

President's Report 2021

Ladies & Gentlemen:

Introduction

It has been my great pleasure to serve as HAC's President & CEO since the Fall 2008. Some years have been better than others, and 2021 has been challenging to say the least – for the industry and your industry association – 2021 was quite a year. While 2020 was the worst year in our industry's history, HAC was most adversely affected by the pandemic in the membership year 2020-2021. We experienced significant drops in our membership and Convention revenue. This is our *second* virtual Convention and AGM. We know that there was a significant appetite to return to a face-to-face convention – both from Operators and Associates however, your Board and I felt that when we had to make a decision one way or another - the health of our members came first. Canada's progress in reducing the infection rate, has simply been too uncertain and erratic. What's more, face-to-face conventions are a high stakes game, and we were unprepared to gamble in these uncertain times, with the very existence of the association at risk.

Membership dues account for roughly half of our gross revenue – and the Convention for the other half. You will hear from Brian Clegg, our Corporate Treasurer, that some significant cost-cutting that took place this year – and the sale of our Office Condo, salvaged what would have been otherwise a disastrous year for your Association. I am pleased to say that your Association is still in very good financial circumstances however, the next few years will be a rebuilding period for HAC, as we know it will be a period of rebuilding period for our operators and Associates. Our members and associates are incredibly loyal, but we understand that the survival of your businesses is paramount. This year we did not raise our fees and you know, we are delivering our virtual conventions without cost to delegates.

This summer many operators were very busy with fires, and even now, with mudslides and flooding in the West.

Going forward, the association will need to recover those Operators who resigned in the face of difficult economic circumstances, and Associates who shared the pain, or who did not see the same value in HAC without a face-to-face convention and trade show.

Regulatory

The aviation industry continues to be assaulted by costly new regulation – including TDG changes, Gender-Based Pay Equity Regulations; Fatigue Management Regulations; and most recently mandatory vaccine requirements that will aggravate our critical shortage of pilots, engineers, and skilled tradespeople.

While we appreciate and support the government's objective to end the pandemic, virtually all of the costs of implementing the new vaccine requirement are being shouldered by airports and air operators. The Interim Orders have been flying fast-and-furious, with very little consultation. Considered together with the effects of the pandemic itself and other new costly regulatory initiatives, operators will be years digging-out.

New Directions

As you know, I will be leaving HAC at the end of this month. October marked 13 years as the Association's President & CEO. It has been an intensely interesting 13 years, but an intensely busy 13 years in service to an industry I have a passion for. As-of December 1, I will be transitioning to a part-time consulting role in support of the Board and Trevor Mitchell – HAC's new President & CEO - to ease the transition and to provide any other assistance that your Board sees fit. I wanted to take a moment to thank the team at HAC, including Barb Priestley, Darlene Kelly-Stewart, Clare Fagan our CFO, Isabel Fowles our book keeper, Richard MacNeill of OTUS, who have all been a constant source of assistance to me – sometimes under very difficult circumstances. I wanted to thank a 13-year string of Board members who have been engaged and dedicated to providing me with invaluable guidance over the years, and I wanted to thank you, our Members, Associates, Corporate Sponsors and Convention Sponsors for your unwavering support for HAC over the years. We've had some very good years and some very challenging years. Truly, this industry is not for the faint of heart. Thank you for your support for HAC and your trust in me.