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**Official Report
of Debates
(Hansard)**

F-30B

**Journal
des débats
(Hansard)**

F-30B

**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Thursday 4 June 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Jeudi 4 juin 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 4 June 2020

Jeudi 4 juin 2020

Report continued from volume A.

COVID-19 STUDY

**EXPLORE WATERLOO REGION
FESTIVALS AND EVENTS ONTARIO**

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter: Since Muskoka Woods cancelled, I would like to call on Explore Waterloo Region. If you could please state your name for the record, you will have seven minutes for your presentation.

Ms. Schneider, can you unmute yourself? Can you hear me, Ms. Schneider? We're having some technical difficulties, so please, if you can, wait for one minute.

Ms. Minto Schneider: Okay, can you hear me now?

The Chair (Mr. Amarjot Sandhu): Yes, we can.

Ms. Minto Schneider: Great. I was muted. So—
Failure of sound system.

The Chair (Mr. Amarjot Sandhu): We can't hear you again.

Ms. Minto Schneider: Hello?

The Chair (Mr. Amarjot Sandhu): Yes, we can hear you now. Ms. Schneider?

Ms. Minto Schneider: Okay.

The Chair (Mr. Amarjot Sandhu): You're cutting out. Sorry, we're having trouble hearing you. Do you have video turned off? My apologies; we can't hear you.

Ms. Minto Schneider: I'm going to turn my video off.

The Chair (Mr. Amarjot Sandhu): Yes, please.
Interjection.

The Chair (Mr. Amarjot Sandhu): No. Do you want to disconnect and try calling back again? If you could disconnect the call and try calling back.

We'll move to the next presenter, Festivals and Events Ontario. If you could please state your name for the record, you will have seven minutes for your presentation. Mr. MacNeil?

Mr. Dave MacNeil: Hello. I'm Dave MacNeil, the CEO for Festivals and Events Ontario.

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Festivals build community. Festivals celebrate culture and diversity. Festivals celebrate art, music, the spoken and written word. Festivals celebrate food and beverage and culinary adventure.

Ms. Minto Schneider: Can you hear me now?

Mr. Dave MacNeil: Festivals make us—

Ms. Minto Schneider: Can you hear me now?

The Chair (Mr. Amarjot Sandhu): Can you please—

Mr. Dave MacNeil: We encourage you to live every day as if it's a festival.

Ms. Minto Schneider: Okay. I will disconnect and come back.

The Chair (Mr. Amarjot Sandhu): Yes, please.

Mr. Dave MacNeil: Festivals and Events Ontario, also known as FEO, has been representing the festivals and events industry and our more than 2,500 festivals and events in Ontario for 30 years, making sure communities continue to produce unique, quality festivals in all corners of the province, providing education, professional development and networking while fostering a community of passionate people invested in the festival and event industry.

FEO works hard to deliver membership benefits that help support the growth of our industry. Our membership includes festivals, events, suppliers, municipalities, schools, RTOs, DMOs, students, BIAs and, of course, our volunteers, and everyone in between. Each member contributes to our growing community of people who know what it's like to run successful festivals and events. Together with FEO, our members have an active role in the growth of the festival and event industry in Ontario.

The impact of COVID-19 on our industry is huge. In many instances, we were the first to shut down and, by all accounts, will be the last to open up.

For those that qualify and have support from Celebrate Ontario, the statistics indicate the impact the pandemic will have on those communities that qualify and receive funding. According to past recipients, every dollar of Celebrate Ontario funding results in \$21 of visitor spending. From 2009 to 2017, Celebrate Ontario recipients reported a 29% increase, or 13.7 million visitors, and a 25% increase, or \$2.8 billion, in visitor spending due to Celebrate Ontario support. Visitor spending triggered by Celebrate Ontario funding over 2009 to 2017 is estimated to have generated \$464 million in provincial tax revenue and supported 31,000 jobs. This is the impact felt by those that qualify.

Many of our festivals and events around the province are not eligible, and the impact to their communities, not-for-profits or service clubs will be severe. To many of our organizations, these funds fuel the work they do in our communities.

Our municipal partners run many festivals and have taken over many festivals, as risk management has become cumbersome for some not-for-profits. Insurance, policing, security, road closures and now the additional cost of PPE and other health insurance have shrunk profit margins. These costs are typically passed down to event organizers.

Municipalities see the importance of these festivals, as they add to the vibrancy of their communities. However, when they take these over, these festivals and events are not eligible for the same provincial grants. Many municipalities rely on revenue generated through service fees and rentals, which have also been eroded during the pandemic. Some sort of government funding stream will be needed, and we encourage the government to rethink the eligibility requirements in the future.

Festivals rely on five basic revenue streams: gated or ticketed events, government grants at all levels, sponsors and partnerships, food and beverage sales, and merchandise sales. As a result of COVID-19, our gated and ticketed revenue—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave MacNeil: —is gone. Our sponsor base has also been affected, and we worry that the funding and sponsoring of community events will take a while to return—if our partners and sponsors themselves survive the pandemic.

We worry about our suppliers, who, like us, make the bulk of their income in the festival season, which is now gone—AV companies sitting on millions of dollars of equipment, on shelves in warehouses they can no longer afford, with no bookings in sight; tenting companies; fencing; washroom providers; and our ticketing companies, to name a few. Our food and beverage partners, food trucks, all counting on another great festival season to make their year—gone; our musicians and entertainers missing that live connection with the audience—gone. Some have made a digital transformation to stay in front of fans, but it's hard to monetize the digital world.

One of our ticketing partners provided some info they have received through surveys. Some 85% of the respondents are worried about going to a festival. It will take more than six months for respondents to be comfortable with the idea of going to a concert, a festival or a sporting event. Respondents are in a wait-and-see attitude and won't buy a ticket for an event, even if they really like the artist or the event. The first activities that respondents are going to take part in without too much worry will be museums first, then bars, nightclubs and cinema. But festivals, concerts and sporting events are at the end of the list, even if the people declared they really missed that kind of event.

On top of the COVID-19 crisis, I feel we're missing a huge opportunity for our different cultural communities to showcase and educate about their differences and uniqueness. Our cultural groups will miss the opportunity to showcase and share their culture through education, through dance and through celebration.

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

Mr. Dave MacNeil: Our Indigenous communities and partners will miss out on opportunities to showcase and

educate us all on their culture and celebrations. These festivals and events are important pieces to building the communities that we all share and enjoy throughout the province of Ontario.

We thank all levels of government for the work that has been done to date. It's a great start, but it's just a start. There's still a lot of work that must be done. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go back to Explore Waterloo Region. Can you hear me?

Ms. Minto Schneider: Can you hear me through my phone?

The Chair (Mr. Amarjot Sandhu): Yes. Can you please state your name for the record, and you will have seven minutes.

Ms. Minto Schneider: Yes. My name is Minto Schneider. I'm the CEO at Waterloo Regional Tourism Marketing Corp. Thank you for the opportunity to present on the direct impact the tourism industry has faced from the COVID-19 response. Tourism was the first industry to be hit by COVID-19 and the shutdown, and we will be feeling the effects for longer. There's no light at the end of the tunnel. The longer the shutdown lasts, the more restaurants and attractions will be closing permanently, and the announcement of permanent closures will likely continue through into 2021.

Even when travel restrictions are relaxed, many will likely be afraid to travel, and when they do get out, restaurants and attractions will be operating at reduced capacity, and profitability will be compromised. Tourism and hospitality workers in every community in Ontario are facing devastating economic hardship. These are the exact workers that current stimulus plans are striving to protect and support. But even with immediate relief, their jobs will continue to be in peril without the work of destination marketing organizations, or DMOs, to build and sustain the recovery. When the time is appropriate, it will be the local destination sales and marketing efforts, executed with our community leaders, that will help rebuild our local travel and tourism industry and businesses.

DMOs reflect the health and well-being of the local travel industry and are a direct reflection of the impact of the accommodation sector in our communities. Resourced by accommodation tax and voluntary memberships, we scale with industry. It is a success-based model and one that has a proven track record of success, because it motivates us to achieve more, perform better and be creative and innovative. However, this model was never designed to withstand a complete, government-mandated shutdown of the travel industry.

There are over 60 local and regional DMOs in Ontario, nearly 75% of them in smaller, rural communities where the DMO is the primary link to their community's travel industry. Waterloo Regional Tourism Marketing Corp. is the DMO for our area. We represent 2,493 tourism-related businesses that provide jobs for over 24,000 people—at least, that was the count prior to March 1 of this year. We are funded by the municipal accommodation tax, or MAT, which is supplemented by membership investments by

local business. Approximately 75% of our revenues come from the MAT. Using the tax revenue, we create platforms and opportunities for businesses of all sizes by executing sales and marketing strategies, positive brand positioning, and exposure for Waterloo region. We drive measurable economic impacts and are the harbinger of a community's sense of place.

Before March of this year, Waterloo region was performing very well from a visitor economy perspective. We were forecasting that the MAT would generate about \$3.2 million for the regional municipalities. Some 50% of that would come to our organization, and we built our annual budget and plan based on that forecast, which we thought was conservative.

The backbone of the hotel business in Waterloo region is business travel—corporate and meetings. Meetings and conferences were among the first to cancel. One of our meeting facilities recorded cancellations valued at over \$2.5 million in the week of March 12 alone.

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Home Hardware normally holds their dealer showcase twice a year, in April and September. That event brings over 6,000 Home Hardware store owners and suppliers to our area for three to four days twice a year, but not this year. The economic impact of each of these events is about \$8.3 million.

Sport is another big market segment for us. Most, if not all, tournaments in hockey, soccer and volleyball have been cancelled for 2020. These weekend events help hotels that are busy during the week with business people to fill on the weekends, but not this year.

Festivals normally kick off our summer season, with the Elmira Maple Syrup Festival at the beginning of April, a one-day event with an economic impact of \$1.7 million. Since then, all the summer festivals have cancelled.

This is difficult for hotels, but it is also difficult for our residents. Festivals, restaurants, entertainment and attractions make up the fabric of our community and are the foundation of the quality of life we so enjoy. They are also critical to attracting and retaining talent and businesses for our region.

The traditional mandate of a DMO has always been to attract visitors from outside of our community to visit and spend money. We partner with and rely on Destination Ontario to attract visitors from further away, other provinces and the US. They, in turn, work with Destination Canada to attract international visitors.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Minto Schneider: COVID-19 has reversed this marketing approach. We know that we have to shift our focus to local residents.

Last Sunday, Minister Joly announced \$30 million of funding for destination organizations in southern Ontario to be delivered through the Tourism Industry Association of Ontario. This is great news. It will help us market our region and drive people into the restaurants and attractions that so badly need their support.

Like most DMOs, we are adjusting our plans for the next six months to focus on getting people out in our own

region. My recommendations on behalf of our industry and for Waterloo region are:

(1) Our industry be provided with the ability to reopen as long as our businesses can meet key health and safety regulations outlined by the province, and that opening be permitted on a regional basis. We need clear information about the reopening process, including restrictions and capacity guidelines.

(2) To assist and ensure the safety of guests and staff, we need financial aid and grants for tourism businesses that require infrastructure upgrades and PPE to be in compliance with all new health and safety protocols.

(3) Direct financial aid and grants to the tourism hospitality industry; 80% of tourism businesses are reporting significant disruptions to cash flow and many are facing insurmountable debt levels. Our industry requires direct financial aid over debt-deferral measures.

(4) Government-guaranteed small business loans for the tourism and hospitality sector for the recovery stages. Tourism and hospitality businesses are considered as high risk by commercial banks and have reduced access to small business loans. We recommend that the province provide guaranteed loans to businesses throughout the recovery stages.

(5) Lastly, provincial collaboration with the federal Canadian Emergency Wage Subsidy so that this can be scaled to continue into the recovery phases at least until March 2021.

Help us get people and businesses back—

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

Ms. Minto Schneider: —to work as soon as possible. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the independent members this time for questioning. MPP Schreiner, do you want to go first?

Mr. Mike Schreiner: Thank you, Chair. I just want to say thank you to both of the presenters.

Mr. MacNeil, I have a quick question for you related to festivals. I've had some music festivals, in particular, reach out to me with concerns. They have contractual obligations that they have financial liabilities for. Having to cancel those summer music events without there being a government order saying that the events can't take place means that they're legally liable to some of those contractual obligations.

I'm just wondering how widespread that is for festivals across the province?

Mr. Dave MacNeil: Yes, it's certainly a big concern. We've had a number of organizations reach out to us. Right from the beginning it's something that we've been lobbying the government and the ministry on to get those announcements made.

I can give you an example of one festival that—if the government made the announcement that large-scale festivals were cancelled, the organizations serve to lose about \$170,000. Without some form of government making that announcement, they stand to lose close to \$380,000 in contractual obligations.

We've been pushing the ministry at the provincial level. We've been pushing at the municipal level. Unfortunately, there are 440 municipalities in Ontario who all do things a little bit differently. So it would certainly be advantageous for us to see the government of Ontario make that call for everybody.

Mr. Mike Schreiner: I appreciate that. I wrote a letter to the minister back in April around this issue and actually asked the minister this morning, and the minister suggested that it was really up to local municipalities or public health to make that decision. But you've raised the challenge that with 440 municipalities, it's very difficult.

Some festivals have told me that as tough as this is going to be, they might be able to survive—like, survive into next year—if the province would issue this order, but in the absence of that order, the hundreds of thousands of dollars in losses will probably sink them. Does that seem like an accurate description?

Mr. Dave MacNeil: Yes, I think that's fair. As an organization that's used to bringing people together and celebrating large groups enjoying music or whatever, it goes against everything we're saying to ask government to make the announcement. But when we're listening to all of the projections and no large events for the foreseeable future—what is foreseeable? It's hard to get to.

I know some municipalities are holding out hope that some of their fall fairs might be able to happen scaled-down or at a different size, socially distanced, and so I think they're hesitant to make some of those commitments out front. But I think if it's something everybody's been talking about, it sure would help the industry to have somebody make a call.

Mr. Mike Schreiner: I appreciate that, Mr. MacNeil.

Just really quick to Ms. Schneider: You talked about the preference of direct aid over tax deferrals. I know I've especially been hearing that from a lot of small businesses in the tourism sector.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Mike Schreiner: They just feel like the deferrals are piling debt on debt, especially as they face reopening costs. Do you want to just maybe outline the challenges in that regard, especially for the smaller businesses?

Ms. Minto Schneider: Well, as you already pointed out, the problem with deferring the taxes or any other expenses is that they eventually do have to be paid. These small businesses—because tourism is overall small businesses—have been bleeding money since the shutdown first started at the beginning of March. Some of them were able to shut down and stop some of the expenses, but they're paying rent, they're paying fixed costs that they weren't able to defer, and for many of them, their fixed costs make up 60% to 65% of their overall costs. So getting rid of staff or laying off staff doesn't really help.

If they are still facing having to pay those expenses at the end of the season or at the end of the year, it's not going to help because they're still not going to have the money to do that. The longer that we have to delay opening—and I understand the safety issue, but the longer we do that, the less money they're going to make, and summer is when

most of them make the majority of their revenues for the whole year.

Mr. Mike Schreiner: Thank you. I'm not sure how much time there is, but I'm going to give the rest to MPP Hunter.

The Chair (Mr. Amarjot Sandhu): There's a minute and 30 seconds. MPP Hunter.

Ms. Mitzi Hunter: Thank you so much for your presentations.

There was a comment that struck me earlier. One of the presenters said that this sector is perishable and that if you don't get things going for the summer, then there's no opportunity. I'm wondering about that, because we do have to manage the health risk issues against the economic needs that we have in our province. What do you see, not just in terms of the immediate reopening but more in the medium to long term? I will start with—if Ms. Schneider could start.

Ms. Minto Schneider: That's a really good question. I come from the hotel business. We know that if you don't sell a room tonight, you're never going to be able to sell it again. That's one of the problems with hotels and with restaurants. If they don't sell a meal today, they're not going to be able to sell it tomorrow—I mean, maybe this week, but not next week.

The longer the shutdown goes, the more their future is uncertain, because many of them were trying to make it through until reopening and were hoping it would be at the beginning of June—

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

We'll have to move to the government side for their time of questioning. I'll go to MPP Rasheed first.

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Mr. Kaleed Rasheed: Thank you to both presenters for their presentations this afternoon.

My question is to Dave. Being an MPP and a resident of Mississauga, I know we have hundreds and hundreds of festivals during the spring, summer and fall. Very recently, Carassauga had their festival online. I would say that almost 20, 25 pavilions joined, although it was not the same feeling as while you're physically there. But it was a good start, and I think the use of technology was really amazing.

I just wanted to ask you, when we talk about some of the concerts that have happened in the last few months, especially around the COVID-19 motivation, how is your organization looking at the use of technology for certain concerts, until we are physically back at parks and places?

Mr. Dave MacNeil: It's certainly something we're working on with all of our suppliers who are in the digital field. The digital experience fits well with a lot of different types of festivals. For some, the experience is just not the same, and you can't match it. Unfortunately, festivals don't have huge budgets, and the digital space sometimes requires a lot of equipment and technology that we just don't have access to.

We're working with some of our partners and we've got a group of municipalities that are working together on a

Canada Day experience that would be hosted by a supplier, a three-hour engagement that municipalities could come in to. They could have presentations from their mayors, they could have trivia contests about their local areas. Certain parts of it would be customizable; other parts would be generic pieces that go out to everybody.

It's something that we're exploring and we're working on. I don't think it's the answer to everything, but it certainly keeps us and some of our festivals in front of our audience and keeps people engaged as we come out of this.

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

Mr. Dave Smith: I have a couple of questions for Ms. Schneider. First off, with the local destination marketing organizations—right now we have 13 different regional tourism operators that provide different funding for the different local destination marketing groups. Is there any benefit to having some of the technology centralized in one place, rather than having so many different technologies set up in each of the regional destination marketing groups? I'm thinking in particular of website design, online, ordering those types of things that most of the local destination marketing organizations have set up?

Ms. Minto Schneider: You mean instead of destination marketing organizations doing it, having the RTOs take care of it?

Mr. Dave Smith: Having one thing that's centralized in the province that you all agree to use—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: —to get them moving quickly, and then move from there.

Ms. Minto Schneider: I think it's hard to get everyone to agree on the same thing, especially when there's so much diversity across the province. That's one of the reasons that destination marketing organizations that are specific to each region tend to have more support from the ground-up level, the grassroots level. Then the destination marketing organizations, in turn, work with the RTOs through to Destination Ontario.

Mr. Dave Smith: You mentioned tournaments and how much they provide for economic impact. I ran Canada's only minor hockey-sanctioned tournament played outside on a body of water. We generated about \$2.4 million in economic return for the community every year. When we did Hockey Day in Canada here in Peterborough, it was about \$13 million in total over the seven days for that event.

You mentioned opening things up regionally. How would you do that regionally for tournaments? In particular, for my situation, I have one health unit that is 22 kilometres away from us, a second that's 36 and a third that is 17. If we did it by health units for the different regions, how could we protect those that don't have outbreaks from those that do? Just as an example, Durham is only 36 kilometres away, and they are in much worse shape than either of my own health units, Northumberland or Haliburton-Kawartha Lakes.

Ms. Minto Schneider: That sounds like a question for public health. I'm not sure what the solution is. We've got

a huge problem because, as I mentioned earlier, one of the very strong supporters for our industry is the tournament business. It's one thing to be shut down now, but trying to do championships in the fall when teams will not have qualified because they won't have played enough games during the summer is a huge problem. I think that's a big challenge. Hopefully, we can get things under control in Canada, or even in Ontario, so that we can play tournaments within Ontario, even if we're not attracting teams from the US and other provinces. Maybe starting small is the best way to start.

Mr. Dave Smith: Thank you very much for that. I appreciate it.

The Chair (Mr. Amarjot Sandhu): One minute. MPP Roberts?

Mr. Jeremy Roberts: Excellent. We may have to pick this up in the next round of questions, but Dave, I have a couple of questions for you around festivals. This morning, Minister MacLeod in her presentation talked about how some festivals are exploring whether or not drive-in festivals might be a possibility for this summer. I'm wondering if you can comment on that, and then I may have a few more questions on that topic later as well.

Mr. Dave MacNeil: Yes, I certainly think it's an idea that has legs and it has some great ability to bring some people together in a larger format. But again, I think some of the distractors, or some of the things that are causing problems—and I know I've submitted two or three different proposals on how to do it. Everything comes back to public health and the social distancing, the washrooms. I think as soon as we can get a standard that everybody can live by, that may be an opportunity to host some of those events.

Mr. Jeremy Roberts: Perfect. And have those proposals also been submitted to the committee as well, or just directly to the ministry?

Mr. Dave MacNeil: Yes, so I sit on the round table for attractions and—

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

We'll have to move to the opposition side for their time now. I'll start with MPP Fife. Can you hear me, MPP Fife?

Ms. Catherine Fife: Hello, can you hear me?

The Chair (Mr. Amarjot Sandhu): Yes, we can.

Ms. Catherine Fife: My question is for Minto. Hello, Minto. Thanks for making the presentation with regard to tourism and the economic value for Waterloo region. Today we've heard some very compelling advice from the sector around not applying a one-size-fits-all approach to reopening, having greater clarity around guidelines, what the expectations of the government are and the need to be consistent in that messaging.

One of the examples, and you kind of touched on this a little bit, is that there are businesses, tourism businesses—for instance here in Waterloo region, Bingemans. They're looking to adapt a new business model. They're looking for some tangible advice from the government and the okay to actually open. Do you want to touch on what those businesses need, directly from the government, and the importance of the clarity on messaging?

Ms. Minto Schneider: Yes, thanks for that question, Catherine. I wanted to jump in on the drive-in issue, because that is one of the things that Bingemans has proposed. They have a plan around exactly how they would execute such an event, including what Dave alluded to with the washroom service and foodservice at a drive-in. But we have other facilities as well, like Cambridge Butterfly Conservatory, who also have put a plan forward.

What we really need is public health to be able to look at the plans that have been presented by these operators and endorse them so that they can go ahead and open safely. That's the most important thing.

Ms. Catherine Fife: I think we've also heard there is going to be a need for the government to recognize that retooling or repositioning certain businesses around—because I think the confidence piece needs to be communicated as well. A business can do their due diligence—they can have their PPE, they can have a strategy, but it's the confidence to have people go out of their homes and go back out into these vendors.

What do you think is absolutely needed in direct support from the government to support these entrepreneurs who are so dedicated to ensuring that Waterloo region does recover?

Ms. Minto Schneider: That's a good question too. I think that what's going to help is messaging from organizations like ours, assuring people that places are safe. But once the government has determined that a place is able to open, their seal of approval that it's safe to open should really help with convincing people that they are safe.

1740

Ms. Catherine Fife: Okay. The other issue that has been fairly consistent for the committee to hear all day is the importance of commercial rent support and/or that if businesses are not engaging in the federal program, the CECRA program, at least we put a temporary eviction prevention strategy in place. Do you want to touch on that a little bit?

Ms. Minto Schneider: That would be extremely helpful because, as I mentioned earlier, if businesses have not been open, they're not generating any revenue and able to pay their rent. We need to make sure that they're not evicted, at least until they can get open and start generating some revenue.

Ms. Catherine Fife: Yes, it definitely needs to happen.

Thank you so much for coming to the committee today. I'll pass off to the next MPP.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Miller, Hamilton East–Stoney Creek. Can you hear me, MPP Miller? Can you unmute yourself?

Mr. Paul Miller: Okay. Have you got me now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Paul Miller: Okay. Thank you, Mr. Chair.

My question is to Dave from Festivals and Events Ontario. Due to the ongoing nature of the pandemic, the provincial shutdown and restrictions in travel, many festivals and public events will not be able to take place at all. As a result, it is very likely that many fall fairs, urban festivals or community events will be questioning their financial viability for the 2021 season.

According to the FAO, during March and April, Ontario lost 1,049,000 jobs, many of which are in the tourism and events sector. At this point, many of these jobs may no longer exist in the near term. There are those who rely on festivals and seasonal events as their main source of income. In northern or remote locations, there may not be any other alternatives for employment. The government has set up an online training portal that will help these newly unemployed deal with their personal depression with online counsellors and career training staff.

As the organization in this province that deals directly with hundreds of festivals and events, such as the Winona Peach Festival in my home riding, how would you characterize the mental health of people who have recently discovered that their festival or event has been cancelled? How are the people dealing with this shock? If you are hearing what I am hearing in my office—

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

Mr. Paul Miller:—what more could be done by our government to help lessen this impending mental health problem in your industries?

Mr. Dave MacNeil: I guess the unknown creates anxiety. When you just don't know when the end is coming or when we're going to get back together, if we're going to get back together—you hear people like Live Nation talking about how they're sitting on a bank and looking forward to a great third and fourth quarter of 2021. Well, that's well and good for a major corporation, but a well-run and lucky not-for-profit is sitting on maybe three months' worth of operating expenses, maybe six months if you're lucky. If you're a bigger one, you might be able to survive a year.

We make enough in this season to run next season. That's what I'm worried about with our service clubs and all the programs they run, as well. They make enough this year to operate all their programs and their funding for next year. Without that revenue source, what's going to happen to all of these programs?

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

Mr. Dave MacNeil: It's a big concern, and I think everybody—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the next round. We'll start with the government side this time. MPP Roberts, I think? Who wants to go first from the government side? MPP Roberts, yes.

Mr. Jeremy Roberts: Oh, there we go. Sorry, my program was having an issue there.

I just want to pick up, Dave, on what we were chatting about before. Sorry. Before we got cut off, you were saying that you sit on another body that has provided some input on different things that you would have to see happen in order for festivals to be able to potentially operate on a drive-in basis, or something like that?

Mr. Dave MacNeil: Yes, I'm on the ministry round table for festivals and attractions. Certainly on that table, we've put forward a number of different opening protocols, whether it's the municipal level, larger-scale events or smaller-scale events. Any ideas that people are coming up with—Mark Bingeman was talking to me the other day;

I moved his stuff forward. We were talking about that earlier.

We're trying to get as many ideas as possible and move them forward. But all of the sector associations that you've heard from today, whether it's Beth Potter or Troy Young at Attractions Ontario—we're all saying, "Give us the set of standards that you need to work by and we'll make sure that that happens."

We've provided alternatives. We've provided solutions that we think will meet that mandate. But Ontario Health and the local health units don't always work the same. They have different rules and regulations and it's tough when you're trying to get a framework that works for everybody in the province, and you know it might be adjusted by your municipality.

Mr. Jeremy Roberts: I appreciate that—on the desire to have a bit more guidance, for sure.

I imagine that one of the challenges with doing an outdoor, drive-in type festival is access to space. Are there any regulatory issues or legal issues that might be preventing festivals from getting off the ground in that respect? Or, again, is it largely around some of the guidance pieces that you're looking for right now?

Mr. Dave MacNeil: Again, the government opened drive-ins in this past week, but they are only drive-ins that are currently existing. It's not pop-up drive-ins. Mark Bingeman in Kitchener has the property to produce a large-scale drive-in. Others are talking about taking over parking lots that aren't being used. There are all kinds of alternatives; it's just getting the seal of approval that, yes, they meet the framework and all the safety protocols and health protocols to make those happen.

Mr. Jeremy Roberts: Yes, absolutely. It's definitely something that we're thinking about in Ottawa. I'm sure my colleague MPP Blais is also wanting to make sure—because we have such a vibrant, vibrant amount of festivals in Ottawa, between Bluesfest, Winterlude in the winter, and all of the cultural festivals. Hopefully we can tap into the expertise in your sector to come up with some innovative ideas like that, and we'll bring that feedback to our team here.

Chair, I think MPP Smith might have had a few questions as well.

The Chair (Mr. Amarjot Sandhu): Yes, MPP Smith? Then we'll go to MPP Skelly.

Mr. Dave Smith: My question is for Dave as well. The Havelock jamboree was scheduled to have their 31st jamboree this summer. It's been cancelled and they will be doing it next year, hopefully.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: Havelock has a population of 1,200, but they typically have 35,000 to 40,000 people come in over a five-day period for the jamboree.

Do you have any suggestions on what we could do to help the economy of those small, rural towns that rely so much on those festivals?

Mr. Dave MacNeil: That's what I was mentioning earlier. The people that do qualify for Celebrate Ontario and are going to get a portion of that Celebrate Ontario

grant—that's going to help people get through some of those instances. Others, for whatever reason, don't qualify for some of the grants. Those are the people who I think are going to have a tough time and that I fear we're not going to see in the next cycle.

There's got to be some sort of government relief or some aid package that at least gets operating costs covered, and the planning to move it forward to next year—the contractual obligations with your AV companies, with your artists and—

Mr. Dave Smith: I'm going to interrupt you, just for a second, to redirect it: It's not specifically about the event itself; it's how much the rest of the community relies on the people who come in for it. Are there things that we should be doing, or that we could do, to help those communities?

Mr. Dave MacNeil: I think the other thing that a lot of us have been promoting is that a lot of tourism is driven around from 40 kilometres outward. It takes a lot of work to get people 40 kilometres inward out to your festivals and events, and I think that's how we're going to get through this, by—

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

Mr. Dave MacNeil:—engaging your local communities.

Mr. Dave Smith: Thank you. I'll turn it over to MPP Skelly.

Ms. Donna Skelly: Thank you. My question is also to Dave. We don't have much time, but my riding of Flamborough–Glanbrook has a number of festivals and fairs, really: the Binbrook Fair, the Ancaster Fair and the Rockton World's Fair, which has been running since 1878. Is there any way, following social distancing and all the restrictions that have to be put in place, that you think a fair could actually proceed in the fall?

Mr. Dave MacNeil: I think with the proper guidelines and a scaled-down version, I don't think they're going to be operating like they did in the past—for certain for now. But I think, given enough time and enough information from public health on what needs to be done, some of those events may still be able to happen. It's not going to be the same, and I think we have to recognize that, and that's the unfortunate thing. As the weeks go by, I'm now starting to see all of those fall fairs cancelling and postponing until next year. So it's a tough one.

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The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll have to move to the opposition side now. I'll start with MPP Lindo.

Ms. Laura Mae Lindo: Thank you so much, Chair. I actually have two quick questions. The first is for Minto.

Minto, it's lovely to hear your voice. I was really, really taken by the beginning of your presentation, when you were talking about the return on investment for a lot of the tourism that's coming right here into Waterloo region. As we're here—you're presenting at the committee that's talking about economic recovery. I was wondering if you could take a bit of time to speak about the importance of two pieces. One is, given that you're speaking on behalf

of a number of small businesses, the importance of grants versus loans, because I'm often hearing—and we had a virtual conversation about this in my riding. I'm hearing that there are real concerns about taking more loans, especially when we know festivals are closing and they may not be able to catch that up.

The other is PPE. We've had a number of people present to the committee and talk about not knowing exactly what's needed from public health standards. There are concerns that the need for PPE will rest on the shoulders of the small and medium-sized businesses, and people are calling on the government to provide that support. So, over to you, Minto.

Ms. Minto Schneider: Thanks, Laura Mae. I'll start with the PPE, maybe. We had a discussion about this yesterday at a meeting that I was involved in with some local stakeholders, primarily restaurants—talking about who would bear the cost of having to provide PPE, and extra sanitary procedures at restaurants, attractions and washrooms, and all the other things that are going to be required. They're talking about trying to maybe share that with the consumer. It's something that many of them won't be able to bear the entire cost of. So that's something that, if the government could help, it would really alleviate the cost to both the operators and consumers.

I think that's an important thing. We're talking about that from a meeting standpoint, too. If a meeting facility needs to have extra spacing and masks, gloves and extra sanitation, the costs cannot be borne completely by the facility, because it will put the cost to hold the meetings completely out of whack and unreasonable to go forward. So that's an important one.

As far as grants versus loans are concerned—we talked about this a little bit earlier. Small businesses cannot take on more debt. Festivals are pretty much the same, as Dave well knows. Most festivals don't have any operating surplus any year. Trying to take on debt when they have a very difficult time even attracting sponsors in the first place is a challenging one. Going digital could mean that they are able to go ahead with an event, but it could mean that they're losing some of their traditional sponsors. With the future uncertain, I think it's very difficult to ask them to take on debt by taking a bank loan. The other problem is that most banks won't lend money to tourism businesses or festivals, because they're too much of a risk.

Ms. Laura Mae Lindo: Thank you so much for that, Minto. I know I've been speaking to some folks in the region who were saying that they've lost all of their sponsorship because people are worried about making that investment, so thank you for bringing that up.

My next question is for Dave. Earlier, in the very first presentation today, the minister spoke about doing virtual concerts and was talking about Ontario Live. One of the benefits she was explaining was that the artist could receive—I wrote it down. They would receive \$1,000—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Laura Mae Lindo:—they could sell some of their merchandise and they could collect donations.

I was wondering if you could speak a little bit about your sense of the difference between collecting donations

versus the kind of revenue that one would get if they were given what they needed to be able to open up and have these festivals, even with and especially with all of the safety precautions in place.

Mr. Dave MacNeil: Yes, and as I said, I come from a television background. I love television and I love digital. But it's always been a very, very hard medium to monetize. I think it's going to be great for keeping local artists, Canadian artists in front of their fans, but for them—and our artists and entertainers have taken hits with the different record companies and Spotify and Apple iTunes. They're not making money off of CDs like they used to. Their principal source of revenue was touring and getting in front of people. That is not going to come back, I don't believe, through digital. They may be able to cover and maintain a little bit of cost, but I don't think it's going to be anywhere near—I know it's not going to be anywhere near—the revenue generation that they were used to.

Ms. Laura Mae Lindo: Beautiful. Is there still time, Chair?

The Chair (Mr. Amarjot Sandhu): You have a minute and 30 seconds.

Ms. Laura Mae Lindo: That's great. I'd like to actually follow up on that, Dave. One of the things that you had also mentioned in your presentation—and I think Minto could speak of this as well—is that a lot of multicultural festivals are happening right now, a lot of festivals that bring people together to dance, to learn and explore different cultures and food etc. I wonder if you want to speak a little bit about, again, the pros and cons of if we emphasize focusing on doing the drive-through kinds of experiences versus trying to find a way to make some of these open-space experiences work, given that we're opening up parks right now, for instance.

Mr. Dave MacNeil: I think now more than ever, with everything that's going on in the States and in Canada and the protests and everything, it's a real opportunity for those festivals that celebrate different cultures. They educate, they showcase and they get us all to understand that we're all the same but we have different identities and different things that we celebrate, whether it's Caribana or it's an Aboriginal powwow. That's the unfortunate instance. I would hope that some of them will be able to transfer to digital, because I think, now more than ever, that education piece on our differences and our similarities is very important.

Ms. Laura Mae Lindo: Thank you.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now, for their time. Who will start first? MPP Blais.

Mr. Stephen Blais: My question is for festivals. Ottawa is Canada's festival capital, as MPP Roberts was relating too, earlier. Many of those festivals are culinary—Ribfest, PoutineFest. You have culinary aspects to many of the multicultural festivals that MPP Lindo was speaking about. What's the most important thing, or the biggest thing, the government can do to get people over their hesitation vis-à-vis that and COVID-19 as these festivals attempt to come back—later in the fall, hopefully?

Mr. Dave MacNeil: As we see the restaurant protocols come into place, as we see patios start to open up, I think that is directly transferrable into a Ribfest. If you've got the land and the space, I think it's easy to come out in a space that works under the parameters. I think, as we start to see what those parameters are and how our restaurant colleagues are doing it in the streets of—whether it's Ottawa or Toronto or any major city, I think that scale is directly transferrable to a culinary adventure or festival or event.

Mr. Stephen Blais: As you know, many of these festivals are travelling. Some of the culinary festivals travel. I'm thinking about agricultural fairs that happen in the fall; there's a lot of travelling there. How do we ensure that there is consistency amongst the regulations as we go between eastern, southern, northern and western Ontario etc.? How does that get managed, and then—not only consistency between different regions but consistency between the different segments of festivals? An agricultural festival is different than Ribfest, and so on and so forth.

Mr. Dave MacNeil: Yes. It's something that we've been advocating through our round tables as well—that whole red tape and the way that Ontario Health works and the way that the different municipality health departments work. We're really hoping that this is an opportunity for consistency and standards.

We have the same issues with the AGCO and rules and regulations around liquor and consumption. In one given city, you can have four inspectors who interpret the regulations differently, which causes nightmares for organizers, because depending on who your enforcement officer is, it can completely change event to event. I'm hoping that there are standards that can be met in all of those segments that make it easier.

It's tough for a promoter to come to Ontario and to move an event municipality to municipality, because the security laws are different, or the interpretations. The pay due to your police officer is different from municipality to municipality. All of those costs and all of those—that's one of my fears. They're all getting put down onto the event organizers. The margins on these events aren't large by any scale. It's getting harder and harder, especially with the risk management involved in all of it.

Mr. Stephen Blais: Thank you. I think MPP Hunter may have some questions.

The Chair (Mr. Amarjot Sandhu): MPP Hunter. Three minutes.

Ms. Mitzie Hunter: Thank you so much for your presentations.

My question is for Mr. MacNeil in terms of the guidance that you were hoping for. Can you talk a little bit more about—because we are in the next stage of reopening, and I would imagine that the guidance will help in the preparation in terms of what the expectations and the standards are. What is your industry looking for in terms of clarity around that?

Mr. Dave MacNeil: We've been working quite closely with TIAO and the other sector groups. We all came up with a protocol that we thought was appropriate for our

industries—in our case, festivals and events. We've submitted that protocol. Attractions Ontario have submitted a protocol that works for them. So we've all submitted the different protocols that we feel are appropriate to get our business back. We realize that everything is going to be scaled. We realize that there are not going to be those medium- to large-sized events. But we've put forward now and have been waiting to hear feedback on those protocols. If they're not appropriate, what we're asking is, what is appropriate? Then we can alter our plans to meet and ensure that public safety is paramount.

We all agree—I don't think there are any of us who disagree—on the safety of our consumers. That's front and centre. But we want an even playing field and we want—sometimes, when you go by sector to sector, you miss opportunities. I think sometimes if we just know what those guidelines and what those rules are, we can adapt and make it happen.

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

Ms. Mitzie Hunter: We're back to running out of time, so I want to thank both Ms. Schneider and Mr. MacNeil.

In the remaining few seconds we have, talk a little bit more about that medium term—so we make it through, but to survive for the next season and the next five to 10 years.

Mr. Dave MacNeil: For us, that's the great unknown. I fear that without things happening this year and without a good-sized government aid package—over and above Celebrate Ontario. Celebrate Ontario is great, but that was applied for prior to the epidemic. I recognize that the government is disbursing it differently, and I applaud them for that, but that's one program and that was always in place. We need more than that for festivals and events that don't qualify for that subsidy or that grant. We're going to need that support to see the other side, because without that, I don't think we have to worry about the medium term.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll have to move to the government side now.

Interjection.

The Chair (Mr. Amarjot Sandhu): Right, okay. Sorry about that.

Thank you so much for your presentations. Looking at the time on the clock, it's 6 p.m. now. This committee stands in recess until 6:30 p.m. Thank you.

The committee recessed from 1804 to 1830.

UFCW CANADA LOCAL 333
AND LOCAL 102

SOUTHWEST ONTARIO
TOURISM CORP.

REGIONAL TOURISM ORGANIZATION 7

The Chair (Mr. Amarjot Sandhu): Thank you so much, and welcome back. We'll move on to our next presenters, from UFCW Canada Local 333: head office. If you could please state your name for the record, you will have seven minutes for your presentation.

Mr. Alfredo Leparulo: Hello. My name's Alfredo Leparulo, and I'm the union representative for Local 333.

The Chair (Mr. Amarjot Sandhu): You may start.

Mr. Alfredo Leparulo: I'm actually waiting for my colleague, who's supposed to do the initial presentation, Bob Linton.

The Chair (Mr. Amarjot Sandhu): Mr. Linton, can you unmute yourself, please?

Mr. Robert Linton: Hello?

The Chair (Mr. Amarjot Sandhu): Yes, yes. We can hear you now.

Mr. Robert Linton: Okay. Thank you. Good evening, Mr. Chair and committee members. On behalf of the members of UFCW Locals 102 and 333, thank you for the opportunity to appear before you this evening.

UFCW Canada Locals 102 and 333 are local unions whose members work throughout the province. With a combined membership of 6,800 members working the tourism and hospitality sector, they play a key role in the operation and delivery of services in the sector, the main concentration of this membership being in the GTA through to the Niagara region.

At the onset of the pandemic, with relief packages such as CERB, our members were accepting of the shutdown, feeling they could manage financially for a brief period, never imagining it would extend for as long as it has. A limited number of members have had their employers take advantage of the CEWS and retain their employment, but that number is low compared to the number of members laid off.

With no definite end in sight, no expectation as to what the industry will look like once the province reopens, and the possibility of the second wave coming as early as the fall, the dialogue of our members has changed. We estimate 90% of our members have been laid off as a result of COVID-19. Some hotels have shut down as a result of the pandemic; others are operating with a skeleton staff. Some hotels we have collective agreements with are operating at 5% occupancy, while others who may have contracts with companies from the industrial sector, such as construction, are providing accommodation for work crews but operating at approximately 15% capacity.

The result has been that our members, rather than talking about when they will be going back to work, are now questioning whether they will have a job to go back to once the state of emergency ends and hotels and restaurants reopen. For hotels and motels, although some may be open, as previously stated, many are operating at 5% to 15% capacity while others have shuttered.

The reasons for this are many, but one of the most obvious is the inability to dine or socialize in a bar. If people are unable to get a meal or a drink, attend a sporting event, attend a conference or convention or go to a casino, what reasons would they have for staying in a hotel? Once the hotel industry is given permission to once again open and provide full services, several hotels have told us they are expecting to open at 7% capacity and not expecting to reach 30% capacity before January 2021. When the sector does reopen, our members accept that restaurants and bars will have to accommodate for social distancing and stand-up bars will be eliminated. Even in sport bars or bars that

cater to sporting events, the number allowed in to watch events will be limited. Will hotels or bars return as places of social gathering? If so, how long will it take for them to become those places?

The cancelling of conferences, conventions and other large-scale events has also negatively impacted the tourism industry. The cancellation of such events has had a major impact on the economy, with hotel rooms, restaurants and conference centres not being used to host such events. The result is that the dollars normally spent by tourists and convention and conference goers aren't being spent.

We have been told by some industry insiders that an optimistic reopening of the conference and banquet centres will be October, but many feel this will not take place until January 2021 at the earliest. What is also worrisome for this sector is the trend to virtual meetings. After the province reopens—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Robert Linton: —will businesses and other organizations continue to use video conferencing such as we are using this evening, or will they return to in-person meetings?

Additionally, we would like to focus on a part of the tourism industry somewhat overlooked: car rental agencies and hotel valet services. With borders closed and very limited air traffic, the need for car rentals has seen a significant decline. We have learned that Hertz car rental have filed for bankruptcy protection in the United States. Ontario will not escape the difficulties this sector is facing.

Local 102 members who work in the valet service industry, primarily for hotels, have also been affected. Five hundred members who work as valet drivers throughout the province have been laid off and, like others in the tourism and hospitality sector, wonder when and if they will have a job when the province reopens.

When Ontario gets to the stage when the tourism and hospitality sector reopens, our members have indicated that they would like to receive further direction from the government in training and/or retraining. Given that there will be a new normal when this sector reopens, they would like to receive training to ensure that proper protocols are followed to proactively prevent the spread of coronavirus, to protect the health and safety of their co-workers and clientele. In addition, if new jobs are created as a result of the pandemic, they would like to ensure that they have a first opportunity to be retrained for such positions.

Additionally, a suggestion that has also come through discussion with our staff members is a way to help stimulate the sector to get people to start using hotels, restaurants and bars once again, and to help employees return to their jobs in this sector. The government might consider a one-time tax credit using an arbitrary number of \$500. Individuals could get the credit for spending up to \$500 in hotels and restaurants. This could be viewed as a stimulus to the sector and an incentive for companies and workers in the sector still struggling after reopening and to Ontarians who have lost income due to the pandemic.

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

Mr. Robert Linton: This is just an idea, but it may be worth further discussion.

Finally, we would like to mention that Locals 102 and 333 have the ability and the capacity to retrain members at no cost to fill thousands of jobs available in the security sector. Despite our best efforts, the government has resisted our pleas to modernize the licensing process.

Thank you for giving us the opportunity to appear before you this evening. We trust you will give our observations and recommendations serious consideration.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to our next presenter, from Southwest Ontario Tourism Corp. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jim Hudson: Okay. You unmuted me?

The Chair (Mr. Amarjot Sandhu): Yes, we can hear you.

Mr. Jim Hudson: Good evening. My name is Jim Hudson, and I am the executive director of the Southwest Ontario Tourism Corp., also known as Regional Tourism Organization 1. Our large region encompasses the counties of Chatham-Kent, Elgin, Essex, Haldimand, Lambton, Middlesex and Norfolk, as well as the cities of London, St. Thomas and Windsor.

Tourism is vital to Ontario's southwest. In 2016, 14 million visitors spent around one and a third billion dollars, and this excludes US visitors because we didn't have data for them. But if you think about Ontario's southwest, we're surrounded by US states and we get a lot of American tourists, and on average, an American tourist spends more per person than does a Canadian tourist. So tourism spending in our region was nudging towards \$2 billion until the bottom fell out.

I could go on with numbers, but I have sympathy for you, the long day and evening you've spent there, so I'm not going to punish you with more numbers. My colleague Bill will follow and he will talk about some numbers that cover both of us.

Let me talk to you about people: real, on-the-ground personal stories of the people and the small businesses that are affected by the pandemic. Over 17,000 businesses in our region derive much of their income from tourism. Most are small businesses. Let me tell you about some of them.

I'm going to start with beach towns. Why beach towns? Because beaches are the number one driver for tourist visits for our region. They're like one-industry towns, and if the beach closes and so on, it's like Hamilton with the steel industry closing.

Port Stanley is a thriving beach town in Elgin county, just south of London. It has average tourism spending of \$30 million a year. It's already been hurt by the rising water levels of Lake Erie that have shrunk the beaches. Now, with the beaches closed, surrounding businesses are shrinking, closing or not even opening for the season.

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One example: A casual restaurant named GT's on the Beach. It's been a fixture there since 1993, drawing tons

of visitors. Owners Carol and Andy Gates mortgaged their home to buy it in 2009. This year, they are unsure whether to open. They're trying takeout, for starters, but they're only getting about 5% of their normal revenue. They have trouble getting consistent guidance from the health units on what they're going to need for even a 50% opening. Sadly, they may close permanently or file for bankruptcy. Carol and Andy have two young children at home.

At the other end of our region, businesses in Grand Bend are hit just as hard. With its beach shrunk to the size of a postage stamp due to rising Lake Huron water levels, the municipality of Lambton Shores has no idea how to fit visitors on the beach with proper spacing when they open. Other businesses are closing or waiting to decide whether to reopen, including a small business owned by our board chair. The town itself is losing \$650,000 in beach parking revenue. That revenue may not sound like a lot in some communities, but it pays for the lifeguards, the beach maintenance and a whole bunch of other recreational things in town.

Right next door is Pinery Provincial Park, the largest provincial park in Ontario. It has 1,000 campsites. On an average day in the summer it has about 5,000 visitors; not now.

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

Mr. Jim Hudson: In Essex county along the shores of Lake Erie, our blossoming wine industry has been crippled. And, yes, we do have a winery industry, with 31 wineries and 36 craft breweries. Most are family businesses that reinvest any profits into growing their businesses. Now there are no profits. Some still dig into their own pockets to give back to the community, like the O'Brien family, who own Cooper's Hawk winery and are making big personal donations to the local hospital in spite of their massive layoffs and plunging revenue.

One urban example: RBC Place in London, formerly known as the London Convention Centre. It usually drives \$18 million to \$20 million in direct spending and 10,000 to 12,000 room nights per year; not now. Revenue is down 97%, and the staff has been cut from 105 to 14. They receive no extra funding, no emergency funding, yet general manager Lori Da Silva continues to volunteer her time to contribute to rebuilding the broader community.

Outside my region, you see the same suffering. The Beer Bus, a tour guide operator in RTO7, built up a guided tour of craft breweries but did not qualify for any of the initial rounds of financial support from any level of government. By the time he did, it was too late. He had to sell his tour bus to cover his debts and refund deposits for the coming year.

Let me conclude by mentioning a sector of our population that's affected incredibly deeply by this downturn: youth. More youth get their start and first job in the tourism and hospitality industry than in any other sector. They may not pursue a long-term career in our industry, but they do develop new skills in customer service, marketing and entrepreneurialism to further their careers. This is a crushing year for youth—and I've not even mentioned how they're going to pay for their school.

In conclusion, what do we ask? We seek your support in any way possible to help our tourism economy recover—

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

Mr. Jim Hudson: Thank you—including the request made earlier by TIAO, which we fully support, be that financial support, safety guidance or extended removal of barriers, be they paper or whatever, to business. Most of all, help us stay safe and local. Please encourage people from your ridings to visit Ontario this year. We will all be most grateful.

Thank you for the time.

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

We'll go to our next presenter from Regional Tourism Organization 7. If you could please state your name for the record, you will have seven minutes for your presentation. Mr. Sullivan, can you unmute yourself?

Mr. Bill Sullivan: Sorry.

The Chair (Mr. Amarjot Sandhu): Yes, we can hear you now.

Mr. Bill Sullivan: Good evening. My name is Bill Sullivan. I am the chief executive officer of Regional Tourism Organization 7—RTO7. Our region encompasses the counties of Bruce, Grey and Simcoe. I will give you a few numbers here that Jim didn't want to. The latest statistics available from the Ministry of Heritage, Sport, Tourism and Culture Industries indicate that the annual visitor spend within region 7 in 2016 was in excess of \$1.3 billion, with over 11 million visitors, and it's the third most visited region of the 13 regions in Ontario.

Region 7 is a four-season destination that is often considered the indicator for rural tourism in Ontario. That means our region often experiences the best and worst of tourism conditions first. I'm here to speak to the effects of COVID-19 in our rural Ontario tourism sector. A recent Destination Canada McKinsey and Co. study indicated that the best-case scenario for tourism recovering by the end of June would mean that 33% of the annual visitor spend would be lifted out of the tourism sector within Canada. If you extrapolate those percentages to region 7, that is \$429 million, or 5,577 full-time-equivalent jobs.

I think we can all agree that the tourism industry will not open fully by the beginning of July. The report went on to detail what would happen if the crisis continued up to September. Some 58% of the annual visitor spend would be lifted out of the tourism sector within Canada. For region 7, that is \$754 million, or 9,800 full-time-equivalent jobs. Those numbers are staggering. For rural Ontario, this is over \$6 billion and over 80,000 full-time-equivalent jobs that will be lost if recovery is delayed until September. One more thing: Those numbers were assuming that there was government intervention and stimulus as of March 27, 2020.

The tourism sector within region 7 is comprised of over 8,800 tourism-related businesses. Some 8,600 of these businesses have less than 50 employees. That means 98% of the tourism sector are small businesses. The seasonal and cyclical nature of the tourism sector makes it difficult

for these businesses to access wage subsidies, tax rebates and other programs announced by the federal government.

The tourism industry in rural Ontario is critical to the survival of small towns' downtowns and service providers. The loss of the tourism industry will start a domino effect. In some towns, if the tourism businesses close, there are no businesses left to employ more than a few people. These towns are no different than towns that are built up around mining or other resource industry. When the mining industry leaves, there is very little economic reason to stay. The same is true when tourism leaves rural Ontario. Thus begins the migration of small business owners away from rural Ontario and the exodus of residents to other parts of Canada.

Currently, the growth and viability of the industry is hampered by the lack of many infrastructure items that many residents in Ontario take for granted: reliable broadband, public transportation and social services. In spite of these deficiencies, there is a sense that we can succeed through hard work and innovation. That sense has been wiped clean off the face of most operators. Now when rural Ontario operators need help, they feel left out, left behind, and forgotten. While all understand the need for stabilizing the health and safety of Ontarians, they do not understand why the recovery planning is taking so long.

As you know, a small business owner puts everything on the line. Often the payout is not until they sell the business. They're not only the owner and manager, but often the employee too. The tourism industry, like most other small businesses, demands that the owner work incredibly long hours, often weeks and months on end without a break. To see their life's work and retirement wiped out is still unimaginable. To see that the help they need—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Bill Sullivan: Just adds insult to injury.

These operators do not care that people like you and me are trying to help. They're not seeing meaningful results. All they want is help. What kind of help can be provided? Our current laws and regulations have made this largely a two-government response, at best. The current Municipal Act does not allow for the lower-tier governments to provide significant long-term assistance. The emergency act should be allowed to provide lower-tier governments the ability to assume debt, forgive property tax, provide grants to businesses directly, act as guarantors, and other items that will help the businesses survive this situation and other future emergencies.

The provincial emergency order should provide blanket coverage that authorized protocols cannot be challenged by other governing authorities and an indemnity from lawsuits for operations for two years past the lifting of the emergency.

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The value of the industry is being removed exponentially every day. Investors are looking for more secure investments. The unknown to an investor is a flag to invest elsewhere. One of the largest unknowns is the possibility of future litigation. The indemnity referenced earlier will

go a long way to help maintain value in the industry. Without this indemnity, the insurance industry will be hesitant to insure these businesses, thus leading to higher costs or no insurance. Without this indemnity, investment in the industry will dry up until tourism becomes a better investment than other opportunities.

Stimulating the economy does not all have to come from grants and government handouts; we need to stimulate spending. We need to stimulate acceptance. Our current resident sentiment is very negative to tourists visiting rural Ontario. The lack of volume health care and the lack of a secure supply chain of all supplies, whether PPE or food, need to be addressed. The stimulation comes from creating a sense of security and safety. The conversation needs to change to what we can do rather than what we can't.

Tax credits and HST rebates should also be considered as a way to stimulate spending. Rewarding residents of Ontario who travel at home and reinvest in the Ontario economy is a good thing; extending that to the business traveller is a better thing.

You will hear other recommendations from many industry peers and from TIAO, our industry association. I support these recommendations.

Thank you for the opportunity to speak to you today. I'd be happy to answer any questions you may have.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now. We'll go the opposition side this time for questioning. Who wants to go first? MPP Gates.

Mr. Wayne Gates: Hi. How are you? A question to the unions: When it comes to your members, do you think this government has done enough to support people who you represent in our communities?

Mr. Alfredo Leparulo: Okay. I can try to answer that. Can everyone hear me?

Yes, I think the government has satisfied a lot of the demands for the members, as far as just to maintain their livelihood and pay the bills and just get through this whole period. I think they've done a good job. I think they're impressed to some degree with the federal government, or the provincial government. Things have been pretty good so far, but I think the narrative is changing now. I think now they're more concerned about whether they are going to get the jobs back and when they're going to get the jobs back.

I field many, many calls every day. I get hundreds of calls, of people calling me and asking me what I feel the future is going to bring. It's getting harder and harder to make them feel comfortable that things are going to get better. The message from the hotels is basically that they don't foresee that business coming back—the full capacity of business that they had prior to the pandemic—and so being prepared that the amount of the staff that they're going to need in these hotels and restaurants is just going to be less. People who are less senior in a department are starting to realize that they may never get their jobs back.

Your question is, have they done well? To this point, I think they have. I think, going forward, I'm not sure what

solutions or what programs or what you have in mind to get people feeling that the future is going to look better. Short of getting everybody their jobs back and getting people back into the hotels and back into the restaurants, I'm not sure what the solution is there.

Mr. Robert Linton: If I could add to that?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Robert Linton: Yes. Hi. If I could add to that, briefly: The government have responded to this pandemic, and it's something that we've really never been through before. But one of the things that has bothered us with respect to the response from the government has been—for the better part of two months, we've been trying to explain to them about how there is a need for approximately 5,000 security guards. Many of our members who are laid off in the hotel and hospitality industry—we can train them. Locals 333 and 102 will train them free of charge, but they can't get licensed to be security guards. That is a downfall, and it seems like the government has a deaf ear when it comes to this, so we would like to see some response on that, as well.

Mr. Wayne Gates: Am I good?

The Chair (Mr. Amarjot Sandhu): MPP Gates, yes.

Mr. Wayne Gates: Thank you. I appreciate the responses. There are a couple of things—

The Chair (Mr. Amarjot Sandhu): Three minutes left.

Mr. Wayne Gates: There are a couple of things that the two of you kind of split, and the security one is one that I highlighted during your presentation. I think that would be a way, because we're pretty sure that the number of employees that we currently have today in any of our hotels, particularly in Niagara Falls—everybody's not coming back, whether you're union or non-union. That's just what's going to happen. If we're lucky, we might get to 30% this year for hotel occupancy.

I think you should be pushing the government, and I can push the government as the official opposition, on training people into different jobs. Security guards are one. I heard you say there's a need for 500 immediately, so I think that's a good one. The other one I thought was interesting was a one-time tax credit where you give somebody \$500, \$750 or \$1,000 to encourage them to come and stay in our hotels and our restaurants. The Americans aren't coming this year—they're just not, and it might be a good thing for us right now—so I think that's a good program.

I think you really have to talk about retraining a lot of your members in different jobs, whether it be in security—I still think we should take a serious look at infrastructure projects right now, where I think they'll have a lot of opportunity to have employees who are ready to get jobs.

The last thing I'll say is, do you believe that your members, when they go back, will make sure their health and safety committees are functioning, make sure they're getting proper PPE and all the things to keep your workers safe, as well as the customers that come into the different hotels and restaurants?

Mr. Robert Linton: Alfredo?

Mr. Alfredo Leparulo: Yes. We're still maintaining business as usual in the hotels, making sure that they're

abiding by their collective agreement, and safety programs are going to be in place.

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

Mr. Alfredo Leparulo: All the hotels I've spoken to are preparing to retrain everybody once they come in. They'll be asked to come in a week or two earlier and go through some programs to learn how the environment is going to change. Those are things that the hotels are on top of right now. Obviously they have a vested interest to do so. They're hoping to get as much business back as they can, so yes, those programs are definitely something that's starting up already.

Mr. Wayne Gates: Am I good? Have I got time?

The Chair (Mr. Amarjot Sandhu): Ten seconds.

Mr. Wayne Gates: I've got 10 seconds? Okay.

We need more shelf space in our LCBOs for the wine industry and craft breweries. Without a question, that's what we need to support our local wineries.

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

Mr. Wayne Gates: Thank you.

The Chair (Mr. Amarjot Sandhu): We'll go to the independent members now for their time. Who wants to start? MPP Hunter?

Ms. Mitzie Hunter: Thank you, Chair, and thanks to our three presenters, who have really given us a very good picture. I definitely appreciate the role of labour and the protection of employees in the workplace.

I was very interested in Mr. Linton's comment on retraining for a new normal. I'm just wondering, are you seeing a lot of acceptance for that? Employees need to be comfortable with the new environment in order for customers to feel comfortable, and frankly even for suppliers. So can you speak to the retraining that you envision and whether there's widespread acceptance of that?

Mr. Robert Linton: Well, thank you for the question.

It's hard to say at this point, I think, because who can tell what the new normal is going to be? But if you wouldn't mind, I'd like to defer to my colleague Alfredo, who has been more or less on the ground with our members in the hotels and in the hospitality sector.

Alfredo, if you could speak to that, please.

Mr. Alfredo Leparulo: Could you just repeat the question again? Was it addressed to retraining?

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Ms. Mitzie Hunter: Yes. What types of retraining, in terms of the new standard for employees, so that employees can feel safe and more comfortable in the new environment? That affects how customers feel and even how suppliers feel.

Mr. Alfredo Leparulo: Well, like everybody else, it's a learning process for all of us. I think the hotels and the union are following the recommendations of the government, of what the mandate is, what the intentions are and how we're going to stay safe. We're following those guidelines. I think it's a difficult situation in an environment where people go in, in bars and in restaurants. It's difficult for housekeepers to clean rooms and walk into a room where they feel uncomfortable cleaning. Guests feel uncomfortable with employees being close to them.

So those are all things that have to be addressed and things that are going to create less jobs because of distancing, because of people not feeling comfortable going into those situations. So everyone is kind of waiting for direction, and no one is too optimistic that this is going to pan out real quickly. It's going to take some time. But I think the government needs to lead us and let us know what the requirements are, and then I think everyone is ready to play ball.

Ms. Mitzie Hunter: Do you, Mr. Leparulo, think that there has been enough guidance provided by the government?

Mr. Alfredo Leparulo: No. I think it could be more specific. I think, right now, everyone is just watching the presentations every day from our government. We're all learning at the same rate, I think, and a lot of it is common sense. We're just going into a different stage right now. I think the initial stage was just survival and just getting through this period and paying the bills and the rent. Now people want to know, "If I do go back, what's my work environment going to be like?"

It's a learning process. It's day by day. As we learn, as we do things like this and as we have more contact with the government, then we'll be more inclined to be educated and pass on that information. But we're looking to the government to lead the way.

Ms. Mitzie Hunter: That's great, thank you.

The Chair (Mr. Amarjot Sandhu): Mr. Linton? I think Mr. Linton has something to add.

Ms. Mitzie Hunter: Sorry. I just want to ask Mr. Hudson a question, if I can just move on a little bit, because I'm very interested in your comments around the youth impacted. I would like to get that explained a little bit more, because I do think we have to make sure that we're thinking about how youth are impacted in these environments.

Mr. Jim Hudson: Sure. Thank you—

The Chair (Mr. Amarjot Sandhu): Two minutes, 30 seconds

Mr. Jim Hudson: Tourism operators across the world, and certainly in Ontario, do depend a lot on students to provide seasonal help. It's really a two-way street. It provides them good experience. As I mentioned, teachers have a lot of skills, but they also bring the skill set and the time to be able to work during a very seasonal peak in the industry.

I think everybody wins out of it. There are other options, like temporary foreign workers and so on. But typically, it's the students who get most of their training in our industry. As I said, it doesn't matter whether they stay in the industry. They take these new skills on to wherever their career may lead them.

Ms. Mitzie Hunter: Yes. I believe that too, and it's really important that the training and the experience they would gain—that we find a way to bridge that so they're not scarred down the road from missing the summer of 2020 and the learning opportunities and work experience there.

Mr. Jim Hudson: Yes, I very much agree.

Ms. Mitzie Hunter: Yes. Mr. Sullivan, I just want to thank you for bringing region 7 to the forefront and all of the ways that you are the bellwether for the industry.

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

Ms. Mitzie Hunter: I'm wondering if you could comment on the promotion of domestic first and the gradual nature of the recovery. Mr. Sullivan?

Mr. Bill Sullivan: Yes, sorry. We definitely have to look at a domestic market to begin with. We have to create a sense of security for the residents within rural Ontario, and actually all of Ontario. To have people coming in to your community can be a little unnerving if you don't have that sense of security in your own backyard. But it's also necessary for the visitor to have that sense of security. They go hand in hand, and since we know each other in a way that very few other provinces or communities do know each other, we have a good sense of who is coming to see us now. I think that's really necessary for bringing this industry back. We want—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side now. I'll start with MPP Skelly.

Ms. Donna Skelly: Good evening, everyone. It's been quite a long day.

I wanted to start with Mr. Linton. You raised a point—and I'm trying to get a little bit of clarification on the licensing issue. I think it surrounds security guards. What is the particular concern that you have?

Mr. Robert Linton: Thank you for bringing that up. The problem we have is that to get licensed, to write your test—we can provide the training, but to get your licence, you have to go to a DriveTest Centre and write the test at the DriveTest Centre. In Quebec, what they have done is started to issue temporary licences for people who have qualified to be security guards and will reinstate them once the pandemic is over, whenever that may be.

In Ontario, we have suggested something similar, or to work with the government to find a solution to this, because right now the DriveTest Centres are closed so—

Ms. Donna Skelly: I just wanted to clarify: It is online now. I'm not sure if you're aware of that, and I just wanted to raise that. I can certainly share the information with you. It's now all online, and anyone who has—for example, if their registration or the licence is expiring, it's automatically renewed.

Mr. Robert Linton: Yes, we're aware of that, but anyone who is new to the industry, people who are—if we take people from the hotel industry, which we have been taking, they're taking the course, but they cannot get a licence. They still have to write this test that is done through a DriveTest Centre. You can renew online and it's extended, but you cannot get your initial licence.

Ms. Donna Skelly: I think MPP Smith had some information.

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Actually, it's MPP Piccini—wrong David.

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

Mr. David Piccini: Thanks very much. I'd welcome our union partners' feedback on this. I know the Minister

of Labour has announced 105 guidelines that are online. In addition, the Virtual Action Centre developed uniquely for our hospitality sector, in partnership with our unions, has seen now over 7,000 online workers visit that Virtual Action Centre.

Vis-à-vis the DriveTest Centres, that's noted—and certainly we can work with the Ministry of Transportation. I know we are working with our ServiceOntario partners on that, but we're working actively to move more online. I'm just wondering if our union partners can elaborate on what more you'd like to see. Certainly, that Virtual Action Centre developed in partnership with you is a good step. What else here can we see?

Mr. Robert Linton: I think the big thing right now is to be able to do it online and not have to go into a DriveTest Centre to do it at this point. That would clear up a lot of the backlog of people who have been trained but can't get that initial licence.

The other thing is, if I could just regress for a moment, MPP Gates mentioned 500 security guards. It's 5,000 that we have, that we know from the industry; there are jobs available.

Mr. David Piccini: This is great feedback. I know from colleges and universities' perspective, even with our PCCs—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Piccini: —working with those who are academically stranded and looking at ways we can address those immediate labour market needs—so certainly I take that recommendation. I appreciate the very positive on-going working relationship we have with our union partners. Thank you.

Mr. Robert Linton: And we would be more than happy to work with you to break the logjam any way we can. Thank you.

Mr. David Piccini: Thanks, Robert.

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

Ms. Andrea Khanjin: I wanted to thank all three of you for all your work on the ministerial advisory committee. I know MPP Dave Smith and I have been calling into a few of those, and it's been fantastic, the dialogue.

I just wanted to ask all three of you two questions. In terms of the Tourism Development and Recovery Fund that has been taken from \$500,000 to \$1.5 million, what is your vision for that fund?

The other question I had: In terms of youth employment, what are your thoughts in terms of a policy recommendation on the Canada Summer Jobs program that is run federally? It's an incentive to hire young people and youth. That would get more young people out working rather than maybe applying for some of the supports, which may not give them the CV experiences MPP Hunter had mentioned, as well.

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Mr. Jim Hudson: Maybe if I could start with your second one: Certainly getting those students working is far better. Our organization, as an example, has three summer interns working with us right now, and they were so

thankful for the opportunity not just to have a job, but to have a job that has given them some training and experience they could use in their future.

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

Mr. Stephen Crawford: Thank you, Chair. How much time do we have left?

The Chair (Mr. Amarjot Sandhu): Less than a minute.

Mr. Stephen Crawford: Okay. I'll have to be really quick. I want to thank the union gentlemen for coming here today.

Our government has been a very strong advocate for working people. We've created almost 300,000 jobs since taking over government in June 2018.

I like your idea about the tax stimulus. I've made a note of that, and that's something I think we should look into. Do you have any other ideas that are non-monetary, that may be reductions of red tape that you think could help stimulate demand in your sectors?

Mr. Robert Linton: If I could just speak briefly to that, to go back to the testing for security guards: Right now, when they go into that DriveTest centre, it's a pencil-and-paper test. It has got to be brought online. It has to be brought into the 21st century, and—

The Chair (Mr. Amarjot Sandhu): Thank you. You can come back in the second round.

The second round will start with the independent members. I'll start with MPP Schreiner.

Mr. Mike Schreiner: I want to thank the three presenters.

Mr. Linton, if you want to continue with the thought that was cut off there on the need for online, please continue.

Mr. Robert Linton: I'm sorry. Were you speaking to me, Mr. Schreiner?

Mr. Mike Schreiner: Yes. I want you to finish answering Mr. Crawford's question. You were talking about the need for online.

Mr. Robert Linton: Oh, okay. Well, yes, right now, as I mentioned, it's a pencil-and-paper test, and anyone can proctor it. If we brought it online, it could be done. And it's not just the unions that want to do this; it's the industry, as well.

The reality is that a lot of these security jobs will be in the tourism and hospitality sector, because we need them—maybe not now, but somewhere down the road when the province opens up, security guards at events and whatever they may be. We've seen the use of security guards—we never thought we'd see them outside grocery stores, and they probably will be more in use in bars and hotels once that opens. It will give an opportunity for those people who are displaced in the tourism and hospitality sector to get jobs.

Mr. Mike Schreiner: Yes, absolutely. I'm thinking there are going to probably be a lot of jobs that are security guard-related—but also just safety protocols, physical distancing-related, and so we want to make sure that those jobs are available and that the training is available.

It's my understanding that the union itself can provide training in that regard. Are you also looking at colleges to assist with that type of training as well?

Mr. Robert Linton: We can do the training. We are doing the training. But I would like to add that during the SARS epidemic, we did receive funding from the government to do more retraining, and we would be happy to discuss that with government officials, yourself or whoever it may be, to see what, if any, funds are available to assist with that, and—

Interjections.

Mr. Mike Schreiner: Oh, sorry. Go ahead, please.

Mr. Robert Linton: We're open to whatever ideas might be out there—the same as the idea that we threw out there tonight with respect to maybe a one-time tax credit.

Mr. Mike Schreiner: Yes, I'd be more than happy to support you on the funding for the retraining. I want to take your tax credit idea, which I think is a good idea, and ask Mr. Hudson and Mr. Sullivan, as regional tourism directors, what you think of having a tax credit for domestic tourism.

Interjections.

Mr. Bill Sullivan: I'm sorry, Jim—if you don't mind.

I think it's a fantastic idea. Here's an opportunity to stimulate spending. Our governments are already providing a fair bit of support. I think they have probably thought in the back of their minds that if they provide that support, it'll be put back into the economy. Sometimes it's not being put back into the economy.

This is the way to do it. But don't look at it just from a leisure point of view—also look at it from business travel, corporate meetings. It used to be that you would have a very large tax credit when you looked at bringing your corporate business—bringing a conference. You could look at your food and beverage, you could look at your accommodation. I'm saying look at those as well, but also expand it to look at the activities within the area so that you encourage spending at all the attractions that are centred around those conference centres, and you don't have to stop there either.

If you could be providing HST rebates back almost immediately to the consumer when they're purchasing a tourism product, an activity or an overnight stay—that way, our businesses don't have to provide discounts. That is one of my largest fears—that businesses will start to discount, so it will be long after 2024 that we start to make up that difference if we start discounting today. If we were to put in a 10% discount, it'll add, on average, another four to five years to get back to where we started from.

Discounting is not a positive way to go on this one, but if you can provide a discount to the visitors without it coming out of the pocket or affecting the selling price, that is a better solution.

Mr. Mike Schreiner: Mr. Hudson, I'm probably about out of time, but I'll let you respond to that as well.

Mr. Jim Hudson: I think Bill has answered it supremely well. We've lost advantages in the past, like HST rebates for foreign visitors. We're also seeing other countries now offer very special rebates to lure our people

to go there. Japan, Italy and so on have been in the news recently. So we do not want to be at a competitive disadvantage. I certainly 150% echo Bill's advice to stay away from the discounting because we'll never recover in the short term.

Mr. Mike Schreiner: Great. If I have a little bit more time, I might ask you, maybe while you're on the line, Mr. Hudson, are you worried about small businesses not being able to pay rent and reopen, and would it be helpful to have a commercial rent eviction ban?

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

Mr. Jim Hudson: Absolutely. A lot of our small businesses do not own their property; they are renters and a lot of them are struggling right now and hoping that they can get some form of relief on it. I know one guy in Kingsville who is a partner in six different businesses down there, owns some of the properties—and those ones will probably survive; the rental ones probably won't.

Mr. Mike Schreiner: Right. Thank you for that. How much time do I have, Chair?

The Chair (Mr. Amarjot Sandhu): You're out of time.

Mr. Mike Schreiner: Well, okay. Thank you. My internal clock is telling me that.

The Chair (Mr. Amarjot Sandhu): Thank you. I'll go to the government side, and I'll start with MPP Crawford.

Mr. Stephen Crawford: I wanted to go back to Mr. Sullivan. You did mention a subject of interest to me personally, which was broadband. I don't know if you're aware—you probably are, living where you are—that 12% of Ontario residents really don't have proper access. They're either underserved or completely not served by proper cellular access and broadband.

Our government has made a pretty big commitment. We actually made an announcement yesterday of \$150 million—I'm not sure if you're aware of that—to expand broadband in the province, to really get a lot of these rural communities up to speed. That's the start; there's more to come. We'll be working with the federal government and private companies. We're excited by that. That's a good start, but I want to get a sense from you in your region in terms of—I know this is going to be able to connect residences and families so they'll be able to connect better, but how will this have a positive impact on some of these businesses right now that are hurting? So having that better connectivity—how will that help these businesses?

Mr. Bill Sullivan: To begin with, it allows them to actually compete on a global standard. Right now, they're unable to compete globally. They do not have the capability, even in the best of times, to communicate effectively, where a large portion over China—well, China is not a good example—Asia. It just doesn't exist and they're not able to do touchless payments, and that's going to affect them there.

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Right now, without consistent Internet, these businesses just will not be competitive. We keep talking about the new normal. It's not going to happen for them. I don't know how they will be able to compete down the road

without the broad bandwidth that they need to respond immediately and provide the type of information that the travelling public is looking for.

Mr. Stephen Crawford: Mr. Hudson, did you have a comment on that as well?

Mr. Jim Hudson: Yes, I just wanted to echo what Bill is saying. We tell a lot of small operators in small areas, "If you are not online on a high-speed connection, for the majority of prospective customers, you do not exist. You don't even get looked at."

Mr. Stephen Crawford: Thank you.

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

Mr. Dave Smith: My question is for Mr. Hudson. You mentioned beach towns and the Pinery Provincial Park. I grew up in Wellington, so I understand both of the issues you're talking about there. The Sandbanks was our beach, and when it was closed periodically because of high E. coli counts, you could shoot a cannon down there and miss everybody. But when it was open, our town of about 800 people swelled to about 8,000.

Do you have any suggestions for us on how we could effectively open a beach and still maintain proper social distancing? Secondary to that, Pinery is one of our 99 operational provincial parks. Do you have any suggestions on how we could effectively open the camping at each of those parks so that, again, we maintain that proper physical distancing and we don't have issues with the comfort stations?

Mr. Jim Hudson: My first statement will sound very negative, but I would suggest that what we need to do is get the public health units to get in sync and give—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jim Hudson:—consistent information across the province in terms of beaches, in terms of public restrooms and stuff like that. We get a whole variety of interpretations.

Peggy, you probably saw the London Free Press—I think it was today—talking about the different regulations across the beaches and how people don't know where they can go and what would be a public washroom and so on.

Dave, you touch on the whole area of water quality too. Lake Erie—that's a huge concern for us. It is a toxic hot spot for algae, and just like some of the things that affected you downstream, it affects our beaches, our boating, all of those kinds of things there.

I'm not sure if I've answered your question, but those are some thoughts on it.

Mr. Dave Smith: Thank you very much. I appreciate it.

The Chair (Mr. Amarjot Sandhu): I'll move to MPP Khanjin.

Ms. Andrea Khanjin: I just wanted to raise, in Simcoe county, the Simcoe Muskoka District Health Unit, we had [*inaudible*] to the regional approach—you sort of mentioned that with the different information from the different public health units, but how do you see a role in terms of that regional approach and advertising staycations and how that works with mobility and whatnot?

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

Mr. Jim Hudson: I'm sorry, could you repeat the first part of your question? It was breaking up. I couldn't pick it up.

Ms. Andrea Khanjin: Oh, sorry. We had zero new cases in Simcoe county yesterday for COVID-19, so as we talk about a regional approach for reopening, I just wanted to get your thoughts on what that would look like for your RTOs and your sectors.

Mr. Jim Hudson: I'm of two minds. I strongly approach it from a pure business perspective, but I'm also married to a woman with a PhD in toxicology and she would caution me about all of the health risks. I think keeping those in balance is going to be the real struggle. Currently we have two hot spots in the country, Toronto and Montreal, right now. But maybe some other areas are safer to open up.

Ms. Andrea Khanjin: Alfredo—

The Chair (Mr. Amarjot Sandhu): All right. Thank you. Any further questions?

Ms. Andrea Khanjin: I want to get Alfredo's and Bill's comments.

The Chair (Mr. Amarjot Sandhu): Five seconds.

Mr. Alfredo Leparulo: Sorry.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the opposition side now. I see MPP Lindo, MPP Miller and then MPP Sattler. We'll start with MPP Lindo.

Ms. Laura Mae Lindo: Hi there. Thank you. My question is actually for Bill. One of the pieces that struck me—you were saying that the importance of us thinking about stimulating spending, that part of doing that is ensuring that people have a sense of safety. They feel that they can go out and participate in a lot of the amazing opportunities.

I'm wondering if you can speak a little bit about what you're hearing with small businesses having access to PPE. I'm hearing in my area, in Kitchener Centre, that a lot of businesses and a lot of tourist attractions, in particular, are worried that they can't afford the PPE without government being able to find them good suppliers and all of that kind of stuff. Have you heard any of that concern—that they won't be able to afford that during this reopening?

Mr. Bill Sullivan: We've definitely heard that to reopen, to have the PPE, to have the sanitation stations, is going to be a hardship and that they are hoping that there will be support for that—ongoing support for that. It's not just a one-time expense. If this has a second phase and a third phase—and it all depends on when we have a vaccine—they're going to need long-term support on this.

Right now, everything that they're buying—the cost has increased, everything from food to toilet paper, it doesn't seem to matter. Everything has gone up. A lot of that has to do with supply chain and the fact that they just can't get it any longer.

Yes, definitely, it is a concern of theirs.

Ms. Laura Mae Lindo: Beautiful. Thank you. That's it for me.

The Chair (Mr. Amarjot Sandhu): We'll go now to MPP Miller, Hamilton East–Stoney Creek.

Mr. Paul Miller: Okay. Can you hear me all right?

The Chair (Mr. Amarjot Sandhu): Yes, we can.

Mr. Paul Miller: Okay, thank you.

My question is to Alfredo and Robert. I agree totally with you with the proper licensing for the security guards. I think that's a wonderful opportunity to get some of the people in your locals gainfully employed. But for the ones who don't get that opportunity, I would also want you to look at the fact that we're over 100,000 tradespeople short in Canada, in various trades. I think there's going to be a turnaround in construction. I think it has started already for infrastructure jobs and also labour jobs, with unions like LIUNA and that who are looking for labourers. Also, a lot of grocery stores have been hiring people recently.

There are job opportunities out there. It's not like it's a dead-end street. I would ask that some of the locals, if they want to get their personnel gainfully employed, might look at some alternatives other than that. Then if they decide that that's not for them and they want to go back to their former position when things open again—if they do, that would be an opportunity to keep them employed. How do you feel about that?

Mr. Alfredo Leparulo: I can answer that. Is that for me?

Mr. Robert Linton: Go ahead.

Mr. Alfredo Leparulo: I think everyone is hopeful right now that they're going to get their jobs back—or they were hopeful until about a week ago. It's starting to change now, where the realization is that there probably aren't going to be jobs for them even though they open up for business. People have to eat and they have to make a living, so they're going to have to do whatever it is they have to do. If that means changing careers and getting into sectors that are offering jobs, then they're going to do that, yes; no doubt about it.

We've offered, in the hotels anyway, the security jobs, and many people have taken them. The union has even supported them to the point that—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Alfredo Leparulo: —we'll pay for the course and everything. But obviously we still have a hurdle to get over to get these people these licences. Hopefully, in the future, for any other jobs that are available, the government helps in training and whatever needs to be done for them to get these jobs, absolutely.

Mr. Paul Miller: Thank you.

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

Ms. Peggy Sattler: Thank you very much. My question is for Mr. Hudson.

You responded to MPP Schreiner by saying that some kind of rent relief would be very helpful to the 17,000 small businesses in the southwest. Do you have a sense of how many are able to qualify for the federal-Ontario commercial rent relief program and if a direct rent subsidy would be more helpful?

Mr. Jim Hudson: Unfortunately, off the top of my head, I don't know that. But I can certainly dig it out and get back to you.

Ms. Peggy Sattler: Okay.

How about Mr. Sullivan? Are you aware of how useful the federal-provincial program has been, or is a direct rent subsidy—would that be more beneficial?

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Mr. Bill Sullivan: I'm sorry, I don't have that information either. I do know that a lot did not bother applying the first time or didn't consider it until—

Ms. Peggy Sattler: Because it just didn't seem to work for them?

Mr. Bill Sullivan: It didn't seem to work and they couldn't get their landlords to agree.

Ms. Peggy Sattler: Right. Okay, thanks very much.

The Chair (Mr. Amarjot Sandhu): Any further questions? One minute. Yes, MPP Shaw.

Ms. Sandy Shaw: Thank you very much. In the one minute, I just really want to give everyone an opportunity to answer MPP Sattler's question again, because we have been hearing all morning that people want direct dollars in their pocket, and that the number one concern was commercial rental evictions. So my question to any of the witnesses would be, do you think if we could make sure that individual operators had direct cash subsidies, that they weren't getting evicted out of their properties—would that help to stabilize this industry before we get it back on track?

Mr. Bill Sullivan: In one word, yes.

The Chair (Mr. Amarjot Sandhu): That concludes our time. Thank you to all three presenters for your presentation.

FIRSTCLASS GROUP TICKETS
CHURCH-WELLESLEY VILLAGE BIA
GREATER KITCHENER WATERLOO
CHAMBER OF COMMERCE

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters from FirstClass Group Tickets—if you could please state your name for the record. You will have seven minutes for your presentation.

Mr. Parker, are you there?

Mr. Gerald Parker: Good evening, members of the standing committee. Thank you for having us before you this evening. My name is Gerald Parker. I'm here representing FirstClass Group Tickets, which is an Ontario-based company that provides group tickets as the exclusive group sales agents for folks like Cirque du Soleil, Beastars, PAW Patrol and the Harlem Globetrotters, across Ontario in many of the venues that are in all of you MPPs' backyards, from Kingston to Windsor to Barrie to the north, and also in Alberta and British Columbia.

We're responsible for up to 20% of the patrons in any one venue. For instance, for Disney On Ice—that's in Hamilton—Monster Jam, the Scotiabank Arena, the Cirque du Soleil or the big shows, we're responsible for groups like Scout troops, church groups, employee associations, unions and groups to get out, be able to access tickets and be able to afford to. We provide savings of up

to 50% and access for people to get out, spend their money, have fun, and come back to work as more productive individuals.

We concur with the submission of the Tourism Industry Association of Ontario. One of the good things that's coming out of this is that a lot of industry associations are coming together, because we recognize that \$18.3 billion in lost revenue and almost 130,000 lost jobs in this province is a big deal. It's the heart of our community and, like mine, it's our family business.

I'm going to go to a quick screen share here. I'm going to play a PowerPoint presentation for you, go through the details and tell you why we're the heart and soul of the community, and why it's important that we need your help.

We create magical memories. We get people to get out and have fun. Like I said, we're responsible for 20% of the venue patrons for world-class family outings. We work with many of the best and the brightest. Some of the corporate folks that we work with—our clientele includes corporations, school boards and police associations.

We work across the province in every one of your backyards, bringing in a lot of effort and a lot of people out, having fun, being employed and spending money.

Our partners: Like I said, we work on shows like PAW Patrol, Monster Jam, the Harlem Globetrotters, Cirque du Soleil—all of those shows that your kids love, that grandparents take their kids to, and that inspire our kids to see beyond the stars and learn about a brighter future and a better place and a way of thinking, because they learn a lot when they're out at these events. They're out with their friends and their family. They're out with school classes. They're inspired and they're taught valuable lessons that spark their imaginations and enhance the local economy.

It's the heart and soul of our communities, these tourism industries, and we provide the opportunity for these folks to get out. We make the difference between whether a youth group, family, church group or any association can afford to even get access or go see a show. We're very proud that we enable a single worker on the line to be able to get out and take their kids to learn how to be a superhero. That really touches our heart, and that's what we're all about.

Like I said, we deal with 20% of those patrons. When you go out and you look around that building, 20% of the people sitting in those seats are enabled by the work that we do.

The 30 years of exceptional relationships that my wife and her work has done, and the institutional knowledge that she has—one of the very concerning things in this process is that there has been a lot of institutional knowledge lost. There has been a cleaning house of tourism industry businesses because no one can afford to keep anyone on, and great people with a huge amount of experience are being left in the wind, not being able to be re-employed. This is something that we need to really seriously discuss.

The dedication that enables all of these affordable family events and these kids to learn how to be electricians and sound engineers and dancers and singers—well, they

reinforce everything that we are as a community. They reinforce the memories that we have as children, and they're very important to all of us.

We've always been very supportive, and we always provide great customer service to our customers. We've spent the last three months working free of charge, after working nine months bringing up an event, because we get paid on commission—

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

Mr. Gerald Parker: —to then have postponements and cancellations that we've made nothing on.

Why I'm saying this to you right now in this context is that when we are out there, we've already been hit with up to a year of hard, hard costs that have not been reimbursed—Cirque du Soleil, Feld Entertainment etc. So not only do we have a year and a half ahead of us, but we're also suffering from a year behind us that we haven't been paid for in the ticketing industry.

We've done a lot of great work. We have a lot of things that we can learn from all of this. There are some recommendations that I bring to bear.

Clearly, you understand that the tourism industry has changed—the rubber-tire market, the international market, the borders, the closing, and whether we want to be encouraging folks from two of the biggest epicentres in the United States, two of our rubber-tire markets, to be coming to our destination.

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

Mr. Gerald Parker: We really, really ought to focus on local and domestic marketing to Canadians for Canadians. Let's stay, play and spend our money here at home.

The second recommendation is a consolidated effort to establish specified tourism-industry-specific venue and operationally relevant best standards. This has been reiterated. We need to get smart minds together. There are a lot of us sitting around waiting to make this happen. We can't be reinventing the wheel. We need to have smart people consolidating and sharing this information.

That brings me to the third point: government granting for the tourism industry to increase these memberships and facilitations of networking. We need more money from the feds and the province in the municipal tourism marketing funding and resources. Please go to the feds, get that money—and also, with the province to match it—to help us go forward. We have to revisit the next revision of the Ontario ticketing act to consider—

The Chair (Mr. Amarjot Sandhu): Thank you. I'm sorry to cut you off. We have to move to the next presenter now.

The next presenter is from Church-Wellesley Village BIA. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Christopher Hudspeth: My name is Christopher Hudspeth. I am the chair of the Church-Wellesley Village Business Improvement Area. I am the owner of Pegasus on Church. I stand here today in my shuttered bar almost broken, just like many other business people, looking at what is possibly the end our livelihoods.

In 2013, after 19 years of operation, I bought the local bar that I had worked at for almost a decade. For the past

six and a half years, I have built this business and modernized it for the times.

Pegasus on Church has now been a fixture in the LGBTQ community for 25 years, and it is more than just a bar. It is one of the few historic gathering spots for LGBTQ people left in Ontario.

As the chair of the Village BIA, I have heard many heartbreaking stories as people navigate these turbulent times. Businesses have been mandated shut, and others are still serving the community while trying to remain solvent so they can operate another day.

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I have, like many business owners, applied for the government emergency assistance programs. I knew that even with these programs, I could only project that I could stay viable for a few months. I'm looking at possibly several months before we could open as a bar, and when we open, I can expect occupancy restrictions and other things. We need help, and we can't just refer to debt.

Walking down Church Street today, the heart of Canada's LGBTQ+ community, it is nearly unrecognizable. Every June for nearly 40 years, we've been ready to showcase the Village to the world for Toronto Pride. Today, Church and Wellesley has boarded-up businesses, our once-busy nightlife has been paused, and our usually busy tourist destination is a ghost town. COVID-19-related shocks to tourism have had a massive effect on the local businesses in the Village. The Church-Wellesley area is an iconic, international destination for LGBTQ+ people, their families and allies. Hundreds of local people are employed here, and there are over 100 businesses in the area.

Toronto Pride is one of the largest festivals in the world, and it brings 1.7 million people to the Village as the epicentre. For 40 years, Toronto Pride has called the Village home. The Pride festival, in some ways, is our incredible annual house party where we invite the world to experience the magic of this place and its people. Day after day, throngs of tourists and locals pack Church Street—bringing an estimated \$374 million to Ontario's GDP last year, according to Pride Toronto's 2019 annual report. This year, to help keep everyone safe, Pride has moved to a virtual Pride experience, and the impact on the Village is devastating.

Another local event that attracts tourists from both Ontario and globally is the annual Halloween on Church festival, held on October 31. In 2018, it was estimated that over 70,000 people attended this event. Halloween on Church celebrates the LGBTQ+ culture and attracts tourists from the GTA, Ontario, Canada, and even the world. Though we continue to hold out hope, it looks like this event will also be cancelled this year.

The stakes are high. Some establishments like Woody's, Pegasus and Glad Day Bookshop have been around for over 25 years, and if they leave—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Christopher Hudspeth: —they won't be coming back. It's not unusual for travellers to Canada to get off a plane at Pearson and head directly to a business in the

Village. These businesses rely on tourism dollars to survive, and the tourists rely on us to be here. A majority of employees in the Village are members of the LGBTQ community and are now struggling to survive due to layoffs and shutdowns.

Pegasus has been a proud employer in the community, with one of the lowest turnover rates in the hospitality business. My staff now worry that they won't have jobs to go back to when this is over, and I worry about how I will tell them that I couldn't save the bar or their jobs. This is what's keeping business owners up at night.

The Church-Wellesley BIA remains in close conversation and collaboration with our community businesses. Rents in the Village are higher than in other parts of Toronto, so many local bars, restaurants and shops operate on razor-thin margins at the best of times. The prospect of losing a large number of businesses is a hard thing to accept, and yet is becoming easier to imagine as the weeks go by without any stronger government support.

Over the years, development has pushed out many of these establishments. These are safe spaces, gathering spots, and a sense of community for people who come from across the city and the province. Moving to the Church-Wellesley neighbourhood has been a safe haven for many people from smaller towns, just like I did 22 years ago, from Binbrook, Ontario.

The Village has been threatened by gentrification and increases of rents of over 200% in recent years, and these threats are driving community-owned businesses that are on tight margins into bankruptcy. People from around the world visit Toronto's LGBTQ community throughout the year. In 2017—

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

Mr. Christopher Hudspeth:—Toronto was selected as the third-most LGBTQ-friendly city in the world. Without these establishments, Toronto would no longer be one of the world's top queer-friendly tourist destinations. Not only will this have a negative effect on the LGBTQ community—but felt throughout Toronto and the GTHA, with a lack of intra-provincial and foreign tourists.

It takes a village to save a village. Our community's story has always been one of resilience and creativity to overcome adversity. Without doubt, we will have to be newly resilient and creative as we support each other once more. But it will not be enough this time. We call on the broader village across Canada and at all levels of government to step forward and to do what is needed now. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is from the Greater Kitchener Waterloo Chamber of Commerce. If you could please state your name for the record, and you have seven minutes for your presentation.

Mr. Ian McLean: Well, good evening, and thank you, Chair Sandhu. My name is Ian McLean. I'm the president and CEO of the Greater Kitchener Waterloo Chamber of Commerce. I'm joined by my colleague Art Sinclair, who is our vice-president of government relations and advocacy.

First, let me say thank you for the opportunity to appear tonight, so that I can put on a tie for the first time since about March. I very much appreciate it. I see MPP Laura Mae Lindo and others that are familiar to me.

I'll do some opening remarks, and then both Art and I in the question-and-answer period are happy to answer any technical or detailed questions you might have. I'm just going to try to capture a few thoughts that we've hearing from our members and from the industry over the last couple of months.

Our chamber is in close contact with many of the members in the local tourism and attractions hospitality sector, so my comments and recommendations generate and originate from most of those businesses. Most of these operations, as you would know, are small and medium-sized, usually family-owned enterprises whose challenges are unique. As Minister MacLeod referenced, I think, this morning, the tourism industry has a presence in every community across Ontario. Certainly, the hospitality and accommodation sector is vital to the economy of Waterloo region and across the province.

Our chamber has devoted considerable time to assisting our members on accessing federal programs—primarily the business loans, the wage subsidy program, now rent assistance. While the local business sector does appreciate the efforts of all levels of government and their ongoing support during these difficult times, we continue to emphasize—particularly to the federal government—that access and speed to these financial support programs is essential. Most of these businesses are making their evaluations now about whether to try and stay in business, get to the other side of the crisis and be ready for recovery.

The money that has to flow as soon as possible, particularly for smaller enterprises in the foodservices and hospitality sector, because they're coming—actually, the worst time for them is starting now, which is their busy period, during the summer, for attractions, for a lot of the venues where the summer months are their prime revenue time. We have made progress, and I think the federal government, in particular, have made some changes around the CEBA and the wage subsidy program. We continue to work with all our government partners on addressing the gaps in the current application process.

As many businesses as possible have to access these funds to assist them in this critical period. Along with the Cambridge chamber, Communtech and the Waterloo Economic Development Corp., we've been in touch with both the Premier's office and the Prime Minister's office around where some of these gaps are to support business.

I'd like to take a few minutes to talk about our local hospitality operators and what they've brought to our attention. Capacity and social distancing make the opening of any of these businesses—whether it's a restaurant or an amusement facility, anything that's related to hospitality and tourism—they make even breaking even a real stretch for most of these businesses right now. The restaurant and foodservices sector are interested in opening, but a big part for many businesses will be expansion of their patio facilities so that they can get seating capacity where they

can see a path to breaking even during these summer months.

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It's imperative that everyone involved, particularly in expansion of patios, getting the information they need in terms of seating capacity and social distancing, safety equipment that might be required—that everyone be on the same page—municipalities, the province, AGCO—to ensure that the processes that these business need to undergo happen as quickly and as efficiently as possible.

One example: We had a restaurateur, who was making some assessments about how he would have to respace his facility, both inside and out, and was about to make a \$30,000 investment in glass partitions, only to discover when he was having a conversation with his inspector from the province that—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian McLean: —her interpretation was not the same as the restaurateur's. So the idea that he could prepare and be ready for when restaurants would open successfully—he was glad he didn't make that investment because it wasn't clear what the direction is going to be from the province and the municipalities and AGCO.

Many attractions sell season passes and other kinds of advance registration products, whether it's camps or other things, as this is an important part of their cash flow business model during the slower times of year. That would mean that, currently, some are holding hundreds of thousands of dollars of prepaid expenses. Obviously, they then use that cash to prepare their venues for the season. Without knowing or having confidence when they'll be able to open up for their season, they are getting tremendous backlash from consumers who have prepaid and are rightfully saying, "I paid money. When are we going to be able to access the programming"—or, in some cases, "get refunds?"

All of this boils down to liquidity and cash flow for the operators. That is one of the things we're hearing repeatedly. Some of the programs don't fit that have been designed by the federal government, and some of the loan products that are available, whether it's through BDC or the commercial banks, are not suiting the needs of this industry.

So credit and liquidity isn't just in the short term. As a matter of fact—

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

Mr. Ian McLean: —for most operators, they would look and say that this has really got to be looked at in 18 months or 36 months. It will be two or three years before this sector can really look to get back on a strong footing. So better coordination between BDC, the financial institutions and government programs will be essential for this sector.

The banks are not making their products available to the tourism sector for some specific reasons. They have difficulty looking and seeing the positive future cash flows for these operators. Terms being offered for loans are not appropriate enough for banks to engage in, meaning they think the risk profile is too high. The expectation is that

there will not be the ability to repay or cover the carrying costs of additional debt for the operators themselves. And many of these companies are being put in what are special loans where they must pay for an independent operator—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. Your time has come up now.

We'll start with the questions now, and we'll go to the government side. MPP Smith.

Mr. Dave Smith: My first question is actually for Mr. Parker of FirstClass tickets. I see that you do all of the tickets for the Peterborough Memorial Centre. Thank you very much for that. I appreciate it.

When I took at your website, there are a lot of production companies that I would hazard to guess are US-based. Because of the closure of the borders, as we're coming through COVID-19, does this provide an opportunity for Ontario-based producers to perhaps jump-start their business as we reopen these types of events locally here in Ontario?

The Chair (Mr. Amarjot Sandhu): Mr. Parker? Can you unmute yourself, please?

Mr. Gerald Parker: Yes, I am now. I was having some difficulty—or the Clerk was—unmuting me.

Thank you, MPP Smith. Peterborough Memorial Centre is an absolute stellar client of ours. Not only do we help out with various promotions that have promoters coming through, but we actually do exclusive group sales for them as a venue. They are an exceptional place, and people there work very hard. Lots of people are employed, and lots of cotton candy and shirts are sold that keep everybody involved and employed. So Peterborough—a great place.

In answer to your question about US-based performances: A lot of them—for example, with TO Live, the orchestras and the performers—are actually Canadian. Folks like Cirque du Soleil, although they do recruit around the world, are also Canadian in and of themselves, although they may be owned by US companies—or the events being promoted by them. The actual artistic and technical services and employees are actually Canadian.

However, with that being said, the emphasis on focusing on localized tourism because bringing folks across the border is undoable and not practical nor, arguably, safe at this point—encouraging local theatres and being innovative is something that we can do, absolutely. We need to get some great minds together, and there are a lot of them sitting on the sidelines right now, to bring together some amazing ideas.

I strongly suggest that you have a conversation with the Ontario Professional Ticketing Association and the work they're doing—because there's a lot of logistical considerations in this. Just getting people through the doors and what kinds of tickets they use—the present revisiting of the Ontario ticketing act right now to ensure that tickets are trackable so we know who has them, where they come from. Are they from StubHub or are they from a bona fide entity that is actually supporting the Canadian economy, rather than sending it somewhere else?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Gerald Parker: There are lots of things that we can do in an innovative fashion. We need to have an innovation hub panel to do that touristically and industry-specific. We can continue that conversation any time.

Mr. Dave Smith: Thank you very much for that. I'm going to turn it over to my colleague MPP Skelly.

The Chair (Mr. Amarjot Sandhu): MPP Skelly.

Ms. Donna Skelly: My question is also to Mr. Parker. I'm from Hamilton, and FirstOntario Centre is an arena that was built on, "If we build it, they will come." It was supposed to be the NHL team. Well, we didn't get the NHL team. Thank goodness for organizations such as yours, because the arena relies heavily on the types of productions that you bring to the city of Hamilton.

You said something in your presentation: "Let's not reinvent the wheel." Can you expand on that?

Mr. Gerald Parker: Yes. First of all, FirstOntario Centre is a great place. They bring in family events there. One of the sad things for us in this process is that there are no large entertainment venues like SkyDome, the Rogers Centre—they have stopped doing family shows. FirstOntario Centre is one that picks up and gets a lot of business regionally simply because shows like Monster Jam, Nitro Circus and others don't have a venue in Toronto to actually do the event. So Hamilton, really, gets a lot of business from them. We work hand in hand with FirstOntario Centre.

In regard to not reinventing the wheel: Yes, there are a lot of people that have been around these circles for a lot of years. To see some of them being put off and basically sold in a fire sale, COVID-19 being an excuse for that—there are folks that we can pool upon and bring in around a table to not reinvent the wheel.

The chamber just spoke about the return to prosperity and that curve. Those of us that were around a long time ago during SARS understood that it was an epic epidemic, a localized one, primarily.

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

Mr. Gerald Parker: This is a global pandemic, where we've been telling people to stay home and not go out. One of the things that we could learn from that is that there is going to be a recovery period of over a year and a half for the tourism industry. One of the best practices that is not reinventing the wheel would be to sit down with folks who are already going through these processes, having these discussions, making their venues more accessible, and engaging in the policies, practices and provisions to open up their doors, because the old model of maximizing capacity is just not going to happen.

MPP Gates would love to see the Hornblower jammed to the rafters every day, every show, out to the Falls, but that is not going to be a reality. These folks have entered into huge contracts. The tourism industry and their attractions—

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

We'll have to move to the opposition side now. I'll start with MPP Morrison.

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Ms. Suze Morrison: My question goes to Mr. Hudspeth, with the Church-Wellesley BIA. I know you mentioned that small businesses in the Church-Wellesley Village are having issues accessing the current federal-provincial commercial rent relief program. Can you share with us some of the challenges that tenants are having in accessing that program and what specific actions you'd like to see the provincial government take to help small businesses pay their rent?

Mr. Christopher Hudspeth: Thank you very much. Yes, we've heard some horrible stories about businesses in this area and also heard about large urban centres where this is specifically a problem, where landlords are choosing not to take the rent relief program. Fortunately, my landlord has just agreed, but it was with a lot of pressure and contacting a lot of levels of government to show some force there.

But we're seeing that a lot of landlords just don't want to give up the 25%, so it has made it very difficult. In some cases, there have been threats against businesses, that they will be locked out, because there's no moratorium on evictions. This is a big problem. In the short term, we would really hope that the government would consider an eviction moratorium for commercial tenants—at least short term—and try to work to convince the landlords that this would be a program that they should take on in order that they don't end up with empty main streets in all of Ontario.

Ms. Suze Morrison: Thank you so much. Can you also share a little bit about the cultural significance of the Church-Wellesley Village? I've heard you speak about some of the bars and gathering spaces as, really, second living rooms to folks in the LGBTQ community. I'm wondering if you can elaborate a little bit more on why these businesses are so much more than small businesses.

Mr. Christopher Hudspeth: Historically, these have been, for the LGBTQ community, our community centres. These have been our gathering spots, places where we have organized activism, to make change, to allow people to have the freedoms and the equality that we see today within the LGBTQ community. They're not just spaces of commerce; these are about gathering. These are not just social; they're also about planning, about understanding more about your community, and a space that is safe for a number of people from across the province, across the country and even throughout the world. They come for tourism and to make it home, like I did, in order to have a place where I felt there were other people like me.

That's what these spaces are here in the Village. Many of them are, like myself, 25—or Woody's is 35 years old, or Glad Day Bookshop has existed now for 50 years. They're very important to the makeup of our community.

Ms. Suze Morrison: Yes, Glad Day is actually the oldest LGBTQ bookstore in all of North America, I think.

Mr. Christopher Hudspeth: All over the world, actually.

Ms. Suze Morrison: All over the world, yes. It would be an absolute loss, globally, to queer and trans communities, to lose that space.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Suze Morrison: I would like to share my time with Ms. Lindo, actually.

The Chair (Mr. Amarjot Sandhu): MPP Lindo. Can you unmute yourself, please?

Ms. Laura Mae Lindo: I thought I did. Am I unmuted now?

The Chair (Mr. Amarjot Sandhu): Yes.

Ms. Laura Mae Lindo: Hi. My question is for Ian and Art. Hello to both of you. Catherine is also sending her greetings; she's having some sound problems, so I'm combining our questions.

I wanted to give some time for Ian to continue explaining why the loans program isn't actually working for folks. Both MPP Fife and I are hearing about the need for an immediate freeze to commercial rent evictions, a freeze to the rent there, and people worried about going into more personal debt. So over to you.

Mr. Ian McLean: Okay, I appreciate that. Thank you for the question. There are a couple of quick comments, but I'll come to the rent program.

Hospitality and tourism: The crisis is just starting for them. Plus, this is their busy season. Part of what's needed in this sector is some clarity from the province around what reopening is going to look like and what they're going to have to invest in order to reopen, because that's one of the challenges that they have in terms of how to reopen.

I would just put the caution out here: Many businesses are looking at whether it's even worth reopening right now—whether it makes more sense for them financially to even open at all or just take a complete pass and say, “We're going to shut down for a year or more and see what it looks like a year from now.” I think that's the context in this sector, that we are in a tremendous crisis period.

I think Mr. Bingeman is coming on, and he can more eloquently than I describe to you the whole question of the liquidity and financing for an operator who has to take receipts early on to reinvest in their facility. Then, if they can't open up, how do you cash-flow that? I think he'll explain to you that this is not a six- or 12-month period. I think Mr. Parker talked about this being a longer period—

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

Mr. Ian McLean: So let me come to saying, if we close down, how does that affect communities? How does that affect the economy? The wage subsidy program is essential. We need to lower the revenue loss to 20%. On the rent program, we need to lower the revenue loss to 20% as well, and allow tenants to apply. That's the real fix. That's what we've been saying to the federal government, and there could be some issues that the province does as well in terms of the evictions moratorium.

But that only pushes the problem out. Right now, you need to get cash in the hands of businesses that can pay their rent, because pushing it down the road doesn't do anything for them because the debt load becomes so much. You're just pushing off their bankruptcy for 12 months down the road. You need to get cash to them now so they can pay their bills, work with their landlord and have a path to opening up with the wage subsidy program.

Ms. Laura Mae Lindo: That's fantastic.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the independent members now. We'll start with MPP Schreiner. Are you there, MPP Schreiner?

Mr. Mike Schreiner: I think MPP Blais was going to go, but I'm happy to go.

I'll actually start with Mr. McLean, just to say that university towns, I think, are especially going to be hit. Here in Guelph, we're experiencing it as well. When you don't have students coming in, that's going to affect the hospitality industry. Parents are not going to hotels. My daughter goes to Laurier, so I know you've experienced it over in KW as well. Do you want to maybe just explain how that has heightened the challenge for businesses, particularly in university communities—Kingston, Sudbury, Guelph, KW etc.?

Mr. Ian McLean: As you know, here we have—and Art does a lot of work with the University of Waterloo, Laurier and Conestoga. I was a city councillor for the uptown ward that has both Laurier and UW in it, as well as Conestoga. The community relies on students. We have tens of thousands of people, students who come in every year, so restaurants are going to be affected, tourism, the live concert venues—you go up and down the list. It is going to be catastrophic for the community as a whole, but the story is really told by the businesses that aren't going to be able to open up, because there'd be no reason for them to open up. It will affect the municipal finances. It affects small business. It affects all of the knock-on effects of a university town.

We could talk about that for hours, but part of the start of this is how we keep these businesses alive long enough to start to see students actually come back, because as you know, we're not going to see students in any great number in the summer or the fall term. It will be a year from now, probably, before we start seeing students come back in any great numbers on campus. That also affects the student rental market as well.

So all of these issues are amplified in a university town, particularly ours, which has three post-secondaries. Many of your committee members will have those situations in their ridings as well.

Mr. Mike Schreiner: Yes, I think it's important. I think that's a unique problem for a number of university and college communities. Peterborough, I know, is on here as well. A lot of us are affected.

I just wanted to add, really quick, on the important part—you talked about debt piled on debt. Deferrals are great in the short term and for immediate cash flow, but for a lot of small businesses, deferrals just aren't going to cut it because of the debt-piled-on-debt issue. Did you want to just maybe elaborate on that a little bit?

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Mr. Ian McLean: Yes. Again, some of these are federal programs—but the importance of the wage subsidy program in keeping people connected to your business is really important. We've got to lower those so people have cash flow. Because it's about cash flow. Their fixed costs are all there. If you defer your mortgage, that's fine.

Maybe you're paying the principal. If you're just doing interest-only, you still need cash flow to pay the interest-only, and you're just pushing off debt into the future.

Even in the bank program for smaller businesses, which we're talking about today, you're still adding—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian McLean: —say, \$10,000 of it might be forgivable, but you still have now added \$30,000 in debt, and it really is not for anything that has built your business; it's just to put your thumb in the dike to stop the flow of water. You haven't built your business. And eventually you get to the point where you have so much debt that you can't cash-flow it; you can't generate enough income from your operations to pay for it. And that's the real problem with deferrals or, "We'll give you a holiday": You'll never make it up. For most small and medium-sized businesses, or seasonal like hospitality, you can't make it up. It's not like you get another season. You'll never make it up, and it just becomes an albatross around your business. This is why people are actually looking right now and saying, "Do I even bother opening up right now?"

Mr. Mike Schreiner: Right. I'm just going to switch. Mr. Hudspeth, I'm probably almost out of time.

I can't remember the last time I missed Pride parade. It's breaking my heart not to be able to march this year.

But I'm thinking of your neighbourhood in particular, where you're seeing escalating rents and the fact that businesses have put investments in leasehold improvements, sometimes personal covenants, which may be leading to why some landlords don't want to participate in the program. Do you maybe want to talk about that in the context of your neighbourhood and the importance of making it tenant-driven and/or a moratorium on commercial evictions?

Mr. Christopher Hudspeth: Yes. We recently had a development company come into the area and buy up large portions of the Village. They have then waited until the end of the leases, removed those tenants, fixed up the space, and then increased the rent by 200%. So they've all doubled to what they were before, when they were already astronomical to start with. It has been quite unbelievable, really—

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

Mr. Christopher Hudspeth: —to push us out.

As far as missing Pride, this year it's going to absolutely devastate many of the businesses in this Village. They rely on that revenue to help push them through the summer and into the fall and on through the year. It's these festivals and these bumps that really help keep the businesses going, and they're part of our budget. They're what we've relied upon. Without them, many businesses are going to be bankrupt.

Mr. Mike Schreiner: I'm assuming my time is probably up, so thank you to everyone who presented.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go back to the opposition side for the second round. MPP Lindo.

Ms. Laura Mae Lindo: My questions again—I'm going back to Art and to Ian. It's interesting that MPP

Schreiner was talking about—let's talk about the escalating rents, right? Sometimes we think that that's happening in localized areas. I'm wondering if you can speak a little bit about what you're seeing in terms of rent costs and what commercial rent is like here right now during the pandemic, and what some of those concerns might be in our area.

Mr. Ian McLean: Art, do you want to take a crack at that one? He has been really digging into this section. Mr. Sinclair will take this one.

Mr. Art Sinclair: Sorry, would you repeat that again? You wanted clarification, MPP Lindo, on—

Ms. Laura Mae Lindo: On the escalating rent prices, just to see if this is something—sometimes people think that it happens in some local areas but it's not across the province or it's not part of what a lot of businesses are feeling. I'm just wondering if we have similar stories here. I hear it in my office; I'm wondering what you folks are hearing.

Mr. Art Sinclair: We haven't heard that, no.

Ms. Laura Mae Lindo: At all?

Mr. Art Sinclair: Speaking with businesses across Canada, I think this is a national problem. I think we can go back to the early days of this crisis. One of the initial concerns for businesses, and I think for consumers as well, was payment of rent. So we've gone through the 1st of April and the 1st of May and the 1st of June, and we're not at a point yet where any money is falling out to any tenants right now. We're not at a point where this problem is being addressed.

From our perspective, it's a national problem and it's something that, fortunately, the governments of Ontario and Canada have chosen to address. That's what we're hearing right now—that it's a national problem. We're just trying to deal with cases on a case-by-case basis, and we're trying to help our members whenever it's appropriate.

Ms. Laura Mae Lindo: Okay. Beautiful. Sorry, did you want to say something, Ian?

Mr. Ian McLean: Yes. Just to follow up on that, we've been pushing for the changes in the rent program. One of the biggest issues is the 70% revenue drop, which is screening out far too many businesses, because as most people would know, you don't start making business in just about any business until you're at 85% or 90% of your revenue target. That's when you start to make money. So the notion that if you haven't lost 70% revenue, somehow you shouldn't access this program, is nuts. It needs to go down to, like, 20%. The same thing on the wage subsidy program—it's all about getting cash to these businesses.

The cost of rents hasn't really gone up, in our experience, here, and it's different in Toronto or other bigger marketplaces. But the fact is that people are not getting access to this program because they're being screened out even in the initial stages of it by landlords that, as someone else said, didn't necessarily want to give up the 25 points. But even when you don't have a willing landlord—that can be a business decision—they're not even letting the tenant apply.

That, to me, is one of the biggest things. At least if you have the federal government saying, "Okay, Mr. Tenant,

Ian McLean and your business, do you want to apply?”—you might only get 50% and, at the eligible rates, maybe it’s only 35% or 40% of your rent, but it’s something. That, for many, could be the light at the end of the tunnel, saying, “Jeez, if I can get 40% of my rent taken care of, I’m going to try and stay in business. And if I can get that wage subsidy, maybe I’m going to keep my two employees.” That’s what we’ve got to pray for—that there are as many businesses as possible at the end of the crisis portion, so there’s actually jobs for people to go back to.

The rent piece is part of the bigger picture, so that any of the business people you’re talking to today actually have businesses for people to go back to work. As Art said, it’s a national problem. We’ve been trying to take this, saying that the wage subsidy, bank loans, programs, or at least credit facilities, all have to be taken together. Business needs all of those things—most businesses—to survive.

Ms. Laura Mae Lindo: The other thing that I’m hearing is that—we heard this in some of the earlier presentations—we have to start making sure that we’re taking seriously safety precautions so that people are feeling like they would be willing to go out and spend. Ian, you did give a couple examples of that—

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

Ms. Laura Mae Lindo: —if you wanted to talk a little bit about that, just to expand, that would be great.

Mr. Ian McLean: Yes. I think, sector by sector—manufacturing started to reopen and they’ve gotten some direction around how to safely open, crossing shifts and some of the safety matters. But for those industries that have not yet opened and don’t have a clear direction of what local, meaning municipal, and provincial guidelines are going to be, they need that clear direction.

I think Art, in my notes here, said that most of the businesses want to have clear directions about how—not necessarily when; they’d like to know that, but how and what’s going to be required to safely open. I think that’s really the province working with the municipalities and industry groups, saying, “When you open up, Mr. or Mrs. Restaurant Owner, here’s what you’re going to need to do,” so they can start to plan. It’s going to take a week or two for most of these businesses to plan out their social distancing—what seating you’re able to have, how my patio would fit into that. They can’t do that overnight. Some of it will require buying new safety—

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

Mr. Ian McLean: —equipment etc. They need to know what’s expected of them. That’s where the province needs to work with municipalities, on the how and what, not when, because the when is going to be driven by the science and the public health officials.

Ms. Laura Mae Lindo: Thank you so much. Over to MPP Morrison.

The Chair (Mr. Amarjot Sandhu): I see MPP Morrison.

Ms. Suze Morrison: Yes. Just quickly back to Mr. Hudspeth: My opposition colleagues and I have been pushing for a 75% wage subsidy for commercial tenants.

Is that a policy that would be welcome by businesses in the village, and would it help to save the Village?

Mr. Christopher Hudspeth: A wage subsidy?

Ms. Suze Morrison: A rent subsidy.

Mr. Christopher Hudspeth: The rent subsidy, absolutely. We would like to see that be mandatory or rolled out in such a way that 75% of it is covered, regardless of whether the landlord wants the program or not.

Ms. Suze Morrison: Excellent. Thank you. And would you say that the landlords opting into the current rent relief program is probably the most common barrier you’re seeing to that program?

Mr. Christopher Hudspeth: We have seen very little movement on that.

Ms. Suze Morrison: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We’ll go back to the independent members for their second round. MPP Blais, I think.

2020

Mr. Stephen Blais: Mr. McLean, in your presentation, right at the end, before you were cut off, you were speaking about the challenges that some of the operators have in securing credit. You were in the process of making a point and I was hoping you might be able to continue that.

Mr. Ian McLean: Yes. Thank you for that. I think this is one of the challenges—and I give credit to both the provincial and federal government, and the municipalities. Everyone is trying to fly a plane that they’re building while they’re taking off. Many of these programs are not fitting for everybody.

I would say, one of the issues that the hospitality sector is facing—and again, Mr. Bingeman will explain with more clarity and depth. We’ve heard the BDC may be approving them for loans, but then it’s really guaranteed with their financial institution. The financial institution then puts them in special loan categories. Sometimes they have to pay for special independent auditors to go through their cash flow and what kind of repayment prospects they would have. So it’s not as simple as saying, “Well, BDC has got a program and they’ve got support” when the banks are looking at this and saying, “We don’t see a reasonable path in 12 to 18 months for you to get back to a cash flow that would sustain taking on more debt.” That’s one of the questions we were discussing before. Adding more debt without the runway to generate your recovering revenues is a fool’s errand because it just pushes the problem down.

I think you should ask Mr. Bingeman—because I spoke to him and a number of operators here. They will tell you some of the particulars that make it very difficult. And by the way, Bingemans has been around this region—Laura Mae and Catherine would know that, from this region—for, I don’t know, 60 years. A very successful business—if there’s a successful business here in Waterloo region, that’s one of them. They’re getting squeezed because of this pandemic in terms of people saying, “Well, we’re not sure you’re going to have the same business.”

So the vagaries of the programs that have been designed by government backstops and how they're being interpreted by financial institutions are not in alignment right now, and that needs to be addressed.

Mr. Stephen Blais: Thank you. I'm wondering if you've had any conversations with chamber members—you had spoken about contemplating about shutting down for a year or maybe two before, endeavouring to avoid loss. Have you spoken to any of them about their personal liability, though, for the leases that exist on their businesses and how that flows together?

Mr. Ian McLean: Yes, many. You find that some of the businesses, again, that have been successful, in order to keep going have had to take on some more personal liability to get more credit for cash flow and liquidity. I would say most of our members, when I talk to them about saying, "Hey, if you're a restaurant owner or"—Maxwell's music house is an example. He's an awesome guy. Paul Maxwell and his business colleagues have a tremendously successful business, a small, live concert venue.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian McLean: His business is gone. He's going to be out of business, because there's no opportunity for him to transition his business.

Folks like that who have already put in some of their personal credit are going to have to deal with the personal side of this. Businesses that are going to choose to take on more debt are going to be, in most cases, taking on more personal liability. As you know, there isn't an entrepreneur that has started a business who hasn't taken on personal liability to do it. That's where you get your first—your first chunk is coming from your friends, your relations and your own, usually, second mortgage, or tying your home to a business. There isn't anyone that I've talked to who's saying, "My banker in Saint Lucia might be out." It's them talking about their family and their home and their employees. That's the real tragedy of this.

Mr. Stephen Blais: Thank you. Just very quickly: You had mentioned the lead time that some businesses will need to establish policies. I think you were talking about restaurants at that moment. I'm hearing that there could be as much as a six-week lead time for cleaning supplies at the commercial level. What are you hearing about the lead time for inventory for commercial cleaning supplies and PPE etc.?

Mr. Ian McLean: That's one of the things we've been working on here locally through Communitech and Catalyst137—which is to try and access PPE for not only the front-line workers but for any business opening up. If you're a small business restaurant owner or retail operation, good luck trying to find even face masks, gloves and hand sanitizer on the open market right now without getting ripped off.

We're trying to make sure that we're accessing those and, as a chamber of commerce, along with the Cambridge chamber and others here in the business community, making sure we have those stockpiles available so that small business can get it in the quantities that they're going to need to have it.

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

Mr. Ian McLean: If the province said on Friday, "Good restaurants can open up on Monday," I'm not sure there are more than a handful that would be able to do it safely, to have their facility outfitted, to have social distancing and to have the cleaning supplies and the PPE that you described. So it is going to take a period of time—it may not be six weeks, depending, but you're going to have to make the modifications to your facility and have all of those safety features before you can safely open up, because the confidence of the consumer and the confidence of your staff—you have to have both of those things to consider opening up anyway.

It certainly is getting clear direction on what you're going to be required to do in your business—and then having the ability to access the PPE and safety cleaners, those sorts of things, is going to be tremendously important as well.

Mr. Stephen Blais: Did you say that the chamber was acting as the warehouse—

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

Mr. Stephen Blais: Okay.

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

Mr. Ian McLean: My colleague in Cambridge's chamber actually has—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the government side now. I'll start with MPP Miller, Parry Sound–Muskoka.

Mr. Norman Miller: Great. Thanks, everyone, for your presentation.

I guess I'll follow up with Mr. McLean. As we look for things we can do to make it easier for business to survive in this new world, you in your presentation were talking about trying to improve capacity in a social-distancing world. So having more patios, or a patio extension: I would assume this would apply to Mr. Hudspeth as well—his area.

I was talking to a restaurant in Huntsville just a few days ago—a small restaurant. They wanted to build a big patio. But one of the red tape issues they ran into was, they couldn't apply until COVID-19 was over. I'm just wondering if you've run into similar scenarios like that, or if there's red tape reduction—because obviously, in this case, this restaurant, it was June 1 when I was talking to them, and they'd like to have the patio open for July 1 and not miss summer. So any suggestions on the patio red tape issue?

Mr. Ian McLean: Yes. I've been digging into this one, because I've had a number of our members right across the region saying that one of the only ways that restaurants might be able to successfully open up is to expand their patio operations. The way things are right now, you'd have to get municipal approval and then you'd have to get the AGCO—there's a whole variety of things.

I think this really means that the municipalities, the AGCO and the province need to get on the same page of how we expedite the approvals for this. I think Barrie, actually, if any of your colleagues are from there—

Interjection.

Mr. Ian McLean: There we go. Andrea, I knew someone was on there. I think it's Barrie that is trying to expedite this. There are models where the AGCO is working with the municipality and saying, "Even if it's temporary for eight or 12 months, we're going to give expedited approval and give those restaurants the opportunity to extend their capacity"—because the inside will not be able to be expanded. The patio will hopefully give them enough extra revenue to get them through—the real risk is going to be January, February and March of next year. That's when businesses just run out of cash and give up, so we've got to give them these opportunities.

I think there are some models that already work. As long as the province and, in my understanding, the AGCO in particular, work with municipalities, I think that can happen fairly quickly.

Mr. Norman Miller: Hopefully, we could do something there to speed that up quickly.

Mr. Hudspeth, I assume that would be something good for your area as well?

Mr. Christopher Hudspeth: Yes. Today, the city of Toronto, Mayor Tory, announced that they would be doing CaféTO, which is a program much like that, where we'll be able to expand out onto the streets, at least to sidewalks and curb lanes, and potentially shutdowns for weekends or, in some areas, maybe even seven days a week, to allow for complete social distancing while people are able to carry their food and their drink out onto a much more expanded patio. We've asked for that, and we've seen that announced today. We've suggested that that's a good way of going. It certainly helps us get a start.

2030

Mr. Norman Miller: Thanks. Mr. Parker, in your presentation, you had, just before you ran out of time, a request for trackable and contactless ticketing.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Norman Miller: What is needed, from a provincial perspective, to make that happen?

Mr. Gerald Parker: Thank you very much, MPP Miller. It's a great question. Right now, the Ontario ticketing act is up for amendment and revision. The deadline has been extended in order to be able to have industry input on it. The more we can distance people—because the maximized capacity model is over. We need to socially distance, but when people are going into venues, we need to be able to ensure that they are able to do it at a distance, and applications, apps and touchless technologies are really important—and trackable, too, from a public health perspective, because tickets do change hands. Unfortunately, there are situations that we totally disagree with, but the point is, it's a reality. So from a public health perspective, knowing who those tickets belonged to and being able to go back to them is really important.

It really begs the question, then, as to the capacity of the ticketing act and its jurisdiction, because where we have these issues—we know exactly who our customers are. When someone goes through Ticketmaster, they know who their customers are. We can trace them back and we

know how to find them. Unfortunately, when they go through secondary resale markets, StubHub and the likes thereof, they get lost in the process, so the trackability of these tickets—and the contactless and bar-coding and touchless technologies that venues will then have to be engaged in purchasing.

One of the very good suggestions in this round would be this—a lot of these venues are owned and operated by municipalities. TO Live, in Peterborough, in Kitchener, and a number of others across the province—

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

Mr. Gerald Parker:—are actually run by the municipalities. The province can help them subsidize those entry technologies through just some handing down from one level of government to the other to create those best practices, to source those technologies that can make that work. They are available; they just need to be implemented and upgraded.

Mr. Norman Miller: Thank you, and I'll pass it on to MPP Khanjin.

The Chair (Mr. Amarjot Sandhu): MPP Khanjin, you have 30 seconds.

Ms. Andrea Khanjin: I just wanted to comment. In the Barrie area, the BIAs and the chamber, a lot of them are saying, "Instead of giving us a handout, give us a hand up." Reopening safely would really make progress, especially with zero new cases as of yesterday. I just wanted to go, first, to Mr. Parker about the Barrie Molson Centre, now called the Paul Sadlon centre. A lot of events happen in there, so what would be your recommendation, in terms of a safe reopening of events there?

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time.

Thank you to all three presenters for your time and your presentations.

BINGEMANS

GREATER NIAGARA
CHAMBER OF COMMERCE

REGIONAL TOURISM
ORGANIZATION 4 INC.

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, Bingemans: If you could please state your name for the record, and you have seven minutes for your presentation.

Mr. Bingeman, can you hear me?

Mr. Mark Bingeman: I'm here, thank you. Good evening and thank you for the opportunity to speak to you about the effects that COVID-19 has placed not only on our hospitality-tourism forum but our industry in general, from a business perspective.

I am Mark Bingeman, the president of Bingemans. Bingemans has been part of the fabric of Waterloo region and southern Ontario since 1938. Over these years, we've grown to be diversified in the hospitality-tourism sector, covering restaurants, conventions, catering, camping, attractions and more. This diversification has supported us

during other crises that we've been through. However, nothing could prepare any part of hospitality-tourism for COVID-19, which has levelled devastation equally across our sector.

We are an employer to over 500 people, with facilities for meetings, fundraisers and events. We are a catalyst for festivals, music events and more, to a level of 30,000 patrons and beyond. Overall, it's a significant economic impact to our region and southern Ontario.

For some context, within the first three hours of that Friday in March when the direction was clear by the government, we lost over \$3 million in bookings. By the end of day the next Monday, we had lost an additional over \$6 million in bookings. These losses of advance bookings continue throughout this process, in addition to the loss of the daily transactions that would normally occur from all of our outlets, which are completely non-recoverable. I can assure you that my story is a carbon copy of many other fellow operators in our industry. Individually, our fiscal losses will certainly be in the millions.

Unfortunately, the process of reopening has been extremely challenging for our industry. Businesses are spending funds that they currently don't have to spend on opening as best as they can. However, they have no certainty—or worse, if they are permitted to open but it is later than what is required to make a profit, if they would have been better off to close things down months prior to save their resources.

Our industry depends on deposits from future bookings to help with cash flow operations. Future bookings, thus these deposits, are currently non-existent, and will continue for some time, creating more financial stress.

Many businesses, including ours, are attempting to pivot into different areas so they can generate revenues. Some of these will be short-term pivots, but some of these will be longer-term strategies. As we know, the effects of this crisis will be with us for many years. These initiatives need expedited support immediately. Many operators are assessing currently if it might be in their best interest financially if they were to completely shut down, and potentially look at reopening some time in 2021.

I am concerned about hearing comments from some that we are coming out of this crisis. I can assure you that, in our sector, we are only just getting into the difficult times, and the proper support is needed now more than ever.

When we talk about different bad things happening, we talk about when the second shoe will drop. Quite honestly, we actually have four shoes. The first shoe was in mid-March, when all of our sectors were forced to close. The shock and awe left everybody scrambling to cut their expenses, preserve as much cash as possible, and see how long this would last.

The second shoe will actually drop in the next 30 to 60 days. This is when businesses will see what revenues they are likely to generate in the near term with reopening. They will realize the true damage of the levels of the debts and deferrals that are racked up that will need to be repaid. Industry operators will be dealing with refunds to

activities that may not be able to be activated. And some consumers, regardless of being able—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Mark Bingeman: —to have things open, may not want to come to those attractions due to COVID-19 concerns. This financial impact for operators is in the hundreds of thousands of dollars, if not millions, in some cases.

They will understand that the cost of reopening is not only financial, with all the additional requirements—but also the human cost. Our industry, as I say, had been in a significant labour crisis prior to COVID-19, struggling to fill positions with any kind of worker, let alone trained workers. Now we are contending with staff being supported financially by government who are choosing to not re-enter the workforce. This is in addition to dealing with the emotional aspects of supporting staff who may have fears of coming back to work. This issue alone will dramatically restrict the level of reopening and revenue generation.

In the convention and catering business operations, this will be the time when the fall and Christmas season bookings will certainly start their cancellations, depending on their company policies.

This rolls into the third shoe, which will likely occur sometime in the early fall. This is when those who are actually able to make it through the summer will find out how much money they are able to bring to the bottom line to start paying some of those debts. We will find that the advance seasonal pass sales of their products will be non-existent, increasing the strain. Again, the catering and convention facilities will find out the true toll about the level of cancellation of their events, thus causing a third financial distress.

The fourth shoe will be sometime at the beginning or the end of the first quarter of 2021. Anyone who has been able to make it this distance will be assessing what is their debt level and how will they be able to carry it, and what is the outlook of potential business as dictated by the state of COVID-19 and beyond in terms of what the government will allow to operate. But the reality is, the true control mechanism will be consumer sentiment, and whether they will engage in hospitality-tourism businesses to the level of sustainability.

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

Mr. Mark Bingeman: In closing, our story is no different than anyone else in the industry. The hospitality and tourism sector needs to be eligible for BDC programs and others currently being prevented by the banks; the wage subsidy needs to continue much longer than what's currently scheduled—forgivable support, recognizing the sector will feel COVID-19 effects for several years; a clear, localized process for permission to open businesses; removal of timing delays and roadblocks for business development for areas of our sector; and granting support for regionalized festivals and events and other economic impact activities much greater beyond what the current levels provide.

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The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move on to the Greater Niagara Chamber of

Commerce. If you could please state your name for the record, and you have seven minutes for your presentation.

Ms. Mishka Balsom: Good evening, members of the standing committee. My name is Mishka Balsom, and I'm the CEO of the Greater Niagara Chamber of Commerce. On behalf of our board members and my colleagues, it is a privilege to address you.

Let me start out by publicly thanking this government for all that it has done. This is the greatest crisis that most of us have seen in our lifetimes. The government of Ontario has taken a collaborative approach to swift, decisive action that has prevented it from becoming a disaster. Times like these call for strong leadership, and we are deeply grateful to have it.

I know that you are in search of further solutions to the problems that we face and that you're seeking constructive suggestions. It is in that spirit that I address you this evening. I know that you will do everything you can do to help the province, its people and its businesses through this crisis, and I hope that I can help you to do so.

The tourism sector needs additional help to get through this time. To a region like Niagara, this crisis has had an enormous impact on tourism. The hospitality industry was hit hardest and will be among the last to recover from it. With hotels closed and employees laid off, many businesses are on the brink of insolvency.

Up front, we are not asking for restrictions to be lifted prematurely, as opening hotels and welcoming visitors too early could send us back to square one, inflicting an even higher toll on our already battered economy. The sector's primary concern is cash flow and liquidity. The general programs offered to all businesses are only partially suited to those that have suffered a near total loss of revenue. This is not a failure of those programs, but the public measures are insufficient for the needs of the tourism sector, and we have to acknowledge that at the same time, tourist businesses look like a bad bet to private sector lenders.

Businesses have ongoing expenses, and few have the cash reserves to meet their current expenses, let alone have enough to begin operating again. A working capital grant is necessary to ensure that the visitors economy can survive this crisis. It will allow tourism, hospitality and accommodation businesses to reopen their doors and/or prevent premature and permanent closures.

In addition, the tourism industry will need your help to rebuild. As this government develops recovery plans, we ask that you consider investing in tourism infrastructure and amenities and in new product development. To reopen the doors and to redefine service and health and safety excellence is going to take investment, training, inventory and onboarding costs.

Post-COVID-19 tourism will not look the same. The time to be innovative, to encourage digital transformation of tourism services, and prepare to rebuild the industry will be Ontario's competitive advantage in the world to come.

Thirdly, the government of Ontario has moved to protect residential tenants from evictions during this crisis; however, commercial renters are not protected. The

CECRA program has been of some help, but landlords are not incentivized to use it and it requires that they forgo 25% of their rent. Many have embraced the spirit of co-operation and offered the program to their commercial tenants; some have not. We suggest that Ontario review the policy of the provincial government in British Columbia, which restricts the right to evict commercial tenants for landlords who are eligible for CECRA but have chosen not to apply during the state of emergency.

Predictability will greatly help all industries and sectors, particularly tourism. The government of Ontario could help by setting clear protocols for travelling, working to deploy technologies to protect travellers' health, supporting the movement of people, and rebuilding confidence in travel. We know that it is not yet safe, but the tourist industry would benefit to know what the protocols will be when it is safe.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Mishka Balsom: We would also like the province to explore the possibility of a regional reopening strategy. Other provinces have recognized that COVID-19 outbreaks are not evenly distributed, as they're not in Ontario. Perhaps the emergency orders need to not be lifted everywhere at the same time. If you do implement this option, though, we strongly urge you that provincial public health authorities be given ultimate control.

This government has acted quickly on electricity rates during this crisis, but there are further opportunities here that would benefit businesses. Our members propose that during the state of emergency, all utility bills be reduced by 50% for commercial operations.

When the time comes and it is safe to do so, we ask that the government consider innovative marketing initiatives and funding for tourism promotion. We have the opportunity to promote Ontario and feature tourist destinations across the province and to take a lead defining the future of a sustainable, innovative and resilient Ontario tourism economy.

Lastly, in the event that we are faced with a second wave of COVID-19, the province needs to develop a prevention and management mechanism to protect workers and companies in the tourism sector and ensure visitor safety and health.

Finally, we know that you will give strong consideration to all the suggestions that were made to you today. Once again, I would like to thank you for your leadership during this crisis, for holding these consultations, and, in advance, for the policies that will come out of it, which will help Ontario citizens and businesses.

Please note that the GNCC and the entire chamber of commerce network in Ontario are ready and willing to help you. Thank you for taking the time to listen to our suggestions, and I would be delighted to answer any questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Moving on to our last presenter: Regional Tourism Organization 4 Inc. If you could please state your name for the record, and you have seven minutes for your presentation.

Mr. David Peacock: Hello. My name is David Peacock. I'm the chief strategist and executive adviser at RTO4, one of 13 regional tourism offices funded by the Ministry of Heritage, Sport, Tourism and Culture Industries. On the call today with me is RTO4 executive director Andrea Gardi.

The region was responsible, pre-COVID-19, for 11,000 tourism-related businesses. Visitor spending approached \$1 billion, and there were 10 million visitors annually. Like the rest of the province, our region has been severely impacted, with massive closures, layoffs and revenue losses. As you have heard many, many times today, those businesses desperately require clear and credible information and guidelines for the reopening process. But today I want to talk to you about the next phase in recovery and how important it is that the investments you make today set the stage for an optimized recovery.

Thank you, Chair, and thank you to the standing committee for the opportunity to contribute to the strategy for recovery in the province of Ontario. First, let me say how proud I am of the province and of this government for its all-of-government approach to this crisis and the tireless work it has been doing for almost three months unabated. I have never been more proud to be from Ontario.

For the past 10 years, RTO4 has been a tourism development incubator for the province. One has only to look to our peers in Europe and the European Cities Marketing group to understand that the long-term future of travel destinations will hinge on stakeholder alignment, shared values in terms of the benefits of tourism to residents and voters alike, and a commitment to digital excellence. Very specifically, RTO4 has been working on a development model across the region to create integrated tourism networks whereby destination stakeholders take an active role in shaping their collective tourism future.

The foremost pressing issues in tourism in the province, in the country and in the world are, right now in the midst of this crisis, unequivocally, the need for a prioritized approach protecting tourism assets; the vital importance of establishing stakeholder networks; the need to create community shared values with residents, operators and civic bodies; and the need to rectify a long-overdue and inexcusable lack of digital excellence.

The point of my intro is this: In previous crises, such as SARS, 9/11 and the financial crisis of 2007, the path to recovery was paved with heavy spending on advertising. However, in the case of COVID-19 in 2020, this is no longer a rational or sustainable approach. For the sake of brevity, I have identified five recommended steps.

Step 1: Ontario has the opportunity to prioritize its tourism assets, the things that actually drive tourism demand, and ensure their survival. For example, the Stratford Festival must survive, but to get there, a critical complement of businesses to make up the Stratford experience—accommodators, restaurants and attractions—must also survive so that they are there, active and vibrant, when the large demand-generators come back online in 12 to 24 months.

Step 2: The government's investment in tourism has to be focused on sustainable, not consumable, practices. The

best way to achieve this is to create a series of strategic co-investments with a wide base of partners, whether it's a digital improvement project with a single stakeholder or a strategic planning project with a civic body. Simply put, skin in the game is an important part of the mix.

Step 3: Destinations will thrive in the future in Ontario because they have aligned their values and investments in initiatives with their local population. The network of stakeholders and community members that have come to the table to work with the government of Ontario in the recovery phase is the key harbinger of the potential success of those initiatives.

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Step 4 requires taking a long approach to tourism development. Partnerships with municipalities and interest groups to develop hard assets is one of the most important things we can do, not only to bolster our product attractiveness, but also to inject capital into the system in a metered, meaningful and controllable manner that has legacy value.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Peacock: People want better, safer experiences—not just more advertising to make experiences look better.

Step 5 is critically important. The modern visitor no longer buys or consumes tourism or anything like they did a decade ago. The manner in which we consume television or music is a good indicator of how antiquated our model for marketing tourism really is. The modern consumer relies heavily on hand-held devices, even more so when they're out of the home. Digital excellence must be a priority, and there are certainly no barriers to improving it. The current technology far exceeds the capabilities of most operators. Let's focus on bringing them up to speed.

These five steps sound difficult and challenging, and make no mistake: For the past 10 years they certainly have been. But at RTO4 we have made steady, consistent progress and, frankly, world-renowned advancements in addressing them. We have tools and programs developed and funded by the government of Ontario that could be used across the province to future-proof this industry.

It's hard to see the positive in this crisis, but two things stand out: its ability to bring people together for the good of the province and the country, and its ability to accelerate the change that inevitably needs to take place in destination management. In some sense, the development that would reasonably have taken place over the next five years will be jammed into the next 18 months, and that is an opportunity to reset the playing field, an opportunity for the regional tourism offices to do their duty to the people of Ontario by delivering strategies, programs and leadership that help to repair and revitalize our precious tourism economy.

We are here to serve the government, the people of Ontario and this committee, and we'll share any and all resources we have. Thank you for your time and attention. The work you're doing is very much appreciated.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to questions now. We'll start with the independent members. MPP Blais?

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): We'll start with MPP Schreiner for the time being.

Mr. Mike Schreiner: Yes. Stephen, I don't think we can hear you, is the issue.

I want to thank all three of the presenters for being here tonight and being on so late tonight.

I'm going to start with Mr. Bingeman. We did hear a lot today about the need for clear guidelines for reopening, and clear guidelines around what safety protocols are going to be etc. I think I heard that in your presentation. I'm just curious how vital that will be for you in terms of reopening your operations.

Mr. Mark Bingeman: Thank you for the question. If I can round that out a little bit more, certainly clarity is required. We play in all sectors of hospitality and tourism, which is unique.

We aren't waiting for anyone else. We're taking worldwide advice—myself and other operators throughout the province. IAAPA, the International Association of Amusement Parks and Attractions, has major guidance pieces; certainly, the bowling operators of North America have that. We're pulling things from Asia, from Europe—all sorts of things. We're getting all these guidance pieces before we're getting it from our own province.

One of the biggest pieces that is very frustrating to operators is, we have all these guidance documents and now everybody has SOPs ready to go. We send them to the province to say, "Permit us to open because it's similar to what you've already opened," but then they push us to the health units. So we go to our local health unit, go in and say, "Okay, here are these items." In our case, our local health unit says, "Hey, this looks great. No problem." But then they say, "We can't permit you to open because that's a provincial responsibility."

What's happening is, industry has become a Ping-Pong between local health units and the various government agencies. A lot of us have these documents ready to go. The restaurant association has that; the hotel associations have it. Quite honestly, for the majority of our hospitality and tourism industries, we've got guidance documents to go to town, but we're being handcuffed and shackled to be able to operate in a safe way.

Mr. Mike Schreiner: I'm hearing that from a lot of businesses as well, who say, "We can meet guidelines, and public health is fine with it, but the province's reopening strategy is preventing us from opening." So I hear you. Hopefully, the committee will be addressing that.

Mr. Peacock, you talked a lot about the importance of digital strategy. I'm hearing from a lot of, particularly, business improvement associations about the effectiveness of the Digital Main Street program and the desire to have the province refund that program because it was so successful. Would that help with the kind of digital strategy that you're talking about?

Mr. David Peacock: Thank you very much for that question. Can you hear me?

Mr. Mike Schreiner: Yes.

Mr. David Peacock: Digital Main Street has been a great addition. I don't know if Ian McLean on the last call

talked about it. Anything and everything we can do in the province to advance our digital capabilities would be really welcome. As you know, as all of us know as we sit on our probably—I don't know—50th, 60th or 90th video call, we have all woken up at some point in this crisis and said, "Wow. We could be more digital."

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Peacock: That applies to tourism. Tourism is really heavily reliant on marketing practices from the 1990s. The consumer really does shop on this device primarily and businesses are not fully digital yet. We do assessments across RTO4, and I'll tell you that pretty much two thirds of business understand Google My Business and maybe half of them use it, but the truth is, the consumer uses it 95% of the time. So that gap—we have to help to close it. We've been doing that through programs for the RTOs; we've been doing it through programs with the BIAs and chambers. Anything we can do to catch up in digital, this is an important time to do it. It's a reset and we can do it now, but the technology exceeds our capabilities. It's time for our capabilities to catch up.

Mr. Mike Schreiner: From what I've seen, the return on investment on Digital Main Street may be higher than any other government program out there—a little bit of money and with a huge amount of effectiveness.

Mr. David Peacock: Absolutely. If you think about what was able to turn on immediately in this crisis, it was vendors, restaurants, accommodations, attractions that had digital pathways. They were able to find alternative communications with their clients to deliver curbside meals and things like that. So that pivot to digital—we're a highly sophisticated province. We have better digital and cable penetration than almost anywhere in the entire world. It's time we were more digital, and we adopted it and were not lazy about it.

Mr. Mike Schreiner: I think my time is probably running out. Ms. Balsom, I just wanted to say that we've heard businesses all over the province here call for a temporary ban on commercial evictions. I'm assuming that businesses in the greater Niagara region are experiencing a significant problem—

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

Mr. Mike Schreiner: —with the rent assistance program, given your advocacy for that.

Mr. David Peacock: Sorry. Who is that question to?

Mr. Mike Schreiner: Oh, Ms. Balsom. I think she's on mute.

Mr. David Peacock: Thank you.

Ms. Mishka Balsom: Thank you very much, Mr. Schreiner, for the question. If you take a look across Canada, you will see that about 80% to 90% of smaller businesses are actually ones that don't own their own premises. They are renting the facility that they're using to conduct their business, so they are currently at the mercy of the landlords and the policy as it stands. This is critical to be addressed. We see some other provinces who have taken a lead in that, and I think it's an opportunity with a minor change to make a difference to a significant number

of small to medium-sized businesses. Thank you for asking that.

If I'm asking one—

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

Ms. Mishka Balsom: Thank you.

Mr. Mike Schreiner: Thank you. I think I'm out of time.

The Chair (Mr. Amarjot Sandhu): We'll have to move to the government side now. MPP Piccini.

Mr. David Piccini: My question is for David.

David, I really appreciate your presentation. I know from work I'm doing with RTO8 the important role you play. You just come up with some good ideas, specifically on digital infrastructure and some things that are going to be key post-COVID-19 recovery here. I'm just wondering how we can take some of this and scale it across the province—what advice you have.

I've spoken at length with my RTO8 here locally but, forgive me, I don't know how often we have dialogues across the province. I'm really impressed with your presentation, so thank you.

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Mr. David Peacock: Thank you so much, MPP Piccini. It's a process. The process is not hard to establish, but really, the future of tourism destinations is about engaged stakeholders working together for that destination. RTO8 has done a good job of beginning that engagement process. Andrea Gardi, who is on the call with me, now leads RTO4, and we have a core destination development process that starts with identifying the DNA or the demand generators for the destination, and then identifying the stakeholders that are critical to maintain a critical mass for visitation. There are models and templates. We share them across the RTOs.

If the government were to make digital sophistication an imperative, you'd see a bit of a pivot in a number of RTOs, who would immediately amplify the importance of that. It happens at RTO4. It has been one of our central tenets for about eight years. But those programs are not hard to deliver to other RTOs, and they can deliver them to their clients. The hard work is in rolling up the sleeves, doing the stakeholder engagement and doing the non-sexy stuff that it takes to make a destination aligned.

It has been very easy for the past two decades to spend money on advertising, but as you well know, in your area, that's not a sustainable approach to tourism. If you engage stakeholder networks, if they work with you on their own digital presence, they are fishermen for life, so to speak. You've taught them how to fish, versus giving them fish sandwiches.

Mr. David Piccini: Thank you very much for that, David. I appreciate it.

My second question is for everyone, just with respect—well, it's twofold. In some of my local conversations we've had in tourism consultations, and from what I'm hearing here, imagining outside the box—really, how we can imagine tourism in a post-COVID-19 reality—some themes are emerging. We're seeing out of Toronto expanding patios etc., and I'm just wondering, for rural destinations—we've got 12 First Nations and municipalities

in my riding—how we can scale that to our smaller municipalities. I know that AMO and ROMA are forums, and we'll certainly be passing this to Minister Clark, but any thoughts on how we can build some critical mass and share this to our smaller tourism providers? I think of Westben and the Capitol Theatre in my neck of the woods, and smaller communities like Port Hope, Cobourg etc.

Secondly, on the digital infrastructure piece, I think we're seeing some bipartisan, common consensus around broadband. I'm just wondering if you do support the provincial call to the federal government to front-end that \$1.7-billion investment, that we're seeing some cross-Canada consensus on with our provinces.

Mr. David Peacock: Thank you, MPP Piccini. I totally support it. In an ideal world, the way it works is that the province has enabled the regional tourism offices to become arm's-length extensions of the government—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Peacock: They are run by independent boards, but they are the best delivery channel for the province's initiatives. In practice, the government's direction, interpreted by the independent boards of the RTOs, is then implemented and should reach down through the DMOs right to operators.

You are seeing, in the last two years, an incredible shift by RTOs to making sure that one of their key responsibilities is helping the destination marketing organizations with that stakeholder engagement piece. You have the usual 80-20 split in most destinations, where 20% of the operators represent 80% of the activity. In Kitchener-Waterloo, Mr. Bingeman is a very solid proponent of tourist development; he's always at the table. The question is, can we bring some of the other smaller players to the table? The DMO there is starting to do a really good job of that.

But it comes from the government down through the regional tourism offices, and I encourage the government of Ontario to use the heck out of the regional tourism offices now. They are a delivery method that allows you to have input and feedback, and they're also a way to deliver program funding that is traceable, trackable and goal-directed.

Mr. David Piccini: Thank you. I'll turn things over to MPP Crawford.

The Chair (Mr. Amarjot Sandhu): MPP Crawford?

Mr. Stephen Crawford: Chair, how much time do we have?

The Chair (Mr. Amarjot Sandhu): A minute and a half.

Mr. Stephen Crawford: A minute and a half? Okay, thank you very much.

I want to thank all the speakers—very interesting presentations tonight.

My question is directed to Ms. Balsom. We certainly feel what's happening in your area in particular—everybody is affected by COVID-19, but the Niagara region is a region that has really been built on tourism and hospitality, so we certainly feel for you. Our government is committed to helping. We want to get the people of

Ontario back to work. We want industry open. We want hospitality open.

We know your region has been affected. Tourism has been decimated. What does tourism look like post-COVID-19 and how could the government help? In other words, where are the tourists going to come from and how can we help you get those people here? We want to make sure we utilize our resources in a direction where we're going to get a payback and people are going to be able to come back in an effective way.

Ms. Mishka Balsom: Thank you very much, Mr. Crawford, for the question.

When we take a look at it, we look at it in three stages. The initial stage is that we really need to encourage locals—the Ontario market, the provincial market—to travel to Niagara. That's what we see as being almost the primary market, as the initial one, followed by one that goes probably—

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

We'll have to go to the opposition side now. MPP Lindo.

Ms. Laura Mae Lindo: I just wanted to direct a question to Mark Bingeman. Hi, Mark. It's lovely to see you. Catherine is on the call but she's having some sound problems, so she also sends her greetings.

I'm very happy that you're here because you can speak to us about your expertise of having to pivot Bingemans in a number of different ways at a number of different times. During some of the earlier hearings, we were told that there was an idea of doing a pop-up drive-in and that there may have been some issues that have arisen. We've heard that there have been issues with trying to access financial supports for loans and that kind of stuff. I just wanted to know if you could spend a little time giving us a little bit more insight about what you've experienced there.

Mr. Mark Bingeman: For sure. Thank you for having me again. A couple of things: In terms of businesses pivoting, we're very blessed. You don't last over 80 years without having to pivot numerous times throughout that time. It's about entrepreneurship and evolution.

I'll say now that there needs to be support for the entrepreneurial spirit. Certainly we've put forward the pivot of working with partners like Cineplex, like Yuk Yuk's and live entertainment to do this whole concept of drive-in entertainment, not just drive-in movies. But some of the challenges are obviously getting through the provincial guardians and making sure that we can do that. We've proven that we can do that in a safe manner, just like they can with other items.

We're not the only people doing pivots, and we're doing other pivots as well, pivoting to—David Peacock had mentioned the importance of digital components. We're obviously very significant in that field, as are many of our fellow competitors, and everybody doing the online. We've pivoted into Bingemans@Home and multiple divisions of that. Those are things that will live on.

I can think of another industry partner, Nick Benninger from the Fat Sparrow Group, pivoting into home goods

through his restaurant platform as a kind of unique boutique grocery scenario.

There are numerous other people that are looking to make those pivots. They're prepared to make the investments on their own. They're not necessarily looking for financial support, although that would expedite it. They're looking for people to get out of the way so they can earn revenues, quite honestly, to save their businesses, to prepare them to be here when things do settle down. That's one of the biggest items. Financial stress on everybody is significant.

In terms of financial challenges, there's no question that there are opportunities out there, but there's a clear disconnect with the federal guardians and the banking sectors. They're not talking well to each other because the banks are preventing hospitality/tourism-type businesses from accessing those funds to help get them through. The first thing they ask for is, "Show us your cash flow statements that you can pay this back." Well, quite honestly, in all due transparency, we're not sure what the cash flow is going to be because we don't know if everybody is going to cancel their Christmas parties. Every caterer knows that Christmas is the catering Super Bowl.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Laura Mae Lindo: I had one more question for David. It was very interesting when you were talking about prioritizing tourism assets. In my little notes to self, I was thinking it's this web of understanding how to get forward thinking and be strategic. I'm wondering if you can speak a little bit more about what is part of that web.

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Mr. David Peacock: Thank you. I really would like to speak about that.

I have a vision of the future of tourism in Ontario, and I worry quite a bit about the fact that our tourism drivers, the demand generators, things that people travel two to four hours to attend—in most cases, those things are large, and they will be the last things to come back online. We're very blessed to have things like the Falls, where social distancing is possible, and we would come online. But for the Stratford Festival, for the Blyth Festival, for Bingemans, for Luminato—I don't know the timeline till they come back online. I'm assuming it's between 12 and 24 months, and in some cases maybe longer.

The issue that really rings home loud and clear for me is this: If you take a market like Stratford, what is the complement of restaurants, accommodations and other attractions that you're going to need to be vibrant when the festival reopens, and how do you get there if all the way along those restaurants are running on 30% value? So I've encouraged our DMO partners to look at their tourism assets, decide which things really are tourism drivers, figure out when they're coming back online and then to start doing the math of—

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

Mr. David Peacock:—how long will these businesses survive on 30% revenues, and of the businesses that will and won't survive, will we have enough of a complement of them left to make it worth driving to Elora and Fergus

for an hour? Or have we just got to look at it and say, “Wow, there’s one place to go, and we’re not going there because there’s no amenities?”

It’s going to be a very, very delicate balance and dance, and I think we start, by the province, as being a little less than perfectly democratic. We know what our priority assets are in this province. If we don’t preserve them, then we’re not triaging the things that will bring us the fastest recovery. It’s a very difficult decision—it’s a Sophie’s Choice, of sorts—but we must at least be aware of it.

The Chair (Mr. Amarjot Sandhu): Thank you. We’ll start the next round with the government side now. MPP Rasheed.

Mr. Kaled Rasheed: Thank you to all three presenters this evening.

My question is actually to Mishka Balsom. I’m going to continue where my colleague MPP Crawford left. I will give you some time to respond to his question as well. But additionally, I would like you to give your feedback about the regional opening that you had mentioned and you spoke about in your presentation.

I look at the region as a major tourist attraction. We have come a long way in making sure that the number of cases started to go down. Considering the region is a very hot place for tourist attraction, what would be your feedback or suggestions in terms of when we talk about regional reopening, along with what MPP Crawford had asked earlier?

Ms. Mishka Balsom: Thank you very much for the question.

Coming back to what Mr. Crawford had asked earlier—it was regarding broadband. I think it was one of the things that had come up, if I’m relating it rightly here.

We’re made up of 12 municipalities in Niagara, and broadband is significantly important, because we are talking mainly about the tourism and hospitality industry. But especially in Niagara, you have to look at all of the other industries that are linked to it, and in some of the smaller municipalities with limited access to broadband, especially in the rural communities, it’s a challenge overall. The regional approach to opening is something that we have seen in Europe. It has worked really well there, and I think it’s something that we can learn.

Throughout Ontario, it was interesting to look at the data that was released last week, I believe, on looking at where the real key hot spots are that we have in Ontario, and which are some of the markets that are maybe less impacted by it. To develop a regional approach to it, I think, is critical.

I think this is also something that we need to consider when we’re looking at a binational stance with the United States. We’re a border community, and a regional approach to the border opening I think is also critical and can be critical. We have a border of over 8,000 kilometres, but the numbers and the issues are distinctly different. We have a way to look at it differently in more micro markets than what we have seen in the past. It would really serve our market well, but I think it would serve all of Ontario well, too, especially when you look at northern Ontario and different areas of it.

Mr. Kaled Rasheed: Thank you for your response. I don’t know if any of my other colleagues have a question.

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Thank you, Chair. Actually, it’s for you, Ms. Balsom, as well. It’s with respect to regional opening. In my public health area, we have eight active infections currently. We’re 37 kilometres from Durham. They have almost 200 active infections at the moment. Most of them are in the community and not in long-term care. One of my municipalities has a population of 5,400, but they have 36,000 seasonal residents who flock to it during the summer. Most of them come from the GTA and Toronto.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: There is a major concern with that municipality with a regional opening. If we open here, what’s to stop those high-infection areas that are less than an hour and a half away from flocking to the area where they increase the population by six or seven times?

Ms. Mishka Balsom: Thank you very much for your question.

In our presentation, I think we really wanted to strongly follow the advice of the provincial health authorities on this issue and what they see as being an opening or a possibility. What I’m looking at at the same time is all the related businesses that are working within the area. When I look at the size of a region like Niagara, what are the opportunities for restaurants, possibly, and others? So it doesn’t automatically mean that we’re opening it up to all people from all areas across Ontario. It could mean that there’s opening that takes place in this region for the region and for the people of Niagara as well.

There are many ways of looking at the regional reopening that are maybe different here. So if our cases would be lower, you might allow the people of Niagara to take advantage of some restaurants and other things before, maybe, some other areas, without allowing visitors that would come into the area. I think there are numerous ways to look at it, and I think it would be an opportunity if we would look at it that way, because I can [*inaudible*] risks that you expressed.

Mr. Dave Smith: To follow up on that, the First Nation community that is in my riding has put up a blockade. They do not allow anyone who is not a member of the community to come in. If we were to open up this region for travel within the region itself—again, we only have eight infections; it’s very low-risk—how, then, do we approach that First Nation community that is saying, “Absolutely no one outside of this community is allowed in”?

Ms. Mishka Balsom: I hear the difficulty and the challenge that we have with something like this.

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

Ms. Mishka Balsom: What we asked for was the input of the provincial public health authorities for us to look at it and say, “What are the opportunities that exist in each particular region in some of the municipalities?” and allow those opportunities to take place. We have looked at areas in Europe where you’ve seen a similar approach to it on

that matter, and the numbers actually have not gone back up on that.

What we're asking for is to explore it. Don't wait until 18 months from now, until it is safe; because maybe there are other areas of it where we can actually assist businesses in being open to visit again. But again, it does need further evaluation and does—

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

We'll have to move to the opposition side now. MPP Gates.

Mr. Wayne Gates: Can you hear me okay?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Wayne Gates: I missed you. How are you? I'm going to ask you a couple of questions and then, if you like, maybe you can talk, after I ask you a question, around commercial evictions and landlords not participating.

As you know, we did a round table just a couple of weeks ago, and at that round table our local health-based businesses emphasized the need to ramp up testing in Niagara. How important is it to the tourism industry that we increase testing in Niagara when you're looking at the casino, when you're looking at some of the big hotels and the wine industry?

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Ms. Mishka Balsom: Thank you very much for the question.

Yes, I did appreciate—we had a great round table, actually, a couple of weeks ago. It's nice seeing you here tonight.

I think the testing is critical at this point. It is not only critical in Niagara; it's critical around Ontario. We have seen a great commitment, an increase in the testing that has been done, and that is really, truly appreciated—especially over the last couple of weeks. I think it's critical, but equally as critical is the tracing of it. I think that's where we really lack at this point and where we see further opportunities in actually ensuring that the curve is flat and the numbers are decreased even further from what we have seen in the past. But, lately, I'm truly optimistic from the increase in testing that I've seen in Niagara, from when I compare it from a month ago to now. It has significantly increased. I think that has been extremely valued.

There are different methods that people are exploring. There are different organizations in Niagara that are saying that it can be conducted differently. Currently, in Niagara, out of the 12 municipalities, testing is available in two of them. Are there opportunities to make it even more widely available? I think there are opportunities as such, and it's critical to determine that Niagara is actually COVID-19-free at one point.

Mr. Wayne Gates: Do you want to touch on the commercial rent and the tenants? Are you okay?

Ms. Mishka Balsom: Yes, I think this is—

Mr. Wayne Gates: This is crucial for Niagara, very important.

Ms. Mishka Balsom: I think it's critically important. I tried to mention it beforehand: The majority of small to medium-sized businesses, really close to 90% of them,

rent the premises that they have and so they don't own that property. For them, if you look at the cost of having zero revenue coming in and then you look at the cost of the rent that they have—I think the program, although welcomed in many ways and we see that many landlords take part in it but not all of them do, a lot of businesses are at the mercy of that. I talked to a restaurant in Niagara Falls earlier today who basically said, “Our landlord is not doing it, and we can't move forward.” I spoke to a barber—same kind of issue. So this is something that needs to be addressed.

We see it being addressed in some of the other provinces, so I think it's an opportunity, but it's something that we can't wait for. We can't look at that for months down the road, because these businesses don't have the time. Average cash flow for a Canadian business of small or medium size is 27 days. That is a very short, narrow window, and we're three months into it. Any relief at this point—in days, versus weeks or months—is something that is really required. So thank you for any effort that this government is putting forward on it.

Mr. Wayne Gates: It's BC that has got a very good program that I think Ontario should follow. This is a question—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Wayne Gates: It's equally important to small and medium-sized businesses—actually, all the businesses—in Niagara Falls.

What are you hearing from businesses around having PPE, gloves and hand sanitizer available if they open up and, obviously, the cost that's going to go with that, if we protect not only their workers, but also protect the consumers who are coming into Niagara?

Ms. Mishka Balsom: I think it's critical. One of the things that we're hearing right now is that businesses have found a way to access it. We have, even through our own services, made a list of businesses that are providing available PPE to businesses. So we're good on that end of it. I think people can access it. But all of the costs that are part of it—it's the dividers, it's the costs and others on businesses that have a very small margin. Restaurants have a small margin. You look at a grocery store—narrow margins that are there. Any relief, any assistance in these protocols that they have to put in place are greatly assisted, especially if restaurants, for example, or hotels, can only serve a third and seat a third of the customers that they normally can, which in a model like this is not sustainable. So any help is needed for them to survive in the next six, 12 and 18 months.

Mr. Wayne Gates: You did touch on, in your presentation, hydro rates and reducing—

Ms. Mishka Balsom: Wayne, you were part of it when Angelo Nitsopoulos spoke about it, saying, “I have all these regular costs”—this is a hotel operator in St. Catharines. He spoke about it, saying, “I'm having all of these costs coming in, and I have nowhere to go.” I think it's a sector that can't access all the incentives that are not as applicable to them, while still having to carry this great burden of costs. So they're saying, “Help us out. Help us out here, while still my property taxes are in, while still my hydro costs are there. Help me out.”

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

Mr. Wayne Gates: Yes, and—I know the government's listening—they did go up a little bit. A big issue with the small businesses, even some of the bigger businesses, was hydro rates. They've got to come down and find some relief there.

The last question I think I'll have time for is: How important do you feel it is to have a made-in-Niagara tourist strategy, specifically to our sector, and how important is that going to be protecting jobs for our local residents?

Ms. Mishka Balsom: You can't underestimate the strength of the Niagara tourism sector. We have over 14 million visitors coming on an annual basis. You look at the related industries like agri-business, wineries, craft breweries and others, all connected to it, the entertainment business—we're fully linked. This is critical to Niagara, more critical than probably most other regions across Ontario. I'm saying this now, but for the small region that we are, with 450,000 people and looking at how many people are employed in that sector, it is critical.

This may be why I'm also saying to look at some regional approaches—what are the opportunities within a region to open it up? Let's not close our eyes to that and say that it can't be done.

Mr. Wayne Gates: This is to David, real quick: David, it's important to protect—

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

We'll move to the independent members now. MPP Blais?

Mr. Stephen Blais: Is it working?

The Chair (Mr. Amarjot Sandhu): Yes, we can hear you now.

Mr. Stephen Blais: Perfect. Thank you.

Mr. Bingeman, thank you for coming on this evening. You mentioned that you have 500 employees and a diversified business across different elements of tourism. Do you operate under one location, or how many different locations do you operate out of?

Mr. Mark Bingeman: Thank you for the question.

We have about 12 different business operating units, some centralized within Kitchener and some—we opened one in Cambridge last year. In many of them, we do satellite periodically in other areas throughout the province.

Mr. Stephen Blais: If you don't mind my asking, of your 12 different—you rent at all those locations?

Mr. Mark Bingeman: Actually, two major facilities we do have commercial leases with. I can tell you that one of our landlords has been incredibly supportive and is definitely wanting to work with us. At the present time, they're not participating in the program. Unfortunately, with the other landlord, we've engaged in discussions and we haven't heard from them in over a month and a half. So we're not sure what exactly that landlord is going to do.

Mr. Stephen Blais: Given the diversity of your lines of business, have you received any guidance or given any

thought to, whether it's PPE or other physical distancing precautions, how they might differ between the different lines of business and your ability to plan for that?

Mr. Mark Bingeman: That's an excellent question.

Amongst all the different divisions, there is really no difference in how PPE gets handled—if you've got a counter, you've got the Plexiglas screen; and in terms of masks and other things for staff members. No matter what the different areas, whether it's a water park, whether it's a restaurant, whether it's the catering operations, all sorts of different areas—it's not rocket science. It's the same things, but just fundamentally done differently, and customized per the location.

You have to remember, with members of staff, we're assigning PPE like uniforms. They're getting several masks, so one can be laundered and they've got one. We're trying to make it easy for them. PPE, in general, I would say, is accessible. The problem with the accessibility is that on any given day, you may not get the product that you want. So if you have certain sanitizing stations, all of a sudden that supplier no longer has the refills, and then you have to get a whole new unit, which is significantly more cost, because they just can't keep up. Again, it's one cost one day, another cost another day. It truly is the Wild West.

For the smaller operators that aren't doing large bulk buying, I think it was mentioned earlier, certainly within Waterloo region—and I believe other regions are doing that—they're doing centralized purchasing to assist that.

So the product is there; it's just getting it at an appropriate price.

Mr. Stephen Blais: Sorry, did you say that your region is doing centralized purchasing or is not doing centralized purchasing?

Mr. Mark Bingeman: Yes. It's coordinated through—we call it BEST Waterloo Region. It's a culmination of the chamber of commerce, the various chambers, Communitech as well as economic development through the region. Through that, there is a subgroup that is helping not only hospitality firms but any firm that is challenged in getting PPE. They're helping coordinate that, for their efforts.

Mr. Stephen Blais: Okay, thank you very much. I have no more questions, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): Any further questions from the independent members? MPP Schreiner? No? Thank you.

That concludes our business today. Thank you for your presentation.

Thank you to all the committee members, all the presenters and the committee staff for their support and work today. As a reminder, the deadline to send in a written submission will be 5 p.m. on June 22.

The committee is now adjourned until 9 a.m. tomorrow, when we'll meet to continue hearings on the tourism sector.

The committee adjourned at 2131.

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