

June 19, 2020

Presentation to Ontario Standing Committee on Finance and Economic Affairs

Dear Committee Members,

The Association of Canadian Travel Agencies (ACTA) wishes to thank the **Ontario Standing Committee on Finance and Economic Affairs** for the opportunity to address the impact that the COVID-19 health and economic crisis on the Ontario Travel and Tourism industry. Travel agencies are a critical component of both the tourism and airline industry, and as such must be included in any sector relief measures extended to the overall Tourism industry.

ACTA is a national trade association that represents the retail sector of Canada's tourism industry. The industry includes over 24,000 Travel Agents, in 14,000 travel businesses within almost every parliamentary riding. Over 90% are small travel agencies and the vast majority of employees and independent contractor entrepreneurs are women. In Canada, the Travel, Tourism and Hospitality industry employs over 1.8 Million people in Canada with an economic impact of \$102 Billion per year.

The COVID-19 health and economic crisis has had a catastrophic impact on our industry, and ACTA estimates the economic loss to Travel Agencies in Canada could be up to **\$30 Billion in sales** and **\$3 Billion in revenue in 2020. Approximately 50% of all travel purchases through a Travel Agency in Canada take place in the province of Ontario.**

THE IMMEDIATE IMPACT OF COVID-19

- While most other Canadian businesses continued to operate at full capacity throughout January, February and well into mid-March 2020, the Travel Industry began feeling the negative economic impact of COVID-19 starting in late January. Escalating government travel advisories up to telling Canadians to "AVOID ALL NON-ESSENTIAL TRAVEL", and the closing of Canada's borders to visitors from other countries dropped Travel Agency revenues 90 to 100%.
- Throughout the month of March and into April, Travel Agents played a critical role in cancelling and/or rebooking tens of thousands of Canadian's scheduled to depart on winter vacations, including March Break, one of the busiest travel periods of the year. Travel Agents also played a vital role in bringing stranded Canadians home through the critical period between mid-March and May.
- With close to zero revenue coming in and increased staff expenses to service cancelled or stranded Canadians, Travel Agencies have found themselves in a uniquely detrimental situation.

THE CURRENT SITUATION

- 90% of Travel Agents are still currently out of work.
- Despite the adversity, Travel Agencies continue to work to cancel and rebook upcoming travel arrangements as airlines and other travel suppliers extend their cancellation windows due to **COVID-19 travel advisories.**
- With Canadian travel advisories having **no end date** attached to them, border closures, and 14-day mandatory travel quarantines still in place, we expect the financial impact and employment loss to continue for many months ahead.

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KEY ISSUES AND ACTA's ASK FOR SECTOR SPECIFIC SUPPORT

- While other industries begin to open up and start to recover, the travel industry will lag behind due to federal government and provincial travel bans. Projections are that we will not see revenue pick up until late 2020 and possibly into 2021.
- ACTA urges the Ontario government to consider the burdens that Ontario Travel Agencies are dealing with at this time, and ask for the Ontario Government's assistance to help with sustainability and recovery.

1. Ontario Travel Industry Regulator Fees

Although Travel Agencies appreciate the deferment of TICO related fees until later this year, based on the information we now have, ACTA asks that the Ontario government completely **waive** regulatory fees for 2020. In a COVID-19 business environment, we hope that Travel Agencies will not be forced to shut down operations due to the added burden to pay TICO regulatory fees.

2. Modify the Canada Emergency Rent Assistance (CECRA) program:

While the intention behind the program is very much valued, 70% of Travel Agency landlords are **not willing** to participate in the program. ACTA recommends that the Ontario government to take the lead and amend the rent program and make it available to the **tenant directly**, rather than rely on the participation of the commercial property owner. This will ensure that the **much-needed** relief is received by the tenant.

3. Further Amend the Employment Standards Act

ACTA thanks the Ontario government for recognizing the next **critical business crisis** our industry is facing by announcing the temporary amendment to the Ontario Employment Standards Act. The extension of the lay-off period from the traditional 13 weeks to 6 weeks after the province lifts the declared state of emergency is very much appreciated, as Ontario's current employment standards notice and severance costs will be a unsustainable for many travel and tourism businesses. Unfortunately, as long as Canada's "**Avoid all non-essential travel outside of Canada**" and **border closings** are in place, Ontario's travel industry will not be able to bring back the vast majority of their employees.

ACTA urges the Ontario government to work with the travel and tourism industry and develop win/win solutions for employees and employers while the travel industry slowly begins to recover. A solution may be a one-time COVID-19 notice/severance crisis **cost share program** where the employer/employee/government all participate.

4. We strongly encourage the Ontario Government and Health Minister seriously consider the easing of Travel advisories as quickly AND SAFELY as possible.

We will be living with the COVID-19 pandemic impacts well into 2021 and **it is important to realistically** minimize the spread of the virus. The Canadian travel and tourism industry has taken significant steps to mitigate the risk at airports, on flights and during hotel stays with new health and safety measures now in place. We are asking the government and health authorities across the country and in Ontario to work with our industry to help Canadians to first, travel around our country and then second, carefully ease travel restrictions for travel to/from Canada.

In closing, we appreciate all of the hard work being done by the Ontario government to combat the COVID-19 pandemic, and we hope to work together to ensure that travel agencies are not left behind.

With kind regards,



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President, ACTA

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