



50 MILLION REASONS WHY THIS IS WRONG

Tourism Nova Scotia forecasts that in 2020 Nova Scotia tourism revenues will fall 65% to \$900 Million, down from \$2.6 Billion in 2019. With sharp declines in revenues, and high fixed costs, many operators are experiencing extreme financial hardship. Despite this, operators have taken extraordinary measures to ensure public health and safety, and to meet the needs of customers and visitors with confidence.

The provincial government's announcement last Friday, of a Tourism Sector Financing Program, without any consultation with the Tourism Industry Association of Nova Scotia (TIANS), is an example of what government should not be doing.

While we appreciate the need for businesses to access capital, the limitations on this program for many large, mid-size and smaller operators who do not meet the threshold is extremely unfair to the sector and the taxpayers of Nova Scotia. With government suggesting up to \$15 Million of support per applicant, in theory this \$50 million could support 3-4 operators.

Since the pandemic began, TIANS has been meeting regularly with the Minister of Business and asking for a number of supports including a strategic approach that would best position the sector for recovery. We have been waiting months for a response and the announcement on Friday does nothing to address the immediate concerns for the majority of tourism operators across the Province. With the limited criteria outlined and specific sectors eligible, it seems that the government and Dalhousie University have already decided to pick who they perceive are the "winners". It now appears that while TIANS was pursuing a Nova Scotia First agenda, a parallel process was underway that undermined a broad sector recovery program.

Why was Dalhousie University selected to decide what will work best for the Tourism Industry in Nova Scotia in the first place? The government has a Department of Business and Crown Corporations that deal with loan programs all the time. The money was announced in July by the Province and it took Dalhousie almost three months to determine a program, with no Industry consultation. To announce a \$50 Million loan guarantee program on a Friday and close the application process in just 7 days, is unheard of. How fast can you commit \$50 Million?



TIANS has strongly advocated for a wholistic and informed approach to support an industry that employs over 40,000 people, that touches every community throughout the Province. The sector generates \$300 Million in tax revenues for government to support health, education and infrastructure investments for the Province.

Property Tax Assessments are a major financial burden that will result in upcoming business closures. Having provincial coordination with municipalities to mitigate this issue would have been a practical and positive solution. The need for a provincial travel incentive program, that TIANS advocated for early in the summer, would have resulted in increased tax revenues for government at very little cost. A confidence campaign and policy adjustments to support business growth, are a few of the requests that TIANS has put forth for consideration.

The Tourism Industry is facing catastrophic losses and developing a loan guarantee program for specific businesses (resort, tour, scenic & sightseeing transportation operators) that generate over \$10 Million annually, is a disservice to the over 95% of the sector that does not qualify. If loan guarantees as a measure of reducing financing costs is a policy option, then this should apply equitably across the industry, not just to a very limited number of businesses. By the time the Industry understands what might be available, the application process will be closed.

Tourism is at the center of the pandemic and will be at the center of the recovery. We understand government cannot fix all things; that is why every decision matters and policy adjustments to mitigate the hardest costs would have been much more effective. The decision by the provincial government to support an agenda that does not serve the broader sector is beyond poor public policy, and not the vote of confidence or leadership Tourism was looking for.

Maybe in light of the extraordinary times we are in, it's time to start doing business differently - perhaps 50 Million reasons why.

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