

Legislative  
Assembly  
of Ontario



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de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-45

**Journal  
des débats  
(Hansard)**

F-45

**Standing Committee on  
Finance and Economic Affairs**

COVID-19 study

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

Étude sur la COVID-19

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Monday 17 August 2020

1<sup>re</sup> session  
42<sup>e</sup> législature  
Lundi 17 août 2020

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Chair: Amarjot Sandhu  
Clerk: Julia Douglas

Président : Amarjot Sandhu  
Greffière : Julia Douglas

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 17 August 2020

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Lundi 17 août 2020

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

## COVID-19 STUDY

**The Chair (Mr. Amarjot Sandhu):** Good morning, everyone. I call this meeting to order now. We're meeting for hearings on the small and medium enterprises sector, for the study of the recommendations related to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

We have the following members in the room: MPP Shaw and MPP Rasheed. The following members are participating remotely: MPP Arthur, MPP Mamakwa, MPP Roberts, MPP Schreiner, MPP Lindo, MPP Fee, MPP Harden, MPP Nicholls, MPP Coteau and MPP Morrison.

We are also joined by staff from legislative research, Hansard, interpretation and broadcast and recording.

## SUBCOMMITTEE REPORT

**The Chair (Mr. Amarjot Sandhu):** I have one item to mention before we begin. As mentioned previously, the order of the House dated May 12, 2020, gives the subcommittee the authority to determine how to proceed with this study. We will not need to vote on this report, but I will read it into the record to make sure all the members are aware of the contents.

"Your subcommittee on committee business met on August 10, 2020, to consider the method of proceedings on the orders of the House, dated March 25 and May 12, 2020, relating to the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy and determined the following:

"(1) That the committee meeting on August 26, 2020, from 9 a.m. until 12 p.m. and 1 p.m. until 6 p.m. for the purpose of report-writing on the fourth sector of study be cancelled.

"(2) That, if necessary, the committee also meet for report-writing on the fourth sector of study from 6:30 p.m. until 9:30 p.m. on August 25, 2020.

"(3) That in addition to the previously agreed upon dates and times, the committee also meet for public hearings on the fifth sector of study on August 24, 2020, from 6:30 p.m. until 9:30 p.m.; on August 26, 2020, from 9 a.m. until 12 p.m., 1 p.m. until 6 p.m. and 6 p.m. until 9:30 p.m.;

on August 27, 2020, from 9 a.m. until 12 p.m., 1 p.m. until 6 p.m. and 6:30 p.m. until 9:30 p.m.; on August 28, 2020, from 9 a.m. until 12 p.m., 1 p.m. until 6 p.m. and 6:30 p.m. until 9:30 p.m.

"(4) That interested presenters be arranged into groups of three chronologically, based on the orders their requests to appear were submitted."

Are there any questions before we begin?

MPP Hunter, can you please confirm your attendance? MPP Hunter? We can come back to her.

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak. As a reminder for the members and the presenters, you will receive a request to unmute yourself each time before you're able to speak. Please keep an eye out for that request and to unmute yourself before you begin.

Before we call on the minister—MPP Piccini, if you can please confirm your attendance.

**Mr. David Piccini:** It's MPP Piccini calling in from my office in Port Hope.

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

MINISTRY OF ECONOMIC  
DEVELOPMENT, JOB CREATION  
AND TRADE

**The Chair (Mr. Amarjot Sandhu):** I will now call on the Honourable Vic Fedeli, Minister of Economic Development, Job Creation and Trade.

**Hon. Victor Fedeli:** Welcome, everybody. Thank you for this opportunity to make the opening statement at these very important hearings on small and medium-sized enterprises. Thank you to the members of this committee. It's a committee I sat on for years, and I'm familiar with your hard work and dedication, so thank you to all—

**The Chair (Mr. Amarjot Sandhu):** Sorry, Minister. I apologize to cut you off. You will have 15 minutes for your presentation, followed by 45 minutes of questioning from the members of the committee. The questions will be divided into two rotations of seven minutes and 30 seconds for each of the government, the official opposition and the independent members as a group. The floor is yours.

**Hon. Victor Fedeli:** Thank you, Chair. I'll be sharing this opening 15 minutes with Minister Sarkaria, as well.

Thanks again to the members of this committee. Your work on behalf of your constituents, both in helping them navigate the challenges of COVID-19 and sharing their

experiences with the government is quite invaluable. We can be proud of the actions our government has taken to respond to COVID-19. The challenges presented by the pandemic are constantly evolving, and so the response must evolve too.

The Ontario spirit has been evident not only here, but throughout our business community. Since the beginning of the pandemic, Ontario's small and medium-sized enterprises have truly stepped up to the plate. You've seen and heard Premier Ford calling them out and thanking them for their unbelievable contributions to the province through this pandemic.

On March 21, we put out the call to Ontario businesses. Very early in this pandemic, we asked them to help us address the challenges we're facing due to the COVID-19 outbreak. As expected, the business community did not let us down. Businesses from across our province came through with supplies, innovations and ideas to help protect our front-line workers and vulnerable individuals and businesses in Ontario.

The \$15-million Ontario Together Fund has been providing immediate support to businesses and organizations to build their capacity to quickly pivot to manufacture the supplies and equipment needed in our hospitals, long-term-care homes and other critical public services. It represents vital funding they need to step up manufacturing, retool their operations or offer technological solutions to help us in the fight against COVID-19. By making targeted investments and supporting these homegrown, innovative trailblazers, we are not only supporting our economic recovery, but we're also making sure we're ready with the necessary PPE and equipment, should the need arise in the future.

Ontario's businesses will continue to play an important role in our economic recovery, and it's our job to provide the right kind of support so that businesses can remain competitive. Each sector has a unique blend of challenges and opportunities. Some companies were well placed to leverage their position to meet these new demands and seize these new opportunities. Others are facing significant challenges and are fighting to survive and provide the kinds of jobs our communities have come to rely on.

The technology, advanced manufacturing and life science sectors have been foundational to our economy pre-COVID-19. They're becoming increasingly important during the pandemic and will be one of our keys to our economic recovery and growth here in Ontario. Whatever position companies find themselves in, they may need different kinds of supports, either to continue their momentum or help them survive. We've consulted with stakeholders in these industries representing many of the province's medium-sized enterprises.

One of the key sectors is information and communications technology; we refer to it as ICT. This includes both manufacturing and services. Together, that ICT sector accounted for 323,000 jobs in Ontario in 2019—that's about 6% of the province's GDP—but Ontario tech companies are in danger of falling behind key competitors, despite the success of our innovation ecosystem.

Our tech sector needs support to lead and drive the province's recovery. Tech companies are having a hard time getting the funding support they need to be competitive and adapt to the shifting demands for tech solutions. Businesses want us to make investments that help domestic firms grow, and they want us to help rebuild a modern and resilient digital economy with investments focused on COVID-19 response and future digital infrastructure.

#### 0910

Another key sector is manufacturing. In 2019, manufacturing accounted for almost 700,000 jobs in Ontario; that's about 12% of our province's GDP. But with the unprecedented challenges facing industry, there was a 29% decline in total monthly manufacturing GDP from February to April 2020. We've heard from stakeholders across the sector, including automotive, aerospace, chemicals, life sciences and steel. We consistently heard that stakeholders want us to restore consumer confidence, and that will restore demand across the economy. So we're taking action to bolster the sector through the Ontario Together Fund and by supporting the Canadian Manufacturers and Exporters Ontario Made program. Ontario Made will help consumers use their purchasing power to directly support our homegrown manufacturers by buying quality, locally made products.

As the province reopens and the economy recovers, it is now more important than ever to support and promote Ontario's world-class manufacturing sector and get our people back to work. But we know much more must be done.

New investment will be key to our manufacturing sector and to the broader economy. Ensuring that Ontario is open for business is part of our government's COVID-19 Economic Recovery Act. One of the pillars of our plan is a new investment attraction agency called Invest Ontario. Invest Ontario will promote the province as an attractive investment destination and will focus on key sectors like advanced manufacturing and technology that are primed for growth and expansion.

Ontario's life sciences sector is another and the third most important in the province. Ontario is already a leader in life sciences, and right now, we have a real opportunity to strengthen our position even further and leapfrog ahead of other jurisdictions.

One thing we heard from stakeholders was that they want to engage with Ontario's Intellectual Property Action Plan to make sure the next generation of life science leaders have the right skills to grow and to compete. Ontario's Intellectual Property Action Plan will help Ontario businesses, start-ups, entrepreneurs and researchers better protect and bring their ideas to market. This will contribute to Ontario's resiliency and growth, now and in the future.

From initiatives like Ontario's Intellectual Property Action Plan to the Ontario Together Fund to Ontario Made to Invest Ontario, we're taking action to help companies weather the storm in these unprecedented times. We have a solid foundation upon which to continue building our

future and emerge even stronger than ever. Our government is committed to working in partnership with businesses and municipalities across Ontario to respond to the challenges they face so we can create jobs and continue to support the economic health and prosperity of every region in the province.

Now to Minister Sarkaria to present his opening statement focusing on small business. Thank you, Chair.

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

I would like to welcome the Honourable Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction.

Minister, go ahead, please.

**Hon. Prabmeet Singh Sarkaria:** Thank you very much, Chair. Thank you, Minister Fedeli.

Minister Fedeli has been absolutely incredible in getting together all of our SMEs and everyone who is participating in the economy and doing a great job putting everything together and really getting us back on our feet, so I want to take an opportunity to thank Minister Fedeli for his leadership.

I'd also like to express my gratitude for the work being done by every member of this committee. I really think it models the Team Ontario approach that we have all taken to address the COVID-19 crisis. We know how significant the impacts of COVID-19 have been on all of us—small businesses, families, this economy. It is so important for us to all work together and be able to get through this. We know that if we do work together and support each other through this, we will truly come out of this even stronger as a province. It also reflects the status of small and medium-sized enterprises as a cross-cutting part of our economy, one we must all work together to support, given how critical small businesses are to our economy.

As Minister Fedeli clarified, my opening statement will really focus on small and medium-sized—with fewer than 100 employees, better known as small businesses. We know that despite their size, small businesses truly have a big impact. They employ about 2.4 million Ontarians, and they account for approximately 98% of all businesses in our province. They are a key driver of Canada's prosperity, producing 40% of our GDP in recent years.

Since the start of this pandemic, we have reached out to small business owners and associations across this province because we truly think that during this time, when there really is no playbook for a situation like this, communication between all sides is very paramount. So far, we have participated in roughly 80 virtual round tables with a variety of small businesses, including restaurants, entrepreneurs, manufacturers, Main Street shops from Kenora to Ottawa, from Windsor to Brockville. I've also had the opportunity to lead three ministerial advisory councils through the Ontario Jobs and Recovery Committee to try to understand small business needs.

Following frank and really informed discussions, three concerns rose to the top. The first focused on cash flow and liquidity, the second was related to consumer confidence, and the third involved the continuation of

government supports. These meetings informed much of the work we have done to support small business survival.

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

**Hon. Prabmeet Singh Sarkaria:** I will now outline the steps we have taken thus far in response to some of these concerns.

To address urgent needs for liquidity, our government responded immediately with \$10 billion in support through tax deferrals and relief.

For small businesses that need help meeting cash flow requirements, we have worked with the federal government to develop the small and medium-sized enterprise loan program. This program is enabling up to \$40 billion in guaranteed loans.

We're also aware that rent remains a significant operational cost for many small businesses, especially during a period when they have seen a sharp decline in revenue. That's why we partnered with the federal government to offer the \$900-million Canada Emergency Commercial Rent Assistance program, with an Ontario commitment of \$241 million. To really reinforce this support and with many consultations from small businesses across this province, we also paused evictions for commercial tenants eligible for rent assistance through this program.

Beyond urgent relief, our government has been exploring programs that will help small businesses raise cash flow by seizing new opportunities. One we've identified is the trend toward digitization and e-commerce. Year over year, retail e-commerce has more than doubled across Canada, with a record \$3.9 billion in sales in May 2020.

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

**Hon. Prabmeet Singh Sarkaria:** In February, when I launched the province's small business success strategy consultations, I quickly learned that only 60% of Ontario's small enterprises have a website and only 7% have an online payment solution. Digitally, Canadian businesses are estimated to be two years behind their US counterparts. Since the pandemic hit, we've really accelerated our efforts to provide small businesses with the support they need. That was the \$57.5-million Digital Main Street partnership with the federal government in order to provide \$2,500 grants to create jobs for more than 1,400 students and help 23,000 businesses.

To address consumer confidence, another key pillar identified as a major threat to keeping their door open, we've launched the Shop Local! Shop Safe! Shop with Confidence! campaign. We've had a great response from across the province, with many of our mayors participating in this, and it's something that we think is going to be very critical.

**0920**

The third issue is around tackling the barriers, ending the issues in our pandemic, to get out of the way of businesses. That's really tackling the barriers—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off, Minister. The time has come up now.

We'll have to start with the questions now. We'll start the first round of questions with the opposition. MPP Shaw.

**Ms. Sandy Shaw:** Thank you, both of you, for your deputation this morning. My question for now is for Minister Fedeli.

Minister Fedeli, we have a couple of things in common. Clearly, we both like yellow. The other thing is that I have experience running a small business, as you have. And we have both been—I am currently, and you've been—the opposition finance critic. So we do have some things in common.

When you were in that role, I remember very distinctly your appearance on The Agenda. You were there with Deb Matthews of the treasury board of cabinet at the time. You said, and I took note of this, that once we get above 40% debt-to-GDP, we're in trouble. You also talked about the concern that we have with the decisions the Liberals made, like propping up the Fair Hydro Plan, which I just would note your government is continuing to do. You're doing it on-book, but there's still almost \$6 billion of subsidy to the primarily privatized hydro system.

Now that we're looking at a deficit in the order of \$38.5 billion and a debt-to-GDP that's over 47%, my question to you would be, what is this government going to do to ensure that this debt is not something that's going to burden generations of kids, our grandkids, as they're going forward and they themselves are trying to recover from this economic and health crisis that we're all facing?

**Hon. Victor Fedeli:** I appreciate the question, and I appreciate the opportunity to talk about our response to COVID-19.

We both know—in fact, everybody on this call fully understands—that we are in unprecedented times, and this calls for unprecedented action. There's no rule book, there's no guidebook, that came with COVID-19. I think, universally across this province—in fact, across the country—you would hear that Ontario has done remarkably well in leading the country in the pandemic solutions. Part of this was our investments that needed to be made: day one, \$17 billion that is invested—\$3.3 billion into health, \$3.7 billion into families and jobs, \$10 billion into the business community. These were important decisions in this unprecedented time.

If you recall, back in the very first days, to give some calmness to families who were reacting, we sent cheques to anybody who had kids 12 and under, doubled the seniors' GAINS, halted all of the payments to our government level. These were all very strategic investments that were meant to provide immediate relief to families, to bring a sense that the province has their back. The Premier stood up and said, "Here's the first tranche; it's \$17 billion." But it was only the start. Since then, we've developed the jobs and recovery committee, who are having meetings with stakeholders right across the province to plan how we intend to see the recovery. First, it was their reaction, which we've spoken about—then there were the reopenings. We're all in stage 3—there is no stage 4—so we are all reopened now. The next step is the recovery.

We'll continue holding these meetings with the stakeholders, working with the federal government, working with the municipal governments, to make sure there are no gaps in our society and that there is no duplication.

**Ms. Sandy Shaw:** Thank you, Minister, for that answer.

I would just like to add that we have been sitting through hundreds of hours of testimony at the finance committee—

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

**Ms. Sandy Shaw:**—and what I have heard is that small businesses are looking for direct supports. They don't want tax deferrals on, as you mentioned—I have one business owner in my community who said that the tax deferral on the employer health tax is exactly, "Thanks for nothing," because their payroll is at nothing because of the pandemic. They're looking for real money from this government. They don't want loans. They want grants. They're looking for subsidies that are something that will keep the doors open. Tax deferrals and loans are not what they're looking for to survive.

I would also note that a business person in the riding was horrified to see that one of this government's choices was to have a \$500-million cash injection into OLG at a time when small businesses are not seeing direct financial support to keep their doors open. While I appreciate some of the investments that you've made, some of them, I think, are more dubious than others, especially with the OLG.

How can you assure small business owners that you're not just going to rattle off numbers that are billions and hundreds of millions when they are looking for support just to keep their doors open and they're looking for direct cash flow?

**Hon. Victor Fedeli:** I know that Minister Sarkaria is chomping at the bit to answer that.

I'll offer one first comment, Minister, if you don't mind, before I turn it over to you, as you're the expert in small business.

The one word I would use is "cumulative." This is the cumulative effect of all of the various different supports that our government has given and provided to families, businesses, seniors. It's a cumulative effect. It's not just a one-off, "Here's a cheque." These are many, many different supports that we've provided, and cumulatively they have helped the small business community.

I'll turn it over to Minister Sarkaria, who's our expert in this.

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

**Hon. Prabmeet Singh Sarkaria:** Thank you very much, Minister Fedeli. I'll just add on to that.

We recognize the need and the commitment we have to make with small businesses. One of the biggest programs launched in the history of this province was the emergency commercial rent assistance program, covering up to 75%, a program jointly done with the federal government—\$940 million invested, of which \$240 million is coming from the province. That is going to be money directly to

support those small business owners who are hurting the most. That's a grant. That is going to go right to them.

You talked about the Digital Main Street program, a \$57.5-million investment into small business, the largest investment for small businesses to go digital in the history of this country and this province. It really speaks to the changing nature and landscape of the economy. There are \$2,500 grants available in that, within those programs, that will help—

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

Before we move to the independent members, I would like to do an attendance check. MPP Hunter, if you can please confirm your attendance.

**Ms. Mitzie Hunter:** Good morning. It's MPP Hunter, and I am in Ontario.

**The Chair (Mr. Amarjot Sandhu):** There is also one person joining through audio only, if you can please confirm your attendance.

*Failure of sound system.*

**The Chair (Mr. Amarjot Sandhu):** All right. We'll move to the independent members now for their time of questioning. MPP Hunter.

**Ms. Mitzie Hunter:** Thank you for your presentation.

I want to continue along the theme of supports for small business. We've spent many hours—hundreds of hours—in this committee, hearing from Ontario businesses and non-profits and others, and one of the things that they have consistently spoken about is the fact that they are concerned about making it through 2020. Part of that is liquidity and cash flow. The government has provided a \$10-billion program, but most of that is in the form of a deferral, which comes due in the fall.

I'm wondering about your government's sensitivity to the needs, particularly, of small businesses, many of which are run, owned and operated by women, and how we create an atmosphere where they can survive this pandemic and we keep our Main Streets vibrant across this province. What are we going to do to boost small businesses in terms of their efforts to hang on during the pandemic and the economic recovery?

0930

**Hon. Prabmeet Singh Sarkaria:** I can go with this, Minister Fedeli.

Thank you very much for that question, MPP Hunter. I echoed that through our conversations with small business owners across this province, our 80-plus consultations that we've had with small businesses—one of which was also with you, MPP Hunter; it started with the Scarborough BIA. I addressed in my opening remarks, as well, some of the challenges that we've highlighted. I truly think we have seen unprecedented support from all levels of government, whether it has been regional, municipal or federal.

Of course, we want to do more. We're going to continue to work to do more. But we look at the \$10 billion that was injected into small businesses to help them with their deferrals—\$10 billion of deferrals, whether it was WSIB

payments, business supports, employer health tax exemptions; and the \$900 million that was provided through the emergency commercial rent assistance program, a grant that goes toward our business owners who desperately require the help, the 75% rent payments for small business owners. That is a significant part of their monthly cost, and that's significant support. Many business owners have been able to keep their doors open simply because of that program.

In his opening remarks, Minister Fedeli mentioned the \$50 million that he has put towards helping businesses retool their lines, to get some money into those that need to really shore up the domestic supply chain in their production facility.

We also look at other programs that we're working hand in hand with, whether it's the wage subsidy program that the federal government announced, which has also really helped a lot of small businesses through this pandemic, or even the small and medium-sized enterprise loan program, which is enabling up to \$40 billion in guaranteed loans.

This is a cumulative approach; we really think in totality of all of the supports. There are going to be significant pressures on our small businesses, but we're going to do anything and everything we can to support them—whether it was before the pandemic, when we introduced a 9% small business tax cut, or whether it's through the pandemic, which is really about supporting the toughest-hit businesses and our small businesses and getting them back on their feet.

That also leads to our consumer confidence approach. How do we build consumer confidence and business confidence? Minister Fedeli launched the Ontario Made program. We launched the Shop Local! Shop Safe! Shop with Confidence! program to urge people to buy local and support the local main streets, whether it's us investing in Digital Main Street or whether it's us really investing in those main streets to keep them going and keep them—

**Ms. Mitzie Hunter:** Minister, I'm going to interrupt, because I also want to share my time with MPP Coteau, if he has questions.

Much of what you've said in terms of grants to small businesses has been the federal government—through the wage subsidy. Ontario's approach has been to defer, which means that that liability is still accumulating on the books of those small businesses. They feel that pressure, and many of them are not sure they can stay open. I would urge your government to look again at that deferral plan and look at, perhaps, a forgiveness plan, and really make those investments directly into Ontario's main streets at this time, because they definitely need them.

MPP Coteau, I will pass the time to you.

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

**Mr. Michael Coteau:** This question can be to either minister. It's around the unemployment numbers here in Ontario. We've obviously seen the numbers across Canada and in Ontario grow to historic levels. It has

disproportionately affected racialized Canadians and racialized Ontarians. The hardest-hit have been Filipino, South Asian and Black Ontarians. Have you been working with the Anti-Racism Directorate to put in a place a plan that actually addresses these issues specifically with these communities? If so, what have you done to reach out to any of these communities, to work with them, to figure out what those solutions would look like?

**Hon. Victor Fedeli:** Prabmeet, are you taking this one, or would you like me to respond?

**Hon. Prabmeet Singh Sarkaria:** I'm okay to take it, Minister, and then if you would like to fill in—I'm more than happy to do that.

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

**Hon. Prabmeet Singh Sarkaria:** You come from a very diverse community in Toronto. My community in Brampton has a diverse set of stakeholders, a diverse set of businesses run by [inaudible] Asian and Black Ontarians. We recognize the toll that this pandemic has taken. Whether it has been our government holding round tables with Black professionals or the Black chamber of commerce in Ontario or the Indo-Canada Chamber of Commerce in Ontario, we've taken approaches to see how we can better react to this pandemic and the ways that has impacted the people across this province. We're going to continue to do that. We're going to continue to listen to our counterparts. When we were leading the small business success strategy, this was [inaudible] of really trying to understand the specific—

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

**Mr. Michael Coteau:** Mr. Chair, can I follow up? Is there time?

**The Chair (Mr. Amarjot Sandhu):** Sorry. The time is up now. We'll come back to that in the second round.

Before we move on to the government side—MPP Babikian, if you can please confirm your attendance.

**Mr. Aris Babikian:** Yes, I'm in my constituency office in Scarborough.

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

We'll go to MPP Rasheed for questions.

**Mr. Kaleed Rasheed:** Thank you to both ministers this morning for your presentations. I really appreciate it.

My question is to Minister Fedeli. Minister, as the vice-chair of the Ontario Jobs and Recovery Committee, how confident are you in our ability to recover, create jobs and grow over the long term, based on what we have experienced so far during COVID-19?

**Hon. Victor Fedeli:** Just answering a little bit Mr. Coteau's earlier question—we saw with the most recent job numbers in Ontario, at the beginning of the month, that Ontario gained 150,700 jobs in the month of July, and that is on top of the 377,900 jobs that we gained in June. Of those, 66,200 were manufacturing jobs. So we certainly are regaining manufacturing jobs, construction jobs and thousands more in the information, business, finance and educational sectors, just to name a few. That number is way more than just a statistic; these are real people, families, business owners, workers who are back to work and contributing to the economic recovery.

In July, an interesting statistic here is that employment rose faster among women, at 3.4%—or 275,000 of those jobs—than men, at 1.5%.

Our government continues—to answer the earlier question, as well—to push forward policies that make Ontario open for business and open for jobs during the recovery, and we're working hard to make sure that we are promoting women and other minorities.

To your question specifically: Through the Ontario Jobs and Recovery Committee, our government has been working with industry to get our economy moving again. We know, as I said in my opening remarks, there's much more to do.

We also know that a safe reopening of our economy is going to be integral to the recovery. To support business owners, workers, families and the economic recovery of the province, we've put in place what we call these foundational tools. Minister McNaughton has over 200 workplace health and safety guidance documents. Our ministry has launched, as Minister Sarkaria said, the Workplace PPE Supplier Directory. All of these are important tools. The website provides businesses with information on personal protective equipment suppliers and where they can get it to keep their employees, customers and clients safe as they continue to resume operations.

**0940**

You've heard Premier Ford many, many times say that he's committed to ensuring that Ontario remains the economic engine and the workshop, as he calls it, of the country. Advanced manufacturing, life sciences and tech firms all need the support and the tools to survive in this 21st century.

Thankfully, because of all of the pieces that we put in place over the last two years, we've got a solid economic foundation, proven by the fact that before the onset of COVID-19, one of the biggest issues we faced in Ontario—we all know this—was that we had 200,000 job vacancies in the province, a 5.1% unemployment rate. Nothing has changed in those foundational elements that we put in place, but these are unprecedented economic times, and there's a tremendous amount of work ahead of us to ensure strong, stable economic growth.

Our government is committed to continue working in partnership with people, with businesses, with municipalities right across Ontario to respond to the challenges they face and bring an economic recovery to the province.

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

**Mr. Kaleed Rasheed:** Thank you so much, Minister, for your response. I firmly believe that Ontario is a leader in manufacturing worldwide.

Continuing on the theme of manufacturing, Minister: We have heard from businesses and stakeholders that COVID-19 has had a huge impact on supply chains. What is your outlook for Ontario's manufacturing, and how can it contribute to our post-COVID-19 economic recovery province-wide?

**Hon. Victor Fedeli:** There are so many ways I can answer that. I think the \$50-million Ontario Together Fund is one of the most important pieces that we have in place right now. We were just in Beamsville with the Premier, investing \$2 million in Clēan Works. They build a portable sanitizing device. It's absolutely spectacular. We've been at Southmedic in Barrie, Eclipse Automation in Cambridge, SRB Technologies in Pembroke and Virox Technologies in Oakville. They're all creating jobs, making PPE—they're retooling. It was so exciting to see what we call the Ontario spirit at these companies that have begun to manufacture PPE in Ontario.

The Canadian Manufacturers and Exporters, the Ontario Made program—what a fabulous sense of pride we see with companies that are branding their products “made in Ontario.” Basically, it's an education program.

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

**Hon. Victor Fedeli:** If you're in a hardware store to buy a barbecue and you've got a Weber brand made in Chicago and a Napoleon barbecue made in Barrie—you might, all things being equal, have a look at that Barrie-made product, the Ontario-made product, and support your friends and neighbours and families and continue creating jobs in Ontario.

It's this sense of pride that we have—and we're committed to working in partnership with, as I said earlier, the people, the businesses and the municipalities to continue this.

I think the \$50-million Ontario Together Fund is going to be one of the real keys.

We want to make sure that we can develop, commercialize and deploy our advanced technologies, and that's why we see things like the IP program that we launched, things like Ontario Made, things like the Ontario Together Fund. These are all integral pieces—the new Invest Ontario agency that's being established. This is a solid move—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off, Minister. The time has come up for government members.

We'll move to the independent members for the second round of questioning. MPP Schreiner.

**Mr. Mike Schreiner:** I want to thank both ministers for being here this morning.

In the testimony we've heard at this committee from numerous business owners, and in my meetings I've had with people in my riding and across the province—you have identified three of the top concerns: cash flow, consumer confidence and government support. When it comes to cash flow, rent is probably the biggest concern we hear about over and over again. We've had all kinds of business organizations—the chamber, BIAs, CFIB, Save Small Business—indicate that the commercial rent relief program is not working and needs to be fixed. I'm wondering if you can commit today to listening to those businesses, to fixing the program—and if the federal government is not willing to play ball, if the Ontario government would just step in.

The three things, specifically, they're asking for: to set up the program so tenants can apply, so that they're not beholden to their landlords; the second is lowering the revenue loss threshold, from 70% down to 30%, because any business losing revenue makes it difficult to pay rent; and then the other one, which is really under provincial jurisdiction exclusively, would be to extend the eviction moratorium at least until the end of the year.

I'm just wondering if you can relieve the anxiety small businesses are facing around the rent relief program and commit to making some of those changes they're asking for.

**Hon. Victor Fedeli:** Prab?

**Hon. Prabmeet Singh Sarkaria:** Thank you for the question, MPP Schreiner. I appreciate your feedback.

During this pandemic, one of the key things that we've really focused on is to ensure that we're listening. Personally, I held 80 round tables when we initially looked at the program. When the emergency commercial rent assistance program launched, it was through consultation with small business owners reaching out to the government and saying that they needed help on the rent portion of their businesses. They needed us to come up with a program, and so we did that, and we joined up with the federal government.

Then, we heard from many small businesses about the applicability, in terms of the government needing to come in with a commercial evictions ban. I remember being on a round table with a couple of businesses, from Barrie, actually—Barrie-Innisfil, in that area. I remember, specifically—a couple of days before—how challenging it was for many of them to even have their landlord participate. That's really why we had consultations, we had communication. We were able to, from a provincial standpoint, enforce that moratorium for commercial, and we'll continue to do that as we roll out these unprecedented programs.

We will continue to listen to small business owners, we will continue to work with our federal government, and we'll continue to work with any partners to really get this right.

We're in uncharted territory—we've never seen a pandemic of this sort—with no playbook. We'll continue to work on joint programs, whether it's the Digital Main Street, which saw \$57.5 million go towards businesses, or whether it's other programs that are being introduced—whether it's municipal, federal or provincial programs. We're going to continue to do that and really work towards seeing where support is needed and getting those businesses that support. It's something that this government has been doing since day one of being elected, and it doesn't stop today. It continues to really drive this economy and get everybody back on their feet.

Minister Fedeli, I'm not sure if there's anything you wanted to add.

**Hon. Victor Fedeli:** Yes. MPP Schreiner, just to put a small point on that—

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

**Hon. Victor Fedeli:**—look at the beginning of when this was launched. We have these consultations—every minister, every day—and we heard, like you, businesses saying, “Oh, my gosh, if you have no mortgage on the building, you’re not eligible.” So we went back to the feds. Those are the kinds of things we brought back to them, and we got changes made—percentages moved for them, as well. So we were listening and going back to this federal program and saying to the feds, “Here’s what we’re hearing. Here’s what we think needs to be changed.” We had been doing that in the past, as well, just to put a finer point on it.

**Mr. Mike Schreiner:** I know your time is limited. So with all due respect, I just hope you listen to what they’re saying right now—because I didn’t hear that in your answer—in terms of moving forward with the program.

I know MPP Hunter has a question, so I’d like to yield the rest of my time to her.

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

**Ms. Mitzie Hunter:** Minister, I’d like to ask, on behalf of vulnerable Ontarians, what the government will do to support those individuals. I know you mentioned GAINS, the \$85 that was provided to seniors. The government also had an emergency support for Ontario Works and ODSP—those on disability supports and not able to work. The \$100 ended on July 31, and we’ve heard a lot of concern about those individuals being able to make ends meet during a pandemic. I’m wondering what you are doing for those vulnerable Ontarians.

If the government is truly listening, as MPP Schreiner said—commercial rent relief is something that our small businesses have asked for, and for flexibility to recognize independent business and those entrepreneurs and contractors who work in that format.

0950

Residents have also been asking for residential relief. The CERB program has been very helpful. That’s a federal program. They are now looking to Ontario, to hear from you in terms of what you are going to do to help the most vulnerable individuals in this province.

**Hon. Victor Fedeli:** I know that this is a small business—

**The Chair (Mr. Amarjot Sandhu):** Fifty seconds left.

**Hon. Victor Fedeli:** I can appreciate that this is a small business program today, but we’ll talk in general, as well.

Immediately, we reacted, as I said earlier, with \$17 billion in supports: \$3.3 billion to the health sector; \$3.7 billion to families; and business, \$10 billion in deferrals. These are the kind of programs that we believe were important on day one, and we have been listening right across the province and continue to listen. We report back to our jobs and recovery committee. We’re putting our package together of where we want to go for the future. Again, first was—

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

We have to move to the government side now for their second round. MPP Piccini.

**Mr. David Piccini:** Thank you, Ministers, for your presentation. I greatly appreciate it. I’m just going to pick up on something you mentioned, Minister Fedeli. Again, a heartfelt thank you to both of you for your leadership and work ethic through this.

You spoke, Minister Fedeli, about strong economic foundations. COVID-19 hasn’t happened in isolation; it has happened, obviously, in the broader economic climate we find ourselves in. I don’t think we can view COVID-19 without looking at some of the measures that under your leadership the government has taken prior to COVID-19. So can you talk about some of those measures that have put us in a better position heading into COVID-19 and what you would like to see in recovery going forward?

**Hon. Victor Fedeli:** Well, I appreciate that. If you think back—we talked about this earlier, this economic foundation that was built. Think about where we were when we first took government in 2018. We saw the numbers, we saw where Ontario was, and we heard from the business community that they needed help.

We immediately did things like \$2.2 billion in savings from the reduction in WSIB, and the minimum wage that was stabilized at \$14. We had about \$5.4 billion in savings from an accelerated capital cost allowance that allowed businesses to write their expenses off on their new equipment in-year. This was about \$5.4 billion—I’ll turn it over to Minister Sarkaria in a minute; he can talk about the \$2.3 billion that’s specifically in small business for the discussion today. This \$5.4 billion is not a one-time savings; this is an annual savings that businesses have. This is why we saw them reinvest and begin to hire. This is why we saw over 300,000 jobs being created in the province of Ontario in the first 18 months. This is why, as I said earlier, we had an issue in January where we had 200,000 jobs that went unfilled. Those fundamentals are still in place. Those are all the important pieces that are there that will assist in our job creation.

If you don’t mind, I’ll turn it over to Minister Sarkaria to speak about the \$2.3 billion in savings just in the small business sector.

**Hon. Prabmeet Singh Sarkaria:** Exactly. I’ll just go off Minister Fedeli there: It is so critical when we talk about the foundational piece and how critical that foundation is that we’ve been striving to build since we’ve been elected. One of the key parts that we’ve really focused on is red tape. No matter who you speak to in the business field, any round table or chamber of commerce that you interact with—it continues to be that Ontario was one of the most over-regulated provinces in the entire country. If you look at who we compete with south of the border, whether it’s the Ohios and Michigans—I know Minister Fedeli has personally visited these states and seen how they’ve been conducting their business, how they’re luring Ontario-based manufacturers into their areas. It simply comes down to, sometimes, the regulatory regime that we inherited—hundreds of thousands of regulations that really didn’t serve the purpose they needed to.

In the first 18 months, we were able to do over 200 actions that helped save businesses \$400 million just from

a regulatory standpoint. We made it easier to do business, so that when somebody comes and they want to invest in Ontario or a business wants to expand the operations, Ontario is going to be the place.

Now it's going to be even more critical, with Minister Fedeli setting up Invest Ontario. These are going to be critical tools that we have to dispense when we're trying to attract international investments. We saw, for 15 years, a government that didn't care about manufacturing, a government that didn't care about securing the future generations of this province with high-paying jobs. What we really want to focus on is driving that support—

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

**Hon. Prabmeet Singh Sarkaria:** —whether it was the WSIB payments, whether it was through decreasing the small business tax rate by up to 9%. That's all about being more competitive and building a stronger Ontario.

**Mr. David Piccini:** Yes, definitely.

I just want to touch on one thing that you mentioned earlier, Minister Sarkaria. I find it appalling, to be quite frank, that the previous government left our small businesses so fundamentally uncompetitive. You spoke about Digital Main Street. Certainly, we've seen some real leadership there.

Setting aside broadband, because I know both have to go hand in hand—and we know the challenges of broadband in rural Ontario. We've seen leadership from Minister Scott with the ICON program. In my region, we have an EORN proposal to fix the cell gap. But talk to me about Digital Main Street—I've spoken with countless small businesses that have benefited from it—and why that's so important to our economic success. Again, to be quite frank, it was embarrassing that the previous government left businesses so exposed there.

**Hon. Prabmeet Singh Sarkaria:** Well, I first want to take the opportunity to really commend you on your leadership, MPP Piccini, on that broadband file.

I have seen MPP Piccini constantly advocate for those advancements in regions like his, where it's so critical to get investments. When we want to run programs like Digital Main Street—we see the changing dynamics of today's economy and landscape. Everything is going digital. For those businesses and those main streets to survive, they need access to that broadband. Our government made a \$150-million commitment, and I know MPP Piccini was a good champion of that and continues to be.

When we look at Digital Main Street, it is the largest investment in the history of this government—any government—for businesses to go digital: \$57.5 million. It will help 23,000—

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

**Hon. Prabmeet Singh Sarkaria:** —businesses across Ontario alone. This can be in the form of \$2,500 grants that go towards businesses and small business owners. It can also be for the Future Proof program, which is aimed at helping small businesses set up a digital marketing strategy and advertising. We know that whether we're scrolling through Facebook or Instagram, we see a ton of

ads that come through. This is the new way of advertising. We want to make sure that businesses across the province have access to markets not just in their own region, but across the province and even internationally. There's a lot of work we're doing to make sure that small businesses can go international. We think it can be done by simply going digital, and that's why this program is so effective.

The other really incredible part about this—

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

We'll have to move to the opposition side now. MPP Shaw.

**Ms. Sandy Shaw:** I'm going to go back to Minister Fedeli. You spoke at length about foundational elements. We just heard MPP Piccini asking the same thing. But we did not hear anything about our health care system and our education system, and I'm sure that you would agree that those are important systems; they're foundational to a safe economic recovery.

I just would like to point out that recently the FAO said that this government has underspent their health care budget by nearly \$500 million, which is suspiciously the same amount that you've just injected into OLG—\$500 million. In terms of long-term care, where we've lost 1,800-plus seniors, this government spent \$218 million during the entire pandemic, certainly not enough to fund the iron ring that we've heard a lot about. And people are still waiting for their pandemic pay.

**1000**

When it comes to education, we have parents, we have teachers, we have all sorts of people expressing dramatic concerns about a safe return in September. Without a safe return to school, we risk our economic recovery. The first quarter financials that just came out saw absolutely zero new dollars put into the education budget to fund this safe return.

So my question to Minister Fedeli is, what do you say to people who see that our health care system and our education system are not being addressed as something that's foundational to our economic recovery? Some of the plans that you have for digitizing Ontario are something that perhaps we can look at as a long-term strategy. But in the immediate right now, we have a few short weeks before kids go back to school, and there is nobody in this province who feels comfortable about that.

**Hon. Victor Fedeli:** Thank you very much for the question.

I can tell you that the health and safety of our students, of their families and of all the teachers and the staff is our top priority.

We know that reopening schools safely is critical, and that's why Minister Lecce has announced so many new investments, hundreds of millions of dollars specifically in new investments: \$60 million alone in the procurement of medical and cloth masks for students and staff, with a direction for the boards to ensure that students who cannot afford a mask are provided one; \$30 million for teacher staffing to support supervision, keeping classes small and other safety-related measures; \$50 million to hire up to

500 additional school-focused nurses in public health units, to provide rapid-response support to schools and boards in facilitating public health, preventive measures, screening, testing, tracing, mitigation; \$23 million to provide testing capacity to help keep schools safe—

**Ms. Sandy Shaw:** Minister, I'm sorry to interrupt you—just because the time is short and we have heard those announcements.

My concern is that these millions of dollars that keep getting announced—the plan is not clear. There's no doubt that people in the province of Ontario are concerned and don't have confidence in this back-to-school plan. So while I appreciate you announcing those millions and millions of dollars, they don't come anywhere near to the kind of investment that people are asking for to ensure that our kids and people who are working in schools are safe.

Because my time is short, I'd just like to forward a question now to Minister Sarkaria. Minister, you recently wrote an opinion piece in the National Post citing Bill 197 and the changes that, essentially, gut the Environmental Assessment Act as key to our economic recovery. I would say that most Ontarians don't share your opinion, because most Ontarians do care about the environment. In fact, almost two thirds of all Canadians are concerned with climate change.

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

**Ms. Sandy Shaw:** I would just like to get your opinion or your thoughts on why you think that this disregard for the environment is important to an economic recovery. Ontario's Auditor General said, essentially, you broke the law in doing this. So can you please tell me how you intend to ensure that you protect the environment? And can you also tell me how you intend to defend yourself in court—because this will be the second time that this government has been in court defending changes to the Environmental Assessment Act. In fact, you lost the first time. Time spent in court—how does any of this help the economic recovery?

**Hon. Prabmeet Singh Sarkaria:** Well, thank you for the question, MPP Shaw.

The changes to the act do not in any way gut the Environmental Assessment Act. This is an act that was 50 years old, and it's an act that, if you look across Ontario, has been changed. Ontario did not change it for 50 years. If you look at it, you had projects that would take six years. An environmental assessment program could take up to six years. This will aim to reduce that to three years.

Any time our government takes any action, whether it's modernizing regulations—one of the key pillars of that is to ensure that the environment is not impacted. We want to make sure, because we consider the environment a very key and integral part of the province—

**Ms. Sandy Shaw:** Thank you, Minister. I know that—*Interjection.*

**Ms. Sandy Shaw:** Excuse me, Minister—

**The Chair (Mr. Amarjot Sandhu):** Sorry; can I request that the members speak one at a time, please?

**Ms. Sandy Shaw:** Thank you, Minister. I know that—

**Hon. Prabmeet Singh Sarkaria:** If I could at least have the opportunity to answer the questions, Chair.

**Ms. Sandy Shaw:** Excuse me; this is my time, Chair.

**The Chair (Mr. Amarjot Sandhu):** He's responding to your questions.

**Ms. Sandy Shaw:** Well, I've finished with his answer.

I know that red tape is like catnip for this government, but the people of Ontario don't consider the environment red tape. If this was an act that needed to be changed, why did you not take the time to consult the people of Ontario? The Auditor General has said that what you've done was an illegal act.

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

**Ms. Sandy Shaw:** People across Ontario deserve to have their opinion heard on changes that are made to an environmental bill of rights that protects our environment. So why, in all the consultation that you say you've done, did you not give the people of Ontario time to weigh in on fundamental changes that are watering down our rights in terms of protecting the environment in this province?

**Hon. Prabmeet Singh Sarkaria:** This Environmental Assessment Act has been under consultation since May 2019, so I just want to make sure that—over a year of consultations took place. When we look at an act that's 50 years old, it's necessary for a 50-year-old act to have these changes and to update it. It provides protections that other governments have put in place, like the federal government did. We have principles that guide red tape reduction, which are protecting health, safety and the environment. So nothing will be done if it impacts any of those. But reducing red tape and making Ontario more competitive is going to be a key pillar of this government, and we're going to continue to—

**The Chair (Mr. Amarjot Sandhu):** Thank you, Minister. Your time has come up now.

Thank you to both ministers for appearing before the committee and for your presentation.

MS. NATALIE PETERMAN

MR. SHOAB AHMED

CAMBRIDGE BUTTERFLY  
CONSERVATORY

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters: The remainder of our presenters today have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, the opposition, and independent members as a group. Are there any questions?

I will now call upon our first witness, with Party Mart. Please state your name for the record. You will have seven minutes for your presentation.

**Ms. Natalie Peterman:** Natalie Peterman.

**The Chair (Mr. Amarjot Sandhu):** Please go ahead.

**Ms. Natalie Peterman:** Good morning, Chair Sandhu and all participants. Let me first extend a sincere thank you to Michael Wood for giving small businesses like mine a platform to use our voices.

My name is Natalie Peterman, and I am the proud owner of Party Mart. Party Mart has been serving the Ottawa area for over 40 years and has been an integral part of our surrounding communities. Party Mart is who I am. It is what I have done for the past 32 years, and it's the only job I have ever had. When I was preparing for my testimony today, people were offering me advice like, keep to the facts, know the numbers and don't make it personal. While that may have been good advice, the truth is that COVID-19-related issues on my small business are very personal. We're a small, family-run business that employs over 25 people, and I can assure you that the survival of my company is equally important to all 25 of those employees and their families.

I'm a lifelong resident of Ottawa. I admire my province, and I'm a proud Canadian. I'm a hard worker and an honest taxpayer. Yet I find myself anxious each day, like many other homegrown business owners, worried about how long I can withstand the impact of COVID-19. My business has been paralyzed for months and can only survive with the continued support from our government.

Today I will be sharing my thoughts on what I see as some of the serious concerns that small businesses face and making some recommendations that could lessen the weight small businesses carry.

I challenge the province to use the three Rs during these hearings: review, restructure and reset.

**The CECRA program:** While I understand this is more of a federal level, I am asking the standing committee and provincial government to keep my concerns top of mind and to continue seeking conversations with Mary Ng's office.

**1010**

I cannot understand how it was ever in the best interests of any small business that the government handed over full control of our futures to our landlords. Whether we are on pleasant, good or bad terms with our landlords, allowing them to decide if they would participate in a rent subsidy program was, in my humble opinion, the wrong approach. The government sheltered the landlords with a protected loss of only 25%. I feel that protection should have been given directly to small businesses.

My commercial rent at three locations was \$195,000 that was due for the months of April, May and June, with little to no revenue coming in. I spent countless nights worrying about my family's business while waiting to see if my three landlords would participate. I am one of the small percentage of small businesses whose landlord, at the last moment, applied on my behalf. Thousands are still waiting for help, as only deferral programs have been offered to them, if anything. Keep in mind, even if landlords offer deferral programs, deferral is not forgiveness. It is still debt to be paid, and in my case, that debt is worth \$195,000.

Rent owing will be the demise of many retailers. I fully understand that a lease agreement falls under contract law,

but the government could have put in place a program that would have directly supported small business in the same manner that they directly supported the CERB program. Small businesses could have filled out a short monthly application with proof of monthly lease payments paid to their landlords, and then simply waited three days for a direct deposit. Offering a guaranteed percentage amount of 50% to put towards rent would have been better than the current "leave it up to the landlord" deal of 75%. I believe that business owners who do not have a compassionate landlord would fully agree.

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

**Ms. Natalie Peterman:** The second issue I have is the lack of accountability from insurance providers who have sold us on an idea of carrying a business interruption clause and paying for it, only to revoke it and say it will not be applied towards COVID-19, as COVID-19 has not caused our businesses physical damage. COVID-19 physically shut down businesses. The province needs to apply more pressure on insurance companies who are hiding behind the words "physical damage" to deny all of us with business interruptions the proper payout for loss of sales.

The last concern and recommendation I have revolves around the potential second wave and future pandemics. How will the provincial government make sure all businesses, who are now more prepared with PPE procedures, stay open and continue the economic growth? During the months of March, April and May, my business was deemed non-essential and was mandated to close. We fully respected this rule. However, I question the reasons why the same rule was not enforced on the non-essential aisles of Walmart, Dollarama, Shoppers Drug Mart or any other large grocery store. These big box retailers benefited 100% from all aisles being shopped.

Allowing big box stores to monopolize this pandemic and grow stronger over independent small business cannot be tolerated ever again. Allowing a customer to shop at Walmart for a piñata or party goods that could not be purchased from my closed store, or hair dye from Shoppers Drug Mart that could not be purchased from a closed hair supply retailer, or any overlapping non-essential item, not only continued to hurt businesses, but invited the potential spread of COVID-19 to continue. Small business was put at a serious and threatening disadvantage.

Second wave or future pandemic considerations must include how to handle this better when and if a forced shutdown occurs again. Things like curbside pickup for all retailers who can position themselves safely should be respected moving forward.

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

**Ms. Natalie Peterman:** This is the most inclusive approach for small businesses and large corporations. Alternatively, if drastic measures are required, make certain to close all non-essential aisles in any store deemed essential. Control the need and the want better and protect all businesses equally.

COVID-19 should not ever be about how small businesses failed from something we could not control.

Small business owners have always supported the idea of taking reasonable risk when going into business for themselves. They have had a solid impact on their community, and their hard work turns our economy. The COVID-19 pandemic is not reasonable risk any business should have seen coming. With that in mind, we need the province to stand with us and make sure no one continues to fail instead of survive. “Stronger together” must have real meaning.

Thank you for your time and interest in our voices today.

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

We’ll move to our next presenter, Shoaib Ahmed. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Shoaib Ahmed:** My name is Shoaib Ahmed. I am the founder and CEO of Scooty Mobility Inc. We’re an e-scooter company based out of Ontario. We’re a Canadian team located in Toronto, Brampton and Mississauga. Thank you so much for the invitation to come and present to this committee.

First and foremost, I wanted to say that we’re a start-up, and we took a lot of lessons from the province and how the province dealt with this incredible challenge that came to us a few months ago. I just wanted to say that I’m very proud and supportive of the initiatives that the province has taken, through all of you elected officials, in keeping us safe and keeping us going. COVID-19 did not come with a user manual. I think the province did its best based on the resources and initiatives possible, and collectively came together to make it happen and to provide us a safe haven, so thank you all.

I’ll just quickly go through our slide show about who we are and what we’re trying to do here.

E-scooters around the world have offered incredible key advantages to various cities and communities, all the way from multi-modal transportation to economic growth and also supporting the development of healthy communities and equity, of course. So far, these are the cities that are working on e-scooters in Canada. Brampton is soon to be approved, followed by a few other cities that are already in operation.

What we have learned from the reports here about e-scooters—they’ve been around for a few years now, and these are some of our learnings: They’re poorly made, unsustainable and unsafe. But Scooty has changed the way e-scooters are going to operate and support the province in its various initiatives. We have done everything we can to engage every stakeholder in this province and municipality—all the way from municipal integration to community benefits, proactive rider safety, economic environment and solution design.

We’re a proactive team. We’re incubated at the Ryerson Digital Media Zone, where civic and business leaders on our team are focusing on community benefits, and we are creating solutions based on research and data. You all know this very well—all the incredible initiatives the government is taking to create connected regions and improve opportunities. We would like to support and play a role in that.

Using a scooter is very intuitive. You download the app, you sign up, you provide the information that’s needed, you ride, return, and enjoy the ride.

We’ve successfully engaged two well-known ministers here: Minister Mulroney and, of course, Minister Prabmeet Sarkaria, who has been our biggest champion and has really helped get Scooty off the ground by introducing us to various folks. His staff, his team, have been incredibly supportive and given us the opportunity of engaging the province at various levels on how we can support the province on the first- and last-mile conversation.

This is our team. We’re all local folks who live in various cities in Ontario.

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

**Mr. Shoaib Ahmed:** Thank you.

We care about our city, and we can’t wait to support Ontario in its transit infrastructure projects.

That is the end of my presentation. Thank you, everybody, for having me. Thank you, everybody, for hosting us. To be honest, my only feedback is that the province is doing an incredible job in making all these fantastic announcements on infrastructure projects, specifically on public transit projects. It would be great to also include us in that consultation and engagement, so that we’re able to support the province in its various initiatives as well. And what better story, in addition, to have Ontario companies, small businesses and start-ups support the province in its initiatives. Thank you so much.

1020

**The Chair (Mr. Amarjot Sandhu):** Thank you. Our next presenter is Cambridge Butterfly Conservatory. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Doug Wilson:** My name is Doug Wilson. I’m a shareholder and president of Cambridge Butterfly Conservatory in Cambridge, Ontario. Mr. Chair, members of the committee, colleagues in small business, I’d like to begin my remarks by thanking this committee for listening to the concerns of small business, which I believe is the backbone of this economy.

We are just one of hundreds of small businesses in the tourism sector, a sector which Minister MacLeod has said many times was the first hit, the hardest hit and will be the last to recover from this pandemic. And so the first point I would like to stress is that any discussion around recovery planning and assistance must give consideration to that fact—that not all businesses and not all sectors are created equally.

When I last spoke to this committee back in June, I quoted Warren Buffett, who famously said, “It’s only when the tide goes out that you can discover who was swimming naked.” The tide is out and small businesses across this country are exposed. Hospitality and tourism operators count on the busy spring and summer months to accumulate cash to carry them over the slow winter months. Here we are, coming to the end of what should have been the busiest season, with businesses decimated by the drop in revenue. The result will be small businesses across the province who will struggle to make it through

the fall. In our case, our visitation is down over 80% since March, when we were forced to close. The resulting loss of revenue will take us five to seven years to recover.

Cambridge Butterfly Conservatory is an integral part of our community, both in terms of our economic contribution and the contribution to the world, being the visitors who come to see us. Under normal circumstances, we would see about 130,000 visitors a year. This year, we have no way of predicting what our visitation will be, but we are on track to be down at least 40%, with absolutely no way of increasing that revenue. We have lost our wedding business, our summer camp business, our corporate and meeting room business and our education business, and it will take years for us to recover.

The Ministry of Heritage, Sport, Tourism and Culture Industries has made some money available for marketing, and we're of course appreciative of that as it helped us reopen, with strict COVID-19 protocols, back in June. However, we are not going to be able to market our way out of a pandemic. Recent polls show that only 20% of our target market feels safe enough to visit public attractions. That's 80% of our market that is simply just not available to us.

The starting point for most small enterprises is an entirely flat market with no cash in the bank and no hope of attracting more customers. Public health guidelines, social distancing and other safety protocols further throttle the number of customers we see.

Members of the committee, it's really important to recognize this: Fixed costs are just that, they are fixed. Utilities, leases, insurance and property taxes have no regard for the number of visitors we have through our attraction. Just because small businesses are allowed to open under phase 2 does not mean they can scale down fixed costs to match decreased revenues or that they will be profitable. I know of businesses in our sector that just simply could not afford to reopen.

It's extremely important that we take off the rose-coloured glasses when it comes to talking about economic recovery and getting Ontario back to work and returning to business as usual. Small businesses in Ontario are not back to normal, and they're not going to be normal for a very long time, so it is important that any help the province provides is long-term, sustainable and addresses the day-to-day needs of cash-strapped small enterprises.

Red tape regulations and taxes also impact small enterprise. One area of great concern for us is the ESA regulation that requires an employee to be called back after 13 weeks' layoff or be terminated. All indications are that we will likely face a second wave of the virus in the fall, which may result in more layoffs, and if that wave continues past 13 weeks, we will be forced to terminate employees for whom we have no work.

Aside from the toll a termination takes on the individual, termination pay can amount to many thousands of dollars per employee for the employer, a cost they can ill afford during these uncertain times. Extending the layoff period indefinitely until we are out from under this pandemic would be a good place for the government of Ontario to start.

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

**Mr. Doug Wilson:** I believe this is a crucible moment for Ontario. It is now when the province can help save hundreds of small businesses from certain closure. The answer does not lie in deferring payments of taxes, HST and source deductions, because deferrals only compound the problem and move the debt further along an uncertain continuum. The answer lies in the province providing medium- to long-term interest-free loans based on the businesses' lost revenue compared to the previous year. The worksheet the federal government has developed for how the wage subsidy is calculated is a perfect example of how the province could roll out such a program.

Before my time is up, I want to draw attention again, as Natalie did, to the issue of insurance coverage. Many businesses, including ours, were denied claims against our business interruption insurance. And, adding insult to injury, our policy came up for renewal on July 1; we were hit with a 15% increase in premiums along with a reduction in our coverage. Our insurance agent told me he was having trouble finding a carrier for us and that he has other clients who were straight out denied coverage.

Small businesses in this province have been complaining about the lack of accountability, oversight and regulation in the commercial and liability insurance business for years. The Financial Services Commission of Ontario needs to step up to the plate and help get insurance premiums and coverages under control.

Members, I feel the worst is yet to come for small business owners as debt levels increase and revenue generation continues to be throttled. With the talk of a second wave in the fall, we face an uncertain future and we're going to need government assistance for small businesses to survive. So for the next two to three years, small enterprises will need the consistent support of the government of Ontario—to provide direct financial support in the form of grants and/or interest-free loans with a three-to-five-year repayment term.

Thank you for your time today.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll start with the questions now. We'll start this round of questions with the government side. MPP Fee.

**Ms. Amy Fee:** Good morning, everyone. I want to start my questions with Doug Wilson at the Cambridge Butterfly Conservatory. It is actually located in my riding and somewhere that I have been multiple times in the last little while with my kids. It's been a great place to get them out and get them to feel comfortable again being out in the community.

I'm just wondering, Doug, if you can touch more on that insurance piece that you ended off on, and explain to me a little bit about the coverage changes, when you talk about the increase in funds and then the decrease in coverage. What exactly did you see in those changes?

**Mr. Doug Wilson:** MPP, thanks for your question. It's nice to see you again.

We've seen increases in our premiums over the course of the last four or five years. This year, when our policy

came up for renewal, our agent, at the eleventh hour, called to say that he was actually having trouble finding a reinsurer. What happens, apparently, in the insurance business is that a carrier doesn't want to assume the total risk, so they go out and find someone to share the risk with them. Apparently, from what I understand, the capacity for reinsurers was maxed out and it was difficult for them to find someone to carry our insurance. The consequence was, we ended up paying, as I said, a 15% premium increase and, in order to achieve any kind of insurance coverage, we had to reduce our level of coverage.

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

**Ms. Amy Fee:** For the other presenters: I'm also wondering if you've run into similar problems with your insurance, and if you could elaborate on that, as well.

**Ms. Natalie Peterman:** My renewal has come up. I have not had any increases to my premiums, but they were very, very firm that they were not going to be responding to the loss of income due to the shutdown. I still am a little bit confused as to what "business interruption," then, really means, because my business was interrupted. So physical damage or not, we were on a forced shutdown, and we had no revenue coming in. There should be some coverage of the loss.

**Mr. Shoaib Ahmed:** I have had a very significant challenge in landing an insurance company, and thankfully, we're very close to landing one. It's crazy how much, I would say, pessimism there is in the industry, especially on e-scooters, but also, just especially in this time, it's so difficult to convince them to give us insurance. And if they do give us insurance, the premiums are through the roof. I might as well close down my business instead of paying crazy amounts on insurance fees.

1030

**Ms. Amy Fee:** Also, Doug, you've touched on—speaking specifically around how the government could help—loans and grants, and trying to keep our small businesses, especially in the tourism sector, viable. I'm just wondering if you could elaborate on what you think is needed in that type of programming.

**Mr. Doug Wilson:** MPP, thanks again for the question.

I think the biggest issue that we face is those fixed costs. We've got property taxes in the order of \$65,000 to \$70,000 a year and utilities probably amounting to \$40,000 or \$50,000 a year. We've got to keep up with source deductions, HST payments—we're cash-strapped, and the problem in our industry, in the tourism sector, is that we closed the day before the biggest week of the year, when we would have seen 10,000 people. That's the week that we count on to put cash in the bank, that carries us through the summer. Tourism businesses like ours build their cash reserve in the summer, and then they coast through the winter—unless you're in the ski business.

We need help, and I think the simplest solution would be short-term loans with a forgivable portion, repayable over three or five years, that would help us keep ahead of those fixed costs. Those fixed costs are not going away. If we put one person through the door or 10,000 through the

door, those fixed costs stay the same. Our wages and salaries go up and down based on the number of visitors we have through the door, but we have some help from the federal government in wage subsidies.

The federal government has provided a worksheet to calculate the amount of wage subsidy based on the loss of revenue, and I think that's a good starting point. Take a look at what any small business did in 2019 compared to the same year-to-date period in 2020, and you will see the significant loss. We'll be down 40% or 50% no matter what we do, and taking that as a starting point would be a good place for the province to say, "Based on that loss, here's how we can step up to the plate." I think the simplest solution is short-term loans, with a forgivable portion, if it's possible, repayable like a mortgage in three or five years, or something like that.

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

**Ms. Amy Fee:** Thank you. Natalie and Shoaib, do you have anything else that you'd like to add to that in the last minute?

**Ms. Natalie Peterman:** Again, touching on Doug's points: Everything he has said is spot-on.

We are in the retail industry, obviously, and our biggest cash flow months are coming up, being Halloween. If the potential second wave comes through, that is going to cause us some large issues as well. We just need to know what will be in place if a second wave or a forced shutdown occurs again. Allowing big box dominance just cannot happen. We need to be able to do at least curbside pickup of certain things, to allow our business to continue to thrive.

**Ms. Amy Fee:** You had mentioned about the curbside pickup and—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. We'll come back to that in the second round.

We'll have to move to the opposition members now. MPP Lindo.

**Ms. Laura Mae Lindo:** My questions will be focused on both Natalie and Doug. Thank you for your presentations. There are two big things that you have each said that I think need to be reiterated. We've done these hearings for many, many hours, for many, many months, and we keep hearing the same issue.

I'm going to start with Natalie. When you had spoken about the inability to take away the personal from the numbers and your revenue and all of that stuff—I just want to acknowledge that you are not the first person to tell us that. Small businesses are deeply invested and family-owned businesses are deeply invested, so we keep hearing that a lot of what wasn't provided for us to navigate the pandemic on the personal side also had an impact on the needs on the business side.

When you're talking about the fact that you were left at a disadvantage—I would like to give you a bit of time to tell us why it is so important that you get the direct supports, why it is so important to not rely on these loan deferrals. We are preparing for a second wave, and I do think it's really important for you to get that on record.

**Ms. Natalie Peterman:** I'm really happy that you touched on that personal-aspect side of it—because that's who I am. I wear my emotions on my sleeve. My business is who I am. It's a fairy tale. It's what I've been doing since I was 15, and I'm now 48. This is what we do to secure our finances at home. This is how we run our lives.

The disadvantage comes from the fact that being deemed non-essential and realizing that everything I carry in my store comes from disposable income, then the minute we were forced to shut down—I fully respected the virus; I fully respected the shutdown. I admire the fact that the attempt was to keep people home, but allowing the big boxes to dominate like that was unacceptable. We had people calling—loyal customers—saying, “Why aren't you at least allowed curbside pickup? Why is somebody like Toys“R”Us, or even Michaels?”

In the middle of April or beginning of May, those big box stores started doing curbside pickup. Why were we not allowed to do that sort of thing? We had safety procedures in place. We're smart and a sharp operator of 40 years. We're not just a fly-by-night company. So we should have been allowed that same extension that they were given. What that has done is that it has just taught customers now to shop big box, and we don't need any more of that. We are a small, homegrown business—and that's what needs to continue to grow the economy for our country, and our city specifically.

Again, thank you for realizing that there is a very large personal aspect and many, many hours of our personal time at stake in all of this.

**Ms. Laura Mae Lindo:** It is so important for us to pay attention to who we're talking about when we're trying to organize ourselves and strategize for small businesses, and I don't think that we can reiterate that enough.

I'm going to move over to Doug just for a moment. It's lovely to see you, as well. You had spoken to us, as Natalie had, around the insurance coverage being denied, the business interruption coverage, and that if the government will not put the pressure on insurance companies to do the right thing during a pandemic, then they have to do the right thing and step up with the supports that you need.

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

**Ms. Laura Mae Lindo:** You've already told us about the issues that arose with the insurance coverage. If you can use this time to explain to the government that if the insurance companies won't provide you with what you need—and you're paying them a lot of money, and now in your case even more—then the government has to provide you with these real supports so that you can make it through, because we know how important your impact will be on the stimulation of the economy once we can get things moving again.

**Mr. Doug Wilson:** It's a difficult situation. I don't know what the government can do, other than make the Financial Services Commission of Ontario more accountable. I think you've heard it from multiple sources that insurance coverage is an enormous issue for us. I think back to June 30 and waiting for the call from our insurance agent to tell us that he had finally secured coverage for us.

What would we do without that coverage? We'd simply have to close down. If we were in a better financial position, which we were prior to this, we'd have to self-insure—

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

**Mr. Doug Wilson:** —and to self-insure, it's all kinds of different colours. It might mean moving the deductible from \$5,000 to \$50,000, so that insurance companies would take a second look at us.

I don't have the answer. What I can tell you is that it is a constant source of discomfort for us every time we're faced with an insurance issue, and we have to have it. With 130,000 visitors a year, liability insurance is a big issue for us. Commercial property insurance—\$5 million, \$6 million in our building. We have to have insurance coverage. We wait with bated breath every time insurance comes up for renewal. We have a great relationship with our agent, who has multiple companies to represent. But I don't know what we would do; I actually do not have an answer.

1040

**The Chair (Mr. Amarjot Sandhu):** We'll move to the independent members now for the first round of questioning. Mr. Coteau.

**Mr. Michael Coteau:** I want to take the opportunity to thank the deputants today, on behalf of the Ontario Liberal Party, for your contribution to the economy here in the province of Ontario. All three of you come from very interesting sectors.

Doug, I know the tourism sector is one of the largest employers of not only people, but young people in the province of Ontario. We have not seen, I believe, an adequate response to ensure that businesses will be able to survive post-COVID-19 and then moving into 2021. I do like your suggestion about setting up some type of fund that would allow for companies within the tourism sector to access short-term loans or long-term loans at a competitive interest rate with some possible forgiveness.

I know you can't speak on behalf of the entire sector, but just from a personal perspective—if nothing is done, what will our tourism industry look like two, three years from now?

**Mr. Doug Wilson:** MPP Coteau, thanks for your question. You do know the tourism industry. You were Minister of Tourism when you were in government.

I don't think it's going to be a pretty sight, to be honest. Minister MacLeod has done an admirable job of being upfront and out front with the tourism industry, but as I said in my presentation, she nailed it when she said that tourism was the first hit, the hardest hit, and will be the last to recover.

I don't know what the future looks like, but I can tell you that for us it's going to be five to seven years before we get back on track. Tourism is the single biggest employer of young people under the age of 30. Tourism contributes billions of dollars to the economy, and if we don't support tourism, the ripple effect and the damage, I think, will be catastrophic. I don't think it's hyperbole; I

think it's the reality of the fact. When I look at our business, we're going to be down 40%, 50% going into the next year.

There's a piece of tourism that we don't often talk about, and that is the contribution that tourism facilities and attractions make to the community. It's how we recognize communities. It's how we bring people in from other parts of the province. Without the ability to do that, I don't know how we're going to keep the province connected, for example. We know that in our facility—MPP Lindo has been there; MPP Fee has been there—we are a significant contributor to the economy and we are a significant contributor to health and well-being. Our visitors were waiting for us to open, because we're a tranquil setting. It's a conservatory filled with thousands of free-flying butterflies, and in this time of uncertainty, attractions like ours are an important contributor to the health and well-being of communities.

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

**Mr. Doug Wilson:** Where we're going to go from 2021, I have no idea. I'm worried.

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

**Mr. Michael Coteau:** I'll yield to the other independents. If there are none, I'll continue with some questions. It's up to you, Mr. Chair.

**The Chair (Mr. Amarjot Sandhu):** Any further questions from the independent members?

**Mr. Shoaib Ahmed:** I just wanted to add—oh, sorry, go ahead.

**Mr. Michael Coteau:** So is it my opportunity now, Mr. Chair?

**The Chair (Mr. Amarjot Sandhu):** MPP Coteau, yes, you can go ahead, please.

**Mr. Michael Coteau:** Ms. Peterman, I have a question for you. I listened to your history with your company. You said it really made you who you are and that you've been doing this since you were 15. So it is very personal to you because you've invested so much time and effort into building it and ensuring its success.

You said that your locations, the rent for the two or three months—I think it was about \$120,000. What was that number?

**Ms. Natalie Peterman:** The rent for three locations combined over a period of three months would have been \$195,000.

**Mr. Michael Coteau:** Wow.

**Ms. Natalie Peterman:** That was published in the Ottawa Citizen. The Ottawa Citizen asked to do an article on it, and that is a real number. Commercial retail space is very expensive; it shouldn't be right now. Some of my leases are up for renewal, so they should be going down, but I feel that that's not going to be the case.

**Mr. Michael Coteau:** What do you believe the provincial government has done to help you with your current situation? The federal government, obviously—there were contributions to pay, and then the rent subsidy. Has the provincial government done anything for you that you can recall?

**Ms. Natalie Peterman:** The provincial government has definitely helped some small businesses; there's no doubt about it. The problem with most small businesses is that, like Doug was saying, there are those fixed costs. Even if the provincial government does small things, the fixed costs are the things that are of the biggest importance right now to us.

When I look, again, at the rent and the landlord situation—I've got a landlord right now, one of the three, that has decided that even though we have qualified for April, May and June, and therefore, according to the program, July does not need to be reassessed, they've decided of their own accord that July will need to be assessed. I need to give them my numbers and prove that I'm down the 70%. That's unacceptable. The program is there; I shouldn't need to prove anything. The—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. Time has come up for independent members.

We'll move to the opposition side now for their second round. MPP Morrison.

**Ms. Suze Morrison:** I'm going to direct my question to the folks at Scooty. Thank you for being here today. I know you folks are in a bit of an interesting position, being in more of that start-up world still, rather than some of the more established businesses.

What do you think are some of the more unique challenges that you faced during the closure as a business that's in that start-up space?

**Mr. Shoaib Ahmed:** I would flip that and say opportunity. As soon as COVID-19 hit and people were not able to use public transit as they would, and there were so many front-line workers who needed to get to and from their places of work and just errands, our calls, emails, and social media messaging went through the roof. "Can I get a scooter? Can I get a scooter?" We really wanted to try to help. We offered a lease-to-own model to do some market testing, and we were sold out in four days—literally sold out in four days.

What we've been doing is engaging various levels of government and saying, "Look, we can actually support economic recovery, but specifically from a tourism recovery standpoint." We have seen data all around the world—all around the world—how scooters are adopted. Scooters are adopted so fast. Scooter adoption over bikes is about 350%. In Calgary, they've reached about a million scooter rides. So we know we're in the right space, and we're in the right space to support the province. Here's an opportunity for us, where our province becomes a convener, where I get to meet Mr. Wilson, Ms. Peterman, and to see how, as a start-up, we can support in various tourism recovery efforts and find a way to restart some new opportunities.

**Ms. Suze Morrison:** I know we've heard from other businesses, like Ms. Peterman's, around issues related to insurance, specifically. Can you explain any challenges you might have faced with insurance or how that's working out for you?

**Mr. Shoaib Ahmed:** It's been a minute since we were able to work with insurance companies and figure out the

best possible source and solution. We have, in fact, gone to American companies and European companies to find a way to insure us. Especially, when we're talking to transit agencies and working with them to support first- and last-mile transit, their insurance requirements are mind-boggling.

**1050**  
It's really interesting how this industry works. It's an industry where we don't really have a lot of room to negotiate—it's what they tell you. If they say, "This is what the premium is going to cost," maybe there's a tiny bit of wiggle room, and that's it. Either you pay or you don't pay and you close your business and start something else.

**Ms. Suze Morrison:** With regard to the rent subsidy: I'm not sure what sort of physical space you folks are operating in just yet, but was the rent subsidy something that would have impacted you? Again, I don't know what kind of physical space you're in. Was it something your landlord opted into, or were there any issues there?

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

**Mr. Shoaib Ahmed:** Our landlord was quite open to having that conversation. We're still in talks and negotiations with them. Luckily, we're in a space that is a co-shared space, so we're in a fortunate position where our rent is not exorbitant. We were lucky. We got really lucky that we have a very considerate and understanding landlord—and the fact that our office is full of a lot of youth who are working in our business and helping us getting started off. They like to see the activity; they like to see the energy; they like to see the excitement. So they've been more than happy to work with us. So, knock on wood, we're one of the lucky ones.

**Ms. Suze Morrison:** That's good to hear.

My last question for you would just be in relation to your relationship with Ryerson University and if there have been any COVID-19-related impacts at all in terms of that relationship, and how you function within that space, or any impacts from the university itself that trickle down into you as a start-up.

**Mr. Shoaib Ahmed:** We're incubated out of the Ryerson Digital Media Zone. When COVID-19 hit, the whole university shut down. Our team was great at pivoting to using social media and various tools such as Slack, Zoom, WhatsApp and a bunch of other connection opportunities. Once the province started to open, then we've slowly started to bring people back to the office. We have another sister location up in Mississauga, so we were able to have some people come into our office here. The university is shut down until about next year. So luckily, through the use of technology, we were able to continue with our momentum.

**Ms. Suze Morrison:** That's great to hear.

Chair, how much time do I have left in this round?

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

**Ms. Suze Morrison:** Okay.

I just want to go over to Ms. Peterman. You spoke so passionately about some of the issues you've had with access to the rent relief program—and if there's anything else you wanted to add about what your business really needs to keep the rent paid on your space.

**Ms. Natalie Peterman:** Again, I think the biggest take-away from today's conversation about being passionate is the fact that the landlords have been given a choice; I was not given a choice. I was not given a choice to stay open or to close. I was told to close—again, fully respected. But the option—that they have a choice to belong to the program or not, it just boggles me that that is actually in place. What we really need is that there's a firm, concrete, direct chute from government to tenant. Skip the landlords. There was no need to have the landlord involved in this. Again, I understand the contract law aspect of it, but there was a great plan with CERB that obviously got \$2,000 into everybody's pockets very quickly, within three days—

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

We'll move back to the independent members now for their second round. MPP Hunter.

**Ms. Mitzie Hunter:** I want to say thank you to all of today's presenters. I certainly hear and understand the passion for the work that you do and how essential and important it is—from those who are more in the start-up and the incubator phase, and all of the supports that are required to see you grow and expand and, frankly, change the way we do business in Ontario, and that passion that is required to sustain a small business. As a former small business owner myself—I started while I was in university—I had to make a choice: if I was going to stay with it or if I was going to go on another path. Obviously, I chose to go on a different path, but I always respect those small business entrepreneurs. I believe that they are the backbone of our province and keep our main streets vital and are the innovators of our province.

I can't say enough about the butterfly conservatory and the beautiful space that you offer our communities. I can't even imagine our province without spaces and attractions like that.

Today's conversation is really vital. We have to fix our minds collectively on solutions and what we can do. Part of what we're trying to do in these hearings is to hear ideas and solutions that the province can respond to, that you need to support your businesses and your organizations to continue to survive this and to thrive. That's what we're trying to do, to find those solutions.

I want to start with you, Natalie. I know that it was a real blow. We were all coping with the shutdown and the health crisis and sorting it all out, and then we turned our minds to what we can do gradually in stages and phases. We don't want to see a second wave. I don't think that's what anyone wants to see.

Other than reimagining the commercial rent subsidy—on which I hear you, the fact that you as a business owner want to be your decider. You don't want it to be your landlord that decides and that type of relationship; you want to be the decider, and to qualify based on your own merit. I certainly respect and understand that. I'm just wondering if you have other things that you want the province to hear when it comes to keeping small businesses running, when it comes to liquidity and any types

of supports that we can put forward as concrete recommendations coming out of these hearings.

**Ms. Natalie Peterman:** The province just needs to keep on listening to voices. The thing that they have to keep understanding is that we're out there; we are making an impact on the economy. We are doing our very best, but rent being the fixed cost that it is and the fact that it has to be paid—my stores are 9,000 square feet at each location. They're big stores; they're big spaces. That rent is not going to go away.

The other thing that the province really needs to keep top of mind is, if and when the second wave comes, this idea of being deemed essential, non-essential, where the fine line is—my arguments for why I was so very upset that the big box stores were allowed to stay open wasn't because they had the essentials like milk and food and water and toilet paper; it was the fact that they had all their other aisles wide open. So I'm sitting back as a small business owner watching this and saying, "Hey, we're trying to control a pandemic; we're trying to lessen the effect of this virus on our community, and you're allowing people who are 'bored' at home to go browse aisles that should be shut down."

I think the largest slap in the face came a couple of months later, when all of a sudden the Real Canadian Superstore—I love any Canadian entity, but they decided that their newest campaign was going to be to say, "We have non-essential essentials. Come in and pick up your party hat. Come in and pick up your things for parties."

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

**Ms. Natalie Peterman:** How did this happen? Their slogan says, "Throw on a party hat. We've got streamers, balloons, piñatas and more. Check out our party non-essential essentials." That's awful. That is unacceptable.

Moving forward, there has to be an allowance for small businesses that have put in time, energy, knowledge, money into the PPE I now provide for my staff—masks, hand sanitizer, Lysol wipes, paying all at premium for these things that I personally have invested in—that now should be able to say, "Listen, I have a loading dock area or a safe front door vestibule area. Those should be allowed for curbside pickup." No more of this forced shutdown—or, like I said, if it's really that bad, then force it on all non-essential aisles.

**Ms. Mitzie Hunter:** I want to turn the questioning to innovation.

Doug, I'm going to start with you. I went to the Toronto Zoo yesterday, and I was amazed at how they have adjusted, to try to adapt.

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

**Ms. Mitzie Hunter:** Talk to me about innovation and what you think is possible for facilities like yours.

**Mr. Doug Wilson:** When we were allowed to open under phase 2, the first thing we did was implement a timed-entry ticketing process which allowed us to maximize our space and maximize social distancing within the space. Plexiglas barriers, face coverings—we're in Waterloo region, so it's mandated that in our space, you have to wear a face mask. We were ahead of

that curve. When we opened, we made sure that our guests and our employees wore face masks.

**1100**

There's little we can do. Natalie talks about curbside pickup. In our industry, there is no curbside pickup. There's no mail order. There is only the—

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

Before we move to the government side, I would like to do an attendance check. MPP West, if you can please confirm your attendance and if you're present in Ontario.

**Mr. Jamie West:** Yes, I'm present in Sudbury right now.

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

**M<sup>me</sup> France Gélinas:** This is France Gélinas. I'm in beautiful Nickel Belt in northern Ontario.

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

We'll move to the government side now for the second round of questioning. MPP Nicholls.

**Mr. Rick Nicholls:** Good morning. It's nice to hear everyone and what your concerns are. I'm hearing things—for example, Mr. Ahmed and Ms. Peterman, I love entrepreneurs.

My dad was a variety wholesaler many, many years ago. He weathered many, many ups and downs. Prior to my involvement in politics, in which I'm now in my ninth year, for 25 years I was in training development, running my own business. I went through the recession. I went through a lot of different challenges in business, so I understand some of the issues and challenges, whether it be, Mr. Ahmed, a start-up—which I commend you for that. It's nice to see that we had Minister Sarkaria and Minister Mulroney supporting your business. I strongly support all entrepreneurs; don't get me wrong. But one of the things that I want to point out is that we are in unprecedented times, and I'm sure we'll all agree with that.

Mr. Wilson, with your conservatory and looking prior to or pre-COVID-19—let's call it that: pre-COVID-19. Ms. Peterman, again, business was good. Of course, we were tracking with regard to even our own budgets as government, and then, all of a sudden, COVID-19 hit. Well, that blew budgets right out of the water. It blew your businesses right out of the water as well. So the question is, how do we quickly become more flexible? It's kind of like in a boxing ring, when, all of a sudden, your opponent throws a left jab that you weren't expecting and it sends you reeling. You have to gather your faculties quickly and get back up on your feet. That's where we're at right now: How do we get back up on our feet?

Ms. Peterman, I do appreciate the fact that you talk about essential business and non-essential—the big box stores. A lot of people even down in my riding—the great riding of Chatham-Kent-Leamington, I might add—had the same questions. I had the same questions as well, because I didn't think that—but the question would be, how would they have controlled that? Would Walmart, for example, have to block everything up—

**Ms. Natalie Peterman:** It's not that hard to control—and I'm sorry for interrupting.

**Mr. Rick Nicholls:** No, that's fine.

**Ms. Natalie Peterman:** The passion's going to come rolling out right now.

It's not that hard. If you have a shoe department, close it down. If you have a clothing department, rope it off. People were not ignorant to the fact that there was a virus out there killing—there still is a virus out there killing people. So have a simple, caution-tape sign that says, "Sorry, these sections are closed down. We're trying to keep non-essential aisles not being shopped, not being touched." Let's not forget, too, MPP Nicholls, that there was no mandate on masks back then. There was no mandate on even knowing what to do when somebody touched a clothing garment. Were the change rooms open at that point? Were the fitting rooms open?

I understand it was uncharted territory, but it was very simple to close down non-essential business, restaurants, everything else. It should have been as easy to close down those departments within those stores. They are separate to the food department.

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

**Ms. Natalie Peterman:** I can pass to somebody else's comment as well, because I could go on for hours with this.

**Mr. Rick Nicholls:** I think that one of the things we have to realize, especially for our stakeholders—and the three of you, Mr. Wilson, Ms. Peterman and, of course, Mr. Ahmed—is that this is a living document. It's related, and we've been working through this, doing our best to try to come up with ideas and answers. We've had many, many discussions with stakeholders as to where we are at, where we need to go, what you need to do and what we need to do in order to assist and to help out along the way. I know it's been very, very challenging for many of you as well.

**Ms. Natalie Peterman:** That's why I put out that three Rs challenge—the review, the restructure and the reset. We have a little bit of time right now, before and if the second wave comes, to decide how we change the things that we've done. Again, complete respect goes out to every level of government. You were pivoting at a time when there was nothing put in place, there was no history on something like this. There was fast action for certain sectors. But there has to be a review on things that could have been done better, either for the second wave or, sadly, for any future pandemic that comes our way.

**Mr. Rick Nicholls:** Yes, and we are preparing; we're doing our best to stay in front of that curve, for sure. But again, we need your help. We need everyone's help as well. We don't profess to be, as the old TV commercial said, the Shell Answer Man and have all the answers. We learn from everyone as well. Of course, a good idea, in my opinion, doesn't care who owns it.

**Ms. Natalie Peterman:** That's right.

**Mr. Rick Nicholls:** How much time do I have left, Mr. Chair?

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

**Mr. Rick Nicholls:** Okay. I want to just address, Ms. Peterman, your concern about the rent and so on. I've heard from people even down in my riding, and I've spoken with landlords and said, "Why don't you help out your people? We're asking your tenants to pay 25%. We will come up with a federal and provincial—we will come up with a 50% part, and we're asking you to eat, as they would say, 25%." Then I found out afterwards that that wasn't feasible because you have leasehold improvements, you have taxes, you have other things that may be included in that lease from the tenant. It's not plain and simple. So we were dealing with that, as well, as one of the challenges that we were faced with and what the landlords are being faced with.

So then we took some additional steps and we changed the rules a bit to try—

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

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

SUDBURY WORKERS EDUCATION  
AND ADVOCACY CENTRE  
GLOBAL SKILLS HUB  
PURECOLO INC.

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters: First, I would like to call upon the Sudbury Workers Education and Advocacy Centre. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Scott Florence:** Thank you, everyone. My name is Scott Florence. I am the executive director of the Sudbury Workers Education and Advocacy Centre. We are a small non-profit made up of workers, students and community volunteers dedicated to improving the lives and working conditions of workers, especially low-wage and precarious workers. We teach workers about their right to work. We work one-on-one with workers who have been experiencing issues in the workplace to educate them about their options to effect change and support them as they work to find resolution. We provide community spaces for workers to learn and share with each other, and we take opportunities like these to advocate for better working conditions for all workers.

Like most not-for-profits, we've been affected financially and operationally by COVID-19, but I'm not here to talk about us today. I'm here to talk about the workers who contact us and access our services.

Workers are scared. They're scared of COVID-19. They're scared of getting sick. They're scared of bringing it home and transmitting it to their children, to their partners, to their parents and loved ones. They've lost their jobs. Their hours have been reduced. They were one paycheque away from disaster before, and now disaster is here, because they don't see their jobs coming back, not with the hours that they need, not with the protection to keep them from getting sick. There has been some

discussion that CERB is keeping workers from going back to work. It's not CERB; it's low wages, reduced hours, fear of getting sick at work, and a lack of trust that health and safety of workers will be a priority that are keeping people from wanting to go back to work.

You have to know that it's impossible to live on a minimum wage of \$14 here in Ontario. The calculated living wage in Sudbury, where I am, is \$16.98—and that's having two wage-earners in a household who are earning that amount. The living wage is of course different in each region. It's obviously much higher in Toronto and Ottawa, and it varies across the province. But as a result, many workers have two or even three jobs to make ends meet. Many of these low-wage, precarious jobs are in sectors that aren't back in full force any time soon—in retail, in service, in arts and culture and in other sectors. Many of these workers are racialized, women, members of vulnerable populations. They want to get back to work, but they don't know if they can afford to with low wages, few hours and no protections if they get sick.

1110

If you really want to support small and medium-sized businesses, you need to support the workers. Raising the minimum wage, putting in “equal pay for equal work” provisions so there's no financial advantage to people hiring part-time staff, and legislating paid sick days are going to encourage workers to come back to work.

Raising the minimum wage is also going to help the economy. When the minimum wage was raised in Ontario to \$14—that big jump that we had after \$11.85—business led a hue and cry that this was going to tank the economy and lead to major job losses. In fact, the opposite happened. Unemployment dropped and Ontario's GDP went up. Why? Because workers had money in their pockets and they went out and they spent it. They shopped more, they ate out more, they bought more gadgets and doodads, so people needed to hire more staff to serve more customers and hire more staff to build more gadgets and doodads. We are the economy. We spend the money when we have it. So if you want the economy to improve and you want us to have the money, raise the minimum wage.

Thanks to our allies at the Better Way Alliance, we also know that many small and medium-sized businesses know the value of decent work. They understand the business case that higher wages, paid sick days for their staff, flexible scheduling and other decent work practices save them money by reducing staff turnover and training costs and make them money through staff loyalty. Staff loyalty and pride increases productivity, and great customer relations mean better sales.

Unfortunately, these small and medium-sized enterprises have to compete with big corporations that don't care, that churn and burn through employees. When you raise the minimum wage, you lower the gap for small and medium-sized businesses and make it easier for them to compete. But workers need more than money in their pocket. They need to stay home if they are sick. Workers need paid sick days. They need it to be universal and accessible. They need to be able to stay home if they are

sick and not spread this illness around. The spread of sickness, colds and flus, never mind the coronavirus, has a huge and documented negative effect on workplace productivity. It costs enterprises money.

Fight for \$15 and Fairness and many other labour organizations are calling for seven paid sick days and an additional 14 paid days for emergency pandemic situations, and we add our voice to this call. There's a stigma that workers are going to abuse paid sick days, but the reality is documented routinely in companies that offer paid sick days and in jurisdictions such as New York state, which implemented seven paid sick days a couple of years ago, that the average uptake of paid sick days is three, much less than the seven that is on offer. That's not a bunch of workers taking advantage. Those are workers taking necessary time off in order to take care of their own health and to protect themselves and to keep the spread of disease out of the workplace, where it takes down more workers and hurts productivity.

You need to know that workers who are not Canadian citizens have been working their butts off, putting themselves at risk on our front lines, and are desperate for some certainty. We need status for all non-citizens immediately so that they have equal access to health care, government services and full protection under the law. Our migrant workers, our international students and our asylum seekers have been working hard without the protections that Canadian citizens have, and that's simply not fair and not right.

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

**Mr. Scott Florence:** In conclusion, we know that small and medium-sized businesses do right by their employees. You need to level the playing field for them and inject much-needed cash into our economy by raising the minimum wage, establishing paid sick days and giving status for all.

Thank you very much for your time.

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

Our next presenter is Global Skills Hub. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Yousuf Khatib:** My name is Yousuf Khatib. I'm the CEO and co-founder of Global Skills Hub. I want to thank you for the opportunity to give our thoughts on Ontario's response and the recommendations that we're going to give today.

At Global Skills Hub, we appreciate and are taking advantage of the five-month interest and penalty relief for the majority of our taxes that are provincially administered and, overall, we've been impressed by all the policies the government has enacted in response to COVID-19. We look forward to seeing more of these policies that can help Canadians as we continue on our path forward into post-COVID-19 recovery.

To give you some background on Global Skills Hub: We've been building custom tech talent pipelines for Canadian companies by leveraging the Global Skills Strategy and connecting them to senior tech talent from around the globe. In 2017, when ICTC published a report

that by 2021 Canada would experience a tech talent shortage of 200,000 jobs—to mitigate this challenge, the government launched the Global Skills Strategy, a faster and more predictable process for attracting top technical talent and new skills to Canada, creating economic growth and more jobs for Canadians.

The top talent that enter Canada through the GSS are required to commit to train our future workforce by providing mentorship and training opportunities. In order to offset the devastating losses in the current workforce, we believe it is crucial that all levels of government adapt the Global Skills Strategy model to create opportunities for Ontarians both now and in the future.

Today, I wanted to bring forward three recommendations to the committee. First: incentivizing businesses to hire globally under the Global Skills Strategy in order to capitalize on the mandatory complementary benefits that involve upskilling the Canadian workforce. A few of these complementary benefits include providing direct training to Canadians or permanent residents, including supporting employees to attend industry or industry sector conferences—virtual, of course—relevant to the development of their specialized skill set, or ensuring that the highly skilled foreign workers directly supervise and mentor Canadian workers of the firm to support knowledge transfer. Incentives can include tax credits, abatements, wage subsidies and other viable benefits.

Our company was founded on the Global Skills Strategy, and any time we bring talent to Canada, there has been a positive effect on the Canadian workforce. The Global Skills Strategy and the global talent stream are rooted in helping Canadians. With the government creating avenues for companies like us to succeed in bringing top talent to Canada, you can expect a host of positive benefits to arise, including increased immigration, upskilling of our workforce, and allowing Canada to compete better on a global scale by not limiting its talent pool.

Second, we believe in driving innovation in rural communities by creating businesses and programs that will encourage existing businesses or budding entrepreneurs to increase their online presence through e-commerce. My second recommendation complements the first, as you can take the same model of creating incentives for business owners to bring top talent where it is committing to upskilling the workforce of their locale, but focusing your efforts in rural communities. Rural communities are one of the most impacted because of the scarcity of Internet connectivity and digital literacy.

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

**Mr. Yousuf Khatib:** As a case study, currently Global Skills Hub is working on a project that leverages the Global Skills Strategy and will bring five developers from around the world to drive innovation in rural areas. The concept encourages businesses to come online. That will ultimately give them a better reach in their local communities and the opportunity to enter into a national global audience. The developers are being deployed in rural Nova Scotia, where they will upskill the population, to learn new

skills to be able to sustain and survive post-COVID-19. By leveraging the Global Skills Strategy and creating incentives for entrepreneurs to hire or build a business in rural communities, you can help offset the impact of COVID-19 and better position these communities' transition to e-commerce models.

And last: Simplify the government procurement process, making it more accessible for start-ups with innovative and agile tech to take part in and aid in our post-COVID-19 recovery. A deficit of \$38.5 billion is being projected in the coming year, and it was recently stated that the government would be using technology to tackle the deficit and would use technology to streamline government post-pandemic, meaning that now more than ever, Ontario needs a stream of highly skilled technical talent that would enable Ontario to leverage technologies by streamlining processes to reduce costs. Simplifying the procurement process will allow businesses to have an alternative revenue source and the government to potentially decrease costs by having more competition.

To summarize: Incentivizing businesses to hire globally under the Global Skills Strategy, driving innovation in rural communities, and then simplifying the government procurement process—by implementing any of these recommendations, Global Skills Hub is willing and able to help supply the tech talent necessary to help support the hopeful influx of individuals entering Canada under the Global Skills Strategy. How we can help is by giving access to our network, to help build and maintain the digital infrastructure that you will envision to better leverage Ontario post-COVID-19.

That concludes my statement. Thank you so much for your time.

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

Our next presenter is Purecolo Inc. Please state your name for the record, and you will have seven minutes for your presentation.

**1120**

**Mr. Michael Lalonde:** Thank you. My name is Michael Lalonde. I'm the co-owner of Purecolo. I have spoken with Wayne Easter prior and given some notes and recommendations to him, to our MP. If you could reach out to him to get some of the more detailed points on this, please do. He has lots of links and information that I've shared with him.

I think one of the biggest things that is on people's minds right now is how to move forward, and one of the things that is my specialty, as somebody who works in digital infrastructure and running a data centre here in Ottawa—I see a lot of the Big Three oligopoly here in Canada, from a telecom-infrastructure perspective, muscling out some of the smaller regional players when we're talking about wireless infrastructure and wired infrastructure for Canadians. Right now, we're talking by Zoom and we're relying on this Internet infrastructure that is controlled by three big monopolies in Canada. We have all of these smaller companies out there that keep trying to expand to rural regions, to try to create their own businesses, to try to do better—by the way, I'm not one of

these people; these are people who are my clients and customers, people who I know and care about and meet in the community.

Every single time—most recently, you can see a decision by the CRTC to roll back on when they had initially offered to allow smaller telecom companies to use their infrastructure to spread out their network. The decision was reversed a year later and caused huge financial turmoil to many of these companies, including TekSavvy, being one of the bigger and well-known ones. This is something readily available. You can Google this problem that's happening right now.

I think that the government needs to start reining in some of these companies and say, "Hey, we need you to open up these gateways. We need you to start doing this," because not only will it help us be able to have better infrastructure in Canada for people like us to be talking on Zoom, but it's going to allow these small businesses, these people who are in these rural regions, who want to make their livelihood through this, have some sort of incentive to do so. Right now, if they try to do that, nothing happens, because Bell will come in or Rogers will come in and they will basically say, "We're going to undercut your rates and we're going to build here, because there's a chance you could be successful and grow, and we don't want to deal with that pain further down the road." It's a huge problem, it's anti-competitive, and yet the CRTC is letting this happen day after day. This would help small and medium-sized businesses in terms of CanWISP, ISP providers and people like that, but it also helps rural Canadians.

My other point is less with regard to my specialty, but is regarding the response that we've given to date. I've seen no implication of what I've seen work really well in other countries like Denmark, where they've deployed a freezer method. There are businesses—and specifically you're going to hear from somebody later today, I believe, as well—like Little Ray's Reptile Zoo. These businesses have huge overhead costs and they're jumping through hoops and failing—catching fire, if those hoops are on fire, if you will—trying to get loans, trying to survive. Their businesses are in danger of failing, and unfortunately, if they do not receive any sort of assistance, they can't go on. Why do we not have some sort of freezer method like they deployed in Denmark, where the government will step in when you are in dire straits and just pay your bare minimum expenses to keep things alive, until such time as the government allows those businesses to reopen to the public in a proper way so that they can maintain their actual costs and actually do what they're supposed to do? They're not asking for a lot. You talk to these people—

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

**Mr. Michael Lalonde:** Thank you—and they are just asking for a little bit of help. Unfortunately, we're giving these blanket programs that are not helping them in the way that they should. The banks are holding the money in ways that they normally do, and it's not helping Canadians in the way it should.

The last point is that I did have about 6,000 people from the Ottawa region view my post that I was coming today,

and one of the things that they wanted me to make mention of, as well, was that we pay attention to and focus on CERB, because that is helping entrepreneurs who were just getting their feet wet in this climate about a year ago. They need that CERB to survive, to help grow their business and last throughout.

Thank you very much for your time.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll start with the questions now, and we'll start this set of questions with the independent members. MPP Hunter.

**Ms. Mitzie Hunter:** I want to say a huge thank you to our three panellists today for the information that you've brought forward—and then the passion, in which you're really dedicated to your industries and to your enterprise.

I want to start off with Michael. You talked about the importance of broadband and making sure that there's fair access, that we are in a truly competitive market with large providers making space for smaller providers. One of the things we heard this morning from the minister was that the Digital Main Street was bringing online many businesses in Ontario during the pandemic so that they can have alternative ways of operating. But we also heard, over the course of these hearings, that those who are in smaller communities, in rural communities, could not actually sign up for those types of programs because they didn't have broadband access.

I wonder if you could talk to us about what is needed so that every Ontarian and all businesses and, frankly, homes have access to the digital infrastructure that they need and the role that smaller operators can play in that.

**Mr. Michael Lalonde:** I think that's it exactly. What's happening right now is, any time these smaller players are trying to open up broadband access in new, smaller regions, there is a common problem that's occurring whereby Bell or Rogers or Telus—in the western area, which is not an area I'm as familiar with—will get notification that somebody's requesting access.

The way the Internet works is that all the Internet comes to the main hubs in Toronto or in Vancouver, and the only way these smaller ISPs can access the whole Internet is by asking for circuits in those main hubs from the Big Three providers—because they hold all of the access pipes, all of the water pipes, if you will.

They get notification of that, and they're very smart and they're very cunning. What do they do? They say, "This person is requesting access to go from here to this rural community. Let's look at this rural community and see what the profitability is. Okay, we can starve out this small ISP in a matter of three to five years by doing this pricing model. We will lose money at the start, but we have tons of money because we're one of the three big providers." Then that ISP will be disincentivized to continue to their path to try to grow into this region. We see it everywhere. It happens all across the country.

There has to be some sort of legislation or some sort of kicking in the butt of the CRTC to say, "When this is happening, (1) you can't allow it and (2) you can't support it." They're actually supporting it. When we went back on their recent decision, they cost millions and millions of

dollars of damage to smaller ISPs when, initially, they were going to grant lower costs for access to those small ISPs. It was retroactive, so then those small ISPs had to pay a year's worth of interest and costs on top to pay for what they had already gotten.

**TekSavvy**—do you know the first thing they did when they got that lower price? They offered lower prices to their customers. Can you imagine? What a concept. But that's not what happens with the bigger ones.

So this is my problem. I used to work for one of them; I know how it works. I worked for Rogers. I'm not making this up. These are their practices, and they need to stop because they're hampering the Canadian citizens who need it most, those rural regions.

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

**Mr. Michael Lalonde:** I come from small-town Ontario. I come from Perth, a town of 5,000 people. We need more choice. We need more access. My grandparents pay four times what I pay right now for Internet access, for one tenth of what I get, because they live in a rural area and they only have one provider to choose from. We need to fix that.

**Ms. Mitzie Hunter:** We've got to fix that last-mile issue for all.

I'd like to ask Scott to talk a little bit more. I really appreciated your understanding that when we raise the minimum wage, it lifts all boats in the community, because the cash flow that goes into the pockets of someone who is making minimum wage often flows right back into small businesses and Main Streets and local communities.

I remember speaking to one of the chain restaurateurs who said to me, "We actually feel when the income flows to low-income individuals because we see it in our cash registers."

I'm just wondering if you can talk a little bit more about how, during the time of the pandemic and into the recovery, we support individuals to have better workplace protections, health protections and income protections. We saw the response for the front-line workers. I know that's something that the Ontario Liberals had called for—to have pandemic pay or pay that would recognize those front-line heroes, and really making sure that there is income that is flowing to people who are most in need during this time.

1130

**Mr. Scott Florence:** Thank you very much for your question.

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

**Mr. Scott Florence:** I think we were all quite shocked to discover how ineffective our employment insurance program was at the beginning of the pandemic, when we realized that so many workers were not going to be able to receive any income support through EI because they didn't have access to it. So we had to create the CERB. We think, "Oh, it's done all right now," but when it was first announced, again, it really didn't cover a lot of people. It took a lot of action and a lot of different people to say, "Hey, wait. This group is not being included, and this group is not being included." It can't be stated enough that

these income supports are really, really helping to support all sorts of people through it.

At the workers' centre, we have received calls from workers who are really in a bind. Their hours have been cut. They earn more than the \$1,000 that will allow them to be on CERB but not enough to cover their rent—because they used to have three jobs; they've now got one, and it's not giving them enough hours to actually support themselves.

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

**Mr. Scott Florence:** So we need to continue income support programs for these workers—

**Ms. Mitzie Hunter:** We'll come back on the next round.

**The Chair (Mr. Amarjot Sandhu):** I'm sorry to cut you off. Yes, we'll come back to that in the second round.

We'll move to the government side now. MPP Nicholls.

**Mr. Rick Nicholls:** Again, I'd like to thank all the presenters. I have a couple of thoughts.

First of all, I would like to ask Michael—you talked about TekSavvy. I understand, too, that you've got the Big Three, as I call them. I think you identified them as Bell, Rogers and Telus, out west. They basically control the network, and yet you get the smaller companies that want to go into an area, and suddenly they—"they" being the Big Three—will do a profitability analysis to determine whether it would be worthwhile for them to actually go into that area or not. And if it's not, then, of course, they will let the smaller companies absorb the costs.

I'm curious with regard to TekSavvy, because my riding is Chatham-Kent-Leamington—and you know that TekSavvy's home base is right here in Chatham.

**Mr. Michael Lalonde:** Yes.

**Mr. Rick Nicholls:** What are some of the issues that you feel that they're faced with? Of course, we could also tie that in with some of the other smaller ones. What should happen in order to make them more competitive?

**Mr. Michael Lalonde:** Well, TekSavvy is a great example of somebody who's right in the middle. They're not looking at one specific town or region; they're looking at more of a national scale, in a way. However, the principle remains the same, in that they do have to pay a lot of the fees to get the Internet to come from outside of Canada into Canada through these big players.

I forgot to mention that Vidéotron is a similar player on the Quebec side, as to Bell, Rogers and Telus. They have similar controls over the region and network in that spot.

For some of the smaller players, the main issue is that any time they signal that they are going to start to go into a region, Bell, Rogers or Telus will know that because they have to request the access to go. If there were some way to control the anonymity, I would say that that would be a great way to do it. But the reality is, and the way the network is built, knowing how it operates, it's not really possible. These companies are always going to know that somebody's doing something in a certain region, based around how the technology is built. That's an unfortunate side effect of the slow evolution of how these networks were built.

My suggestion—and I just added this, as well, to Valerie—and I think another good way that we could help proliferate some of the smaller ISPs is to create caps on certain monies or grants or subsidies that are allowed or afforded to these endeavours. Let's say we want to bring broadband to Nunavut—just throwing something out there, because I know that's a big topic nowadays. We would have that money be earmarked only for companies that have employee sizes under 500 or 1,000 people, or only annual revenues under a certain amount, that specifically excludes, and then have a time fixation to that, whereby if you get the monies and you go into that region, the other three large players are not allowed to enter that region for five to 10 years or something.

This is the other thing that happens, and it's a huge problem as well: These companies will get monies or they will get subsidies. Sometimes they'll win these contracts, and they will bring it into this region; then within six months to a year, Bell will be watching the traffic that's going into that region, look at the profitability model and say, "Hey, we could do this." They'll come in and they'll come in cheaper, and then they'll flush out that company and put them out of business. It's completely anti-competitive, and it happens all the time.

So the only other way would be to create a stipulation that states that none of the large players are allowed in a region—

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

**Mr. Michael Lalonde:**—where government money has gone to help a business bring Internet in there for a period of five to 10 years, whatever it takes. You'd have to run a financial model to understand that more specifically. You'd have to do a study. That would be my suggestion, as well.

**Mr. Rick Nicholls:** Chair, how much time do I have left?

**The Chair (Mr. Amarjot Sandhu):** One minute and 40 seconds.

**Mr. Rick Nicholls:** I'd like to address Mr. Florence for a moment. You talked about the minimum wage. We do know that several years ago, when the previous government introduced the minimum wage, that caused a bit of a negative ripple effect throughout a lot of the smaller businesses. However, they managed to weather that. I think it went from about \$10.70, roughly, to \$14—a huge jump. Of course, it forced a lot of the ma-and-pa shops to actually force the mas and pas to work more, because they had to cover the wages and so on. I think that the economy has adjusted itself now. Nobody was talking about COVID-19.

I appreciate the work that the workers' education centre is doing up in Sudbury as well, and I appreciate that you've identified the fact that a lot of the workers are very nervous, scared to go back to work and whatnot. You talked about raising the minimum wage again. Of course, you talked about equal pay for equal work and establishing paid sick days. That's been a topic of concern down at Queen's Park of late, that they want more sick days. Well, the impact on businesses is exponential. It's going to have

a negative effect on that, as well. We're supporting workers, but also businesses as well—

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

**Mr. Rick Nicholls:** That's it?

**The Chair (Mr. Amarjot Sandhu):** Sorry to cut you off here. We'll come back to that in the second round.

**Mr. Rick Nicholls:** Saved by the bell, sir.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the opposition side now. MPP West.

**Mr. Jamie West:** My questions are also for Scott from the Sudbury Workers Education and Advocacy Centre. First of all, Scott, I don't know if you knew from your end, but there were a couple of Zoom issues. We were talking about Internet and broadband. Just an offer: If you want to send your written deputation to my office, I'll email it to the MPPs, so that in the parts where it froze for a second, everybody has a chance to understand them. There were only a couple of them for a few seconds, but I think it's worthwhile that everybody has them.

You had three recommendations: raise the minimum wage, legislated paid sick days—I think the third one was equal pay for equal work. That was one of the times it froze for me.

*Interjection.*

**Mr. Jamie West:** Okay. Following up on MPP Nicholls's comment: He talked about how the rise in minimum wage was this huge jump. I just want to remind everybody here that the reason we had to have this huge jump is because the previous Conservative government, during the Harris and Ernie Eves years, froze the minimum wage for so long that we fell so far behind.

You talked, Scott, about trickle down versus trickle up. You basically said that people had more money in their pockets to buy stuff. I want to know if you want to expand on that and how that actually drives the economy—if you put money in workers' pockets so they can purchase things.

**Mr. Scott Florence:** Again, we are the economy. The economy is people spending money. When we have the money, we spend it. When we don't have the money, we don't spend it. We've seen that during the pandemic. Lots of people who have stable incomes, who didn't lose their jobs, are buying all sorts of things to improve their backyard, putting in pools, putting other things in place, because they've got the money. They've actually saved money because they're not paying child care costs, they're not doing after-school activities because none of those are active right now, so they're spending all that money.

**1140**

But workers who don't have that money can't spend it. If you're in a low-wage or minimum wage job, if you've lost all of your work, if you're getting by on CERB and you're only getting \$2,000 every four weeks but your rent is taking up \$1,500 of that, you don't have any extra money to spend on anything else. Nobody is getting rich off of CERB. Nobody is doing well off of CERB.

It's been demonstrated every single time, demonstrably—you can go and take a look at the numbers: Whenever a minimum wage increases, either by a small

amount or by a large amount, the opposite of the negative effects happen. Unemployment drops and GDP goes up. It happens everywhere that the minimum wage is increased, so it's a demonstrable, positive effect. There's not a negative turnaround.

Yes, of course, whenever there is any kind of change in the economy, some businesses are going to suffer. I remember when the non-smoking laws came in in Ontario and there was a huge outcry from bars that this was going to destroy them. My favourite little local dive bar absolutely bombed. Do you know why it went out of business? Because it was terrible in the first place. The food was terrible, it was dirty and ugly. Somebody else scooped up that place, they renovated it; it is now a hip, happening, and still-in-business place today. Of course, it's unfortunate when anybody loses their job, loses their business because of a change, because of construction on the roads that drops your street traffic, because of the pandemic, because of whatever it is, raising the minimum wage. But it's not the raising the minimum wage; it is the change that caused a small business teetering on the edge to lose their jobs. Overall, the numbers are positive.

**Mr. Jamie West:** I want to talk about that. When you talk about legislating paid sick days, the rhetoric around that becomes "we're going to lose business, we're going to lose jobs." You mentioned New York state. They have been studying this for almost 10 years, the change in New York state, and they're not seeing those Chicken Little "the sky is falling" results. What they're seeing is very little usage, basically honest usage, of paid sick days and how it's better for the economy because people aren't getting sick for extended periods of time or being sick at work and losing productivity. I don't know if you want to expand on that, but I think it's worth mentioning here.

**Mr. Scott Florence:** Again, I don't have the studies in front of me, but our allies at the Better Way Alliance—

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

**Mr. Scott Florence:** —have looked into a lot of this and have a lot of the research. It's demonstrable and provable that forcing workers to go into work means they're not productive. If I've got a flu and I'm barely able to focus, I'm not productive at work; I'm not helping you out. And I'm spreading that illness to all of my other colleagues, making them less productive, giving them the sickness and pulling those workers out. By keeping workers at home—yes, you're right; you've lost a day's wages, if you want to think of it that way, to that one worker, but you've saved so much more money by not giving all of the rest of your workers that same illness and losing their work and their productivity.

**Mr. Jamie West:** One of the comments you made as well, Scott, was about many, many workers being one paycheque from ruin. MPP Hunter talked about the struggle between CERB and EI. When you responded to your questions, you were saying how CERB really points out how low EI is, and it made me think about how low OW is and ODSP is.

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

**Mr. Jamie West:** The government continually talks about the best policies to return to work, which just ignore

all the struggles of coming back to work, especially if you're on ODSP. How do people make ends meet? How are people supposed to pull themselves up by the bootstraps, as the old saying goes, when they have no bootstraps? They can't even afford them. Did you want to talk about that?

**Mr. Scott Florence:** All of our social supports are woefully underfunded, and that's been a chronic problem for the past 40 years, I would say, in the same way that our health care system has been chronically underfunded and we weren't able to meet the challenges that we needed to meet at the beginning of this pandemic.

It is impossible for people on ODSP and OW to be able to really support themselves and get ahead. They're forced to live in poverty. Because they're living in poverty, they are unable to take the necessary steps to re-educate themselves, to find the will to get out there, to go out and do things, because they're so focused on just trying to take care of themselves and their family—

**The Chair (Mr. Amarjot Sandhu):** Sorry to cut you off. The time has come up for the opposition.

We'll move to the government side now for their second round. MPP Babikian.

**Mr. Aris Babikian:** Thank you very much, all of you, for coming and making your deputations and sharing your points of view with us.

My question is to Mr. Lalonde. This whole communication telecom issue is a very complicated issue. I remember around 30 years ago, I made a deputation at a CRTC meeting in regard to ethnic and other TV or communication means, and the same issues are repeating again and again. Correct me if I'm wrong, but I think this is something that is more in line with the CRTC and the federal government's jurisdiction. The provincial government has very limited leeway in putting pressure on the federal government or the CRTC to address some of the wrongs that we have been witnessing, some of the complaints that we have been witnessing, from individual citizens—including me, to be honest with you. I have been dealing with Rogers and Bell, and I have been going through a very difficult time, sometimes, navigating their system. What are the suggestions you have for the provincial government to be more active in this field?

**Mr. Michael Lalonde:** Well, I think there are a couple of things. The first thing I touched on was, obviously, ensure that any monies that are being given out are not given to any of these large companies to do what they're doing. They can afford to invest in infrastructure in rural regions. They don't need government handouts to financially incentivize them to do so. That money should only go to companies with very modest revenues and modest employee sizes. I think that's first and foremost, because I know the Ontario government does give money to regions to do those sorts of things, especially in northern Ontario.

You mentioned the CRTC. Is this the CRTC's problem? Absolutely, it is. Where are the teeth? The problem is that the CRTC now has many people within it in positions of power who come from the telco world. They

come from Rogers. They come from Bell. What are they going to do? They're going to protect their friends. The problem is that there's nobody, no part of government, that has teeth to rein in the CRTC anymore and say, "Make sure you're still doing what's best for Canadians." The problem is that it's broken, and we need to be able to have something in place. I don't know if, at an Ontario or at a provincial level, they can have some sort of powers to say, "You made the wrong decision in this," or "We're going to do a study and we're going to see if you actually made the right decision here," or something like that. But there need to be some sort of ramifications, because right now—and I actually gave a presentation on this two or three years ago—you see almost a war-zone-like area, where the CRTC is on one side of the battlefield and the telcos are on the other side of the battlefield, and they're just trading mortar shells back and forth, and the Canadian consumers are in the middle, getting all the blast fallout. That's literally what's happening.

**Mr. Aris Babikian:** Mr. Chair, do I have more time?

**The Chair (Mr. Amarjot Sandhu):** Three minutes, almost.

**Mr. Aris Babikian:** Okay. My next question is to Mr. Florence.

Mr. Florence, I listened to your presentation and your point of view attentively. When I was listening to you, I was in conflict because, on the ground, when I am here in my constituency office and I listen to the issues of the people who are currently struggling—they are unemployed; they are laid off. I receive so many phone calls. People are telling me that they cannot make their day's needs. They are out of work—one of the spouses, or both of them—and they are trying to find any kind of job to work, so that they can provide for their family. When I hear that many people have savings and are spending money—it is difficult for me to reconcile these two pictures with each other, because in practical terms, I see lots of people are struggling. Lots of people are looking for any kind of job under any conditions, just to work and provide for their families. Not everyone had saved money, especially newcomers. I know many of them here in Scarborough–Agincourt, especially in the multicultural community that—my riding is one of them. How can you reconcile these two pictures with each other?

1150

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

**Mr. Scott Florence:** I think the COVID-19 pandemic and our responses to it have really highlighted the divide between the haves and have-nots in our society. As you've pointed out, many of the people on the have-not side are racialized communities, they're newcomers, they're people who are coming here and struggling to find work, to work hard to try to make a new life here in Canada for themselves in the same way that my great-great-grandparents did when they arrived here in this country.

Those of us who are working in low-wage work, who are working without the protection of full jobs with full salaries, who are working on an hourly wage, who are working multiple jobs under contract or as part of the

economy—we don't have any money; we don't have any savings. So it's really, really difficult for all of us.

That's the picture: Those who have, have, and those who do not—

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

We have to move to the opposition side now for their second round. MPP Gélinas.

**M<sup>me</sup> France Gélinas:** If you want to finish your thoughts, Scott, go ahead, and I will go back with more questions.

**Mr. Scott Florence:** I think I got most of it out there, but thank you for the opportunity.

We've really highlighted the disparity between the wealthy and the working poor in Ontario as a result of COVID-19, and so that's why you see these two very different pictures. Some of us are actually doing just fine because we've actually had costs reduced and we haven't lost our jobs. We're working from home, and it's a little bit more difficult, and we're frustrated with having to home-school our children, but we're actually doing fine. But a whole lot of other Canadians and workers are not doing well because we've lost our jobs, our hours have been reduced, and we don't have any savings and support to go on. So you get two very different pictures at this time.

**M<sup>me</sup> France Gélinas:** Scott, back to you: When you opened your talk, you said that the living wage in Sudbury and Nickel Belt, which I represent, is \$16.98 an hour. Could you explain what goes into deciding that \$14 or \$15 an hour is not a living wage but \$16.98 would be?

**Mr. Scott Florence:** Of course. We work with the Ontario Living Wage Network, which does these regional calculations in 22 different municipalities and regions across Ontario. The living wage is calculated—it's not a perfect number, but it does its very best. It's calculated based on the assumption that it's a four-person household: two wage earners and two children-dependants—and the living wage uses data captured from Stats Canada and other credible data-gathering institutions, along with local phone calls. So we call around and we check out, what are the prices of daycare, actually, in our region; what is it to eat out, actually, in our region?

The living wage is calculated based on that family of four needing to cover their rent, their utilities, all of their bills, having access to transportation in their region, being able to put their children into one after-school activity, and being able to have one night out as a couple, to go to dinner and a movie, which is not too much to ask, so that your life isn't just working and nothing else, so you can go out and enjoy yourself—at least one date for that couple in the month. So that's two workers having to have \$16.98 to be able to support them and their children.

It varies region to region, of course. Here in Sudbury, our rent, our food, those other costs are different than they are in Toronto, than they are in Ottawa, than they are in Timmins.

**M<sup>me</sup> France Gélinas:** Yes. But basically, it highlights that right now, a minimum wage worker in Sudbury gets

\$2.98 behind, every hour that they work, which is not good.

Mr. Khatib, when you started, you talked about a focus on rural global skills and helping small businesses go online, transition to e-commerce. I hear that a lot from the small businesses. Nickel Belt has 33 little communities. I'm in northeastern Ontario. How do you reconcile that with the fact that—this is not very politically correct, but our Internet service sucks. I'm at work right now so that I can talk to you. If I was at home, I would not be able to connect. This is the reality. How do you reconcile the two? They want to go on e-commerce, but they don't have access to Internet.

**Mr. Yousuf Khatib:** This is a collaborative effort. This is what Michael has been talking about. This is us all working together to ensure that these things are in place—but if there's a vision to get these people online, these are just pieces of the puzzle.

Earlier in the committee meeting, they referenced the shopHERE program with Digital Main Street, and we were part of that program. We deployed 300 pro bono developers to help bring Toronto businesses online, so we understood what was happening there. It was very simple for us. We had developers from all over the world help.

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

**Mr. Yousuf Khatib:** So if we can connect someone from Ghana to help bring businesses in Toronto online, I'm sure we can work together to figure out how to get your rural Internet up to ensure that the same things happen.

**M<sup>me</sup> France Gélinas:** Mr. Lalonde, I represent a big, northern, rural riding where Internet connection—right now, the government is saying they will give money to Internet providers who want to improve access. I can tell you that in all of my riding, there is a wee bit of a project in the southwest, and that's all. The rest of us will still continue.

We used to have Ontera. Ontera was government-run access to Internet. It got divested. The Liberal government sold it away.

Do you see a role for the provincial government to bring Internet access to the people I represent? We haven't got a chance in hell that any service provider will come and help us—

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

**M<sup>me</sup> France Gélinas:** —because there's no money to be made in Biscotasing, Westree and Shining Tree, and from the people I represent.

**Mr. Michael Lalonde:** There is, though. That's the problem; it's that these companies, the large three that control all the pipes to the country, are making it unprofitable. If the reality of the situation was that those pipes were free and open in Canada and they weren't strangled by those large players, the access wouldn't be as expensive, and a smaller ISP—I truly believe that the small and medium entrepreneurs can save many of these regions from these problems. But (1) they need to be incentivized, and right now they're not because they know that the anti-competitive nature of the telco industry in

Canada is broken and flawed; and then (2) they need to know the government has their back in cases where, like this CRTC decision, they feel like they can't win. Even if something does go wrong, even if something goes against them, they feel like they're going to lose.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move to the independent members now for their second round.

**Ms. Mitzie Hunter:** MPP Coteau can start, and then I'll finish.

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

**Mr. Michael Coteau:** Thank you, MPP Hunter.

To Mr. Michael Lalonde, a quick question: You mentioned legislation and obviously the challenges with the federal government and the CRTC. If we actually develop some form of legislation in Ontario, what would it look like to you? I know you mentioned the fact that responding to the federal government's decisions—but are there any other ideas you have for legislation that can offset the challenges that smaller providers face?

**Mr. Michael Lalonde:** The trouble is—and this goes back to what the other MPP was talking about—that with the amount of time and effort it takes to create legislation, have it passed and go forward, the technology evolves too quickly for it to be adaptive to what is actually needed. We saw this happen with radio. We saw this happen with television. As the Internet began to grow and change, piracy laws are out of date. Anything to do with Internet security—those types of things are out of date. So it's very hard to have true legislation.

That said, there can be more adaptive things. If you had more of a flexible thing whereby you had overarching legislation that granted powers to a body and that body had more of a quick-acting ability, I think there's a possibility there—so more of a broad legislation that states that there's going to be something that's kind of a watchdog, and that watchdog can only be populated by people who have never worked for any of the large telcos, or it's far-distanced, like 10 or 20 years. There have to be independent community members from each of the regions that it's representing. That type of a watchdog can keep these people in check. Then, I think there's a hope for a solution. But until that happens, most of these small ISPs feel like Bell, Rogers and Telus are coming at them from one end, and the CRTC is opening the door and letting them in.

1200

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

**Ms. Mitzie Hunter:** Scott, you were in mid-sentence when we were speaking about what we can do to support vulnerable workers.

July 31 came, and we saw the end to the emergency amount that was being allotted to people on OW and ODSP. I've received a lot of concerns around that, because people are having to cope with additional costs as a result of the pandemic, and they were already struggling to begin with. There are less choices, less options. Sadly, in communities like mine, the food banks can't keep up with families who just don't have enough.

We see that there needs to be attention paid to vulnerable workers, to vulnerable people in the province. They are looking to the provincial government for support, and we need to see that response come forward. I just wanted to hear from you in terms of what you're hearing and what you're seeing in the course of the pandemic, in terms of those needs.

**Mr. Scott Florence:** As you've said, we've really seen a lot of problems, a lot of income disparity for people. Again, the pandemic has really highlighted the inequalities in our social system. Yes, people who are on OW or ODSP were barely making ends meet beforehand. The bonus payments that they've received, those one-time payments, have helped a little bit, but they haven't helped a lot. They need to be ongoing.

Let's make no mistake that that \$2 boost for the grocery store workers—our essential workers, as we call them—wasn't just kind-heartedness; that was because grocery stores needed to incentivize workers to come in, to keep working, because so many were calling in sick. They were worried about getting sick. They were worried about getting their friends, their family, their loved ones, their children, their parents sick. So they needed to incentivize those workers to come in.

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

**Mr. Scott Florence:** A lot of this comes down to the fact that we don't have strong "equal pay for equal work" provisions in our workforces, so it is very easy for businesses to pay workers at different rates—part-time workers versus full-time workers. If we eliminated that, there would be more of an incentive for businesses to hire workers full-time.

We also know that women and racialized people get paid less in the workplace. We had a call recently from a worker whose boss is looking for workers to take additional shifts, but they're not giving it to that particular worker. Why? Because they're a person of colour, and that boss is worried that that person of colour is going to be seen negatively and not enable good business, good customer relationships. That's straight-up racism. Even though there's a need, there's a worker of colour who's not being asked to fill that need.

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

**Mr. Scott Florence:** So we need better teeth for our legislation. We need the existing rules to be enforced more robustly and better, and we need to make it equal for all in the workplace.

**Ms. Mitzie Hunter:** Definitely. All forms of discrimination are not tolerated in our province, and that's why the Ontario Human Rights Commission is there, and other types of protection. I know some of those protections for workers, like equal pay, have been rolled back, unfortunately.

I'm just wondering about the ending of CERB and what risk that poses for people.

**Mr. Scott Florence:** Right now, workers are receiving \$500 on CERB. If you're a minimum wage worker and you get put onto EI after the end of the CERB program because there's no work for you available, you're

suddenly going to be earning \$300-and-some every week. That's not enough to pay your bills. That's not enough to keep you afloat. The reality is that there are almost eight million Canadians who are on CERB at the moment. It's slated to end now, but there are not eight million jobs waiting for people—

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

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

This committee stands in recess until 1 p.m.

*The committee recessed from 1205 to 1301.*

**The Chair (Mr. Amarjot Sandhu):** Good afternoon, and welcome back. We're meeting for hearings on the small and medium enterprises sector, for the study of the recommendations related to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

SURATI SWEET MART  
HILTON NIAGARA FALLS  
ONTARIO ASSOCIATION  
OF OPTOMETRISTS

**The Chair (Mr. Amarjot Sandhu):** We'll start with our first witness this afternoon. First, I would like to call upon Surati Sweet Mart. Please state your name for the record, and you will have seven minutes for your presentation.

**Ms. Shalini Sheth:** My name is Shalini Sheth. I'm the director of operations at Surati Sweet Mart. I'm the third generation to join my family's business here in Toronto. We're a food manufacturer of East Indian snacks and baked goods. We employ 150 full-time staff out of this location, and we have four distribution centres across the US. Thank you for having me present today.

The support for manufacturers that were continuing to stay open was limited and not very helpful. Certain allowances should have been made under government policies and regulations to allow for manufacturers to be able to produce effectively and efficiently—an example being the convoluted environmental compliance approval process, better known as the ECA. I've had my own issues with the ECA process prior to the pandemic. Changes were supposed to be made related especially to the food manufacturing portion of it through the red tape initiative, which I also took part in. However, being a part of the old process, you were grandfathered in. So right now, we have put in a request to have a third shift, to start. It would have generated 35 brand-new jobs. However, due to our environmental compliance approval, we were not allowed to. Any additional testing that we needed to do to be able to start this third shift was put on hold indefinitely when the pandemic struck.

We have continued to manufacture, as we are essential, being in the food business.

The poorly handled CERB program wiped out approximately 30% of our staff. I understand the urgency

to get the monies to the people who needed it. However, more sensible vetting should have been done.

Unfortunately, the programs for small to medium-sized businesses were not as user-friendly as the individual programs were, if you were actually even entitled to any.

There was a database for PPE that was coordinated by the provincial government. That was not very helpful. The prices were still very high, and the only way to get a price break was to purchase tens of thousands of masks, gloves, shields etc., which would have reduced the cash flow to many of these small to medium-sized businesses. The program should have been a joint-purchase effort to maximize the economies of scale, and the provincial government should have purchased the large quantities and then allowed SMEs to purchase from them at a lower price.

The programs we need and the programs that need to be administered need to be financially beneficial at these times, as most SMEs are struggling. We don't need to learn how to write job letters. We don't need an HR loan or training. What we need right now is assistance with financial onuses that are being put on us to be able to keep our people safe.

During the pandemic, we saw our sales increase tremendously, but we also saw our expenses increase just as much. Our efficiencies dropped due to the high absenteeism, and the ongoing cost of business, electricity rates and our global adjustment continued to be high. If something was done to lower electricity rates and potentially hold off on charging the global adjustment during this time, it would have helped all businesses, not just the ones who qualified because they had to shut down or reduce their production due to restrictions. The fact that we are still being charged a global adjustment but that any of the programs that it was supposedly supporting are gone—my question is, why are we still paying? And when you thought it couldn't get any worse, we needed to budget in for the carbon tax.

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

**Ms. Shalini Sheth:** These additional costs are taking away our ability to compete on a global scale. "Made in Canada" will only take you so far. We need changes to be made for us to be competitive, and we need the competitiveness to be able to grow and succeed.

The last point I want to make is that the strike at the Port of Montreal has strangled our supply chain. How is this even allowed during a pandemic? How can they hold thousands of containers hostage and the government not step in and put an end to this? We have specialty raw materials that have been sitting at the port for the last month, and we need action from our federal government to intervene. I'm hoping that the provincial government will step in and take the importance of our message to the federal government. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is Hilton Niagara Falls. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Giovanni Pellegrino:** I'm Giovanni Pellegrino. I'm the vice-president of construction and development technology at Hilton Niagara Falls.

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

**Mr. Giovanni Pellegrino:** I'd like to thank the members of the committee for this opportunity to speak with you today. I also want to take this chance to thank everyone for your handling of the COVID-19 pandemic in Ontario. Specifically, I wanted to recognize Minister Sarkaria's efforts and his willingness to consider reducing red tape in Ontario.

COVID-19 slowed a lot of things; I hope it hasn't slowed the government's efforts to remove red tape. From our particular point of view as we come out of this, what's going to be very important to us is getting development going again and putting people to work and creating long-term jobs. We face a lot of red tape in Niagara Falls and it's keeping some of our projects from moving forward; specifically, one project that I want to speak to you about today.

The family that owns the Hilton also owns some land adjacent to the QEW and Mountain Road interchange. It's on the northwest border of Niagara Falls. For 15 years, they've wanted to build an agri-tourism complex. It would be a lasting legacy to their success, but also a contribution to the continual improvement of the area. The north side is governed by the Niagara Escarpment Plan. It has spectacular views of Toronto and it overlooks Lake Ontario. Today, it's 229 acres of grass, soybeans and a few vineyards.

Directly across the street, there's a beautiful piece of land that's 260 acres. It's not governed by the NEC, but it happens to sit outside of the urban boundary.

This land is prime for development. On the north side, we will plant vineyards and trees. Upwards of 83% of the land would be planted, which is a substantial increase over what's there today. Nestled in the vineyards would be a winery, a restaurant, an on-site garden, a small amphitheatre, horseback riding, under-canvas camping, parking and farming buildings. On the south side, we have an 18-hole golf course plan, also nestled in vineyards, a small restaurant, a clubhouse and gardens, and some guest villas. The idea is that as tourists come to Niagara Falls for the falls or the new theatre or the casino, they have an option of being shuttled close by to enjoy another part of Niagara Falls, which is the wine-making and the wineries.

The project also boasts a partnership with one of the most famous wine families in Italy. They've been in the wine business for 700 years. This would bring a different worldly reputation to the region as well. The development would enhance the area. It would actually improve the environmental footprint of the area, because right now it's a soybean field, and it would be a great partnership between the existing wineries, the traditional casino-hotel-tourist area and Brock University and Niagara College.

**1310**

So why isn't it built yet? The normal permitting process would see us go through the NEC. This is a difficult experience because the NEC is very far-reaching. There

are 28 wineries currently under the jurisdiction of the NEC, and most of these wineries lose money.

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

**Mr. Giovanni Pellegrino:** For the site we're on, there was a previous permit issued, and the developers actually walked away from the project because the permits were too limiting. Once a permit is issued, then at any time, any government ministry can walk in and modify that permit—that's the ministry of transport, natural resources, alcohol and gaming. So the permits that are issued today are not very bankable; it's not something you can get investment on.

I'll go into details as you ask me questions, but I think, coming out of COVID-19, we've got to start the economic engine. We've got to get development going again, and a barrier to development has always been red tape. I hope this government continues to make efforts to quickly and efficiently remove this red tape so we can get on with the business of building up the economy through development and construction and jobs. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Moving along to our next presenter: the Ontario Association of Optometrists. Please state your name for the record, and you can get right into your presentation.

**Dr. Sheldon Salaba:** My name is Dr. Sheldon Salaba, and I'm president of the Ontario Association of Optometrists. I'm joined by our CEO, Justin Brown.

To understand what optometrists experienced during the pandemic and our prospects now, you must begin by understanding who we are and what we value most. When I was young, one of the most important people in my life was my grandmother. Seeing her go blind was a devastating experience. I wanted to help people like her, not just by treating eye problems but by preventing them. Optometrists are proud of being among the most accessible health professionals in the province. Patients deeply value that they can often get in to see us on the same day they call us. This saves Ontario's health care system millions of dollars by keeping many thousands of patients out of hospitals. And because the eyes are the window to detect conditions such as diabetes, brain tumours or stroke onset, we don't just help save money; we help save lives.

During the pandemic, the government determined that patients could access care, without the need to be triaged, by an optometrist, including services provided by their primary health care provider. Examples? Family physicians and nurse practitioners. So optometrists' offices were shut down, but patient calls didn't stop because patient need doesn't stop. This is particularly true in small, rural and remote communities, where it's not easy to get to the hospital. Many optometrists found themselves on the front lines. During the lockdown, we kept 10,000 patients out of the hospital by providing urgent care in person and virtually. Since we did not have access to billing codes for telehealth, optometrists often worked for free.

I tell you this not to get your recognition or your thanks, but only to earn your understanding about the deep, enduring crisis optometrists face today, because now, even

as Ontario reopens, optometrists are struggling to do so. Everyone knows how much the pandemic has affected the lives of Ontario's health professionals and small business owners; optometrists are both. We face the same cost pressures as owners of restaurants, retail stores, manufacturers or IT firms. But unlike them, we can't just raise the price of an eye exam any time we want, because it is set by OHIP. Because of the lockdown, most optometrists have had months with no revenue. Since our equipment is extremely expensive, usually costing more than equipment in a family physician's office, many optometrists are deeply in debt. I'm particularly worried about the younger professionals Ontario needs for the future.

Now, to keep patients safe, we can only see half the patients we could before. When we can see patients, we direct them responsibly to ensure they get the right care, by redirecting them to family doctors, ophthalmologists and emergency rooms. This is the very last thing we want to do, but we have no choice.

When we do see a patient, each visit is more costly and more complicated. In optometry, we must be physically close to patients, and personal protective equipment adds challenges such as fogging, making it harder to see the back of the eye clearly. The last thing any patient or optometrist wants is a misdiagnosis or a missed diagnosis. So we must rely more on retinal scans, which enable optometrists to examine patients safely and accurately with less physical contact.

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

**Dr. Sheldon Salaba:** Frankly, medical science and patient demand tell us that these tests are today's standard of care. They enable us to evaluate not just the quality of vision, but the health of the eyes. Yet, strangely, OHIP covers the cost of these tests only when delivered by an ophthalmologist, not an optometrist.

What about the basic eye exam? Other than a small increase in 2009, OHIP funding is barely above what it was in 1989, more than 30 years ago. It's the lowest public funding in Canada. Today, OHIP doesn't cover even half the cost of an eye exam. The optometrist subsidizes the rest. I know some of you have owned or managed small businesses. Imagine if every time you delivered a service, it cost you money. How long would you stay in business? What would you do? Go bankrupt? Leave Ontario? Or see fewer patients covered by OHIP?

These are impossible choices. The numbers don't add up—they haven't for a long time—and that's why we appear before you to deliver a difficult message. Without a funding solution, many practices could close, particularly in small communities, permanently eliminating patient access to care. Yet 70% of our patients are OHIP-insured. These people with serious medical conditions, seniors who want to live independently, and children who need good vision as their schools reopen this fall—if we can't take care of them, who will?

Unlike physicians, teachers and other professions, optometrists have no mechanism to negotiate with government. Is it any wonder successive governments have ignored eye care needs for three decades? Without change, the neglect will continue.

The Ontario government can fix this situation by committing, clearly and publicly, to a process of renewed negotiations, just as they do with other professions.

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

**Dr. Sheldon Salaba:** This doesn't necessarily mean spending more money. In fact, better use of optometrists can actually save the system money.

Last week, we had a glimmer of hope. Premier Ford pledged to meet with us. After 30 years, it was a beginning. We need him and you to succeed where Ontario's leaders of the past have failed. There has been some talk about this pandemic presenting an opportunity to build back better. Let's seize that opportunity. Our eyes are worth it. Ontario's optometrists call on you to work with us today to save eye care for tomorrow.

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

Before we start with the questions, I would like to do an attendance check. MPP Begum, if you can please confirm your attendance and if you're present in Ontario.

**Ms. Doly Begum:** It's MPP Begum, in Scarborough.

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

**Ms. Natalia Kusendova:** This is MPP Kusendova, calling in from Mississauga.

**The Chair (Mr. Amarjot Sandhu):** Thank you. MPP Getzky? We'll come back to her.

We'll start this round of questions with the opposition. MPP Shaw.

**Ms. Sandy Shaw:** I have a really simple, straight question to Dr. Salaba. Why do you think successive governments, Liberal and Conservative, have not addressed the funding gap and have not helped to make sure that small businesses like yours that look after the health of Ontarians are not recognized?

**Dr. Sheldon Salaba:** There's no funding mechanism built in our contracts with government that force governments to negotiate with us. We've gone through a period of time where we're easy to ignore. We've come to government with all types of solutions. We've asked for fees to be increased, we've asked for selective deinsurance, we've asked for the options of balanced billing over the course of this time frame, but because the government doesn't have a commitment to negotiate with us, we're basically ignored.

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**Ms. Sandy Shaw:** I'm going to pass the floor to MPP Gates.

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

**Mr. Wayne Gates:** This is to Hilton Niagara Falls. John, I understand that your company has been working to invest in Niagara, bringing new jobs to tourism and the wine sector. You've outlined a number of barriers you're facing. What could the government do today to help move this project forward, and who from the government has worked with you to deal with these barriers?

**Mr. Giovanni Pellegrino:** The barriers we face are with the overlapping regulations and jurisdictions in the area. There's the greenbelt. There's the NEC. There's the region, the city, the province and, beyond that, the federal

government. I think a lot of the protections we've put in place to protect the environment have had a counter-effect, and that is, they're preventing us from doing better for the environment.

One of the easy major changes is that—for some reason, the last time the commission put out the Niagara Escarpment Plan, they removed the ability to be able to ask for amendments except for every 10 years. So if we wanted to change how something was designated from, let's say, rural to recreational, that window only opens up every 10 years. For some reason, during the McGuinty years, that was left out of the new version. That's a simple one. There are many small one-liners in these regulations that just become incredible barriers to development and to success.

**Mr. Wayne Gates:** What levels of government and how many agencies do you need to seek approval from for this particular project?

**Mr. Giovanni Pellegrino:** At the city and the regional levels, we have green lights. The red lights really now stand at the provincial level.

**Mr. Wayne Gates:** How long have you been doing this project?

**Mr. Giovanni Pellegrino:** I've been on it for two years, but the project started 17 years ago—and I would say 10 years of some very serious work. Upwards of \$1 million has been spent on consultants and lawyers and whatnot, and we're still just planting soybeans today.

**Mr. Wayne Gates:** I'll turn it over to my colleague Doly.

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

**Ms. Doly Begum:** I'll direct my questions to Shalini from Surati foods first.

Shalini, thank you for giving your presentation. Your products are famous in Scarborough, for sure, and Scarborough Southwest. I had a friend come from Markham all the way to a store here just so they could buy Surati.

You mentioned quite a few things in terms of allowances for manufacturers. There seem to be a lot of hurdles that you went through during the pandemic, and you highlighted a few. I know that in some time, you'll be having to pay back in terms of WSIB deferral, and there will be added costs. Can you highlight how that will create difficulty for your company, and some of the costs that the government could do better in helping you with?

**Ms. Shalini Sheth:** Right now, just the cost of doing business—it has always been expensive to work in Ontario. That is no secret to anyone. When we look south of the border, at the cost of running a business in the US versus Canada—it has always been higher. However, being Canadian and living in such a country, we understand that you have to pay your taxes so you are able to get the health care and all of that, and we want to be a contributing factor to that. That being said, though, what COVID-19 has highlighted overall to us was the additional costs for PPE, for example.

Just to give everyone a perspective on our business—and I appreciate that your friend enjoys our product: Our product retails for \$1.99 in the grocery store. Our product,

40 years ago, retailed for \$2.99 in the grocery store. So the prices are going up. The onus was obviously put on us to get the efficiencies up. When government policies started coming in—one headache that has been there for us is the environmental compliance approval process. We moved into this building five years ago with the hope to grow. We've had some issues with odour. We're a food manufacturing company; we give off odours. We back on to a neighbourhood—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. The time has come up for the opposition.

We'll have to move to the independent members now for their first round. MPP Hunter.

**Ms. Mitzie Hunter:** I want to say thank you so much to all of the presenters today. It's so important that we hear from you in terms of what is required for you and your operations to continue during this pandemic and to grow your business.

We've heard quite a bit over the course of our hearings about the need for supports for small business and that deferrals are just not the way, given that these liabilities remain for small business that they will have to come up with in the fall, and that their sales have not met what are normal expectations to deal with that. So cash flow and liquidity is something that is of great concern. We've also heard about the importance of commercial rent relief for small businesses of all sizes, and that this is important in terms of operations and keeping things afloat during this pandemic.

I'm just wondering if you can talk a little bit more about those types of very specific things that the government could do, provincially, to help our small businesses to survive and withstand, frankly, the next months and years ahead.

We can start with you, Giovanni, and then we can move through the panel with those questions.

**Mr. Giovanni Pellegrino:** Sure. Actually, this is the second time I've appeared in front of this committee; I think the last time I spoke about partnerships between government and the private sector. At that time, I was wearing my Hilton hat, which is a fairly substantial corporation. Today I'm here to talk to you about one of our smaller projects that the same ownership family wants to develop. But I think the same argument stands: It would be great for the government to partner with small business in the way of securing or backing loans, backstopping loans, especially on development.

One of the people on the panel today talked about expanding a food processing facility. I think we should expand that model of the P3 down to the small business, where it's a partnership between private and public—especially during COVID-19, when everyone's balance sheet has taken quite a hit. The government wouldn't actually have to put out money; they'd just have to secure loans for the people who are putting out some money. I didn't talk much about that today because I was wearing a different hat. But you asked the question of how

government can help; I firmly believe it's by partnering with the private sector.

**Ms. Mitzie Hunter:** [*Inaudible*] a fund for small business to get low-cost loans that, perhaps, have extended repayments and even, in some cases, forgivable portions of it for small business.

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

**Ms. Mitzie Hunter:** Shalini, do you want to talk about how keeping that liquidity would help your business?

**Ms. Shalini Sheth:** Absolutely. We need that liquidity to be able to invest back into the business, to be able to procure raw materials. We've seen the costs go up significantly through the whole value chain and the supply chain, from raw materials to trucking, and all related to absenteeism. All businesses have been trying to succeed and even break even at that point. They've increased their prices to us. Unfortunately, we are unable to increase our price down the supply chain as well, so we've had to eat a lot of those costs.

**1330**

Any program—and I'm asking the government to do this—cannot be based on the assumption of sales. A lot the programs were, "Oh, if you had a drop of sales by 30%, then you can partake in this program." The assumption was made that if you have sales or you have an increase in sales, then you made money.

One of the points that was made—actually, a doctor brought it up: Imagine selling product and you're losing money every time you sell it. Well, that's exactly what we were facing. Yes, our sales were up, but our efficiencies were down; our people were away. We were spending tens of thousands of dollars on social distancing measures, PPE. Electricity costs were still there—as I mentioned, the global adjustment. There are a lot of people who are left out of any of these business programs because assumptions are made.

We need something that can be related to everybody. Everybody pays electricity costs. Go after something simple. Put a stop to the global adjustment for a short period of time. There are costs that the government is taking right now that can actually be implemented fairly quickly and it could be fair to everyone.

**Ms. Mitzie Hunter:** That sounds really good.

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

**Ms. Mitzie Hunter:** Sheldon or Justin, I know that your association represents members who have their own small businesses all over Ontario. Commercial rent relief is one aspect that I know—individuals have said, quite repeatedly and consistently, that they need to see more direct support in areas like that. What have you heard from your members with regard to keeping afloat?

**Dr. Sheldon Salaba:** In our scenario, there are lots of additional costs now that we're operating in this new environment. We were able to reopen our practices June 1, and for example, in my office I now have a full-time cleaning employee, which is a substantial expense. We were not provided any type of PPE, so we had to procure all of those things on our own, and it's expensive. The virucides that we're using to make sure everything is

sanitized and disinfected to keep people safe are very expensive and—

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

We'll have to move to the government side now for their time of questioning. MPP Kusendova.

**Ms. Natalia Kusendova:** Thank you so much to all of our presenters for sharing some of the challenges and some suggestions on how we can all work together in light of COVID-19.

My question this afternoon will be directed to Dr. Salaba. I myself am a health care provider. I'm a registered nurse and I work in the emergency room. So I certainly can appreciate some of the challenges that COVID-19 has brought on to the service providers, especially in the emergency room. But across Ontario, whether it's primary care, whether it's long-term care, we have seen that this pandemic has augmented some of the pre-existing challenges that have, as you rightfully noted, been building up over decades.

One of the things that we did as the government of Ontario in light of COVID-19, to improve the response, was to advance payments to eligible practitioners, including optometrists, to help cover some of the fixed costs related to maintaining practices. That was one of the things that we did immediately in the first weeks of the pandemic.

As the government of Ontario, we are re-envisioning the way we deliver health care. Through our Ontario health teams, we want care to be integrated. We want to use innovative solutions and virtual platforms because, for far too long, we have seen fragmentation and isolation of our different health care providers.

My question is, have the local optometrists been working with the Ontario health teams to really integrate into the circle of care so that our patients do not experience fragmentation and they do not fall through the cracks?

**Dr. Sheldon Salaba:** I would say that integration with LHINs is not easy. I wouldn't say that optometrists are the first people that they call to join those types of discussions.

Ophthalmology always overshadows optometry, and that's really unfortunate because our practices are distributed throughout the community. From a ratio perspective, there are 2,500 optometrists across this province versus 400 ophthalmologists. And even if paid appropriately, where the costs of our services are covered, we're going to be by far a lower-cost provider of those services.

Seventy per cent of the patients we see in our offices are OHIP-insured. It costs us between \$80 and \$90 to deliver an eye exam, and we're only getting paid, on average, \$44. If our costs are delivered, then the numbers make sense for us to be able to increase hours, increase staffing and be able to take the load off of other health care providers who are providing eye care services and keep those patients in the community.

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

**Ms. Natalia Kusendova:** You have rightfully pointed out that optometrists can play a significant role in decreasing hallway health care, as primary care providers. They

can identify issues early, even dementia or stroke or glaucoma or other different issues that are happening, especially in our elderly patients.

Can you speak a little bit more to how optometrists can be part of the solution to ending hallway health care in Ontario?

**Dr. Sheldon Salaba:** The scope of practice for optometrists greatly expanded in 2011, so we are capable of treating very complex medical eye conditions, including glaucoma. We have technologies in our office now that are ultrasounds, where we can see below the surface of the retina, so we can accurately diagnose if a diabetic needs to be seen by an ophthalmologist. We can tell you in our clinics, with pinpoint accuracy, which patients need to be seen and which ones don't.

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

**Dr. Sheldon Salaba:** I believe that that could build in huge efficiency for our system.

**Ms. Natalia Kusendova:** I'll pass it—

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

**Mr. David Piccini:** Thank you to all the presenters.

First, a quick thank you, MPP Kusendova, and thank you to the optometrist, Sheldon, for those remarks.

I can speak as a rural MPP who was successful in launching one of our smaller Ontario health teams out here. In my conversations to date, as we move from a post-LHIN era into Ontario Health, there's been a real willingness to deal with partners at the table but also sub-members of the group—and I'd be happy, at a local level, to work with our local optometrist.

To MPP Kusendova's point: I think that you play a vital role, as you eloquently spoke to, and I think you should be at the OHT table.

This question is for everyone, but I'll lead with Shalini—if you could speak to the importance of broadband and adequate Internet. COVID-19 moved a lot of things online. We've seen a certain provision of health care etc. Can you speak to the importance of reliable broadband and what you'd like to see on how we can better connect? Obviously, we launched our ICON program, but we know we have a lot more to do with the feds across Canada improving broadband.

**Ms. Shalini Sheth:** E-commerce was something that was not even remotely on our table. We were just trying to keep up with the day-to-day. This has shown us that access for everybody is very, very important—and reliable access. So—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. We'll come back to that in the second round.

We'll go to the independent members now. MPP Hunter.

**Ms. Mitzie Hunter:** I think we were cut off the last time, Sheldon. You were speaking about some of the increased costs that you have seen for your members as they are operating. I wanted to give you a chance to continue with that so that we can hear about those needs. Go ahead.

1340

**Dr. Sheldon Salaba:** I've added a full-time cleaning staff to my office. I would estimate that I'm going to spend likely \$70,000 or \$80,000 more in operating costs over the course of the year for my offices. Half of that will go towards staffing, if not more. I've had to extend my normal hours of operation. Even though I'm not seeing patients, my staff are coming in earlier and leaving later, because everything we're doing is at a much slower pace. Everything has to be by appointment. In my practices, if people are picking up glasses, they're doing that before and after I'm providing patient care in the centre. We're seeing a 50% reduction in the amount of availability of appointments that we have. Any type of appointment that we're seeing—we can't do them any faster than half an hour. So everything is very structured, and it's definitely increasing costs, for sure.

**Ms. Mitzie Hunter:** And in terms of some of the responses—do the rent relief or any of those assist?

**Dr. Sheldon Salaba:** The rent relief assistance advance payments that we received from the governments were actually quite a mess in the way that they were delivered, because the doctors at the receiving end—some of them had their billing set up as a group practice and some of them were individuals, and people move around from job to job. So that was a very confusing program. Like physicians, we had advocated for that to be turned into a grant, as it's going to start to be clawed back in the fall over, I believe, a five-month time frame. That one was tricky and not well organized.

I have substantial bank loans to pay. A principal deferral on those has been the most beneficial.

The rent relief program federally was really difficult. I have two locations with two separate landlords: one didn't want to participate, and one tried to say that we should only be paying 25% of the net rent instead of gross; they tried to take out TMI and the taxation portion. So there was really a lot of back and forth and it took a long time to get organized.

**Ms. Mitzie Hunter:** I wanted to ask—

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

**Ms. Mitzie Hunter:** I wanted to ask Shalini about being a small business owner and a woman, and the fact that this is an area where we see women are quite strong in Ontario—in terms of starting companies and being great managers of companies. Is there anything specific to the recovery that you believe we should be paying attention to when it comes to women's economic opportunity?

**Ms. Shalini Sheth:** I actually read an article about this and being a mom and a wife, which has always been the priority in my own eyes. I think the onus has always been put more on women to make sure the house is taken care of and the kids are taken care of. Then, with the children not being able to be at school, a lot of that responsibility has fallen on the women of the house to ensure that the kids are getting home-schooled and all of that.

I think support there is a definite—they have to be given the same opportunity as my male counterparts, per se, in terms of being able to work from home reliably, being able

to change their hours accordingly, so that they can still be present in the workforce at the level that they're hired to be and not be penalized because of it.

Being a minority woman in this whole business role, I think, has taught me a lot that us presenting ourselves in a—women helping women goes a long way, but also getting the recognition that it is tough to be a woman, especially in manufacturing. As it is, I work with mostly men. They're great, but I had to earn it. So we really do need to support them.

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

**Ms. Shalini Sheth:** I think having children go back to school is going to be something that is going to take a lot longer than what everyone is anticipating, and it's going to need the finesse and the detail orientation to help people out.

**Ms. Mitzie Hunter:** I really want to thank you so much for outlining that, and it's such a very full description that's very beneficial to us here in this committee. I completely agree with you that a proper return-to-school plan is needed in the province for an economic recovery to be full, and it's specifically important for women who often are managing a lot of the child care and those types of needs. All parents need the peace of mind that there's a safe return and a place for every student in this province, come September, and that needs to be funded by the province, for sure.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the government side again. I'll go to MPP Piccini.

**Mr. David Piccini:** I'll lead with my question to Giovanni, please.

Giovanni, I know Minister MacLeod spoke to the double bottom line, which you mentioned in your remarks. As the province is in stage 3 and the bulk of businesses are reopening and people look to the final few months of decent outdoor weather, can you talk about the importance of—I know Minister MacLeod recently toured my riding—policy-makers and everyone encouraging people to get out and vacation in Ontario and some of the measures you've taken to ensure the safety of your employees and visitors?

**Mr. Giovanni Pellegrino:** Good questions—and top of mind. I think we all have to continue to encourage people to get out and to enjoy themselves and to get back to doing what we were doing before this pandemic hit. We know the pandemic is nowhere near over, but it's very encouraging that the steps that are being taken seem to be having an effect.

From the first day when we reopened some of our restaurants and the hotel itself, there was a lot of concern. But very quickly, you realize that most—and when I say "most," I mean 99.9% of people get the message: They're wearing masks; there are sanitizers everywhere; people are respecting social distancing; they're not jumping into elevators—for the most part. Unfortunately, that 1% is always still too many people, but for the most part, it's going very well. I think we need to continue to educate people on how to protect themselves, and things will be okay now that we know more. But certainly the signs are

encouraging. On the weekend here, things get busy again. People are smiling. When they remove their masks, you can see that they're smiling. It's nice to see people get out and enjoy life again.

**Mr. David Piccini:** Yes, thank you.

*Interjection.*

**Mr. David Piccini:** Speaking of smiling, MPP Gretzky brought a big one to my face with her addition there. Very cute.

I have a quick follow-up on that, and then I'll turn it over to MPP Skelly.

Do you support the funding—I know the ministry has invested in my RTO, the regional tourism players, to help encourage vacationing and to encourage the promotion of local tourism operators and local areas of the province for tourism. Do you support that?

**Mr. Giovanni Pellegrino:** I do support that. I think that whatever can be done to help that branch of the industry is very useful.

At the same time, because I'm on the development side of things, where we want to build the future and we're not overly concerned about the present—because we have to deal with those issues, I'm more for partnering with government and not asking for huge subsidies.

But I do understand that was very useful and very helpful and it will give marketing that shot in the arm that it needs to get the people back here.

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

**Mr. David Piccini:** Over to MPP Skelly.

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

**Ms. Donna Skelly:** My questioning is also for Giovanni.

Giovanni, I wanted to continue along the line of what MPP Gates was raising. He was talking about the number of agencies that you are required to negotiate or navigate through in order to move forward on any projects. Can you just expand on that? It's one of the areas that, as a representative in the Hamilton area, I hear of over and over again—how difficult it is to get anything accomplished because of that layer of bureaucracy and regulation. Can you share more with us?

1350

**Mr. Giovanni Pellegrino:** Definitely. I think I've spoken to this before, and you've also mentioned, in one conversation that we had in one of these meetings, that one window of service. The greatest issue is that there are many agencies and some of their jurisdictions overlap, yet you have to deal with each of them individually. It's more of a process where we pay huge money to design, do environmental assessments, prepare all these reports, and then you send them into this black hole. Sometimes they come back with questions where you never thought you'd get a question, and the onus is always on us to clarify or correct and so on.

If we're spending hundreds of thousands of dollars on consultants and we've done our work and we hand it over, we almost hope that we just get one reply saying, "Yes, everything is compliant." But as you know, that's not the case. You've got to go to every agency for a different

purpose at a different time and a different procedure. City, region, provincial—that's three right there, and I haven't even started.

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

**Ms. Donna Skelly:** I've always felt that that one window of access is imperative in order to expedite the planning process. Maybe you could speak to that. If you had a checklist and before you could submit your application all of the required documentation would be presented, otherwise it would be pushed back on the applicant, so that you're not wasting that time, is that something that you envision as an alternative to what exists today and something that could improve the process?

**Mr. Giovanni Pellegrino:** Absolutely. By the same token, the time frame that is allowed for review and rebuttal—we run into a lot of situations today because we're dealing with different applications, and each of them has a 30-day or a 90-day period where someone could come back, and you can almost be sure that they always come back on that 29th day, and then you're starting over again. So one window, a well-defined set of rules—and if we've checked all the boxes and we've demonstrated that, then we should be able to move forward. It's not like—

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

We'll have to move to the opposition side now. MPP Begum.

**Ms. Doly Begum:** I just wanted to give Shalini a chance to finish her thought about what the government can do to help businesses like hers. So I'll just give you a moment to finish that.

**Ms. Shalini Sheth:** As I was saying, one of the programs the government did was putting a database together of PPE providers. That was great. It was a Yellow Pages of PPE. It didn't help anyone else procure—the government is the biggest procurer of this material. So maybe being able to purchase it from the government, where they could have gotten the economies of scale, could help small to medium-sized businesses, where we don't need to be buying so many.

Electricity cost is the other one. Like I said, a lot of the programs that are being administered—we need to get our costs down, at the end of the day. It's our operating costs that we need to get down—not defer it. I don't want a loan. I don't want a grant. It's anything that is taken from the government—a tax abatement, for example, for a short period of time. We are already running into deficits, but these are the kinds of things that will help all businesses to get that liquidity back so they can then pay out to get new employees and be able to grow. Right now, we are running at, I'm going to say, 70% efficiency, if we're lucky, just because of the employee turnaround that we've experienced.

**Ms. Doly Begum:** I'll pass it on to my colleague MPP Morrison.

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

**Ms. Suze Morrison:** I just wanted to thank the optometrists so much for being here. I know that your head

office is located in my riding, so I wanted to thank you for all the work that you do.

But I did actually want to flip it over to France, who I think has some questions for you.

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

**M<sup>me</sup> France Gélinas:** My question will be for Dr. Salaba. You've made it clear that for decades now, your professional body has never been able to sit down and negotiate, yet if we look at what optometry looked like 30 years ago versus what optometry looks like today, it's like we're talking about a different planet. Your profession has evolved exponentially.

I would like you to take the few minutes we have together to explain that the government should not be afraid to sit down with you, to negotiate with you. Things have changed enough, and you opened the door to that a little bit in your comments. I think you said—I'm trying to quote, but, basically, if you look at eye care in Ontario and you look at what optometrists can do, we could actually help your profession and not increase the costs to health care an awful lot. Do you want to expand upon that?

**Dr. Sheldon Salaba:** Yes, I would. Really, what we need to have happen now, because there's such a cost disparity between what the government pays and what it costs us to deliver the service, is that we need to have a true negotiation mandate from government to sit down and figure out how this imbalance is corrected. We aren't fussy on the mechanism or the approach, so we're willing to work with government in any type of a variety of solutions, as long as that cost gets covered. If it is, then we're able to take load off of the system.

But when I started alluding to the complexity of care that we're managing within our offices now, with our expanded scope of practice, that's not even touching those things. There are tests in our office that patients have to pay for out of pocket that are covered as standard of care within ophthalmology offices. We need to get our costs covered for the basics, and then we need to start having a conversation on how we can improve the coverage of scope. We can keep a lot of those things within the community.

**M<sup>me</sup> France Gélinas:** Years ago, we expanded the scope of practice of optometrists. Not all of what the legislation allows you to do is actually being done. What's holding you back?

**Dr. Sheldon Salaba:** I'm starting to get the sense that more and more optometrists are practising at full scope. I know in my practice, it's expensive, but I've got ophthalmology-grade equipment there and I'm definitely treating at maximum scope. I believe enough time has passed that the majority of my colleagues are doing the same. When you go into rural communities up north like your own, optometrists are the only point of contact for eye-care-related issues, and I guarantee that they are performing—

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

**Dr. Sheldon Salaba:** —at full delivery.

**M<sup>me</sup> France Gélinas:** You did say that the Premier had opened the door to talking to you. Have you got a set of

negotiation dates set up? Have you got something concrete that gives you hope that your members will continue to be open, especially where I live, in northeastern Ontario?

**Dr. Sheldon Salaba:** There's a glimmer of hope, but there's no set negotiation mandate, so we really need that public commitment from them to get down to brass tacks and get something done here. But I will say that as we're walking into it, initial steps do look positive.

**M<sup>me</sup> France Gélinas:** Would you say that at the level of your organizations, you're ready, willing and able? You are available and you have plans or ideas that you could put forward, especially ideas that look at the system as a whole? Maybe more money would be going to optometrists, but not that much more money would have to be put out of health care because of the—

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

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

Before we move on to our next group of presenters, MPP Gretzky, if you can please confirm your attendance.

1400

**Mrs. Lisa Gretzky:** I'm at home in Windsor, Ontario.

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

MPP Burch?

**Mr. Jeff Burch:** Jeff Burch, and I'm in Thorold, Ontario.

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

1000 ISLANDS GANANOQUE  
CHAMBER OF COMMERCE

LIVE HISTORY

ONTARIO SEWER AND WATERMAIN  
CONSTRUCTION ASSOCIATION

**The Chair (Mr. Amarjot Sandhu):** I will now call upon our first witness, with 1000 Islands Gananoque Chamber of Commerce. Please state your name for the record, and you will have seven minutes for your presentation.

**Ms. Amy Kirkland:** I'm Amy Kirkland, with 1000 Islands Gananoque Chamber of Commerce.

I want to thank you for allowing us the time today. Today, I'm going to talk about the needs of Gananoque and the post-analysis that we have from all of our business community. One of the biggest and hardest hit are the rural communities, and moving forward on how they will make an e-commerce digital imprint is next to impossible due to the lack of infrastructure. Our small businesses—our chamber supported a lot of them through that, allowing them some different, creative ways to gain money through COVID-19, through gift certificate programs, but unfortunately one of the biggest problems with the gift certificate programs was that when collecting it, the Internet wasn't structured enough. The 1000 Islands Gananoque Chamber of Commerce would really like to see the province and federal government, as well as the municipal government, use this as an urgent reminder that if we're going to be able

to grow in our community, we need to make the proper investment in rural Internet.

Another call from our agri-sector is on the regulatory burdens for interprovincial trade. We've heard it a lot, and our businesses feel that if they're able to trade throughout Canada, it would actually push the model for economic growth in this area. We have breweries, cider companies and agri-food people who would like to see the province be a force to drive the regulatory burdens out, allowing them to begin to interprovincially trade. This will allow for a boost in our economy and job creation in rural areas.

More burdens that are preventing growth in our areas and continued growth are municipal burdens. A lot of the challenges post-COVID-19 are the gaps in housing. There are huge gaps in housing in our region. We have a few factories that want to employ people, but due to being a rural community, not having public transportation and the lack of housing, they can't get employees to fill their factories. The fear is that they're going to have to move out of the area, and that would have a substantial impact on our region as well.

Challenges preventing growth would also be the increase of taxes during this time, water rates and fees for stuff like BIAs. Our businesses are borrowing from Peter to pay Paul, and our municipalities are slapping on more fees to the business owners. Being a rural community that relies a lot on the tourism sector, they're not able to meet the needs of the fees, let alone the burdens created by COVID-19—not being able to pay their bills. But they continue to be burdened by the municipalities with more fees. We need to really start working together in order to get these businesses back up and running.

The 1000 Islands-Gananoque area is a huge destination for tourism. We rely hard on the tourism market, and as everybody is aware, that has been the hardest hit. As the destination marketing organization, we have helped out so many businesses this year. We have a tourism book that goes out annually, typically a huge fundraiser for our chamber, and we gave it to over 275 businesses for free this year for advertising. We did receive the grant opportunity through TIAO thanks to the Ontario government, and that has helped our businesses substantially as well as our marketing capabilities. But we typically got a lot of funding from the RTO 9, and they have changed their way of marketing and supporting the area DMOs—

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

**Ms. Amy Kirkland:** —and have done more of a regional perspective, which has eliminated the funding that—we used to be able to reach more areas, and they have taken a regional approach. This has also placed more burden on the DMO because we're not able to help our businesses in that way.

I would say that we need to really start knocking down on the bureaucracy. The overall issue is that the funding for marketing initiatives through the DMO—which, we know what to do with our finances and what works and what doesn't—has now been pulled back by the RTO, eliminating that funding through to us.

Overall, throughout the pandemic, I think we have noticed substantial effects, but the rural areas were really hit hardest. I call on all levels of government to start looking at ways to help rural communities prosper. The only way to do it is to eliminate regulatory burdens and start investing in the infrastructure that's required to move forward with business.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Our next presenter is Live History. Please state your name for the record, and then you can get right into your presentation.

**Ms. Jasmine Bowen:** My name is Jasmine Bowen, and I am the founder of Live History. Live History is a site-specific, interactive mystery, historic, customizable theatre company. What that means is, we travel to rural communities and to remote communities all across Ontario and across the world, creating interactive mystery-based plays that are all based on the local history of the area.

Live History started because, as a child, I was brought to museums every weekend by my grandmother. As I grew up, I realized that museum attendance was falling. I wanted to find a way to save them so that when my children and my children's children grew up, they would still be there and they would have the wonderful childhood that I had.

In these small communities, we tell the stories that are in danger of being forgotten: the ones that are hidden behind the main stories, the ones that nobody knows about—that small community hero who is unknown five kilometres down the road—or the ones that were not talked about until this point in time. We tell stories of all backgrounds and dig as deep as we can to ensure respectfulness and accuracy.

Since 2015, we have toured nine countries and over 200 venues, but Ontario remains our home and the biggest sector of our business: libraries, museums, historic buildings, community centres, communities like White River, Simcoe, Ottawa, Brockville, Thunder Bay, Atikokan, Hamilton—the list goes on. The buildings we work in have thousands of visitors a year and are looking to revitalize; some have a few hundred and want to bring those visitors back. All of them have amazing stories to tell.

We're very odd for an arts organization. We are commercial; we are not a not-for-profit. We've never taken a grant. We've never done crowdfunding. We've never done anything but pay our own way and work off client requests and sales.

We've had over 40 Ontario-based actors and stage crew over the years. Within our roster we have chronically ill and disabled actors who are working in what may be the last years of their life, contributing to society. We have artists of all different backgrounds. We came together out of a need to tell these stories. It's not a lavish lifestyle; we ate ramen noodles in Airbnbs and did press interviews while leaning against wet laundry in the back of a car. But we did it to tell these stories.

This year was our biggest year yet. We had a large management team, full-time hours, big bookings, big

venues, a 20-person-strong team ready to tour the world. And then the pandemic hit. We tried as long as we could. We first did free online shows to bring cheer to the community. We did pay-what-you-can. We partnered with local Ontario restaurants to offer food for these shows and boost their revenue as well as advertising. But these shows brought in less than a tenth of what we were used to, and eventually we had to cease operations.

Our current future is bleak. There is little accessible revenue and, because of the way we operate, with contractors rather than employees, and because we are commercial and not a not-for-profit, we have been left out of all funding, federal and provincial. We have no COVID-19-related assistance for our performers—nothing. Without support during this pandemic, we will not be able to continue to operate to tell these local stories, to work with children, to work in these rural and remote communities.

**1410**

The more-than-20 contractors I promised work to are my responsibility to take care of; I know that. The government asked me to shut down my business to save lives, and I did without question. Now the lives and livelihoods of these hard-working individuals are in peril, and there's no support for our mission and the mission of many like us, commercial artists who are working and paying their own way. We listened, we shut down our businesses, we did our part. When the time comes to reopen, I'm worried that we may not be here to tell these stories.

I'm not asking for continued support or a huge amount of cash. I want to make sure that I can take care of my crew until we can tour properly and safely again so we can go back to operating off client commissions, paying our own way. I speak for many other commercial artists, museums, theatregoers, creators who are in this position and simply want to return to that. We want to help these communities to tell their stories and bring arts and history to rural and remote communities once again.

My recommendations to the government are to create bridge or emergency funding for small businesses that includes contractors or freelancers to be able to apply—perhaps in the form of a one-time payment or in the form of wage, freelance or other reimbursements. I am aware that the federal government has created something similar. But so far, we've heard nothing after 45 days of applying.

I also ask the government to inject funding into the Ontario Arts Council that's meant for commercial arts businesses, or recommend that the current funding there be available to more than just the not-for-profit and charity arts.

I also ask the government to encourage Ontario-based tourism so that our customers, our audience, can return to these beautiful historic sites and continue to explore and learn their history.

Thank you for inviting me to speak today.

**The Chair (Mr. Amarjot Sandhu):** Thank you. Our next presenter is the Ontario Sewer and Watermain Construction Association. Please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Patrick McManus:** My name is Patrick McManus, and I am the executive director of the OSWCA. Thank you for the opportunity to speak with you today.

Our organization represents 500 contractor members and another 300 or so manufacturer and supplier members across the province. These are primarily small and medium-sized enterprises that operate at a regional level in the respective communities that they're headquartered in. The median sewer and water main contractor in the province employs 30 people. We do have very large contractor members, but the majority are small, family-owned businesses in local communities. Overall, there are approximately 20,000 workers employed in our sector in the province each year, depending on municipal project demand. We are an industry that is largely dependent on municipal public works contracts, as municipalities are the primary clients for our contractors because they are the only ones that actually own and operate the type of infrastructure that we build.

I could have come and spoken about the need for municipal infrastructure stimulus, but I suspect this committee has heard lots about those requests for stimulus money, and many people in government have as well. So instead, I actually want to bring an issue that is a growing problem for contractors, engineers and designers in the municipal construction industry, and that is around the use of something called a litigation exclusion clause, otherwise known as a reprisal clause, in municipal construction and design contracts.

We have provided a briefing note that you may have in front of you that goes into much greater detail on the nuts and bolts of what this issue is, but just to provide the crib notes: An exclusion clause allows a municipality to prohibit a company from bidding on or being awarded a publicly funded project if that company is or has previously been in litigation with the public buyer. These clauses coerce companies into making a choice between (1) exercising the right to access the courts to resolve payment disputes for legitimate claims and (2) bidding on future public works projects. So for small companies that operate exclusively in building public infrastructure that is wholly owned by a municipality, they're left between a rock and a hard place on how to manage their claims.

The use of these clauses had been a problem in the construction industry for a long time, but it has been particularly aggravated by this COVID pandemic. I've spoken to many of our companies that have been impacted by these clauses, as they have had to consider utilizing the courts or an alternative dispute resolution process due to the financial impact COVID is having on their project work. There is no standard protocol, as you all know, to direct companies on how to sustainably meet the public health demands during this global pandemic. We have worked throughout. Our industry was one of the few that continued to work, and the protocols that have been put in place to ensure worker safety have resulted in construction delays and cost increases on project work. They're simply unavoidable under the circumstances. Companies are most certainly not willing to operate without putting those

safeguards in place for the workers, but they are resulting in production delays and cost increases.

And yet, claims related to COVID expenses and requests for project timeline extensions are in many municipalities being met by denials. I want to be clear: We're not asking for the province to demand that municipalities pay every claim that comes across their desk; we're simply looking for support from the province for the idea that companies should have an allowance for due process and an impartial review and judgment on the claims, because right now these clauses penalize or threaten to penalize contractors that seek an impartial review on claims.

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

**Mr. Patrick McManus:** Many public buyers have expressed their expectation that projects are to remain active and on schedule through the pandemic, and that contractors and suppliers are expected to take all the necessary precautions, but comply with their originally signed contracts prior to the pandemic. Where contractors have challenged this, they have been receiving notifications saying, "If you seek mediation, arbitration or adjudication, that can lead to your exclusion on future bidding opportunities." That has nothing to do with the quality of the product being constructed. It simply is using an unfair leverage that municipalities hold over small contractors to place liability for extra costs or delays on contractors building public infrastructure. We're not asking for a handout; we're merely asking for the opportunity for a fair shake.

In recent years the province, through the MTO and the city of Toronto, has removed these clauses from contract and purchasing bylaws because they agreed that they were unfair. The government of Manitoba, in 2017, went further by making amendments to their Municipal Act procedures manual. Specifically, the province declared a zero-tolerance policy for obstructionist trade practices, including the use of arbitrary reprisal clauses in tendering and procurement. The finance minister of Manitoba, in announcing these changes, noted that the province and all its public sector bodies were committed to a fair and transparent tendering process, denounced the use of reprisal clauses and said that the right to exercise due process for a contract in contract law should never become a bar to future bidding opportunities.

In closing, I'm here to raise awareness about this issue. It's unfair. It circumvents the objectives of the brand new Construction Act. It is negatively impacting the small and medium-sized member companies across the province that are left with the decision of pursuing third-party mediation of claims or bidding on future work. It's a practice that should be eliminated from the public contracting sphere, as companies should be judged on the merits of their work rather than on whether or not they're successful in arguing claims in front of a judge. Removing this practice through a modification to the Construction Act or making a similar declaration to the one made by the government of Manitoba will go a long way to allow small contractors, at the very least, access to mediation or the courts for a third-party judgment on their claims.

I appreciate you hearing me out today and thanks for the opportunity to speak with you.

**The Chair (Mr. Amarjot Sandhu):** We'll start this set of questions with the government side. MPP Piccini?

**Mr. David Piccini:** Thank you very much, Chair. I'll turn things over to my colleague MPP Calandra for the first question.

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

**Hon. Paul Calandra:** I appreciate all the presenters today. Thank you for coming in and doing this.

Patrick, I wanted to just quickly follow up with you. Something that you raised with respect to delays during COVID—I've heard this on a couple of other issues when I've been speaking with some of the contractors in my area. Is it specific to areas of the province? And by delays, I'm saying that presumably workers weren't able to work in the beginning stages, so that has put your projects in delay. Is that kind of what you're talking about, and then you get penalties because of that? Am I correct on that?

**Mr. Patrick McManus:** That's sort of half of the issue. The other half is that we're seeing a 15% to 20% production decrease, because often contractors are utilizing less people on sites. With the site cleanup, you tend to be finishing half an hour to 40 minutes earlier to do site cleanup and you're starting later, and you're going through a lot more safety protocols coming in and out of sites. So there tends to be—you're losing an hour or two a day at the front and back end of shifts. You're losing production time, and then there's anywhere between four and eight weeks of delay in some construction sectors this fall.

1420

**Hon. Paul Calandra:** Just out of curiosity—and I should know the answer to this and I apologize that I don't—is there an AMO position on this with respect to this clause and how it's being used?

**Mr. Patrick McManus:** This has been an interesting clause that has been used across the country. Municipalities and contracting, engineering and design communities are completely split on this on either side of the fence. The municipalities like it because they it's a big stick that they can hold. But the city of Toronto and the province voluntarily removed these clauses and, instead, moved towards contractor performance evaluations or vendor performance management systems in order to make the suspension from bidding based on the quality of work that's being delivered.

You could have a small component in those performance evaluations that deals with claims and access to the courts if you're seeing frivolous claims go forward, because really it's the frivolous claims that are at issue. If you roll those forward into vendor performance management systems, then you're actually making it about the quality of work rather than accessing the courts.

**Hon. Paul Calandra:** Presumably this would hit the smaller contractors more than the larger ones. They would be the ones who would be more worried about something like this than the larger ones, who could probably handle it a bit more.

**Mr. Patrick McManus:** You're right. The smaller ones are sort of less fluid from a cash standpoint. As I say, in our sector, there are a lot of family-owned businesses. There are a lot of contractors employing 10 to 30 people, so anywhere from two, three, four crews. Those are the ones that, when they're doing work, can't wait a year or two years, which we're often seeing right now, to get money for these claims. They can't take 50 cents on the dollar because of the amount of money and work they put in. Bigger companies can do that on much bigger multi-billion or \$100-million projects, but the companies that are doing \$2-million to \$5-million projects can't absorb those costs anywhere else.

**Hon. Paul Calandra:** Thanks. Appreciate that.

Jasmine, if I could just ask you a couple of questions. First, let me just say that I think the work you guys do is actually quite remarkable. I'm not sure if it was your group or not, but when I was in Prince Edward Island a couple of years ago, to come across some of the Fathers of Confederation having arguments on the street was really just a spectacular thing, and it's something that more and more should have the opportunity to do.

Look, I would say this: Arts and culture are one of the biggest drivers of our economy, especially in places like Toronto but in some of the smaller places. So I understand some of the issues that you're having. I'm just wondering—and again, it's probably things I should have the answers to but don't—are you able to access the Canadian media fund or the Ontario media fund at all? What avenues would we have other than additions to the Ontario Arts Council?

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

**Ms. Jasmine Bowen:** Yes, so the biggest barrier for us is that when people think of arts organizations, they think you're either a registered charity or a not-for-profit, so the majority of funding that's out there for arts organizations is for those organizations. I'm not the only commercial arts business in Ontario. Whenever we go to access those funds, there's always either that big red flag that takes us out or another one very similar.

This has been my campaign to try and get a little bit of this funding to get through COVID and be able to go back to paying our own way so we don't have to rely on government grants, we don't have to rely on anything but the shows that we sell, which we had done for five and a half years.

**Hon. Paul Calandra:** It's perhaps a stupid question, but are some of the shows available online, especially for some of the information on some of the rural communities?

**Ms. Jasmine Bowen:** Some of our museum clients have been starting to put their shows online, but for the most part, site-specific interactive relies on the site, of course, and also audience interaction, which, as you probably know, is a little bit hard over Zoom. We've done it with some of our clients, and we would be willing to do it with more, but nothing can replace bringing both tourists and locals back into those local museums and having them see it in a whole new, reimagined way.

**Hon. Paul Calandra:** Okay. Thanks. I know I've only got about 20 seconds, so I'll just pass it on. That's fine. Thanks.

**Ms. Jasmine Bowen:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move to the opposition side now for their first round. MPP Arthur.

**Mr. Ian Arthur:** Good afternoon, and thank you all for joining us today.

Amy, I want to start with you. You live just down the road from me. Some of my best friends live in Gananoque. There are a few points I want to hit. I'd like to start with the commercial rent program. Do you know how many of your members have been able to access the commercial rent program and what their feedback on it has been?

**Ms. Amy Kirkland:** Yes. There were a lot of issues, as you're aware, with the commercial rent program. The problem with the commercial rent program is that they had to do it in conjunction with the landlords, and many in this area were not interested. Thankfully, our chamber and the Canadian chamber, when it first opened, we received a lot of calls around the fact that you had to give your landlord your financials in order to be able to get the rent program, which caused a lot of havoc around here and concern that, well, if a landlord sees how much they made last year, they're going to lift their rent up. So the Canadian chamber lobbied really hard to get that changed, and it was changed. But only about 50% of the landlords in this area were willing—it was very low—to apply for the rent relief programs. So the way it was structured, I feel, was not as effective as it could have been.

**Mr. Ian Arthur:** It's not actually too late to change how that's applied. What changes would actually allow the remainder of those businesses to access that program?

**Ms. Amy Kirkland:** I feel like they should eliminate the landlords having to apply for it. The business owner, they're paying the rent fees. They should be able to provide that, "Yes, we pay rent. This is how much" with, say, rent receipts, and they should be able to get the money back so they can pay the landlords directly themselves.

**Mr. Ian Arthur:** Okay, perfect. I also want to talk a little bit about the tax deferrals that your small businesses receive. What I'd like to focus on is their ability to pay back those deferred taxes. Many of them are experiencing upwards of six months of a complete loss of revenue. What percentage of your businesses do you think can bear the burden of those bills actually coming due, having lost six months of revenue?

**Ms. Amy Kirkland:** We've lost already 13 businesses in our area due to the impacts of COVID-19. The word "deferred" is not helping. A lot of our businesses actually paid it anyway but are not going to meet the next quarter. I spoke with a flower shop owner. Her annual income was \$400,000, and she hasn't even reached \$100,000 yet this year.

The facts are that if—they have to support businesses in a different way. The town of Gananoque raised their water rates in the middle of COVID, retroactive right to January 1, but they didn't give the bills out until this

month. So my phone is calling non-stop. Our businesses are decimated with invoicing, and now they can't even pay their water bill. This is the kind of burden that the municipality placed on business during that time.

**Mr. Ian Arthur:** I'd like to talk a little bit—and I think you kind of hinted at this in your last statement—about the need for direct support. I just had a round table with the Kingston chamber, and we were talking about what it's going to look like. The theme I heard back from business owners was that people have made things work for the summer. They have figured out a way to kind of patch it together. There was a deep fear that without direct financial supports, November, the first quarter of next year, that's when you're actually going to see the majority of the closures for those business that just can't sustain those ongoing bills.

**Ms. Amy Kirkland:** You're right. And Kingston is the large centre right beside us, but Gananoque has solely relied on tourism. It has picked up, but our big hoteliers are telling us that they were at a 90% loss—

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

**Ms. Amy Kirkland:** —and now they're at about 70%. So we're going to see a huge, substantial impact, but a lot of the e-commerce side of things—we could have the proper infrastructure for Internet. These people could move their businesses from the storefront and also rely on the e-commerce. But unfortunately, you can't rely on the Internet in the township of Leeds and the Thousand Islands.

1430

**Mr. Ian Arthur:** We're almost out of time, and then there is a second round of questioning, so we'll come to the other people here. Just very quickly, how do you make e-commerce work for some of those businesses? I get boxing and shipping something online, but an e-commerce platform—is that actually going to be a substitute for direct financial support for many of the businesses in Gananoque?

**Ms. Amy Kirkland:** No, and you're correct with that. Shopify had some really good programs to help small business, and they were free. They did an amazing job with that, so it would have brought some of the businesses that are mom-and-pop shops to a better market. But they do need direct financial support. The \$40,000 loan is a loan. My suggestion would be the HST program; allowing the businesses to keep the HST for, say, two quarters would allow them to at least be able to get through the winter months. These deferral programs are never—the word “deferral,” I think we just need to focus on that, because it's not a solution; it's a deferral. The solution is direct support. Allowing them to keep the HST in their pockets would allow for some cash flow into their business.

**Mr. Ian Arthur:** That's perfect. I hope the government hears you. We are hearing the need for direct financial supports loud and clear, and we'll continue to push for that from this government.

Chair, how much time? I suspect we're just about out.

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

**Mr. Ian Arthur:** Right on. There we go.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the independent members now. MPP Hunter.

**Ms. Mitzie Hunter:** Thank you, Chair, and I want to say thank you to all of our presenters today. Maybe we continue on with the chamber. The Gananoque area is so unique in terms of all of the hamlets and towns and communities that are there that have such a really important part of our tourism industry and vibrancy in Ontario. The government, through its minister, has already said that it is the hardest-hit sector. It's the first to be hit and probably the longest to recover, given the nature of it.

I want to hear from you in terms of what your members are saying, Amy, would really make a significant difference. I really liked your example on the deferrals, where you've heard from businesses that they actually didn't defer; like so many small businesses, they met their obligation. But now, looking ahead with the dip in the cash flow, with how long the pandemic has kept all of our lives from going out and spending and interacting, it has taken a longer hit than perhaps they had even planned for. The purpose of this committee and this hearing is to tell the government what it needs to do. We are expecting to see a budget tabled before November 15. What is it that small businesses in your area need to survive?

**Ms. Amy Kirkland:** Thank you for that question. One of our hoteliers, Jeff Brown—he owns three—and I had a long conversation, because he owned his hotels during SARS. It took them three years, from SARS, to get any gain, and now he said it's going to take them a lot longer to see.

As I said in my presentation to you guys, one of the biggest pieces of tourism is marketing. I'm very proud to say that we gave our members free marketing this year, allowing them to reach the levels that they're used to—they used to pay a lot of money to do so—because the government and the TIAO gave us this grant.

Now, the problem that we're facing is, with the RTOs and their bureaucracy, we're not getting the money that we're used to, to excessively help these businesses to drive the winter economy a little bit more than we're used to. Because it's a very seasonal place, we need to come up with innovative ideas to bring people here even during the winter. My suggestion is that the DMOs get some funding and support from the government to continue, at least for the next five years, to support these people so that they're not sticking \$100,000 into marketing plans. The DMOs are supported by them. We have people on our boards. We have a DMP that's amazing. We all work collectively. Even TIAO said we're a very individual and unique place because we all work so hard together. Our chamber has the whole township—we have the Thousand Islands, the St. Lawrence River and the Rideau Canal—so we have a very large, broadened area for tourism.

I think that the only way to get things started again is get rid of COVID. So let's be real, and we need to be realistic and actually fund the DMOs so that we can help

the businesses at that time and they have their say on how they want us to market for them, rather than having the levels of bureaucracy getting all the funding and not distributing it or thinking, “You know what? We’re going to speak for everybody and do everything.” Well, we’re in competition with all of our neighbours, so I think the best way to do it would be to start looking at ways to fund DMOs for tourism, because we are directly conversing with all the members in our community.

**Ms. Mitzie Hunter:** I think that’s a great idea, in terms of the focus on the marketing.

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

**Ms. Mitzie Hunter:** My Liberal colleagues and I, one of the recommendations we had for the tourism and culture sector was to start to market specifically. There is a whole cohort of Ontarians that would normally go south for the winter, snowbirds and others. But that’s not likely possible, so what are the alternatives that are here in Ontario, in this beautiful province, that we can start to market and package in a safe way that allows our operators to continue to thrive? I definitely see that concept.

Talk a little bit about the deferral and why that is not helpful, particularly because it is coming due in October, and people are nowhere near what they are used to seeing, from a cash-flow point of view.

**Ms. Amy Kirkland:** Well, I think for anybody who says, “Oh, a resolution of deferring something is going to help somebody,” but when you go six months with zero cash flow—you can’t open, you’ve laid off all your staff, you have basically nothing to defer and maybe get up to 20% capacity—you’re not getting any money. So these deferral programs, I believe and my chamber board believes, are not a solution to this pandemic. The pandemic problem would be, “Let’s make things easier. What can we do for immediate cash flow?”

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

**Ms. Mitzie Hunter:** Okay. I want to thank all of the other presenters. Jasmine, I really like the commercial artistry that you and your colleagues are doing. Don’t give up. You’re going to make it through. Your unique and vibrant model is much needed in this province, so thank you so much.

**Ms. Jasmine Bowen:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We’ll start the second round of questions with the opposition side. MPP Burch. Unmute, please.

**Mr. Jeff Burch:** Hello, Chair. Can you hear me?

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

**Mr. Jeff Burch:** Okay, we’ve got it. Thanks very much.

Thank you to all the presenters for your excellent presentations. I have a couple of questions for Patrick from the OSWCA. Patrick, you and MPP Calandra talked about labour disruption. I want to give you a chance to talk a little bit more about that and the effect that it has on workers and also the effect on suppliers as we try and get into a recovery period after the pandemic. What is the impact of these rules on suppliers and the disruption?

**Mr. Patrick McManus:** In our small sector of the construction industry, we thankfully have maintained our worker numbers. I think that’s in part because municipalities tend to have dedicated fees for water and waste water infrastructure. But from what I have seen with some of my counterpart industries, there has certainly been a dip. Construction has been working at 108% capacity for the last number of years. We’re now at a point where we still haven’t hired everybody back across the industry from the spring. So we’re starting to see that dip in work, particularly in the industrial, commercial and institutional sector, where that sector relies on private financing for new building construction. That’s where we’re starting to see a decline in the number of contracts that are being let. We’re seeing sort of a slight dip in the number of workers working in that sector.

**1440**

Thankfully, with some sectors of construction, some workers can be drawn into other industries that are busy, but for the first time in perhaps a decade, we’re actually seeing our demand for labour dip ever so slightly. We’re still certainly in need of workers over the long term, but this year, we’re actually seeing a decrease in demand, which is a little bit concerning given where things have been for the last decade.

**Mr. Jeff Burch:** Thank you. What about the ripple effect on the suppliers of materials and other industries that benefit from the economic activity that you provide?

**Mr. Patrick McManus:** Where we’re going to see the impact, we think, is because of that delay, a lot of municipalities aren’t tendering contracts through the fall like we expected. What that means is that that’s less work for the construction companies and less work for the aggregate pits, the asphalt plants, the concrete producers, the pipe producers, the prefab concrete panels—I mean, it’s sort of end to end.

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

**Mr. Patrick McManus:** There are hundreds of thousands of people who work in construction, and the ripple effects of a small dip in one sector actually have a fairly significant ripple factor for all of the manufacturing, engineering and design sectors as well.

So where we suspect we’re going to see the true impacts of that are into the mid- to late fall. Right now, a lot of companies have been able to sustain through work that they had carried over from 2019 and through the spring, but usually those contracts in the fall—that’s where you’re going to start to see that ripple effect. For contractors and engineers, the design and manufacturers, the suppliers, the real impact of this is set to come in November to March of next year.

**Mr. Jeff Burch:** I know in my community, for example, there’s a downtown revitalization program, and they’re redoing all the sewer mains and everything. There are a bunch of other projects dependent on that project. Is there a concern that there will be kind of a Catch-22 where—you’re talking about the litigation issue. As things kind of pile up, then it will feed on itself: There will be even more cases of litigation and then it will snowball.

That's kind of the concern that I see in your presentation. Is that accurate?

**Mr. Patrick McManus:** Yes, you're artificially limiting the number of companies that can actually bid on construction work in some of these communities, which means—I mean, less bidders equals higher construction costs. We're already seeing higher construction costs because of all of the impacts of COVID. The list of claims and the length of time that it's taking to go through these processes—it's becoming a bit of an administrative nightmare to go through some of these projects.

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

**Mr. Patrick McManus:** You're right: The longer that this goes along, the worse the problems that we get.

**Mr. Jeff Burch:** As a former city councillor and budget chair, I know that a lot of municipalities might argue that you need a way to weed out the companies from the process. You talked earlier about a performance review system. How is that better? Aren't the things that the litigation addresses part of performance as well? Can you talk about that?

**Mr. Patrick McManus:** You can have the same outcomes through a performance evaluation process, but you're not going to run into this idea that if you litigate or go to mediation or go to arbitration for a claim, you can't bid. A lot of times, it's even the threat of that that causes the problem. And that goes directly against this brand new Construction Act that is about mediation. Part of that is about the mediation of claims. If you move that into becoming an element of performance so that it's not suspension of bidding—

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

**Mr. Patrick McManus:** —on that one thing, it's related to a larger performance, then it's a much more fair process.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to the independent members now for their second round. MPP Hunter.

**Ms. Mitzie Hunter:** Thanks, everyone, for your presentation.

Jasmine, I'm going to go back to you to talk about the arts and what creativity is required during this time. In my own community in Scarborough—Guildwood, we have a wonderful theatre company called the Guild Festival Theatre. It's live outdoor theatre. Of course, this year everything was shut down, but they came up with a really fantastic idea for porch plays. So everything is socially distanced; they're on pretty much one porch but projecting out to the neighbours and to the community, and they've moved these around in pop-up form in this neighbourhood, bringing joy and entertainment, and of course, for themselves, keeping their theatre active throughout this period of time.

I'm just wondering about you and your clients and how you've had to adjust to make art and theatre available, which is part of well-being and part of mental health for many, many people, but also a very practical approach to keeping what you do alive and top of the mind in terms of people's awareness.

**Ms. Jasmine Bowen:** Absolutely. So we spent every dollar that we had, thinking the pandemic wouldn't last that long—silly us—into bringing these stories to life, still. While we were all on complete lockdown, we were doing online interactive shows as best we could. My own house has become a speakeasy. It has become the dining room of the RMS Carpathia, which rescued the Titanic. It has become the backwoods for the settlers coming here. We have transformed it, and so have the actors. We brought those stories online. Some of our clients did ask to have the shows put online, and that's what we did.

Because of the nature of our business, because we tour—obviously COVID right now doesn't really allow us to tour. It also doesn't replace online content with the fact—these are very small communities trying to bring people in, and some of these small communities, as one of our other presenters mentioned, don't have reliable Internet access. So just taking these shows and putting them online still doesn't bring the attendance to the museum and doesn't allow some or most of the community to be able to view it.

I know the theatre company that you talked about, the Guild Festival Theatre. They and many other companies like them are fantastic, but have had access to these grants that, as commercial artists, we are just told, “No, you don't need them. You're not a not-for-profit. You're not a charity.” I'm hoping to change the mindset around that.

**Ms. Mitzie Hunter:** That's great, Jasmine. We support you in that. Let's change definitions so that you and your artists can continue to work and perform in Ontario. We'll certainly take that back to the appropriate ministry so that they hear these ideas and these suggestions.

I want to shift gears a little bit to Patrick. We can't neglect our very important infrastructure that is undergound.

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

**Ms. Mitzie Hunter:** One thing you said that was surprising to me was that you weren't seeing a shortage in labour. If you could just talk a little bit more about that, because my understanding is that we have a huge backlog in sewers and water main retrofitting that's needed in cities and towns and communities across the province. Why the drop in demand and what do you think needs to be done? I also have a question that I want to ask about women in your industry as well, so I'm going to come back to that if we have time. Go ahead.

**Mr. Patrick McManus:** The easy thing is—the demand for labour has sort of evened out because we've just seen a decline in the number of contracts being tabled this year. The big urban centres are keeping up with the work that they had—many of them, anyway—in their asset management plans. It's the small and medium-sized municipalities where we've seen contracts removed from the table, and as a result, we've been sort of making do with the number of workers that we had as opposed to that constant need and demand for more.

**Ms. Mitzie Hunter:** Right. This is pretty consistent with what we've heard in the municipality panel in terms of the small and medium municipalities having to change priorities and defer projects because they're dealing with

the pandemic, they're finding efficiencies, they're not allowed to carry deficits and things like that. So that, downstream, is affecting your industry.

1450

**Mr. Patrick McManus:** Certainly it is, especially those small and medium-sized enterprises. The big companies are in the big urban centres. The ones that are small regional players, the ones that operate in Chatham and Sarnia and Belleville, the ones that are centred there and work almost exclusively in those zones—those are the ones being impacted more so than the other ones that are centred in the big urban centres.

**Ms. Mitzie Hunter:** Thank you. Regarding women in your field, have you done much to recruit and to diversify in that space over the years? I know access to trades and all of that has been a big focus. What's happening there in that space?

**Mr. Patrick McManus:** Certainly. It's the biggest issue that we face now and in the decade moving forward. There are so many different sectors of the construction industry, and so many of our sectors have done poorly to promote the viability of careers.

In what we call the heavy civil construction trades, the ones that build roads, bridges, sewers, foundations, water mains, stormwater infrastructure, we self-fund an organization called the Ontario Construction Careers Alliance in order to do promotion to school children—

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

**Mr. David Piccini:** Thank you to all the presenters. My first question is for you, Patrick. I appreciate your presentation today, and I know my colleague Minister Calandra asked a number of good questions there. I'm going to go a little more macro to you.

I know you and I have spoken at length about the importance of our trades. A couple of questions: One, at a very macro level, talk to us about important steps government has taken and will continue to take to promote the trades to our next generation.

Secondly, in terms of infrastructure, where we can get local trades to work in local projects—I know the ICIP program, how the province has worked quickly to nominate our projects. The importance of shovel-ready projects: We know through these infrastructure streams a lot of projects are already shovel-ready but the streams are oversubscribed. How can we get shovels in the ground faster? And anything else you want to add.

Those are my two questions to you, Patrick, and then I've got another one for Amy.

**Mr. Patrick McManus:** Sure. From a trades-promotion standpoint, you can ask across the construction industry. We finally feel in the last couple of years that we're headed in the right direction. We've got this momentum. It seems like every time we take two steps forward, we take a step backwards. This year, unfortunately, it's the pandemic. But the trades-promotion piece, the recruitment piece, getting out there to children in elementary school and high school and even college and university students—we're actually seeing a much greater uptake on the idea of a career in the skilled trades, and not just your

standard skilled trades but the ones that we employ, which are ones you've never heard of before. There has been a really big push, and we feel like we are headed in the right direction on the skilled trades. It's been quite tremendous, and my colleagues across the construction industry would say the same thing.

In terms of the shovel-ready projects, I know a lot of big municipalities have been spending on getting projects designed and ready for market with the anticipation of 2021 and the reopening of the market. There is a hope, especially in the—I've heard from a lot of small and medium-sized municipalities that they need that federal infrastructure money in order to get their existing planned capital works project out there. There are a lot of projects on the shelf, ready to go. You have to look outside those big urban centres and get out to those rural municipalities. Even something as simple as a small water main replacement or small road-paving projects—those projects are ready and they're ready to go; they're just waiting on that federal infrastructure money to trickle down.

**The Chair (Mr. Amarjot Sandhu):** Unmute, please.

**Mr. David Piccini:** Thanks for unmuting me, Chair. If you could just keep me unmuted. Thanks.

My next question is to Amy. Amy, thanks for your presentation. I know just down the highway a bit, to the west of you, is the riding I represent. So I appreciate your remarks today, and I wanted to ask you a bit about infrastructure and specifically broadband infrastructure. To really look at any sort of digital piece, you've got to have the broadband backbone. I know EORN has been working, and the province quickly committed to the Cell Gap Project. You winced when I said "EORN," so if you could speak about what your feelings are on that project, and other work we can do.

Obviously, the province launched the ICON project. Amy, do you support an immediate ask that many of your colleagues, including your local member, have put to the federal government to ask that they front-end the \$1.7 billion now? I mean, if not now, then when? Would you join us in that? Any other comments you want to make about broadband?

**Ms. Amy Kirkland:** I'm just going to make a quick comment. EORN: We've been waiting for so long and they've been on the file for quite some time, so we need to quit the delays.

I'm just going to give a quick example. I don't know if you know where the Opinicon is, but they own Shopify and they were quickly able to get Fibe in an area of Westport, which is a very rural area. To be able to gain that momentum that quickly made me start to question why we can't have that when Seeleys Bay and Lyndhurst, where you can't get any Internet, is only about a 10-minute drive away from there.

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

**Ms. Amy Kirkland:** I think those are just a little bit of my concerns with EORN. Maybe we need to start looking at the way that Opinicon got Fibe so quickly.

But do I support the government with the federal money? They need to do it. We can't delay on it. It has to happen now. No more delays.

I can say that our MP has heard my cries and has heard my frustration, because I see a lot of good, hard-working mom-and-pop shops up in the northern communities, and if they don't get the proper infrastructure, they're going to be decimated. It's pushing people out of the community and into the cities.

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

**Mr. David Piccini:** Thanks, Amy. Well said. I appreciate all the comments from all the presenters today. Thank you very much. No further questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. That concludes our time. Thank you to all three presenters for your time and for your presentations.

## BINGEMANS

### EXPLORE WATERLOO REGION

#### PIONEER CRAFTSMEN LTD.

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters, first I would like to call upon Bingemans. If you could please state your name for the record, and you can get right into the presentation. Unmute, please.

**Mr. Mark Bingeman:** There we go. Everyone can hear me? Thank you.

It's Mark Bingeman. I'm the president of Bingemans in Kitchener, Ontario. Chair and members, thank you for the opportunity to speak with you about the extreme need for financial support for the tourism and hospitality sector. There are certainly many subcategories in the tourism and hospitality component, so in the time allowance permitted, I would like to focus on the areas of water parks, and meeting and event facilities.

In terms of water parks, we have approximately 25 to 30 facilities that cover the gamut across the entire province. When the phased approach to reopening was announced, water parks were slated for opening in phase 3 of the plan. At this time, the water park industry was told to submit their reopening plan so that they could be reviewed en masse and be in the queue for when the time comes. Then, as of recent, it was announced that facilities that want to be considered for opening needed to submit plans via an online portal, which all the parks did after their initial submittals a month prior. Now, water parks are being told in a mass email that consideration would only happen after all regions were in stage 3, which has occurred.

For seasonal water parks which have approximate operating days per season of 90 days, our season is now non-existent as, even if we were to open in the next week or two, it would be impossible to generate revenues to reach any level of profitability. To this date, there has still been no communication from the province to the industry.

Support for the industry is required along the two following lines: There should be direct reimbursement for all of the opening costs that the parks incurred with the expectation of being allowed to open. This should include but not be limited to the cost of opening pools and

attractions, repairs that are required to open, the chemicals used in purchases, staffing costs, training costs, uniforms, marketing preparation, inspection fees and so on.

#### 1500

The second level of support should be in terms of these facilities, because these facilities have lost, if not 100%, close to this, of their ability to drive revenues. Really, they need to have their fixed expenses covered. There should also be financial support for all of these fixed expenses for the facilities that will be able to take them through up until June of 2021, assuming that we will have a June 2021 season. This should include but not be limited to property taxes, utility expenses, leases of equipment, items of mortgage and rent that they couldn't pick up and others.

The province needs to understand that how it has handled this situation has substantially inappropriately branded this industry as unsafe, which in the current environment has damaged the industry's reputation with consumers. Keeping in mind that these parks sell their season's passes for next year in this fall and winter season to garner cash flow to assist in the off-season, this will not be possible at this time.

In terms of meetings and event facilities, this sector of convention centres, banquet halls, events facilities and hotel meeting spaces have seen and are all still at over 90% revenue loss since mid-March. Although there is now an allowance for 50 people per building, this is per building and not per room. In my case alone here at Bingemans, with our facilities, we would normally have over 3,000 people in our rooms at different times. Now we can only have 200, which is 50 per building that we have. Even though we could allow for social distancing for up to 300 people in one of our larger rooms, we're only allowed 50.

As the sector looks toward its busy fall season and Christmas, we have the realization that there will be very few, if any, social events, meetings and, clearly, Christmas parties, which are the catering Super Bowl. These facilities will likely continue at an 80% to 90% loss of revenues for the remainder of this year and well into over half of next year. At this level of revenue loss, how do you expect them to survive? You can all conceive of the effects that this would have over various distributors, local vendors and the staffing of chefs, culinary staff, banquet waiters, bartenders, housemen, cleaners and all of the thousands that we employ in this industry.

Support for this industry is required along the following two lines: There should be a financial support for all fixed expenses—

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

**Mr. Mark Bingeman:** —for the facilities that take them through June 2021, and that may not be long enough. But this should include and not be limited to, as I mentioned previously, property taxes, utilities, leases of equipment, mortgage and rent items, and others.

On the federal side—certainly these are federal programs—the declining wage subsidy needs to be held to the maximum level for a much longer period of time, well into 2021 or until bookings return to sustainable levels. Immediate allowance to collect the rent subsidies directly

through the programs that exist would enable 100% of those funds to be directed to the landlords. The rent subsidy program has been acknowledged to not have the proper pickup, and hundreds, if not thousands, of firms are in dire need for this support in order for their survival. Certainly we are one of those.

Bingemans, for those of you who may not be aware, has been in operation for over 80 years within the Waterloo region. We're diversified in the hospitality industry, with convention, meeting spaces, water parks, restaurants, camping, off-premise catering and more. At peak, we can employ over 500 people working in our business outlets, while providing a significant financial impact, benefitting our regional economy. We execute well over 3,500 events, serving over half a million guests just in this events category. As an example, one event in particular brings over \$10 million in annual economic spin-off to our region.

Our firm is certainly one that is currently at 90% or more revenue loss from normal. Even in aggregate of all of our operations, we certainly do not see any end in sight to this catastrophic loss of revenue generation. We are no different, quite honestly, than hundreds of other firms in our different sectors out there that need—

**The Chair (Mr. Amarjot Sandhu):** Thank you. I apologize to cut you off. Your time has come up.

We'll have to move to our next presenter now, Explore Waterloo Region. If you can please state your name for the record, and you can get into your presentation.

**Ms. Minto Schneider:** Thank you. My name is Minto Schneider. I'm the CEO at Waterloo Regional Tourism. Thank you for the opportunity to present on the direct impact to the tourism industry, which is largely made up of small and medium-sized businesses, and what it is facing from the COVID-19 response.

Tourism was the first industry to be hit by COVID and the shutdown and will be feeling the effects for longer than most industries. Announcements of permanent closures will likely continue through 2021. As the destination marketing organization, or DMO, for Waterloo region, we represent 2,493 tourism-related businesses that provide jobs for over 24,000 people—at least, that was the number before March 1 of this year. Despite the increase in the number of workers returning to work between May and June, the tourism sector has more than double the number of laid-off workers than the second-hardest-hit industry in Ontario, and that's retail. Waterloo region's unemployment rate jumped to 5.5% in July as the number of people working fell by almost 6,000.

The traditional mandate of a destination marketing organization is to attract visitors from outside of our communities to visit and spend money. COVID-19 has reversed this marketing approach. We've shifted our focus to our local residents. We know that the very fabric of our community, the basis on which people decide where they will study, raise a family, accept a job or open a business, depends on the vibrancy of our destination. That means we must ensure that the things that make our community a great place to live, visit and do business survive. The

financial sustainability of restaurants, attractions, arts and culture, festivals and events all depend on the support of residents and visitors. We need to motivate locals to support small businesses to keep them in business and provide jobs.

While we appreciate the efforts of the province and municipalities to expedite permits and licencing for expanded restaurant patios in early summer, which allowed increased capacity, the patio season will be coming to an end in a matter of weeks. As we head into the fall season, many attractions will be struggling to stay afloat, having had limited ability to generate revenues throughout the summer, much like our previous speaker described.

No one wants to see a second wave of COVID-19. The safety of employees and visitors is of the utmost importance to our operators. Having said that, what we need to see is more transparency from provincial authorities when determining when and how businesses are allowed to open. Operators need this information in order to plan whether they should prepare to open or decide to forgo the 2020 season.

Communication with industry operators has been non-existent. When plans for reopening have been submitted, there has been no response, as Mr. Bingeman mentioned. There are inconsistencies in the interpretation of public health guidelines across the province. Why are beaches open, but not water parks? Why are museums allowed more than 50 people indoors, but not attractions? It seems that with timed ticketing and proper social distancing, there should be allowances. We think facilities both in hotels and conference centres should be allowed to host larger groups indoors if they're able to socially distance and show that they're able to provide safe access to washrooms and other shared areas.

The summer season has essentially been lost for many operators. All are operating at reduced capacity and are facing financial hardship in the coming months. As everyone prepares to move indoors for the fall and winter, it's even more critical that operators have as much information as possible in a timely manner so that we can make visitors feel safe indoors. We need businesses to survive and we need Ontarians to travel within the province.

My recommendations on behalf of our industry in Waterloo region are that:

(1) We're asking for an extension on the severance activation delay for tourism and hospitality workers. We recognize the need for workers to be able to access their severance payout and are committed to finding a solution that works for industry workers, but does not bankrupt sectors of the tourism industry.

(2) Commercial rent relief has not been—

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

**Ms. Minto Schneider:** Many landlords are reluctant to work with tenants to apply for relief. The ongoing challenges will see more businesses closing and forfeiting [inaudible] space. We need help here now.

(3) To assist and ensure the safety of guests and staff, we need financial aid and grants for tourism businesses that require infrastructure upgrades and/or operating cost

support to be in compliance with all new health and safety protocols.

(4) We need government-guaranteed small business loans for the tourism and hospitality sector for recovery stages.

**1510**

(5) We need provincial collaboration for the federal Canadian Emergency Wage Subsidy so this could be scaled and continued into the recovery phase at least until June 2021.

(6) Create a tax incentive or a credit for Ontarians to travel within Ontario through a \$2,000 tax credit per household for provincial travel in 2020 and 2021.

(7) Development of a provincially funded special events development fund to support the growth of events in Ontario, perhaps by increasing the investment in the Celebrate Ontario program.

(8) Visitors need assurances that when they book a trip, they will either be able to take it or be refunded if travel restrictions prevent them travelling. Develop a refund or rebooking insurance policy coordinated with federal authorities for operators of tourism attractions.

Help us get people and business back to work as soon as possible. Thank you very much for your time today.

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

Our next presenter is Pioneer Craftsmen Ltd. If you can please state your name for the record and get right into your presentation.

**Mr. Jamie Adam:** Great. Good afternoon, Chair and members of the committee. I'm appreciative of the opportunity to speak with you today. My name is Jamie Adam, and I'm president of Pioneer Craftsmen, my home renovation company based in Waterloo region.

I'd like to start by sharing just a little bit about Pioneer. We're proud to be a third-generation and family-owned design, build and renovation company, and we're committed to helping homeowners make their renovation visions a reality. Throughout our 65-plus years, we have delivered thousands of projects to our clients. We currently have a team of 24 designers, project managers, lead carpenters and four apprentices, and we work with nearly 100 specialty subcontractors.

My profession is really rewarding, but being a professional renovation contractor has its own unique challenges, and COVID-19 has certainly had a pronounced impact on our sector. At Pioneer, we worked hard to stay ahead of the curve when it came to protecting our staff, suppliers and our clients. Early on, we implemented enhanced safety and sanitation measures to ensure that our sites remained clean and healthy. This was not easy, given that working in occupied spaces is very different from working in a traditional construction site. Ensuring our staff felt safe to work was critical, as was working one-on-one with our clients to adjust schedules and work flow so they too would feel comfortable.

With construction largely suspended in the month of April, that is really where we saw our business take the first and biggest impact financially. With the immediate suspension of work, one of my biggest worries was

obviously the well-being of our staff. They're more like family. We've done our best to support them through this difficult time and rather than lay anyone off, we decided to pull together and contribute back to our community. Our team built numerous items which we sold and donated all the proceeds to our three local hospitals—pre-cut birdhouses for 80 grade 2 students to assemble at home during their distanced learning—and we completed many hours of professional development in an effort to make sure that we kept our team engaged and together.

I want to acknowledge the government's hard work throughout the pandemic to designate residential construction as an essential service. Now, with additional health and sanitation measures, every single one of our staff has returned to their regular duties.

We've seen the level of business and productivity drop sharply. Many families are delaying or holding off on planned renovations, and it's causing a steep decline in the number of projects compared to a normal year.

Moving forward, I feel that the biggest challenge will be spurring economic activity, but this also presents us with an important economic opportunity to come back better. I know we can work safely, re-energize our economy and support our businesses that create jobs and economic growth. It won't be an easy challenge, but I know we can meet that and I'm convinced that our sector can be an economic catalyst for Ontario.

In a good year, the residential renovation sector accounts for some \$34 billion in investment activity in Ontario. It's equivalent to about 4% of the provincial economy and it supports 312,000 jobs across the province. While this year has had significant challenges, we can see that there's some positive hope for the future as well. For instance, COVID-19 has shown us that there will be an increased demand in home office renovations and secondary suite additions. With more people working from home over the long term and aging parents seeking to live close by with their children, or even those who wish to have a little extra income with a secondary suite, we expect to see an increase in demand for these types of renovations.

One of the ways the government can encourage jobs and economic recovery in the renovation sector is to support renovation investment through a consumer-focused rebate. This isn't a new proposal. In fact, immediately following the 2008-09 financial crisis, the home renovation tax credit was a key component of Prime Minister Harper's federal economic action plan. The HRTC proved to be very successful, with over three million Canadians participating.

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

**Mr. Jamie Adam:** A CRA press release in 2011 stated that the Harper government's one-year HRTC pumped \$4.3 billion in renovation investment into the economy at a time when the recession would have reduced investment.

HRTC is a win for consumers. By requiring homeowners to have receipts to back up their claims, the federal government dealt a major setback to the underground cash operators. Consumers intending to take advantage of the home reno tax credit required proper documentation when

they hired a renovator. This also resulted in increased government revenues as legitimate tax-paying contractors gained business that would have otherwise been lost to tax-evaders.

During the original HRTC 10-plus years ago, the conversation that I would have with my clients was kind of like this: “Jamie, if I pay cash, how much less will you do it for?” to “Jamie, this renovation will qualify for the home renovation tax credit, right?” This was a huge shift for our business.

A provincial HRTC could be implemented quickly as part of the recovery strategy. It’s not a complicated program. What are some of the benefits?

(1) It reduces homeowner liability and risk by utilizing legitimate businesses with appropriate credentials, certifications and licences.

(2) It ensures renovations have appropriate permits and inspections, and that they’re built to the Ontario building code.

(3) It improves the health and safety of the construction workers, as those employed in underground renovation projects may not be properly trained or equipped to complete their tasks.

(4) It reduces the cost of home ownership by increasing older homes’ energy efficiency, reducing hydro bills and heating bills.

(5) It addresses climate change by improving energy efficiency and reducing greenhouse gas emissions for Ontario’s existing housing stock. Over 75% of homes in Ontario were built prior to 2005.

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

**Mr. Jamie Adam:** Those homes are 50% less efficient than a new homes built today.

(6) It would improve opportunities for apprentices to find meaningful employment with legitimate employers offering professional development and education, to help close that skilled trades gap. As a business owner, I have a responsibility to ensure we have an adequate supply of skilled trades for the future. We know that in the years to come, our industry will need thousands of new workers.

Finally, jobs created by the renovation sector aren’t just concentrated in a few jurisdictions, but rather, they’re spread across the entire province. Like all businesses in Ontario, we’re faced with additional costs, which we’re happy to carry because it allows us to continue with our passion. We’re all in this together, and when we all play by the same rules, we can build a strong Ontario. But we need to ensure affordability for homeowners, and an HRTC will do that.

Thank you for having me join you today. I look forward to your questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We’ll start with the questions now, and we’ll start this round of questions with the independent members. Who wants to go first? MPP Coteau, please go ahead. Unmute, please. Yes, we can hear you now.

**Mr. Michael Coteau:** Can you hear me?

**The Chair (Mr. Amarjot Sandhu):** Yes.

**Mr. Michael Coteau:** Okay. Sorry about that. I just hear something in the background; I don’t know what it is. Can you hear me fine?

**The Chair (Mr. Amarjot Sandhu):** We hear some disturbance in the background, yes.

**Mr. Michael Coteau:** Okay, let me—can you go to someone else and then come back to me? Is that okay?

**The Chair (Mr. Amarjot Sandhu):** Sure.

**Mr. Michael Coteau:** Okay.

**The Chair (Mr. Amarjot Sandhu):** Do any other independent members want to ask a question?

I think there’s no one else. Okay, please go ahead, MPP Coteau.

**Mr. Michael Coteau:** Okay. Thank you so much. I think that’s better.

Thank you so much for the presentations. I really appreciate it. They were very insightful.

I just have a question for Mark. You talked about compensation coming back to folks within your sector, and you talked about property taxes. You also talked about the concept of some of the decisions by government or policies put in place or at least communications—you said something about an unsafe industry, that it created the impression of an unsafe industry. Can you tell me a bit about the compensation for property taxes, and if I heard you right, that you think government should be compensating businesses for property taxes, and explain why—and also, the unsafe industry term you used.

1520

**Mr. Mark Bingeman:** Certainly. I think across the board—if I use the water parks, for example; I can use that for both, but you can use part of that for the event business as well. On the water park side, when the industry is told it’s going to be allowed to open in phase 3 and then it’s not able to open, and not being able to communicate why; when we’ve submitted—I don’t know how many, about five or six times—opening documents to get comments, and no one is communicating back to industry what their opening plan is, whether they were good, whether they weren’t good, how could you do those things, it just makes it very challenging. So what’s happened is these parks have no revenue. They have no income to pay any of their fixed fees.

**Mr. Michael Coteau:** Right, thank you so much. Are you saying that the messaging that came from government was just hold, hold, hold until phase 3, and then we would open up the sector, and you’re saying that that didn’t happen?

In addition to that, I’ve noticed that—it was about a week ago—there was a \$1.5-million recovery fund for the tourism sector that was put out, which seems like a small amount of money to actually help the industry recover. I’m sure you pay that in taxes probably over the course of a season alone. Did you find that the provincial government’s response was not adequate, and are you critical of their actual response directly?

**Mr. Mark Bingeman:** I think there have been a lot of good things that have happened, but a lot of things have fallen through the cracks, and this is clearly one of them.

When industry has been told that you're going to be able to open—listen, the water park industry is very tight-knit. We all know each other. Over the last many months, we've been talking every week. So when we talk to our MPPs and we're told it's coming, we're told it's coming; we talk to other people within government who say, "Yes, it's coming, it's coming. Make sure you submit your safety plans," all these things are through the Ministry of Tourism, through the different committees, them lobbying and talking about it—it just makes it very challenging. All of these operators spent hundreds of thousands, if not even more money, with the anticipation of being able to open. So we've spent money that we can't even recoup. There's the challenge.

And when it comes to the issue of making it seem like we're unsafe, for sure some of the comments that come out—when the Premier himself says it's unsafe or with different other ministers talking about, "It's not safe to open," we have to be sensitive to the environment that our consumers are in, because we've scared them to be so deathly afraid of going out that clearly, it's really branded the water parks, and I will say the dry parks as well, as unsafe locations.

**Mr. Michael Coteau:** So you were obviously financially hit by COVID, but also, in the lack of communications or the misguided communications that came forward, you actually went out there as a sector, spent millions of dollars—it's almost like you're hit twice, because it would have been easier just to take a step back, call it a closed season and not make that investment. We're talking about money spent to make sure the water is running properly and it's clean and extra PPE spending, those types of things. It's a shame.

**Mr. Mark Bingeman:** Yes, to that, for sure. The challenge—

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

**Mr. Mark Bingeman:** Listen, if that was the intent of the government—and even now, they haven't actually said that we can't open; they just say we can't open—it would have been far better in April or May to just tell the industry, "You know what? We're not going to allow you to open for the season." We would not have liked to have heard that then either, but at least everyone was waiting and not spending money until we knew we were going to open. Once the commentary came from government that we would be allowed to open in phase 3, that's when every single park spent those funds.

So yes, it is a double hit for us because we've spent money that, quite honestly, we don't have. We've gone into further debt now. I'll use Calypso, for example, in the Ottawa area. That's all they have, is a water park. How are they to pay any of their property taxes? How are they to pay their base utility fees of not even being open? How are they to do all these things? We're all in the very same boat.

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

**Mr. Michael Coteau:** Thank you.

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

**Hon. Paul Calandra:** Thank you very much. I appreciate it. Jamie, just a quick question to you: The home renovation tax credit was a very effective tool back in 2008 and 2009. I know governments across the board were very supportive of that action, the only challenge being, of course, that that was strictly an economic crisis, whereas this is both a massive economic crisis and a health care crisis. But I still think that it's a very attractive consideration for your industry.

Now, I'm hearing a lot that there are runs on lumber. The cost of lumber has increased and the cost of products has really increased. What would be your industry's ability to undertake what would come through on a—if the home renovation tax credit was brought forward for this crisis and was as successful as it was for the economic crisis in 2008, would you be able to keep up with the potential demand, given the fact that we've seen such an increase in costs related to the building industry, just through the first few months of the crisis?

**Mr. Jamie Adam:** Thank you—great question. I think the home renovation tax credit is not going to spur immediate investment by homeowners. It's still going to take a long time to plan renovations. Where we're experiencing some material shortages, such as pressure-treated materials and some of our framing materials, and some others—I also received an e-mail from our window suppliers, talking about supply chain issues; I think that some of those will be softened in the months ahead, in the next six months or so, which I think is when some of the big impact of the home renovation tax credit would start to play out. Obviously, the point to the home renovation tax credit is to start to spur more economic activity so that people can get out and start to enjoy water parks and tourist attractions in time, right? So certainly I don't think that the material shortages that we're experiencing right now—I think our industry can slowly work through those shortages and we can get back on track.

**Hon. Paul Calandra:** The one in 2008-09 was a time-limited one. I'm wondering, any thoughts on this? I guess it's hard to say, given that we don't know how long the health care crisis part of this is going to last. But any thoughts on what would provide an immediate boost and for how long?

**Mr. Jamie Adam:** Obviously, we're thinking about it and talking about it here at the provincial level, and I think if we were looking at it for a minimum of one year, that would certainly be preferred, even if it's just a rebate of the provincial portion of the HST. When you take a look back just a few years ago, before we had the harmonized sales tax, now we have the harmonized sales tax, and that has certainly increased the cost of renovations to homeowners, by about 2% to 3% on average. If we were able to eliminate that permanently, that would certainly be a good boost for our economy. But I think there are all sorts of ways of rolling this out as well. It can be all across the board immediately and for a one-year time, and it could maybe transition into something that is then helping to improve our environment and is more targeted towards healthy living and energy efficiency renovations. There

are all sorts of ways, and I think our industry would love to be a part of developing that.

**Hon. Paul Calandra:** Thanks for that. For Explore Waterloo, you're funded through the region? Is that how your organization is funded, or is it funded through business contributions? I'm just wondering how your funding mechanism is.

**Ms. Minto Schneider:** We are an incorporated not-for-profit. Some of our funding does come from the region and some from the municipalities and townships. Primarily, we're funded by the municipal accommodation tax.

**Hon. Paul Calandra:** Okay. Celebrate Ontario, part of the problem that we have—I think that everybody is having, whether it's municipalities, the province, the federal government—is we don't know when this will be over, unlike when you're dealing with a strictly financial crisis. You know when it started and you know that you want to fight your way out of it and you can do that. But I guess part of the thing is that there are two things that you mentioned: Celebrate Ontario, and then a refund program for people who might be booking tours this year, in anticipation that we might be open next year. Because that's something that I think we would have to work on not only in Ontario but across Canada, I'm wondering what the traction has been with other provinces on something like this and with the federal government.

1530

**Ms. Minto Schneider:** It's something that the Tourism Industry Association of Canada has taken to the federal government as a suggestion as well. So you're right: I think it needs to be taken across the country.

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

**Ms. Minto Schneider:** The challenge, as Mr. Bingeman mentioned earlier, is that water parks and other attractions have tried to sell packages or seasons passes upfront to try to get some income in. The problem is, people are reluctant to do that if they don't know if they're going to be able to use those tickets in the future. If we can figure out an insurance program, much like tour operators offer, it would be very helpful for attractions as well as restaurants.

**Hon. Paul Calandra:** Okay. Look, I'd like to get to Mr. Bingeman; I think you have some real, big issues, but I don't think 30 seconds gives me—

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

**Hon. Paul Calandra:** Yes, it doesn't give me enough time. Hopefully, in the second round, we'll get to you. Thanks.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go the opposition side now for their first round. MPP Lindo.

**Ms. Laura Mae Lindo:** Thank you to all of you that provided us with some very awesome presentations, some of you doing it for the second, maybe even third time. I feel like it's important to note that there is a Waterloo region takeover happening right now, because that's where we're all from. So yes—a shout-out.

I want to focus on two separate things and I have questions for all of you over the course of the two rounds

of questions. Part of the role of this committee is to make sure that we plan better in terms of the potential for a second wave, should anything like this happen again. What we keep hearing, not just in the small and medium enterprise sector but in all of the sectors that folks have come and presented from, is that there has been a lack of transparency from government, which has turned into an inability to plan ahead. I understand there's a pandemic, so we've got to take that into account, but we need that transparency so we can plan better.

In the case of you, Mr. Bingeman, putting out money, thinking that you were able to open, has been one of those examples of where the lack of transparency has become problematic. What I'm also hearing from small and medium-sized businesses is that throughout this pandemic, they've not known whether or not they should put money out, should they invest in certain things, because plans could change or the system that gets put in place could change at the drop of a hat.

I'm wondering if you can just spend a bit of time—we'll start with Mark—just saying why the transparent communication of the strategy that we're going to use to address the public health crisis is so important if our goal is to stimulate the economy, either locally or provincially.

**Mr. Mark Bingeman:** I'll do my best to answer that. I would say that in business, when we have boots on the ground, we are moving at lightning speed. We have to make momentous decisions, whether they're financial, whether they're physical decisions, quite honestly, within split seconds. There are things that normally, of course, would take several months, if not a year, to prep for. Now, all of a sudden, we have to turn on a dime, and we're moving very fast.

Unfortunately, and with all due respect—there are other factors there, which we understand, from a government side. I think many things have been done both provincially and federally that normally would take longer, but it's just not fast enough. Everyone has to move at the speed of business. I think our chamber of commerce always talks about that, and it's really—we have to move because of survival. It's not just ourselves but everybody, no matter how large they are, in business. They have to make key decisions quickly and decisively, and if they make the wrong decisions, it's going to cost them financially. In normal circumstances—or previous circumstances, I should say—they could ride that out. Now, quite honestly, our industry, the hospitality and tourism sector—we are beyond fumes.

We are doing things, saying, “How is that going to look?” For example, we're looking at next year. Dealing with all of our bankers, trying to show—we can't show positive cash flow. What's 2021 going to look like for all of us as businesses? We're trying to assess: “Okay, we can pivot. How can we be more outdoor? How can we do more, say, river experiences? How can we do more of these things?” Well, guess what? Those pivots are possible, but they take funds. If I can't pay my mortgage, if I can't pay my rents, if I can't pay the leases on my trucks right now, how can I even have some money and capital

injection to do those things to put us in a better shape? Quite honestly, you're very right, but this is going to affect our industry for years. We're already behind the eight ball significantly. How are we going to be able to make that change? That's the challenge that we have.

**Ms. Laura Mae Lindo:** Thank you so much for that.

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

**Ms. Laura Mae Lindo:** Minto, I was going to ask you pretty much the same backdrop of a question, but because part of who you've been advocating for every time you've come here has been the small and medium-sized enterprises—we're also hearing that without streamlined public health requirements, there's so much confusion in the way that some of those requirements are being interpreted that businesses don't know whether they should open or not. They don't know what the risk is. Could you speak a little bit more about that and the need for that consistency?

**Ms. Minto Schneider:** Yes, you're absolutely right. That has been part of the challenge, the interpretation of what the public health guidelines are. Restaurateurs aren't exactly sure of how they should operate. Everyone wants to actually do more than what the public health guidelines suggest so they can make sure everyone is safe. That has been a challenge, that some of the guidelines aren't clear and specific enough as to what needs to be done.

**Ms. Laura Mae Lindo:** Chair, could you tell me how much time we have?

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

**Ms. Laura Mae Lindo:** One minute. In this last minute, I'm going to run it over to you, Jamie. I don't know if you want to jump in and speak to either of those two. There will be another round of questions for us.

**The Chair (Mr. Amarjot Sandhu):** There will be a second round, yes.

**Mr. Jamie Adam:** Okay. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll move to the government side now for their second round. MPP Babikian.

**Mr. Aris Babikian:** Thank you, first of all, to all our witnesses for your input, your on-the-ground experience, because it is with the type of input and advice that we get from these kinds of hearings that we will be able to move forward as a government, as a society and as a business industry to best manage this crisis that we are facing. Probably you will agree with me that this crisis is an unprecedented crisis. It is not only Ontario or Canada that are struggling with it, but the entire world is struggling. Comparing where Ontario is today with other jurisdictions, we are doing much better than other jurisdictions.

There are many factors in this whole crisis. It is not only an economic issue. It is not only a planning issue. It is not only a transparency issue or a consistency issue. It is something on which, as a government, we are obliged to take the advice of the health experts, the command table, and move on. No one can predict what will happen next: tomorrow, the next week, the next month. That's why some of the issues raised in this discussion are issues that should be taken under consideration.

We understand the difficulties that you are facing, Mark, Minto and others. This is something we have to take

under consideration and probably—my question is, we are doing our best and we will try to help you, but you also have to consider the unpredictable projection that this pandemic is going. If anyone wants to respond to my comments or statement, and then I will go to my next question.

**Ms. Minto Schneider:** We completely understand—I think I can speak for Jamie and Mark—that this is an unprecedented situation globally. But what we are asking for is a little further notice about when things could open. For example, when restaurants were able to open, we were getting notice on Thursday that they could open on Saturday. We need more notice than that so that people can staff up and make sure that they've got the right amount of supplies, both in the kitchen and as far as safety equipment is concerned, in order to open their doors. Nobody wants to stay closed when they have the ability to make revenue.

1540

**The Chair (Mr. Amarjot Sandhu):** Further questions? Unmute, please.

**Mr. Aris Babikian:** —after then, Mark, you can answer my two questions together.

The other issue that kept repeating itself today, by you and the previous witnesses, is the tenant rent subsidy between the tenants and the landlords. We know that this issue is not only within the jurisdiction of the provincial government. It's not only Ontario. The same thing is happening in other provinces. It is something that the federal government needs to come to the table on, this issue. We know there is a difficulty. I personally face this issue on a daily basis in my riding. Even the landlord, when I tried to reach out to him, refused to take my phone—he didn't want to discuss the issue with me. So unless the federal government comes to the table and brings some modification, we will not be able to act on this issue on our own as a province. I was wondering if any of you had the opportunity to raise those concerns with the federal counterparts and what their response was about this program.

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

**Mr. Mark Bingeman:** I'll answer both of those, and the previous one as well. But just on the rent issue: Listen, our federal representatives—I don't know how many more times I can message the same item. Certainly, we're doing it locally through our region through an advocacy group called BEST Waterloo Region, which is the chambers of commerce, Communitech, as well as all of our economic developments, saying the same thing.

The response we're getting is they're really non-committal. I'll be honest. It's the same type of responses we get when we try to ask, "Hey, we've submitted to the province some opening plans or variances that we're looking for, for our operations," but nobody is communicating to us. Unfortunately, no one's communicating back.

Certainly, we're in that same rent situation. I can think of dozens of others in our region that, for different reasons, don't qualify for that item.

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

**Mr. Mark Bingeman:** Back to your point: We fully respect the health issues. We want everybody to be safe. But at the end of the day, as I just said, when we're trying to communicate, submitting our plans, submitting our plans—we've got six different plans that we've submitted over the past month and we haven't heard anything back. And yet, we're told there's a 10-day turnaround. There's just no communication to us. That's what makes it challenging.

If we're going to beat this economically, we have to beat it together, because otherwise, quite honestly, there's going to be nobody left. If that's the direction of the province, to wait until everybody dies so that—bad choice of words—for the businesses to fail, then sure, the longer you wait, the more businesses will fail, the less you'll have to spend. But that will have a consequence as well.

**Mr. Aris Babikian:** Well, I can assure you that the province is concerned with every single business, regardless of how big or how small or how medium they are. We will do our best to stand shoulder to shoulder with them.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll move to the opposition side now for their second round. MPP Lindo?

**Ms. Laura Mae Lindo:** I'm going to start off the second round with you, Jamie. Actually, it was really neat when you were talking about the pivots that you made. You gave the example of the birdhouses. We know that schools are going to be opening up. They're probably going to be looking for more innovative solutions for some of the kids that are going to be at home, for instance.

What we heard earlier in the day at the start of the hearing was that a lot of small and medium-sized businesses need direct investments. I keep thinking if we had more direct investment for small and medium-sized businesses, then more innovations like the ones that you're talking about could actually happen. I'm just wondering how you feel about that idea. It's brand new, hot off the presses. If you could just give me your thoughts on that.

**Mr. Jamie Adam:** Absolutely. I think it's a great idea that certainly merits some research, and I think there are many businesses out there in Ontario right now that are certainly requiring direct investment so that they can pivot. Without a doubt, the renovation industry, because we were deemed an essential service, were able to carry on and we were able to have some form of revenue still come in, unlike some of the others in this Zoom meeting today.

I think that it's obviously going to take some unique and different programs for different industries. When you take a look at my industry, the renovation industry, I know that one of the best ways to combat the underground economy is by levelling the playing field. If we can level the playing field by making people want to work with an above-board renovation contractor because they will now get a tax rebate on their renovation, we can make it more affordable and we can make it more difficult for the underground economy to flourish. When we do that, we fill the government coffers and we have some opportunities to help out other businesses that require more immediate or direct investment.

**Ms. Laura Mae Lindo:** Thank you so much for that.

My next question is for Mark. One of the things that you've brought up, and you've brought it up before, is that some of your spaces are large enough for you to physically distance, but because of the way that they are classified by government, you're not able to make use of that and be innovative in the way you are using that space. You gave the example today of the event spaces and the fact that you would be able to accommodate more people safely. I'm wondering if you can speak a little bit about that, because we've talked about the need for more consistency in public health guidelines, but we also need to be a little bit more flexible around the kinds of businesses that we're talking about within the sector. If you could just give us a little bit of time to talk about that, that would be great.

**Mr. Mark Bingeman:** Sure. I can certainly speak to that based on a sector approach, because I'm not alone in this. There are many hotels that have large meeting spaces that have square footage. There are lots of convention centres. You have the Metro Toronto Convention Centre, for example: As of right now, according to the province, the Metro Toronto Convention Centre should only be doing events of 50 people in that building, and obviously God only knows how many thousands that building holds. Whether it's the Burlington Convention Centre, the Hamilton Convention Centre or all the different banquet halls that have square footage of 10,000 square feet to 20,000 or 50,000 square feet, they're only permitted 50 people.

When we look at what's happening, there have obviously been allowances for the court buildings to operate, so there can be more people in their spaces. Look, it's simplistic: It didn't take the government very long to allow movie theatres to go from 50 people in their building to 50 people per theatre, once again, still ensuring social distancing.

I think that the real key, quite honestly, is—

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

**Mr. Mark Bingeman:** —the allowances provided for ceremonies. For example, one of our rooms holds 1,800 people. If somebody wanted to have a wedding ceremony or a funeral, they could have, say, 300, 400 or whatever a third of that is—30%. We could fill that to 30% and still operate under the guidelines, but we can't do our regular day-to-day business. So there are some dichotomies that just don't make sense that need to be addressed, and there are businesses that can function well at a higher capacity to generate revenue, but also serve their business clientele as well.

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

**Mr. Ian Arthur:** Thank you so much for coming in, or Zooming in, today. Mark and Minto, I kind of want to summarize a little bit about what you're asking for, to be able to look forward and adapt for when things change for your industry. I think the point that patios are shortly going to close and that we're going to need to move more of these things inside, into indoor spaces, is just a reality of Canadian falls and winters.

You're asking for, I guess, pre-laid plans, or for the government to come to you with what it will look like for

when you have the opportunity to open again, because then you can actually be prepared: You're not scrambling at the last minute; there's no cutting corners. That sounds entirely reasonable.

1550

Things moved so rapidly in the beginning it was hard to react quickly. But we are in this new reality right now. We have a little bit of time getting those plans in front of you—even a couple of different scenarios. “Okay, we're able to go with scenario 1 or scenario 2, and this is what your spaces need to look like.” The plans are going to need to be individualized to each space, and that's going to take a lot of time for you to be able to organize—

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

**Mr. Ian Arthur:** Oh, I'm sorry. I used—

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

We'll move to the independent members now for their second round. MPP Coteau.

**Mr. Michael Coteau:** Mark, I want to just go back to the tourism industry and what's happening. What you're saying sounds very reasonable, in regard to understanding what's next and really laying down the plan and sharing it and working with the industry to actually get to the best place possible. Where do you think the disconnect is between government and your industry at this point? Because it sounds like you've spoken to the bureaucrats. I've seen the minister out there talking to folks. Where is this disconnect between where you feel you should be and what the government is actually doing? Where is the problem, from your perspective?

**Mr. Mark Bingeman:** Thanks for the question. I really don't know. I really wish I could give you a concise, summarized answer, but I just don't know. There are so many people to talk to. There are so many different avenues. Working through our health department—our health unit in Waterloo region is frustrated as well because they're in agreement with many of the things that we've been proposing, but once again, they don't have the authority to open things up. They can close them, if they see a problem or challenges.

Minto may be able to chime in on that. I know, from an industry standpoint—TIAO and throughout Ontario in various groups—either they're incredibly overwhelmed or not grasping what's really going on. I personally believe that people don't understand what's going on on the ground. There's a total—you put it right—disconnect.

I don't know if Minto wants chime in on that.

**Mr. Michael Coteau:** I think, unless MPP Hunter has a question, I'm going to continue. Is that okay, Mitzie? Yes? Do you have a question?

**Ms. Mitzie Hunter:** It was actually exactly the question—

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

**Ms. Mitzie Hunter:** Thank you, Chair. It was exactly the question that you asked of Mark, MPP Coteau. I've been listening and trying to see what is missing. Is it safety? It's not space, as you're saying; you've got the space for social distancing. The drive parks—I was just at

the zoo on Saturday. Not everything is open for everyone, but they seem to have the freedom to make decisions based on safety guidelines for the best interests of their patrons. Because nobody wants an outbreak that points to your industry or to your location.

My question, really, is exactly what MPP Coteau has expressed, in terms of what is the disconnect and what can be done. It's very unfortunate that the investments were made, due to a lack of communication early on to yourself and others in the industry, and that you've put yourselves further in debt and are not able to recover it during the season for the summer of 2020. I think that's very unfortunate, and I'm sure that there are impacts on yourselves as operators, but also in terms of the staff and the employees as well.

**Mr. Mark Bingeman:** To your comment on safety, again, we don't know. Our firm operates in many different areas: the water park areas, the large meetings and convention areas, the catering areas. All of those sectors are communicating incredibly well, not only on an Ontario basis but on a Canada-wide basis and an international basis. We're taking things that we're seeing happening in Europe or in Asia and assessing that in what we're doing. It's very frustrating for all the industries when we see the beaches open and are struggling with such a time—with the overcrowding and all the different items. Something tells me—again, I have not been to the beach so I can't say this, but are there hand-sanitizing stations all throughout that area? I don't know. These are things that we can control, because all of us operate controlled environments. You hit it on the head. My industry counterparts—we talk about it all the time.

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

**Mr. Mark Bingeman:** We want to operate and we need to operate, but there's no question, nobody wants to be that location that operates and there's an outbreak or something negative is linked back to that. We're seeing that rapidly. Again, I really wish I had an answer for you, but we are baffled.

**Ms. Mitzie Hunter:** Well, let's hope that this opportunity here to present and perhaps even written submissions from other members can help with that, as long as the public health officers have given their view and their opinion and the facilities are meeting all of the standards—*Failure of sound system.*

**The Chair (Mr. Amarjot Sandhu):** MPP Hunter? I think we lost her.

We still have a minute. MPP Coteau?

**Mr. Michael Coteau:** I'll finish off. I just want to say thank you again to everyone who presented today. We can't afford to lose the tourism sector here in the province of Ontario. As one of the largest employers of young people and one of the largest employers in general, I think it's about 5% or 6% of the GDP of the entire province. You've got so much to contribute. We'll keep working, and I hope this message that you've brought today will be taken back to the decision-makers and we can figure out what that disconnect is and build from there. Thank you so much for your presentation.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. Thank you to all three presenters for your time. We appreciate your presentations. Thank you.

ARDRA BIO INC.  
OTTAWA SPECIAL EVENTS

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters. Our first presenter for our 4 p.m. slot has cancelled, so we will have only two presenters for 4 p.m.

First, I would like to start with Ardra Bio Inc. If you could please state your name for the record, and you will have seven minutes for your presentation.

**Dr. Pratish Gawand:** My name is Pratish Gawand.

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

**Dr. Pratish Gawand:** Hi, everyone. My name is Pratish. I'm the CEO of Ardra, and thank you for giving me the opportunity to share my thoughts and feedback around government initiatives to support start-ups such as Ardra during COVID-19.

I will start with a brief introduction to my company and then move on to our operations during COVID. At Ardra, we are a start-up. We are a biotechnology start-up and what we do is, we make natural ingredients that go into the food and cosmetic industry using biotechnology. We have been around for five years. We are a small company, and we are still in the development phase. We are not yet selling our ingredients, but we are still scaling up our processes and hope to bring these products to market by the end of this year.

We are a small team. We are two full-time employees and two contractors, and we work closely with the University of Toronto and Lambton College, Sarnia. We are in fact a start-up from the University of Toronto. All our operations are based in Toronto in the MaRS building and we operate from the JLABS facility in MaRS.

So to get into a little more detail on what we do: There is a big challenge with the supply of natural ingredients, especially in the food sector. Many of these natural ingredients are sourced from botanical raw materials. Everyone might have heard of what happened to the vanilla market. The price point of natural ingredients is very high. We do not necessarily produce all-natural ingredients solely within our own country, so we have to import them. The supply of these ingredients can be highly unreliable and unstable, and then there are challenges such as quality that is not up to the mark.

So at Ardra, we make these ingredients using fermentation, using biotechnology, and we produce these ingredients at lower cost, stable supply and consistent quality. We make sure that these ingredients are available for food manufacturers within the country, and we are targeting mainly on flavours and cosmetic ingredients.

As I mentioned, we are still a start-up; we are not yet at production. What we have done so far is we have developed a technology and scaled it up through what we call a pilot scale, where we have been able to produce small

samples and sell it to our customers, but we are looking to bring our process all the way to commercial scale by the end of this year, when we'll start making revenues through actually selling our products.

**1600**

Before the pandemic, our company was doing four major operations. We were fundraising to bring our first product to market. For that we were raising \$1.5 million as equity financing, and that would allow us to bring our first product to market. We did have some revenues that we were making by providing biotechnology-based services to companies in Toronto and the nearby area. Our revenues were around \$100,000 last year, and this year, we were projecting to make revenues of around \$200,000. We were looking to expand our team by hiring two more full-time employees this year, and we were looking to launch our first product in the market by December.

When the pandemic hit, our business was definitely hit quite hard. The major impact on our business was, first of all, it hampered our development. We had to stop all our operations that were going towards R&D, so we could not make any additional progress towards bringing our product to market. Our fundraising efforts mainly stopped because the investors that we were in conversation with did not want to invest in companies; they were more concerned about taking care of their own portfolio companies. Our revenues dropped because our clients' operations had stopped, and then we were left with a runway of around six months with no incoming cash.

The major challenges we faced at Ardra were managing the cash flow to meet the runway and to demonstrate our progress, difficulty in completing the financing round, as well as challenges toward getting new customers and service revenue.

We did get access to some government support and that really helped. There were three programs that we accessed. One was the Canada Emergency Business Account, which was a \$40,000 interest-free loan. The second was the NRC IRAP Innovation Assistance Program, which helped us retain our employees and paid for 80% of their salaries. As well, we took a temporary wage subsidy for employment payroll reduction, which was 10% of the payroll reductions that we paid monthly. So between these three programs, we accessed around \$60,000 in support.

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

**Dr. Pratish Gawand:** This support was really helpful for us. It was timely because we were almost in existential crisis, and we did want support, which we could not get from anywhere else. We thought access to the support was easy enough. We applied for CEBA, and within a day, we got our funds. It helped our business retain employees, and how we were able to leverage it was that by retaining employees, we continued our operations and we were able to get additional revenues by engaging our customers.

There were a few challenges that we thought—number one, we found it a little challenging to access funding for capital. I say this because, given the company we were, we definitely had expertise around making products such as disinfectants, but we did not have the equipment to make

that, and there was no way that we had access to capital or we could have used our own capital to divert our funds into purchasing equipment to make such products and keep our business going.

Our company is a start-up; our revenues are sporadic. That was a bit of a challenge for us because a lot of criteria involved revenue reduction and we could not very clearly demonstrate how our revenues dropped. In fact, in some months, we had a higher revenue as compared to last year, despite the fact that our overall annual revenues had dropped. That was a bit of a challenge for us.

And then, again, managing the cash flow—

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

**Dr. Pratish Gawand:** Sorry, is the time up?

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

**Dr. Pratish Gawand:** Okay. My last point was the cash flow. Though programs such as IRAP were helpful, for start-ups, it is always helpful to get funding upfront. Programs which reimburse can be a little challenging for start-ups such as ours because that makes managing the cash flow a little challenging.

With that, overall, we think the government support was really helpful. It helped our business keep going through the pandemic, and it was also able to help our business thrive a little more. With that, I'll wrap up my talk, and I'm happy to answer any questions.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. We'll move to our next presenter, Ottawa Special Events. If you could please state your name for the record, and you can get right into your presentation.

**Mr. Michael Wood:** My name is Michael Wood. Good afternoon, members of the Standing Committee on Finance and Economic Affairs. Firstly, I'd like to thank the government for quick actions on the front side of the pandemic. I'd like to thank all the MPPs and provincial ministers who have met with me and others and helped us work through solutions and demonstrated leadership during a time of crisis.

Before I start my message, I want to put on the public record that Minister Sarkaria and his team have been nothing but accommodating, driven to assist, empathetic and helpful. This is especially true when it comes to his senior policy adviser and his manager of operations, Sukhman Sangha.

My objective today is simple: It's to let the government know many small businesses are still struggling and many more are just not going to make it. Being in business for 10 years, we've seen ups and downs, which we prepare for. My business, Ottawa Special Events, rents stages, speakers, lighting, tents, tables and chairs, and for most part, we're a little seasonal. I plan for that, though; as business owners, we all plan for that. While we understand why we were shut down and appreciate that it had to be done, I, like many others, could not have planned for this.

My business partner, Peter Gilroy, and I own a small business that before the pandemic was very successful. Overnight, due to restrictions imposed to fight COVID-19, our business income was reduced to zero, yet our loan

obligations, supplier obligations, rent and overhead have continued to this day. We saw our revenue drop by 97% in three days. I've invested an enormous amount of time in obtaining deferrals for many of the business obligations that we have. To this day, the majority of my time is spent trying to negotiate with vendors that want to be paid and clients who are looking to cancel or rebook for the future, which right now is completely uncertain.

I also saw no choice but to become a leader for small business. I've been hosting round tables with other Ontario business stakeholders, ministers, MPPs and federal MPs. You will hear from some of my peers in the coming days and you will find that all of our stories are very similar regarding the crisis we're all in.

I have five points to present to you today. The first: rent abatement. While the current program is currently spearheaded by the federal government, the province is a key player. Some businesses and industries will not be able to make rent in September, October, November, December, or even into 2021. Some landlords have made deferral payments with tenants that would see small business owners paying April, May and June rents during these months. The problem is revenues have not returned to pay the current months, let alone the deferred payments. The fact that landlords were essentially given a 50% grant with the opportunity to opt out is simply not acceptable. They are bankrupting small business. Regardless of whether we all see this as short-sighted on their part, it is what's happening.

My recommendation to the committee is we have to continue negotiations with the federal government to keep the CECRA program available for small business owners and put it on a sliding scale so that the most amount of funding that's available goes to who needs it the most. We need to stop giving the landlords the option to opt out. It wasn't right.

Secondly, I'd like to discuss no-fault bankruptcies. The province needs to put a mechanism in place where people are not found to be at fault for bankruptcies. Their decisions did not bankrupt their companies. If someone has not lost their entire livelihood, I understand that this is a difficult concept to understand. You can be empathetic; however, living this way would be almost impossible for you to completely grasp. It has been six months with zero to limited revenue for most. Small business owners have personal guarantees on loans, even under a corporation. There needs to be protection in place from the government. We cannot afford to lose our homes and our assets from loans taken out pre-COVID-19.

On that note, it's now virtually impossible to receive any loans from banks or credit unions. So I'm going to ask you, what do we do next? By not providing protection, this could see banks owning neighbourhoods of Ontario and people financially ruined for a minimum of seven years or the rest of their lives by no fault of their own. The government has to step in and also protect people's credit ratings.

My recommendation is that the federal and provincial governments need to step in and take on the personal

guarantees that small business owners had to sign or, at the very least, put a moratorium on demand letters and banks calling in loans. Let's not all forget, they themselves received a bailout in 2008 estimated at \$114 billion.

Number three: the insurance companies. The fact that insurance companies were allowed to forfeit their business interruption responsibility was a complete blow to small business owners. So many people have paid tens of thousands of dollars to come to the realization that they would not be covered.

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

**Mr. Michel Wood:** I know this is not the first time you've heard this, and the insurance companies' argument is that the renewals won't be affordable moving forward. Again, the shutdown was government-mandated, and there has to be a reasonable degree of responsibility on the provincial government's part to force insurance companies to pay out small business owners. In fact, I asked our insurance company to refund our payments for small business interruption and I was flat-out denied. My recommendation is that the provincial government needs to hold insurance companies accountable.

1610

Layoff extensions: While we are aware that the Ministry of Labour has extended layoff extensions to 16 weeks, more time is required for businesses at an insufficient revenue to rehire people.

Lastly, my question is for government policy-makers: Why is it that stores like Costco and other box stores have forgone counting the number of people coming into the stores; however, vulnerable sectors will face suffocating restrictions? Restaurants are facing a maximum of 50 people inside. Funerals and weddings, typically attended by close family and friends, are still restricted. While I completely understand the reasons for this, the same regulations do not apply that are crushing small businesses in your communities that you live in and the very communities that voted you in.

I'll conclude with this, since I'm running out of time: While the government has demonstrated great leadership under Premier Ford, we are now at the starting point when it comes to saving small business.

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

**Mr. Michael Wood:** The government has done a great job trying to protect the citizens of this province and their health. It's now time to protect the health of Ontario's small businesses. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll start with the questions now, and we'll start the first set of questions with the opposition: MPP Harden.

**Mr. Joel Harden:** Thank you very much, Chair. It's nice to see you again.

Michael, it's good to see you here this afternoon. Thank you so much for being with us.

**Mr. Michael Wood:** Thank you for having me.

**Mr. Joel Harden:** Look, you've got to invite me to one of your round tables, my friend. I haven't been to those. I was excited to hear about those. Let me know about the next one.

**Mr. Michael Wood:** I'd love to have you there.

**Mr. Joel Harden:** Okay, thanks very much. Look, what you said hit home. All of the businesses, including yours, in Ottawa Centre have been ringing us apoplectic. I was wondering if you could just elaborate a little bit on the kind of collaboration you want to see between the federal and provincial governments on making sure that landlords aren't given the ability to opt out. I've heard this same complaint from so many small operators in the sector, that their landlord just didn't opt in to any relief and therefore they're left out in the lurch, having to pay months of rent that they can't afford, with very few patrons. I wonder if you can just elaborate on the kind of plan that you'd like to see, given what you've seen in other countries and what you've seen elsewhere in the country.

**Mr. Michael Wood:** Thank you very much for your question, MPP Harden. I will preface my answer with this: I am one of the very, very few fortunate people or businesses in that my landlord participated from the first day that it was available. For that, I thank them. We would not have survived if our landlord had not participated. Coming up this week or next, you're going to have somebody from Ottawa that's going to testify saying that the fact that their landlord could opt out bankrupted them. Straight up, they closed their doors because of this.

What we need to do is we need to have a policy in place—I understand there's contract law; I'm not oblivious to this—where the federal government and the provincial government need to look at everything on a sliding scale, and we have to create a situation where they cannot opt out. If we go back to the automotive bailout of 2009, this was to save the supply chain. The idea was that GM and Chrysler got this money to save the dealerships, the parts, the garages, the gas stations—everybody, all these jobs. I believe in my heart that this is what the federal and provincial government had in mind: Let's save the small business supply chain. I just don't think that we saw the head of the supply chain saying thanks but no thanks.

The 25% is not unreasonable. They're saying that they're losing 25%. Well, from my position, I've lost 100% of my revenue, not just 25%.

**Mr. Joel Harden:** It's chilling when I hear you say that, Michael, because your organization has a major role to play in our city, which is the city of festivals, the city of major events. Your sector is one that has been on my mind a lot.

You also mentioned insurance companies. The province has a role to play in regulating insurance companies. You mentioned in your particular case that you weren't able to get any relief with having some of your payments rebated. What are the specific asks that you have for my colleagues in government to help you with insurance relief that would help so many other small operators?

**Mr. Michael Wood:** Sure, absolutely. Thanks again for this question, because this is extremely important. We've been paying business interruption insurance, and again, I try to look at everything through a large lens. I understand that business interruption insurance, in theory, is put in place for the three buildings that burn down a day

in Ontario, or whatever number that would be, and those businesses within them that are halted or interrupted. I understand that we're not talking about three businesses on fire; we're talking about every business on fire in Ontario right now. I can understand that.

But when I do my math, and I look at my insurance costs running me \$48,000 last year to operate my business and multiply that by 10 years, that's \$480,000. I'm sure that the government can turn around and have some—because, at the end of the day, this is not all taxpayers that should be on the hook for this. I can appreciate that as well, too—I'm a taxpayer—but when I put financial money into something like an insurance company, it's not realistic for them to throw their arms in the air and say, “Well, we're not liable.”

**Mr. Joel Harden:** If I'm reading you correctly, Michael, it's as if you're saying, “So many small and medium-sized operators are having to take a massive haircut. How can we make sure that our friends in the insurance companies, which currently haven't taken any major hits”—a lot of those monthly and weekly payments are still flowing to them. Is that what you're saying? How can the government, through FSCO, through other related organizations, compel that?”

**Mr. Michael Wood:** Well, that's just it. Again, I understand contract law, I understand force majeure, but I do believe that during an unprecedented time in history—200 years from now, they are going to look back at 2020 and say, “Look at the economic ruin that the world was in.” We're not talking about Canada and North America; we're talking about the world. I think that the insurance companies have an obligation, and that the government does have an obligation to pressure them to at least pay out a portion—

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

**Mr. Michael Wood:** —of the business interruption insurance that was collected.

**Mr. Joel Harden:** Chair, I'm sorry. I didn't hear you. How much time?

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

**Mr. Joel Harden:** Thank you very much, Chair.

So last but not least, Michael, an opportunity for you now: Please take this minute to elaborate on anything you would like to press, particularly given that you're an Ottawa person, just like me, and Ottawa has unique needs. Over to you.

**Mr. Michael Wood:** Sure. The one thing that I will say is that I did approach my insurance company to, at the very least, refund my business interruption insurance premiums that I paid, in lieu of not paying any of the policy, and I was flat-out denied.

I'm going to ask one more time that the provincial government does look at the rent program, that we co-operate. It has been refreshing to see the provincial and federal government, of two different stripes, getting along, trying to do this for the business owners. We do need something for the rent program, we do need bankruptcy protection for those that are about to go under, and we do need insurance help.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll move to the independent members now. MPP Hunter.

**Ms. Mitzie Hunter:** Thank you, Chair, and thanks so much to the presenters.

Mike, I wonder if you can continue to talk about things that you see as important for business continuity. We don't want to see businesses disappear. You talk about how bankruptcy is a concern. You brought out the passion of small businesses in terms of how this is personal. For small businesses, it is personal. Some backstop their businesses with their homes, or it's really their income for their family.

Can you talk about what measures you believe would help to really buffer that for small businesses, so we don't see them disappear? We actually want our small businesses to survive this and to move on, to continue to grow and keep our Main Streets as vibrant as they always have. This recession, unlike in 2008-09, is a Main Street recession. It is hitting us in that area. Can you talk about some of the measures that you believe will help with that?

**Mr. Michael Wood:** Perfect. Thank you so much for your question. I will respectfully interject: I'm not an economist, but the word “recession”—my biggest concern right now is that we're heading towards something much worse than a recession. I think we're heading towards a depression, something unlike we've ever seen.

**1620**

One of the things—because for my opening remarks, I tried to keep it within that seven minutes. I did have a round table; I was invited to a round table with Minister McNaughton, and they were talking about the extension of the layoff rules from 13 weeks to 16 weeks. To give you a quick idea, I know there is a wage subsidy, and I understand that. However, when your payroll is \$90,000 a month, even if that was at 10%, I don't have \$9,000 in revenue coming in to hire my entire staff back. So my concern is, at some point there's a severance problem that's going to come in there and I'm going to have to start paying severance, or small businesses will have to start paying severance, to people for permanently laying them off.

I have other concerns surrounding WSIB. If people are all going to work from home and somebody trips over their laundry basket that they left out during work hours or if they fall down the stairs, are small businesses responsible for this? Obviously I don't want to see anything happen to anybody, but these are real things.

The other thing, too, is, by mandating that everybody work from home, my question is, what happens to the sandwich vendors in the corporate towers downtown? What happens to the dry cleaners? What happens to the people working in the cafeterias or to the parking lot attendants?

I get that we all have to do our part, but I think that before we can just put a blanket—because that's what I believe happened. I believe there was a one-size-fits-all solution that covered all of these problems very quickly, and I appreciate it more than I perhaps sound today, because everybody was moving at the speed of light. But

the thing is, now that we've got a chance to sit back and reflect on this, we all have to look back and say, "Okay, so we've done X, Y and Z. Let's reset this. Let's re-evaluate this and find other things that we're going to have to do to sustain"—because you're 100% right. Everybody is in a tough spot.

MPP Harden is from Ottawa. He knows it gets cold here. My next question is, what happens to all of these restaurant patios in Ottawa come October? With only 50 people inside—when I went to Costco the other day, there were 50 people in the bread aisle as I was trying to get through it. There's a disconnect there. I think we do have to re-evaluate some of these policies that have been put forward.

**Ms. Mitzie Hunter:** Right. And in doing so, one of the things that we don't want to see is another wave and to go back to what we experienced in March where we went under such an extreme lockdown.

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

**Ms. Mitzie Hunter:** I think that no one wants to see that.

**Mr. Michael Wood:** Yes, 100%.

**Ms. Mitzie Hunter:** But I really appreciate what you're saying. I believe it would be better for us in terms of the economic recovery to act before these businesses disappear altogether and even before that word that you said around depression, where the economic downturn takes a hold. We actually want to see jobs recovered and businesses continuing to be able to meet their obligations. That recovery requires small businesses to be thriving and to be healthy.

We heard this morning that having some sort of a fund, a low-cost loan fund, to help businesses with liquidity and cash flow would be something that could be helpful for some business owners, just making sure that they have access to the capital that they need. What are your thoughts on that?

**Mr. Michael Wood:** Well, I hear the word "loan" again. I appreciate that people are trying to access capital, because the banks and the credit unions, truthfully, have stopped issuing money. The BCAP program that was put together by the federal government and the Business Development Bank of Canada is a disaster. I actually met with the government relations team for BDC to have that exact conversation. If you speak with the chartered banks and the credit unions, they're going to tell you the same thing.

So, yes, I think that funding is necessary. Whether the loan is forgivable? I think it would have to be. A lot of the loans that are still being put forward have personal guarantees attached. I don't think you can ask small businesses and small business owners to have another personal guarantee attached to something. And the thing that is the million-dollar question—

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

**Mr. Michael Wood:** No problem.

**The Chair (Mr. Amarjot Sandhu):** We'll move to the government side now for their first round. MPP Piccini.

**Mr. David Piccini:** Thank you to all of the presenters today for your presentations and for the work you're doing. We greatly appreciate your time.

My first question is to Pratish. Pratish, I was just reading up a bit about you before. Congratulations on the accolades received from the University of Toronto on the work you're doing.

Pratish, if I could give you just a bit of time to talk about—obviously, the provincial government has stepped up on research and innovation funding, but I think there has been a real signal from the Premier that we can find a silver lining to COVID and really reposition the direction that we head in as a province. I see some of the innovative work you're doing in your field, and I'm just wondering if you had any recommendations. I'm PA for colleges and universities. We've invested in research and innovation in our universities. How do you think we can better position Ontario really to be a leader in terms of tomorrow's economy? I see the natural ingredients that you're doing in flavours, fragrances etc. If you could just speak a bit to that, that would be great.

**Dr. Pratish Gawand:** Thank you for your question. One of the things I would say is, there is a lot of support for research and innovation. I also mentioned that we partner up with universities and colleges to bring the technologies further, because these are the places where technologies are developed. But I do think that there is a bit of a gap where government can really help companies such as Ardra and other start-ups that are trying to translate that research into actual products and actual businesses. In fact, I think it would be really helpful for technology-intensive companies to become a little more independent of universities, because I just think that the objectives of universities and companies may not be fully aligned when it comes to business. Any support which can help companies become independent of research institutions and move that research into translation of products and that area—if there is additional funding available directly to companies, that can make a huge difference in translating the technology into real products and real services and can help our province, really.

**Mr. David Piccini:** Do you think we can be more competitive in terms of patents and IP in this province?

**Dr. Pratish Gawand:** I think so, yes. Whenever I go to round tables and conferences, I always mention that we are tremendous in terms of technology and innovation. We are equivalent to any other country, and our university system is great. It's just the part where we do not know how to exactly translate it very well, and that involves, of course, even protecting it. You have to worry about whether we have the infrastructure to enable these universities to translate those technologies—and I think, yes, patents are one part of that. We need to focus on building that infrastructure in terms of having the right path, having the right guidance towards patenting, as well as fundraising, having the right investors to help these companies and help universities translate that message, yes.

**Mr. David Piccini:** Thank you. You hit on a theme there, which I think is really important and speaks to eco-

conomic recovery and the direction the government is heading in, when you talked about supporting really leading to labour market outcomes and supporting incentivizing universities to really push that direction. I don't know if you're familiar, but our strategic mandate agreements, how we govern our funding for our institutions, are now shifting to a larger outcomes-based—would you support that direction, as we really incentivize outcomes and incentivize universities to work with leaders like yourself that really create jobs and lead to labour market outcomes?

**Dr. Pratish Gawand:** I'm not very aware of the nuances of what you just mentioned, but yes, I think universities need to be incentivized to support leadership that is geared towards taking a technology to translation and getting it into the labour market. Yes, absolutely.

**Mr. David Piccini:** Thank you very much for that. I think there are lots of exciting things happening on the colleges and universities file and appreciate your insight into that. Thank you very much. No further questions, Chair.

**The Chair (Mr. Amarjot Sandhu):** Thank you. We'll go to the independent members now, for their second round. Any questions from the independent members? MPP Hunter.

1630

**Ms. Mitzie Hunter:** I do just want to say to Pratish, the innovation that you're doing is very important and it's outstanding.

I don't necessarily see the relationship between the last question on the funding model changing for colleges and universities and how that's going to bear out, given the realities of the pandemic. Some of that funding is going to be tied to things like job outcomes for university and college students, which might be slower now that those types of jobs are going to be harder to come by. There's just a natural slowing down that has happened as a result of the economic recession that we're currently in. Perhaps the government should relook at some of those standards that they've set under different times and revise them so that our universities and our colleges don't suffer and lack much-needed funding support at a time when students are going to actually need more supports and more opportunities to get into the labour market in the midst of an economic recovery. So I would encourage that.

But, certainly, the work that you're doing and the innovation are something that we're very proud of and want to see more of and want to see how that can be scaled to get to more markets. Do you have any suggestions that you want to make in terms of how to grow and how to scale those types of initial start-ups?

**Dr. Pratish Gawand:** Absolutely. My insights towards bringing technology out of university—one of the things was direct support of start-ups, as I mentioned earlier. It would really help, making start-ups independent of other organizations, to let a start-up do what it wants to do, which is to both become a stable business as well as have a social impact. For instance, in our case, we are looking at a supply chain which affects our food industry. We believe that it is really socially important, even though we

may be a little further away from direct consumers. That sometimes gets lost. Direct support of start-ups would really help, and making them independent of other organizations would really help, in my opinion.

I also mentioned about infrastructure. Start-ups are so different. Our kind of technology takes much longer to get to the market. Understanding the nuances of how start-ups work and having programs that help different kinds of start-ups will really be helpful. There's no one rule that fits all start-ups. They're different, and knowing those nuances will help.

**Ms. Mitzie Hunter:** I actually think that during a recession is a really great opportunity for the government to invest in our young people so that they can start businesses, test their ideas. All of the skills that are learned are helpful, rather than not having opportunity. So to be able to create your own company, to envision your own ideas, bring teams together would be a worthwhile investment, don't you think, at this time?

**Dr. Pratish Gawand:** I agree. Yes, that's a very good point. I agree with that. Instead of subsidizing jobs, encourage people to create start-ups and make jobs. These are the kind of investments that will bring long-term dividends, because you're not just helping people keep their jobs, but we are helping people make jobs. These are the kind of investments that are going to multiply over a long time. So, definitely, yes, encouraging people, helping them make the leap, which is very challenging—

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

**Dr. Pratish Gawand:** To go from finishing up a graduate degree to starting a start-up is a big leap, and helping that [*inaudible*].

**Ms. Mitzie Hunter:** That's wonderful. I wish you all the best in all that you're doing. If you can make it during these times, you will make it for all times.

Michael, I saw you nod your head when it came to investing in young people to create their own companies. What were your thoughts on that?

**Mr. Michael Wood:** On top of owning Ottawa Special Events, I'm a part-time college professor at Algonquin College here in Ottawa. For the last 10 years, I have employed my former students, and they have gone on to work for me for seven years, eight years. I'm a big supporter of youth. I'm a big supporter of giving youth an opportunity. Yes, I'm in full support, 100%, for doing that. I've always applied for the student summer jobs program, to have as many students in as possible. In our industry, there was a discussion prior to this that we can't let the tourism industry die. My business is tourism. We do all the festivals. We do the Grey Cup. We do all these things that bring people to Ottawa. I feel that I play a significant role in giving youth those opportunities to participate and be involved.

**Ms. Mitzie Hunter:** Sadly, the season is now cancelled. I saw that today. That announcement was made for the CFL.

During those times when we're not doing things normally, we can use those times to create new businesses and new enterprises and take that energy and really

support young people. Thank you, Michael, for the work you're doing at the college and really helping the next generation, and Pratish, you're such a wonderful ambassador for your generation. Thank you for appearing before the finance committee today.

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

**Ms. Mitzie Hunter:** Okay. Thanks very much.

**The Chair (Mr. Amarjot Sandhu):** The time has come up. We'll go to the government side now for their second round. MPP Calandra.

**Hon. Paul Calandra:** Thank you very much for appearing. I appreciate that. Just quickly, Pratish: Your product is mostly, I'm assuming, for—is export what you're going for? What would be the balance between export and internal?

**Dr. Pratish Gawand:** Yes, we would love to support the local businesses. That's what our objective is. But there are bigger markets than local markets. So we want our distribution of products to be around 50% internal and 50% external.

**Hon. Paul Calandra:** Thanks. I'm just wondering through EDC, Export Development Canada—I haven't followed, but has there been any increase? I know during the recession of 2008-09, there were significant resources that were put into Export Development Canada for businesses such as yours, for ones that were starting up, that were opening up to new markets. To your knowledge, have there been any investments in that sector?

**Dr. Pratish Gawand:** Unfortunately, we could not access Export Development Canada support because we are still in development. We are still a start-up. We haven't started exporting our products, so it was inaccessible to us. Otherwise, we were considering approaching the bank, had we had exports of our products already in place. Unfortunately, we were not able to.

**Hon. Paul Calandra:** You're hitting the nail on the head. The dilemma and the challenges that we're facing between both you and Michael—the 2008 recession was an economic recession, whereas today we're in both an economic recession and we're in a health care crisis. So it was much easier to tailor programs back in 2008. In 2008-09, significant resources were given to the Business Development Bank of Canada and Export Development Canada to go outside of what they usually did, their comfort zones, to promote companies such as yours. That's not a criticism of the federal government. It's because they're also trying to deal with a financial and health care crisis.

Michael, I just wanted to ask you—you had brought up no-fault bankruptcies. I wonder if you could just expand on that a little bit. I want to know timings. I'm going to be specific on some of the questions, because a lot of people are asking for a lot of things. I understand that, given how nervous people are. But I would also like to know, how long? How long would we do something like this? If you could also touch on rent abatement: For how long do you perceive this need, going forward? How many months? I won't ask you the cost, because nobody knows. It would have to be something that's done nationwide. But do you have any sense of how long, in order to keep businesses on their feet?

1640

**Mr. Michael Wood:** Sure. So regarding rent abatement, I think we need to look at the next six to 12 months. I think that we're going to find—and listen, your question is going to be dependent on whether there is a second wave or not, too, right? Everybody is talking about a second wave coming through. This is not what any of us are hoping for, but if the government does have to lock us down again—understandably so, to protect the health of everybody—then that's going to change these numbers I'm going to propose to you as well. But I think that for the rent program, we have to look at six to 12 months.

For bankruptcy protection: Most companies, I think you'll notice, historically fail coming out of a recession as opposed to being in a recession, so I think we're looking at anywhere between six and 18 months that there's got to be some protection in place for business owners. I think most people realize that a lot of small business owners did not put themselves behind the cloak of a corporation. They've got transactions coming out of their personal account. Those people are in a really, really bad spot right now, whereas with corporations, yes, there are personal guarantees on loans; it doesn't totally affect you personally.

I do think these are all things we need to consider immediately.

**Hon. Paul Calandra:** And I think you mentioned—and if I'm wrong, just correct me—

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

**Hon. Paul Calandra:**—some frustration with the BDC, the Business Development Bank of Canada, and financial institutions and their lack of desire, for lack of a better word, to provide liquidity to some businesses. How would you improve that, recognizing that we still have to have a strong banking sector going forward? What are the types of changes that you're looking at, and again, for how long are we looking at?

**Mr. Michael Wood:** Thank you for your question. It's excellent. One of the things BDC did do was that their interest rates somehow went from 2.8% up to 4.55%. They were still asking for personal guarantees, so the federal government, for the BCAP, gave them \$10 billion between them and EDC, the scenario being that the chartered banks will sign, go through their adjudication process for 20% of that loan and give it to BDC.

Now I'm getting two different stories. One is from the vice-president at a chartered bank, saying that BDC is re-adjudicating. BDC is saying, "We are not re-adjudicating." There are always two sides to every story, as you know, sir, the problem being that the chartered banks don't want to put themselves fully at risk if the BDC is not going to come through and honour this agreement that they've signed with the client.

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

**Mr. Michael Wood:** Furthermore, I've heard from the chartered banks that there's nothing in place for the workers, for the employees, to put this towards their end-of-year goals. So in many ways, the chartered banks just said, "Well, if there's nothing in it for us at the end of the

day, we're not going to put our employees through this process." To me, it's not fair. It's not right. We need to all support each other. Whether we're a bank or a consumer going to a small business, we all have to help each other right now.

**Hon. Paul Calandra:** Okay. Thanks.

**Mr. Michael Wood:** Thank you.

**The Chair (Mr. Amarjot Sandhu):** We'll go to the opposition side now for their second round. MPP Harden.

**Mr. Joel Harden:** I just want to also begin, Mr. Gawand, by acknowledging your work, as MPP Hunter did. It is refreshing to know that a Canadian is trying to bring into the cosmetics industry a petroleum-free product.

I guess I'm asking you the question, given that you've broken new ground and you're trying to innovate in a decision that consumers want, and that this is obviously not a great time to be asking for massive public investment in anything that isn't urgent, immediate relief: How do we not forget about entrepreneurship in this moment? My colleague MPP Piccini talked about the university sector, but we know that a lot of innovation happens outside of the university sector, too. What is your advice to us, to this committee, about how we don't forget about entrepreneurship in this moment?

**Dr. Pratish Gawand:** Thank you for the question. I think the most important thing to not forget about entrepreneurs and small businesses is their nimbleness. These are the businesses that can move really quickly. Yes, innovation happens at big companies as well, but small companies are the ones that are going to bring the solutions faster.

This situation is also an unprecedented situation. We had to bring solutions that would immediately impact the current situation, and this is where small businesses are best equipped. I had mentioned in my presentation one of the examples: We are a biotech company. We make cosmetic ingredients. Given our expertise, we can also use the same expertise to not just make cosmetic ingredients but also disinfectants and also medicines. We have the capability to very quickly adapt ourselves to make these changes if we are given support. That's why I mentioned that if we had had a little bit of support, maybe we could have bought the right equipment and started making disinfectant instead of a flavour ingredient which was not of immediate importance.

We must not forget that these small companies do have the nimbleness and willingness to change, and we will do whatever it takes to survive as well. If the need of the hour is to make products that will help the situation immediately, we will make that, and I think small businesses and entrepreneurs are best suited to do that.

**Mr. Joel Harden:** I'm glad you read that into the record because it has been something that other organizations here in Ottawa have done, as Michael can also attest to. Many distilleries in Ottawa have done that. Many people have retrofitted on a dime without the heft of General Motors. We've been waiting for General Motors to deliver a lot more than they have. I know those talented manufacturers down there—the people on the floor, at

least—know how to do a lot. But certainly, what you're saying I take to heart, that if we allow entrepreneurs to play a role in the COVID response, it can actually help us tremendously.

Let's imagine a scenario. It's not one I want, Mr. Gawand, but let's imagine a scenario where our kids go back to school in three weeks, and we have, as was the case in Israel, another significant outbreak because class sizes are far too large—up to 30—and our schools are crying out for more sanitization products. Are you saying that your company is prepared—and I'm assuming, given the conferences that you give and your stature in the industry, you could network. Are you prepared to help the government to make sure we can ante up the supplies that we need? What's your vision around that?

**Dr. Pratish Gawand:** Absolutely, yes. What we are building is, again, not just technologies around single individual products. What we want to put our efforts into is developing platforms that will be used across different sectors. It's the same platform that allows us to make cosmetic ingredients, moisturizers. We're also using the same platform, for example, to make heme, which goes into plant-based burgers to provide flavours. It's the same platform that we are working on with another medical company, and we are making anti-viral drugs for them.

We need to recognize that these technology-intensive businesses have capabilities much beyond what they focus on. We focus on a particular business area because it probably makes immediate business sense to go after it, but that doesn't mean that we cannot do it in other sectors.

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

**Dr. Pratish Gawand:** Yes, absolutely, if the country needs our help, we will completely stop working on flavours, for example, and focus all of our attention on disinfectants, because that is what needs to be done.

**Mr. Joel Harden:** Well, Mr. Gawand, I think that says a lot about you, so thank you very much for that offer. I think that says a lot.

Michael, back over to you for the time we have left. I want you to reflect on something that I've already mentioned that's pressing. I've had a number of business organizations approach me in this town that are very, very worried about what's going to happen in this province three weeks from now to their organizations. A lot of business organizations have taken a huge hit because they didn't have patrons, and now they have reduced patrons. Now what we're dealing with is a situation in which we could have some significant public health challenges because of overcrowding in grades 4 to 8. As a business owner, having gone through what you have gone through, is this on your mind at all?

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

**Mr. Michael Wood:** Yes, absolutely. The last thing that business owners in Ontario—or in Canada, for that matter—need is a second wave. We've done all of our best to hunker down, do everything we can to protect ourselves. We followed the rules while big box stores were allowed to sell whatever they wanted throughout the time of the pandemic. Instead of roping off Walmart so that they

could sell only groceries and pharmacy, you could still go in and buy that new pair of shoes you probably didn't need right away. We went through. We protected ourselves. We protected the province and our citizens and our neighbours and our families, and all I know is that we cannot have a second wave or the impacts would be detrimental to our entire province and country.

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

**Mr. Joel Harden:** Thank you, Michael.

**The Chair (Mr. Amarjot Sandhu):** That concludes our time. Thank you to both the presenters for your time and for your presentations.

**Mr. Michael Wood:** Thank you.

1650

BEAST RESTAURANT  
QUALITY ENTERTAINMENT  
DISPATCH

**The Chair (Mr. Amarjot Sandhu):** Moving along to our next group of presenters, first, I would like to call upon Scott Vivian. If you could please state your name for the record, and you will have seven minutes for your presentation.

**Mr. Scott Vivian:** Hello. My name is Scott Vivian and I am the chef/owner of Beast Restaurant in Toronto.

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

**Mr. Scott Vivian:** Thank you for giving me the opportunity to speak. As you may have already heard and I'm sure you will continue to hear from the next few speakers, our industry is going through an extremely tough time right now. I will not state any statistics because I'm sure you guys have been privy to those, but I will let you know, from my personal experience, what I've been going through since the mandatory shutdown in March.

Again, obviously, it's tough times right now. Everybody's going through a really tough time. We're very appreciative of everything the government has done for us, but I feel like we haven't seen the worst of what is to happen yet for the restaurant and hospitality industry.

We are a very hard-working and resilient group of people, and I feel like a lot of pride gets in the way sometimes of asking for help. In the last 10 years that I've owned Beast, I've definitely had my up-and-down times, and I've done what I needed to do to make sure that my business can succeed in the current climate. This is the first time in 10 years that I've been left with no answers, really, trying to figure out how I can make my business better.

We closed our dining room at the exact time that we were instructed to in March. We took about a month and a half to figure out what we could do to continue as a new strategy for the business. We reopened the first week in May with a new concept of grocery and bottle shop once the sale of alcohol was allowed and a small part of takeout food. We did what we had to do to survive at the moment.

Once restrictions were lifted on patios, we [inaudible] completely dropped from grocery, and everything kind of reverted to patio and outdoor dining. We then immediately had to restructure our business, rethink the concept, open

the patio with physically distanced tables, did what we needed to do to keep our staff safe, keep our customers feeling safe while sitting on the patio, and have continued to operate as a grocery, takeout and now patio space.

Then once the restrictions were lifted for inside, we made the conscious decision, not feeling comfortable having customers—

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

**Mr. Scott Vivian:** Pardon me?

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

**Mr. Scott Vivian:** Okay. Having thought it over very thoroughly, we decided not to open our dining room indoors and continued to run as a patio space for the safety of our staff.

It's been tough. It's been tough economically. From speaking with our customers, there's no indication that they feel comfortable dining inside, and that's the struggle that I think we are facing now. As we're getting into the months where patios will slowly start to not be able to seat because of weather, we're left with the huge question of what we can do in our industry to make things work and, for the first time for myself in 10 years, looking to the government to help and see what can be done for us in order to allow us to maintain a business so that down the road we can continue to thrive.

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

**Mr. Scott Vivian:** Thank you very much.

**The Chair (Mr. Amarjot Sandhu):** Our next presenter is Quality Entertainment. If you can please state your name for the record, and you can get right into your presentation.

**Mr. Brian Henry:** Hello, my name is Brian Henry and I'm one of the owners of Quality Entertainment from Ottawa. Our full-time company provides DJs, sound systems, video equipment, photo booths, rental items and live music to weddings and events. I've had a passion for the DJ industry since I was 15 years old and I was a DJ for my school dances. At the age of 25, I started a full-time DJ company with my business partner, Scott Smith, and it has been a success, making it one of the largest in Canada.

Most think of the DJ business as a part-time one- or two-man operation. Our company provides services to more than 1,500 events per year. We have more than 30 DJs, 20 technicians, several full-time staff members and sales in excess of a million dollars. In the past, we have provided 35 DJs on a Saturday night for weddings in the local area. Over the past 25 years, we have contributed between \$2 million and \$3 million to the economy by collecting various forms of tax revenue and paying corporate tax. We have never had a line of credit in our company's history or asked for any government money. Now, with the pandemic, for the first time ever we rely on government programs to pay some of our bills. But the money doesn't come close to paying everything we have. Just as we were about to start our busy season, everything got shut down: \$500,000 worth of revenue was gone between mid-March and end of June, but the bills didn't disappear. We had to take the \$40,000 CEBA loan, and

now we owe that amount and it's not even the end of August.

Many of my industry friends are in a similar situation. Here in the Ottawa area, we have recently formed the Ottawa Gatineau Wedding Industry Association to create a single voice for the wedding companies affected by the pandemic. We all have the same concerns. The rent relief program will end soon and we are not close to returning to normal business. Couples have either cancelled or postponed their weddings to next year, creating new problems for our industry. For our company, we have very few weddings until the end of the year, and we don't expect conferences, conventions, trade shows, meetings or even Christmas parties to come back for a while. This means, when we get to January, we will be in our slow season until June 2021, with no chance to make any money. This means it will have been 14 months from the start of the pandemic in mid-March to June 2021. That's a long time to go paying the bills without significant revenue. This will have a huge impact on our industry for many years without financial assistance.

Many of our local wedding and event industry companies are family-owned, which means both parents rely on the income from their family businesses to pay their bills at work and at home. These wonderful people are still on the sidelines. They also have the stress of some clients demanding full refunds because the event never happened, when in fact the wedding and event companies have spent lots of money. From building their venue and making payments on it, to maintenance, to insurance, vehicle payments, expenses, condo fees, staffing, communications, PPE, training and equipment, these are just some of the expenses the wedding and event companies had to pay until now and must keep paying regardless of if they have clients or not.

Our industry has said loans will not be the answer to our problems. Let me explain why. Earlier, I said it will be approximately 14 months without significant revenue before we return to work. By then, wedding companies will have burned through all of the deposit money they have collected. They will not be able to get any new deposit money because, in most cases, all the weddings and events from this year have moved to next year, taking up all the available spots. So you can't book a new client and get in new money because the spot is already taken. When we get to the event or the wedding, we have to pay the staff and the equipment cost to produce the function, and we will not have any deposit money left to help with those costs. This results in doing weddings with no profit. How do you pay off loans when you are not making money? Even worse, the office staff and owners have to get some money to keep going, and this brings you into the negative. For an example, we have a DJ business and a DJ fee of \$800 for the wedding. We take out the deposit of \$400, which we will use this year to keep going and pay our expenses. That leaves us with \$400 for that wedding next year. The office member gets paid to coordinate the wedding and answer the phones and do those things. The DJ also gets paid. So out of that \$400 you have a DJ and an

office expense. There's nothing left. Where does the money come to pay off that loan?

Our industry is asking for financial assistance from the province, and your vocal support for more financial assistance from the federal government, based on our value to Ontario and to Canada. In our case, we collected and submitted HST and paid in corporate tax from our company almost \$200,000 last year. We consider this amount to be valuable to the province and the country, and we want some assistance to help us get back on our feet to generate this amount again every year that can go towards education and health care.

**1700**

Every company in the wedding industry is in a similar situation. However, saddling us with huge loans will not help our industry. I am very proud of our industry, especially the venues. The companies in the wedding industry have been affected by unhappy clients who can't have their weddings due to the restrictions and are taking it out on them. There have been confrontations, threats of lawsuits, negative press, mean social media posts and guest compliance issues, and yet they have to appear as if everything is fine.

Everyone is struggling in our industry, without an end in sight. In some cases, some wedding vendors have seen a decrease in revenue of up to 95% and an increase in expenses due to lawyer fees, PPE and a lot more.

Today, we also ask the province to provide better guidelines for its reopening. A large portion of the population in Ontario believe most companies have returned to normal because we are in stage 3, which is the final stage, because they are allowed to go shopping and camping and play golf and leave the province and go to a restaurant and take a vacation. But, in fact, our wedding and event industry is almost completely shut down because of the limitations on social gatherings, or the nervousness to even host an event, and we don't see our situation changing for a long time. This has led to heated exchanges with our own friends—

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

**Mr. Brian Henry:** —because except for wearing a mask, it's almost life as usual for them. But not for us. Remember back when you went to a gala, a wedding, a party? It was our companies that provided the chairs, the tables, the linen, the entertainment. We have to get back to that. The worst is coming and not because of the second wave; it's because some financial programs will end soon and there are no new ones coming to keep us all going.

Many of our companies have business interruption insurance, and like Mike Wood from Ottawa Special Events said, they are not paying out. We asked the province to take a look at this situation. It doesn't have to be an all-or-nothing payout when it comes to this type of insurance. We need the province to work with the insurance companies to maybe make some form of payment. That will help us. We have paid into it for years, and they are not helping us.

In closing, I want to thank the province of Ontario and everyone on this video call for their time and for this opportunity to speak on behalf of small to medium-sized

businesses on the impact it has had on the wedding and event industry. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you. Our next presenter is Dispatch. If you can please state your name for the record, and you will have seven minutes for your presentation.

**Ms. Tamara Jensen:** Hi, my name is Tamara Jensen. I'm here with my husband and business partner, Adam Hynam-Smith. Together, we own and operate Dispatch, an independent restaurant in downtown St. Catharines. At the urging of St. Catharines MPP Jennie Stevens, we're here today to tell you about how COVID-19 has affected businesses like ours, to provide some context for the dire prognosis of the restaurant industry, and to ask for help.

We opened Dispatch in March 2019 in a newly redeveloped building in downtown St. Catharines. There was considerable investment by ourselves and our landlord to create a special place in our neighbourhood. Six months after opening, we were recognized as one of Canada's top 10 best new restaurants by enRoute magazine. Although the first year of any business is difficult, things were on the upswing and we were excited to head into our second year.

We celebrated our first anniversary on March 13 of this year, but seeing the writing on the wall, we closed our doors the next day to help stop the spread of COVID-19. We were forced to lay off nine of our 11 employees. As a certified living-wage employer, we do not operate with a tipped minimum wage model. This means our team was in better shape than many of their peers to claim EI benefits on documented wages, but we are still sick over losing the people who were the core of our business.

We had an inventory of perishable food, so we started a contactless takeout program and donated meals to our local emergency room. Although we received support from our community, we didn't feel comfortable encouraging people to leave their homes, and so we ended our takeout program.

Those first few weeks are a blur of decision fatigue, guilt over losing our team, and just the uncertainty of everything. It was clear that this closure was going to continue and so we shifted our focus, developing a line of retail items and building an online shop where people could order for contactless delivery. We invested considerable sweat equity into building an entirely new business in a matter of six weeks. Again, we received support from our community, but it was not, and is not, enough to sustain the overheads of a brick-and-mortar restaurant.

Restaurants in Canada operate on razor-thin margins, with an average profit of 2.5%. It's a cash in, cash out business where each day pays for the next. There is no safety net of savings, especially [*inaudible*]. Our industry competes on price, and most establishments take full advantage of the exploitative tipped minimum wage structure to keep labour costs low. COVID-19 has shone a light on many of our industry's faults, and we continue to advocate for change on many fronts.

As Niagara entered phase 2 of reopening, we were able to build a patio in front of Dispatch, which of course meant

additional expenses and labour costs with permit applications, infrastructure and insurance. We strictly offer counter service for the patio, as the safety of our team and our community continues to be our top priority. We are at the mercy of the weather and feel the end of patio season looming with each passing week. Our guests do not feel comfortable dining inside. Now, in phase 3, we have the option to offer indoor dining. We made the very easy decision not to do so. We have watched our counterparts worldwide reopen only to experience a devastating second wave. Some of the world's leading restaurants are permanently shuttered, and experts predict that up to 85% of independent restaurants will close within a year.

We've spent countless hours consulting with and crying with our friends in this industry. It is not only our businesses and our livelihoods that we are mourning; it is the survival of our vendors and suppliers, farmers, producers, wineries, fisheries and much more. The supply chain of the restaurant industry goes far beyond this, and closures of this magnitude will affect everyone from linen companies to delivery drivers, cleaners and many other professional services whose bread and butter is our industry.

Restaurants are also the heart of our communities, working closely with arts and culture organizations, business groups and charities to keep our neighbourhoods vibrant. We're employers of some of Ontario's most vulnerable, who will no longer have an industry to turn to.

We've heard medical experts clearly and definitively attribute increases in cases to bars and restaurants reopening. We know that COVID-19 spreads through air and on surfaces. We also know that guests do not wear masks while eating and drinking. When drinking, inhibitions are lessened and physical distancing decreases. Hospitality environments are spreader events, and there's no way around that. This is why we are uniquely tasked with contact tracing.

There is a known inherent risk in our industry, and yet there is no support or acknowledgement of that danger. We are bracing for the inevitable as we watch restaurants in Ontario reopen. We see tourists from across the province flock to our neighbouring Niagara Falls, where physical distancing is not enforced and masks are not worn in crowds. Those tourists then visit our local wineries, retail shops and restaurants, and return home to their communities.

We've seen this play out across the world with dire consequences, and yet the message in Ontario is that we are open for business. This is irresponsible and it puts hospitality workers on the front line of infection and spread—hospitality workers, who are among the lowest-paid employees in our country and rarely receive medical benefits. Our high-stress industry is already plagued with inequity, long hours, substance abuse and unhealthy work environments. Piling on the risk of contracting and spreading a deadly virus for the sake of reopening our economy is absolutely irresponsible.

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

**Ms. Tamara Jensen:** For children coming to school, much attention has been paid to the potential for spread

between students, teachers and school staff. What hasn't been discussed is where the parents of those students work. The hospitality and tourism sector in Ontario accounts for 3.8% of the provincial GDP, generates \$22 billion in sales and is a major employer. With hospitality establishments being key avenues of spread, we're only worsening the problem and increasing the chances of a second wave.

We are grateful for the relief that we have received. Without the wage subsidy and rent relief programs, we would not be able to operate. We received the \$40,000 emergency loan, which quickly went to overheads. We are here to ask for help. Specifically for brick-and-mortar restaurants and the hospitality businesses, the \$40,000 emergency loan must be treated as a forgivable grant in its entirety. The commercial rent relief program needs to be extended and compulsory for as long as there are restricted measures—

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

We'll start with the questions. I'm going to start the first set of questions with the government side. MPP Calandra?  
1710

**Hon. Paul Calandra:** Thank you, everybody, for coming. I can understand—we've had a lot of this today, and I know some of my colleagues have been doing this committee for many weeks, so I can certainly understand the stress that many of you are going through.

Tamara, I would just say this: You're probably unique today in suggesting that we are going too fast. Most people today have suggested that we are going too slow in reopening. But I think you've hit the nail on the head in the sense of the challenges the government is facing in terms of, how do you balance an economic recession unlike anything we've probably ever seen with the fact that this is equally, if not more, a health care emergency at the same time? One thing that we've heard a lot during this, too, is the unevenness of how this is handled from region to region, whether it's the city of Toronto—different medical officers of health have different interpretations on how they handle it.

You had said two things that I think—again, you're not unique in saying to continue the rent abatement program for some time. You're suggesting right through until all the emergency orders are lifted, so you're talking potentially until there's a vaccine, basically, until we can get the province back into a normal state of affairs. Am I correct on that? Yes, okay. And for—

*Interjection.*

**Hon. Paul Calandra:** Sorry, go ahead.

**Mr. Adam Hynam-Smith:** That's correct. I mean, you can't expect restaurants or small businesses to operate—well, especially restaurants—at a reduced capacity and pay all the overheads at full rates. It's just not going to work. That's why restaurants will tank.

**Hon. Paul Calandra:** Are you anticipating staying closed, the inside portion of your restaurants—are you going to stay closed until there is a potential vaccine or how—

**Ms. Tamara Jensen:** It will really depend on what kind of relief is available. At the end of the day, we need to generate revenue. We have to balance that against the risk of putting our staff in that situation, as well as even guests' willingness to come and dine. Everyone that we've been speaking to has said that they feel safe on our patio because it's very, very physically distanced, but they're still not comfortable going indoors. So should we hire staff to staff an indoor dining room only to have no guests come? There are so many things to consider, and not having that relief really makes those decisions a lot harder—not having the hope.

**Hon. Paul Calandra:** Scott, let me just ask you—if I'm asking a question that's unfair, you don't have to answer. But are you in the same position where you will—I'm assuming the patio has worked out quite well. Have you opened up the inside of the restaurant yet, or are you holding off?

**Mr. Scott Vivian:** The inside of the restaurant is only open for grocery and bottle shop. We don't have any tables for dining inside. To the same point of what Tamara and Adam were saying, the feedback from our clientele, from our guests that are coming in—they're more than happy to sit on the patio. I also have a very unique situation where my restaurant only has 30 seats inside and only 20 on the patio. So I'm working at half-capacity on the patio. It is not hard to fill up those tables, but from a financial standpoint, it doesn't really work in a business model. I think that's why the rent abatement is so important.

Unfortunately, for myself, in dealing with my landlord, he's not willing to apply for it, so I am still paying full rent. What I didn't get a chance to say when I was talking before was that I would ask that it be mandatory for the landlord to apply for the abatement, as opposed to being given the choice, because from first-hand experience, I've learned that most landlords aren't interested in going through the process.

But to answer your question, the same as Tamara and Adam, I don't want my business to fail, so I will have to make certain decisions when it comes time to the patio not being able to seat and whether or not I want to put my staff at risk by sitting inside. But there's no indication that the business will follow if I do open inside.

**Hon. Paul Calandra:** For both of you, the patio has—look, I'm from a small town, Stouffville, Ontario, a town of 50,000, just north of Toronto. We've seen a revitalizing of our downtown because of the patios. People are finally coming out. It's looking great. That's not to suggest it's the be-all and end-all and that it's going to solve all the problems.

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

**Hon. Paul Calandra:** Tamara, I looked at your building. It's a beautiful building. Obviously there have been some investments that have been made there.

But suffice it to say that going forward, regardless of anything else, patios have been a success. It's something the government should consider maintaining in a permanent fashion. Again, not to suggest that it's the be-all and end-all, but would you agree that at least that part has been a success and we should consider maintaining that?

**Ms. Tamara Jensen:** Yes, the patio is definitely an option. We've been in discussions with our downtown BIA and our city staff about creating little hubs around the downtown core, around the city where restaurants could use a joint patio, a joint space that is maintained by the city, perhaps heated over the winter, just offering an opportunity to keep people supporting the downtown businesses despite the poor weather.

**Mr. Adam Hynam-Smith:** And to increase the ability for an increase in revenue options for the restaurants, because like we're saying and like Scott is saying, the chances or the willingness for people to follow your business indoors is a massive risk for us to take, especially with the additional operating costs of starting up, especially after we've invested all the time and money into opening a patio—

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

**Hon. Paul Calandra:** Thank you, guys. I appreciate it.

**The Chair (Mr. Amarjot Sandhu):** We're out of time. We'll move to the opposition side now. MPP Burch.

**Mr. Jeff Burch:** Thank you all for your presentations. I'd just like to ask Tamara and Adam from Dispatch—thank you for your presentation and thanks for opening your business to our leader, Andrea Horwath, recently when she made a visit to Niagara. I've been on your patio as well, and you've done a really good job under very, very difficult circumstances.

You mentioned living wage, and I'm really impressed with any business and, especially in the restaurant business, anyone who tries to, in a very difficult climate, pay their employees a living wage. I've been in that position myself as an employer and committing to paying a living wage.

In the restaurant sector, of course, tips aren't included in the calculation for EI. Can you talk to us a little bit about that commitment and what kind of changes are needed in the sector for fairness for your employees and for servers?

**Ms. Tamara Jensen:** Thank you. We are a certified living wage employer with the Ontario Living Wage Network. In Niagara, the living wage is \$18 an hour. Essentially what we've done is, at the champion level of certification, we've committed to paying every employee, regardless of the number of hours or their position, at the very minimum the \$18-an-hour. Their actual wages depend, of course, on their experience and the position in the company.

So we've eliminated the tipping model. We opened without the tipping model, along with our colleagues at Pearl Morissette in Jordan—

**Mr. Adam Hynam-Smith:** And Redstone.

**Ms. Tamara Jensen:** —and Redstone Winery. A big motivator behind that—well, many motivators—is that the tipping model itself is very much rooted in racism and slavery from the United States. It also favours white female servers and white male servers over persons of colour, and it creates a huge divide between back-of-house and front-of-house employees, in that kitchen staff will be working very, very long hours, very physically demanding

hours, and then front-of-house dining room staff will come in and work their shift and leave at the end of the day with substantially more money.

**Mr. Adam Hynam-Smith:** North America is the only place that follows the tipping model. The rest of the world does not tip. We need to see a break away from that. At the very beginning, at the minimum, we need to see an abolishment of the minimum server wage and an increase across the board for wages within our industry, and then we need to work towards a mandated abolishment of tipping within our industry to follow the rest of the world into the 21st century. There's a big push in this now, considering that COVID has absolutely killed [*inaudible*] in our industry in so many different areas. We need to have a fair and balanced industry.

1720

**Mr. Jeff Burch:** Great. Thank you, and thank you for being at the leading edge of that. I know it's a movement that we're really working on in Niagara and across Ontario, and I certainly hope it takes off.

Can you expand a little bit about, now that we're talking about your employees and staff, the mental health aspect of what you've seen from an employer perspective? You obviously care very much about your staff. What kind of stresses are your staff going through, and staff in the sector in downtown St. Catharines?

**Mr. Adam Hynam-Smith:** I'll speak to it from the standpoint that it was absolutely gut-wrenching, like any employer out there, to have to lay off your entire staff. I'll speak to what I know.

Our staff went through some fairly emotional times. My wife and I personally went through a lot of mental fatigue, and currently still are. We're absolutely exhausted, having to pivot constantly or second-guess every decision that we make. The mental fallback from this—

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

**Mr. Adam Hynam-Smith:** Sorry?

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

**Mr. Adam Hynam-Smith:** Yes, no worries, man.

The mental fallback from this is going to be huge, and it's going to take years to rebound. On a daily basis or a weekly basis, I communicate with my colleagues around the world—chefs, restaurant owners and industry people alike—and these phone calls always result in tears from both ends. Our industry's not good. I'm fighting back tears at the moment. It's very tough to have to listen to how hurt our industry is. We need help, and we need a lot of—I can't talk. Sorry.

**Mr. Jeff Burch:** Well, thank you for that. I just want to give you an opportunity to quickly—time's almost up—comment on the part of your presentation where you mentioned red tape and liquor laws. How important do you think it is, especially right now, that we deal with some of that red tape that you face related to the wine and craft beer industry right now and your business?

**Ms. Tamara Jensen:** It's absolutely essential to make it permanent that licensed restaurants can sell liquor as a retail line of revenue, not only to support the producers of

these products, but it's just another line of revenue that doesn't rely on increased contact between staff and guests.

**Mr. Adam Hynam-Smith:** Also, once again, if you look at the rest of the world, there are freer liquor laws everywhere, and with COVID and the subsequent change to some of the liquor laws here in Ontario, it was pretty clear that the world didn't crumble down around us. Putting these rules in permanently is a necessity, and also taking this opportunity to reset, rethink, reimagine and rebuild our industry and all the different things that work into it. It has—

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

We'll have to move to the independent members now for their first round. MPP Hunter?

**Ms. Mitzie Hunter:** Thank you so much to all of the presenters. Tamara, you were going through a pretty precise list in your opening when you were cut off. Is there anything else that you wanted to share with this committee, so we can get it on record?

**Ms. Tamara Jensen:** Thank you very much. Thanks for the opportunity. The other items were that the wage subsidy program needs to be amended for our restaurant industry, so that it's not based on the gross earnings of the business. With our razor-thin margins as the standard and now higher costs related to COVID-19 in terms of purchasing PPE at high volumes and having staff in place just for additional cleaning processes and protocols, our costs are not commensurate with higher gross earnings, and so the wage subsidy really needs to be looked at in that sense.

The other two items, quickly: Significant additional subsidies specific to our industry should be considered, so things like hazard pay, PPE subsidies, health benefits, help with utilities and insurance—all of those overhead costs that don't change. Regardless of whether our dining [*inaudible*] half-empty or we're only doing takeout, there are fixed costs we need help with.

The final item is that health and wellness supports have to be made accessible for industry members. As Adam mentioned, our industry faced an epidemic prior to COVID-19 of mental illness, substance abuse. The physical distancing has only made that worse, and there's a very, very high risk of self-harm and other behaviours as a result. So we definitely need help with that.

**Mr. Adam Hynam-Smith:** One other thing that Tam didn't get to talk about, too, was how the restaurant industry is being put in place on the front line. This is clear from the fact that we have to take names at the door for contact tracing. We wouldn't have to do this if it wasn't obvious that our industry is on the front line and is a spreader event. We have been given no choice. We've been told to open and have been put on the front line without any acknowledgement of that and without any assistance or help. We've basically been put there to take all the risk.

**Ms. Mitzie Hunter:** I want to thank you both for being socially responsible business owners and adding that additional threshold of care for your staff, for your

customers and for the public. Thank you so much for all that you are doing. You're wonderful examples of Ontario businesses, so thank you.

I want to ask Scott about imagining what the fall could look like. We kind of came up with a workable model for restaurants for the summer. What do you think could happen in the fall for businesses like yours, and what do you think is needed?

**Mr. Scott Vivian:** Thank you. It's funny, because after 10 years in business, I used to think that I had all the answers, and now I don't. Things are changing pretty rapidly. Every week we're having to try and kind of re-invent what we do and reconceptualize how to attract business, and at the same time make sure that our clientele that's coming in still feels safe to come. I think that's the issue that we're dealing with. Again, from talking with current clientele who do feel safe to come in and grab a couple of groceries—because we only allow one person in at a time—or to sit out on a patio that would normally have 20-plus seats and now it only has 12—they're comfortable with that. They definitely do not feel comfortable dining indoors, and I don't see that changing any time soon. That's the part that I'm most worried about.

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

**Mr. Scott Vivian:** Again, after being in business for 10 years, most of the time I could pinpoint what the issue is and rectify the situation, and I honestly don't know. Even if I do decide to open up indoors based on the fact that I have no seating on the patio due to weather, there's no guarantee that anybody is going to come and sit inside. That is the toughest part. The only thing I could hope for is that it reverts back to the original way that it was when COVID first hit and people were coming in mainly for grocery and takeout, and we still have revenue from that. But I don't see people feeling comfortable sitting indoors any time soon, probably not for the rest of this year, or at least until there's a vaccine.

**Ms. Mitzie Hunter:** Got it. So is that something that you and your team will prepare for in terms of the retail model and the prepared food model?

**Mr. Scott Vivian:** Yes, we've been constantly, as I said, each week trying to look at the patterns of what we're dealing with. We just recently started Uber Eats, and we just recently started doing different promotions on the patio to attract more customers. It seems to be successful to the point where it has helped revenue a little bit. But again, from what Adam and Tamara were talking about, we're talking about revenue that is still, at its best, cut to a third of what it used to be, but I'm still paying full rent; I'm still paying full bills. As a business model, with an industry that's already at very, very low margins, when you start taking that and cutting that to a third, you're in the red, and there's really no way to break even, unfortunately, even with all the programs that the government has provided up until this point.

1730

**The Chair (Mr. Amarjot Sandhu):** Thank you. The time has come up. We'll go to the opposition side now for their second round. MPP Harden.

**Mr. Joel Harden:** Brian, let's go just over 500 kilometres up the 401 from our friends in St. Catharines and talk about Ottawa. I'm really glad to see you here today.

You mentioned in your remarks, as Michael from Ottawa Special Events did in his, that your industry, as our friends in the restaurant industry have spoken to so eloquently, has completely changed overnight, and you expressed a certain frustration about that. On the regulatory front, thinking about the pandemic restrictions that we have, what's on your mind as you're looking at best practices elsewhere in this country and around the world about how your industry can actually find new avenues to survive? Our friends in the restaurant industry were talking about being able to sell products from local wineries or craft beer, getting rid of those restrictions. What's on your mind from the events and hosting perspective? What more could be done with the 50 to 100 restrictions that we have?

**Mr. Brian Henry:** We've had some great companies pivot and try to get through this situation. Stanley's Olde Maple Lane Farm is starting to sell farm-fresh food that they hadn't really pushed in the past. They've started to do Friday night get-together evenings. However, a lot of the venues that are wedding- and event-related are in rural areas not close to large areas of people. They're not set up to have restaurant-style food serving and things like that, so they have a hard time. It's not like they can just start turning and creating restaurant-type environments. It's very difficult. Some are as far as Carleton Place and Beckwith and some are as far as Edwards, Plantagenet—they're all over the place. It's too far to go for food. Some of the local ones in town are able to pivot, but it's also hard to get the word out that you're doing this, because it costs money to start telling people.

As successful as my friend Earl Stanley at Stanley's Olde Maple Lane Farms is at selling his food, there's still a lot of overhead to produce this food, and it may be a break-even type point—just move some staff around and cover costs. So it's very difficult.

The venues for a lot of the weddings and events are just not located in good spots. I think of my friends at the Hellenic, which is on Prince of Wales. It's not really a great spot for a restaurant, because there are lots of restaurants already in the area. So them opening up may not attract new clientele. But, at the same time, people go to places that they're comfortable with, and those are already open in some cases.

**Mr. Joel Harden:** I take what you say to heart. You mentioned Carleton Place. I'm thinking about Munster. I'm thinking about places like—oh, my God, my brain just had an evaporation moment there—our friends at Saunders Farm who run the operation out there, where I'm sure you've done events in the past. They put together this family bubble campfire model across their whole enormous parking lot, where they were able to service people.

As you say, this is really hard, for organizations to get these things off the ground in a context where they have so many fewer patrons. It takes me to the question about

rent abatement. One of the things we've been trying to push our friends in government to consider is a commercial rent freeze, some particular compulsion on landlords to offer people help that will offer a little bit more revenue in the interim. I'm wondering what you think about that, from a business perspective. Is that going to help small business?

**Mr. Brian Henry:** A lot of the wedding and event facilities are already privately owned. Therefore, rent relief programs don't really help because their mortgages are tied to BDC or banks. It's not like they have a landlord, so it's very difficult for them to get rent relief programs when their mortgages are with banks. They can tack on more money at the end, but that just puts the problem down the road. Those are the difficult challenges we're having.

Also, we're in Ontario. Right next door to Ottawa is Quebec, and the rules are very different in Quebec, so we're also struggling with the problem that what is good for people in Quebec is good for people in Ontario. It's very challenging because people live so close. They drive a few minutes and they're across the border—

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

**Mr. Brian Henry:**—and they're allowed 250 people over there, and here we're allowed 50. So it really poses a lot of problems for people in our industry.

**Mr. Joel Harden:** Thank you very much, Brian.

How much more time do I have left, Chair?

**The Chair (Mr. Amarjot Sandhu):** A minute and 30 seconds.

**Mr. Joel Harden:** A minute and 30 seconds? Okay.

I want to pivot over to our friends in the restaurant industry, Scott and our friends from St. Catharines, Tamara and Adam—heartfelt stories. I'm wondering, in much the same vein as I was asking of Brian, what can we do—let me frame it this way, because the topical issue here in Ottawa, and I'm sure it's the case where you are now, is the whole back-to-school plan, which I think will have a huge effect on small businesses if we get it wrong. Do you have any concerns that you want my friends in government to hear now about potential second waves coming from overstuffed grade 4 to grade 8 classrooms? You can have my last 40 seconds. I'll ask Tamara and Adam first.

**Ms. Tamara Jensen:** Thank you. Our concern is that there are a lot of these parents of these students who work in the hospitality industry and who are at risk of infection and spreading. As we know, bars and restaurants have been an epicentre. We've talked a lot about students and staff and teachers spreading it within the schools, but then having parents who are in our industry—sometimes the most vulnerable parents, being single mothers and newcomers to Canada—being exposed, being on the front line and then having their children go to school. So from our perspective in the restaurant industry, that's a huge concern.

**The Chair (Mr. Amarjot Sandhu):** Unmute.

**Mr. Scott Vivian:** To touch on what Tamara just spoke on, there's no clear and concise—there's a spike because people are going to restaurants. Because all we know as small business owners and independent restaurants is that

if there is a spike, it doesn't matter where it comes from. As we're talking about right now, it could possibly come for elementary schools—

**The Chair (Mr. Amarjot Sandhu):** Thank you. Sorry to cut you off. The time has come up for the opposition. We'll move to the independent members now. MPP Hunter.

**Ms. Mitzie Hunter:** Brian, I wanted to give you an opportunity to just talk about the fall itself and what we could do, now that we have this experience to better prepare, but also specifically to avoid a second wave, which nobody wants to see. If you could just talk about what you are hearing and how you're preparing for that.

**Mr. Brian Henry:** The problem starts with the venues and their experience with COVID-19. People don't want to host weddings or events; they don't want to hold meetings; they don't want to hold Christmas parties; they don't want to do anything in an inside venue. Therefore, everything has been cancelled or postponed to next year. That moves everything one year away from now, and that's very difficult on our venues.

Then when you can't host an event in a venue, then you don't need the suppliers. My company supplies the event industry. So it's all a trickle-down effect, and as the fall arrives—people are not allowed to dance in this province at the present time. Therefore, do you want to have a wedding where you can't have a great time? And then there are compliance issues. The guests are not paying attention to the guidelines; although they are told right upfront, "Ladies and gentlemen, welcome to this venue. You are not allowed to dance, due to the restrictions," they start dancing and they start partying and they're blatantly not paying attention. It's very difficult for the venues to police this. It puts them in a very awkward position. They get bad reviews. They get confrontations. They're doing everything they possibly can. So I'd like to see more support for our wedding and event industry from everyone.

Our restaurants are doing an amazing job. Scott, Tamara, Adam, what you're going through is very difficult.

On our side, it's going to be a long time before we can have people in our venues and the suppliers will be able to provide the services to the wedding clients. For weddings, they picture 150 people for dinner, lots of dancing, partying, big head table, and then they picture all of that going on without a mask. No one wants that.

So they're going to move their weddings and they're going to make it a really difficult time for everyone until they get what they want. Right now, lawsuits are being threatened to a lot of our venues. We've had threats to our company. So it's a very difficult time for everyone, and we hope that we'll get some support and assistance and maybe some understanding, because no one's going to have a Christmas party without nervousness. We know that it's going to be fine if we follow all the protocols, but it's not going to be easy. Most people can't imagine going to a wedding right now. If you were invited to a wedding in October, would you decline or accept the invitation?

You'd probably go, "Hmm. I'm not quite sure." You'd want to know more about it. And a lot of these venues are indoor venues. Yes, they have some property outside, but they're limited to what they can offer when it gets cold. So we feel for all of our wedding industry people, who are doing the very best they can.

1740

**Ms. Mitzie Hunter:** I held a round table for small businesses earlier on, I believe it was in June. We had a presenter from my riding, G&G Electronics. They've been operating for over 60 years. One of the things that the proprietor shared on the call was retooling just in terms of how they supply. They were seeing an increased demand, surprisingly, from the funeral industry, because they had to move to a video model very rapidly. I'm just wondering, in terms of what is happening on the back end of the industries that you see, where the business model itself might be changing, and what we can do to help those businesses to make that retooling and that conversion.

**Mr. Brian Henry:** We have seen a lot of companies step up and provide services that they never have before, which will lead to new revenue streams in the future. We had Mastermind Event Rentals here in Ottawa that has been doing balloons for all sorts of special occasions, and then we've been having other companies that have been offering linen to companies that need to change their linen more often due to COVID. They're offering washing and cleaning and supply services. So they're doing so many different things; they're very smart. Then they're offering decor services to other types of clients that they hadn't offered to them before. Everybody in this industry—the DJ industry; we're starting to do streaming services. We're providing the services so everybody can get online. But it is a crowded marketplace for that. We own a certain amount of equipment. We are buying more. We're doing inflatable screens for stay-at-home movie nights. But those types of things are small fixes and will never be us getting back to the good old days, until we have some assistance and some guidance and some flexibility.

So we're doing everything we possibly can. We're opening every avenue.

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

**Mr. Brian Henry:** We're doing virtual online game shows as a company, and that's exciting. But in person, it's five times the amount of money that you would make online. So it's very difficult for us.

**Ms. Mitzie Hunter:** The games are very popular—games and puzzles.

Talk a little bit more, Brian, about the supports that you would need from the government.

**Mr. Brian Henry:** Sure. The wage subsidy has been a big help. The CEBA loan has been a big help for our members. The Ottawa Gatineau Wedding Industry Association and people in our industry have been a big help. But those programs are going to end, and there's a misunderstanding in our community by people, and I've heard it on the news, that almost everybody is back to work. Well, we're not. You can go out and you can do a lot of things—

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

We'll have to move to the government side now for their second round. MPP Piccini.

**Mr. David Piccini:** Thank you, Chair, and thank you to all the presenters. For our two folks in the restaurant and hospitality industry, I really appreciate what you've said today. Certainly behind every restaurant, behind every story, there's a human being, and I think you've really brought important light to that today. I greatly appreciate what you've shared with us today.

I just want to go back to my colleague MPP Burch's comments on really thinking outside the box and specifically on how, despite the difficult and challenging position we're in, perhaps we could look at some silver linings here when it comes to some of our craft beers and some of Ontario's wines etc. I'll start with Tamara and Adam, and then go to Scott. Adam, before the time wound down on my colleague Jeff Burch, you were talking about steps we can take to think outside the box, to get with the program to what we see in the EU and so many other fond destinations that many of us have been to in our past. Can you just elaborate a bit more?

**Mr. Adam Hynam-Smith:** Well, obviously I don't sound like I'm Canadian; I'm from Australia. It was a very big adjustment for me when I first got here because of the restrictions that surround alcohol. We definitely do need to step up into the 21st century with our liquor laws to make it easier and more profitable for restaurants.

We are adults. We are definitely responsible and can act the correct age. I think freeing up restrictions and allowing us to sell, like we were saying, through the restaurant, to create a side business within the restaurant space to operate a small boutique cellar or bottle shop, if you will—

**Ms. Tamara Jensen:** Yes, we would love to support our local producers more than we do through having a bottle or a glass of wine at a table at the restaurant. If we can sell bottles out a retail door, then we can order more from those producers and it helps everyone.

**Mr. Adam Hynam-Smith:** We definitely need to see a decrease in tax on the sale for us when we're purchasing—I'm sure Scott will be able to talk to this as well—so that we're paying less than what we are now wholesale. What we pay for it would be ideally a little bit lower, and then we can charge a lower price at retail and still make a decent amount of money off it.

As a restaurant industry, we need to be able to increase our overall profit margin to compete with other businesses. If we're going to change the way our industry operates and become a more sustainable industry, a healthier and safer industry, more inclusive and balanced, we need every opportunity we can get to operate at a sustainable level. There's no reason why we should be operating on a 2.5% profit margin. There's no reason why we shouldn't be up over a 10% profit margin without being judged.

We need to do everything we can. I was saying that we have that chance right now to reset, rethink, reimagine and rebuild. The walls got stripped down. All the cracks have been exposed. We can now start making changes and giving things a shot. We will never get another opportunity like this to make changes and bring new things in.

**Mr. David Piccini:** Yes. I like what you said—"rethink, reimagine, rebuild"—and certainly using some of our antiquated alcohol policies as a start.

Scott, anything you want to add there?

**Mr. Scott Vivian:** To touch on what Adam just said—

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

**Mr. Scott Vivian:**—BC acted on it fairly quickly with reduced taxes on alcohol for their licensees. I think if Ontario was able to give us some kind of discounted price, whether or not it was a specific number—I've heard 20% or 25% thrown out there. If we're able to buy wholesale alcohol as a licensee at a discounted price, it would give us an opportunity to make a little bit more money and expand those profit margins that are already very small.

We're not asking for any handouts right now. We're just asking for an opportunity to survive, to build on the policies that have already come into place and to improve on the ones that we can, and I think alcohol sales will definitely help out with that.

**Mr. David Piccini:** Thank you very much. Thanks to the presenters.

No further questions, Chair. Thank you.

**The Chair (Mr. Amarjot Sandhu):** Thank you so much. That concludes our business for today. Thank you to all the presenters for your presentations, and thank you to the committee members and committee staff for their assistance.

This committee is now adjourned until 9 a.m. on August 18, when we'll meet to continue hearings on the small and medium enterprises sector.

*The committee adjourned at 1750.*



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