

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 and social events, and the network of suppliers to 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 2 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 Government of Ontario to release a public plan for economic reopening that coincides with the vaccine rollout – including a plan for relaunching business events, as well as professionally organized social and cultural events.

The meeting and event sector is committed to a safe restart, and we are well-prepared to rigorously implement health and safety standards as required by local officials. To be clear, we are not asking for an immediate reopening but rather a forward-looking framework, with fair and consistent capacity restrictions, to enable the gradual reopening of meetings and events, when it is safe to do so. Furthermore, we need to know the metrics government is using to make these decisions, so we can properly plan into 2021 and 2022. Failure to act upon this request will force events to migrate to other geographic areas, significantly delaying the recovery timeline for the sector.

Specifically, the meeting and event sector is calling on government to amend the Ontario COVID-19 response framework, moving from a system of arbitrary caps on customers, to a % of capacity model, determined by the size of the premises - with multi-room use - and the ability to implement health and safety protocols. In particular, we are recommending that public health regions in the Prevent and Protect zones be allowed to operate at 50% of fire marshal capacity (subject to physical distancing), and that public health regions in the Restrict zone be allowed to operate at 30% of fire marshal capacity (subject to physical distancing). The current framework is neither scientifically nor economically sound and in practice is no different than a forced closure for the sector.

Supporting the Hardest Hit

In conjunction with developing a forward-looking reopening plan, the provincial government must also 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.

Employment Standards Act (ESA) Amendment: The government's decision to amend the ESA act to protect businesses having to lay out large sums of money in severance packages, was crucial to many remaining solvent. Unfortunately, the economic outlook for businesses in the meeting and event sector remain perilous and the deadline of July 2021 is likely to fall in a continued period of restrictions. To avoid business closures, more job losses and to protect the critical rebuilding period of the sector, a further extension is required to give businesses certainty in planning.

1. Extend the ESA amendment to July 2022 with a review of the sector's performance in December 2021.
2. Explore options for a permanent full funding solution, recognizing affected operators do not have the ability to pay out these large sums.

Ontario Small Business Support Grant: This program was helpful for some businesses within the meeting and event sector, namely owners and operators of meeting and event spaces with less than 100 employees. Unfortunately, venues and facilities with over 100 employees, as well professional organizers of meetings and events, and suppliers of products and services to the sector, were left off the list of eligible businesses and denied access to this critical support grant. These businesses continue to be among the hardest hit, and yet they have been left behind, without equal access to this program. Future programs need to be inclusive of all businesses in the meeting and event sector, struggling with solvency and cash flow as a result of continued restrictions.

The Ontario Tourism and Hospitality Small Business Support Grant: The meeting and event sector is a critical part of the Ontario economy that both relies on strong tourism and drives the visitor economy. It is therefore imperative that all meeting and event spaces excluded from the Ontario Small Business Support Grant be included in the roll-out of the Ontario Tourism and Hospitality Small Business Support Grant. Furthermore, professional organizers of meetings and events, as well as suppliers of products and services to the meeting and event sector – all previously excluded from the Ontario Small Business Support Grant - should also be included on the list of eligible businesses for the Ontario Tourism and Hospitality Small Business Support Grant.

3. Ensure meeting and event spaces with more than 100 employees, organizers of professional events and industry suppliers, are not excluded from accessing the Ontario Tourism and Hospitality Small Business Support Grant.

The Ontario Tourism Recovery Program: With the recent extension of the stay-at-home order in Ontario, it is premature to be funding recovery programs “meant to attract visitors from across the province, the country and eventually around the world”. Businesses in the tourism industry - including those in the meeting and event sector – require immediate funding to secure our solvency and ensure our survival. The timing is not right for stimulus programs. What we need is expedited and expanded direct financial supports.

4. Immediately re-allocate the funds earmarked for the Ontario Tourism Recovery Program to support those industries who have been unable to open throughout the COVID-19 pandemic – including meeting and event spaces, organizers of meetings and events, and suppliers of products and services to the sector.

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.

5. 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.

Commercial Insurance Price Gouging: Businesses in the meeting and event sector have been met with insurance price gouging, vastly inflated renewal rates, difficulties gaining coverage, significantly reduced coverage and inflated deductibles. At a time when businesses are unsure of what lies ahead, when fixed costs are rising and revenues have plummeted, we need action to be taken against those profiting from government mandated restrictions.

6. Open discussions with the Federal Government on a public-private initiative, back-stopped by government to intervene in the insurance market for the period of the COVID-19 pandemic.
7. Explore regulatory proposals that could limit the ability of insurers to price gouge businesses in Ontario.

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.