

# Restarting the Economy: What hospitality workers need to know

June 19, 2020

The hospitality sector—specifically hotels, restaurants and food services—was one of the first sectors to feel the effects of the COVID-19 crisis, and has been one of the hardest hit overall. In the accommodation segment, many hotels have opted to temporarily close or reduce room capacity. Compared to the same period last year, hotels in Canada experienced disastrous declines in mid-May in all three key performance metrics:

- Occupancy: -72.5% to 18.4%
- Average daily rate (ADR): -38.8% to \$101.70
- Revenue per available room (RevPAR): -83.2% to \$18.75

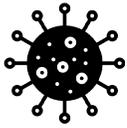
Restaurants and food service operators are also experiencing devastating decreases in sales. According to one survey from this past March, “average same-store sales plummeted by 72% compared to the same two weeks in March 2019.” With most restaurants either closed or converted to take out only operations, the situation for most operators has only worsened since then.

Provinces are at different stages of their pandemic response and reopening plans, but even as formal government restrictions are lifted, the sector will only fully recover when customers feel safe as they patronize hotels, restaurants, and other hospitality operations.

## ***What hospitality workers can expect when returning to work***

The hospitality sector could take several years to fully recover from the COVID-19 crisis. The industry overall experienced close to a decade of profit -making before the pandemic struck, and it will take time for consumer confidence to return. In addition, business travel and large conventions will take time to recover, as employers and convention customers re-assess their budgets and financial priorities.

Workers in the hospitality sector face a number of serious challenges. In the midst of the full quarantine stage of the pandemic, the collapse of the industry and ensuing loss of employment is the most obvious negative outcome.



The union has been working hard with employers to negotiate the extension of benefits coverage for laid off hospitality workers, and there is more work to do in ensuring our members and non-union workers have the right to return to their jobs with their previous working conditions intact. In addition, we specifically recognize the urgent need for essential drug coverage for hospitality sector workers and others who have lost workplace coverage due to extended lay-offs, and we have been fighting to make sure government support programs address this critical need. This includes the introduction of a universal pharma-care program.

For those who have continued to work through the crisis, there are critical health and safety challenges caused by the need for close contact with co-workers and the public. Reopening the sector will take time, and will require significant changes to operations in order to provide needed protections for workers and customers alike. It will be more important than ever for employers, the union, rank-and-file members, and Joint Health & Safety Committees to work together to develop sound, risk-based health and safety programs in our workplaces.

## ***What hospitality workers should expect from their Employers***

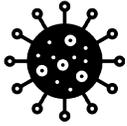
The hospitality sector recovery won't hit full swing until the rest of the economy is in full swing, government restrictions are eased, and consumers feel enough financial stability to resume their pre-crisis hospitality spending. In addition, customers must have confidence that hotels, restaurants, and food service operations are safe and low-risk, and that includes adequate health and safety plans for hospitality sector workers. We expect hospitality employers to:

- Participate in the federal government's Canada Emergency Wage Subsidy (CEWS) program, to bring workers back on the payroll, and help campaign for a CEWS program extension to better encourage employers in sectors like hospitality to take part,
- Fully participate with their employees and unions, and their Joint Health & Safety Committees, to develop and implement Return to Work protocols and revised workplace health and safety plans,
- Provide extended benefits coverage (including health and pension benefits) for employees experiencing extended lay-offs, for the duration of the crisis, and
- Provide adequate training, PPEs, and health and safety protocols to keep employees safe and protected, and maintain adequate staffing levels to ensure workers have the time to work safely.

## ***What hospitality workers need from Government***

The hospitality sector is a critical part of Canada's economy, employing millions of Canadians from coast to coast to coast. The sector's workforce includes a higher proportion of marginalized workers than the overall labour force (including women, people of colour, new Canadians, young people, and others), and so government supports for the hospitality sector provide help for those who need it most. We expect governments in Canada to:

- Recognize the urgent need for essential drug coverage for hospitality sector workers and others who have lost workplace coverage due to extended lay-offs, and revise and enhance government support programs to address this critical need—including the introduction of universal pharma-care,



## COVID-19 FLATTEN THE CURVE



- Develop and implement a universal childcare program to provide high-quality, affordable, public childcare, allowing more members of the workforce to return to work and provide for their families,
- Provide additional and extended supports (like the CERB and CEWS programs) for workers in the hospitality sector and others that face extended closures and loss of employment as their sectors face a longer ramp-up time for recovery,
- Amend federal and provincial labour laws to provide job security for workers facing extended lay-offs, allowing them to return to their previous jobs when the crisis is over.

### ***Additional Resources***

Unifor has launched a hub for member information about the pandemic at [unifor.org/COVID19](https://unifor.org/COVID19) and encourages members to check the site regularly for updates.

Subscribe to Unilink, the union's weekly national newsletter at [unifor.org/subscribe](https://unifor.org/subscribe) and download the Unifor mobile app on your smartphone.