



To:

Hon. Matthew MacKay, Minister of Economic Growth, Tourism and Culture  
Mr. Kent MacDonald, CEO, Tourism PEI

From:

Regional Tourism Associations of Prince Edward Island

March 31, 2020

Minister MacKay / CEO MacDonald,

During this challenging time related to COVID-19, Prince Edward Island's collective of Regional Tourism Associations (RTAs) are writing to you with a shared concern for our Memberships, a representation of 750+ tourism operators of all sizes and types. We are also supported in this communication by the Tourism Industry Association of PEI.

Tourism is a vital industry in Prince Edward Island that provides 7,700 full time equivalent jobs for Islanders. It accounts for over \$500 million in economic activity each year and 6.3 percent of GDP, the highest percentage of any Canadian province.

By way of this letter, we would like to express that our first priority is to work with Public Health to determine a feasible timeline for tourism activities. PEI's tourism industry will work with government to ensure government has the funding and technology needed to help screen Visitors and protect the public.

**With that said, our greatest growing concern is for seasonal operators and their need for support.** Currently, it is unclear how seasonal operators are included in initial rounds of support and there is a growing uneasiness within the industry with how they fit in.

While we understand the landscape may change in due course, it is important that we do not lose sight of seasonal operators at this time. Our Island's seasonal operators are currently weighing decisions related to whether or not they will open for the 2020 tourism season.

As one of PEI's top 3 industries, it is our shared goal for tourism businesses to be open for the upcoming season: if attractions, accommodations, dining and other tourism experiences are closed, it will leave Visitors with an impression that there is 'nothing to do on PEI', negatively impacting future tourism for our province. Operators are eager to contribute and generate some form of an economic impact that will get our province back on its feet.

We look to the government to offer incentives by ways of offsetting labour costs, expenses and revenues so that businesses will stay open even if tourism traffic isn't there. This is outlined further in this letter.

We are pleased to see the many federal and provincial business support programs that have rolled out in the last few days and weeks. *Will these programs be made available to seasonal tourism operators, and will they be available to operators and workers within the timeframe they are needed (i.e. June 1, 2020 and onward)?*

## RTAs suggest the following additional ways that government can assist PEI's tourism industry this season:

### EMPLOYEE SUPPORTS

- Many long-time employees in tourism operate on a seasonal basis. Many of them have been eligible for EI benefits since last fall. Given that there is currently no work for them to return to, **will provisions be made to extend their EI coverage? Will this allow for the possibility that they are unable to return to work at all in 2020 and carry them through until late spring 2021?** What plan does the government have for them?
- **Wage Subsidies** - Wage subsidies recently announced for employers to cover 75% of employee wages is a very positive announcement. It is important that these subsidies are available to seasonal operators at the beginning of the summer season. Offering these options to them as well, in June, July or August may mean the difference between many operators opening or closing.
- **For seasonal workers who are on EI now, extend or top up EI payments when they go back to work** to provide owner-operators an opportunity to reduce operating costs.
- **Consider reducing the \$50,000 threshold to receive salary relief for small and medium sized enterprises (Canada Emergency Business Account)**. This still leaves a large gap for small operators who will not meet this amount.

### INDUSTRY SUPPORTS

- **Loan options\***. While loan options will benefit some tourism operators and we welcome loan options, many operators do not want to add to their current debt load - therefore the suggestions that follow are of great importance.
- **Working with lending agencies and financial institutions to encourage multi-month deferrals** (12-18 months). While some financial institutions are currently promoting 3-month deferrals, this is of little benefit. Operators need time in which to achieve revenue in the 2020 and early 2021 seasons, to be used to pay back existing loans.
- Explore opportunities where Finance PEI could potentially **assume operator loans** from financial institutions, followed by a 12-18 month deferral.
- **Explore mechanisms for cash flow / cost recovery** to operators at the beginning of the 2020 tourism season. Example: monthly grants.
- **Work with suppliers** - Maritime Electric, Bell Aliant and others - to encourage deferred payments and rollbacks on rates for these services. Example: Eastlink has scheduled price increases for April - could the government work with such suppliers to provide breaks for tourism operators and the business community?

- Provisions to **assist tourism operators/owners who cannot currently access the EI program.**
- **Forgiveness or deferral of federal/provincial tax and business-related fees** (ex. Environmental Health, Tourism Licensing, Visitor Guide Listings, etc.) for an extended time period (12 - 18 months).
- Tourism is a year-round business that requires planning, maintenance and other expenses in the lead up to the season. **Given that many operators are now facing either a complete elimination of the season, or a shortened season with decreased demand - has thought been given to assistance related to expenses already incurred that may be difficult to recover**, such as advertising, training, inventory purchases and more?
- **Acknowledgement** of lost reservations, cancelled events, season passes, group bookings at attractions, etc.

The window is closing on tourism operator's ability to make decisions about operating within the 2020 tourism season landscape. We call on the government to take these issues very seriously and offer support that will provide seasonal tourism operators with some level of confidence moving into the ever-important summer operating season. This will provide continuity to our tourism industry's ability to contribute significantly to the economy of Prince Edward Island.

On behalf of all the Regional Tourism Associations, Derrick Hoare, President of the Central Coastal Tourism Partnership, and owner of The Table Culinary Studio in New London, will follow up with Minister MacKay in the coming days. Alternatively, Derrick may be reached at 1-647-920-1542.

*Yours in partnership,*

Stanley MacDonald, President, North Cape Coastal Area Tourism Partnership

Don Quarles, President, Explore Summerside

Derrick Hoare, President, Central Coastal Tourism Partnership

Steve Murphy, President, Tourism Cavendish Beach

Ben Murphy, President, Discover Charlottetown

Tanya Calver, President, Points East Tourism Partnership

Kirk Nicholson, President, Tourism Industry Association of PEI

Kevin Moufliier, CEO, Tourism Industry Association of PEI

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c.c.

Hon. Dennis King, Premier of Prince Edward Island

Hon. Robert Morrissey, MP for Egmont

Hon. Wayne Easter, MP for Malpeque

Hon. Sean Casey, MP for Charlottetown

Hon. Lawrence MacAulay, MP for Cardigan