

Submitted by Rosemary Nash

Restaurants seek help in Throne Speech amid forecast that 60 per cent will fail by November

JOSH O'KANE

- FOLLOW JOSH

PUBLISHED 3 DAYS AGO UPDATED 3 DAYS AGO

273 COMMENTS

SHARE

TEXT SIZE

BOOKMARK

00:00

Voice

1x

More than 1,200 restaurants have banded together to ask Ottawa for more robust and long-term pandemic programs, including wage subsidies and rent relief, in next Wednesday's Speech from the Throne, as they repeat a warning that three in five Canadian restaurants could close for good this fall.

A group of restaurateurs operating under the banner Save Hospitality joined with the Canadian Chamber of Commerce on Friday to alert the federal government that existing relief programs won't be sufficient to save the industry as patio season comes to a close amid the threat of new lockdowns.

Storefront businesses such as restaurants and bars were among the first to see revenue collapse in the initial wave of pandemic lockdowns, and Main Streets across the country are dotted with "For Lease" signs as a result. Though the Canadian Chamber of Commerce has previously warned that as many as 60 per cent of restaurants could fail this fall, they see the Throne Speech as an opportunity to prevent such a worst-case scenario.

"We're looking at a problem that isn't way down the road. It's a problem that's imminent," said Perrin Beatty, the Chamber's president, in an interview. "As Canada moves into the fall, patios are going to start looking pretty unattractive. When you survey the restaurants themselves, they say without support, and the need to maintain social distancing, they simply don't have the numbers to be able to survive."

Sectors that depend on in-person gatherings have been warning for months of impending collapse due to pandemic restrictions, and business groups have been increasingly raising their voices ahead of Wednesday's Throne Speech. The federal

government has signalled that it will use the opportunity to shift from emergency supports to long-term recovery.

“If you’re going to restrict our ability to make money, please support us,” said Andrew Oliver, one of the organizers of Save Hospitality and president of the Oliver & Bonacini hospitality group.

The Canada Emergency Wage Subsidy first covered 75 per cent of an organization’s wages if it experienced a 30-per-cent revenue decline due to the pandemic, but Ottawa announced changes midsummer that offers tiered support to businesses depending on the extent of revenue loss. Meanwhile, fewer Canadian workers have been supported by the program in each successive application period since June.

The restaurant-industry push comes a day after a coalition of tourism, hospitality and live-event groups made a similar request to Ottawa to extend the federal wage subsidy through next spring while guaranteeing 75-per-cent wage coverage for businesses whose revenues fall 50 per cent or more.

The federal-provincial rent-relief program, meanwhile, has become one of Ottawa’s most widely criticized pandemic supports. The Canada Emergency Commercial Rent Assistance program offers landlords of small businesses forgivable loans worth 50 per cent of tenants’ rent, as long as the tenant pays a quarter and the landlord absorbs a loss for the remaining quarter.

But small businesses across the country have warned that the program does not work for them because it requires landlords to apply, leaving many feeling powerless. Finance Minister Chrystia Freeland and Small Business Minister Mary Ng said this month that they will wind down the rent-relief program soon as they review options for overhauling it.

STORY CONTINUES BELOW ADVERTISEMENT

The Chamber of Commerce arrived at the 60-per-cent restaurant failure forecast using Statistics Canada’s most recent Canadian Survey on Business Conditions, which the Chamber supported, and was published in late August. It found that 29 per cent of food-service businesses could not operate at all under physical-distancing restrictions, and that 31 per cent would only survive three months under such conditions – and thus would collapse without sufficient support measures.

https://www.theglobeandmail.com/business/article-restaurants-seek-help-in-throne-speech-amid-forecast-that-60-per-cent/?utm_medium=email&utm_source=Top%20Business%20Headlines&utm_content=2020-9-19_7&utm_term=Restaurants%20seek%20help%20in%20Throne%20Speech%20amid%20forecast%20that%2060%20per%20cent%20will%20fail%20by%20November&utm_campaign=newsletter&cu_id=Rv1sCFWRkI3ymFjEH6BQcw%3D%3D