

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-29

**Journal  
des débats  
(Hansard)**

F-29

**Standing Committee on  
Finance and Economic Affairs**

COVID-19 study

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Monday 1 June 2020

**Comité permanent  
des finances  
et des affaires économiques**

Étude sur la COVID-19

1<sup>re</sup> session  
42<sup>e</sup> législature  
Lundi 1<sup>er</sup> juin 2020

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Chair: Amarjot Sandhu  
Clerk: Julia Douglas

Président : Amarjot Sandhu  
Greffière : Julia Douglas

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 1 June 2020

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUESLundi 1<sup>er</sup> juin 2020

*The committee met at 0900 in room 151 and by video conference.*

**The Chair (Mr. Amarjot Sandhu):** Good morning, everyone. I call this meeting to order. Thank you all for joining us today. We're meeting to conduct a study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

I'm happy to welcome you to this historic meeting. This is the first time that we will have members participating remotely in committee. Today's proceeding will be available on the Legislative Assembly's website and television channel.

We have the following members in the room with us: MPP Stan Cho from the government side, MPP Catherine Fife and MPP Laura Mae Lindo. Also, I'll confirm the members who have joined us remotely: MPP Ian Arthur, MPP Stephen Crawford, MPP Mitzie Hunter, MPP Sol Mamakwa, MPP David Piccini, MPP Jeremy Roberts, MPP Mike Schreiner, MPP Sandy Shaw, MPP Donna Skelly, MPP Dave Smith, MPP Stephen Blais, MPP Andrea Khanjin, MPP Kaleed Rasheed and MPP John Vanthof. We also have MPP Paul Calandra as a member not of the committee.

We are also joined by Dmitry Granovsky and Andrew McNaught from legislative research, as well as staff from Hansard, interpretation, and broadcast and recording.

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak. Since it could take a little time for your audio and video to come on after I recognize you, please take a brief pause before beginning. As always, all comments by members and witnesses should go through the Chair.

There are a few things I need to mention before we begin. The subcommittee requested that an item of committee business be brought to the full committee for discussion, which we will do in closed session following the presentations. I will ask all the members to stay for this purpose, following the Financial Accountability Officer's presentation.

## SUBCOMMITTEE REPORTS

**The Chair (Mr. Amarjot Sandhu):** As members will be aware, the order of the House dated May 12, 2020,

gives the subcommittee the authority to determine how to proceed with the study.

The subcommittee has met twice and we will not need to vote on these subcommittee reports, but I will still read them into the record to make sure that all members are aware of the contents.

The first subcommittee report:

Your subcommittee on committee business met on May 22, 2020, to consider the method of proceeding on the orders of the House dated March 25 and May 12, 2020, relating to the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy, and determined the following:

(1) That the committee meet on June 1, 2020, from 9 a.m. to 12 p.m. to consider the recommendations relating to the Economic and Fiscal Update Act, 2020.

(2) That pursuant to the order of the House dated March 25, 2020, the Minister of Finance be invited as the first witness on June 1, 2020, and be offered a total of two hours, with 21 minutes for a presentation and 99 minutes for questioning, divided equally amongst the government, the official opposition and the independent members as a group.

(3) That the Financial Accountability Officer be invited as a witness on June 1, 2020, and be offered a total of one hour, with 15 minutes for a presentation and 45 minutes for questioning, divided equally amongst the government, official opposition and the independent members as a group.

(4) That the committee meet for report writing on the recommendations relating to the Economic and Fiscal Update Act, 2020 between June 9 and June 15, 2020, excluding weekends.

(5) That the committee meet for the purpose of hearings on the tourism sector from June 4, 2020, to June 22, 2020, excluding weekends.

(6) That the Minister of Heritage, Sport, Tourism and Culture Industries be invited as the first witness for the tourism sector and be offered a total of one hour, with 15 minutes for a presentation and 45 minutes for questioning, divided equally amongst the government, the official opposition and the independent members.

(7) That the Clerk of the Committee post information regarding the hearings for the tourism sector of the study on the Ontario Parliamentary Channel, on the Legislative Assembly's website and with Cision.

(8) That interested people who wish to be considered to appear before the committee for the hearings on the tourism sector contact the Clerk of the Committee by 12 noon, June 1, 2020.

(9) That following the deadline for requests to appear, the Clerk of the Committee provide subcommittee members and their designates with a list of all interested presenters.

(10) That the Clerk of the Committee be authorized to schedule all interested presenters for the tourism sector if all requests received by the deadline can be accommodated.

(11) That if all requests to appear cannot be accommodated for a given sector, one subcommittee member from each of the government, official opposition and the independent members as a group or their designate provide the Clerk of the Committee with a prioritized list of presenters chosen from the list provided by the Clerk.

(12) That all presenters from the public participate remotely for the duration of the study.

(13) That the deadline for written submissions on the tourism sector be 5 p.m. on June 22, 2020.

(14) That the committee meet for report-writing on the tourism sector between June 30 and July 7, 2020, excluding Canada Day and weekends.

(15) That the research officer provide a draft report to the committee in advance of report-writing dates.

(16) That each member of the committee receive all written submissions electronically for the duration of the study.

And the second subcommittee report:

Your subcommittee on committee business met on May 29, 2020, to consider the matter of proceeding on the orders of the House dated March 25 and May 12, 2020, relating to the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy and determine the following:

(1) That the committee meet on Thursday, June 4, 2020 from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m., and on Friday, June 5, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m. for hearings on the tourism sector.

(2) That the deadline for requests to appear for the tourism sector be extended to 8 p.m. on Monday, June 1, 2020.

(3) That for hearings on June 4 and June 5, 2020, witnesses be scheduled in groups of three for each one-hour time slot, with seven minutes each for their presentation and 39 minutes for questioning for all three witnesses, divided into two rounds of six and a half minutes for each of the government, the official opposition and the independent members as a group.

(4) That the Clerk of the Committee provide subcommittee members and their designates with a preliminary list of interested presenters as soon as possible and provide the subcommittee members and their designates with a final list of interested presenters following the deadline.

(5) That one subcommittee member from each of the government, the official opposition and the independent members as a group or their designate provide the Clerk of the Committee with their proposal for arranging the witnesses in groups of three.

(6) That the Clerk of the Committee provide all draft reports in a password-protected electronic format by email.

Since we have our first witness here and are ready to begin, I propose that we discuss any questions relating to the subcommittee report in closed session following the presentations.

Are there any questions before we begin?

## COVID-19 STUDY

### MINISTRY OF FINANCE

**The Chair (Mr. Amarjot Sandhu):** All right. Seeing none, I will now call on the Honourable Rod Phillips, Minister of Finance, to please come forward. You will have 21 minutes for your presentation, followed by 33 minutes of questions from each of the government, official opposition and the independent members as a group.

Last, we ask the deputy minister, please, if you can state your name for the record.

**0910**

**Mr. Greg Orencsak:** Greg Orencsak. I'm the Deputy Minister of Finance.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Minister, the floor is yours.

**Hon. Rod Phillips:** Thank you very much, Mr. Chair, and thank you to the committee. Deputy Orencsak and I are pleased to be here before the Standing Committee on Finance and Economic Affairs to discuss our government's plan to fight COVID-19 and to set Ontario on a safe and healthy path to recovery.

I want to thank the members of the committee for your continued collaboration and diligence as we deal with these difficult times, and I want to wish all of you the very best in this very important work that you are undertaking, again, focused on the economic recovery.

COVID-19 is an extraordinary threat to the health of the economy of Ontario, the biggest that we've faced in my lifetime. It demands an extraordinary response from all of us, because we are all in this together.

The Premier has been clear: We will do whatever it takes to protect the health and safety of the people of Ontario. Our government has been proactive, prudent and decisive in its response to COVID-19.

Ontario's action plan, released on March 25, outlined our initial steps. These included \$3.3 billion in additional health care investments, relative to the 2019 budget, including \$2.1 billion in new initiatives to respond to the COVID-19 outbreak. Among them was a dedicated \$1-billion COVID-19 contingency fund and \$1.2 billion to continue the government's long-term plan to build a health care system that is there for patients when they need it.

The action plan also featured \$3.7 billion to support people and jobs, including measures to provide support for seniors, parents, students and workers. In addition, we made \$10 billion available to improve cash flows for people and businesses through tax and other deferrals, to provide relief during this challenging economic time.

All of this was achieved in close coordination with the federal and local governments to ensure the most effective response on behalf of the people of Ontario. Taken together, the action plan provided \$17 billion to support the health and people and businesses in Ontario.

As Ontario's Minister of Finance, it was important that I introduce a fiscal plan for the province that was based on the most up-to-date information available in March. Given the global uncertainty during this unprecedented global public health crisis, economic outlooks have been changing rapidly. That is why, in this time of significant uncertainty, our government released a one-year economic and fiscal update instead of the usual full budget. This was the responsible thing to do.

I intend to introduce a multi-year budget to the Legislature no later than November 15. In the meantime, we continue to build on our record of transparency with the release of regular financial updates as the situation evolves. Our next update will be the quarterly update, which will be released before August 15. This will ensure the people of Ontario are informed by the most current available information.

Events like the COVID-19 outbreak underscore why governments must be positioned to act in a time of crisis. Through our action, we immediately allocated the resources to tackle the COVID-19 outbreak, while continuing to invest in people. Recognizing the current uncertainty, this plan builds on our responsible approach to managing Ontario's finances, with measures to provide further flexibility to respond to the rapidly changing global outlook. This includes historic levels of prudence and flexibility, including a dedicated \$1-billion COVID-19 contingency fund, \$2 billion made available to support people and jobs, an increased contingency fund of \$1.3 billion and an unprecedented reserve of \$2.5 billion, the largest in Ontario's history.

Ontario's strong economic fundamentals have positioned us to respond decisively to this outbreak. We will continue to actively monitor and mitigate risks, coordinating with partners and other levels of government, while continuing to retain the flexibility needed to respond as conditions evolve.

Following the release of our action plan and in response to the changing nature of the pandemic, we've continued to put in place supports for people and businesses, including significantly expanding hospital capacity in preparation for any COVID-19 outbreak scenario. We added thousands of acute-care and critical care beds and took steps to ensure hospitals had the staff available to care for sudden surges of patients, providing front-line workers with a temporary pandemic pay of \$4 per hour on top of their regular wages.

In addition, we will be:

- providing monthly lump sum payments of \$250 for four months to eligible front-line workers who work over 100 hours per month;

- providing emergency funding of up to \$12 million to immediately expand online and virtual mental health supports;

- leading COVID-19 research in Canada with the \$20-million Ontario COVID-19 Rapid Research Fund, which is already supporting 15 high-quality and promising proposals to prevent, detect and treat COVID-19;

- doubling the Guaranteed Annual Income System, also known as GAINS, for low-income seniors for six months, providing an additional \$75 million to 194,000 of our most vulnerable seniors, who need help to cover essential expenses during this outbreak; and

- committing \$241 million to partner with the federal government and deliver over \$1 billion in urgent relief for small businesses and their landlords through a new program, the Canada Emergency Commercial Rent Assistance program.

We do not yet know the full impacts that COVID-19 will have on our health and our economy. In part, this will depend on how long the pandemic lasts and how well our businesses weather the storm. But our number one priority is, and will remain, the health and safety of the people of Ontario.

While we continue to work collaboratively to provide resources to health care professionals and relief for people and businesses, we also need to plan for the recovery. At Premier Ford's request, I convened the Ontario Jobs and Recovery Committee of cabinet. This group is comprised of my cabinet colleagues who work with sectors of the economy that have been hurt by COVID-19. The members are: Vic Fedeli, Vice-Chair and Minister of Economic Development, Job Creation and Trade; Peter Bethlenfalvy, President of the Treasury Board; Jeff Yurek, Minister of the Environment, Conservation and Parks; Steve Clark, Minister of Municipal Affairs and Housing; Caroline Mulroney, Minister of Transportation; Christine Elliott, Deputy Premier and Minister of Health; Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs; Greg Rickford, Minister of Energy, Northern Development and Mines, and Minister of Indigenous Affairs; John Yakabuski, Minister of Natural Resources and Forestry; Laurie Scott, Minister of Infrastructure; Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries; Lisa Thompson, Minister of Government and Consumer Services; Monte McNaughton, Minister of Labour, Training and Skills Development; and Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction. I should say we are ably assisted, as well, by my parliamentary assistant, Stan Cho. Our focus is on getting businesses up and running and people back to work in a safe and responsible fashion. The direct work of this team is done with businesses, unions, not-for-profit organizations and individuals. Over the past few weeks, it has continued to reform the critical information we require for the recovery.

We have also launched a digital consultation to hear directly from the people of Ontario about reopening, and

hear their insights into how we can support businesses and people.

The committee's first order of business is to prepare for the recovery phase of Ontario's action plan, when the health indicators show that we are ready to move forward.

Some 402,800 jobs were lost in March; 689,200 were lost in April. Those job numbers underscore the significant economic impact of COVID-19 and serve as a stark reminder of the personal impacts that this crisis is having—in addition to those who have been affected by the health issues related to the virus. The people behind those numbers are the people who are on our minds as we collectively do this important work. We will all work together to get our economy moving again, with a focus on job creation, opportunities for growth, and protecting our province from future threats.

The timing of the recovery phase will be informed by the advice of medical experts and best practices from other places that were hit by COVID-19 earlier than Ontario. As I said, we are looking to economists, business, labour leaders, civil society, and most importantly, workers, families and entrepreneurs who are struggling because of COVID-19, to get their very best advice. Their experience will ensure our government's actions help get our province back on its feet.

**0920**

I would like to take this moment again to invite all members of this committee and all members of the Legislature and their respective caucuses to participate in this work by hosting local consultations in your ridings. We want to hear from every community to gain a better understanding of how this crisis is impacting communities across Ontario and how our government can best offer support. We want every person in Ontario to be able to get back to work as soon as it is safe to do so, with a clear path to economic recovery that keeps people healthy and safe.

I know, from speaking to my constituents in Ajax and people across the province, that people want us to be cautious. They don't want the hard work and sacrifice of the 14.5 million people of Ontario to be for nothing. That is exactly why we are taking a gradual, staged approach to reopening the province.

Last month, we released a framework for reopening our province to chart the course of what comes next. The reopening phase of our plan will happen in three stages. We are listening carefully to the advice of our health professionals and opening up in a responsible way, assessing progress for a two-to-four-week period before going further to a next phase.

In each phase, there will be a progression in how workplaces and other spaces can operate. Those that are lower risk and can immediately meet the public health guidelines will go first. As we continue to get the outbreak under control, we will continue to ease restrictions. Thanks to the perseverance of the businesses in Ontario and the people of Ontario, we can gradually start to ease restrictions and get businesses open and people back to work.

On May 19, we entered the first of our reopening stages. Seasonal businesses, like golf courses, nurseries and

marinas, are open, as are certain retail stores with street entrances and not in a mall. Health and medical services have been allowed to resume, and construction sites across Ontario are getting back up and running.

We have also provided public health guidance to keep people, families, neighbours, employees and customers safe and healthy, with over 90 workplace safety guidelines. It remains critical that we all continue to follow the best public health advice, to maintain physical distancing, wash hands often and keep commonly used surfaces clean, and to get tested if people think that they have come into contact with the virus even if they do not have symptoms, because the health and safety of the people of Ontario will always come first.

The people of Ontario have been compassionate, patient and careful, which is why we've been making steady progress. The lessons learned will be part of our determined climb to recovery. I am confident that as we continue to follow the advice of the medical professionals and if we continue to help businesses adapt and protect their customers and staff in the new normal, then we will be able to get more businesses back open and more people back to work, in a careful but deliberate approach to reopening the province. We will all work together with individuals, families, organizations, unions and businesses to safely get there. The Ontario spirit has gotten us this far, and I am confident it will get us back to where we want to be.

I want to again thank the members of the committee for their continued collaboration during these challenging times. We are all working together in the best interests of Ontarians.

The deputy and I look forward to receiving your feedback and answering your questions here today.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much, Minister.

Before I go to questions, I would like to confirm the presence of MPP Paul Miller, if you can please confirm that you're present and in Ontario. He's also joining as a member, not as a member of the committee.

**Mr. Paul Miller:** Hi. It's Paul Miller here. I'll be subbed in on Thursday and Friday, for tourism.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to the questions now, and we'll start with the opposition side this time, for questioning. You have 33 minutes for your questions. I'll give a reminder when 20 minutes are left, 10 minutes, five minutes, three minutes and a one-minute warning.

MPP Fife.

**Ms. Catherine Fife:** Thank you, Minister and Deputy Minister, for being here today. There's a lot of interest, of course, in where the money is going in the province of Ontario. I have a lot of questions—also my colleagues who are here remotely—and so I would ask that, if you can answer succinctly, that would be good.

We have been doing consultations around the province, particularly on business, because I'm the economic development critic. Businesses have told us, in heartbreaking ways, that a commercial rent subsidy is the number one



ask that they have of this government. Unfortunately, the federal plan is a landlord-driven process. I've had businesses call it a scheme.

They're nervous of the government, they don't want to enter into that federal kind of a plan, and they're looking for leadership from the PC government, who has a majority and who could put a rent subsidy on the table and literally save tens of thousands of businesses. Where are you with this rent subsidy proposal, and why have you not acted on it as of yet?

**Hon. Rod Phillips:** I thank the member very much for the question. We have acted to support commercial tenants through a program that is being enacted nationally, in collaboration with the federal government. As I mentioned, one of the key tenets of our approach has been to work collaboratively with local governments and with the federal government to make sure that there's not duplication and that programs are provided in the most efficient fashion. That program provides for a subsidy that would allow individual tenants to pay 25% of the rent. Landlords would receive 75% of the rent. The rest would be supported by the provincial and federal governments. That program is—

**Ms. Catherine Fife:** I'm sorry to interrupt you, Minister, but I just want to—we're going to start from the position that the federal subsidy plan is not working. In fact, the Ontario Chamber of Commerce and the Canadian Federation of Independent Business have surveyed their members and they have very clearly said, "We are not going to engage in this plan." So I remember asking you three weeks ago in the House, and you said, "We're going to wait and see." We are of the opinion that we can't afford to wait and see.

My question to you is, is there a plan for the provincial government to put a commercial rent subsidy on the table to save the businesses in Ontario?

**Hon. Rod Phillips:** Respectfully, through the Chair, I would disagree that a program that was launched a week ago can be declared to be working or not working. Our approach is to work collaboratively with the federal government. That provides over a billion dollars of support. As the Premier has made clear and as I have made clear, we will watch and observe the program now that it is in place. We will be receiving regular updates from the Canada Mortgage and Housing Corp. in terms of the take-up on that program. But in the first few days of the program, we know that over a thousand applications were made by landlords. So I think, like many other programs that have been rolled out, we need to observe how they work.

I can say that through my caucus colleagues and through my own interaction, and indeed through the feedback we've received through the opposition, we are very aware of the pressure that's on small business. That's why we've provided support for small business, and that's why we've encouraged the federal government to do so.

**Ms. Catherine Fife:** So at what point, then, might you consider? In four weeks might you consider a provincial

rent subsidy, a commercial rent subsidy? Is it totally and utterly off the table?

**Hon. Rod Phillips:** We will continue to watch the progress of this program and see how it evolves. Again, over a thousand applications in the first few days is a very good sign. I will say in this forum, as I've said in other forums, that I absolutely encourage landlords to look very seriously at this program. To be fair to landlords, the program was not available until last Tuesday, so less than a week ago. So I understand the concerns that landlords have, and I certainly understand the concerns that tenants have. But the program has been significantly supplemented, in a number of detailed ways, if you'd like me to—I don't want to use your time to talk about it. It has been significantly supplemented at the request of the provincial government. We will, again, encourage landlords to take advantage of this program to support tenants.

**Ms. Catherine Fife:** The businesses have also asked, and I'm sure you've heard this as well, that at least in the interim, because there are obviously—particularly here in Toronto. Just while I was sitting here, I received a note from a business saying, "We're out." It's Pam's Roti in Davenport, very close to here. Because now it's been almost—they're in the 12th week of no revenue.

So I respectfully disagree. I think that there definitely is a role for the provincial government to signal to businesses in Ontario that a commercial rent subsidy—not a deferral of more debt—is in the best interest. Also, it makes sense that the wage subsidy could also be applied as well as the federal—banning evictions, freezing rent.

This is a business from Richmond Hill, Woofur. Woofur is a company that is going to be going out of business. Their landlord absolutely refuses to engage with the federal government, and in fact, they're going to be increasing their rent.

So the commercial rent subsidy, Minister, I think is something that was a missed opportunity for the government to engage in.

**0930**

There are a few more questions that I have to get on the record.

The not-for-profit sector, as you know, has significantly stepped up in Ontario. They have been asking for a stabilization fund. They're coming to finance or Treasury Board—but today is finance—and they're looking for a fund that they can continue to address those gaps that exist across the province, especially in a time of crisis like this. To date, we have not seen stabilization funding for the not-for-profit sector. Is there anything on the agenda that you're considering?

**Hon. Rod Phillips:** We are continuing to look at what's necessary. To date, we've provided \$148 million of support through municipal partners to charities and not-for-profits, in addition to a number of targeted programs. We absolutely are continuing to listen and to work with those organizations to understand their needs and to make sure that they continue in the vital role that they can.

**Ms. Catherine Fife:** I'm sure your ministry does some sort of an economic analysis where you weigh the return

on the investment, so you know that for the not-for-profit sector, that return is definitely there for the citizens.

You've mentioned, obviously, in your opening comments that you're working with other levels of government. We have also asked for a halt on the collection of all payroll, property, sales and income taxes for small and medium-sized businesses. The government has offered a deferral of WSIB payments and employment health taxes, as well. Are there any plans to provide relief for businesses as they try to survive through these next three, four, six months?

**Hon. Rod Phillips:** We're going to continue to evaluate the situation. The initial commitment that the government made in the March 25 statement was \$10 billion of deferrals. It was, as you mentioned, employer health tax; tobacco tax; fuel tax; gas tax; beer, wine and spirits tax; mining tax; insurance tax; international fuel tax; racetrack tax—essentially, almost all provincial taxes, to the tune of about \$6 billion.

You mentioned the WSIB deferrals. We also enabled municipal property tax deferrals. That is a strategy that I would say was in coordination with the federal government, who also have done a number of things in terms of sales tax, which you mentioned, and deferrals and other areas of taxation. Those last until September, and we're going to have to be evaluating as we go forward what the best measures are from that point on.

**Ms. Catherine Fife:** I'm sure you've heard this, as well: At some point, this government is going to have to consider debt forgiveness, because deferring all of that debt to six months down the line is not a sustainable way for some of these businesses to survive.

Speaking of surviving, the feedback that I'm receiving as we engage in phase 2 of an economic reopening—is the government considering helping businesses with some of those costs of opening? I'm thinking of the taxi driver with the Plexiglas and restaurants that are trying to ensure that customer confidence is there to return into society. Are you considering dedicated subsidies for return to work?

**Hon. Rod Phillips:** The member raises one of the most important issues that I think is worth just briefly highlighting, which is all of that we've been studying very closely where we've seen openings before. One of the consistent features of those other openings is fewer people come back as businesses, in terms of opening their business, as employees and employers.

We have provided, for example, support so that PPE can be located by private businesses. We've provided direct access to information through the Ministry of Labour so that—over 90 guidelines have been provided. We'll continue to work with businesses, small and large. For example, in the agriculture sector, we've provided over \$2 million of support directly to see their ability to continue to operate in these environments.

So we'll continue to watch the situation as it evolves, provide the support that's necessary and work with our federal and local partners.

**Ms. Catherine Fife:** The other issue that, of course, has been front and centre for businesses is the cost of

insurance, not just for businesses, but for citizens in the province. Many people were not driving. Businesses were not open. We had called for the Ministry of Finance, through the Financial Services Regulatory Authority, to institute an auto insurance grace period for taxis, for instance. These may seem like one-off things, but collectively they actually support a number of businesses that have been trying to stay alive.

You have the power, as the Minister of Finance, to engage in a very assertive manner with the insurance industry, and we are of the opinion that that should have happened. Is that on the radar?

**Hon. Rod Phillips:** As I've commented before, we agree as a government that, given the change in driving behaviours and given the inevitable reduced volume of claims, the auto insurance industry needs to do more. That's why our government moved. We met with the insurance industry. We said, "What is getting in the way of you providing rebates?", and I'll just give one example. They indicated that there was a regulatory change that needed to be made. That change was made within a week. Although there will be more information to follow on this, what I can update today is: Of the 14 companies that make up the majority, or 97%, of the auto insurance industry, seven of those have moved now to provide direct rebates through FSRA.

We will continue to apply the appropriate pressure and we will continue to make the point that the customers at the auto insurance companies now will be their customers in the future. Driving behaviour has clearly changed, and we expect to see action.

There will be more in terms of details on that to follow.

**Ms. Catherine Fife:** And are you having the same conversations with the banks? Because the banks are still doing very well in the province of Ontario—deferring mortgages but still charging interest on those deferred mortgages. I understand that there's a federal responsibility here, but you're the finance minister for Ontario. Have you indicated to banks that they need to be part of the solution as well?

**Hon. Rod Phillips:** We have. As you know, the banks are federally regulated. But I've spoken to the CEOs of all of Canada's banks, not just the ones located in Ontario, and made it clear, again, that support for people is very much what is required. I will give some credit to the federal government and the federal finance minister, who I know has had those conversations as well.

As you note, there have been mortgage deferrals. They've also been active participants in some of the loan programs. I think they have indicated, and obviously we'll need to continue to monitor this, that they want to be a partner in this. They can be an important partner.

We will keep that conversation going.

**Ms. Catherine Fife:** Okay. Later on today, we're going to have an opportunity to speak to the Financial Accountability Officer. Based on his plan that he put out—I believe it was last week—an analysis of the spending plan of the government. Part of this committee—we play an

important role in following the money: how the money is being distributed and when it's not being distributed.

The FAO reports that the numbers you and the Premier have used in connection with the economic statement are not accurate. In particular, they call into question the \$17-billion figure that the government has used on multiple occasions, noting that that figure is only reached by including spending that was pre-existing and unrelated to the COVID-19 crisis. I wanted to give you an opportunity to—you've said that this is a difference of opinion. I have to say: That's what we have auditors for, because they trace the money. Is this a difference of opinion, or have you put all of those sums together and wrapped it up in a bow and called it \$17 billion?

**Hon. Rod Phillips:** Thank you. I appreciate the opportunity. I know the FAO will be in front of you later, and I'm sure you'll ask it of him as well. The \$17 billion is—

**The Chair (Mr. Amarjot Sandhu):** Twenty minutes left.

**Ms. Catherine Fife:** Twenty minutes left.

**Hon. Rod Phillips:** —is the number that we provide in terms of support, where—for example, the FAO indicated that the \$1.2 billion in additional hospital investment, which he would not argue is new investment, but we believe that the \$1.2 billion in additional hospital investment, a new spend, obviously supports a province that is in a pandemic. The \$1.5 billion in additional electricity subsidy, in addition to the time-of-use subsidy, is an additional support that maintains the 31.8% subsidy. You will ask him—I won't speak for him, but we would certainly say that \$1.5 billion in additional spend on subsidy is additional expenditure.

When he talks to the \$10 billion and the support, again he acknowledges the deferrals. There is no question, from the position of the Ministry of Finance, that the total value of those deferrals can be \$10 billion. Of course, with deferrals, it will be a matter of who takes them and who takes advantage of them. Our response to that will be that in August, when we provide our update, clearly we may have a better perspective on those things. But there is no debate between us about the fact that these are new spends.

His position seems to be—and again, I absolutely respect the work that he has done—that money that has been spent on hospitals may or may not have been part of a budget we were planning. But I contend quite strongly that \$1.2 billion of additional spending, in addition to the very specific pandemic spending, is new spending. It's clearly new spending.

I'll say as well that we called this out very clearly in our March 25 statement. We differentiated between pandemic-specific spending, including the pandemic contingency fund, and additional spending that went to improve capacity in hospitals. I don't think he's differing about the additional spending, in terms of the money. He may be differing about the positioning of it, and of course that's his right.

0940

**Ms. Catherine Fife:** The issue on deferrals, though, is a good point because businesses—as I've mentioned,

you've deferred WSIB payments and the employment health tax to six months down the line. Those are just deferred payments. The government intends on collecting those payments, do you not?

**Hon. Rod Phillips:** Yes, that is the nature of deferral.

Again, coordinating with the federal government, the decision was made to put those deferrals into place to create a cash flow situation for businesses, and this has been widely heralded by the business community as an appropriate support.

**Ms. Catherine Fife:** No, I've talked to the business community, and the business community is not impressed with deferred payments. They just see that as debt that will be like an albatross around their neck in six months, and that will compromise our ability to recover as an economy.

The FAO also notes that a significant part of the government's new spending is reversing or deferring cuts from last year's budget, including cuts to public health, ambulance services, child care and long-term care.

As Minister of Finance, would you agree that the decision to cut public health funding last year, now that we're in this situation, was a mistake? And will you ensure that public funding is stabilized and increased so that we can actually be better prepared as a province on a go-forward basis?

**Hon. Rod Phillips:** I don't think anyone would be surprised that in light of a global pandemic, jurisdictions around the world will be looking at public health and how it should be supported.

I think the clock started again with COVID-19. So we have provided \$160 million of additional spending in the area of public health, including \$100 million specifically to support public health units in the work they do. There's also tens of millions of dollars around vaccines that we've provided, the telehealth supports and the other virtual supports.

So I think it's clear, and I think this will be common in every jurisdiction, that there will be a review of public health and how it's approached and its important role. But in the case of the March 25 document, we provided \$160 million in more funding to support the vital work that they're doing right now.

**Ms. Catherine Fife:** Context is everything. This time last year, New Democrats, the official opposition, were trying to make the case to the government that investing in public health is actually—the preventive component of public health is actually well worth it. And to be fair, there were many years prior to that when public health funds were either undermined and/or reduced.

So I think that public health, on a go-forward basis—we can now make an economic case for investing in public health, and I think that that's a really important case to be made.

I have additional questions, but I'm going to defer over to my colleague MPP Lindo.

**The Chair (Mr. Amarjot Sandhu):** MPP Shaw raised her hand first, so I'll go to her, and then MPP Lindo.

MPP Shaw.

**Ms. Sandy Shaw:** Good morning, Minister. I'd just like to pick up where MPP Fife has left off, and that is what we had been hearing as a finance committee last year, as we toured the province, and this year, and particularly in the area of public health. I just want to focus on that a little bit longer. We did hear that the cuts that you were implementing and the plan to amalgamate public health units across Ontario was something that would create chaos in the public health system.

My question to you now is, what percentage of the cuts that you had planned, the money that was going to be spent on the amalgamation of public health units—what percentage of that now is just something that you've given back, as opposed to new money?

**Hon. Rod Phillips:** I appreciate the question from the member.

As I said, I think when we look at public health—and not just public health, but the broader health system—we're going to look very specifically at the effects of COVID-19 and how that reflects on our preparations going forward.

With regard to the spending planned in this year, which, again, is the topic of the committee, we have \$100 million in direct support to municipalities for their public health units and \$60 million in support, which very much was at the suggestion of public health—the sort of virtual supports that we've needed to provide to make sure that we're not overburdening the public health care system. This is, of course, inclusive of a \$3.3-billion overall investment in health care, which at this time we think is appropriate, both in support of the broader health care system and of course in support of COVID-19. Included in that is the \$1-billion COVID-19 contingency fund, very specifically, to be allocated for supports around COVID-19, some of which, of course, will end up being in support of public health.

**Ms. Sandy Shaw:** Thank you, Minister. I would also bring up the fact that many of these costs now are being up-fronted by municipalities. We have heard from municipalities. The city of Hamilton here is forecasting up to a \$122-million budget shortfall.

So my question to you is: What revenue tools, what provisions, what supports are you providing for municipalities and public health units across Ontario that are truly on the front line, that are providing these services, in light of cuts to their funding, in light of plans that have been sort of foisted on them to amalgamate their services? The municipalities are really struggling right now, providing services without direct funding for things that have already been cut, so can you talk very specifically about how you intend to support municipalities across the province?

**Hon. Rod Phillips:** Again, thank you for the question.

I'll just say that to date we've provided a quarter-billion dollars of direct support to municipalities—\$148 million to the supports that I talked about, to the consolidated service managers and district social service administration, and the \$100 million that I mentioned earlier related to public health. In addition, we've supported the deferral of \$1.8 billion of property taxes.

This was all done very much in consultation and conversation with municipalities. I have met with representatives of AMO and with LUMCO. I've also had very specific and direct conversations with many mayors across Ontario. As Premier Ford has talked about, we understand that there is going to be the need for support. He is leading that conversation with the provincial premiers. I understand, and only from news reports, that there may be an announcement later today in terms of some federal support.

As Minister Steve Clark has made the point and as Premier Ford has made the point, and as I will make it today, we understand that the municipalities are important partners. One of the actions that Minister Clark took was to work directly with municipalities like Hamilton and others to make sure that they are able to give us an accounting of where those additional expenses are. As you would know, many of the additional costs come from their loss of revenue, whether that's for recreation programs or for transit programs, but we know, for example, that FCM has talked about \$10 billion in terms of their request of the federal government.

So we continue to work with the other provinces through the Premier and the Premier's table and with the federal government and, as I said, have made an initial down payment, which I think municipalities have appreciated, of that quarter-billion dollars plus the \$1.8 billion of support so that they could defer business and residential property tax.

**Ms. Sandy Shaw:** Thank you, Minister. I think you just said the word, and that is “businesses.” The commercial and residential property tax—at the end of the day, if municipalities aren't supported by the province, we're going to see additional—

**The Chair (Mr. Amarjot Sandhu):** Ten minutes.

**Ms. Sandy Shaw:** —of the provincial residential tax base. You used the word “deferral” a lot. I don't know, in fact, whether municipalities, just like small businesses across Ontario, will be satisfied with deferral of something that they cannot see their ability to recoup down the road. The economic recovery is still a long way off.

Bottom line, my question to you would be: Would it be the principle for you that people do not see increases to their commercial or residential property taxes as a result of this?

**Hon. Rod Phillips:** Of course, commercial and residential tax rates are set by the various municipalities, but I would agree with the member on two important fronts: First of all, we are still in the middle of this very difficult health and very difficult economic situation, so it is not possible at this time to know what the full impacts are going to be. That is one of the reasons why we did a one-year plan as opposed to a five-year plan, and certainly we'll provide an update in August.

With regard to the municipal deferrals of property taxes, that was very much what was requested by AMO and by LUMCO. Those deferrals were in response to their requests. But I can assure the committee—we've certainly talked about it publicly and the Premier has talked about

it—that we remain in direct conversation with municipalities. We understand the important role that they play, and we need to make sure that we continue to work together with that Team Ontario approach.

Again, we look forward to whatever announcement the federal government is going to be giving today. We will continue to work with them to make sure that federal, provincial and local governments support local tax.

**Ms. Sandy Shaw:** Thank you, Minister. I would defer back to Laura Mae Lindo, and I know that Sol Mamakwa has a question, as well, in the time that's remaining.

0950

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Lindo first.

**Ms. Laura Mae Lindo:** Thank you, Minister, for the presentation. I've also been doing consultations with small businesses, medium-sized businesses and individuals in the Black community, as the chair of the NDP Black caucus and also as the anti-racism critic. I know that many of those folks I've spoken to have been asking very specifically for a designated emergency fund during this pandemic, because oftentimes the history of racism when it comes to accessing capital isn't taken seriously. They were hopeful—because they had sent letters, I believe to your office; I know they've sent them to the government, and I was also cc'd on those—they were hopeful that they would have seen that in the action plan. They were hopeful that they would have seen that in the pathway forward, but they have not. With the growing unrest in these communities, I am now getting phone calls from people who are saying that they have to close their businesses completely.

I'm wondering, first off, if there was any discussion about having this designated fund, what the decision was to move away from it, or if there is an opportunity for us to actually see that fund in the future.

**Hon. Rod Phillips:** I appreciate the question from the member.

We are, as I said, looking at all options in terms of what is the best way to support communities and businesses. I was fortunate to participate in a round table with Premier Ford and Minister Lecce, led by Deputy Mayor Michael Thompson, with the Canadian Black Chamber of Commerce, where we had very specific discussions about a range of options that included designated funds and other options. They were good enough to provide the specifics of their suggestions.

We will make sure that our plans address community needs, both broadly and specifically, and we'll continue to look at all of those options as we roll out the plan. We talked about the March 25 document, which contained a number of suggestions from the opposition, from the independents—some of which, I will say, were incorporated. That was our first step.

We'll continue to look at the approach that the situation requires. I think the member has mentioned the unrest in the United States. This is something that we cannot be blind to here. Anti-Black racism is an issue in Ontario and Canada, and we need to be certain that we're considering

all these matters. It's one of the reasons—and I do appreciate the work and consultations you've been doing—that we've invited opposition members, as well to feed that in to the Ministry of Finance directly so that we can make sure that those consultations are also considered—

**Ms. Laura Mae Lindo:** Thank you, Minister, for that. I just wanted to say thank you for acknowledging that. That unrest is actually here. It's part of why the Black community members who have been reaching out to me are asking for something that's quicker than words and plans and, “Let's wait until an uncertain future.” But it's good to know that you've been talking to the community members.

**The Chair (Mr. Amarjot Sandhu):** Five minutes.

**Ms. Laura Mae Lindo:** I know I don't have much time, so I'm passing it back over to the Chair.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Arthur.

**Mr. Ian Arthur:** Good morning, Minister, and thank you so much for being here this morning. I have a couple of questions. Again, they're about businesses in my community and across Ontario.

There are very few landlords in Kingston who have outstanding mortgages on their properties, making that program even more difficult to access [*Inaudible*].

Oh, I'm having problems with my sound.

**Hon. Rod Phillips:** That's better. You're good now.

**Mr. Ian Arthur:** It's better? Okay. Thank you.

**Hon. Rod Phillips:** Do you mind rolling back about 30 seconds' worth?

**Mr. Ian Arthur:** Yes; no problem. My community relies heavily on academic institutions and the businesses that come. Both St. Lawrence and Queen's have indicated that they will be going remote in the fall—and I know that there are a lot of towns in Ontario like Kingston which rely heavily on these. Six-month deferrals on taxes are going to land us almost directly in the middle of the next economic hit that these businesses are facing.

I do not believe that deferrals are good enough. If there are deferrals, it's going to need to be 18 months or two years, by the time these businesses are ready to have that level of income to pay those down.

What are you going to do in terms of direct funding and direct support for communities like Kingston which are about to face the second wave of the economic hit of this crisis?

**Hon. Rod Phillips:** I thank the member for the question. To the first aspect, just to be sure, the issue of properties with mortgages or not with mortgages was one that the federal government addressed in the rent program, just so that's on the record. It came from feedback, frankly, from all members in terms of concerns about that. So I thank the member and the rest of the members of the Legislature for that feedback. I think it improved the commercial emergency rent subsidy program.

The deferrals, both the time frame for the deferrals and the fact of the deferrals, were things that municipalities, I believe including Kingston, likely, suggested.

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Hon. Rod Phillips:** We will continue to be open and certainly understand, as I said, that we're in the middle of an emerging economic crisis and we need to be sensitive of the cost to business and the cost to individuals. But again, the fact of the deferrals as they were originally structured was in response to municipal requests, both for deferrals and with regard to the timing.

**The Chair (Mr. Amarjot Sandhu):** MPP Arthur, any other comments?

**Mr. Ian Arthur:** Yes, just very quickly because I know we're almost out of time: Will you consider making them not deferrals but actually forgiving those tax debts in the future? Because these businesses are not going to have the income to be able to pay it; they just don't have it. They've lost six months and likely far more than that in terms of actual income, so the dollars may never be there. Will you turn them into loan forgiveness or debt forgiveness?

**Hon. Rod Phillips:** Listen, I appreciate the question.

As I said, we are in the midst of still understanding the scope of this economic crisis, but I can say very clearly that we understand—and I said in my comments—that it is significant, the most significant I believe in my lifetime. We will be looking to all manner of supports, but we'll continue to work with municipalities. Again, they suggested at the outset this strategy. It did align as well, as I said, with the approach that the federal government has taken. We know that the panoply of programs and offerings from the federal government and local governments have also been things where people have said, "Please, be clear and be coordinated as much as you can." So we'll continue to do that and to, again, look at the options that are necessary to support communities and people.

**The Chair (Mr. Amarjot Sandhu):** One minute. MPP Mamakwa.

**Mr. Sol Mamakwa:** Thank you, Minister. Greetings from Sioux Lookout, Ontario.

Very quickly: I know I represent a lot of Indigenous communities in the Far North—just a quick question. What direct funding mechanisms are there in place to fund these communities during this crisis, during this pandemic? Because I know sometimes we use the jurisdictional ambiguity of the communities, and sometimes we feel that we're not part of Ontario, as if we're a different Ontario—

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Mr. Sol Mamakwa:** Very quickly.

**Hon. Rod Phillips:** Sure. I thank the member for the question.

I'll just read so I'm very direct and accurate. Thus far we've provided \$37.8 million of support: \$16.4 million through the Ministry of Indigenous Affairs for emergency funds for food, household goods, critical supplies and transportation; an additional \$10 million through the Ministry of Children, Community and Social Services to support Indigenous communities and agencies; an additional \$11 million through municipal affairs and the Ministry of Transportation, which is focused on—

**The Chair (Mr. Amarjot Sandhu):** Sorry to cut you off, Minister.

**Hon. Rod Phillips:** —Indigenous people living off-reserve.

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

We have to move to the independent members now for their time of questioning. We'll start with MPP Hunter.

**Ms. Mitzie Hunter:** Good morning, and thank you to the minister and to the deputy minister for being here and for setting the task before us today to have a deep analysis of the sectors that are affected by COVID-19 and how Ontario's economy can survive this health crisis.

Minister, I wanted to ask you about the hot spots that are now coming to light with the availability of data from public health units like Toronto. It affects communities like my riding in Scarborough. The former city of York has an incredible number of virus cases, more than you would see broadly across Ontario. I'm wondering about the strategy that the government has to address hot spots so that the implementation of testing, of surveillance and provision of supports happens until there is no longer a hot spot in our province.

**Hon. Rod Phillips:** I thank the member for the question. She'll understand that this is the purview of the Minister of Health, but I'd be pleased to provide at least a high-level overview of this.

Of course, the fact of every reopening across the world—I mentioned that one of the things that is true is that fewer people come back than expected. Another thing that has happened in reopenings where there has still been COVID-19 in the community is that there are flare-ups or hot spots. An important part of that is the monitoring of that. That's why we're pleased that our testing levels are reaching the levels now that they are and that public health is able to work in a coordinated fashion around tracking and tracing of those people who are infected.

**1000**

As has been discussed publicly, we're pleased that we've now reached a stage of testing where the Premier has also indicated that we will be considering a regional approach in terms of how we are able to open the economy. This reflects very much back on your question, which is that the reality—and again, this is a reality around the world, wherever there have been reopenings—is that there are going to be areas of outbreak that could be localized and that those areas of outbreak could change, and so there could be areas of outbreak right now, but they may not be the areas of the future, and that the important point in supporting that is going to be able to track and trace that.

One of the things that we have been doing in collaborating with the federal government is around a unified approach to an app. That will be part of the solution. But again, we now have over 2,000 individuals, and—I think the Premier mentioned last week—the Deputy Prime Minister offered more people from Statistics Canada to support our contact tracking and tracing efforts. That contact tracing and tracking will be important to the ability to reopen the economy and, of course as well, important to

understanding the impacts in particular geographies or areas where there have been further outbreaks.

**Ms. Mitzie Hunter:** Minister, I would just say that unless there is no COVID-19 in the province, no community or region is safe. In the hot spot areas, a pop-up has been established by the Scarborough Health Network—we appreciate that—but the hours of operation are simply not enough. It's 9 to 5. There aren't enough resources available to extend it to the capacity which the community needs. When we look at areas that have underlying issues such as poverty, inadequate housing, and underlying chronic diseases like diabetes, we have to make sure that we provide the necessary supports and resources to contain this virus in communities.

I do want to move on to pandemic pay for PSWs. It's something that our caucus has called for. I'm pleased to see that there is pandemic pay happening for PSWs and other low-paid front-line workers who are deemed essential. My question to you is: Will this pay continue beyond the outbreak so that these areas like long-term care that need appropriate resources receive the funding that they well deserve—these heroes of the front line and these essential workers?

**Hon. Rod Phillips:** I thank the member for the question. She also gives me an opportunity to thank those front-line workers across the broad swath of our province who have supported us all.

The program that is currently in place is a temporary program. It's supported with the federal government. The expenditure in Ontario will be about \$1.3 billion. That program, just as a reminder, authorizes a \$4-an-hour increase over the next four months and will be provided retroactively to April 24, so through to August 13. In addition, employees who work over 100 hours will receive four payments of \$250, for \$1,000.

It's a very important program affecting about 375,000 vital front-line workers across about 2,000 employers. I mentioned the employers because one of the ongoing matters that, not surprisingly, is going to be part of the challenges in implementing this across the country is the fact that some of the employers are in the public sector and some are in the private sector, and we've needed to work with those partners to make sure that the money flows. But that is now happening. We agree that it's a very important program.

**Ms. Mitzie Hunter:** This government does have the authority to set standards and minimums for the sector, particularly PSWs, who, we now acknowledge, in long-term care are doing—they are in health care settings and they're doing vital work. This is something that we should consider for future planning.

We are going to be focusing on certain themes, and tourism and culture and heritage is one of the first group of themes that we'll be looking at. I want to give an example: the Stratford Festival, which lost \$135 million a year in economic activity. You could just imagine: Everything has been shut down. This has greatly affected the local community and municipality, the surrounding region and is causing job losses. More than 3,400 jobs

have been lost, and the theatre itself has a \$20-million shortfall.

What is the plan to support Ontario's core economic activities? Is the government considering boosting those sectors?

**Hon. Rod Phillips:** We have provided a number of supports around the broader base of corporate activities. I know that you're going to be hearing from the Minister of Heritage, Sport, Tourism and Culture Industries, so I will expect that she will want to provide more detailed answers.

But let me say that we do understand. One of the reasons that Premier Ford asked us to strike the cabinet committee on jobs and recovery was that different sectors will be affected differently and at different times. So there's a great deal of sectoral work being done. The minister has done extensive dialogue—I've had the opportunity to participate in some of those—with the sector, understanding the specifics all the way from the outfitters in our north through to the kinds of cultural institutions that you referenced that are of course vital to Ontario.

As I've mentioned, this is a very difficult emerging economic situation. We will be there to make sure that we provide supports for communities, for businesses and for people. I'm sure the minister will have more to say when she's in front of you, I believe, later this week, about the approaches that she believes she can take. I will say she has been working very closely, as well, with our federal government around some of those supports, which have, I think, also been a signal about the importance of the cultural industries.

**Ms. Mitzie Hunter:** Minister, I do want to look at the numbers, because COVID-19 is changing the way that we all operate, including in our school system. The FAO's report that was released on the \$17-billion program spending that was designed to support COVID-19 does note that we have higher student enrolment in this province. So we have more students, and that's how we fund on a per student basis. There's \$129 million.

We also have increased the funding by \$200 million because of the agreement with the teacher unions on class sizes. There's a small increase in class size. But because of COVID-19, the whole foundation of social and physical distancing must change: the capital needs and requirements in schools, size of classrooms, washroom access, and how to keep those spaces safe for our students come the fall.

I'm wondering about what is noted here, that there is a program savings amount in the forecast for education at a time when we actually need to have not increasing class sizes but declining class sizes, physical distancing and the capital needs, as well, of spaces so that we keep them safe—more washrooms, more frequent cleanings, all of that.

Can you speak to what's happening in education and why they have a targeted savings of \$127 million?

**Hon. Rod Phillips:** I think the member rightly referenced that there are so many changes that are happening with regard to important sectors like education. We will need to

make sure that we adapt and adjust to those and keep parents directly informed with regard to how we are going to proceed, how our classes are going to proceed and how they are going to be done safely.

Again, one of the experiences of other jurisdictions that we've looked at is that fewer students also come back than might have been anticipated. That makes some sense because, again, parents are not sure. I think to the extent that we can provide certainty, we will do so.

We continue, in this recent economic statement, to provide record amounts of funding in our education sector, as you indicated, in part because of the new labour agreements that require that, but also because of other investments that we will need to be making. We will continue to look at how those need to evolve on a very real-time basis, and we'll provide information on those updates when I'm available with the update in August, because again, we don't know, and are now working with our education professionals to say exactly what school is going to look like with regard to physical distancing. With regard to online learning, what is it going to look like?

**1010**

Again, we continue to make those significant investments and will continue to do so, but do so in light of the changing environment around education and making sure that we're sensitive to parents and students' needs, as we have been until now.

**Ms. Mitzie Hunter:** Minister, I would say that the education system needs more funding in the face of COVID-19, not less. I would encourage your ministry to consider that, as well as treasury.

I want to just wrap up my questions, because I want to give time to my colleague Stephen Blais.

On January 30, you provided the third-quarter update on the province's finances up until December 31, 2019. At the time, the world was different in Ontario. There was a \$3.1-billion increase in revenue over the estimates that you had provided in the fall economic statement, and we were looking forward to your budget. You didn't get to table that budget because of COVID-19.

I just wanted to ask about the fact that, as part of the third-quarter update, you had a \$1.5-billion continuation of the hydro—

**The Chair (Mr. Amarjot Sandhu):** Twenty minutes left for the independent members as a group.

**Ms. Mitzie Hunter:**—that was part of the continuation of the former government's Fair Hydro Plan, providing a subsidized rate. Yet this amount was included in the \$17-billion March 25 provision. I'm just wondering why you chose to do that, given that it was something that you had already revised on January 30.

**Hon. Rod Phillips:** Thank you for the question. Just in reference to your comment around education: I guess, again, I'll be looking for areas to agree—our current one-year fiscal plan has a \$430-million increase in expenditures related to education. I think we would agree with you that that's an area for continued investment.

With regard to that \$1.5 billion, that is an additional \$1.5 billion that will be supporting lower hydro rates, to

the tune of 31.8%, for Ontarians. Because that \$1.5 billion is new in this fiscal year, versus the year before, we thought it was important to include. Our view is that, in addition to the time-of-use pricing additions that we added, they are both important supports for Ontarians.

Obviously, the people of Ontario have been spending more time at home. The elimination of time-of-use pricing, the ability to support individual households, the ability to support individual small businesses and farms and the ability to continue to support through that subsidy, which now totals \$5.6 billion, is something that we think was important, and particularly important given the additional energy use that citizens were going to be using when they were home, doing the right thing: physical distancing and making sure that we could flatten the curve.

**Ms. Mitzie Hunter:** I wanted to acknowledge that the March 25 letter that our Liberal caucus submitted did offer the extension of time-of-use, and I want to recognize your announcement as a government to create a flat rate. It's not quite the same as the time-of-use amount; it's slightly more. But at least it gives people certainty and a lower cost for their hydro during the hot summer months and the difficulties during COVID-19.

I'll just turn my remaining time to Stephen Blais.

**The Chair (Mr. Amarjot Sandhu):** MPP Blais.

**Mr. Stephen Blais:** Thank you, Minister, for your presentation and participation this morning.

I'd like to return very quickly to commercial rents. I understand you indicated earlier that you believe that it's too early to evaluate the validity of the program. I'm wondering what metrics you're going to use, how many businesses will be allowed to close their doors, before you determine that the program isn't working.

**Hon. Rod Phillips:** First of all, I'd like to welcome MPP Blais. It's my first opportunity. I guess we'll all get a chance someday, hopefully, to meet each other in person. But congratulations on your election, and welcome to this committee and to our Legislature.

We will be, of course, monitoring the effect of all of the programs that we put in place to support business. As we indicated in the March 25 statement, the spending that will subsequently continue to unfold and has continued to unfold is the start. It's a beginning point. We think that's the responsible approach, because of course the situation continues to unfold.

The \$241 million of support directly from the provincial government, the over \$1 billion of support that that will leverage from the federal government—we believe that that is a program that can work. But I appreciate the opportunity, again, to speak directly to landlords: It is very important that you take advantage of this program. It was mentioned, I think, by the opposition member about the desire for a rent subsidy program. This is a rent subsidy program to the tune of 75%. That is a program that will support and allow tenants to stay in place for 25% for the three months.

To the landlords—because I appreciate the opportunity—we are going to be, and I've said this, in a difficult economic situation. The tenants that you've had for the



last number of years are going to be the tenants you're going to want to have for the next number of years. It's very important that you support them.

Listen, we understand that the program came online a bit later than all of us might have wanted, but it is now online—as I've said, over a thousand applications in the first early days. That's a very good start. We'll continue to monitor that and continue to promote that. I would ask all the members present as well, through their constituencies, to promote that program. Ontario.ca/covid will get you to the access, to the details of the program. We think it can make a real difference for tens of thousands of tenants and support the small businesses that are in some cases landlords.

**Mr. Stephen Blais:** Thank you, Minister. I appreciate that you recognize that it took quite a while for the program to come online. As a result, several businesses in Orléans have already decided, or are about to decide, to close their doors. Unfortunately, walking away isn't as easy as that, because many of them, if not all of them, have signed personal covenants on their lease. So I'm wondering what consideration the government has given to ensuring that small business owners don't also lose their entire personal financial interest as a result of the failure of their business.

**Hon. Rod Phillips:** The member raises a very important question. It is something that, in collaboration with the federal government, which is responsible for a number of the legislative tools related to business and business closure—it's something that does need to be considered.

We are in, as I've said, the most challenging economic times in my lifetime. We need to make sure that we're providing supports. Of course we want every business to thrive and stay open, but we also know that even in a normal year, some businesses don't. We will continue to work with the federal government, which does have primary jurisdiction over a number of the laws and rules that affect that area of law. But it is an important area of focus and it's one that we're taking very seriously.

**Mr. Stephen Blais:** Thank you for that. I'd like to pass it over to MPP Mike Schreiner for the remainder of the questions.

**The Chair (Mr. Amarjot Sandhu):** MPP Schreiner.

**Mr. Mike Schreiner:** Thank you, Chair. I just want to acknowledge all my colleagues on the call today and the public watching. This is a pretty extraordinary committee hearing during an extraordinary time. Minister, thank you for joining us.

I just want to dig into the numbers a little bit. Of the \$17-billion package, \$7 billion is direct funding and \$10 billion is deferred taxes. Essentially, 41% of the funding is direct and 59% is deferral.

According to the Financial Accountability Officer, of the \$7 billion of direct funding, \$4.5 billion is new spending and \$2.6 billion is essentially reversing cuts made in last year's budget—primarily to public health, paramedic services, long-term care etc. So in a sense, of the \$17-billion package, only 26% of it is direct, new funding to address the COVID crisis.

Do you believe that this small, direct funding has affected the government's response in any way?

**Hon. Rod Phillips:** I appreciate the member's question. You'll have the opportunity to ask the FAO, but I believe he would acknowledge that both the combination of the COVID funding that we've discussed and, as we laid out in the statement, also \$1.2 billion of new funding—and I'll remind the members that last year, the Ontario government spent more in the area of health care than had ever been spent by any government in the history of the province. Again, this year, we are spending \$3.3 billion more than has ever been spent.

**1020**

But the \$1.2 billion of additional spending in health care was largely around very important issues related to capacity, which has been a priority of this government—over \$595 million, for example, just around capacity, in addition to the specific spending that was focused around capacity for intensive care beds and other areas. So I would differ with the member in terms of the characterization of the new spending.

Of course, the other element that you raised was the aspect that is deferrals versus direct. Again, we were very clear in terms of the presentation of this that \$7 billion of the new funding was direct and \$10 billion was in deferrals. I'll just point out that this again was aligned in a coordinated way with the federal government and our municipal partners around a very specific strategy that, in the case of municipal governments, local governments called on us to do. And I take the opportunity to say it has been very good to have the close working relationship with Minister Morneau and the other provincial finance ministers.

I think this approach of trying to limit the cash-flow pressures on businesses and on individuals is one that has been universally applied by most governments and one that's aligned to trying to support. Again, the federal program had a balance of these kinds of programs.

**Mr. Mike Schreiner:** Thank you for the answer, Minister. The area where we've probably had the biggest challenge—and the Premier has been very forthright in this in his daily briefings—

**The Chair (Mr. Amarjot Sandhu):** Ten minutes.

**Mr. Mike Schreiner:** —is testing and contact tracing, and then obviously just the tragic situation we've seen in long-term care.

I'm wondering if you think the cuts in the 2019 budget, particularly to public health—has that impacted the delays we've had in getting testing up and running and reaching the numbers that the Premier wants to reach? I'll acknowledge that we've started reaching those in the last few days, so thanks to all the public health officials who have helped us get there.

But do you think that the delay in being able to reach those targets and even the Premier's frustration in being able to reach those targets were impacted by the previous year's cutbacks to public health?

**Hon. Rod Phillips:** I join the member in congratulating and thanking not just the front-line health care workers but

our public health officials. As I've said before, I think that in all matters related to supports related to pandemics, as the member knows and has commented, there is obviously the risk of a second wave in the case of COVID-19. I think that governments around the world and certainly the government of Ontario will be looking at how we need to provide supports in the future as it relates to public health: where technology can be helpful, where staffing can be helpful. All those matters are going to be on the table not just in Ontario, not just in Canada, but around the world.

This year in the budget, we provided \$100 million of direct additional support through our municipal partners as part of the quarter of a billion dollars that was provided to municipalities, and an additional \$60 million to support the broader public health initiative. I think that the integrated testing strategy that both the Minister of Health and the Deputy Premier, and the Premier announced on Friday is an important step forward. It's going to be a very important step forward, and I look to the committee's deliberations on how this can affect the business reopening as well.

I can tell you, as Minister of Finance, I see it as essential in terms of our ability to open the economy in a productive way, both the contact tracing—we hope very much to see a national approach in terms of an app; it just makes sense, because as members particularly in border ridings will know, people will move between Ottawa and Hull, or move across the Manitoba border. We would want, in the future, people to be able to travel between provinces, and we want to make sure there is an integrated approach.

I think this is going to be an area of focus, an area of creativity, in terms of approaching it, so we can provide the kinds of protections Ontarians deserve, but also so that we can open the economy in the way that I know we would all like to see: in a safe way, but in a way that can be sustained, even if we do end up having to address a second wave of COVID-19.

**Mr. Mike Schreiner:** Minister, part of the 41% of direct funding was a \$1-billion contingency fund for health care. I'm just wondering, given the challenges in testing and contact tracing and the tragic challenges we've experienced in long-term care, if you tapped into that \$1-billion contingency fund for health-related issues to help with public health to get testing and contact tracing up and/or with long-term care to address the issues we've been experiencing there?

**Hon. Rod Phillips:** We will provide an update in August with regard to the specifics, but I certainly can report that those funds have already been quite important in terms of making sure that we have the support for our front-line health care workers. I would want to leave the details of that reporting until the end of the period, as I know the member can appreciate, but I think the wisdom of making sure that that money was available is going to become evident.

I should also mention that there is a \$1.3-billion contingency that was provided in the statement, because of the normal need for governments to have that contingency, and a \$2.5-billion reserve that we set aside.

That is the largest reserve in Ontario's history, and again reflects not just the dynamic nature of the expenditure side of the government, but also the revenue side. We need to make sure that we have those supports in place. But I'll look forward, when we provide the update in August, to providing a fulsome update on the expenditure.

**Mr. Mike Schreiner:** Thank you, Minister. I just want to switch gears a little bit to the deferrals now. I want to acknowledge that the Green Party had advocated for the deferrals in property taxes and also employer health tax, so I just want to acknowledge and thank the government for responding positively to that.

**The Chair (Mr. Amarjot Sandhu):** Five minutes.

**Mr. Mike Schreiner:** I will say that in my consultations with large and small businesses, they have appreciated the deferrals. But I'm wondering if your consultations are with large- and small-business owners, because most of the large-business owners I hear feel that they'll probably be able to use the deferrals to withstand the cash-flow pressures they're facing.

Small-business owners tell a very different story, that the immediate cash-flow implications of the deferrals will help in the short term, but in the medium term, when those deferrals come due, most small-business owners I'm talking to say that they won't be able to—it's just debt piling on debt, essentially—meet their fiscal obligations. Is there any consideration of making the deferrals for small businesses permanent?

**Hon. Rod Phillips:** Just because you referenced it, I'd like to just thank the member for the input he provided around deferrals. Also, I should say that the Green Party submission also suggested the support around essential workers and pandemic pay, which we were also pleased to introduce, as well as support in the area of Aboriginal communities and otherwise, so we appreciated the member's support. Obviously we couldn't—we got a number of good ideas from all members, and again, we want to continue to take that approach.

As you've pointed out, though, the deferral approach was in consultation not only with yourself, but also with municipal governments in terms of that approach. We are certainly very attuned to the pressures on small business. My colleague the Honourable Prabmeet Sarkaria, the minister for small business, has conducted over 40 round tables—I've been fortunate to participate in some of them—and we've heard very directly from small and medium-size businesses both about the benefits of some of the relief that has been provided, whether it has been on the employer health tax or the other taxes we talked about or on the electricity rates, but also on the pressures that we're facing.

So as I've mentioned, we are in the midst of this evolving economic crisis. We will continue to look to the kinds of consultations that we did in the past. Again, I look forward to further feedback, not just from the member from Guelph but from other members about what their communities are telling them, and we will keep the options open to support our small businesses.

**Mr. Mike Schreiner:** Minister, over half of small businesses say they are not able to pay their commercial

rent. Almost half say their landlords aren't going to participate in the rent assistance program. Many business organizations, from the chamber of commerce to the CFIB and many others, are calling on the government to bring in a ban on commercial evictions. In a sense, it wouldn't cost the government a dime to do that, but it would certainly provide immediate relief to small-business owners as we try to work out the challenges with the rent assistance program.

Minister, I'm curious why the government hasn't acted on what businesses are asking for—

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Mr. Mike Schreiner:** —a temporary ban on commercial evictions.

**Hon. Rod Phillips:** Again, I thank the member for the question. It gives me a chance again to talk about the fact that this program, which has been in place less than a week, in its very early days already had over 1,000 applications from landlords. Obviously those landlords would represent multiple tenants. Now, we've spoken already today—and I know we all wish that that federal program had come online sooner, but it will represent over \$1 billion of support for tenants, and we think that that is important for that three-month period.

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This gives me an opportunity again to say to landlords, as the Premier has said very clearly, that it is very important that they take advantage of this program. It has been adjusted through the good feedback of members of this Legislature, as well as the community. It has been adjusted to make sure that whether you have a mortgage or not, you can participate, and to make sure that you can also get not just the net rent but the gross rent back. This and many other pieces of feedback that we received directly were to make it so that landlords would participate. Our focus right now is on making sure that landlords understand that it is important that they participate.

This program can support tens of thousands of businesses. Those businesses need that support, and those businesses that have been your tenants for the last five years are likely going to be your tenants for the next five years. The idea that it's a lineup of people to move into commercial space is just inconsistent with the economic reality that this province is facing today, so we think—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Hon. Rod Phillips:** —that it's very important that tenants are given the opportunity and that landlords take the opportunity to take advantage of this federal government program.

**Mr. Mike Schreiner:** With all due respect, Minister, I have a business in my riding—I'll just use a quick example—that has five locations. They're celebrating their 30th anniversary this month. They've been declared independent restaurant of the year. They've donated over \$1 million to charities over the last number of years. They have two of their landlords who are willing to work with them and two of their landlords sending threatening letters to them. I'm thinking that if this type of business that's

such an upstanding business that has been so financially successful over the years is receiving threatening letters from a landlord, I can't imagine what even newer businesses are experiencing. So, if the program—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off.

**Mr. Mike Schreiner:** Okay, thank you, Chair. I appreciate the—

**The Chair (Mr. Amarjot Sandhu):** I apologize to cut you off.

We'll have to move to the government side now for their time of questioning. I'll start with MPP Cho.

**Mr. Stan Cho:** Thank you for being here this morning, Minister. I know my colleagues have a lot of questions so I'm just going to get right into it. We're heard a lot of questions this morning from the opposition talking about the measures that the government is taking for tax deferrals. I know MPP Fife mentioned the Ontario Chamber of Commerce. I would like to read a quote from them:

“A six-month deferral on WSIB premiums for employers will provide relief to many businesses struggling to keep their lights on. Similarly, the deferral of the 10 provincially administrated taxes from April 1 to August 31 will help support businesses as they try to stay afloat.”

Can you talk a little bit about how injecting \$10 billion into Ontario's economy helps weather this storm economically for the small businesses out there?

**Hon. Rod Phillips:** Thank you very much to the member for Willowdale for that question. We have received universal support from the business community of the impact of these deferrals. For those of us who have run a business—I know that the member from Willowdale has; he is aware that that's also part of my background—the idea of not having to put cash out means that businesses can be sustained. It means that for those businesses that were able to operate during the pandemic, they had just a little bit less pressure. But most importantly, for those who have done the right thing and shut down because the government needed them to, and now are opening in a limited way, there's additional support so that those businesses are able to manage their costs in a way that will allow them to have a good chance of coming through this.

So, on the idea of deferrals, again, I give broad credit to members of the Legislature, including from the government side and the opposition side, and from municipalities. It has been effective, and I think businesses have recognized that.

**Mr. Stan Cho:** Thank you, Minister. I think MPP Rasheed has a—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I will go to MPP Rasheed.

**Mr. Kaled Rasheed:** Thank you so much, Minister, for your presentation this morning. I greatly appreciate it. Minister, my question is about some of the comments I've been receiving from my constituents, applauding how all three levels of government have come together in the face of this pandemic. Minister, how are you and your ministry working with your federal counterparts to support people and businesses in Ontario?

**Hon. Rod Phillips:** I appreciate the question from the member from Mississauga East–Cooksville. From the outset, part of what was clear was that Canadians expected their governments to work together. In this, I'll commend the leadership of both our Premier Doug Ford and Prime Minister Trudeau, and of the other Premiers, but particularly Premier Ford, who said from the beginning that what is good for Ontario is good for Canada, and what is good for Canada is good for Ontario. With that, that role model of both the Premier and the Prime Minister working collaboratively, we have seen across the entire government collaboration. It's been my pleasure to work directly with Minister Bill Morneau, the finance minister, in addition to my provincial colleagues, to look to how we could coordinate and collaborate with regard to programs.

For example, there were a number of calls with regard to income support, and direct income support. By working with the federal government, we were able to identify that that was something they were going to be able to provide. That meant that the provincial government could provide support in areas like the GAINS program, which provided \$75 million of support for our most vulnerable seniors; or the support we were able to provide around time-of-use pricing in order to reduce electricity bills; or the support we were able to provide direct to parents who had students under the age of 12, \$200 for each student under the age of 12 and \$250 for special-needs kids.

We will continue to work with the federal government. Similarly, our municipal partners have been great leaders in their communities but have also provided us with important insights into what will work in their community.

This is the approach we want to take going forward, the Team Ontario approach and the Team Canada approach. That, I believe, is what Canadians and Ontarians expect.

**The Chair (Mr. Amarjot Sandhu):** MPP Piccini.

**Mr. David Piccini:** Thank you, Minister, for appearing before committee today. Minister, I know recently the government released a framework for reopening the province and our economy, and we know that that framework relied heavily on the advice of Ontario's Chief Medical Officer of Health. But we know that advice hasn't come without its toll on our small businesses. Can you speak to some of the other criteria and considerations that the government, your ministry and you have looked at in considering reopening the economy—when to open and how to do so safely? I know the small businesses in my riding would really like to hear from you on that.

**Hon. Rod Phillips:** First of all, I'd like to thank the member from Northumberland–Peterborough South for his question.

This has been the approach from the outset, which is, we will get the very best health advice and we will get the very best science advice, particularly important because this is an evolving issue, but we will also apply the advice and input that we get from across the province, including in particular our small businesses.

One of the things that we heard very clearly from businesses—large and small, but I will say particularly small—was the importance for clear guidance. The idea,

“What do I need to do in terms of my business and reopening? I may be closed right now, but I might be seeing in stage 2 the opportunity to reopen. How can I prepare for that?”

And so, we've provided, through Minister Monte McNaughton, our Minister of Labour and Skills Development, over 95 sets of guidance for individual businesses so that if they have a particular type of operation, they can look to where the best advice is coming from. That has been produced with the safety associations across the province. That is over 95 direct pieces of guidance.

But I think the point that I'd like to make is that we have focused on it being guidance. We trust our business community to operate their businesses in a responsible and safe way. They have been very responsible in terms of closing down their businesses in the wake of this unprecedented global crisis. As we go through each of the stages as they open their businesses, we know that, given direct support and advice from government, they will be the ones who will be the people who will lead us through this and out of it directly.

That's an example of the kind of advice and support that we provided, and we'll continue to do that.

**Mr. David Piccini:** Thank you very much, Minister. My next question is regarding the jobs and recovery committee. I know the Premier recently announced—and you alluded to it in your earlier remarks—the jobs and recovery committee and its composition, which you chair. Minister, can you further update us on what work is going on? I know I have spoken loudly and clearly to you about the importance of regional response. What consultations is the jobs and recovery committee undertaking in the days, weeks and months ahead, and how can various members of all parties in the Legislature feed into that?

**Hon. Rod Phillips:** I thank the member again for that important question. Even before the committee was struck as a formal cabinet committee, the Premier asked me to convene the same ministers that are now on the committee to say, “What is going on in these important economic sectors, whether that's mining, agriculture, hospitality and tourism?” The ministers responsible—and I listed them quite intentionally to acknowledge that the work they're doing on behalf of the economy and on behalf of the people of Ontario—have reached out immediately and began those consultations.

There have been over 43 ministerial advisory round table stakeholder meetings. Those have been meetings with specific industry representatives to make sure that we are reflecting on and understanding those impacts. In addition that, we've provided an online opportunity. We've had over 5,000 individuals respond with surveys to tell us about the experience in their community.

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In addition to that, we've provided an online opportunity. We've had over 5,000 individuals respond with surveys to tell us about the experience in their community.

In addition to that, we have asked each and every member of the Ontario Legislature to undertake a community consultation. I should point out that MPP Skelly,

who's on the committee, and MPP Khanjin have already had an opportunity to undertake those consultations. I know that yourself, MPP Piccini—you have also done the same.

We will look forward to all of that feedback flowing back into the Ministry of Finance and flowing back into the committee so that we can have the most fulsome response, understanding not just what's happening by sector and not just what's happening broad-based, but what's happening in each and every community. I think that the leadership of every MPP is essential in this, and I ask each of them on this committee and otherwise to take advantage of this opportunity.

**Mr. David Piccini:** Thank you very much, Minister. I appreciate the response to that.

Minister, my final question is on the contingency fund. I know that the government has spoken at length on setting aside money for a rainy day and the importance of good and prudent fiscal planning and doing it for situations like COVID-19. Can you walk us through your rationale for the COVID-19 contingency fund and talk to us a little bit about what those funds have been used for and what they're set aside to be used for in the long run?

**Hon. Rod Phillips:** One of the principles—as was mentioned previously, we were on track at the beginning of March to have a traditional budget. It would have been a five-year plan, and it would have reflected the strategic priorities of a government that was working its way towards a path to balance while increasing spending in vital areas like health care and education. But, as every one around this table and watching on TV knows, the world changed. Unique among governments in Canada, we changed and pivoted and made the determination that a one-year plan was the only reasonable time frame that we could produce. It was also important that we have a budget and we have a plan, because that plan would actually indicate to our transfer partners what kind of dollars were going to flow.

Coming out of that level of prudence and our desire for transparency, we looked at that one-year plan. If you will remember back to March, we knew even less than we know now, but we knew that it would be important to provide support and have additional resources available in the health space and more broadly. That is why we put an unprecedented \$1-billion dedicated contingency fund to the COVID-19 situation so that, whether it was around additional PPE or supports for additional testing or the many, many other things that are required to support the health and safety of Ontarians, that money would be available.

We also added, as I've referenced, a \$1.3-billion general contingency and an unprecedented \$2.5-billion reserve fund, larger than it has ever been in the history of this province. That's both to support pressures on the spending side, which could occur in health or some of the other areas of vital support for the province, or on the revenue side. We've taken a very conservative approach, both in the one-year time frame of this financial document we're discussing today and also in those contingencies. As

I've mentioned, by November 15, we will produce a traditional longer-term budget. By then, we hope that the fog will have cleared and we will have a better sense of the longer-term impacts.

**Mr. David Piccini:** Thank you. No further questions.

**The Chair (Mr. Dave Smith):** We'll go to MPP Khanjin now. Can you unmute—

**Ms. Andrea Khanjin:** Thank you. I did.

Thank you, Minister. We know that this pandemic is truly global all over the world and we know many economies are struggling. Obviously, none of us have a crystal ball available in thinking about the recovery and the time it's going to take to get us back to normal, but what can you say in terms of how dependent the Ontario economy is on global markets? Subsequent to that, Minister—you mentioned in your remarks that when we talk about restarting the economy, we can't really click a switch, but how do we bring back that consumer confidence? Retail is opening, but it's going to take people a while to be comfortable to go shopping like they used to.

**Hon. Rod Phillips:** I thank the member from Barrie—Innisfil for that very insightful question.

We don't have a crystal ball, but we have been crystal clear that we will do whatever it takes to support not just the health needs of our province, but also restart and then recover our economy. But the member quite correctly points out that Ontario is very, very reliant on global trade and, in particular, reliant on trade with the United States. Nineteen states are the number one trading jurisdictions—we are the number one trade jurisdiction for those states, just for example. In the analysis that is being done by the Minister of Finance, by the jobs and recovery committee, we're looking very closely at—

**The Chair (Mr. Dave Smith):** Twenty minutes.

**Hon. Rod Phillips:** —those trade relationships. We're looking very closely at—

**The Chair (Mr. Amarjot Sandhu):** Twenty minutes.

**Hon. Rod Phillips:** —those trade relationships. We're looking very closely at what we need to do to make sure we sustain vital pieces of our supply chain infrastructure so that we can continue to have that vibrant trading relationship with our neighbour to the south.

Now, anybody who has been observing the news and what's been going on in the United States will know that there have been many challenges there, and we have to be very sensitive to those challenges. So we observe that as well as our other international partners, and we will make investments to make sure that our businesses can continue to be competitive. In fact, we see opportunities, whether it comes to the supply chain as relates to vital PPE or other areas. The Premier has been clear. We will never again be caught in a situation where we are dependent on a border to get the vital PPE that's needed to Ontario health care professionals and others. So there is an intense focus on that.

You mentioned one other area, though, that I think from my perspective is perhaps not spoken about enough, but I think it's an area that we all should focus on. I did mention that one of the realities in every jurisdiction that has

opened around the world is that—you could use the term “consumer confidence”; we could use the term “citizen confidence.” But quite understandably, because of an unprecedented global pandemic and the hundreds of thousands of deaths that have resulted from that around the world, people are anxious about the safety of themselves and the safety of their families. Everywhere around the world, we’ve seen reduced numbers of businesses open because they weren’t sure it was safe, we’ve seen reduced numbers of employees come back because they weren’t sure it was safe, and we’ve seen reduced numbers of customers feel comfortable.

I think this is an area where our phased approach and the very clear approach that we’re taking has inspired confidence. We are being trusted collectively, as leaders, to provide the guidance that our businesses need, that customers finally need, to feel comfortable returning to work. We need to remain flexible to provide that confidence. But we are being trusted in that regard. We will also trust our businesses and we will trust our citizens to make the judgments that they need to make, knowing that the protections are in place, whether it’s contact tracing or the availability in our acute-care facilities to support those that get COVID-19. These are the sorts of things that we need to make sure are in place so that they can have the trust to go back to re-engage the economy, which is what we need, particularly because of the global challenges that you referenced.

**Ms. Andrea Khanjin:** Thank you. That’s my final question.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We’ll go to MPP Crawford.

**Mr. Stephen Crawford:** Thank you very much. Can you hear me, Chair?

**The Chair (Mr. Amarjot Sandhu):** Yes, we do. Please start.

**Mr. Stephen Crawford:** Thank you very much, and thank you to the minister for making himself available today. I really appreciate your time here today.

Obviously, this government has done a lot of work in terms of reducing the structural deficit. This government inherited the world’s largest sub-sovereign debt. Obviously, that’s come under some pressure right now with what’s happening with the COVID-19 crisis.

So given the need for government support over the next uncertain amount of time in this challenging time, are you confident or are you worried about the ability to rein in the deficit after this crisis is over?

**Hon. Rod Phillips:** Thanks to the MPP from Oakville for that important question.

I think that we, through the actions of this government, helped put Ontario back on a stable financial footing. I think that is something that people have come to appreciate the importance of, because one of the very important reasons—whether it’s your household or your business or a government—that we need to behave responsibly fiscally is so we have the resources in times of crisis to be able to respond. COVID-19 has been that crisis, and the provincial government has been able to respond with a

number of the measures that we’ve talked about in detail today. That has been at the expense of a higher deficit.

We were, as the members of this committee will know, on track to balancing the budget. Now, for the deficit, we project in excess of \$20 billion. We have seen, again, the impact around governments, around Canada and around the world globally—that people are putting the resources and the spending in place to protect health and safety and to get economies going. All of us will need to look to the impacts of that once we are through this crisis. Clearly, in the long term, it’s essential that Ontario maintain the stable financial situation that has put it in its position to respond to this crisis. The previous government left record debts—\$355 billion, as the member pointed out, the largest sub-sovereign debt in the world—and so that was the starting point. That’s why we are working our way back to balance.

**1050**

But the reality right now is that the focus of this government is going to be on making sure the resources are in place from a health care perspective, from a jobs and recovery perspective, from a people and businesses perspective. By getting those things right, by making sure we secure people’s confidence with regard to our ability to respond to COVID-19, by supporting businesses in co-operation with the federal and local governments, by supporting people in co-operation with the local and the federal governments, we will get the confidence back to be able to have the kind of growth that is going to be so essential to dealing with the long-term fiscal stability of the province.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We’ll go to MPP Skelly for the next question.

**Ms. Donna Skelly:** Good morning, Minister. As we’ve all heard this morning and we’re hearing from constituents, we’re seeing businesses face unprecedented challenges right now in Ontario. But where there is a silver lining, I think we really have to highlight that. One area is e-commerce. In fact, in my hometown of Hamilton, the Hamilton airport, which is the busiest overnight cargo airport in Canada, is seeing unprecedented growth.

I’m just wondering if you could share with this committee some of the work that you’re doing in the jobs and recovery committee and how you’re embracing e-commerce as we move towards a plan to help businesses recover from COVID-19.

**Hon. Rod Phillips:** That’s a great question from the member from Flamborough–Glanbrook.

I mentioned before we don’t have a crystal ball, but people have asked, “What is business going to look like? What’s our economy going to look like? What’s our society going to look like on the other side of COVID-19?” When I say “on the other side,” we also have to include the period when we’re still addressing the virus, when it’s in our communities.

None of us knows for sure, but one of the things that I think we can be confident in is that the kinds of trends that were already occurring, and that were in support of things

like an advanced digital economy, are going to be accelerated. This has made the sort of investments that our government is making, for example, in broadband, that we're making in programs like the digital downtown—these are the sorts of investments that we're supporting, the evolution towards a digital economy. But now we're going to accelerate that kind of growth.

We have talked in the Legislature about the importance of a digital strategy, of data, in the future. I think that one of the areas of focus that we're going to see as this recovery evolves is the increased importance of data and the opportunity that that allows for our businesses. That is why one of the areas of focus of the jobs and recovery committee for each of the ministers, in terms of their ministerial advisory committees, is to look to that future business model, what's evolving and how Ontario can get out in front, show leadership, in terms of evolving its businesses.

You also mentioned the Hamilton airport. I must mention, as well, there are a number of other businesses where the acceleration and the opportunity is something it is providing, both local and provincial opportunity. I think we are going to need to look to the opportunities that come out of the COVID-19 situation and to make sure that Ontario is at the forefront. As you all know, we have some of the best minds in the world in business, in science, in health care. We need to make sure that we are looking to those opportunities and taking advantage of them.

**Ms. Donna Skelly:** Minister, you talk about the opportunities, e-commerce being one of them, but are there any sectors that you are particularly concerned about, either because of challenges with a workforce or the GDP, for example?

**Hon. Rod Phillips:** I know that you're going to hear from Minister MacLeod, and I think the committee wisely made that decision, to speak to that industry early. The impacts very directly on the restaurant industry, on the tourism industry, on the hospitality industry, of the realities of social and physical distancing that are required as a result of COVID-19, mean that we need to be very mindful of these businesses. In many cases, they're at the core of a lot of our communities, but they're also a very important industry in our country.

Another area of focus needs to be the travel industries, particularly airline travel, and what the impacts are going to be. Toronto is the capital of our province, but also a hub of transportation through the Pearson airport. That has been a vital part—

**The Chair (Mr. Amarjot Sandhu):** Ten minutes.

**Hon. Rod Phillips:** —of our ability to be a success as a province.

There are a number of industries that have been impacted. I think we also need to look to the broader supply chain and our manufacturing businesses. One of the things that we've been very focused on, through my Vice-Chair of the committee, Minister Vic Fedeli, is the continuity in the manufacturing businesses, in the supply chains. What is the reality of the current situation at our border going to be, as it goes forward?

So there are a number of areas and a number of industries that I think the committee is going to hear from. We look forward to the feedback that you hear from Ontarians about what their governments need to do and what they need to do to support them going forward.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Smith for the next question.

**Mr. Dave Smith:** Thank you, Minister. I appreciate everything that you've been doing with this.

Small businesses have been particularly hard hit by this pandemic. There are a lot of restaurants and small businesses in my area that have been struggling. If you walk in downtown Peterborough right now, it looks like a ghost town. Many of those small businesses have had to close their doors. They haven't been able to open for eight or nine weeks now.

What measures are in place to support them, and what gaps have been identified as needing to be filled, as we start to think about reopening and having this recovery phase?

**Hon. Rod Phillips:** Of course, we all have many small business operators in our ridings. What they all want most of all is to get back to being able to do business in a safe way. The focus on safe reopening, the guidance we've been able to provide from the Ministry of Labour in that regard and regular communication with those businesses through work of colleagues like yourself and our minister of small business, Prabmeet Sarkaria, have been important in terms of understanding the priorities for those businesses.

In addition, we've worked very closely with the federal government around the supports that they've provided around payroll; around the supports on the program we've talked about for rent, which would provide a 75% subsidy for those small businesses; around the supports we've provided around electricity pricing, to make sure that their costs of electricity are lower; around the supports that have been provided around loans, up to \$40,000, \$10,000 of it forgivable. So a number of programs have been put in place to try to support those businesses.

But as we all know—because we know those entrepreneurs, those operators—what they really want to do is be able to get back to business. We will continue to look to the areas of support that are required, but we want, collectively, the 14.5 million of us as Ontarians, to continue to make sure that we're observing physical distancing, to continue to make sure that we're observing the hygiene requirements that public health tells us about, to continue to make sure that we're cleaning frequently used surfaces, to continue to do all the things that we need to do so that we can continue to see the progress that we need to make so that we can move as quickly and safely as we can to an opening of the economy more broadly. That's what our business people want. That's what we all want. We just need to do it safely.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Rasheed for the next question.

**Mr. Kaleed Rasheed:** Minister, as you know, the health and safety of Ontarians is our government's number

one priority. Ontario has taken a cautious, prudent approach to reopening the economy. The virus also hit Ontario a bit later than some other jurisdictions, so there are definitely jurisdictions that started opening up their economies sooner.

Are there any jurisdictions you or the ministry are paying close attention to, either because they are doing well and there are lessons that we can learn, or because we don't want to make the same mistakes?

**Hon. Rod Phillips:** That's an excellent question, and thank you to the member for Mississauga East-Cooksville.

We are absolutely taking advantage of the fact that we've seen a number of openings, whether it was what was working in South Korea or Singapore—very specifically, we've looked at a number of European jurisdictions, including Germany. We are also looking at US jurisdictions.

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**The Chair (Mr. Amarjot Sandhu):** Five minutes.

**Hon. Rod Phillips:** Obviously, those jurisdictions that are closer in terms of the nature of their economies to ours are the most helpful.

What we've seen in all of those jurisdictions are two things that I always think it's important to repeat in terms of setting our expectations. The first is that there will be flare-ups as long as we have COVID-19 within our communities. As economies open and as people come together, there will be flare-ups. That's why there is the essential focus that you mentioned on making sure that we have the capacity in our acute-care health care system, that we maintain it; that we have the testing and tracing; that we see progress with regard to cases; and that we also look, as we are now looking, at how that can be done on a regional basis. That is one of the things that we've seen around the world.

The second thing we've seen around the world is that whatever the work that's been done, fewer companies come back in terms of people being willing to open than people might expect. When they open, those companies have fewer customers, and this is certainly reflected in the experience that I've talked about. Two weeks ago tomorrow, we allowed retail stores that have a door to the street and not in a shopping mall to open. On those initial days, 10%, 15%, 20% of normal traffic is what I've been hearing from those small businesses. This is the common experience around the world.

We also know that employees have not come back as quickly as people might expect. That is why we have put a real focus on making sure—whether it's about employees or customers, we've provided the guidelines so that people can feel safe and comfortable that companies and businesses, small or large, are opening in an organized fashion and opening in a safe fashion.

This is, in some ways, not a destination but a journey. We are going to have to continue to get better and better at that approach. I have great optimism when I look at the way that we are approaching this. It's really for three reasons.

The first is that every day, we see that our health professionals are getting better and better at dealing with the reality of COVID-19, and that is so important to the confidence, but also to the health of Ontarians.

The second is because of the great work of our scientists. I wish that every committee member could be with me when I get to have conversations with some of the brightest people in the world working just down the street or across this province, researchers here in Ontario, supported by the Ontario government and the federal government, who are making landmark progress—not just with regard to the idea of a vaccine, because that is very important, but also with regard to treatments that are going to be so important in this journey: antivirals that are going to make it easier. It's very difficult for our health professionals now because their health advice is essentially, "Self-isolate, and then come in if your situation becomes acute." No health professional wants that, and our science community and the global science community will make progress and will beat this.

Then the third reason is because of the optimism I take just from watching how businesses and all of us—

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Hon. Rod Phillips:** —are evolving and understanding how we can interact, how we can learn to live with COVID-19. We all want to get to the point where COVID-19 is defeated, but we are going to go through a period where that is not the case. I have optimism because we are making progress in health, progress when it comes to science and progress when it comes to dealing with this, whether it's our businesses or as individuals, that is really going to make sure that Ontario comes through this in the best possible way.

**The Chair (Mr. Amarjot Sandhu):** Any further questions?

**Mr. Stan Cho:** No, Chair, that's it. Thank you very much for your answers there, Minister—very helpful.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much, Minister, for appearing before the committee and for your presentation.

**Hon. Rod Phillips:** Thank you to the committee. Good luck with your deliberations.

#### FINANCIAL ACCOUNTABILITY OFFICE OF ONTARIO

**The Chair (Mr. Amarjot Sandhu):** I will now call on our next presenter from the Financial Accountability Office to please come forward: Peter Weltman, the Financial Accountability Officer. If you can please state your name for the record. You will have 15 minutes for your presentation.

Also, if you can introduce your other colleagues.

**Mr. Peter Weltman:** Thank you very much. Good morning. It's an honour to be here. I'm joined by our chief economist and Deputy Financial Accountability Officer, David West, and our chief financial analyst, Jeffrey Novak.



The legislation that governs my office is explicit in the FAO's requirement to support your committee, and we do so with open arms and enthusiasm—and I mean that. It's our first formal appearance. We're really excited to be here.

The FAO provides analysis about the provincial economy and the government's fiscal position, which is Dave's side, as well as the financial impact of policies and programs, which is Jeff's side. I'm going to have a few opening remarks. I'm going to walk you through a very short slide presentation that will summarize the economic and budget outlook that we put out about three or four weeks ago to give you a bit of a baseline as to where we think things are from a fiscal and economic point of view in Ontario, and then we'll go to questions. My remarks are going to be very short. I won't be using the 15 minutes.

This is a historic time, and the decisions that we make now will have an impact on future generations. This is not something any of us have lived through. Our role is to provide analysis. The economic and budget outlook, for example, gives you a baseline against which policy trade-offs can be made, and that's your role. We'll support you in that role with analysis of the fiscal impact of those trade-offs.

I have a short presentation that sets out our baseline economic and fiscal forecast for the province. This will be followed by a brief discussion about the work we currently have under way to support the committee, and after that we'll be happy to take questions.

I'm going to go and share my screen. There we go. All right. These aren't pretty pictures, but I think they do accurately summarize where we are right now, and that's what my job is, for better or for worse.

Real GDP is projected to decline by a record 9.0% in 2020, a result of government-directed shutdowns in response to the pandemic. As the containment measures are eased, the economy will recover, with the real GDP expected to partially rebound by 8.5% in 2021. As the *[inaudible]*, the outlook depends crucially on the timing and pace at which the economy can be reopened in the coming months. We have assumed that the current shutdown is largely sustained into the summer and then gradually and progressively lifted through the fall, which is broadly consistent with the government's own three-stage framework for reopening the economy.

I'll just put that up on the screen a little bit better. How's that?

Based on data from March and April, 2.2 million Ontario workers, or about one in three jobs, have been impacted by the pandemic shutdowns. This includes 1.1 million workers who have lost their jobs, mostly through temporary layoffs, and another 1.1 million workers who are working sharply reduced hours. In most cases, in fact, most of these workers are still employed, but they're not working any hours.

As a result of the job losses, Ontario's unemployment rate more than doubled to 11.3% in April, the highest rate since 1993. This severe economic contraction will result in a significant drop in Ontario's revenues at the same time

as the government is increasing program spending to respond to the pandemic. As a result, the FAO projects that the Ontario budget deficit will almost quadruple to a record \$41 billion or 5% of GDP in 2021. The FAO's deficit projection is twice as large as the government projected in March, largely as a result of the sharp deterioration in the economic outlook since the government released its update.

As the economy recovers, the deficit is projected to decrease to \$25.3 billion in 2021-22, which would still be more than double the 2019-20 deficit. Record deficits will lead to an additional \$78 billion in provincial debt over the next two years, with debt reaching \$435 billion by 2021-22. Those are the blue bars. This will push up Ontario's debt-to-GDP ratio to almost 49% by next year. That's *[inaudible]*. The key take-away is that even as the Ontario economy recovers, the debt burden will remain elevated.

**The Chair (Mr. Amarjot Sandhu):** Ten minutes left.

**Mr. Peter Weltman:** However, lower interest rates will reduce Ontario's borrowing costs for both new and maturing debt, despite a sharp 13.2% increase, or \$47 billion, in net debt this year. Net interest payments are expected to increase by a more moderate 4.5% as a result of historically low borrowing rates.

Relative to government revenues, interest payments are expected to account for 8.9 cents of each dollar, up from eight cents last year, and while interest on debt payments is projected to rise, it will remain well below the highs they reached in the 1990s, which were around 15%.

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These are unprecedented times for all governments at home and abroad, and I'm pleased to make available the resources of my office to support the important work of the committee as it reviews the impact of the COVID-19 crisis on sectors of the provincial economy and reviews measures to contribute to their recovery.

For our next steps, we will continue to monitor economic and fiscal developments through the summer as the province continues to reopen. Based on this work, we plan to release an updated economic and budget outlook in September, providing some economic and fiscal context for MPPs in advance of the government's own budget, expected later in the fall.

My office is also working on a series of projects that will provide insights into some of the sectors that you've identified. For example, we're looking to put out a regional labour market analysis that will look at the impact of the pandemic on workers in specific Ontario communities. This will help identify the sectors and regions that have been hardest hit.

We will also be providing analysis of the government's spending plan, as we've just released last week, and quarterly spending program updates on where money has been spent.

With that, I'm done. Thank you very much, Chair. We'll turn to questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll go to the independent members this time for 15 minutes of questioning. MPP Schreiner?

**Mr. Mike Schreiner:** I believe MPP Hunter was going to go first, but if she's not ready, I'm happy to go first.

Thank you to the FAO for being here and for the great work that you do. It's a grim picture, but it's important for us and for the people of Ontario to know the reality that we're facing.

In the presentation from the finance minister, I asked him about one of your reports on the mini-budget that the government brought forward in March, where you outlined that of the \$7 billion in direct funding—so \$10 billion in deferred; \$7 billion in direct—that \$4.5 billion was new spending and \$2.6 billion was on non-COVID-19 related expenditures. The finance minister disputed those numbers. I'm just wondering if you could maybe elaborate on them and how you reached that conclusion.

**Mr. Peter Weltman:** I think it's important—I think, this, you understand, Mr. Schreiner and the committee—that we do our own analysis. It's independent of the government's. We'll take what the government has put out and we'll put our own thought behind it.

Effectively, in this case, from the \$4.5 billion, there's money that was specifically earmarked for pandemic response, and that was indicated in the 1,503 lines of financial transactions that we went through to understand what the money was for.

The other two measures were some money for hospitals and money for the electricity subsidy that's been ongoing, so those are funds that were earmarked for this fiscal year, before the pandemic arrived. So it is money for this fiscal year. We didn't consider it a pandemic response because the monies had already been put in place before the pandemic arrived, and that's simply how we saw it.

**Mr. Mike Schreiner:** Great. Thank you for clarifying that; I appreciate it. There was a suggestion that some of the money was to reverse cuts in the 2019 budget, to public health and paramedic services etc. Is that correct?

**Mr. Peter Weltman:** Yes, and the report details how much and where we observed program cuts that were reversed—so certainly in health care and public health. And in other parts of the economy and in other sectors, we saw some program cuts that were reversed, and that's what the funds were there for. The report does detail that.

**Mr. Mike Schreiner:** Great. I appreciate you clarifying that, as an independent officer of the Legislature, for us. Thank you.

I just want to shift to electricity subsidies briefly. It's my understanding that we're now spending \$5.8 billion on electricity subsidies, which is larger than agricultural, food and rural affairs, economic development, environment, conservation and parks, Indigenous affairs, infrastructure, labour, municipal affairs, and natural resources all combined, actually. So it's a significant expenditure for the province.

And then in addition to that—the flat rate between now and the end of August, that's an additional \$316 million. Is that in addition to the \$5.8 billion—so we're going to be looking at well over \$6 billion for electricity subsidies?

**Mr. Peter Weltman:** [*Inaudible*] was there, as you mentioned. The \$5.8 billion was accounted for prior to the

pandemic. We knew that was coming. Then there was another \$174 million, \$175 million that we identified in time-of-use. I think the government identified something similar to that.

In our time-of-use report, we also forecast what it might cost if the government were to extend this program. These extensions would be additional to the spending that we found in our spending analysis. However, we also noted in our report that there were funds in allocated funds—so funds set aside to deal with any other issues regarding the pandemic. While we don't know for sure that that's where the funds will come from, it's our assumption that that will be how these funds will get spent.

**Mr. Mike Schreiner:** Okay. My final question before I yield to my colleagues: Have you done any breakdown of analysis by household income? Because I have seen some analysis from the Ontario Energy Association that higher-income households disproportionately benefit from these programs. Have you done an analysis along those lines?

**Mr. Peter Weltman:** Thanks for the question. We are working on analysis in a regional demographic breakdown of the electricity subsidies, but it's not ready.

**Mr. Mike Schreiner:** Okay. So you can't comment on the Ontario Energy Association's report that it disproportionately benefits higher income households.

**Mr. Peter Weltman:** It's an interesting report. It's something we'll take into consideration, but we're not going to comment on other people's reports. We don't do that.

**Mr. Mike Schreiner:** Okay. Thank you. I appreciate that.

I'll turn it over to my Liberal independent colleagues.

**The Chair (Mr. Amarjot Sandhu):** Ten minutes left. We'll go to MPP Hunter.

**Ms. Mitzie Hunter:** Sorry, I just needed to start the video.

Good morning. I appreciate you being here today—you and your colleagues, Peter. My question is related to the slide that you showed us on the 2.2 million people who are out of work or who have lost hours of work.

I do recall in your forecast—I think this was our economic budget outlook—that you had two versions of the reopening in terms of the pace of the reopening, as it relates to recovery and jobs. Can you talk about what you're seeing, now that we are gradually getting into the stages of reopening, in terms of the prospects for jobs coming back? Are there any particular groups or types of jobs, in fact, that you are concerned about in terms of their regaining employment after this?

**Mr. Peter Weltman:** Thank you for that question. Again, that's something that I imagine we're all very interested in knowing.

In the economic and budget outlook that we did in early May, we posited a scenario as opposed to a baseline. The baseline is our assumption going forward, which is that the economy recovers gradually and we see the big bump next year, in 2021. The scenario is that the economy does not recover gradually, that it recovers very slowly for

whatever reason—it may be for pandemic-related reasons; maybe there's a second wave—and recovery doesn't really begin until next winter, in 2021. In that case, we see a budget deficit next year of closer to \$37 billion rather than \$25 billion. So that's one. That's the scenario I think you're referring to.

Secondly, in the labour market study that we're going to put out, hopefully in the next two or three weeks, we will have a chance, then, to look at a three-month sort of time series of data to see where the job losses were in terms of types of industries, the regions; and then if there's any type of recovery—because it will capture some May data; it won't capture the June data, which is where we're starting to see most of the opening happening. So it may give us some sense as to where things are going, but so far, what we're forecasting, our baseline, seems to correspond with what's happening on the ground. But it's very early days right now.

**Ms. Mitzie Hunter:** I'd like to just clarify: Do you have any sense of the sectors most at risk? Given the nature of the pandemic affecting service jobs and certain types of jobs, there's a sentiment that women are at the forefront of bearing much of the loss in jobs in this pandemic. Also, what is the economic impact on youth in terms of their employment prospects as it relates to even young people who are graduating, trying to make sense of a labour market that just isn't there?

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**Mr. Peter Weltman:** Again, those are excellent questions. I'm going to answer quickly, and I'm going to pass it over to Dave to get into some of the details. But effectively, what we're hoping to do with this June labour market report is to answer some of the questions that you pose, which is who—from a smaller level or a micro-level—is most affected. As data starts to become available over the course of the summer, we'll be able to get a little bit more precise on that.

Dave, I'm going to pass it over to you to finish answering, maybe on what industries have been most affected that we've seen so far.

**Mr. David West:** Thanks very much. That is a terrific question. We've already put out two reports on the labour market impacts and have identified the industries that have been hardest hit. It's not surprising at all that the hardest-hit industries are those workers in those industries that are public-facing: retail, restaurant, hospitality. These are the workers who are hurt the hardest and have been hit the hardest by the pandemic and by the shutdowns. Certainly, the portion of workers in those industries—

**The Chair (Mr. Amarjot Sandhu):** Five minutes left.

**Mr. David West:** Sorry?

**The Chair (Mr. Amarjot Sandhu):** Sorry, five minutes left.

**Mr. David West:** Those workers are—many of them are youth, many of them are recent immigrants, and many of them are also women, of course. There's a higher proportion of women than men in those industries. For sure, they have been hit the hardest.

We would expect that there will be a recovery. We've assumed there'd be recovery through the fall. Our

economic forecast is based on that. But it's not a full recovery. It's not going to come back to where it was. That's still a big a question mark for all forecasts. So it'll be some recovery, but not a complete one.

**Ms. Mitzie Hunter:** And just my final question before turning it over to my colleague Stephen Blais. I want to know if your office, Peter, tracks bankruptcies, and if this is something that we can request that you track for us during this study as we're looking at certain sectors.

**Mr. Peter Weltman:** It's not something we've done in the past, but it's certainly something we can track as part of the data sets that we use as we put together our analysis. So certainly, you can ask us for that.

**Ms. Mitzie Hunter:** Okay. Thank you, and over to Stephen.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP Blais?

**Mr. Stephen Blais:** Thank you again for your presentation. Just referring to slide 4—and I believe you referenced this in your oral presentation as well—your projection of the deficit is twice that of the government's for March, and your analysis also shows that there is less being spent on COVID-19 recovery than the government originally claimed or is defining. I'm wondering if you can articulate again what's driving both those decisions, or your analysis on those two points.

**Mr. Peter Weltman:** I think it's important to, first of all, remember that when we put out our economic and budget outlook with data right up until the end of April 2020, the government put its budget outlook up in late March, using data until about the middle of March. The beginning of the shutdown only really occurred around the time that the government was in the process of publishing its update. So that update missed most of the shutdowns, and these were shutdowns that literally happened days after there wasn't expected to be any shutdown.

Things have been moving very, very fast. That's why there's a significant difference. And the difference, really, in what's driving the deficit is the revenue side, the loss of government revenues. When you shut businesses down, they're not making profit. People aren't working. They have nothing against which to pay taxes. Tax revenue—personal and corporate—is way down, and even HST revenue is way down because people can't buy anything except for groceries for the most part, and those aren't taxable.

That's what we've seen as really the driver behind this deficit. The deficit is more of a revenue story, if you will, as opposed to a spending issue right now. But, again, the situation is fluid. We've seen at the federal level so many different announcements and changes of programs that we'll undoubtedly have to update—

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Mr. Peter Weltman:** I'm going to leave it there.

**The Chair (Mr. Amarjot Sandhu):** You can continue.

**Mr. Stephen Blais:** Thank you for that. The government has repeatedly indicated that they don't have the fiscal capacity to do more, to intervene, to provide

supports, to respond to the pandemic. I'm wondering about your opinion on that.

**Mr. Peter Weltman:** What we've done and what we've signalled in the past—there isn't really a magical number that says that today you have fiscal capacity and tomorrow you don't. What we've signalled is that the debt-to-GDP ratio is rising, it's starting to get to historically high levels, and it will surpass that as a result of the pandemic.

I'm not going to comment on what the government is saying, but what I'll try to explain to the committee is that fiscal capacity, in a nutshell—

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Mr. Peter Weltman:** —is how much you can borrow before people stop buying your bonds. That's always the risk you have to manage when you are trying to estimate fiscal capacity. The federal government has significantly more room to borrow than the provincial government does.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP Hunter?

**Ms. Mitzie Hunter:** Yes. Chair, I believe we had a small amount of time, and I would like to ask the FAO to do some work for us in that time.

**The Chair (Mr. Amarjot Sandhu):** Thirty seconds.

**Ms. Mitzie Hunter:** Thanks so much, Chair.

Peter, I'm just wondering, along the lines of Stephen's question, if you could give us a breakdown between Ontario's and the federal government's responses during this pandemic so that we can see the proportion of investments being made by the different levels?

**Mr. Peter Weltman:** Okay. We can do that.

**Ms. Mitzie Hunter:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the government side for their time of questioning. MPP Skelly.

**Ms. Donna Skelly:** Good morning, Mr. Weltman. Thank you so much for your presentation.

As you know, back in March—I believe it was March 25—our government tabled its spring 2020 economic and budget outlook. Of course, this replaced the budget for 2020-21, and it was unique to any government in Canada. I'm just wondering if you could share with this committee and people who are following the proceedings the importance of regular financial reporting.

**Mr. Peter Weltman:** That's a great question, because that's what our office is set up to do. What our office is here for is to support MPPs and to encourage transparency in budgeting, transparency in financial reporting. I think I was reading somewhere that, and it's my view that—especially in times of pandemics and times when it's important that governments maintain the trust of their citizenry, transparency to me is the critical link to that trust. So anything that encourages more transparency on government spending and on revenues to me is better.

Over to you, Chair.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Crawford for the second question. Can you hear me, MPP Crawford?

**Mr. Stephen Crawford:** Yes. Thank you very much, Chair.

Thank you, Mr. Weltman and the FAO, for coming in here today. It's certainly sobering seeing some of the deficit projections given the government's response to help the COVID-19 situation, but it certainly highlights the importance of spending responsibly and fiscal restraint when economic times are good.

With that, I'd like to ask you a little bit about your report, the spending report and the analysis of 2020-21, where you suggest that the government shouldn't include certain hospital funding and electricity rate relief as part of its COVID-19 response. We believe that increased hospital capacity benefiting many hospitals that have directly responded to COVID-19 and electricity rate relief, which in addition to suspending time-of-use pricing provides direct relief on consumers' bills, have both directly contributed to the government's response to COVID-19. In fact, were there no COVID-19, these programs wouldn't be in place. I think we can all agree with that. So could you just give us a sense of why you disagree with that?

**Mr. Peter Weltman:** Sure. So I think again, to reiterate, we don't agree or disagree specifically with government policy; what we do is we provide our own independent analysis of what we see, sort of like the referee in a hockey game. We call them as we see them. I know it's a little bit of a—anyway.

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With regard to that spending, I think you made a point—the way we saw it, there was spending that was earmarked in there long before there was any talk of a pandemic. That's why we isolated that and said, "This was spending that was already planned to happen regardless of the pandemic." And that's where we kind of stopped. If the government chooses to include that as part of its pandemic response, the government is certainly welcome to do so. That's not how we saw it. It's really nothing more complicated than that.

Chair, I'm done. Thanks.

**The Chair (Mr. Amarjot Sandhu):** We'll go to MPP Roberts.

**Mr. Jeremy Roberts:** Peter, thank you to you and your colleagues for joining us today at our first virtual meeting.

We obviously know that the COVID-19 pandemic is having a negative impact on Ontario's economy. Unlike previous periods where lower demand forced businesses to cut production, the current decline in economic activity is obviously due to the health measures that we've put in place to stop the spread of the virus.

Our government remains confident in the strength of Ontario's economy to rebound once these measures are safely lifted. I wondered if you could provide a bit of colour on whether or not you're optimistic about the future of Ontario's economy.

**Mr. Peter Weltman:** I wish I could. It's a great question and I wish I could provide colour. The mandate doesn't really permit me to do so.

What we will do and will continue to do is to keep doing analysis. We'll keep monitoring existing fiscal and

economic conditions. We'll keep putting out reports as often as our staff is able to do so, and provide and answer questions to MPPs, whether in groups like this or individually, to the best of our ability, and provide our analysis on it. So I would say that that's where we sit.

I will try to answer your question a little more carefully and say that, so far as we're seeing it, in early days, the reopening of the economy seems to be what we sort of hoped for, if you will, in our baseline at this time.

**The Chair (Mr. Amarjot Sandhu):** We'll move to MPP Khanjin for our next question.

**Ms. Andrea Khanjin:** Thank you to Mr. Weltman for your presentation.

As you know, Ontario's spring 2020 economic and budget outlook included some historic levels of fiscal prudence, as noted in various reports and by yourself, including the dedication of a \$1-billion COVID-19 contingency fund—

**The Chair (Mr. Amarjot Sandhu):** Nine minutes left.

**Ms. Andrea Khanjin:** —and, of course, health investments and a \$2.5-billion reserve. Can you let us know how this has really improved our fiscal plan and how this level of prudence in incorporating it will help our fiscal framework?

**Mr. Peter Weltman:** [*Inaudible*] point that out in our spending analysis, that there were funds that were set aside, both as reserve as well as unallocated funds. When you're facing any kind of a crisis, it's always useful to have a little bit of extra firepower available to you to deal with situations as they unfold. We're seeing that happen now. Certainly, as an example, what's going on with long-term-care homes wasn't something that was provisioned for directly in the March update. We assume that some of the funds that are in the unallocated sections, if you will, will be applied to addressing some of these issues.

Now, what we look forward to is timely updates in terms of where the spending has been happening. We will also be providing you—the committee and MPPs—with quarterly spending updates, just to show what's been spent and where it's been going. We'll have our Q4 report coming out probably in early July, and then our Q1 report sometime in the summer. That will also help to highlight where the money is going.

**Ms. Andrea Khanjin:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** We'll go to MPP Piccini for the next question.

**Mr. David Piccini:** Good morning. Thank you very much, Peter. I appreciate the work of your office and the analysis that you produce. It's very helpful for myself, and I think I can speak on behalf of all other members of the Legislature. It's greatly appreciated.

I'm just wondering if you could give some insight into upcoming future reports. You alluded earlier to the important role that the feds play and how they're able to access finance at a much better rate. Might you be able to, going forward, provide analysis as well, if requested, relative to some of the planned federal programs or asks thereof, of the federal government—an analysis of what that would look like in Ontario?

**Mr. Peter Weltman:** Just to make sure I understand the question, and I think I do: The economic and budget outlook that we put out in early May does incorporate the federal plans that were announced up to that point; for example, the wage subsidies etc. Those are all incorporated, and they have had a significant impact on the economic side, which is household consumption. Household consumption is going to be a little bit higher because of these policies than would have otherwise been the case. That's illustrated in our EBO.

Going forward, as the federal government unveils more plans, as well as the Ontario government, we will incorporate those into any future fiscal forecast, and we're hoping to get one out to you by September. It will incorporate anything new.

I think we heard from MPP Hunter earlier, who wanted us to put together a list of federal and provincial support measures—

**Mr. David Piccini:** Perfect. So just to clarify, you are able to provide analysis on projected federal programs or asks relative to the Ontario context?

**Mr. Peter Weltman:** Yes, exactly. We do that, and what we do is, when there's a spending support or household support, we're able to apportion Ontario's share, if you will, through our model. So yes, we are able to integrate the federal programs into the Ontario forecast.

**Mr. David Piccini:** Wonderful. Thanks again for the work of your office. It's greatly appreciated.

No further questions, Chair.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Cho for the next question.

**Mr. Stan Cho:** Thank you, Chair. How much time do we have here?

**The Chair (Mr. Amarjot Sandhu):** Five minutes.

**Mr. Stan Cho:** Okay. Thank you so much. It's great to see you, albeit like this, Peter, Jeff and David. I want to thank you for all the hard work your office is doing. I know these are certainly extraordinary times for your office as well. We appreciate the work that you've done.

I think we can confirm that we agree this is new spending that's in question here, but that the methodology may differ. I do want to shed some light on the government's opinion here, just for the people viewing: We believe that more people are at home, that they're spending more on hydro just by virtue of being at home, and that small businesses, because they're not drawing a revenue, still have those fixed costs and they are still paying hydro, and so our government believed it was very important to make sure that we provided supports for individuals and small businesses. We do believe that the energy mitigation money that we announced on March 25 was a direct support for the pandemic. Certainly, we believe that it has provided a lot of support for Ontarians out there.

When it came to the health care spending, the additional \$1.2 billion, I'd like to remind everyone that this is on top of record spending in our health care system in Ontario's history. We believe that the additional funds were necessary just to have that capacity available because the climate was changing so quickly and this pandemic really

caught the world by storm. We just needed to make sure that our health care system was there and prepared just in case that additional capacity was necessary.

Certainly, we appreciate the differences of opinion on this methodology, but we thank you again for all of the work that you've done. It's not really a question—but just to say thanks for that, and I look forward to working with your offices as we move forward during these certainly extraordinary times. I hope that all three of you are safe at home with your families, and I hope to see you again in person very soon.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move to the opposition side for their time of questioning.

MPP Shaw, can you unmute your microphone, please?

**Ms. Sandy Shaw:** Good morning. Thank you very much for being here. My questions are specifically around the notion that we are tracking spending, which is important, but what we're not getting a sense of is service levels.

We talked about how some of the funding that was announced by this government was a return of funding that was cut to services such as public health, child care, paramedics. My question is, going forward, how are we going to ensure that we know what services the people of Ontario are receiving; very specifically, for example, if we're talking about supports for child care? Child care is a fundamental component, in my opinion, of a sound economic recovery. We can talk about millions and billions of dollars, but at the end of the day, when it comes to people trying to access service or child care, how do we know if we're making progress on that?

1140

**Mr. Peter Weltman:** It's a great question, and I'm glad you brought it up because I was going to bring up something to the effect that performance measurement is more than just reporting how many dollars are being spent. I agree on that score.

We do some of that sort of work initially. For example, we're working on a piece on the autism program and the changes to that program that were announced by the government. That will be a report that we have coming out later. We've done some work in the past on business supports, for example, which I think would be very useful for this committee as it considers recovery options—so the effectiveness of business support programs in certain sectors versus other sectors. Coupled with the Auditor General, who also does value-for-money audits, which does incorporate a component of performance assessment after the fact, I think the committee and MPPs writ large are well served with those two components.

In terms of specific services that you and/or the committee are interested in, those are the things that we need to discuss. You will have to ask us when we discuss the feasibility and how we might go about doing that sort of reporting.

**Ms. Sandy Shaw:** Thank you. Now, just to return to the contingency funding, we've talking about that as unallocated funds—that's correct? You had indicated that

you will be helping us to keep track of how that money is being spent. I think you mentioned that you just assume, perhaps, that some of the additional supports from hydro would come from that. I suppose what I would be most interested in is the immediate need to address the atrocious conditions that we're all seeing in long-term care. Would that be an appropriate use of the contingency funding?

**Mr. Peter Weltman:** Thanks for the question.

We don't determine appropriate or not appropriate; that would be probably more under the AG's purview. I just want to also make a distinction that—and again it's a nomenclature thing—there is the “contingency fund” which is held at Treasury Board, which is used to move money to programs that may be requiring some, and then we have something that we call “unallocated funds.” Those are funds that have been allocated to a ministry to hold sort of in reserve. So there are those two different things—not that it's a big deal, but that's important to understand.

In terms of appropriate use, I answered that question. What we will do, though, is we will do our best to track where the funds have gone. We provide that to you, to MPPs, and then I think it's the MPPs' role to properly ask the government as to the appropriateness or the value or the performance of moving the funds in the way they did. To me, that's what holding the government to account really means. We're happy to provide the analysis to enable that sort of questioning—

**Ms. Sandy Shaw:** My final question is around the deficit. You said that a big chunk of the deficit is driven by loss of revenue. Is it your goal as the FAO to track where the government is then borrowing money from? Is that something that would be under the purview of your office?

**Mr. Peter Weltman:** Thanks for the question.

What we are actually in the process of putting together is sort of a primer, if you will, explaining how the government borrows money, how it seeks authority from the Legislature, how it gets certain amounts of money and the authority to do so. Where it borrows—

**The Chair (Mr. Amarjot Sandhu):** Ten minutes.

**Mr. Peter Weltman:** I'm assuming you mean whether it's foreign or domestic or that sort of thing. That is analysis that we could undertake if we are specifically asked to do so, and I think the Ontario finance agency is also able to provide that information. So we would be happy to do that.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to MPP Fife for the next question.

**Ms. Catherine Fife:** Thank you, Peter, Jeff and David, for today's presentation. It is quite something to see such a sharp recession and to see your analysis that we will receive \$20 billion less in reduced revenue by 2021. So I think that we have some tough decisions as a province going forward.

The distinction you've made with regard to the discrepancy between the government's numbers and our numbers around what was pre-COVID-19 and pre-spending is really interesting, because this government had to step in

in long-term care, and in their March 23 economic statement recommendation, they did forward—they had to forward, actually—\$243 million in emergency long-term-care funding; \$70 million of that was for infection control. I know that you as members have followed this very closely because long-term care has been the tragedy of this COVID-19 pandemic to date.

Three of the largest homes that received this emergency funding from taxpayers were for-profit nursing home operators. They had disproportionately higher levels of COVID-19—four times as high a chance to become infected, four times higher deaths in those for-profit homes, and yet their shareholders received \$1.5 billion in dividends over the last decade. My point in raising this to you is that these homes, Extendicare, Sienna and Chartwell, were contracted out by the government to perform certain responsibilities: feeding, clothing and bathing our seniors. They failed to do so and yet they still received, of course, emergency funding.

To that end, will you do an analysis of where that money went and was it good value for the people of this province, given the fact that those for-profit operators really betrayed their contracts?

**Mr. Peter Weltman:** Thank you for the question. I think that's an important question and it's an important discussion. Certainly as you're going forward, making policies and looking at significant issues that have been impacted by the pandemic, these are important analyses that need to be performed.

What we do, as an FAO, is, we provide you with forward-looking projections, whether they be economic or fiscal projections, or costs of programs. If there are changes contemplated, for example, to the long-term-care program that the Legislature has decided they want to consider, what we can do is, we can provide a fiscal impact or a cost estimate of what that future program could look like.

In terms of the value-for-money piece that you mentioned, that is purely within the Auditor General's purview, and I think she has done work in various areas around long-term care on value-for-money. That is definitely something that she does.

**Ms. Catherine Fife:** I'm looking forward to the public accounts committee meeting once again soon, hopefully, in the future.

I don't know if you caught the exchange that I had with the Minister of Finance, but we agree with you entirely that transparency and accountability build trust, especially in an economy that is as fragile as ours right now.

In your report, you noted that some of the previous cuts that were in the 2019 budget were simply deferred, and the government was planning to proceed with a cut to public health funding and to proceed with a cut to child care funding to municipalities. I know that you know that municipalities are hurting. On a go-forward basis, the government is going to have to make some tough decisions about municipalities and how we help them get through these difficult times. Having an economic recovery plan

that actually includes a strong child care strategy—this is on a go-forward basis.

Can you advise this committee, because this is our call, on some strategic steps to support municipalities on a go-forward basis, particularly around child care?

**Mr. Peter Weltman:** Those are excellent questions, and that's an important discussion that we need to have over the course of the committee—

**The Chair (Mr. Amarjot Sandhu):** Five minutes.

**Mr. Peter Weltman:** —because our role is limited to providing analysis and not advice or recommendations. I think it's very important that as elected representatives—that's where the policy trade-offs or the decisions or the parameters need to happen. That discussion needs to happen amongst policy-makers. We are not policy-makers.

What we can do is, we can help inform that discussion by providing you with fiscal impacts, and potentially comparisons to other jurisdictions in terms of the effectiveness of some of these proposed measures. But it's not really within our mandate or purview to provide you suggestions of proposed measures.

**Ms. Catherine Fife:** But, Peter, the numbers tell the story of where we invest as a province. We are going to have to be so strategic about where those dollars go. Because the pressure on those tax dollars is going to be so high, we need to make sure that the economic analysis is obviously there.

And when you see the government say that there is \$17 billion in COVID-19 relief, and yet your numbers say that that was already pre-COVID-19 spending, that doesn't lend itself to clarity, I think, on a go-forward basis. So I look forward to your next quarterly report and I'm sure that—I hope that there aren't any further discrepancies between what the government is portraying as COVID-19 and pandemic response, and what your office is saying.

With that, Mr. Chair, I'll pass this off to my colleague MPP Lindo.

1150

**The Chair (Mr. Amarjot Sandhu):** MPP Lindo.

**Ms. Laura Mae Lindo:** Thank you very much and thank you, as well, for the presentation.

I was actually very intrigued by the mention of a gendered analysis, so I am looking forward to that. But at the same time that that analysis is in the works, we've been hearing a strong cry from the community for race-based data analysis, as well, during the COVID-19 pandemic. I'm wondering a couple of things: if that race-based data actually exists somewhere in government for you to be able to do that kind of an analysis for the pandemic; if it doesn't, if you could speak about the importance of why collecting that data is important. As well, I just want to put it on record that when we're starting to think about forward-looking projections, that has to be there because we're literally here talking about economic recovery and we know that these are communities that are disproportionately impacted by the pandemic.

**Mr. Peter Weltman:** That's a great question and an important point. As we go forward and do the work that's

requested of us from the committee, if there are things like gender analysis that need to be in there, that helps us to ensure that we understand where the data lie and to request that from the government.

In terms of the current availability of data—

**The Chair (Mr. Amarjot Sandhu):** Two minutes.

**Mr. Peter Weltman:** I would ask Dave West if he wants to comment on that. I'm not sure that we can get into a lot of the details of data availability, but if we are to pursue such a study and we're running into some issues, we will certainly come back to the committee and advise.

**Mr. David West:** Certainly we would already point that you could easily separate out the job impacts between men and women on the basis of gender. There isn't really good information from the labour force survey that we're using for our reports right now on ethnic or ethno- or race-based information. There is from a census, but of course that's a much different kind of timeline and not really useful for this kind of reporting or analysis. Really, we're limited to gender-based analysis, I think.

**The Chair (Mr. Amarjot Sandhu):** One minute.

**Ms. Laura Mae Lindo:** That's it for me, so I can pass it to my other colleagues. I think Sol is still there.

**The Chair (Mr. Amarjot Sandhu):** Any further questions? MPP Mamakwa? Further questions? Seeing none, thank you.

Before I end, I would like to mention before the committee that MPP Hunter made a research request for the FAO. Is this just a request for MPP Hunter, or would the whole committee like the document? Is there agreement? MPP Fife.

**Ms. Catherine Fife:** Was this pertaining to bankruptcy? Is this the request, Mitzie?

**The Chair (Mr. Amarjot Sandhu):** MPP Hunter.

**Ms. Mitzie Hunter:** Yes, I made two requests of the FAO so that he provides an analysis on bankruptcy and also track the themes that we are covering in this study so that we can keep an eye on that. Also, I asked for data around the investments that have been made so far in response to COVID-19. Those that have been made federally and provincially, I wanted to see.

**Ms. Catherine Fife:** We agree.

**The Chair (Mr. Amarjot Sandhu):** Is there anyone who disagrees? MPP Schreiner.

**Mr. Mike Schreiner:** I would suggest the whole committee have access to that information.

**The Chair (Mr. Amarjot Sandhu):** All right. Mr. Weltman, this is a committee request now. All the committee members agree to the request of MPP Hunter.

Thank you so much for appearing before the committee and thank you so much for your presentation.

**Mr. Peter Weltman:** Thank you for having us. It's a pleasure to be here, and we're happy to help out now and in the future.

**The Chair (Mr. Amarjot Sandhu):** Thank you.

That is all the time that we have for presentations today. As mentioned at the beginning of the meeting, we will go into closed session to discuss an item of committee

business. We will recess so that staff who need to leave can do so. Broadcast and recording will have to leave—

*Interjection.*

**The Chair (Mr. Amarjot Sandhu):** No? Okay.

All right, so we will have recess for five minutes, and I would like that all committee members stay on the call.

*The committee recessed at 1155 and resumed at 1218, following a closed session.*

## COMMITTEE BUSINESS

**The Chair (Mr. Amarjot Sandhu):** Welcome back once again.

We have a motion in front of the committee, and MPP Cho would like to move a motion.

**Mr. Stan Cho:** I move that Minister MacLeod appear before the committee on the tourism sector and again for culture and heritage.

**The Chair (Mr. Amarjot Sandhu):** MPP Cho has moved a motion, and that motion has been sent by the Clerk to your email. If all the members can check their email, that they have received the motion. Okay, all right—no?

*Interjections.*

**The Chair (Mr. Amarjot Sandhu):** Just to be clear, MPP Cho has moved a motion that Minister Lisa MacLeod appear before the committee on the tourism sector and again for culture and heritage. MPP Shaw.

*Interjections.*

**The Chair (Mr. Amarjot Sandhu):** Do you have a comment?

**Ms. Sandy Shaw:** Yes. The motion as written, because it's a double-barrelled motion, essentially, we're voting for her appearing for the tourism sector and then again for the culture and heritage sector. If you read it—what we're discussing, actually, at committee is that we didn't need her to come a second time. So we are supportive of her coming to speak on the tourism issue, but there's discussion as to whether she should come the second time for culture and heritage. It's not a well-worded motion. I would like to amend it: I move that Minister MacLeod appear before the committee a second time for culture and heritage. We've agreed to the tourism part.

**The Chair (Mr. Amarjot Sandhu):** MPP Shaw would like to move an amendment to the motion. MPP Shaw?

**Ms. Sandy Shaw:** I think that it should read, "I move that Minister MacLeod appear for a second time before the committee for culture and heritage."

**The Chair (Mr. Amarjot Sandhu):** We'll be voting on MPP Shaw's amendment to the motion. Are the members ready to vote? MPP Hunter has a question.

**Ms. Mitzie Hunter:** I just want to affirm the position of MPP Shaw that the subcommittee agrees that we should be having the minister present on her ministry, which includes tourism, culture and heritage. For the expeditious work that we're trying to do, we want to get on with hearing witnesses in the second round when we hear from the culture and heritage sector, also recognizing there are many overlaps between tourism, culture and heritage, and



we want to do our work as efficiently as possible. I would agree with the amendment that we need to clarify that we are inviting the minister to speak right up front about all her ministry work that could inform this committee, and then we can get on with doing the hearings of stakeholders, which is what we are tasked to do.

**The Chair (Mr. Amarjot Sandhu):** Just for clarity, I think we will withdraw the current motion and put the new reworded motion.

In that case, MPP Shaw, you have to withdraw your motion and we'll put the new reworded—

*Interjection.*

**The Chair (Mr. Amarjot Sandhu):** MPP Cho, you have to withdraw your motion as well, and then we'll put the new reworded motion. Are the members in agreement with that? All right.

Ms. Shaw, can you withdraw your motion?

**Ms. Sandy Shaw:** Withdrawn.

**The Chair (Mr. Amarjot Sandhu):** MPP Cho?

**Mr. Stan Cho:** Withdrawn.

**The Chair (Mr. Amarjot Sandhu):** Withdrawn. Thank you.

*Interjections.*

**The Chair (Mr. Amarjot Sandhu):** MPP Cho has a reworded motion. If you could please read the motion.

**Mr. Stan Cho:** I move that Minister MacLeod appear in front of the committee for a second time to present on culture and heritage.

**The Chair (Mr. Amarjot Sandhu):** Is there any debate on the motion? Are the members ready to vote? Is everyone clear on the motion now?

MPP Hunter, do you have any comment?

**Ms. Mitzie Hunter:** I'm sorry, Chair. I just need clarification on the full wording of the motion. If you could read the whole motion or put it in the chat. I just don't have clarity on whether a part of the motion was changed or what the full motion is, if that could be restated.

**The Chair (Mr. Amarjot Sandhu):** The Clerk is typing it into the chat, so you will receive the motion in the chat—the exact wording of the motion.

I'll read the motion as well. Mr. Cho has moved a motion that Minister MacLeod appear for a second time to present on culture and heritage. Is everyone clear regarding the motion now? Is there any debate on the motion?

All right, so we'll vote on this motion by a roll call process. The Clerk will call out each voting member's name, and you can reply "aye" for a vote in favour, "nay" for a vote against, or "abstain" if you would like to abstain from voting on the matter.

We will now begin the vote.

The ayes have it. The motion is accordingly carried.

Thank you so much. That concludes our business for today. We are now adjourned until 9 a.m. on Thursday, June 4. I'll ask the subcommittee members to stay on the call to discuss subcommittee business. The committee is now adjourned.

*The committee adjourned at 1232.*





## STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

### **Chair / Président**

Mr. Amarjot Sandhu (Brampton West / Brampton-Ouest PC)

### **Vice-Chair / Vice-Président**

Mr. Jeremy Roberts (Ottawa West–Nepean / Ottawa-Ouest–Nepean PC)

Mr. Ian Arthur (Kingston and the Islands / Kingston et les Îles ND)

Mr. Stan Cho (Willowdale PC)

Mr. Stephen Crawford (Oakville PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Sol Mamakwa (Kiiwetinoong ND)

Mr. David Piccini (Northumberland–Peterborough South / Northumberland–Peterborough-Sud PC)

Mr. Jeremy Roberts (Ottawa West–Nepean / Ottawa-Ouest–Nepean PC)

Mr. Amarjot Sandhu (Brampton West / Brampton-Ouest PC)

Mr. Mike Schreiner (Guelph G)

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Ms. Donna Skelly (Flamborough–Glanbrook PC)

Mr. Dave Smith (Peterborough–Kawartha PC)

### **Non-Voting Members / Membres sans droit de vote**

Ms. Jill Andrew (Toronto–St. Paul's ND)

Mr. Stephen Blais (Orléans L)

Ms. Catherine Fife (Waterloo ND)

Mr. Randy Hillier (Lanark–Frontenac–Kingston IND)

Ms. Andrea Khanjin (Barrie–Innisfil PC)

Mr. Kaleed Rasheed (Mississauga East–Cooksville / Mississauga-Est–Cooksville PC)

Mr. John Vanthof (Timiskaming–Cochrane ND)

### **Substitutions / Membres remplaçants**

Ms. Laura Mae Lindo (Kitchener Centre / Kitchener-Centre ND)

### **Also taking part / Autres participants et participantes**

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

### **Clerk / Greffière**

Ms. Julia Douglas

### **Staff / Personnel**

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Research Services

Mr. Andrew McNaught, research officer,  
Research Services