

Supporting Tourism Hospitality, Arts and Culture



BACKGROUND

The impact of COVID-19 on workers and businesses in tourism, arts, and culture has been severe. With the rollout of vaccines underway, businesses in the tourism, arts, and culture sectors are getting ready to welcome Canadians back to experience the great places and activities this country has to offer—when it is safe to do so. Canadians are also eager to return to the local festivals and places they know and love.

Federal emergency support programs have provided support to businesses and workers across the tourism, arts, and culture sectors. To date, businesses and non-profit organizations in these sectors have received an estimated \$15.4 billion in support to pay workers through the Canada Emergency Wage Subsidy, support for rent and mortgages through the Canada Emergency Commercial Rent Assistance, the Canada Emergency Rent Subsidy, and Lockdown Support, as well as support for small businesses through the Canada Emergency Business Account.

The government's plan will support our economic recovery, restoring and creating jobs in these sectors, drawing visitors to towns and cities across the country, and unleashing spending that stimulates local economies.

Extension of Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and Lockdown Support Beyond June 2021

The Canada Emergency Wage Subsidy has helped more than 5.3 million Canadians keep their jobs, the Canada Emergency Rent Subsidy and Lockdown Support have helped more than 154,000 organizations with rent, mortgage, and other expenses. The wage subsidy, the rent subsidy, and Lockdown Support programs are currently set to expire in June 2021. In order to bridge Canadians through the rest of this crisis to recovery, continued support is needed. To give workers and employers certainty and stability over the coming months:

- Budget 2021 proposes to extend the wage subsidy, the rent subsidy, and Lockdown Support until September 25, 2021. It also proposes to gradually decrease the rates for the wage subsidy and the rent subsidy, beginning July 4, 2021, in order to ensure an orderly phase-out of the programs as vaccinations are completed and the economy reopens.

Extending this support means that millions of jobs will continue to be protected.

Helping Hard-hit Businesses Hire More Workers

The government wants businesses hit hard by the pandemic to be able to recover and grow by hiring more people so that workers are at the forefront of our recovery:

- Budget 2021 proposes to introduce the new Canada Recovery Hiring Program for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic. The proposed subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff. This support would only be available for active employees and will be available from June 6 to November 20, 2021. Eligible employers would claim the higher of the Canada Emergency Wage Subsidy or the new proposed subsidy.

As the rates for both the wage subsidy and the hiring program will slowly ramp down over time, employers will have a strong incentive to begin hiring as soon as possible and maximize their benefit.

Extending the Canada Emergency Business Account

The Canada Emergency Business Account (CEBA) has provided interest-free, partially forgivable loans to more than 850,000 Canadian small businesses. In recognition of the ongoing pandemic, the government recently extended the application deadline for CEBA to June 30, 2021. A small number of businesses have faced challenges accessing the Canada Emergency Business Account (CEBA), including Indigenous and rural businesses. To make sure these businesses are not left behind, the government provides similar support through the Regional Relief and Recovery Fund and Indigenous Business Initiative. To make sure these businesses can continue to access support:

- Budget 2021 proposes to extend the application deadline for similar support under the Regional Relief and Recovery Fund and the Indigenous Business Initiative until June 30, 2021.
- Budget 2021 proposes to provide up to \$80 million in 2021-22, for the Community Futures Network of Canada and regional development agencies, and to shift remaining funds under the Indigenous Business Initiative into 2021-22, to support an extended application deadline for the Regional Relief and Recovery Fund and Indigenous Business Initiative until June 30, 2021. This would support small businesses in rural communities so they can continue to serve local populations.

Revitalizing Tourism

To assist the sectors' recovery, the government proposes to make available a package of supports, totalling \$1 billion over three years, starting in 2021-22.

Major Festivals

Canada's major festivals not only showcase the best of Canadian culture and talent—they also create thousands of jobs for vendors, technicians, production crews, and more.

- Budget 2021 proposes to invest \$200 million through the regional development agencies to support major festivals and events. This would ensure they can continue to celebrate our artistic excellence and unique character.

Community Festivals and Events

To support Canada's many local festivals, celebrations, and amateur sport events that draw visitors to our communities:

- Budget 2021 proposes to invest \$200 million through Canadian Heritage to support local festivals, community cultural events, outdoor theatre performances, heritage celebrations, local museums, amateur sport events, and more.

Helping Visitors Discover Canada

To ensure that Canada is a destination of choice when domestic and international travel is once again safe:

- Budget 2021 proposes to provide \$100 million to Destination Canada for marketing campaigns to help Canadians and other visitors discover and explore the country.

Support for Local Tourism Businesses

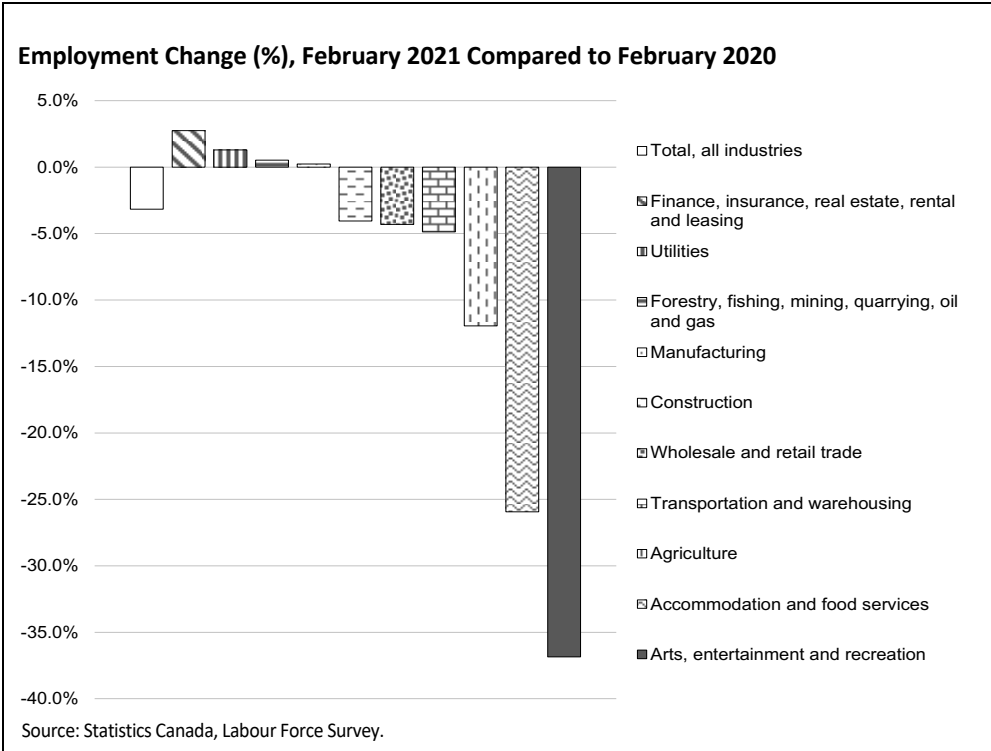
Recognizing the impact COVID-19 has had on tourism businesses and that even as economies open, business and international travel will take time to recover:

- Budget 2021 proposes to establish a \$500 million Tourism Relief Fund, administered by the regional development agencies. The fund will support investments by local tourism businesses in adapting their products and services to public health measures and other investments that will help them recover from the pandemic and position themselves for future growth.

Supporting Canada’s Arts, Culture, Heritage, and Sport Organizations and Workers

Cultural experiences and sport are central to our well-being, and although Canadians have forgone them out of safety, the many workers and organizations in the sector have faced significant difficulties.

Across Canada, the organizations that host artistic, heritage, and sport events and exhibits have been among the hardest hit during the pandemic, and many Canadian artists and cultural workers have struggled to find work.



With reduced revenues, many heritage, arts, and sport organizations run the risk of not surviving through to the other side of the pandemic without additional support.

Budget 2021 proposes to:

- Provide \$300 million over two years to Canadian Heritage to establish a Recovery Fund for Arts, Culture, Heritage, and Sport Sectors.
- Provide \$49.6 million over three years to Canadian Heritage for the Building Communities Through Arts and Heritage Program, the Canada Arts Presentation Fund, and the Celebration and Commemoration Program.

- Provide \$70 million over three years to Canadian Heritage for the Canada Music Fund. This includes up to \$50 million to help the live music sector, including music venues, weather the pandemic.
- Provide \$15 million to Canadian Heritage for the Canada Cultural Spaces Fund to help arts and heritage institutions upgrade their facilities to meet public health guidelines.
- Provide \$17.2 million to the National Arts Centre to address financial pressures caused by COVID-19 and to ensure the NAC will continue to support artists and celebrate Canadian culture.
- Provide \$6 million over two years to the National Arts Centre to support collaborations with equity deserving groups to help relaunch the performing arts sector.

Supporting Safe Air Travel

As part of its plan to support the air sector, the government is committed to supporting the return of regional routes across the country in a way that continues to prioritize the health, safety, and security of all Canadians.

As the public health situation improves, the government expects to see the return of routes back to the Atlantic provinces. When the resumption of travel is safe, tourism in New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador will be particularly important to those economies.

To facilitate the safe restart of air travel, when conditions allow, in a way that limits transmission of COVID-19 and protects travellers:

- Budget 2021 proposes to provide \$82.5 million in 2021-22, to Transport Canada to support major Canadian airports in making investments in COVID-19 testing infrastructure.
- Budget 2021 also proposes to provide \$105.3 million over five years, starting in 2021-22, with \$28.7 million in remaining amortization and \$10.2 million per year ongoing, to Transport Canada to collaborate with international partners to further advance the Known Traveller Digital Identity pilot project, which will test advanced technologies to facilitate touchless and secure air travel.
- Budget 2021 proposes to provide \$6.7 million in 2021-22, to the Canadian Air Transport Security Authority to acquire and operate sanitization equipment.

These measures would help restore Canadians' confidence in the safety of air travel when public health restrictions and border measures are adjusted, and would support the recovery of Canada's hard-hit air and tourism sectors, which so many Canadians rely on for their jobs and livelihoods.