

**BRIEFING NOTE**

**Destination Canada Update on COVID-19**

**Wednesday, April 1, 2020**

**Number of participants: 1,400**

**Hosts:**

**Ben Cowan Dewar**, Chair of the Board of Destination Canada

**Charlotte Bell**, President & CEO, Tourism Industry Association of Canada (TIAC)

**Presenter:**

**The Honourable Mélanie Joly**, Minister of Economic Development and Official Languages

**Reminders:**

- Check back regularly to Destination Canada's [website](#) where all webinar links and resources will be available and to TIAC's [website](#) which is updated daily.
- For up-to-the minute information, sign up for all partners' newsletters including TIAC's and the Indigenous Tourism Association of Canada.
- Please keep in touch with your local tourism authorities and ensure they are informed of your latest news as they are in constant contact with Destination Canada as well.
- As you access the resources listed below please keep your local tourism authorities informed on how they are supporting your business.

**Introduction by Ben Cowan Dewar:**

Destination Canada might be best known as the Government of Canada's international tourism marketer, but we are also mandated to provide information to the industry and Government about the visitor economy – and this will continue being a priority for us.

As Team Canada we have achieved great things and I'd like to assure you that we will continue to work with our partners across the country to have an aligned and relevant response to this issue.

**Introduction by Charlotte Bell:**

It is important we are one industry working together and supporting each other. Minister Joly ensures tourism is top of mind as one of Canada's largest employers and most impacted from COVID-19.

Our focus is on immediate support for the tourism industry and providing information on how to access resources available to tourism businesses and operators. TIAC is reporting on industry issues real time, and working together on real solutions. TIAC will continue to work with the Minister and her team as well as key government officials as we get through this crisis together.

**Minister Joly:**

It is a pleasure to have this opportunity to talk to the industry. We understand these are anxious times and all of you are going through this together. The government has your back and first we wanted to make sure we can deal with the health crisis - to ensure communities are safe.

We are at the beginning of this - it will become more difficult before it becomes better. There will be pressure on our health care system but we can be proud that we have the best health care system in the world.

Our primary goal was to extend the social safety net - to ensure no one falls through the cracks or is forgotten.

**Emergency Response Benefit (ERB):**

- If you lost your job, your contracts or your hours, have a child at home you need to take care of as school is out and if you are sick or a caregiver of someone who is sick, you can access the ERB.
- \$500/week benefit for 16 weeks/four months.
- You can register here: <https://www.canada.ca/en/services/benefits/ei/erbb-application.html> (as of April 6, 2020)
- Bank Transfers will begin April 16, 2020

We also wanted to support businesses and entrepreneurs as they weather the storm.

The Canadian banking system is now more flexible. We have changed a mechanism to ensure \$300 billion is available through banks to allow banks to provide more flexible loans,

repayments and interest rates. The Bank of Canada has lowered interest rates - now at the lowest rate in history.

We also wanted to make sure BDC and EDC had \$10 billion to lend to businesses to also support exports. Additionally, repayment on corporate taxes is now deferred to the end of the summer

We know SMEs are at risk. We wanted to reduce the stress on cash flow and lack of revenues coming in.

**Wage subsidy of 75%:**

- Applicable if a company has lost 30% of revenue they may access these funds.
- The subsidy amount for a given employee on eligible remuneration paid between March 15 and June 6, 2020 would be the greater of:
  - 75 per cent of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
  - the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75 per cent of the employee's pre-crisis weekly remuneration, whichever is less.
- Further guidance with respect to how to define pre-crisis weekly remuneration for a given employee will be provided in the coming days.

An interest free loan of \$40,000 is also available through your own chartered bank. It does not need to be paid back until December 31, 2022. If you meet this deadline and repay the loan, businesses may keep \$10,000.

Finally, we have deferred all taxes payments until the end of August 31, 2020. *[Note: this is the corrected date from what was said in the webinar.]*

These resources were created to allow business owners to make the decisions they need to keep employees working. This will help Tourism SMEs to recover and bounce back.

Obviously, we are working on a stimulus package, tourism is top of mind and we are here to help all of you to ensure the tourism sector bounces back.

Together with Destination Canada and TIAC, we are working together to weather the storm and we know it is a resilient sector and I am here to help.

**Questions pre submitted:**

Reminder - regular updates will be posted to Destination Canada's COVID-19 website page.

**Q: Can you please clarify support for small, self-employed tour operators?**

- You have to decide if it makes sense to keep your employees employed with the 75% subsidy by covering the additional 25% of employee wages. We have helped you to have access to more liquidity. Also, the \$40,000 interest free loan is a credit line and if you pay it back by December 31, 2022 you may keep \$10,000 of that loan.
- You must have a [CRA account](#) - please register now.
- We know that the tourism industry is deeply impacted so you should be able to show 30% losses needed to access this support. We understand seasonality is a part of the negative impact this is having.
- You can go through your personal bank for the loan, and you do not have to have a personal guarantee.
- Should you decide to not take a wage subsidy - you can tell your employees they have access to the Emergency Response Benefit starting April 6, 2020. They should register through CRA - Destination Canada will post how to do this. This provides them \$2000 per month over four months.

**Q: What aid is available for the events industry?**

- Festivals are supported by Heritage Canada and Regional Development Agencies. Minister Guilbeault and I have asked that we are flexible—if you already have grants you can keep them to mitigate losses e.g. cancellations. I invite you to go to your regional development agencies for support and advice.
- We realize the event industry is seriously impacted and we continue to look at how we can support.

**Q: We are in the fishing business (May-September) and are concerned about seasonality and if we are not able to open until later this year. What can you recommend for us?**

- The Emergency Response Benefit is applicable to those who do not have enough hours under the normal EI benefit. This is why the EI was extended so no one falls through the cracks.
- We need to use programs already in place - fastest and quickest ways to provide financial support.

**Q: I am an independent freelance tour guide and most business comes directly from international visitors—what should I do?**

- As a self-employed tour guide, you have access to the Emergency Response Benefit - contact CRA and ensure you have an account. Pre-register and ensure you are part of the system. We will be making bank transfers within 10 days.

**Q: What recourse do we have if our tourism association refuses to hire us back after our temporary layoff following Mr. Trudeau's announcement that we qualify for the 75% wage subsidy?**

- Two additional measures I want to make mention of and then I will answer this question:
  - Canada Child Benefit increased by \$300/child to support costs of having children at home.
  - We increased GST tax credits. Middle and lower income families will receive reimbursements /credits linked to the GST –starting in [April](#) [*Note change in date from webinar*].
- We need to make sure that labour laws are enforced across the country to support employees during this time and when we recover.
- When you think about what is going on - the Tourism Sector is the canary in the coalmine. We saw it coming first - Chinese tourism downturn began affecting provinces across the country. We hear you and know that - TIAC /ITAC has never been more important. The more you are organized and working with me, the better I can do my job. I bring tourism to the COVID-19 Cabinet Committee and we are making decisions by the minute.
- I want to know how these measures are landing - how are they supporting the industry? We heard we needed to do more - we are learning as we go. We do not want to increase inequality across the country. The more you are able to show concrete examples on whether the measures are working - this will help inform our decisions.
- Marketing to Canadians - first response is Canadian supporting Canadian tourism experiences. One of the goals of the Federal tourism strategy is to increase shoulder/off season visitors and rural and remote visits. What we should be doing together is using this crisis to get to the systemic issues within our own sector. Canadians should explore and know their country—we need to look at issues/cost of access to different regions. We can be more resilient at home with Canadians travelling their country—this will be good for the industry and support recovery efforts as Canadians discover the most beautiful country in the world.
- There will be efforts to increase international travel again, but we need to work together to ensure visitors to Canada trust that they will be safe and taken care of while travelling across Canada.
- None of us knew this was coming and we were not prepared to deal with a pandemic during our lifetime. More and more as we work shoulder to shoulder, the better the outcome will be. We should bear in mind the sentiments of many Canadians “it will go well” - I am here for the industry.