

January 25, 2021

Hon Jason Kenney, Premier of Alberta
President of the Executive Council
307 Legislature Building
10800 – 97 Ave
Edmonton, Alberta T5K 2B6

Hon. Doug Schweitzer, Minister, Jobs, Economy
Innovation
425 Legislature Building
10800 – 97 Ave
Edmonton, Alberta T5K 2B6

RE: Expansion of the Small & Medium Enterprise Relaunch Grant to Account for Impacts on Tourism & Hospitality Sectors

Dear Premier Kenney & Minister Schweitzer:

The Tourism Industry Association of Alberta (TIAA) is deeply appreciative of the efforts of the Government of Alberta to help keep Albertans safe and our economy functioning during this prolonged pandemic crisis.

While TIAA was certainly encouraged by the government's commitment to expand the Small & Medium Enterprise Relaunch Grant to coincide with the new health restriction measures announced on December 8th, this has been of little comfort to those in the tourism and hospitality sector whose business capacity had already been deeply constrained under previous months' health restrictions, and then had to further adjust for the catastrophic loss of business that was on the books headed into the Christmas season.

Critical to note is that the revenues generated by many tourism and hospitality businesses during the Christmas season provides the cash reserves that enable these businesses to weather the effects of a slow Q1 & Q2 period.

As many tourism and hospitality sector partners are known to earn between 60%-75% of their annual income in the months of May through September, losses are continuing to mount against a backdrop of eroding optimism today that travel in and around the province may look much different this summer, than it did in 2020.

In short, the situation within the tourism and hospitality sector is quickly deteriorating from a state of despondency to, desperation. The absence of a clear and predictive path to reopening segments and/or regions of the economy is quickly accelerating the odds of business failure and threatens to undermine the core capacity and the product and service offer of the whole of Alberta's visitor economy.

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Small to medium-sized businesses are the backbone of Alberta economy. It is the tourism and hospitality businesses on main street Alberta that auger a community's economic potential, contribute to its sense of character, generate memorable experiences that lead to repeat visitation, and, contribute to meaningful year-round jobs for youth, and new Canadians.

For reasons the Government of Canada, as part of its Fall Economic Statement, acknowledged the tourism and hospitality sectors as among the hardest hit in Canada and earmarked additional funds to assist tourism businesses through an expanded RRRF program, TIAA is calling on the Government of Alberta to immediately commit to enhanced supports for the tourism and hospitality sector (which will be needed to offset the effects of extended business closures, and, the sheer lack of travel), in order to help preserve the 23,000+ businesses that comprise Alberta's visitor economy.

TIAA therefore recommends that the Government of Alberta immediately commit to enhancing the Small & Medium Enterprise Relaunch Grant (SMERG) to include a dedicated tourism and hospitality stream that doubles the grant from \$20,000 to \$40,000 and increases the eligibility threshold from 15% to no less than 30% of a business's pre-COVID-19 monthly revenue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darren Reeder', is positioned above the printed name and title.

Darren Reeder
Board Advisor