

**The Impact of COVID-19 on the Tourism Sector:
A Focus on the Festival & Events Industry**

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Many thanks for allowing me to address the Ontario Finance and Economic Affairs Committee today. I appreciate this opportunity.

I speak today on behalf of the tourism sector, specifically the festival & events industry. I believe we all acknowledge that tourism is one of the hardest hit sectors of COVID-19. I represent an organization that produces events along Toronto's waterfront and waterfront communities throughout Ontario. Some of the major events we have produced include the annual Redpath Waterfront Festival, which is presented by Billy Bishop Airport, Sugar Shack TO, also presented by Redpath Sugar as well as pan-provincial events including TALL SHIPS 1812 Tour, the ONTARIO 150 Tour and last summer's TALL SHIPS CHALLENGE ONTARIO.

Our industry understands that there is going to be a "new normal" regarding tourism events, but the main challenge is that we don't know what that looks like yet. We assume there will be restrictions on the number of visitors allowed in a gathering for quite some time, as well as new health and safety regulations. Our network is conducting and participating in numerous webinars in order to continually be updated on the current status of our industry. During these meetings we have been sharing our thoughts and ideas as to how we collectively and collaboratively move forward.

We acknowledge that many events will not come through this crisis and the ones that do will face extreme challenges. There have been numerous surveys and studies done and one in particular estimates there will be a 50% reduction in sponsorship fees for the next one to two years, as well as reduced experiential marketing activations, thus reducing the revenue for festivals & events' budgets. The events that our company produces are free to the public, so we rely heavily on corporate sponsorship and government grants. On the other side of the budget, we are estimating that the new health and safety requirements will increase the expense portion of all event budgets. Therefore, with reduced revenue and increased expenses, both directly caused by COVID-19, the events that do return will need to significantly adjust their programming plans and most likely reduce large entertainment portions of their event, unless an increase in government financial support is available to this sector.

Another study, done by Enigma Research, showcases that people want to get back to festivals and events – they want to be smart about it and know that the event is taking the precautions necessary, but they want to get back out there. Enigma surveyed over 2,000 people throughout North America who are past event attendees. This study is very encouraging as 94% of people have greatly missed attending live events and 76% are extremely likely to return once large gatherings can resume.

As an industry we have been encouraged to consider moving our events online. In some cases, this is working, but in our case, this isn't an option as the mandate of our event is to bring people to the waterfront and explore parks and businesses they might not have before. A large percentage of festivals & events in the province are successful because of their in-person, interactive elements. Some events work in an online space such as film festivals, concerts, or cooking demos, but most festivals and events on the tourism side don't work in a virtual environment.

We must also consider the local businesses who will suffer due to the restrictions on mass gatherings. When an event takes place, regardless of where in the province, the local businesses always benefit from the increased crowds. These businesses who are already suffering from COVID-19 will no longer see the increase in their sales during events due to a significant restriction in the number of visitors allowed to attend.

One of the major local tourism businesses where we produce most of our events is the Canadian Commercial Passenger Vessel industry. Their bookings and events are planned months in advance and without knowing if they can have an event of 100 to 300 people by August, their season may well be over by the time larger gatherings will be allowed. The current 24-hour notice for business openings just doesn't work for them.

At this time, I would like to acknowledge and thank the province for the support they have provided our industry to date. Going forward, we are hoping this support for tourism and festivals & events will continue and expand.

While large tourism attendance and high economic impact numbers were the objectives of Ontario Government grants previously, we must understand what the new requirements will be in order to be successful with future grants for public festivals & events. For the foreseeable future, we will not be able to bring large attractions to our events, such as the World's Largest Rubber Duck, which drew hundreds of thousands of people to Toronto's waterfront and throughout the province, and provided the largest economic impact of all time for the Redpath Waterfront Festival. Going forward, we assume that the Provincial government grant criteria will be revised and will focus on alternative objectives, perhaps hyper local tourism.

I can't even begin to express how valuable and important funding from the Provincial government through Celebrate Ontario has been to our event specifically and all events throughout the province. Celebrate Ontario supports festivals and events that contribute to local economies and enrich the quality of life in a province defined by a diversity of experiences, culture, heritage and people. The organization I am representing today has received annual Celebrate grants and has been awarded three Blockbuster grants for pan-provincial events that we have produced. Without the support of Celebrate Ontario, these events, specifically the pan-provincial events, would never have happened.

But the immediate future appears that we will now have to focus on local tourism and Celebrate Ontario grants will be even more important now to help festivals & events survive COVID-19 and restructure to fit in with the new norm.

When this pandemic first began, the feeling in the tourism and festival & events industry was that we would be back to some kind of normal by September. There is now a shift in that focus and the feeling is that it will be more likely January 2021 or even as far as spring 2021 before we see any kind of recovery

for our industry. Yesterday Minister Lisa MacLeod indicated that on March 12th she was going to announce that the tourism sector had grown to be a 36-billion-dollar industry. She also said the Ministry is now expecting that it will take us to 2023 or 2024 to get back to that achievement.

I believe that we collectively agree that Arts & Culture, whether it is an organization or a festival, is deemed as providing hope for our future post COVID-19. I also believe that we must make every effort to move forward with providing live event opportunities in some capacity as soon as we are safely able.

I would like to thank the Ontario Finance and Economic Affairs committee for giving me the opportunity to speak today and look forward to continuing to discuss the future of festivals and events in our great province.