

BCTA SURVEY: COVID-19 IMPACT AND GOVERNMENT SUPPORTS

Motor Coach Member Survey Results

April 22, 2020

BCTA motor coach members were surveyed between April 1 and April 13, 2020, and the survey had a response rate of 62%.

The survey results show COVID-19 had an extremely negative impact on revenue and staff in March, and it is expected to continue or worsen in April.

- The most common impacts motor coach companies experienced in March were decreased revenue and laid off employees (for 92% of respondents), closing temporarily (69%) and reduced staff (62%).
- On average, motor coach companies saw their revenue drop by 92.1% over the past month, and 100% of respondents expected their revenue to fall significantly over the next month as most companies have the majority if not all of their fleet parked.
- The top 5 COVID-19 impacts expected over next month are decreased revenue (92%), closing temporarily (85%), reduction in staff/layoffs (77%), reduced staff hours (62%) and cancellation of contracts or tenders (62%).

The impact on staff has also been severe. Prior to the COVID-19 crisis, motor coach companies had an average of 58 employees, and a median of 30. However, one month into the crisis, 100% of respondents had temporary driver layoffs, at an average of 36 drivers per company, and 15% had permanent driver layoffs, at an average of 7 drivers per company. If all employees are included, 77% of respondents had temporary layoffs, at an average of 24 employees per company. No permanent layoffs were reported.

On average, 81% of motor coach company employees have been temporarily laid off. This does not account for seasonal employees that have not been rehired for the busy season.

Measures that companies are taking to support their employees included keeping some staff on payroll, keeping in contact with employees via email, sharing information on government COVID-19 supports, work sharing, and continuing to provide full or partial payments towards extended benefits.

There was strong support among motor coach companies for current government measures to “flatten the curve” of COVID-19 cases, however three-quarters of respondents believed an economic rebound in their sector would be somewhat slow (1-2 years) or very slow (over 2 years).

In terms of how effectively governments are addressing major challenges for motor coach companies, there were mixed results:

- 91% of respondents felt support measures for employees, such as the Canada Emergency Response Benefit or EI, were effective.

- However, 55% indicated government measures to support cash flow were ineffective, and 27% indicated they had no impact. As well, 42% indicated government measures to prevent layoffs, such as the two wage subsidy programs were ineffective, and 33% indicated they had no impact.
- When asked specifically about the wage subsidy programs, 58% felt they were somewhat effective in keeping employees on payroll, 17% said they were very effective, and another 17% said they were ineffective. It is important to note this survey was issued before all details were available for the 75% subsidy under the Canada Emergency Wage Subsidy, it will likely be extremely challenging for any companies to rehire employees with almost no revenue.

Given the seasonality of motor coach transportation and the tourism sector which it supports and the impact COVID-19 will have on the 2020 season, government support for motor coach operators will need to extend beyond 3 months or many companies will be forced to shut their doors permanently.