, we now have 250 employees.

I'm also a member of the board of directors of the Alliance de l'industrie touristique du Québec, which represents 10,000 businesses in 40 regional and sectoral tourism associations and belongs to the business leaders' group.

I want to thank the Honourable Sherry Romanado, the chair of the committee. I also want to acknowledge the committee members along with my colleagues from the Quebec and Canadian tourism associations.

I want to thank the federal government for the programs that it has developed and implemented to date. I also want to say that we greatly appreciate the fact that the government is actively paying attention to our current situation.

The tourism industry has some unique characteristics. First, labour is key to our tourism product. The customer experience is largely made possible as a result of the human assets of our employees. These employees have been severely affected by the pandemic. In a few moments, I'll outline some measures to help them in this area. Next, we operate throughout Canada. Lastly, we have a strong seasonal component, both summer and winter, and our production cycle is very different from the cycle of other companies. Our inventory is perishable. Every time we lose a working day, we can't get it back later. The tourists won't be there. The current crisis constitutes a major challenge for us. We're living in an unprecedented atmosphere of uncertainty. We need government support, since our industry will take a long time to recover from the crisis. However, our industry has the potential to make a major contribution to Canada's economic recovery.

According to the Destination Canada estimates, in the province of Quebec alone, we can expect a loss of over 120,000 tourism-related jobs and economic losses of \$11 billion during the pandemic.

Our recommendations are simple and they boil down to two things. They directly concern two existing programs. We're asking for changes to two existing programs. The first relates to labour, and the second involves the cash flow of tourism businesses.

We recommend that the wage subsidy be extended to August 2021. Tourism businesses will be in survival mode until spring 2021, when the recovery begins. We need major support in this area. The program is currently scheduled to end on November 21. However, we need lasting support.

We'll then need a review of the calculation method. Under the old system, a 30% loss made us eligible for a 75% subsidy. Under the new system, a 30% loss will qualify us for only a 12% subsidy in the new program period starting in November. Our recommendation is that the safe harbour rule of 75% be extended to August 2021 or that the declining multiplier be maintained at 1.2 for the loss of revenue on the base subsidy, while the top-up subsidy remains in place. As you know, the new wage subsidy now consists of a base subsidy and a top-up subsidy. All this would have a major structuring effect on the entire industry.

Another significant component of an existing program is the expansion of eligibility for the regional relief and recovery fund, or the RRRF. The alliance recommends the addition of a third category of financial assistance for large structuring tourism companies with a turnover of at least \$5 million that have suffered a minimum loss of 30% between April 1, 2020, and March 31, 2021, compared to the same period in 2019-20.

These companies stand out for their multiplier effect in the tourism ecosystem, the regional economic engine. The companies attract travellers, who spend locally when they visit nearby businesses. The maximum amount of financial assistance would be \$5 million in the form of a subordinated loan.

• (1230)

The proportion of financial assistance—

The Chair: I'm sorry to interrupt you, Mr. Hamel, but your time is up.

Mr. Yan Hamel: Okay. I was just about to wrap up my presentation.

The RRRF would be very helpful in terms of cash flow, as a result of a moratorium on the capital and interest.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Hamel.

The next group is the Association Restauration Québec. I'd like to invite Mr. Vézina to speak for five minutes.

Mr. Martin Vézina (Head of Communication and Public Affairs, Association Restauration Québec): Thank you, Madam Chair.

I also want to thank the committee members for having me here today so that I can talk about our industry.

The Association Restauration Québec is the oldest restaurant association in Canada and the largest in Quebec. Founded in 1938, it brings together over 5,600 managers of all types of restaurant services.

In Quebec, the industry generated annual sales of \$14 billion and consisted of over 21,000 companies that employed approximately 230,000 people. I should specify that this was before the current crisis. We played a key role in the economic, bio-food and tourism development of all regions of Quebec. We hope to continue to do so.

First, we must note that restaurants are being hit very hard by the storm that we're all experiencing. Restaurants will likely continue to be heavily affected for many months to come.

In the first few weeks of the lockdown, 80% of our members had to suspend their activities completely, which means that they had to fully shut down. Our colleagues at Restaurants Canada also made an assessment. In Quebec alone, approximately 175,000 workers in the restaurant industry were laid off at the end of March.

In April, restaurant sales in Quebec, for all categories combined, plummeted by 70%. For restaurants with table service, the drop was obviously sharper, with a decrease in sales of over 83%. Of course, the situation improved in June, as a result of the gradual reopening of dining rooms in Quebec. However, it's utopian to think that we'll return to normal and recover 100% of our usual sales.

The reason is very simple. The dining rooms can't be filled to their maximum capacity because of physical distancing standards, and many customers have disappeared as well. Think about tourists from abroad who can't come to Canada, workers who are staying home and who aren't in the city centres, and people who normally attend all the major sporting and cultural events such as the Formula 1 Grand Prix in Montreal or the Festival d'été de Québec in Quebec City.

When we surveyed 580 food service managers in early July, 61% of respondents expressed concern about their ability to survive. They said that, if nothing changes, they won't be able to survive for more than six months. This means that we must fear the worst for thousands of food service businesses, but also for thousands of families with members who depend on an income or employment in a food service business.

Of course, we welcome the assistance measures implemented by the Government of Canada. We're very pleased to see that the Government of Canada stepped up to the plate with a number of different measures, such as the Canada emergency business account, the Canada emergency wage subsidy and the Canada emergency commercial rent assistance.

Some of these measures continue to serve as critical lifelines for all restaurant owners across the country.

The Canada emergency response benefit or its student equivalent was needed for people who ended up with no income overnight, including many restaurant owners.

However, let's face it. Along the way, the benefits have become a real headache for thousands of employers, who are unable to recruit and employ the workers that they so desperately need to serve customers.

While a great deal has been accomplished to date to assist Canadian businesses, more must be done to help the food service industry get through this crisis.

We made 28 recommendations to various levels of government to help get our businesses back on track.

First, we believe that it's perfectly legitimate to ask for a financial assistance program—we're not talking about a loan, but about financial assistance—specifically for the food service industry to offset operating losses or, at least, to cover the many major costs arising from the new health regulations.

Second, in the coming months, the suspension of the GST and QST collection in Quebec should be considered. This could be a good way to encourage consumers, who have also had economic difficulties, to support restaurants in their community.

We obviously also support better oversight of the fees charged to merchants by payment card network operators. These fees are commonly known as interchange fees.

- (1235)

Lastly, because the impact of the pandemic on the profitability of restaurants will last longer than in many other sectors, the federal programs already in place must be maintained for as long as necessary. The Canada emergency wage subsidy remains critical and must be maintained. However, the Canada emergency commercial rent assistance must be changed, since many tenants can't benefit from it and because the 70% drop in income criterion is too stringent. This must change.

As a result of your assistance and concern, restaurant owners will be able to get back on their feet and continue to welcome you to their establishments across Canada.

Thank you for listening.

- (1240)

The Chair: Thank you.

[*English*]

Our next witnesses, I understand, are sharing their time. Canadian Association of Fairs and Exhibitions, and Festivals and Major Events Canada, you have the floor for five minutes.

Ms. Christina Franc (Executive Director, Canadian Association of Fairs and Exhibitions): That's fantastic. I'm from CAFE. I'll get us started.

Thank you for inviting us to speak today on behalf of the Canadian Association of Fairs and Exhibitions. We represent almost 800

non-profit organizations, as well as service providers who support these organizations with entertainment, food, security, logistics and activities.

Many of you have likely been to a fair before, enjoyed the cotton candy, seen the sights from the Ferris wheel and maybe even enjoyed an on-site concert. What you may not know is that behind this event there is a non-profit organization, often called an agricultural society, and often led almost entirely by volunteers who are passionate about their community and who want to support its vibrancy, economy and quality of life.

These NPOs are much more than an annual event. They run spaghetti suppers; lend their grounds for weddings, funerals, trade shows and fundraisers; and may have campgrounds, curling clubs or hockey arenas. We have become integral parts of the communities we are in, whether it's Vancouver or Hants County, and we support community sustainability as a result. For every dollar our organizations earn, on average, \$4.54 is put back into the surrounding community.

We are advocating to ensure that the heritage and the physical, social and mental health of our communities are protected.

Unfortunately, the programs that have been put in place by the federal government related to COVID-19 to date have proven to be almost useless to us. A wage subsidy does little for a volunteer-run organization. The short time frame in which a loan has to be repaid is nearly impossible for a non-profit to meet. We have been rejected by regional programs and redirected from one department to another.

Ultimately, as you will hear from others today, we have a very short seasonal window that has now all but passed. Events have specifically one shot to generate revenue for the next 365 days, and we've lost that.

We've been working with TIAC and fully support their comprehensive recovery plan. These measures include 100% backed loans, extending work visas and developing funding programs to support events.

Finally we are urging the government to provide \$74 million in solvency support for our 743 organizations. This would support non-deferrable expenses to carry our industry through to May 2021, when we could generate revenue again.

There is a blatant gap for non-profit tourism support, and we hope you will seriously consider the suggestions above as well as how to adapt the current programs to meet industry needs.

Rest assured that this isn't about making a profit. It very literally is about surviving. Recovery is going to start locally, and that means with us, so we need to make sure we are there and ready when the time is right. By investing in us, you are investing in communities across Canada.

Once again, thank you for your time. I'll hand it over to Monsieur Roy.

[*Translation*]

Mr. Martin Roy (Executive Director, Festivals and Major Events Canada): Thank you.

Excluding fairs and our friends at the CAFE, the festival and events industry in Canada generates an estimated \$1.5 billion in annual sales. Its annual economic spin-offs in terms of wealth creation and contribution to the GDP amount to over \$2 billion. According to our estimates, at least 30,000 jobs are created or maintained.

In recent weeks, FAME submitted a brief to the Standing Committee on Finance that urges the government to focus on festivals and events to boost the economy and tourism. We made five recommendations in the brief. First, we believe that the Canadian government must take financial action through a fund designed to address the deficits of cultural organizations, including festivals and events. In our sector alone, we're talking about at least \$150 million. These organizations are very often non-profit organizations that don't have any reserves or capitalization and that were unable to generate any revenue this year. A significant percentage of our members say that they're unable to resume operations or that they're uncertain whether they'll be able to do so without this assistance.

At this point, of the \$500 million announced for culture and sports, only \$15 million has been set aside for presenters in general, which includes festivals and events, in the form of an increase to the usual grant. This isn't enough.

We also emphasized the importance of extending the emergency wage subsidy and the Canada emergency response benefit or equivalent benefits tailored specifically to the culture and tourism sectors. We urged the federal government to implement a program based on the marquee tourism events program and to allocate \$225 million over three years. I can expand on this idea during our discussions. It would help attract more tourism, not only from Canada under the current circumstances, but also from other countries, as soon as that becomes possible again.

I'll finish by saying that we also asked the government to renew the additional \$15 million per year allocated in 2019 to the two programs, which support over 1,300 festivals and events. This addition was planned for only two years. Lastly, we suggested that the government expand the security infrastructure program so that festivals and events can access it.

Thank you. I look forward to speaking with you in a few minutes.

• (1245)

The Chair: Thank you.

[*English*]

We now turn to the Hotel Association of Canada. You have the floor for five minutes.

Ms. Susie Grynol (President and Chief Executive Officer, Hotel Association of Canada): Thank you very much.

Madam Chair and members of the committee, thank you for the invitation to testify today.

The hotel industry represents more than 8,000 hotels, motels and resorts. We employ more than 300,000 Canadians. We play an essential role in the Canadian economy, and we contribute taxes to the tune of \$10 billion to all three levels of government.

Hotels in Canada are mostly small and medium-sized businesses with owners who are usually located in the community they serve. These are local entrepreneurs of often family-run businesses who have invested their entire livelihoods into a hotel or a local inn.

Our industry has been there for our communities throughout the COVID-19 crisis. We made our rooms available to front-line workers and Canadians to self-isolate. We assisted public health in the mandatory quarantining of returning Canadians. We allowed vulnerable Canadians to take shelter and prepared several hotels to welcome post-surgical patients to assist with hospital overflow. We helped flatten the curve.

Our 300,000 employees are made up of some of Canada's most vulnerable people—women, immigrants, visible minorities and young people—and they have been seriously impacted by the pandemic and the economic slowdown.

The hotel industry has been devastated by this pandemic. We were hit first, hit hardest and will be the last to recover. The limits on international and domestic travel, as well as restrictions on mass gatherings, are appropriate and necessary, but they do put us on the edge of survival. Most hotels in Canada have been operating at a revenue loss of between 70% and 90% since mid-March. If government support is not received, we will have bankruptcies and thousands of permanent job losses in the industry. According to our latest member survey, 40% have only four weeks left before cash runs out to cover fixed costs.

We are at a crossroads. That is why our association has issued a five-point plan to keep the hotel sector alive and transition it to recovery. A copy of this plan was circulated to members in advance of this meeting.

However, for the purposes of our dialogue here today, I'm going to focus on two key critical recommendations: One is liquidity that works, and the second is an increase to wage subsidy support for hard-hit businesses.

Our industry has been cut out of the government's loan program, BCAP. Banks are not willing to loan additional debt to businesses with heavy assets and an unclear line of sight to recovery. Unfortunately, our entire sector falls into that category. Hotels have had only a 6% success rate in accessing BCAP. Most hotels are being told not to apply.

Our recommendation is that the government fix this gap immediately and create a new loan program for hotels. It should include streamlined access with a 100% loan guarantee, a loan value of up to 20% of the annual revenues, a component equivalent to the commercial rent assistance program to cover three months of fixed mortgage payments, low interest, no hefty bank fees, repayment terms that make sense and no personal guarantees.

The CEWS program, on the other hand, is not just working; it has been a critical lifeline for hotels to keep employees on staff during the pandemic. The recent extension, and the addition of the top-up for hard-hit businesses, were most welcome, and they are in line with the recommendations HAC made during the CEWS consultation process. However, the drastic phase-out, which will begin in September, coincides with the exact moment when our occupancy levels from summer travel will drop and then flatline.

In September we will be forced to make the difficult decision to sever ties with the very employees we will need again in a few months' time. However, if the government maintained a 75% wage subsidy coverage, we could keep our employees on payroll and quickly ramp up when travel resumes. If the government is going to support these vulnerable Canadians either way, why not extend the subsidy further to hard-hit sectors and avoid the anxiety, uncertainty and expense of mass layoffs?

We are recommending the government maintain the 75% subsidy coverage until December by applying the safe harbour principle, as designed by finance, to periods seven, eight, nine and 10. This should apply only to businesses with severe and sustained revenue declines of 50% or more.

Our future is in your hands. The government will be making life and death decisions for many hotels. We hope you will recognize that not every sector is alike. It is time to transition into sector-specific support measures in order to bridge hard-hit industries like ours to the other side.

Thank you for your time today.

• (1250)

The Chair: Thank you.

Our next presentation is by Meetings Mean Business Canada. You have the floor for five minutes.

Mr. Clark Grue (Chair, Meetings Mean Business Canada): Thank you, Madam Chair and honourable committee members.

Meetings Mean Business Canada represents a cross-section of the business events community in Canada. We are made up of event professionals and event owners, hoteliers, transportation professionals, convention centres, airlines, destination marketing organizations, technology companies and many others who make up an often invisible industry that supports the growth of every industry

in our country. In addition to this, business events stimulate no less than a third of the tourism activity in Canada.

The business events industry was, until COVID hit us, a one-trillion-dollar global industry. In Canada, according to Oxford Economics, 229,000 Canadian jobs were supported annually by business events. The events that we have all attended in the past—conventions, exhibitions, congresses and other business meetings of 10 or more—created \$33 billion in direct spending and contributed \$19 billion to Canada's annual GDP. These numbers are real. They should shine a light on the critical component of the Canadian economy that was forced to shut down in the wake of the COVID crisis. This industry, which brings together businesses, academic thought leaders and Canadian citizens to exchange ideas and transact business, has been shut down in response to COVID-19.

Now, I can tell you that this industry is not suggesting that we have not responded appropriately—

The Chair: My apologies, Mr. Grue, but can I ask you to move your microphone closer to your mouth?

Mr. Clark Grue: Absolutely. My apologies.

The Chair: Thank you so much.

Mr. Clark Grue: I'm not suggesting that our response to COVID-19 has not been an appropriate one; it's quite the opposite. The professionals in this industry are highly tuned in to the safety and experience of the attendees at business events. This is their life, their living, their career. They understand the safety of delegates in ways that no other industries do. We track our guests before they arrive, while they are in our care, and post-event. These are not festivals, concerts or shopping malls. At business events, we are able to control where the guests go and where they do not go. We control how they interact. We control what they consume, and how they consume food and beverages. We are prepared and ready to conduct our business much like the NHL has done with their event bubbles for the playoffs.

This industry is well prepared to host events again. We can do it safely, and we can set a global standard for doing it right, doing it with care and doing it in a way that Canadians would be proud of. Many of these professionals who are sidelined by the protocols are struggling to get through this time. Many of them are new Canadians, many of them are parents with kids and many of them do not have the stability of a pension or financial supports. They are vulnerable. Canada needs our business events professionals to survive this crisis. Sadly, without direct support for the people and businesses within the business events industry, they will not survive this fall, let alone next year. Many will have to seek jobs outside of this vital industry.

Just as importantly, Canada's industries—health, technology, energy, finance, manufacturing, forestry and so on—all rely on event professionals to bring them together with their colleagues, their suppliers and their customers. This convening of our industry leaders is a backbone to Canada's economy, which allows them to exchange intellectual and financial capital as well as invite the world to explore Canada's innovation, resources and industry excellence. This fosters R and D, foreign direct investment and trade.

I am here today representing an industry of 229,000 Canadians who need help to survive. These are professionals who want desperately to be part of the solution as we restart our economy. They are passionate about what they do and what they contribute as a solution for Canada, but the clock is ticking. We have lost a significant portion of 2020, all but lost the lucrative fall season and now we are looking at a challenged first half of 2021. We are part of the solution to get Canada's economy restarted. We are a tool that the government can use to carefully and safely launch the recovery phase of the crisis that we have experienced in the last six months. We can create jobs quickly and efficiently.

Our asks are simple. Within appropriate safety protocols, empower this industry to convene again in safe and socially acceptable ways, in ways that bring our industries back together to once again move the economy forward. We have the protocols ready and waiting. Ensure that the financial safety nets, as we've heard already, stay in place and are accessible to a wide range of the self-employed, SMEs and corporations who serve this vital component of the economy. Make it easy to access these support programs. Finally, in the nomenclature around events, separate "business events" from "mass gatherings". Leverage the business events industry as an opportunity to bring Canadians together. When the time is right, invite our international visitors back to Canada to experience how we care for our guests and our country. Do this by providing a federally funded business events and conventions attraction program for attracting and supporting the delivery of business events for Canada

Thank you for your kind attention.

• (1255)

The Chair: Thank you very much.

We will go next to the Tourism Industry Association of Canada.

Ms. Bell, you have the floor for five minutes.

Ms. Charlotte Bell (President and Chief Executive Officer, Tourism Industry Association of Canada): Thank you, Madam Chair and members of the committee. I'm pleased to be here.

Despite some businesses reopening during the summer season and talk of recovery, Canada's tourism sector has remained stagnant since the onset of the pandemic. This sector was the first hit, the hardest hit and will be the last to recover. As other sectors and businesses see restrictions ease and revenues return, regulations that have handcuffed the tourism sector remain in place.

To give you a snapshot of the devastating impact on this sector, our latest survey in mid-July—normally our "high season"—revealed that 82% of all respondents experienced revenue declines between 61% and 100% in the last month compared with the previous year. Sixty-eight per cent of all respondents said that, without access to government-supported financing, they'll be unable to stay in business. This survey includes all sectors of the visitor economy.

Let me be clear: Health and safety is paramount to this sector. It's a key imperative for our industry to help rebuild consumer confidence and restore businesses, big and small. This industry has complied with all public health regulations, with many going above and beyond by implementing rigorous safety measures to ensure the health and safety of employees and guests. This includes hotels, air services, conference centres, tourism operators and others. This at a time when critical government support programs are nearing an end and our sector continues to be denied access to government-backed liquidity.

The visitor economy is unlike other sectors. We can't provide curbside products or services, nor can we sell experiences online to keep the lights on.

Today I'm going to focus on a couple of the priorities.

First is sustaining tourism businesses. We know a vaccine will eventually come. Until then, we need dedicated, ongoing government support to bridge us into recovery. We can achieve this in a few ways, first, by extending the Canada emergency wage subsidy to next summer and applying the safe harbour provision to ensure the hardest-hit tourism businesses will continue to receive the 75% subsidy past the summer.

The Chair: Madam Bell, I'm sorry to interrupt, but can you make sure that the microphone is a little closer to you?

Thank you.

Ms. Charlotte Bell: CEWS is one of the few support programs our sector has been able to access and is key to allowing businesses to keep their staff and avoid massive layoffs come September, not to mention bankruptcy.

Second, BCAP doesn't work for the tourism sector, just like hotels, which are part of our sector. Across the spectrum, this is a problem. Forty-three per cent of our recent survey respondents were flat-out denied. More than 50% waited three months to hear back, and 38% are still waiting. Only 12%, all told, were approved. These businesses are deemed too risky to lend to and have been shut out of the program. Without access to government-backed liquidity, they won't have the cash flow required to cover fixed costs or employee salaries, and they're just going to go bankrupt. BCAP needs to be amended, and it needs to be 100% government backed with a forgivable portion to cover fixed costs.

Second is reopening Canada and enticing travel. Pre-COVID, Canada was on track for another record year of inbound visitors bringing in more than \$23 billion to the economy. Since March, we've seen a 98% decrease in inbound visitors each month. With borders closed, tourism businesses will not survive for the eventual return of regular travel, including international travel. Providing incentives to spend on tourism products will be key to making the transition a reality.

The loss of inbound tourism has had a substantial economic impact across the globe, including in Canada. Many countries offer significant inbound travel incentives to pique visitor interest. For now, we need incentives for Canadians to visit their own country through tax credits. When it's safe to reopen our borders, we'll also need to attract travellers in an internationally competitive market. Destination Canada and other government agencies will need dedicated funds to ensure we're in a competitive marketplace.

Finally, the ongoing bans on mass gatherings have taken their toll and will only get worse come September, without business meetings, conventions and festivals this fall. This sector of the travel economy will need dedicated support to ensure events are able to meet expectations once they're able to operate again.

My conclusion is this: The visitor economy has given much to Canada with 1.8 million jobs, more than \$100 billion annually and a sense of cultural and national pride. We cannot afford to lose tourism. While we appreciate the programs in place so far, we continue to need government support to ensure we're still here to welcome guests tomorrow and in the future.

Thank you.

• (1300)

The Chair: Thank you very much.

We will now move to our rounds of questions. Our first round is six minutes. Again, we're very tight on time, so I'm going to ask members and witnesses to keep their answers in that time period because we want to make sure everyone gets the chance to ask his or her questions.

With that, I will turn it over to MP Blake Richards.

Welcome to INDU.

Mr. Blake Richards (Banff—Airdrie, CPC): Thanks, Madam Chair.

Thanks, to all the witnesses. I'll say first, this industry is really hurting and obviously it is a critical industry for our country. I really believe that there should have been far more than one meeting dedicated to this critically important industry. Therefore, I'll have to apologize. With so many witnesses on one panel, I probably won't get the chance to ask you all a question, which is very unfortunate.

Having said that, a few of you touched on this and/or alluded to it, but—

[Translation]

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Excuse me, Madam Chair—

[English]

The Chair: We have a point of order. I believe we're having some difficulty hearing.

[Translation]

Is that right, Mr. Lemire?

Mr. Sébastien Lemire: Yes. There's also no interpretation. I'm sorry, but I'm very curious to know what Mr. Richards will say, especially under the circumstances. I wish that I could grasp all the subtleties.

The Chair: Okay. Thank you.

[English]

Mr. Richards, I'm not sure if you can get a little closer. Your microphone is scratchy again.

Mr. Brian Masse (Windsor West, NDP): Madam Chair, on that point of order as well, I think it's important to highlight to the witnesses that MPs have been issued these headsets to help the translators. It's very painful for them to do their job without our using these types of headsets. Our caucuses have been advised of that, and MPs should be using these.

Witnesses, just so you know, when you're speaking into your microphone, it's very painful for the translators if they can't pick up the voices properly.

The Chair: Thank you very much, Mr. Masse.

I understand that we're going to go to MP Gray while we try to fix Mr. Richard's microphone, and we'll switch their rounds of questions.

Mr. Richards, whatever it is you did the last time, if you could, try it again because it seems to have fixed it last time. We will absolutely come back to you.

With that, I will turn it over to MP Gray.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Madam Chair. I guess we'll start the clock.

First, I just want to reiterate what MP Richards said regarding having one meeting. It's a real shame that we have seven witnesses today crammed into less than two hours, for such an important industry. I just want to comment before I ask some questions.

We are hearing from an industry that annually adds more than a billion dollars to our economy, that adds 2% to our GDP, that employs almost two million people and that was the first hit, as we know. We've heard already that there are ongoing challenges and likely the industry will be one of the last to recover, so it's really important that the government put plans together. We haven't seen any kind of plan from the government specifically for tourism.

We know that the minister has basically asked people in tourism to apply to Western Economic Diversification, which we've heard in the feedback is very onerous. It is not the same process as applying for the CEBA \$40,000 loan. We know that people in tourism and a lot of organizations we've already heard this morning are not eligible for a lot of the programs. Diverting a bit of funding away from international to domestic tourism is not a plan.

For us today, we don't have a plan for air travel, for seasonal tourism, for skiing, for agri-tourism, for sports tournaments, for events, or for arts, music, historical or cultural tourism. There really is nothing. I'm hearing from many people in tourism organizations that, frankly, they're feeling snubbed. It's really important, if we're not going to have another meeting, that others out there in tourism, if they're interested in having their voices heard, write to this committee at INDU@parl.gc.ca. When we put the report together for government, it will be very important to have a comprehensive report and that all voices have been heard.

Now I'll go to some questions.

I have a couple of questions for Mr. Vézina of the Quebec restaurants association. I noticed a survey on your organization's website stating that 61% of restaurants will not be able to maintain their activities beyond six months with their present conditions. I'm won-

dering if you can let us know today whether the federal government has reached out to your organization about any plans for anything specific for your industry to support the culinary tourism sector.

• (1305)

Mr. Martin Vézina: To answer your question, we had some talks with the ministry of small enterprises to discuss what could be brought up to help restaurant owners and restaurants, but there's no such thing for culinary tourism. We're more likely to talk about how to help restaurant owners maintain their operations. We're not now saying that we should promote culinary tourism.

Mrs. Tracy Gray: Okay. That's great. Thank you.

In the Okanagan—and I'm sure it is the same in Quebec as well—our restaurants play a really important role for our local economy, including supporting local farmers and those making value-added products like cheese, condiments, and alcoholic and non-alcoholic beverages.

Mr. Vézina, could you expand on how specifically those types of related industries would be affected by our restaurant sector continuing to suffer in the long term?

Mr. Martin Vézina: You are absolutely right that restaurants have an effect on all of the agri-food chain. We saw that when we were closed down in Quebec during March, April and May, many producers and food processing plants were closed down. They had difficulty because 20% to 25% of their sales could not be done since the restaurant industry was closed down.

It has an impact on everything in the agri-food chain. There are jobs that will be in play if we don't open to full capacity in the restaurant industry. There will be an effect on producers but also on the processing plants and manufacturers.

Mrs. Tracy Gray: Thank you.

I have a question for both Ms. Franc from the Canadian Association of Fairs and Exhibitions, and Mr. Roy from Festivals and Major Events Canada.

Last week, Canada's chief public health officer, Dr. Tam, stated that, even with a vaccine, we may require two to three years of physical distancing due to uncertainty. Has the federal government reached out to you to consult on any plans or protocols to ensure that fairs, exhibitions and festival sectors can survive if this is the case?

Ms. Franc, maybe you could go first.

Ms. Christina Franc: Sure. First of all, we fully support the science and what has come out. It's going to be a long road to recovery. We haven't heard anything yet from the government about next steps and plans related to this on our part.

Mrs. Tracy Gray: Okay.

Mr. Roy?

Mr. Martin Roy: Most of the event organizers deal with the provincial and municipal governments as far as the regulations are concerned.

Also, we are aware that gatherings will not be allowed for a while, but new formulas can be explored now. We know that events are being planned well in advance and we need to have discussions now about events in 2021, 2022 and even 2023.

The Chair: Thank you very much, Mr. Roy.

That is a little bit over your time, MP Gray.

We will now move to MP Ehsassi.

You have the floor for six minutes.

• (1310)

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you, Madam Chair.

Thank you to all of the witnesses for their remarks today.

I have to say that a lot of the statistics we have heard are incredibly alarming and that there's no doubt that, as a country, we should be doing a much better job of being there for the tourism industry.

Now if I may, I would like to start off with Ms. Grynol.

Given that you have a national perspective and represent an association with operations throughout the country, I was wondering if you could highlight for us whether there are any particular regions that are more severely affected than others as far as the hotel industry goes.

Ms. Susie Grynol: The good news is that we have started to see some uptake in our resort hotels this summer, but those hotels are operating at half-capacity. For example, I'm at the Château Montebello today and it is running at 48% occupancy, so that is its maximum.

All of our urban hotels are really struggling. They are all operating at a loss right now. Occupancy for Canada today is at 38%. Just to give you a sense of this, you can't run a business at 38% occupancy since you would be running it at a loss. Even at the height of the tourist season, where we should be right now, nationally the entire industry is running at a loss.

With the exception of the resort properties, everything is really struggling. People just aren't travelling.

Mr. Ali Ehsassi: Do you also have a regional breakdown of how hard hit the tourism industry is across the country?

Ms. Susie Grynol: It actually is fairly consistent across the country. It's just bad everywhere. Unless you're in a resort community, it's bad. Everyone is running a loss.

I can certainly provide the committee with a more detailed breakdown, if you'd like to see those numbers. I'd be very happy to provide them to you as a follow-up.

Mr. Ali Ehsassi: Thank you very much. That would be very helpful.

As a last question, have any provincial programs been helpful to the tourism industry across the country?

Ms. Susie Grynol: The two key issues that we're dealing with in terms of survival for the hotel sector right now are access to liquidity and our employment issues, so I guess the short answer is not really. There's been one loan program in Quebec, but it's nowhere near the kind of liquidity we would need for an asset-heavy industry. There have been marketing programs. They've been helpful to the extent that they're there, but people still aren't really getting out and travelling.

We are not seeing a lot of support at the provincial level, other than some provinces allowing working notice to be a longer period of time with regard to employees so that the clock doesn't start ticking. Some provinces have pushed that further to give us some flexibility with our employees.

Other than that, we've not seen a lot of broad-based support, and certainly not for the hotel sector directly.

Mr. Ali Ehsassi: Thank you for that.

Ms. Bell, you also have a national association. I'm wondering whether you could disaggregate things for us. Have any subsectors of the tourism industry been hit harder than others?

Ms. Charlotte Bell: It would be hard for me to say to you that they haven't all been hit very hard. If you look at air services, they're down at single digits. Porter Airlines is not going to reopen until October; they've moved that date. Airports are struggling significantly.

Susie has covered the hotels very well. We did a bit of a phone survey across the regions last week. I won't go through all the statistics, but it's pretty dire across the board. I would agree with what Susie said, that except for the resort areas, where they're seeing a little bit of an uptick during the couple of months over the summer, everything else is in dire straits, quite frankly. As Clark Grue from Meetings Being Business Canada could tell you, the meetings and conventions sector is almost non-existent right now because of the prohibitions against mass gatherings and the safety measures in place.

It is really, across the board, a very, very dire situation. There's no question about it.

• (1315)

Mr. Ali Ehsassi: Thank you for that.

Turning to the witness on business event professionals, given all the activity and the 229,000 jobs on the line, perhaps you could provide a breakdown of where most of the visitors were coming from in the visitors economy that you were very much engaged in. Do you have a breakdown in terms of North American visitors or visitors from all around the world or just domestic events that you were having?

Mr. Clark Grue: Thank you for the question. I'll try to be quick.

Certainly Charlotte would have some numbers on tourism as a whole. I think 78% are Canadians and others are coming from elsewhere in the world. For business events, conventions and congresses, you have a higher percentage coming from outside Canada. That has definitely hit us hard as well.

Mr. Ali Ehsassi: Thank you.

The Chair: Thank you very much.

Ms. Grynol, you mentioned that you would forward information to us. If you could make sure to send it to the clerk of the committee, that would be great.

Any information that any witness wants to provide for us—for instance, the phone survey you mentioned, Ms. Bell—please feel free to send that to the clerk. He will make sure it's distributed to members of the committee.

With that, I will turn to Mr. Lemire.

[*Translation*]

Mr. Sébastien Lemire: Thank you, Madam Chair.

I especially want to thank my colleagues on the Standing Committee on Industry, Science and Technology for addressing the issue of the tourism industry. This issue is particularly significant in my constituency, of course, but also throughout Quebec and Canada.

I met with some of the people here or with representatives of different organizations a few times before and during the COVID-19 crisis. Ms. Bell, I believe that you used the canary example. You said that the tourism industry might be the last one to recover, but that it was the first one hit. We must take this into account.

In my opinion, the major challenge is that the programs seem very poorly adapted to the reality of tourism or cultural businesses. Today, we're also hearing from representatives of the culinary in-

dustry. These programs are hurting all these industries. I hope that this is one thing that we'll remember.

In particular, Mr. Vézina spoke of how the Canada emergency response benefit and the Canada emergency student benefit have affected the recruitment of workers. In several regions of Quebec, including my own region, labour shortages are still a major issue. This was the case before the crisis. If there isn't any adapted program to help people return to work, there will be issues. Also, in my opinion, the fixed costs included in the Canada emergency commercial rent assistance are generating a great deal more confusion than results.

In terms of the tourism industry, I believe that it's important to remember that the return to normal will take time. We're talking about 2023 or 2024. At least, that's what I've heard from people in the industry. Quebecers have been especially supportive. I've run into a number of them. I was fortunate, because several friends came to visit me in Abitibi Témiscamingue. International tourism brings in a great deal of money. We may have difficulty obtaining this type of security.

My message is as follows. We must ensure that our programs are geared towards a return over the long term. One challenge for the industry will be to determine how to return to normal. At one of our meetings, you suggested a return to 70% of activity levels, not just based on losses, but until things get back to normal. If we want festivals to come back and if restaurants want to continue their activities, we must take into account the fact that the summer season is short. We know that 65% of the tourism economy, or two-thirds, is generated in the summer. What will happen during the year? The key issue is the workforce. We must keep jobs active to ensure a long-term vision of development and to plan for next year.

My question is for Mr. Hamel, the representative of the Alliance de l'industrie touristique du Québec.

Could you finish your comments on the regional relief and recovery fund, or the RRRF? We know that tourism businesses are in dire need of cash flow to deal with the economic crisis. That's the crux of the matter.

Would changes to the current RRRF, to tailor the program to the tourism industry, provide a way for these businesses to quickly obtain the necessary cash flow and a subsidy at the end of the repayment process that could help get them back on their feet, just like an adapted version of the RRRF program?

• (1320)

Mr. Yan Hamel: Thank you, Mr. Lemire.

To answer some of the questions asked earlier, I'll say that, at this point, the provinces don't have strong and robust measures to help the tourism industry. This is a major issue. The most structuring measure is the Canada emergency wage subsidy.

The other critical issue is cash flow. In Quebec, there was an effort to determine the best existing programs to address the cash flow issue in the tourism industry across the country.

We've spoken with Ms. Bell and the Hotel Association of Canada. The current RRRF doesn't ensure access to funding for businesses that are important and structuring for our economy. Yet these businesses will create wealth and maintain jobs across the country when the time comes for recovery.

We're requesting a review of this program to make it more flexible and better adapted to the real needs of all tourism businesses in Canada and businesses with a turnover of over \$5 million. We're asking for access to cash flow quickly and at an affordable cost.

We spoke earlier about issues with banks. Businesses can't carry too much debt. What we're asking for already exists at the federal level. We're asking for a subordinated loan. If the businesses recover faster than others and can repay the loan before December 31, 2022, as set out in the current program, there needs to be a moratorium on the capital and interest and the non-repayable portion must be between 25% and 50%.

Access to cash flow is a critical and important issue.

Mr. Sébastien Lemire: It's important. I asked Minister Joly about the regional relief and recovery fund, or the RRRF, and the importance of having a decentralized program that takes the regions and their realities into account, with people to support it. Above all, the program must be adaptable.

My time is up. I have another question for the next round.

Thank you, Madam Chair.

The Chair: Thank you.

[English]

The next round of questions goes to MP Masse.

You have the floor for six minutes.

Mr. Brian Masse: Thank you, Madam Chair.

Thank you, witnesses.

I'm going to explain a program, and then I'd like to go in the order you all presented with regard to whether this program would be something that would benefit you and your organizations. I'm going to explain what it is, to make sure we're all on the same page, and then if you could, in the order in which you presented, give a yes or no answer, that would be helpful.

To do that, I'm going to mention the Canada summer jobs program, and I'm going to explain how it works for you to understand.

Each MP is allocated money for this program every year. I've been doing this for 18 years, and every single year it's over-allocated, which means I have more places that apply for the money than I have money available. What it does is provide students an opportunity to be fully paid in the not-for-profit sector, with an exception this year that they also get to be paid fully in the private sector.

I'll give you an example for Windsor West here. Right now I actually have three million dollars' worth of requests, and I have

about \$1.2 million to allocate to students. People, including many in the tourist sector, apply for these jobs; they're vetted by the public service, and then they come back to an MP to be approved. The MP can change their hours, increase them or decrease them. I try to spread them out and focus on tourism and other types of opportunities for young people.

The government did do a good job this year with regard to extending the program. Jobs can go to February now, and they can be part-time for the students.

I'm giving you all these details because this is the controversy that's going on with the WE Charity scandal right now. The WE Charity scandal claim is that they had to help students and get them out. As I noted, this program is oversubscribed every year. In fact, right now, when you add it up—and it's been this way for several years—it's actually a \$912-million shortfall that could be made up across this country.

The question I want to ask related to the controversy is that the Prime Minister said that nobody else could do this. There's no other way of getting them out there. What I'm telling you right now, though, is that the public sector has already vetted, including for Windsor West, another 200 positions for students that could be funded if they did this tomorrow. It doesn't even take any special legislation, so this is one part of a solution.

My question is, if this program were enhanced to allow students to continue to have some flexibility by extending the hours in the tourism sector and others, and it paid students directly and we actually put the money out there now, would it be of benefit to your organization to have that program with some flexibility to deal with the challenges you have right now?

Could you answer in order and tell me whether this is good or bad, yes or no? I'd appreciate that, because we've been fighting to try to get the money put into this to get those jobs out the door for the next six months to a year for students. However, if it's a bad idea, I'd rather hear that. If you could say yes or no so I could get to everybody, I'd appreciate that.

Mr. Clerk, could you assist with the order, if it's necessary, as well?

• (1325)

The Chair: The first on the list was l'Alliance de l'industrie touristique du Québec.

[Translation]

Mr. Yan Hamel: Thank you for your explanation of the program. It's important to note that we're now less than a week away from the return to class.

[English]

Mr. Brian Masse: I'm sorry, but could you give just yes or no?

[Translation]

Mr. Yan Hamel: Okay. No, under the current circumstances, it can't help us.

Thank you.

[English]

Mr. Brian Masse: Okay. Thank you.

[Translation]

The Chair: Mr. Vézina, you have the floor.

[English]

Mr. Martin Vézina: Yes, it can help, but it will depend on how the Canada emergency benefit for students applies, because the problem is that they prefer to be on that program.

Mr. Brian Masse: Okay. Thanks.

The Chair: Ms. Franc.

Ms. Christina Franc: The short answer is maybe, but probably not.

Mr. Brian Masse: Okay. Thank you.

The Chair: Mr. Roy.

Mr. Martin Roy: I'd say yes for now. A lot of festivals and events have benefited from the program, actually.

Mr. Brian Masse: Okay.

The Chair: Madame Grynol.

Ms. Susie Grynol: I'd also go with maybe, but probably not.

The Chair: Mr. Grue.

Mr. Clark Grue: I would say the same thing: maybe, but probably not.

The Chair: Madame Bell.

Ms. Charlotte Bell: I would say the same: maybe, but unlikely.

Mr. Brian Masse: Thank you. That's important. I appreciate the witnesses being quick, so that I could hear from everybody. There are some other significant problems here.

I will go back now to Ms. Bell. With regard to the banking situation and funding, how significant is that, in terms of what you're hearing from your members? I ask specifically about that program as it is a micro example, but the bigger fix I think is what you're after, the banking and the borrowing practices. They have been predators. I've been fighting for credit card relief for Canadians since the beginning of this, and that's a whole other separate story, but maybe you can explain a little bit more about that, Ms. Bell.

Ms. Charlotte Bell: Liquidity is the biggest issue that we are grappling with right now. If you put 10 things in front of me and said, "but I can fix the BCAP or liquidity", I would say please fix that, because that is what we're hearing from everybody.

As I mentioned, in the survey we did in July—and I know the Hotel Association has done other surveys also related to that program—people are waiting months to get an answer, any answer at all, and most people in the tourism sector across the board are being told, "You are too risky. We are not going to take the chance." Some have even told us—

The Chair: Unfortunately, Madame Bell, you are over time.

Ms. Charlotte Bell: Oh, I'm sorry.

The Chair: My apologies.

We are now going to go to our second round of questions, and we will start with MP Richards.

I see you have a different headset, and I will ask if you can put the microphone a little closer to your mouth. You have the floor for five minutes.

Mr. Blake Richards: Hopefully this will be better.

I ask that this maybe not count for my time, Madam Chair, so we can make sure that we're sorted here before I start.

Is the sound okay?

• (1330)

The Chair: Unfortunately, no. It is very scratchy again. We're going to see what we can do there.

With that, I will go to MP Rempel Garner for her five-minute round while we see if we can figure something out for your connection.

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): I just got thrown right into it there. Thanks, Blake.

Thanks, Madam Chair.

I'm going to start with Ms. Franc. My understanding is that the Calgary Stampede is a member of your organization. Is that correct?

Ms. Christina Franc: Yes, it is.

Hon. Michelle Rempel Garner: My understanding, based on the testimony that Mr. Roy prepared with regard to your proposal to the government, is that the Calgary Stampede would not be part of that ask, should it go through. Is that correct?

Ms. Christina Franc: Yes, that is correct.

Hon. Michelle Rempel Garner: Is your organization doing anything to advocate for groups like the Calgary Stampede? My understanding is that the differentiation between what you're asking for versus what the stampede would qualify for is that it has some fixed assets that it uses on an annual basis. Is that correct?

Ms. Christina Franc: Yes. The Calgary Stampede has an expanded business model outside of the scope of what we represent, so it has its own efforts that it is taking forth.

Hon. Michelle Rempel Garner: The stampede is a marquee tourism event. Even though it has an expanded business model, virtually all of its events this year have also been cancelled, which has put it in a pretty dire scenario. Have you worked with the stampede or are you aware of any other groups that are working with marquee events like the stampede that are in this type of a business model but bring, let's say...? I know that, in the case of the stampede, it's close to half a billion dollars of revenue to Calgary.

Ms. Christina Franc: We represent the industry as a whole. We can't speak for the stampede or for individual organizations as they stand. I do know they have their own efforts and they are having lots of conversations with the government, but in terms of marquee tourism events, we do have several that are members and some will be able to take advantage of this. Some do have their own efforts going on.

Hon. Michelle Rempel Garner: I just wanted to put on the record that, at a time when there's a lot of language from this government and special interest groups for my province to "diversify its economy", events like the stampede and certainly tourism—I'm sure Mr. Richards will allude to this in his remarks as well—in areas like Banff have taken such a huge hit, and they are a big part of the Alberta economy.

I think there needs to be recognition that Alberta is suffering in so many different ways, and there really haven't been a lot of voices advocating for marquee tourism events in the province. I know you guys are certainly advocating for the festivals that are in a lot of different rural communities, including those in my province, which is great, but I just wanted to put on the record that the stampede wasn't part of that ask.

The next comment I'll make—I'm going to throw my notes aside—is that I've picked up on a theme among a lot of the presentations today, and that is that there is a lot of uncertainty in the industry and that's precipitating a few problems. First of all, I've heard—and I've heard this just in private conversations with other industry groups—that it's difficult to secure loans for tourism operators right now because of the uncertainty related to the lack of metrics around when border restrictions might be eased. I'm not advocating for that, necessarily, but there's a lack of metrics on what that would look like and under what time period.

The other thing I've heard with regard to loans is that banks just aren't willing to backstop them without government intervention. I'm just opening up the floor for verification that that is what you're presenting, that all the witnesses here today are presenting this to the committee.

• (1335)

Ms. Susie Grynol: Thank you for the question.

Speaking strictly from the hotel sector, there are two key challenges here. One is that the actual regulator for the banks, which is OSFI, has not rewritten regulations for COVID, so that means they're using an old set of regulations for COVID. You have to get appraisals, and it's this whole process. What they're saying is, "You're just worth 20% or 30% less." We have heavy assets in the hotel industry, so they're just saying, "You're offside with your loan-to-value ratio and that means we can't authorize you to take on any additional debt", notwithstanding the fact that the government is backing it by 80%.

Then you rightly pointed out the other issue, which is that there's no line of sight on when the cash flow will come back, so we're just being told, "Don't apply."

Hon. Michelle Rempel Garner: Thank you.

The Chair: Thank you very much.

We'll now go to MP Lambropoulos. You have the floor for five minutes.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair. I'll be splitting my time with MP Longfield.

I apologize for my scratchy voice and for any issues there may be. Is translation working? That's the question I have before I begin. It is, okay.

My question could apply to all of our witnesses. I'd like to thank you all for being here today.

Obviously, there are programs currently in place that, if they were prolonged or if they were made broader, would be able to help a lot of the industries that are here today as witnesses. We also know that this may last longer than we originally expected. We may be expected to live with these conditions for the next two to three years, as was previously mentioned. In case of this, many industries across Canada have been looking for recovery strategies and have been looking forward on new ways to do business that would help them continue to survive amid this crisis.

Are there ways that your industries have thought of, going forward, that the government would be able to help you with and that are outside the box, that are not currently already being spoken about and that are not currently already in the works? If you were to think of a new way of doing business next year, is there any strategy that we'd be able to help you with at the federal level? Is there any kind of program you foresee as being useful in the future, in this new way of doing business?

Mr. Clark Grue: If I may jump in, on the business events side, as many of you will know, the opportunity is to do virtual conferences, and that's what a lot of planners are leaning towards. Those are not nearly as lucrative. They don't support the industry at nearly the same level, but they are a way to at least put a small band-aid on a challenge, on a big wound. That is a pivot that some of the planners are doing, and it is providing some revenue opportunities to stay alive and stay afloat.

Ms. Emmanuella Lambropoulos: I think that's the case for many of the businesses. I know Uber Eats is something that's helped a lot of restaurants. There are definitely some online tools that have helped a lot of different industries. I know that a Zoom conference isn't necessarily expensive either. Is there anything that the federal government would be able to help you with in terms of a program that would take care of some of the more costly expenses in such cases?

Ms. Charlotte Bell: We could certainly use tax credits or grants to help those who need to spend on putting health measures in place. Of course, this is very costly, and hotels, conference centres, attractions, all businesses, airports and airlines have been spending millions of dollars making their companies safe for their employees as well as their guests.

None of what we're talking about here is going to save the industry. Again, these may be stopgaps, but they're not going to save the industry. The industry needs liquidity, and it needs it very urgently. I just wanted to make that point.

Ms. Emmanuella Lambropoulos: Thank you very much.

I will cede the rest of my time to MP Longfield.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you.

For this part of my questioning, I'm going to continue on the theme of how the virtual format may help some parts of the industry but not others.

Mr. Roy, I'd like to direct my questions to you for starters. Guelph has the Improvisation Festival and the Hillside Festival, which were founded in Guelph but have gone virtual this summer. Really, the compensation for the artists comes from going to a festival and being able to market their hard products at festivals. Even though the event organizers may be able to get through this, the cultural sector and the artists themselves are having trouble getting compensated.

They certainly don't get well compensated for streaming services. The industry committee looked at that last term. Could you maybe comment on the importance of getting compensation to the artists?

• (1340)

Mr. Martin Roy: They're important. As I said, we are facing a lot of expenses right now. Artists are one of them, but we have a lot of expenses with just keeping our teams together. This is a huge challenge. I see a lot of festivals and events going virtual, and I salute that, but there's nothing like an in-person festival.

The Chair: Thank you very much.

We will now go to MP Dreeshen.

You have the floor for five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Madam Chair.

To each of the witnesses.... Like every other community across Canada, the tourism sector here in Alberta has been financially decimated by this pandemic due to the cancellation of rodeos, conventions, sporting events, iconic exhibitions and other tourist attractions. Our local community volunteer base is very frustrated, as is the local hotel industry.

As the Tourism Industry Association of Canada pointed out from its recent survey, without immediate financial assistance many hotels and other tourism businesses will likely have to close their doors permanently. One of the things I have heard in my discussions with local hotel business people is "What can we do so that we're ready if this happens again?" Because shutting it down.... I know we had opportunities at the very beginning. We talked about using hotels to help with pandemic planning. I know it was mentioned earlier that that was something that had been done, but they want to make sure they're ready for it.

For the Hotel Association, with regard to the activities that took place, how do we see expanding those so that our hoteliers are going to have a bit of an idea of how they might fit in if we have to go through this again?

Ms. Susie Grynol: There are two answers to that question. One is that I think the government had to proceed with broad-based programming support, and we now find ourselves in this moment in time when tourism and the hotel sector look very different from every other sector. Every other sector is allowed to recover, and we're not.

One of the learnings here is.... If we get a liquidity structure in place that allows us to cover our fixed costs, that would be a good learning, and that's something we could easily resurrect the next time around, with the understanding that any support from government, like the wage subsidy, would need to have different parameters in a sector like this.

I think we will learn some of those elements as part of this. As for other ways for us to survive, we will be ready to support the needs of public health and provide shelter, etc., as we did in the last iteration.

Mr. Earl Dreeshen: Thank you very much. I think that's really the point, but we'll be better prepared for it this time.

Ms. Susie Grynol: Absolutely.

Mr. Earl Dreeshen: I think that's the critical part.

Speaking now to CAFE, as I mentioned earlier, the Alberta Association of Agricultural Societies is one of your members. Community volunteers are keeping our cultural heritage alive, and there is some serious frustration. Some of these events that have been going on for more than 100 years are in big trouble. I'm just wondering if you could speak to some of the discussions you've had with your members, so that we can look at how we can remain viable now and in the future, again, if something like this happens.

Ms. Christina Franc: Yes, this has really been a bit of a game-changer for us.

Our industry is based on mass gatherings—that's what we know and what we can do. So, yes, there have been situations before where mass gatherings have been restricted, but not in the past several years. Looking at it now, our business, our industry, is looking to diversify within our domestic tourism envelope, I would say, so we're looking to do other activities. We're looking at a smaller scale, at drive-ins and drive-through activities, but also focusing a bit more on agri-tourism and how we can continually support our local communities.

From a federal level, I would say, it's support to help us diversify our business model, as well as to help us get our buildings up to par. We have a lot of beautiful buildings, some of them heritage buildings, and to get them up to par so they could be used for multi-purpose functions would definitely help us in the future.

• (1345)

Mr. Earl Dreeshen: Thank you very much.

For my third and final question, perhaps, Mr. Grue, you could go through this.

We know that a huge part of our nation's cultural landscape is the Canadian Football League. The CFL has been a big part of our national identity for over 100 years. With all the assistance that is going to other cultural icons, we just can't throw up our hands and abandon the organization that brings in hundreds of millions of dollars to communities every year.

Does your organization see a role for the federal government to help support this iconic part of not only our tourism industry, but also our cultural heritage?

Mr. Clark Grue: Business events around the Grey Cup are usually where we would focus our efforts, and then, of course, the festival side would have the Grey Cup side. Personally, being a huge fan of the CFL and its cultural connection to Canada, I think it's extremely important that we support it and see it happen this year.

Mr. Earl Dreeshen: Thank you.

The Chair: Thanks you so much. I just have to throw in “Go, Als, go”.

On that note, we'll now move to Mr. Longfield. You have the floor for five minutes.

Mr. Lloyd Longfield: Go, Bombers, go.

I want to send my questions over to Ms. Grynol. Thank you for spending time from your holidays in this committee meeting and also supporting the hotel sector while you're doing that.

This is the industry committee and not the finance committee. I know that the finance committee is looking at financial models. When we talk about liquidity, I've been working with a local major chain in Guelph, as well as bed and breakfasts in Guelph and a conference centre in Guelph, which are very different business models, and they all rely on visitors, of course. In terms of the hotel and the conference centre, the rental of the space and the food and service that go along with it quite often provide the profit for the organization more than room rentals. Also, there are deposits that have been paid by not-for-profits or by weddings that are not going to happen, and in the next fiscal year, those deposits are still sitting on the books and will affect cash flow.

Could you maybe speak to the liquidity piece? I know we've had loans through BDC and EDC, usually with a credit union. As you pointed out, banks are not usually financing hotels. Could you maybe expand on the liquidity a little bit for us, please, just so we can understand how that industry works?

Ms. Susie Grynol: Yes, with pleasure.

The hotel industry is asset-based, so when you go to the bank and you apply for a loan, it's not like you rent the facilities and they only look at cash flow; they look at the actual value of the property. As I indicated earlier, the biggest challenge is that they just can't seem to put their finger on what a hotel is worth today, and that is the deepest, fatal flaw in the BCAP that we have been able to pinpoint throughout this process.

To answer your question about cash flow, based on our analysis of a 100-room hotel, over a 12-month horizon, they would need \$600,000 in cash. That already builds in the assumption that the CEWS program will be in effect until December, at the reduced rate that is already scheduled, and there are no other programs that are really relevant in terms of relief.

Mr. Lloyd Longfield: I'm thinking of Farm Credit Canada, as an example from outside of this conversation. They provide cash flow financing for farmers who are capital-intensive and have cash flow issues. They can go for special types of financing just to deal with cash flow issues.

Is there some similar program within the hotel industry, or is that something that we need to be recommending as part of our report?

Ms. Susie Grynol: Oh, I think it needs to be recommended. I think it needs to go through the financial institutions. We have studied this at length over the course of the last three or four months. We have been working very closely with Minister Ng's office and Minister Joly's office, bringing in financial experts to really break down what the challenge is here and what is happening.

Our key recommendation is that it needs to go through the financial institutions, but it needs to be 100% backed by the government. Otherwise, the government would have to build a separate system, like the one you're referencing. It doesn't exist today, and time is critically of the essence here.

● (1350)

Mr. Lloyd Longfield: Thank you.

I'll go now to a smaller market size, the bed and breakfasts. We have a bed and breakfast in Guelph that had two visitors booked for the entire season. They were going to be coming up from the United States. That's not going to happen now, and for very good reason. We want to keep our communities safe. We have to watch whom we allow into the country and how we allow them in. However, it has a major impact on the smaller businesses. In this case, they'll be using their personal bank account as a way to finance their business, and because they're using a personal bank account, they don't get access to other services.

Do you have a short comment on that?

Ms. Susie Grynol: I would say that you are absolutely right, but that's not true just of the bed and breakfasts. In fact, most of Canada's hotel industry is owned by a comparably small business in a community. I think probably all the MPs on this call would know a local hotel owner who has invested all their livelihood.

What is happening right now with BCAP is that they are being asked for personal guarantees against the additional 20% risk that is currently on the bank's shoulders under BCAP. In the hotel sector, I would say that 70% are owned by small businesses. It is a critical challenge.

Mr. Lloyd Longfield: Thank you very much.

The Chair: Thank you very much.

[Translation]

Mr. Blanchette-Joncas, you have the floor for five minutes.

Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Madam Chair.

First, I want to thank our guests for joining us today.

I want to emphasize the importance of the tourism industry in Quebec. This industry employs over 400,000 workers and generates close to 9% of jobs in the Quebec economy. We're talking about over 30,000 businesses. It should be noted that two-thirds of these 30,000 businesses are located outside the major centres, meaning outside the Quebec City and Montreal areas. Most of these businesses are small. Over 80% of these businesses have fewer than 20 employees.

Mr. Hamel, you spoke earlier about the importance of cash flow and possible moratoriums to help these businesses. We fully understand that small businesses have a more difficult time obtaining a

large amount of cash flow. We completely agree with you regarding financial support for these businesses. You spoke of the changes to the regional relief and recovery fund, or the RRRF. Recently, changes were made to another program, the Canada emergency wage subsidy. As we know, this program has been very structuring for the tourism industry since the start of the pandemic. However, the new criteria for this program have put many tourism businesses in Quebec out of commission. The new criteria aren't necessarily adapted to tourism businesses.

Mr. Hamel, can you describe the negative impact of the new program criteria?

Mr. Yan Hamel: Thank you for your question.

There's a major impact on the tourism industry in terms of subsidies. The tourism industry, which was the most affected, received payroll support of about 75%. Starting in September, this percentage will drop to 65%, then to 45%, and to almost 0% by the end of November.

In terms of impact, festival businesses won't have made enough money to get through the winter. Across Canada, seasonal businesses such as ski resorts won't have clients from outside Quebec, or even Canada, as they had in the past. Without these clients, sales will be very limited. Businesses won't be able to support their payroll, and therefore their employees, who are truly essential in the tourism industry.

We're really asking the Government of Canada to review the conditions of this program. Thank you.

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Hamel—

The Chair: Thank you.

Sorry, Mr. Blanchette-Joncas. I said five minutes, but I meant two and a half minutes.

● (1355)

[English]

We will now go to MP Masse.

You have the floor for two and a half minutes.

[Translation]

Are you there, Mr. Masse?

Mr. Sébastien Lemire: I'm prepared to take his place, if you want me to, Madam Chair.

[English]

The Chair: We think we lost him, so we will come back to him.

I will start the third round. I know we are running a little late, but we are going to try to complete a third round.

With that, we will go to Mr. Patzer.

You have the floor for five minutes.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Thank you, Madam Chair.

Before I am put on the clock here, how many more slots are there going to be in total? I think we have another colleague who was expecting to have a round as well.

The Chair: Exactly. For this round, we're going to try to complete the whole round, so we will have two slots for the Conservatives, two slots for the Liberals, one slot for the Bloc and two for Mr. Masse, because he just missed a round.

Mr. Jeremy Patzer: Okay. Thank you very much.

The Chair: Actually, I see him, so we will go to Mr. Masse, with my apologies.

I will start the clock, Mr. Masse. You will have two and a half minutes, and then we will go to MP Patzer.

Mr. Jeremy Patzer: Madam Chair, we can go to Mr. Richards instead of me first, and then I will take the last Conservative round.

The Chair: Okay. Thank you.

Mr. Brian Masse: Thank you, Madam Chair. I'm sorry I didn't get on in time.

I asked that question before and gave you details, because that is a program that could be active right now, but it still doesn't really get to the depth of the problem with regard to where the industry is at.

Ms. Grynol, I would like to ask you a question. With regard to the hoteliers, especially the smaller owners, if they don't get this type of support now, are there just going to be basically a lot of bankruptcies and units being put out on the market? If that's the case, should we be looking at something even bolder to deal with that, because one way or another they are going to default?

Give us a snapshot as to how significant that is.

Ms. Susie Grynol: You're absolutely right. It's going to be the smallest members who go under first, and, based on our members' survey, it will go up from there. There's a direct correlation between cash flow, in terms of when it runs out, and the size of businesses. If there is nothing done, we anticipate that at least 25%, and likely more than that, of our sector will go under. Depending on how long this is sustained, it could be even more than that.

We do believe it needs to be bold. We put a five-point plan in front of the government, which I think you have in front of you.

Mr. Brian Masse: Yes.

Ms. Susie Grynol: We'd like to see support in each of those areas. Liquidity needs to be fixed. We have a matter of weeks ahead of us. Then we do want to see forgiveness within those loan programs, but we need the infrastructure in place first.

Thank you for the opportunity to, once again, underscore how critical this is.

Mr. Brian Masse: I guess this is going to be the big challenge for the government. If we don't deal with this right now, then we'll have a bunch of failed assets around the country. We've all been on the smaller roads and seen old hotels boarded up and left in a state of disrepair, which is not good for renewed tourism, and it is not good on a municipal tax basis.

This has a bigger snowball effect that will even be compounded, so I can see the sense in the federal government backstopping the loans. If not, then we would have to come up with some type of alternative, maybe a housing-type strategy, using the units for a different social purpose, or we are going to actually have them become decrepit and run into the ground.

Sorry, but I'm out of time.

Thank you, Madam Chair.

The Chair: Thank you very much.

We will start the third round. We are trying again to have MP Richards. We are hopeful.

You have the floor for five minutes.

Mr. Blake Richards: Let's hope the third time's the charm, Madam Chair.

I will start by reiterating what I said earlier, that it is really unfortunate that there is going to be only one meeting, it seems, on this incredibly important industry for our country, and that we've jammed so many witnesses in it that it's hard to get questions to all of them. I do hope that any others in the tourism industry out there who are listening and who would like to have this opportunity will take the suggestion made by my colleague Tracy Gray and write to the chair and the clerk to request that opportunity, because it is incredibly important.

Having said that, I have a couple of questions I'd like to get a chance to ask, and I want to get a chance to ask a few of you each of the questions. I'll start with the first question, which will be for CAFE or FAME, whichever of you would like to take it. The question is also for Meetings Mean Business and then TIAC as well. Hopefully there will be time for a second question to the Hotel Association and the Association Restauration Québec.

I'll start with the first question. A few of you alluded to or mentioned in your opening comments the idea that the tourism industry is very different from almost any other industry that we're dealing with coming out of this pandemic, because of the fact that it was hit first and hit hardest and because it will have the longest recovery. Many of you mentioned the idea of next spring being that time, because of the fact that it's a seasonal industry in many places, and for things like events and festivals it means two years, essentially, without revenues. It is a very long period of time for a business to be able to sustain itself, especially when many of these businesses are small businesses or, in some cases, non-profits.

It would have been better for me to ask this during the initial round, but because they alluded to it, I'd like to ask those three organizations if they could give us just 30 seconds each to explain just a bit more to those who aren't as familiar with the industry as I am or others who are on here why exactly the tourism industry is different and what the impacts are of the government treating the tourism industry in the same way it is treating other small businesses that maybe have an opportunity to either continue to carry on business in a different fashion or turn things back on more quickly.

I'll ask CAFE or FAME first, and then Meetings Mean Business and then TIAC to just give us 30 seconds each to explain that to those who are less familiar with the industry.

• (1400)

Ms. Christina Franc: I've started for this entire time, so I'll hand it over to Monsieur Roy to start, and then if there's a second or two, I'll pop in.

Mr. Martin Roy: Thanks, Christina.

The thing that is so specific to festivals and events is the fact that we get revenues for a period of three to 10 days per year most of the time. Now that the events are cancelled, we don't get any revenues, and the next time we will get revenues will be when we put tickets on sale next year or during the events themselves. That's the main challenge we face, and we are looking forward to getting specific help in our sector.

Ms. Christina Franc: Just as a quick addition there, I think it's about the economic impact on the communities and the towns. When Formula 1 comes to town, it's helping everyone; it's helping the entire tourism industry. That goes right down to my local fair, Expo Ormstown. It goes from 3,000 people to 20,000. That helps the restaurants, the hotels, the print shop, everyone.

Mr. Blake Richards: That's great. Thank you.

Mr. Grue.

Mr. Clark Grue: I would just suggest that with conventions and conferences, it's usually a three- to five-year window to attract some of these events to Canada. With being shut down, we're losing some probably for the next 10 years, because they cycle to other parts of the world. So if we lose them, it's not simply that they'll be pushed to next year; it's that they won't be back for 10 years, in some cases.

We've had a really good couple of years in this space in terms of attracting great events to Canada, but many of the ones that were going to run this year and next year are being fully cancelled for this year and questions are being asked about whether they will

happen next year. The international events are very challenging, and obviously we need a window of time, as we talked about earlier, to see when we might be able to reopen for those events because they're so critical to our economy.

Of course, there are local events, regional events and Canadian events. For those, having Canadians move around to go to conferences, we believe, can be done safely, and we believe that could be done very effectively.

Mr. Blake Richards: Thank you.

Ms. Bell from TIAC, go ahead.

Ms. Charlotte Bell: Thank you, Mr. Richards.

In terms of what's different about tourism, first, tourism is found in every single region in Canada. I don't know of many industries that people could actually say are present from coast to coast to coast. We are in every single riding. We also have many small businesses and many seasonal businesses. Even for a year-round business that's open 12 months of the year, we depend on a very small window or it's maybe disproportionate in terms of how we garner our revenues, because of course for the high season, which is the summer—or for winter tourism operators it would be the winter months—we have a very small window in which we can garner revenues to stay afloat.

• (1405)

The Chair: Thank you.

Unfortunately, you're over time again, Ms. Bell. I wanted to make sure Mr. Richards had a good chunk of time, as he kept having trouble with technical difficulties.

Ms. Charlotte Bell: Got it.

The Chair: With that, we will move to MP Jowhari.

You have the floor for five minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses. I'd like to commend you on your recommendations. The recommendations were quite specific and sector-based. You also presented a point of view as to why some of the programs still have opportunity for improvement vis-à-vis the sector you're in. As I was listening to all the witnesses, I realized that there's another stakeholder group in this equation that we need to consider, which is the consumers.

Many of you have indicated some of the surveys that have been done by your organizations. I'd like to get some insight as to whether any of these surveys may have probed into consumer sensitivity, whether in terms of visitors from abroad, visitors from the U.S., visitors from other provinces or local visitors. What have you observed about the attitude and the motivation of these consumers? That will be able to give us a balanced view of the industry as well as the consumers.

I'd like to start with the Tourism Industry Association and Ms. Bell. Have any of your studies indicated anything regarding consumers' behaviour or consumers' sentiment?

Ms. Charlotte Bell: We have not done surveys specifically on consumer sentiment, because we've been focused on trying to save our industry. Our surveys are focused on trying to figure out where the industry is at. I do know that a number of organizations, like Destination Canada or other pollsters, have done surveys peering into consumer attitudes.

Mr. Majid Jowhari: Meetings Mean Business Canada, have you done any surveys on that?

Mr. Clark Grue: No, we would be the same. The only one I would point to.... The Canadian travel and tourism round table, which a number of us sit on, has looked at some data on sentiment regarding travel across the country. I apologize, but I don't know the stats on it.

Mr. Majid Jowhari: Hotel Association of Canada, have you done any surveys?

Ms. Susie Grynol: We have not specifically surveyed on that topic either, but I know the Conference Board of Canada has, so we'd be happy to send that to the committee.

Mr. Majid Jowhari: Let's assume there's a sentiment around hesitancy and lower consumer motivation to be able to fully embrace as we reopen the economy. Naturally, there's a huge impact on the industry and them being another part of the equation and coming out and embracing this reopening. To what extent would all of the recommendations, on which you have spent a lot of time and which are so justified, be impacted?

Association Restauration Québec or Canadian Association of Fairs and Exhibitions, do you want to jump in on that one?

[*Translation*]

Mr. Martin Vézina: I'll respond in French.

We didn't conduct a consumer survey, but half the restaurant owners that we surveyed said that their sales were less than 40% of what they normally make in June and July. I think that this figure is very relevant. We can really see that consumers are reluctant to go to restaurants. That's why we were recommending—

The Chair: Sorry to interrupt you, Mr. Vézina, but could you put your microphone a little lower?

Mr. Martin Vézina: Okay.

As a result, it may be necessary to implement measures such as the measures that we're proposing to encourage consumption. These measures include suspending the sales tax in the tourism industry to encourage consumption or providing a tax credit.

• (1410)

[*English*]

Mr. Majid Jowhari: I have only about 30 seconds left in my time, and I want to ask a question. I believe that the rate at which consumers will feel confident coming out is going to be an issue and is going to be an ongoing issue for a while.

What measures can the federal government take? What measures can other levels...?

I was hoping you'd put up your hand to answer that question. Thank you. Go ahead.

Ms. Susie Grynol: First of all, our industry has put in place a program called Safe Stay. It's North America-based. It's incorporating all of the public health recommendations into hotel practices.

But to answer your question directly, one of the things the government can do to help is to help us change the narrative: that you can leave your house and you're not doing to die if you do it. This is something that continues to be.... Look, none of us are suggesting that we want to see an increase. We have to do this responsibly, but I think we've been responsible. I think people can be responsible, and to the extent that the government can support that, it would be helpful.

The Chair: Thank you.

We now move to MP Patzer.

You have the floor for five minutes.

Mr. Jeremy Patzer: Thank you, Madam Chair.

Before I begin, I want to give a notice of motion, which I will read into the record here:

That, as part of its study on the Canadian Response to the COVID-19 Pandemic, the Standing Committee on Industry, Science and Technology invite Daniel Therrien, Privacy Commissioner of Canada, to testify regarding the development and ongoing operation of the recently released contact tracing application.

I will move to my questions now.

This question will go to the Hotel Association or the Tourism Industry Association. Any of you can answer if you want, but I'm curious to know, as far as insurance in your industries goes, whether there have been any issues with that. In particular, I'm wondering about the business interruption insurance. Is there anybody who had applied for that or had that already in the suite of insurance packages that exist?

Ms. Susie Grynol: I can jump in on that.

Yes, there are two issues with insurance. One is that hotels that had paid business interruption insurance are not getting covered, so that's a big challenge. The other challenge is that the insurance companies are now telling us that, effective December, they are not going to cover us at all because we're too much of a risk.

You can't run a hotel without commercial insurance, so it is a huge issue, but it is a provincial one, and it is one that our colleagues are working on.

Mr. Jeremy Patzer: Is there anybody else who wants to chip in on that one as well?

Ms. Charlotte Bell: Essentially, I'm hearing absolutely the same thing.

Mr. Clark Grue: As am I.

Mr. Martin Vézina: It's the same thing for restaurants. Not many policies cover the interruption of business.

Mr. Jeremy Patzer: Thank you for that.

I'm going to move back to the Tourism Industry Association of Canada. One of the things we have seen from the federal government is some financial relief for the tourism industry. In particular, \$46 million went to Quebec and the Maritimes, but in my province of Saskatchewan we received only \$1.5 million for relief within the tourism sector.

I'll just go over some numbers. The percentage of employment in Saskatchewan is 3.2% for tourism, which is actually identical to that for Ontario. That compares to Newfoundland, Labrador, New Brunswick and Quebec. P.E.I. and Nova Scotia are obviously higher on the spectrum than everybody else is.

Why do you think it is that such a huge amount went out east but so little went out west?

Ms. Charlotte Bell: Thank you for asking that question.

It is an issue we have been raising with the minister and with government. It was very uneven.

I think what happened is that the RRRF program was rolled out but not on a national [*Technical difficulty—Editor*]. The regional development agencies doled out those funds in those regions. Unfortunately, after everything was said and done, we did see that there were far fewer grants or loans out in the western provinces. We are still working on that with the minister's office to see if there's anything that can be done.

Essentially, each of the RDAs, the regional development agencies, deals with its own stakeholders. There isn't a national set of rules across the board for each of those agencies.

Mr. Jeremy Patzer: Right. Okay.

I'm wondering, because I have companies like Treeosix in Cypress Hills Park; Harvest Eatery, a restaurant down in Shaunavon; and the Grasslands National Park, which are all award-winning businesses. As well, outside of my riding, up by Saskatoon, we have the Wanuskewin Heritage Park, where, for the first time in 150 years, a baby bison was born on ancestral land. The Saskatchewan tourism industry has so much to offer. It's not just an afterthought; it's something we're extremely proud of around here.

When we're talking to these different industries, I'm wondering whether these people need to apply specifically to these RDAs, or what order works for them to be able to get funding or get a better demand for funding if there's such a small number coming from the RDAs themselves?

• (1415)

Ms. Charlotte Bell: The individual businesses would have to apply for funding once it's announced, and that did happen. I just heard—in fact, a couple of days ago—that in B.C., for example, there were 42 applications that went to Western Economic Diversification and they were all denied. So it wasn't simply one of the western provinces. We are trying to get to the bottom of this to see if anything can be done to ensure that the western provinces also receive funding, certainly in the tourism industry.

Mr. Jeremy Patzer: This is kind of going to my colleague from the NDP. He was talking about the Canada summer jobs program earlier. I have a lot of tourism-based businesses in the riding that specifically utilize that program. Is that something across Canada? Is it a vastly used program across Canada? I mean within the context of tourism per se.

Ms. Charlotte Bell: I think it's used in certain areas, but it's certainly not at the top of our priority in terms of things that need to be [*Technical difficulty—Editor*].

The Chair: Thank you very much.

We'll now go to MP Erskine-Smith.

You have the floor for five minutes.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much.

First, I want to say that I strongly support Mr. Patzer's motion. I did see online the other day that True North and Anthony Furey had roundly embarrassed themselves by suggesting that the government was tracking everyone everywhere they go. So it would be good to get something on the record from someone intelligent and thoughtful on this issue, including the Privacy Commissioner.

With that, I want to share my time with Mr. Longfield.

Mr. Lloyd Longfield: Thank you.

I want to start with Ms. Grynol again, just to follow up on one or two things, and then I'll switch over to Ms. Bell.

Ms. Grynol, with regard to the ownership of hotels, you brought up a key point, which I'd like to make sure we have on the record, and that is that even the hotel chains.... The Delta Hotel in Guelph, as an example, is owned by a local partnership group. When we think of hotel chains, we think that there's a lot of money behind them and that somehow they're financed by some central corporation. Could you maybe put something on the record for us on ownership of the larger hotels in each community?

Ms. Susie Grynol: I will, with pleasure.

You are correct that there is a misconception about the hotel industry. When you see one of those brands, you assume that this big American chain owns that property and has access to all sorts of liquidity. The reverse is true. These are all Canadian-owned companies. The majority of them, 83%, are small. They would fit the government definition of small and medium-sized businesses.

This is a franchise model, so you would own a hotel and you would decide, "Do I go it alone and be an independent hotel, or do I get the brand behind me?", which is essentially a marketing engine. So, yes, these are Canadian-owned small businesses in every riding in the country.

Mr. Lloyd Longfield: Thank you.

Administration and some fixed costs are possibly covered by corporations, but they also support not-for-profits. They support baseball teams, and they contribute to our communities with Canadian dollars. I think it's important to highlight that.

Ms. Susie Grynol: They're critical infrastructure, yes.

Mr. Lloyd Longfield: Thank you. Thanks again for staying at one, but I guess that's what you do.

Ms. Bell, thank you for all the work you do behind the scenes with the different organizations that you contribute to. I'm interested in how Canada stacks up in terms of our tourism policy, what other countries might be doing that we haven't considered—if you have any of that, either through TIAC work or other work that you've been doing—and how we need to coordinate Canadian policies with those of other countries, since a lot of travellers don't travel just to Canada but go to other countries as well.

We'll go over to Ms. Bell for that, please.

● (1420)

Ms. Charlotte Bell: Thank you for asking the question.

Mr. Lloyd Longfield: Anybody else can contribute. Thank you.

Ms. Charlotte Bell: Every country has its own policy, so we could spend hours talking about that. What we have seen since the pandemic is a great deal of international...countries putting measures in place—funding, grants and incentives—to encourage people to travel. In fact, we're filing a tax credit proposal to encourage Canadians to travel in Canada.

We could file something with you that goes through what the policies are across the board internationally. I'm happy to do that.

Mr. Lloyd Longfield: Thank you. That would be helpful for our report.

Does anybody else have an international piece that they'd like to bring in the last minute that we have?

Mr. Clark Grue: I can speak very briefly.

The exhibition and convention space is very international. Everybody is looking at what everybody else is doing. Europe has opened up quite a bit more than we have for exhibitions and conferences, so they are out ahead of the protocols. Task forces across our country have been working as well to put in place safe protocols to reopen; there's a lot we can learn from that.

Mr. Lloyd Longfield: If Canada can stay ahead of the curve and keep our country safe, we should be in a competitive position to attract Europe.

Mr. Clark Grue: Absolutely, 100%.

Thank you for that.

Mr. Lloyd Longfield: Thank you.

Failing anything else, I see the red card coming up. Thank you, Madam Chair.

Thank you to all the witnesses for the great testimony. I really appreciate it.

The Chair: Thank you very much.

[*Translation*]

Mr. Lemire, you have the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

In the tourism industry, promoters are obviously very important stakeholders. However, there are also the people who promote the tourism products in each region. Our regional tourism associations work hard to encourage co-operation rather than competition. This is very important to me. In Abitibi-Témiscamingue, the tourism ecosystem is particularly significant. As my father would say, we must develop our emotional connection with our territory.

These regional tourism associations obviously need human resources to maintain the connection between different sectors, such as between outfitters and the Québec Outfitters Federation; between the Accès Plein Air project in our region and Aventure Écotourisme Québec; or between snowmobile clubs and the Tourism Industry Association of Canada. The same applies to hotels, culture and our elected officials, and even to indigenous tourism. Closely linked projects are essential to ensure the sustainability and promotion of the industry. All this requires the coordination of resources.

My question is for the Alliance de l'industrie touristique du Québec. In your opinion, given the needs, is it more necessary than ever to have new money, in other words, to increase the funding from Canada Economic Development to ensure that regional tourism associations obtain money?

Mr. Yan Hamel: Absolutely. More than ever, the industries will need to join forces and work together. At this point, all the provinces are working very well with Ms. Bell's team.

This must also go very far in the regions. The regions must take action. Everyone must work to regain ground, because all the countries will soon be opening up again and all the tourism products will be made available worldwide. We must be highly structured and we must revise the products according to this new normal. So yes, it's very important.

Mr. Sébastien Lemire: Lastly, I want to congratulate all members of the industry and to emphasize how important you consider it to work together. The key word is "co-operation." This gives you the opportunity to connect with the various associations and to reach out to local stakeholders. It's a good challenge.

I want to congratulate the members of your industry for wanting to face this challenge together. I really admire this.

[*English*]

The Chair: Our last round of questions will go to MP Masse.

You have the floor for two and half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

As New Democrats, we would also support having the Privacy Commissioner. Hopefully that motion does come forward, because it will be good for a lot of different reasons.

I want to thank Mr. Lemire for bringing the tourism sector to the committee's attention. What I've heard is a little bit disturbing, in the sense that there have been ongoing discussions and negotiations with the government, but it's almost been like a used couch: You've been put to the curbside to see what's going to happen next. This is not a strategy. I think you need a special sectoral strategy, as you're in unique situations because culture and human behaviour have to be shifted with far more difficulty in your industry.

Mr. Vézina, my father-in-law and mother-in-law used to have a small Chinese restaurant. I can just imagine that the overhead and

the margins wouldn't be covered by the available space they will be able to use now for a long period of time. Windsor just came out of stage 2. Today, it was announced that we're going into stage 3.

What's the challenge of carrying that extra bulk space, that dead space in a restaurant that used to actually be a profitable space for turnover?

• (1425)

Mr. Martin Vézina: The main problem is that we don't use that space because of the social-distancing measures. We need to run at 50% capacity, not at full capacity, so there are fewer sales. As I said before, when we compare the sales of June 2020 with those of last year, they're less than 60% because of the pandemic. Consumers don't go in. That's the problem. It translates to loss of sales. And we pay the same rent—that's also the problem.

Mr. Brian Masse: Thank you, Madam Chair.

I know that's the end. I'll leave it at that and thank all the witnesses for being here.

Thank you, Madam Chair, for getting us through the technical problems we had today. I appreciate the time we've had.

The Chair: Thank you so much.

I want to reiterate my thanks to the witnesses for being here, and to the members, the analysts, the translators and the IT group for, again, their patience and making sure that today was possible.

As members of Parliament, we all have an opportunity to make sure we also promote our local tourism industry. I reiterate that you can tell your constituents to think of travelling local, staying home and visiting la belle province, in our case, and supporting your local restaurants and hotels. We'll all get through this together.

[*Translation*]

Thank you.

[*English*]

With that, this meeting is adjourned.

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