

# Meetings, Banquets and Events – The Forgotten Sector

## Industry Overview

The meeting and event sector has been one of the hardest-hit by the pandemic. Our businesses - which include meeting and event venues, professional organizers of business events and social events, and the network of suppliers to the industry - were the first to be shut down as a result of government-imposed restrictions and will be the last to recover from continued public health measures. Additionally, because our businesses depend on bringing large numbers of people together, there has been no work-from-home option for our sector, and no opportunity to pivot to any degree. Yet despite the disproportionate impact of continued and increased restrictions on our sector, we have not received commensurate financial support from government, to help us survive the mandated shutdown of all meeting and event activities.

As we enter year two of this pandemic - with no opportunity to open our venues, produce events, and raise revenue - our sector's survival is now on the line. Our industry is in crisis and direct financial support is needed in order to ensure the meeting and event industry does not collapse under insurmountable levels of debt and insolvency.

## Reopening the Economy

The meeting and event sector is calling on the federal government to release a public plan for economic reopening – including a plan for relaunching business events, as well as professionally organized social and cultural events.

We are committed to a safe restart, and we are well-prepared to rigorously implement health and safety standards as required by local officials. Yet, more than a year into the pandemic, we still have no clarity or indication of when we will be able to reopen.

Because of the lead time required to plan and execute meetings and events, our businesses require a forward-looking reopening framework, with clear and consistent capacity restrictions, to enable the gradual and safe reopening of meetings and events. Furthermore, we need to know the metrics government is using to make these decisions, so we can properly plan into the future.

## Supporting the Hardest Hit

In conjunction with a national reopening plan, the federal government must commit to more direct financial support, specifically for those sectors that have been hardest-hit by the pandemic – including the meeting and event sector. Our businesses need clarity and certainty. We need to know what supports will be in place and for how long, to ensure our solvency and survival in the short-term, and our recovery in the medium to long term.

**Canada Emergency Business Account (CEBA):** This program was well-designed and sorely needed, however it needs to be recapitalized immediately to reflect the continued hardships our businesses are suffering as a result of the latest measures imposed by provincial governments, to slow the spread of the variants of concern. The current level of support offered through this program is insufficient and does not provide enough funding to allow operators in the sector to cover their fixed costs.

1. Expand the CEBA immediately to \$100,000 with a significant forgivable portion.
2. Recapitalize the CEBA program on a quarterly basis – again with a significant forgivable portion – until we can operate at full capacity.

**Canada Emergency Wage Subsidy (CEWS):** The wage subsidy has been critical to keeping business owners and some staff on the payroll. However, with a ceiling on this program, and no business activity happening in the meeting and event sector, it has not prevented massive layoffs. Additionally, with no reopening timeline or roadmap in place for our industry, it is extremely concerning to hear that government is planning to phase this program down starting in July. Because of the long lead-time required to restart meetings and events, as well as the cyclical nature of business events

and social events, operators in the sector face a much longer recovery timeline that government needs to acknowledge and address. Even if the sector is given the green light to reopen this fall, most events have a 6-month planning cycle, and so business activity will not resume until January 2022 - at the earliest. Our industry cannot reopen at the flick of a switch and government must address this recovery lag by extending the CEWS program well beyond September 2021 for the meeting and event sector.

3. Extend the CEWS until June 2022 for the hardest-hit sectors, which includes meeting and event venues, professional organizers of meetings and events, as well as those in the supply chain relying on meetings and events for a significant percentage of their annual revenue.
4. Increase the CEWS subsidy amount to 85% of wages for the hardest-hit sectors.

**Canada Emergency Rent Subsidy (CERS):** With the meeting and event industry looking at many more months before we can begin to host in-person events and bring in revenue, additional support is needed to keep our businesses afloat. The current \$300,000 cap is prejudicial to businesses which have high rental costs, as well as those that operate multiple facilities. The majority of meeting and event sector businesses have been forced to take on deep debts. Any kind of business planning or revenue forecasting for industries which rely on bringing people together, will remain impossible for many months. As already outlined above under the CEWS section, considering the long-lead time required to restart meetings and events, as well as the absence of any kind of a restart plan for the sector, it is essential that CERS be extended for the meeting and event sector well beyond September 2021.

5. Extend the CERS until June 2022 for the hardest-hit sectors, which includes meeting and event venues, professional organizers of meetings and events, as well as those in the supply chain relying on meetings and events for a significant percentage of their annual revenue.
6. Increase or remove the \$300,000 cap to allow larger businesses and businesses with multiple facilities to benefit from the program.
7. Make the CERS program available retroactively for those who were unable to access the Canada Emergency Commercial Rent Assistance (CECRA).
8. Open this program up to allow mortgage supports and increase CERS eligibility to include non-arms' length entities (e.g. renting from a relative) and remove the requirement to pay the full rent in order to receive a subsidy.

**Highly Affected Sectors Credit Program (HASCAP):** Given the degree of hardship suffered this last year – with many businesses in the meeting and event sector facing a 100% reduction in revenue – the prospect of carrying additional debt is not an option for industry operators. Our businesses - including meeting and event venues, professional organizers of events, and suppliers to the industry - are not able to manage any more debt at this time and require a forgivable loan program at low interest. Additionally, some of the very businesses that HASCAP was intended to assist are being shut out of the higher levels of support – and this must be addressed immediately.

9. Amend HASCAP to include a significant forgivable portion, as well as a lower interest rate.
10. Re-assess the criteria of the HASCAP to ensure businesses who need access to this funding the most, are not being denied higher levels of support beyond the \$250,000 entry point.

**Budget 2021 Program Funding:** While a significant number of supports have been announced and extended in the 2021 Budget, tabled by Deputy Prime Minister and Minister of Finance Chrystia Freeland, meetings spaces and producers of business events and social events are not currently cited in any of the program descriptions, despite how hard-hit this sector has been. Since the meeting and event sector has previously been excluded from both tourism and cultural programs, the sector requires immediately clarification and confirmation that these newly announced programs include **all** businesses in the meeting and event industry. Given the degree of hardship suffered this last year, with many businesses facing a 100% reduction in revenue, establishing a significant forgivable portion of this announced funding and ensuring that businesses which may have also received some government funding through CEWS, CERS, CEBA, and others, will still be eligible for specific program funding, is essential.

1. Ensure that the meeting and event industry - including venue operators, professional organizers of business events and social events, as well as suppliers to the industry - has access to the following programs and funding streams:
  - a. The Canada Small Business Financing Program;
  - b. The Canada Recovery Hiring Program;
  - c. The Canada Emergency Business Account;
  - d. The Tourism Relief Fund;
  - e. The Community Festivals and Events Program;
  - f. The Regional Relief and Recovery Funds;
  - g. The Women Entrepreneurship Strategy;
2. All program funding should be forgivable, to provide businesses that have faced substantial hardship - due to the complete shutdown of the industry - with appropriate supports.

**Sector-Specific Funding:** Prior to COVID-19, meetings and events were a leading economic driver in Canada, employing tens of thousands of people and contributing billions in direct spend annually. Government should recognize the positive downstream effects business events and social events have across the economy, along with the drastic impact that the pandemic has had on businesses in the sector, by immediately establishing a sector-specific grant program to support independently-owned facilities and to ensure they receive equitable funding and support to municipal facilities. Organizers of professional events and suppliers of products and services to the industry must also be eligible for this sector-specific grant.

11. Create a sector-specific grant program - for meeting and event venues, professional organizers of events, and suppliers of products and services to the events' industry - to ensure operators in the sector survive all government-mandated shutdowns, and until the sector is able to reopen at full capacity.

**Regional Relief and Recovery Fund (RRRF):** This program has been seen as a critical support for many businesses in the meeting and event sector that are unable to access support through other government programs or require additional support to cope with and recover from the pandemic. With restrictions on indoor gatherings set to remain in place for months to come, meeting and event sector businesses continue to lose revenue and cashflow, while fixed expenses like rent, mortgages, property taxes and utilities continue to pile up.

12. This program should be recapitalized immediately to allow businesses affected by continued restrictions on indoor gatherings to apply and access another round of funding to help cover their fixed costs.

The meeting and event sector has been one of the most patient throughout the pandemic, but as we begin another year with minimal opportunity to run our businesses and raise revenue, our survival is now being threatened. Without immediate and significant tailored support, many businesses in our sector will be rendered insolvent within the next 3 to 6 months. To avoid this catastrophic outcome, the above program changes must be implemented by immediately.