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(Hansard)**

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des débats
(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Monday 24 August 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Lundi 24 août 2020

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 24 August 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Lundi 24 août 2020

The committee met at 0900 in committee room 1 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 of 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.

We have the following members in the room with us today: MPP Rasheed and MPP Morrison. The following members are participating remotely: MPP Harden, MPP Sattler, MPP Roberts, MPP Khanjin, MPP Babikian, MPP Fife, MPP Mamakwa, MPP Schreiner and MPP Martow. We're also joined by staff from legislative research, Hansard, interpretation, and broadcast and recording.

Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation, and after we have heard from all three presenters, the remaining 39 minutes of the time slot will be 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 the independent members as a group.

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 are able to speak. Please keep an eye out for that request and unmute yourself before you begin. Are there any questions?

MPP McDonell, can you please confirm your attendance?

Mr. Jim McDonell: I'm attending from Williamstown, Ontario.

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

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

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

CROPLIFE CANADA

SAX APPEAL

ENTREPRENEUR SOCIAL
ADVANTAGE EXPERIENCE

ONTARIO BIOSCIENCE
INNOVATION ORGANIZATION

The Chair (Mr. Amarjot Sandhu): Now I would like to call our first witness of the day, CropLife Canada. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Pierre Petelle: Thank you, Mr. Chair. My name is Pierre Petelle. I'm the president of CropLife Canada. I want to thank you for the opportunity to appear before the committee today. We appreciate the efforts of the government of Ontario to continue consulting stakeholders during this challenging time.

CropLife Canada is the trade association that represents the manufacturers, developers and distributors of plant science innovations: that is, pest control products and plant biotechnology for use in agriculture, urban and public health settings. These companies, our members, have significant business interests in Ontario, with many having head offices in and around Toronto. They provide valuable tools that are a critical part of the value chain for Ontario's agricultural, industrial vegetation, urban landscapes, gardens and other sectors.

CropLife Canada and our members support a strong, science-based regulatory system for all pesticides. Our industry ensures proper life cycle stewardship for all agricultural products through world-leading programs such as Cleanfarms, which recycles empty pesticide containers for proper recycling.

We congratulate and thank the government for the actions taken to date to remove unnecessary burdens on farmers by making positive changes to the pesticide regulations with the proclamation of the Better for People, Smarter for Business Act on May 1 of this year.

We appear before the committee today to offer additional recommendations on red tape reduction to assist Ontario businesses and consumers in the post-COVID-19 recovery efforts. In response to the Honourable Prabmeet Sarkaria's invitation of April 28 of this year to contribute to the government's COVID-19: Tackling the Barriers

initiative, CropLife Canada provided specific recommendations on reducing red tape for businesses in light of the new realities of business in the post-COVID-19 world.

This pandemic has acted as an accelerant to a trend that was already strongly moving through the retail sector; that is, the move to online commerce. During the pandemic, Ontarians who had never shopped online before have joined the growing movement of people ordering online and having products delivered directly to their door. Retail experts expect that this trend will continue to grow. It is no longer simply the large retailers who offer online sales and curbside pickup anymore.

Government regulation needs to keep up with this change to increased online retailing. As such, we need to think proactively about the regulatory environment and allow Ontarians to access tools which will allow them to garden and grow green spaces with ease. We see an opportunity to realize this by reducing the red tape associated with selling and purchasing pest control products at stores and online, allowing all Ontarians to come into compliance.

Given the pandemic, the regulations in their current form could not respond to the demand for online purchases over the last few months. For example, the non-science-based cosmetic pesticide ban has created a group of controlled sales pesticides that are labelled for mixed, banned and accepted uses here in Ontario. This is confusing for everyone and, as such, creates online sales barriers for Ontario retailers.

There are three areas for creating an online sales system for domestic products, as follows:

(1) Under the current regulation for controlled sales pesticides, a face-to-face interaction between the retailer and a customer is required. As such, Ontario retailers are forced to remove these products from their online home delivery options for consumers. Based on how retailers have chosen to comply with the customer notification requirements, many are precluded from online and curbside pickup for some products because the situation does not allow for them to comply. On a broader scale, because of the complexity required to ensure licensing in every province, many retailers have chosen not to offer pest control products online, thereby making it extremely difficult to meet the demand when customers are unable to currently enter their stores. Third-party online retailers from outside Ontario benefit while Ontario's small businesses lose.

(2) The underlying red tape creating the controlled sales barrier is the Ontario cosmetic pesticides ban. For products banned for retail sale in Ontario, Ontarians who choose to access these products have simply accessed them from online retailers who are not complying with the Ontario regulations. The sales and the jobs they generate take place outside of Ontario—

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

Mr. Pierre Petelle:—and the products are shipped to the doorsteps of Ontarians. Again, this hurts Ontario retailers and lawn care companies who are required to follow these provincial rules.

(3) Licensing requirements, as outlined in the Pesticides Act and regulations, are not readily interpreted for

online sales compliance, making it difficult for retailers to confidently sell these products through e-commerce channels. The pesticide regulation defines “sales outlet” as the “premises on, in or from which a pesticide is or will be sold, offered for sale or transferred.”

The current licensing requirements create an unlevel playing field for those who are participating or wish to participate in e-commerce.

Our recommendations are as follows:

(1) Amend the Pesticides Act to remove all references to the arbitrary non-science-based designation “cosmetic,” which is not used by the federal regulator. This is highly relevant given that the rest of the new classes of pesticides, as recently amended in the Pesticides Act, are now based on the federal model.

(2) Amend the pesticide regulations to remove the requirement for an interaction between retailer and customer. Alternately, it could be modified to include a box on the online order form indicating that the customer has read the product information deemed necessary by the Ontario Ministry of the Environment, Conservation and Parks. This would allow these products to be sold online.

(3) Simplify licensing requirements that a retailer selling on class D pesticides does not require a licence. This would facilitate e-commerce and other forms of purchasing by recognizing that all class D pesticides are designed to be sold to consumers and can be safely used in accordance with the federally approved label.

In conclusion, CropLife Canada believes that this bad public policy results in burdensome and complex regulations. The non-science-based approach to pesticide regulations taken by the previous government hurts a number of different groups in Ontario. It has hurt Ontario consumers, who cannot legally use Health Canada-approved products to maintain, protect and enhance their own properties. It has hurt small business people in landscaping and lawn care businesses—

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

Mr. Pierre Petelle:—now faced with a severely diminished suite of products to offer their customers and often forced to watch as their former customers turn to online or cross-border sales to obtain and apply products that they are prohibited from using by the government of Ontario.

It hurts Ontario retailers who are forced to interpret and implement poorly conceived and written government regulations. They have had to also watch as consumers turn to easily available online sales of products that were once sold at their local retailer.

It has hurt Ontario municipalities, now largely unable to control basic weeds that are taking away green space in urban municipalities and damaging infrastructure.

And it has hurt Ontario farmers, who saw their own provincial government unfairly stigmatizing the same active ingredients approved by Health Canada that are used on their farms to protect crops.

We believe the government of Ontario has the opportunity to continue to make positive changes in this area that will benefit all Ontarians. Thank you, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is Sax Appeal Ottawa and the Entrepreneur Social Advantage Experience. Please state your name for the record, and you will have seven minutes for your presentation.

0910

Mr. Jarrod Goldsmith: Mr. Chair and distinguished members of the committee, thank you for inviting me to testify to the state of tourism, arts and culture sectors, specifically relating to professional live music and event planning. By all accounts, these two key industries have not only been decimated but eliminated as a result of COVID-19.

My name is Jarrod Goldsmith. I was presented with this opportunity by Michael Wood, co-owner of Ottawa Special Events, who has been a pillar of leadership to SMEs. I own two small businesses with no employees. I'm a self-employed full-time musician with an all-saxophone ensemble called Sax Appeal Ottawa that was launched in 2011. It's quite unique, to say the least. I had to start attending networking events to literally create a market for this kind of band. That in turn led me to launch the second business, which is called eSAX, the Entrepreneur Social Advantage Experience. It's an event-planning business that hosts in-person entrepreneur networking events for SMEs. Both of these sole-proprietor businesses have suffered irreparable and catastrophic damage because of the COVID-19 crisis. I initially experienced a 100% revenue drop.

The devastation caused by COVID-19 in most entertainment-based industries is total and complete. Professional musicians who make a living performing for others were among the first to lose employment, as previously noted to this committee, most recently by the Toronto Symphony Orchestra and others. As people are not gathering in numbers for the foreseeable future, the live music industry can be expected to be among the very last to recover.

Any venue where people congregate is unlikely to suddenly fill with patrons, meaning fewer sales and crushed profit margins, and especially less work for professional musicians. To use the words of a colleague, there will be a reckoning for the entire entertainment industry. Everyone knows a musician, professional or otherwise, yet no one is hearing the music.

Canada's professional artists have historically faced extreme challenges when the work is infrequent, or now, non-existent. Artists are the very definition of precarious employment. Professional musicians literally invented the so-called gig economy. With Sax Appeal, I make my living performing with other musicians, reading sheet music and booking other bands. Unlike many musicians, however, I don't teach, I don't write music and I also don't perform as a solo artist. Live music is, by its nature, very short-term. Most of our gigs are only one to two hours in length. Being self-employed, I'm ineligible for Employment Insurance, and I do not have sick leave or any kind of health benefits. I don't play for exposure, tips, cover charge or bar tab. With 35 years of specialized training, I

signed formal contracts as a member of the American Federation of Musicians of the United States and Canada. I collect and remit HST, and I file taxes.

Each level of government has suggested and/or enacted assistance and support for businesses, festivals etc. to much well-deserved accolade. Should a venue receiving such assistance still be allowed to take advantage of artists by not providing adequate wages or hiring contracted musicians? Let me explain. Venues sign contracts for every other aspect of their business—for example, alcohol and food suppliers, lighting equipment, janitorial services—yet often musicians are without contract.

This is a bigger issue outside of the scope of this committee, but I would like to note for the record that the moniker of “poor starving artist” has, for generations, been predominantly and intentionally abused and taken advantage of by venues, while also being self-inflicted by the musicians for letting it happen.

Now is the time for this government to work with stakeholders to create a real change for the industry. I would like to propose two solutions to keep the industry alive.

Solution one: Provide a provincial wage subsidy or live arts labour rebate for hiring professional contracted musicians that can be available to anyone. One of the only requirements need be that a formal contract has to be submitted to receive the subsidy or rebate. This is good for the province, as it will encourage the remittance of documentation for tax purposes, thus closing a loop in an industry that has traditionally been viewed as shady. The advantages of enacting such a subsidy program are fourfold:

(1) This is good for the engager, as they will pay less for professional music and make more money by having greater attendance, since live music is always a draw.

(2) This is good for the contracting musician, who will get more gigs. Both parties will benefit from having contracts to protect each other's interests.

(3) This is good for the entire music industry, as artists will be treated more as regular service providers, by requiring signed contracts, rather than a service to be taken advantage of.

(4) This is good for the public, who will enjoy more live music, a crucial cultural component to the well-being of Canadians' communities.

I understand this committee will be hearing later today from the Toronto Musicians' Association, Local 149 of the American Federation of Musicians, who will provide further details on this concept of a provincial wage subsidy or live arts labour rebate.

Solution two: Provide a multitude of small, outdoor festivals spearheaded by the province in partnership with municipalities to stimulate local economies, offer musicians contractual employment and provide much-needed cultural relief to the public, which has been entirely lacking due to isolation. As an example, during the celebratory milestone year of 2017, the ByWard Market in Ottawa was transformed into a semi-permanent public showcase, aptly named Inspiration Village. Dozens and dozens of entertainment groups were hired throughout the

summer for public consumption. Sax Appeal actually had nine such live performances.

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

Mr. Jarrod Goldsmith: As people cannot participate in large festivals, I suggest allocating such funding to be redistributed to a host of smaller events that would hire contracted musicians as well as provide funds for bands to go on tour throughout the province at these events.

As for my event planning business, eSAX, I pivoted because of COVID-19 to hosting virtual events for others. Most months, I make a little over \$1,000 and therefore don't qualify for the \$2,000 CERB benefit. I understand CERB is a federal program, but until such time as it goes on a sliding scale, I'm concerned that many people are intentionally misrepresenting income in order to be eligible for such temporary yet greatly needed benefits. Sax Appeal continues to have zero revenue for the foreseeable future. To combat the complete and total shutdown of live music due to COVID-19, such financial wage subsidy assistance as well as an opportunity to perform at small festivals throughout the province will help sustain a key industry that has been completely decimated—

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

We'll move to our next presenter, Ontario Bioscience Innovation Organization. Please state your name for the record, and you can get right into your presentation.

Ms. Gail Garland: Good morning. I am Gail Garland, the president and CEO of OBIO, the Ontario Bioscience Innovation Organization. It is our pleasure to have the opportunity to contribute to this committee's work to study the impacts of COVID-19 on Ontario's economy. As we look to the future and to a post-pandemic economy, Ontario's health science industry has the opportunity to not only play an important role but also be a pillar of Ontario's economy and an economic driver.

For the benefit of those of you who are not familiar with OBIO, the Ontario Bioscience Innovation Organization was founded in 2009. OBIO is an innovation organization that works to build Ontario's health science industry. We are a not-for-profit and membership-based organization focused on thought leadership, bringing the industry together and helping companies access capital, talent and markets.

To tell you the story of the impact that COVID-19 has had on the health science industry in Ontario, I will start by sharing with you some preliminary data from an ongoing consultation with industry about the effects the pandemic has had on our companies. The survey is being conducted not only to understand the impacts of the pandemic, but to develop recommendations that will accelerate the development of the health science industry into a driver of the post-pandemic economy and enable companies to succeed faster. Over 50% of health science companies that have responded so far say that the pandemic has negatively impacted their company. We have seen its impacts in a variety of ways, which I will describe in more detail shortly. At the same time, almost 40% of companies are more optimistic about the future of

the industry compared to one year ago. Companies have told us that while they were hit hard, especially in the early days of the pandemic as shutdowns brought work, labs and clinical trials to a halt, they are also striving harder than ever to be successful.

Another significant impact was in fundraising and financing. In our ongoing industry consultation, 60% of respondents have said that negotiations for new investments have stopped or been delayed since the pandemic began. Companies told us about series A investments that had advanced to final stages but were delayed as the investors had to reprioritize. Others who had planned to start a fundraising round this year have postponed their plans.

In spite of these challenges, this industry is a source of optimism and incredible potential for growth. Some 96% of respondents to OBIO's survey have reported that they have either increased or maintained head count since the start of the pandemic. The global market for investing in biotechnology has been one of few sectors that has continued to grow during the pandemic. Two Canadian biotech companies completed successful IPOs in June, creating hundreds of millions of dollars of value.

0920

In the immediate aftermath of the pandemic, OBIO-organized webinars featured industry veterans and investors to provide valuable insight on how to prepare for the unexpected and how to develop a strategic approach to the uncertainty of the pandemic. In addition, we created the OBIO industry resources list, a daily updated list of government and business programs and announcements that companies could access.

OBIO also announced the launch of the Early Adopter Health Network, or EAHN. Based on research and consultation with industry and hospital leaders going back to 2017, OBIO designed and created the EAHN as an industry-driven initiative that partners innovators and health organizations to get innovators' technologies into the health care system and to patients faster than ever before, realizing both the health and economic benefits that health science innovators within our own province can offer.

On July 21, OBIO announced the first eight innovation projects at Ontario hospitals, including five COVID-19-related technologies. The companies come from across the province: Flosonics in Sudbury; Therapeutic Monitoring Systems from Ottawa; Awake Labs, Hypercare and Ironstone from Toronto; KA Imaging from Kitchener; and Huron Digital Pathology from St. Jacobs. They're working with hospitals all over Ontario: CAMH, Hamilton Health Sciences, Health Sciences North, Kingston General Hospital, the Ottawa Hospital, Southlake Regional Health Centre and UHN. OBIO was pleased to have had the support of Minister Vic Fedeli as we announced the launch of these first eight EAHN innovation projects.

OBIO's deep industry connections allowed us to realize another opportunity that emerged from the pandemic: Highly qualified people downsized from other sectors due to COVID-19 who could benefit from the opportunities

emerging in the growing health science industry. Launched on August 17, OBIO's H2BB boot camp was designed by industry experts—

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

Ms. Gail Garland: —and provides technical and project management skills to help people gain the industry-specific skills they need to be job-ready for an exciting and rewarding career in the health sciences industry. We are proud to have the support of SkillsAdvance Ontario and the Ministry of Labour, Training and Skills Development to conduct this important work. This is another of the ways in which OBIO and the health science industry in Ontario are responding to the pandemic by proactively analyzing gaps in our economy and taking action by continuing to build industry.

To position Ontario's health science industry as an economic driver post-pandemic, 75% of respondents to our ongoing survey have told us that access to capital should be the top area for focused action, and two thirds said a health innovation capital fund is how this should be accomplished. OBIO would be pleased to continue this conversation with the government on the best way to develop and deliver such a fund.

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

Ms. Gail Garland: In addition, supporting health science companies as they work to access the local market in Ontario would enable these companies to stay here and grow here as they work to expand globally. Some 60% of early respondents to our survey have said that working with industry to establish a network of early-adopter institutions in Ontario should be the top area of action to improve access to markets. By supporting OBIO's EAHN, the Early Adopter Health Network, the provincial government would be building on an existing, successful home-grown initiative.

Finally, OBIO's deep connections within industry have enabled us to identify an opportunity within the labour market to shift highly trained professionals displaced by COVID-19 into the health science industry. With continued support, OBIO's H2BB will continue to ensure talented individuals underemployed by a global calamity are made job-ready to work here in Ontario.

I want to say thank you to this committee for your time today, and I look forward to answering any questions that you may have. 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 Fife.

Ms. Catherine Fife: Good morning, everyone, and thank you all for the presentations. This committee has been meeting and listening to small and medium-sized enterprises, really, since June. The work of this specific sector is to make recommendations to the government, just as Gail has mentioned, to accelerate job growth.

Gail, I'm going to go to you, because health sciences has been an emerging issue, obviously, because our health and well-being is on everybody's mind. We are very interested in actually accelerating and improving access to

capital. Can you speak a little bit more about the innovation fund? This is something tangible that the government of Ontario can do—and not just wait for the federal government to do something.

Ms. Gail Garland: Thank you for your question, MPP Fife.

The concept of the Ontario innovation fund is to accelerate the development of Ontario health science companies that, it can be expected, will see a continued shortage of investment capital over the next number of months. A lot of Ontario companies are dependent on global investors for capital, and we understand from the research that's being conducted that a lot of global investors are going to be forced to look at their existing investment market, their existing investments and their home market, which means that Ontario companies might be disadvantaged because their access to capital is going to be limited.

An innovation fund managed by our buyer would ensure that high-potential companies can receive the capital necessary to advance their technologies until the global investment markets stabilize and global investors look to Ontario once again.

Ms. Catherine Fife: The talent relocation piece is also very interesting. We do have very talented professionals from the health science sector who have been displaced because of this.

Is OBIO proposing a talent relocation or a talent matching program of some sort, or are you just putting this on our radar?

Ms. Gail Garland: The H2BB, Health to Business Bridge Program, has actually been running with the support of the provincial government since 2017. As we started to emerge from this pandemic, we saw and started to hear from a number of highly qualified people who have lost their jobs from other sectors. We saw an opportunity to help these people obtain the skills that they need in order to work in the highly skilled health sciences industry.

We consulted with a number of industry CEOs about what skills gaps they were experiencing, where they were having a hard time attracting talent, and we identified engineering and computer software as key areas. So we put out a call to professionals who have lost their jobs in other sectors who have these skills, as well as people who are recent graduates and have not been able to find jobs.

With the industry's input, we put together a two-week boot camp of intensive training to help these people obtain the skills they need to be job-ready. They're from all over Ontario, and the companies that we consulted with are all over Ontario as well. They have also given us an indication that if we can achieve our goal of helping these 17 people who are in this boot camp be job-ready, they will be interested in looking at them as job candidates. After the end of boot camp, we'll spend our next period of time helping them find jobs, find fulfilling positions in the health sciences industry.

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

Ms. Catherine Fife: So those two combinations—the investment, the health innovation fund, and you want to accelerate and build up the talent relocation program.

We've also heard from several businesses in the tech and science sector around the value of tax credits to incentivize investment. They want it to be more streamlined and faster. Is this a tool that OBIO is interested in? Are tax credits something that OBIO is also considering?

Ms. Gail Garland: This is a recommendation that OBIO has made over the years. Tax credits are a benefit to industry and to investors. One tax credit that we have advanced is the capital gains tax credit so that investors are incentivized to invest in this space—

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

Ms. Gail Garland: —and they only receive the tax credit if the company they invest in is successful. So it's a win-win scenario.

0930

Ms. Catherine Fife: Thank you very much for that. I just wanted to get it on the Hansard once again, because I know that it has been a consistent theme. If you are looking to draw investment into the sector, you actually have to come to the table with something as well.

Gail, I want to thank you for your recommendations. Certainly, the health innovation fund is on the radar of the government. I hope my colleagues are listening to that. I think it comes down to confidence. If investors see the province of Ontario coming to the table in good faith and with a dedicated fund, I think that that would inspire a lot of investment. Those are good jobs and those are good jobs worth fighting for.

Ms. Gail Garland: And that, combined with the Early Adopter Health Network, completes the virtual circle to attract capital.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Good morning, everyone, and thanks to all the presenters for coming in today. I'm going to start with OBIO.

Gail, I appreciate you being so clear in outlining what the health sciences sector needs, so I wanted to give you an opportunity to expand. If the government brings in those kinds of supports, what difference is that going to make in terms of being able to leverage the fund, the talent reallocation program etc.? What's that going to do in terms of job creation and economic stimulus, given the emerging market of health sciences globally?

Ms. Gail Garland: Thank you for your question, MPP Schreiner.

OBIO sees access to capital through a fund, access to talent through our Health to Business Bridge Program and training highly qualified people to work in this industry, and access to markets through our Early Adopter Health Network, indeed, as a virtual circle. This industry is identified as an important industry by every government in the world right now, having dealt with the pandemic and faced the hard reality of shortages of technology, whether it's PPE or reagents to conduct COVID-19 tests or the lack of a vaccine. It has made every government in the world—and certainly, Ontario's government is among them—refocus on the value of the health science industry. We have amazing research—we all acknowledge that here in

Ontario—coming out of our leading academic institutions. Our challenge in the work that we do with industry at OBIO is to capitalize on that and turn those opportunities into jobs that benefit the patient, the system and the economy.

Mr. Mike Schreiner: Can I ask you to be a little more explicit about “access to markets”? We've had a lot of businesses come and talk about government procurement and the importance of government procurement supporting local businesses. I assume that's part of your request for access to markets.

Ms. Gail Garland: That's a great question, MPP Schreiner.

The Early Adopter Health Network vets technologies to determine their readiness for evaluation in the health system. Part of that partnering that we do between hospitals and technology is to agree that there will be a determination of value, and one of the elements of that formula is cost reduction. If there is a positive determination of value, our hospital partners agree that they will disseminate the technology and make a recommendation for procurement. We are currently working on some procurement pilots with our health system partners to ensure that innovation and innovative technologies can find their way to market here in Ontario and, of course, then, that gets them ready for the global market.

Ontario technologies that can demonstrate to global investors that they have a market here in Ontario, that Ontario is an innovation-friendly ecosystem, can attract capital and they can stay here and grow here because they have a market here, they have access to the health system here. They can develop key opinion leaders here that can evaluate their technology, and as they iterate this technology, they can go back to back to these key opinion leaders for feedback and the in-their-hands experience. So Ontario benefits first, and the world benefits as a result of our ability to export these technologies.

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

Mr. Mike Schreiner: I just want to quickly shift to Jarrod. You had had two clear recommendations to support independent artists. I know a lot of artists have said that the compensation mechanisms for artists, pre-pandemic, were broken, and the pandemic has really broken them. Do you see this as not only addressing COVID-19, but maybe creating a sustainable way of funding artists moving forward?

Mr. Jarrod Goldsmith: Absolutely, Mr. Schreiner. I think that this concept of a provincial wage subsidy—live arts labour rebate, in particular—will assist with more live music during the COVID-19 pandemic if it lasts another year or two, but most importantly, can radically change the industry by requiring contractual agreements between musicians and employers—those looking to hire.

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

Mr. Jarrod Goldsmith: That could have long-lasting effects for the entire trickle-down industry.

Mr. Mike Schreiner: I'm just wondering, as you talk to other independent artists—has the pandemic made it a situation where we're at risk of losing a lot of our artists,

and that when we emerge from the pandemic, we may not have much of an arts community left if we don't take some action now?

Mr. Jarrod Goldsmith: Absolutely. I've been speaking to a lot of artists, and the first thing people say is, "Just find another job. Go virtual." Well, for many artists whose career, day and night, has been perfecting their craft, they can't just go work in a retail environment, because this is all they've known. They have no experience in that. And this is their passion. They've spent their livelihoods. They've perhaps mortgaged their house to buy a car for the business—

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

We will have to move to the government side now. MPP Martow.

Mrs. Gila Martow: I'm going to start with Gail Garland. Thank you very much for everything you do with OBIO. I used to work in a hospital setting, as an optometrist, and right near my riding, I have Sanofi Pasteur.

When you survey your companies or hear from your companies, how much of an issue is it in Ontario—having better access to Internet, to broadband, having a reliable electricity distribution system? I know it's a big problem at Sanofi. They had to put in millions of dollars of generators.

Ms. Gail Garland: Thank you for the question, MPP Martow.

Other than the frustrations that we've all had as we've tried to convert our lives to Zoom conferences, we haven't heard anything that's a specific issue that has impacted this industry related to access to broadband. In fact, as people have been able to use their Zoom for meetings, they've been able to connect with people around the world in ways that they haven't been able to connect with them previously. Certainly, we have heard from some companies that if they are working remotely, it has been a challenge for them to have consistent access to Internet. But as far as their ability to develop their technologies, it hasn't come forward as an issue.

Mrs. Gila Martow: I would just remind the committee, if I may, that when the electricity goes out even for a nanosecond, entire batches of vaccines have to be thrown out at Sanofi. I imagine that we're all quite anxious in this pandemic to get those vaccines manufactured as quickly and safely as possible.

0940

I also wanted to ask you about the talent relocation—if you've heard from your companies that people who are Canadians working in the US, if they've relocated to Canada, and if that was one of the ways that we were relocating talent.

Ms. Gail Garland: On the electricity point, I sympathize with Sanofi. That's a terrible issue for them to have to face. We just haven't heard that from our surveys so far.

The talent that we've been addressing to date has been largely talent in Ontario that has been displaced from other

industries. We have not focused on or heard from a lot of people from either outside of Ontario or outside of the country.

Mrs. Gila Martow: I'm going to talk to Jarrod a little bit. My brother-in-law and sister-in-law go to the Ashkenaz Festival—I'm guessing that you've heard of it—here in Toronto. My brother-in-law is part of a little klezmer band, part-time, that used to do a lot of weddings and bar mitzvahs and things like that. To them, it was a part-time gig—a passion for him and his group of friends.

I'm just wondering if you've seen in municipalities where they've made a big effort to close off some streets for patios and things like that—have there been efforts to hire professional musicians to play at those patios and have some sort of mini-festival-type atmosphere? It doesn't have to be called a festival.

Mr. Jarrod Goldsmith: Yes, it's a big differentiation between the hobbyist musician—those people who have been playing on the side and around the campfire; they might play the odd gig for a bar tab—and professional musicians whose full-time career is this. That's the big difference between contractual agreements and just playing for a bar tab or cover charge.

The second point is, no, with all the patios that have been opened up, I have not seen—

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

Mr. Jarrod Goldsmith: —anything come from the city of Ottawa, at least, with an open request, or from the vendors themselves, looking to hire musicians for those outdoor venues.

Mrs. Gila Martow: Have you heard anything about restrictions? There were restrictions on horn instruments, specifically. It's one thing to play guitar, and it's another thing to be blowing saliva through a horn at a crowd, and there are some restrictions in place due to the health concerns of that. Is that something that you and your band have spoken about?

Mr. Jarrod Goldsmith: Yes, I know in some of the comedy competitions they have a plastic screen in front of them. When we perform together, it's very easy to set up a little barrier. As long as we have microphones, we could all be siloed on a small stage, even six feet apart, depending on the venue size, and still perform for an event. But we haven't done that yet.

Mrs. Gila Martow: Well, I'll definitely pass on that message, but my understanding is that right now there are still some restrictions.

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

Mrs. Gila Martow: I have one more minute, so I'll ask Pierre Petelle if he wants to comment on organic farming. There has been such an effort in Ontario and in Canada for organic farming. We're all seeing more and more of it at the grocery stores. Is it taking off? Is it popular? What are your thoughts on it?

Mr. Pierre Petelle: Thanks for the question.

Certainly, our members provide products into that market, organic farming, as well. Those products are also equally regulated by Health Canada before they're approved for use in the organic market. The reality,

though, is that organic farming, if we're going to just talk about that, is still around 5% of the market, and it hasn't moved in 15 years. While we're seeing more offerings, more types of product being offered in certain stores, and more stores specializing in that area, the vast majority of consumers are choosing based on quality and price—

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

Mrs. Gila Martow: And we were just going to say we're going to pass on your message of—

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

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

Ms. Mitzie Hunter: Good morning, everyone. Thank you so much for joining us today at committee.

I wanted to go back to Jarrod at Sax Appeal Ottawa and to the conversation that we were having and that you were sharing around those professional artists and what they need to survive the pandemic, but also beyond. I'm wondering if you've seen the proposals that have come forward from the federal government that look to expand employment insurance, that actually recognize those who are self-employed, in making sure that the eligibility does not exclude. Is that something that is going to be helpful? Obviously, we're talking about what Ontario can do for its artists and its gig economy, and I think that's a conversation we definitely do need to have; we need to make sure that that comes through very loud and clear from the economic recovery committee. But if you could just talk about that—if that gives you any comfort at all, and what you want to see clearly from Ontario moving forward.

Mr. Jarrod Goldsmith: Absolutely, it has helped the gig economy and those who are self-employed—businesses, or even musicians for that matter—yet this is only a short-term solution. How long can EI accommodate the entire country? I'm talking about a radical change to the industry, which was brought about because of COVID-19. This provincial wage subsidy, live arts labour rebate or however it's to be called can have long-lasting effects. The province could even charge for a permit in order to be eligible for this subsidy, to request the contract, which, again, can sustain the industry long after COVID-19, when we're back to normal.

Ms. Mitzie Hunter: Yes, I definitely see that, and it's also a professionalizing of the industry, as well.

One of the things I worked on very early when I was first elected was pension reform. I got a chance to really talk to a lot of people who are in the arts community—and the precarity of that, just being able to even save for retirement or figure out where an income will come from for retirement later on. So I do see the value of that—

Mr. Jarrod Goldsmith: Well, actually, Minister Hunter, part of the American Federation of Musicians has a Canadian musicians' pension fund. For every gig we play, a percentage up to 10% goes into that fund that's applicable for a pension. But most people in the country and in the province aren't part of the music union. They're

not aware of the contractual benefits that come with it. So there is something like that already in place, but 95% or 98% of musicians have never heard of it before.

Ms. Mitzie Hunter: There is an artists' community in my riding of Scarborough–Guildwood, the Guild theatre. It's a live, outdoor theatre, and they came up with the concept of pop-up plays. They're porch plays, basically. They would go around the neighbourhood and do porch plays at a distance. There was a real question around the provincial guidelines and how it affects performers, because it's very possible to look at the rules, the two-metre distancing, and say, "We have our two metres, but given that we're performers, what else do we need to do?" So they came up with this way of doing it.

We have to be really cautious about not having a second wave. For the live performer category, are there recommendations that you would have to allow a safe return faster?

Mr. Jarrod Goldsmith: There's also Ottawa Porchfest and other musicians playing on their balconies and streaming it. But how do we get paid? This is our livelihood. We're not hobbyists.

The second thing, my second solution, was to create smaller pop-up festivals that the province could spearhead around the province. I use the example of Ottawa 2017, where they transformed the entire ByWard Market into a pedestrian mall—or most of it, rather—with a semi-permanent stage.

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

Mr. Jarrod Goldsmith: Then the city, or whoever they subcontracted, would hire musicians to perform—not only musicians, but potters, painters, live arts—and it really brought the cultural vibrancy of the city to the world. I think that if that was in place and the province were to be responsible for that, and offer funding for the artists to travel to the different municipalities throughout the province, that would really help; rather than having pop-up festivals—more of them, because we can't accommodate thousands of people anymore—having smaller ones, accessible to the public but managed according to the guidelines of health and distancing.

Ms. Mitzie Hunter: I wanted to just touch on the Ontario Bioscience Innovation Organization. I just think your work is really important during this time. I'm just wondering about this industry—

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

Ms. Mitzie Hunter:—and if you believe that the research and the funding is being supported for the contributions that you're making?

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Ms. Gail Garland: Thank you for your question, MPP Hunter.

I think the research support at the academic institution has yielded tremendous results for us as Ontarians. Our challenge is to now deliver the ROI on that investment, and that requires the additional support of a fund that will help companies develop their technology, get them to market and successfully commercialize them so that we can all benefit from them.

Ms. Mitzie Hunter: I definitely see the need to make sure that Ontario retains what comes out of that research, in terms of intellectual property and commercialization and scaling that, to be of benefit to societies here and elsewhere as well. That's something that's important.

The Chair (Mr. Amarjot Sandhu): Before we go to the government, MPP Wai, if you can please confirm your attendance.

Mrs. Daisy Wai: This is Daisy Wai. I'm calling in from Richmond Hill in Ontario.

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

We'll go to the government side now for their second round. MPP McDonell.

Mr. Jim McDonell: My question is for CropLife and Pierre. I grew up on a mixed farm, and, certainly, pesticides have always been a big part of rural life. It's funny; when MPP Martow asked about organic farming, there was a bit of a comment—when you're driving down the road, lots of times you can pick out an organic farm just by the look of it, the abundance of weeds, in many cases. It's a big challenge. The difference, really, is the pesticides, which are used safely today. I know that in my time, the use of them has come light years. At that time, back in the 1970s, of course, they were proving to us that they, as farmers—the educations weren't there as they are today, of course, and the licensing.

What would be your number one ask for the industry?

Mr. Pierre Petelle: Thanks for the question, Mr. McDonell.

For us, our members are the innovators. They are investing those products, the safer generation of products, the precision application—putting in less product per acre than ever before. We've gone from kilograms per acre down to grams—and in some cases, milligrams—per acre of product to achieve the same results. For us, we want an environment that attracts innovation. We want Canada, and Ontario specifically, to be a place where these large companies and small companies see that there's an investment potential and there's predictability.

What these layers of provincial restrictions do is they create uncertainty. So you get your federal registration, hundreds of millions of dollars' worth of investment data—you get your federal registration at Health Canada, and then there's a patchwork of uncertainty at the provincial level, and Ontario is the leader of the pack in that, because Ontario's restrictions are some of the most severe in the country.

We're asking for predictability in a science-based environment, and then the investment follows that.

Mr. Jim McDonell: You mentioned our tight restrictions. Of course, we're the most further east riding, and I only live about 10 or 20 kilometres from the Quebec border. The hardware stores are very different on each side, and Quebec has certainly more products open.

Sometimes I think there are somewhat misleading stats out there, but if, indeed, the issue we had was with applications, I always wondered why we didn't just restrict pesticides for cosmetic purposes to licensed operators. Certainly, in the farm industry, every body is licensed, and

to just take that away—I look at some of the local athletic fields that are not using anything. It's really hard to keep those fields up. It's already expensive, and of course if you remove that from the equation, it just makes it that much worse. Is that an idea—to restrict it to licensed operators versus some of the tighter restrictions we have today, because they're actually banned?

Mr. Pierre Petelle: That is an idea that's often talked about. I think the reality, though, is that Health Canada does have separate categories for homeowners versus commercial applications. They already look at that as a mitigating factor and they say, "This person who's going to be using this product domestically won't have the training and background and expertise, so we're going to make it so that the instructions are very easy to follow. The concentrations are very low." It's taken into account in the risk assessment, so to then further add restrictions at the provincial level again adds that uncertainty on the domestic side.

What we'd be looking for is, if there is a gap—

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

Mr. Pierre Petelle:—a knowledge gap among homeowners, there are other ways to educate them. I recently took the boater safety course. It's just one example, but there are lots of ways of getting people's knowledge levels on that to the level we want them at.

Mr. Jim McDonell: I agree with you on the domestic use, but also the opening up, so that if you're a licensed operator, you can actually use a product domestically because you have the training and the knowledge. I've heard a lot of comments out there but, really, when you're in it for business, you're not overusing the product and that [*inaudible*] to be a problem we have. So they're licensed, they have the training requirement and they can actually fill that field fairly well. This is on top of the domestic product you talked about.

Mr. Pierre Petelle: Yes, and right now the commercial applicators—I see the law signs everywhere where they're required to post when they apply the products that they do apply, and most of those lawns are just covered in weeds. It's a frustration, because homeowners are looking for solutions and they're turning to alternative sources. They're online-buying. There's a supplier out of Saskatchewan that sends lots of product to Ontarians. Those sales are happening in Saskatchewan, not here. In northern New York, their sales at the local hardware stores have dropped 30% to 40% in some cases because of the border being closed.

To say that the rules are being followed in Ontario is a bit of a stretch already, so we might as well find a way to get the safe Health Canada-approved products in the hands of Ontarians in a way that keeps the jobs and—

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

Mr. Pierre Petelle:—revenue in Ontario.

Mr. Jim McDonell: I have a question for OBIO and Gail Garland. You talked about the skills shortage and your boot camp. Is that something you can see being expanded across not only your industry but a lot of the science tech, or—even your trades or that two-week course where you show what it is to work—

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

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

Ms. Catherine Fife: I see that my colleague MPP Harden is on and so perhaps he may want to talk to the Ottawa folks like Jarrod at Sax Appeal.

I just want to finish up with OBIO. Gail, I wanted to address the issue around procurements, because this has been a consistent theme that we have heard. There is obviously some frustration, and there has been for years.

And I just want to give a special shout-out to Grant, who's on the call as well, because he used to be in my office.

Eight years ago, we were talking about how we get our health science research—commercialize it up and get it into our hospital, just on University Avenue. This has been a consistent theme, and so procurement is a solution. I wanted to give you two minutes to address that, and then I'll throw it over to MPP Harden.

Ms. Gail Garland: Indeed, procurement is a long-standing issue. We have been dialoguing extensively with hospitals, with the appropriate ministries in order to thoroughly understand what the barriers are to procurement, so that we can advance innovation into the health system.

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First of all, policy has to support the procurement of innovative technologies, and on this matter, we've had a number of discussions with Ontario Health as well as the Ministry of Government and Consumer Services. Number two, the hospitals have to see the value of innovation and be prepared to work with innovators so that the value can be demonstrated across the system to patients and the system. But number three is perhaps the most important, and that is, really, it has to be about a culture change and a culture that accepts and embraces the value of innovation, and if an innovative technology can demonstrate that it provides benefits across the parameters of value and cost-efficiency—then to ensure that that innovation is procured into our health care system. Really, that's a culture change that we are part of currently with our first group of early adopter hospitals that are working with us. They have, through their engagement with us, signalled that they are willing to be part of this culture change that will embrace innovation. If a positive determination of value is the outcome of the evaluation, then they will be part of procurement and dissemination decisions for that technology.

Ms. Catherine Fife: I don't know if MPP Harden is still on the call. Go ahead, please.

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

Mr. Joel Harden: I am, yes. Thank you.

I want to thank the folks from Sax Appeal for coming today. I'm sorry for arriving late—child care issues being what they are.

I understand that an important issue to you is a standard artist contract. I just wanted you to know we've heard from

many folks here representing cultural communities, including the Toronto Symphony Orchestra, talking about the need for the province to invest in our cultural communities. I was wondering if you could just elaborate on this and elaborate on the ripple effect from investing in the arts.

Mr. Jarrod Goldsmith: Actually, I referenced the Toronto Symphony Orchestra in my opening remarks. As well, I understand this committee will be hearing later today from the Toronto Musicians' Association, the American Federation of Musicians Local 149, on the concept of a provincial wage subsidy or a live arts labour rebate. I would be very happy to send you my opening remarks.

But the whole concept is, the industry is traditionally known as shady. There are a lot of hobbyist musicians who never sign contracts. They play for a bar tab or cover charge, and that devalues the professional musicians whose livelihood is performing live.

My suggestion was, if the province were to offer a wage subsidy through the signing of contractual agreements, which they could even charge a service fee for or whatever and administer, it will help the entire industry long after COVID-19 and we're back to normal. It could dramatically change.

I think, Ms. Martow, you were talking about forward thinking earlier. I'm an entrepreneur now, and this is what I think can not only solve many of the issues of entertainers these days, but have long-reaching effects and have the province be a leader in the promotion of culture and the arts.

Mr. Joel Harden: Well said.

Chair, how much time do we have left?

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

Mr. Joel Harden: I would only add, just given what you said and to give you an opportunity to elaborate on it, that it really seems as if, particularly for children, we are at a moment now when we can follow the lead of other countries in expanding access to the arts for them. I take notice that this has been a debate in the United Kingdom, the United States, several parts of Europe and South America—that if we figure out a way to get kids interested in an instrument early, it can have huge benefits for their life. I'm wondering if you, through Sax Appeal, have waded down that trail and if you have any advice for my friends in government.

Mr. Jarrod Goldsmith: Absolutely. We've performed at many kids' events or retirement homes, and everything in between. I started in high school. I never wanted to go into music full-time. I've been hearing my whole life how crazy I am. I moved to Ottawa and tried to get a government job for seven or eight years—long story, Mr. Harden. Having the opportunity for artists at a young age to begin learning the concepts—

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

That concludes our time for the presentations. Thank you to all three presenters for coming and for your presentations.

MISSISSAUGA BOARD OF TRADE
 CANADIAN FEDERATION
 OF INDEPENDENT BUSINESS
 OTTAWA COALITION OF
 BUSINESS IMPROVEMENT AREAS

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters: First, I would like to call on the Mississauga Board of Trade. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. David Wojcik: Thank you, Mr. Chair. My name is David Wojcik. I am the president and CEO of the Mississauga Board of Trade.

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

Mr. David Wojcik: Mr. Chair and members of the committee, on behalf of the Mississauga Board of Trade, I would like to thank you for the invitation to appear before the committee today on your 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. Since being established in 1961, the Mississauga Board of Trade has played an important leadership role, serving and representing the interests of businesses of all sizes and sectors in our community.

Mississauga is Canada's sixth-largest city and third-largest in Ontario, with a population close to 800,000 residents and over 50,000 businesses employing more than 440,000 people, including 60 Fortune 500 Canadian headquarters. Mississauga's economy is very diverse; we have businesses in virtually every sector, and Mississauga is a net importer of jobs. While COVID-19 has had a tremendous impact on Mississauga, like other parts of the province, we are confident that a rebuild of the local economy is doable and that Mississauga businesses can thrive once again.

The Mississauga Board of Trade has been providing leadership and support to our business community during COVID-19, and working with federal, provincial and municipal governments to make sure that programs and supports meet the needs of business and workers during this unprecedented time. We've also worked with our colleagues at the Canadian Chamber of Commerce, the Ontario Chamber of Commerce and the city of Mississauga economic development office.

We'd like to compliment the federal and provincial governments for some important programs implemented to support business. The Canada Emergency Wage Subsidy, the Canada Emergency Business Account and the Canada Emergency Response Benefit have all been welcome programs to provide much-needed income support to both business and workers. The government of Ontario should be complimented on initiatives around tax payment deferrals, WSIB premiums, regulatory changes and other supports brought in during the pandemic.

However, we remain very concerned about the jointly funded Canada Emergency Commercial Rent Assistance program, with a very low uptake and fundamental problems with the program's regulations. We would urge this

committee to recommend that the Ontario government renegotiate this program with the federal government, to get much-needed commercial rent assistance flowing to businesses in need.

Today, I would like to detail a few areas we would like to see the Ontario government focus on as we recover from the COVID-19 pandemic.

Under fiscal policy and regulation: Canada will enter recovery with substantial new public and private debt. Federal, provincial and territorial governments used ample fiscal stimulus in an unprecedented health crisis, and further support may be necessary to avoid a prolonged economic downturn. Personal and private sector debt is also going to expand as households struggle to make payments and firms borrow to preserve their operations. Ontario will have to walk a fiscal tightrope between reducing debt and deficits and maintaining a competitive economy that encourages business investment and economic growth.

As governments withdraw short-term emergency funding, we need strong economic growth to generate revenues. Government should refrain from austerity measures or tax increases that would damage economic growth. Government needs to continue to fund key determinants to growth like health, education, R&D and infrastructure. We are very concerned that the federal Canada Emergency Wage Subsidy program will diminish by the end of 2020, long before the predicted economic recovery occurs in Q1 and Q2 of 2021. This gap in funding will likely result in massive layoffs in Ontario and, as a result, Canada.

There have been many innovative temporary measures that the government has introduced during the pandemic: the red tape portal, the Ontario Together procurement portal, allowing restaurants to deliver alcohol online and extending commercial patio space, among others. The government should consider making many of these temporary measures permanent, as they contribute to the economic prosperity of our province. It is likely that you can identify others stemming from these that would make doing business in Ontario easier.

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We are particularly concerned about the effects the COVID-19 crisis is having on small and medium-sized enterprises, charities and non-for-profit organizations in Ontario. We are pleased that the government announced support to support businesses to go online. Enhanced telecommunications and information technology capabilities will be invaluable in seizing the economic development opportunities of the future.

The government should look at establishing more skills-training programs for workers and assisting businesses with onboarding employees as they return to work. On-the-job workplace training, providing direct financial assistance to employers, would be the most effective way of ensuring that job skills are matched to the employment available. Due to ambiguity around what technical skills are really needed as labour market demands—

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

Mr. David Wojcik:—continue to shift, an Ontario program should be adapted to include core skills such as communication, critical thinking, business acumen and financial literacy.

On taxation: While we recognize that governments are running significant deficits due to the COVID-19 pandemic, this is not the right time to raise taxes, fees or charges in Ontario. The federal government just announced that they were freezing EI rates for two years, and we would suggest that Ontario's government make similar commitments in terms of taxes, fees and charges.

Again, on behalf of the Mississauga Board of Trade, thank you for the opportunity to appear before the committee today.

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

Our next presenter is the Canadian Federation of Independent Business. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Ryan Mallough: My name is Ryan Mallough. I am the director of provincial affairs for Ontario with the Canadian Federation of Independent Business. Thank you for the opportunity to address the government's COVID-19 response and the pandemic's impact on small and medium-size businesses in Ontario. CFIB is a non-partisan, non-profit organization, and we represent 110,000 Canadian-owned and independently operated businesses in all sectors, with 42,000 members right here in Ontario.

These past five months have been incredibly difficult on Ontario's small business owners. While there's no doubt that the lockdown curbed COVID-19's spread, government-mandated closures have had a significant and continuing impact on the small business community.

We have been regularly surveying our members throughout the pandemic, and as of last week, 62% of businesses across the province are fully open. However, only 38% report being at or above normal staffing levels for this time of year, and only 26% report being at or above normal revenue levels for this time of year. Our most recent findings also show an urban/rural divide, with 38% of rural businesses being at or above normal revenues, versus only 20% of urban ones; in Toronto, it's even lower, at 18%.

These numbers show that the road to recovery is shaping up to be a long one. Fortunately, small business owners are optimistic by nature and, year over year, Ontario's small business owners are the most confident in the country, according to our July Business Barometer reading. But just because they are optimistic does not mean that they don't need help from the Ontario government to get to the other side of COVID-19. As the summer winds down and the threat of a second wave looms in the fall, we want to ensure that the government continues to support small businesses, while also learning some important lessons from the spring lockdown.

The government was very quick to act on small business cash flow, an important move at the outset of the

pandemic. Deferring provincial taxes and WSIB premiums and reporting, allowing municipalities to defer business education tax collection, and increasing the employer tax threshold helped to ensure that many businesses had additional funding to weather the earliest weeks of lockdown. We are appreciative of the recently announced tax deferral extension and encourage government to consider further deferrals and even forgiveness as we head into the fall.

There was also a continued strong focus on red tape, and I'd like to specifically single out Attorney General Doug Downey for making several practical regulatory changes that provided a meaningful boost on the ground: allowing the sale of alcohol with takeout, allowing restaurants to expand their patios and waiving the permit fee, allowing direct-to-consumer delivery for licensed cannabis retail stores, and allowing cideries to open online and bricks-and-mortar retail, even if they didn't have an orchard on-site. Advocating for red tape reduction is in our DNA, and CFIB has always put significant emphasis on the red tape burden. Often at committee, we're asked for examples just like these.

As we continue down the long road to recovery, we encourage the government to maintain its red tape focus and consider making measures like these permanent. We also urge the government to eliminate regulatory barriers to growth to spur recovery, especially in sectors that can bounce back more quickly, like transportation or construction, cannabis or the craft alcohol sector.

We also commend the government for moving quickly on electricity rates. With so many businesses closed and so many people working from home, going to low peak 24/7 was the right thing to do before settling into the fixed COVID-19 rate until October 31. We are also pleased that the government is moving forward on a long-standing CFIB recommendation to finally eliminate time-of-use pricing. Only 4% of small businesses have been able to adjust when they use electricity, and the system has long been seen as a penalty for being open during business hours. We look forward to further details on the new option prior to its November 1 launch.

While there are many things the government did well over the course of the lockdown, including programs like Digital Main Street, there are also some very important lessons to be learned. The essential businesses list and associated hotline caused mass confusion in the earliest days of the pandemic. Businesses from landscapers to pet groomers were unclear if and to what extent they could offer their services. Worse, while most hotline officers outright refused to clarify or offer an interpretation, the ones who did provided conflicting advice.

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

Mr. Ryan Mallough: In my own experience, I was offered four separate interpretations on retailer curbside pickup in a single 48-hour window.

The issue was also compounded by a lack of consistent enforcement on the ground. We heard from businesses across Ontario that they received different interpretations from municipal officials, bylaw officers, local police and the OPP.

We strongly urge the government to provide clear and consistent interpretation of any future essential businesses list. In addition, business owners should have access to binding written interpretation so they can present it to enforcement when needed.

Clamping down on curbside pickup was also a major point of contention among small retailers and played directly to online giants like Amazon, as well as big box stores that were fully operational during the lockdown. I cannot tell you how often I heard the frustration from business owners who saw Walmart fully open just because they had a grocery section while also selling the clothing, shoes, eyeglasses, housewares and electronics that the small retailer down the street was not allowed to sell because they were locked down. That cannot happen again.

As we head into the fall, small businesses will continue to be challenged by many significant hurdles. The wage subsidy program is complicated. CEBA loans needed to be brought in, both in size and scope. But where too many businesses still need assistance is rent. The federal-provincial CECRA program is still severely underutilized, and as a result, countless commercial tenants have gone for months without financial support and are staring down the barrel of an eviction in September. I've been watching these hearings over the past week, and I know you've heard directly from several business owners, many of them CFIB members, who are telling you the same thing.

In a perfect world, the program could be fixed, in cooperation with the federal government. However, with the clock rapidly ticking down, we are recommending that the Ontario government reallocate its unused CECRA funds to a provincial program that gets rent assistance directly into tenants' hands. We also urge the Ontario government to extend its commercial evictions ban through the end of the year. CECRA comes with eviction protection, but there is no such protection for the many small businesses that have been shut out of the program once it expires.

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

Mr. Ryan Mallough: The road to small business economic recovery is shaping up to be a long one. In the absence of a vaccine, social distancing measures and capacity restrictions are likely to remain in place for the foreseeable future. It is imperative that government consider every available option in the short and long term to bolster small business recovery. For the sake of our economy and our communities, government must work to ensure that as many small businesses as possible make it to the other side of COVID-19.

I thank you for your time. We will submit a written document with several more recommendations later today. I look forward to answering any questions.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to our next presenter, the Ottawa Coalition of Business Improvement Areas. Please state your name for the record, and you will have seven minutes.

Mr. Mark Kaluski: My name is Mark Kaluski. I'm the chair of the Ottawa Coalition of Business Improvement Areas.

Mr. Chair and members of the committee, I thank you for your time today to listen to the impact of the COVID-19 shutdown on main street businesses in Ontario. We have some lessons learned and some suggestions going forward.

I represent an association of 19 business improvement areas, BIAs, in Ottawa. BIAs are organizations set up to create vibrant commercial zones in our area that contribute so much to our neighbourhoods in both unique shopping and dining options, as well as in economic impact.

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Our organization represents over 6,200 businesses and properties in Ottawa who collectively contribute over \$250 million in commercial property taxes to the municipality. In March, we were shut down to halt the spread of the disease, locked out of any ability to generate income. While the government had the best of intentions and we were in uncharted territory, some major mistakes were made that have contributed to an economic mess for many retailers and those in the hospitality business.

The first issue is that some businesses were allowed to remain open while others shut. The problem is that any retail outlet considered non-essential sat by as bigger commercial establishments were allowed to operate without restriction. Seeing major grocery stores selling clothing, dishes, books, sporting goods and so on while our independents were shut down was devastating. I can give you an example of a party supply store that missed out on their busiest season, accumulated \$185,000 in back rent and watched as Walmart's sales of these products went unchecked. If there's a second wave and we face closures again, it is important that only grocery and pharmacy and other emergency goods be allowed to be sold by any establishment that is allowed to remain open.

Along those lines, our retail continues to suffer at the hands of the online giant Amazon. They have an unchecked monopoly. Retail was already facing unfair competition from this behemoth, and the pandemic only sealed its dominance while our retailers were locked down. There have been volumes written about the unfair practices, so I won't go too far down that path, but it's important to understand just how unfair these are relative to bricks-and-mortar businesses.

Amazon simply does not pay its fair share of public costs, and is therefore enabled to charge significantly less for their products and delivery than bricks-and-mortar can. They pay comparatively low property taxes, payroll taxes and corporate taxes, and this only widens the fairness gap. We know they don't employ their drivers—using independent contractors so they don't have to contribute to CPP, EI, WSIB and employee health tax. It also gives them no benefits or job security. Many work for less than minimum wage in unsafe vehicles—and with that they charge very little for delivery while consuming public assets.

In Ottawa, if the goods come from the closest distribution centre, each delivery would average at least 26 kilometres. Every day, orders are polluting our air; using our services like policing, bylaw, ambulance and

roadworks; and congesting roads—driving up and down our residential roads. When they are able to share these costs with all taxpayers and pass those savings on to consumers and their competitors, they have an unfair business advantage.

Every dollar spent on Amazon is a dollar that vanishes from our local economy. I would argue that a surcharge on each Amazon delivery to more closely reflect the cost of these deliveries to society would be in good order, with the proceeds funnelled back to brick-and-mortar SMEs to level the playing field. We are the job creators, the ones who pay the corporate property taxes that fund our municipalities, who contribute to the local book fair and make our neighbourhoods interesting and livable. Amazon does have its role connecting worldwide vendors to local customers, but when it competes for products that are locally available, it dominates them until they close down. I understand the danger in over-regulating industries, but we see how having monopoly companies can hollow out our cities, and more needs to be done. Think of the hole that \$250 million in corporate property tax vanishing from Ottawa's municipal budget will have.

As we turn to the fall season, what keeps most physical businesses awake at night is how we will deal with the economy as the weather starts to turn and people stay inside. We fear that a combination of cold air, bad weather, pandemic fears of a second wave and e-commerce's insurmountable head start will all conspire to put the final nail in the coffin. There is the upcoming worry of missed holiday season sales. Without those sales, they will close. We know that people will opt for the convenience of having a package delivered to their door instead of venturing to their local store. We've already seen how CERB payments have gone to enrich Amazon, Apple, Netflix and so on. Our restaurants also face the lost holiday party income that generates so much of their annual revenues. We have to brace ourselves for another round of mass closings in January.

Moving on: I'm not a legal expert, but the province could have and should have done more to get involved in contract law, to ensure that independent business owners could be sheltered from some of the hardest impacts of COVID-19 closures. They were forcefully shut down, not allowed to earn an income and then faced with evictions, personal guarantees on all lease payments and commercial loans, bankruptcies and an accumulation of debt. These owners have paid everything on time, had business insurance for all manners of eventualities, and when they needed it most—

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

Mr. Mark Kaluski: — it was not enforceable. Some reform to contract law to enforce these contracts would be a top priority.

My final point is around CECRA. Without forcing everyone through it, the program failed. You're counting on landlords to be nice, and in business that's not something you can rely on. You're asking property owners to voluntarily forgo much-needed rent. It's usually the smaller ones who accommodate, and it again creates an

unfair system. From now on, any rental assistance program must be able to distinguish between a small landlord and a large corporation with significant holdings.

For some landlords, the rent barely covers the mortgage and interest, insurance and property tax. As a small landlord myself, I'm aware of that. Every month that the subsidy continues, I go further and further into debt. I accepted right away to do it, and it turns out, this became a gesture of generosity instead of a way to keep the whole system afloat, as I saw other landlords refuse to do it. There is no fairness in a plan that relies on niceness over business case.

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

Mr. Mark Kaluski: There needs to be a distinction in eligibility. When a landlord's holdings are under a certain threshold—we'll say \$5 million, something around that—the rent should be split 25% to the tenant and 75% to the government. Small landlords have lost enough, and my bank has taken zero cut in this. They've increased their fees and stacked their mortgage payments, and are charging me more and more interest. Companies with larger holdings can more afford to take a hit in this bad year. This would allow more fairness in the system. To be clear, I want to be able to keep extending this to my tenant. I simply cannot afford to do this anymore.

So, in general, the government did a lot right. We need to recognize this. The relaxation of the rules on the patios and delivery of alcohol made big differences, and I echo my predecessor's call to make them permanent. The government implemented a large-scale rental program that has vitally saved many businesses from certain bankruptcy and mass commercial vacancies. A few small tweaks to this program will certainly help. They pushed a made-in-Ontario campaign. We appreciate the Premier trying to encourage people to buy local, especially products manufactured—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We are out of time.

We'll start this set of questions with the government. MPP Roberts.

Mr. Jeremy Roberts: I'd like to thank all of our presenters this morning—a lot of common threads, I think, between all three presenters this morning from Mississauga, CFIB and, of course, Ottawa.

Mark, thank you for coming and representing the Ottawa perspective on a lot of these issues.

Ryan, we appreciate the positive feedback for the Attorney General, and we'll make sure we pass that along to Minister Downey. I think he's been a doing a phenomenal job.

I'm going to actually toss this question out to all three of you, and perhaps all three of you can comment. Throughout the course of the study on the small business sector, we've heard ideas that have generally fallen into one of four buckets, whether it's tax relief, marketing support, red tape reduction or grants.

I want to touch on the first one of those, tax relief. I know you each touched on this a little bit. You talked a bit about how tax deferral has certainly been a benefit to a lot

of your members. I wonder if each of you could share any ideas you have for the committee on how we might be able to use tax relief to effectively support and bolster our small businesses. I think of ideas we've heard so far, like bringing in some sort of home renovation tax credit. We've had tourism incentive tax credits proposed to us, different things like that.

Perhaps we'll go in the same order that you presented. I'll turn it over to our friends from Mississauga. David, if you want to start—and then we'll go to Ryan and close off with Mark.

Mr. David Wojcik: While the tax deferrals were appreciated, we have to understand that some of these small businesses have zero income coming in for a period of time. Kicking that can down the road doesn't help anybody, because at some point in time, they have to pay that piper.

If you had no income for three, four and five months, and now you have this massive tax bill to pay on top of everything else that's accumulated—it doesn't help anybody to have those tax deferrals. It might have been okay if the pandemic or the emergency measure closures lasted for two weeks or a month, but now we're into several months. We have a lot of small businesses that have accumulated these great amounts of debt, and now they're staring down the barrel of these huge amounts that they have to pay to the municipal government, the regional government, the provincial government and the federal government.

Mr. Jeremy Roberts: Do you have any ideas, David, before we move on, on the incentive side, in terms of ways that we could incentivize consumers to come back to small businesses?

1030

Mr. David Wojcik: We do a weekly survey of our members and their take on consumer confidence in coming back. A recent question that we posed was just to the businesses about their own perspective on whether they would go out to a restaurant at this point in time, and 60% of the respondents said that they would not go yet. They're still very concerned, even with all of the measures that have been put in with Peel regional health and through the province. They're still very, very concerned about safety. So until we clear that hurdle of safety, I don't know what incentive you could possibly give to consumers to return to shopping and return to restaurants.

Mr. Jeremy Roberts: I'll toss it over now to Ryan for some thoughts.

Mr. Ryan Mallough: Yes, I think I would echo a lot of those sentiments, particularly around the deferrals. We were and are very supportive of that. I don't think anyone could have known how long the pandemic was going to last. The cash flow side of it has been important, but every extra month of that deferral, that question has been nagging—that bill coming due is just going to be that much bigger now, and that's going to be a significant struggle. That's why we're encouraging looking at forgiveness.

On the tax side, I will note the provincial capacity is a little bit limited, as far as—the federal government has a

lot of control over HST, and that's the big one. On the payroll side, CPP is going up on January 1 as well. Payroll taxes are profit-insensitive; you pay them whether or not you're making any money, so that is going to be a challenge come January 1.

I will note, when you're looking at ideas, that I think a home renovation tax is very interesting. I would not necessarily limit that just to residences. I've heard from a lot of business owners who are looking to renovate their spaces—

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

Mr. Ryan Mallough: —and also to adapt to the modern COVID-19 times, to maybe put some more permanent structure in place to help with social distancing and that sort of thing, sort of an advanced PPE cost. So looking at that, I think, might be helpful as well.

I will echo, on the consumer confidence side, that throughout this whole thing we've been surveying weekly as well. That's been the number one concern. Upwards of 70% of business owners are constantly concerned about whether their customers are coming back. I think our revenue numbers are showing that, so far, they haven't been. There's been a lot of hesitation. In addition to looking for some way to incentivize them, it's incredibly important that the messaging is consistent. I follow all of you on Twitter. I've seen you out in your communities. It's great; please keep doing it. But there is a conflicting message publicly between, "Stay at home. Social distance. Be safe," and "Go out to a business, go have a lunch, go shop." People are having a really tough time reconciling that, and we want to make sure that people understand that as businesses reopen, it's because it's safe to do so, that it's safe to go out, and to keep encouraging that—

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

Ms. Catherine Fife: Thanks to all of the presenters—all very cohesive presentations, and information that this committee needs to hear.

I wanted to start with Mark. My colleague Joel Harden—we've been talking often, because a lot of federal employees, of course, are no longer in the downtown core. We have the same thing here in Waterloo, with students not frequenting small businesses. What do you think the government can do to change the narrative on this? I really like the idea that Ryan just mentioned around the commercial renovation tax credit, to help businesses retool and acclimatize to this new culture of health and safety. I think that's something that businesses would welcome, and it would create some jobs in the interim as well.

Mark, I just wanted to touch on the uniqueness of the downtown BIAs and how these small, independent businesses are so disadvantaged by, as you mentioned, Amazon. Let's try to level the playing field a little bit. I'm looking for some specific ideas from you.

Mr. Mark Kaluski: Thanks for bringing that up, because that is, of course, one of our biggest issues. I was going to jump onto Mr. Mallough's comments as well. Anything we can do to encourage people to get back into the workplace is important. Unfortunately, we're hearing

big companies in Ottawa like Shopify say, “Two more years before”—or “We may never even have people back in our downtown locations.” The government is saying, “Another six months, eight months.” Our downtowns are being hollowed out. The coffee shop can’t survive anymore if there are no employees. The dry cleaners, the people who make suits—if everyone’s staying home and this is the new normal, entire segments of our retail landscape are going to disappear.

I would like to see major employers commit to a return to downtown offices—a return to any office space, to be honest. Using a tax credit as an incentive may be the best way to get them to do so. There are safe ways to get people back into offices, and I think we should be doing everything we can to get them back.

Ms. Catherine Fife: It’s interesting; our back-to-school plan here in the province of Ontario—not everybody has a lot of confidence in that, including me. If we’re going to be putting 25 students in a classroom, then there has to be a way for us to figure out how to get employees back to the workplace. I think that goes to confidence, though, as well, and partnering with the provincial government.

I wanted to give Ryan a shout-out. The CFIB has been, quite honestly, a great resource for businesses across this country. The surveys that you’ve been doing and the research have really validated everything that the Mississauga Board of Trade has said, as well as the downtown BIA for Ottawa. I’ve written a letter; I’ve tried to get the finance minister to make a made-in-Ontario reallocating of those federal funds in the province for rent relief that tenants can apply to. If we lose these small businesses in our cores, then our economic recovery is going to be that much harder. So I see this as an investment in our economy.

Can you speak to how important it is for Ontario to take ownership for tenant-driven rent support?

Mr. Ryan Mallough: I think that at this point it’s crucial. We liked CECRA when it came out too. We were pushing the government, the feds, to do something on rent. We were glad to see the province put up a significant amount of money into it, but the fact of the matter is that on the ground, it just has not worked. Uptake has been incredibly low. We’re working on those numbers from an Ontario side, but I can tell you that from our survey data, only about 17% of commercial tenants have taken it up, and I can tell you that the approval rating of it is at about 20%, so it’s a program that’s just not working.

With eviction protection expiring in September, what you’re going to see, what we’ve been hearing, what I know you’ve been hearing, is that businesses are going to be evicted. When that happens, it’s not just the business owner who loses and it’s not just the employee who loses; it’s the whole community. I’m hard-pressed to think of any neighbourhood in any city in this province that isn’t defined by the businesses that line it. When you lose those spots, you are losing part of the community’s soul. It is just not going to be the same once we’re able to comfortably go back out if those businesses aren’t there.

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

Ms. Catherine Fife: Yes. That’s very good for everyone on this committee to hear.

We are going to push for an extension on the eviction ban, because it’s August; it’s around the corner. Particularly the restaurants and the service industries we’ve heard from—those patios extended their life, perhaps, but winter is coming and I think that we have some really challenging times before us.

There are some solutions out there that we’ve heard on this committee, though. The Ontario radio broadcasters, for instance, are asking for \$20 million to promote local businesses and to buy local, so there is some fertilization, if you will, that can happen. And government procurement of services has also been a major issue.

I did want to thank all of you for your presentations. You’ve complemented each other very well, and you gave us some tangible ideas to go forward. Thanks very much for your testimony today.

The Chair (Mr. Amarjot Sandhu): We’ll go to the independent members now. MPP Hunter.

Ms. Mitzi Hunter: Thanks so much to everyone who presented today. I recognize that you represent thousands of small, medium and independent businesses in Ontario, and I want to thank you for the work that you’ve done. I’ve seen you out there fighting on behalf of the voices of small and independent businesses, and I think it’s really important. It’s important that this committee hears your points of view and helps to form the government’s response to the economic recovery, which is a long road ahead. We’ve certainly heard that, and what we want to fight for is to ensure that our small businesses don’t disappear. We’ve got to make sure that that is a message that is heard loud and clear.

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Your concerns around deferrals just really piling on debt on small businesses that have no source of income or cash flow as a result of the pandemic—we’ve got to be sensitive to that liquidity issue that people face. Many small businesses have come before this committee and talked about their own personal and family commitments to keeping themselves operating. So that’s something that we hear. Certainly, there’s a consistency around the CECRA program and meeting the needs of small businesses and giving them control, really, over the program because doing it through landlords—it’s really varied. I’ve talked to restaurant owners who have multiple locations and they’ve had a different experience with each landlord, and it’s basically relying on the benevolence of one individual versus standardizing the program so that it makes it fair for everyone. So I hear the recommendation of using those untapped funds to solve the issue for small businesses in terms of cash flow and liquidity.

I know that there are some things that have been a relief. There’s one that we’ve certainly pushed for, which is the energy rate. Not only has that benefited small businesses, but lots of individuals and families, particularly during a hot summer, and making sure that they can afford their hydro and their energy costs as well. So I’m glad that

you've seen that that has benefited the businesses—and that we're looking to make sure that that relief is something that is there for the future as well.

I'm just wondering—maybe I can start with Ryan—if you could speak to your vision for the CECRA program, because that seems to be something that hits businesses really hard, small businesses in particular. You've talked about the difference between rural and urban as well. So talk a little bit more about what you want to see in a revised program.

Mr. Ryan Mallough: Ultimately, what we'd like to see is a program that gets the money directly into the hands of tenants. I want to state, too, that we have heard of several bad experiences with landlords. We do have a lot of members who are landlords as well. They are not all bad; this isn't a universal thing. But some of them look at the program and it just puts them in an awkward financial position. Their mortgages have not been deferred. Their bills are still due in full, and that 25% that they're asked to pony up is not just base rent, it's also utilities or renovations or whatever else is included in that number. So for some of them, the financial reality isn't workable for them, as well as the red tape headache that it is to apply. We have even had support for them—for a program that gets money directly into tenants' hands so that tenants can start paying into that rental program.

Again, it's going to be a difficult road. We did mention the urban-rural divide, and I think that city rents are also higher, it's a bigger lump sum that is owed there, so the help is going to be needed.

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

Mr. Ryan Mallough: But I think taking the remaining funds—and again, we don't know the number, but we're pretty confident that there's a substantial amount of that \$241 million still remaining. Taking those funds and getting them directly into the hands of tenants is going to go a long way to help.

Ms. Mitzie Hunter: I just want to jump quickly to David. Mississauga is doing a great job, but it still has a high rate of community spread. Are you concerned about your businesses and that whole notion of consumer confidence because of that?

Mr. David Wojcik: First of all, it's great to see you again, Mitzie. I remember fondly your visit to Mississauga and our lively conversation when you were a minister.

Thank you for the question.

Mississauga—I don't want to throw my friends from Brampton under the bus here, but we have to really look at the number of cases across Peel region.

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

Mr. David Wojcik: Of course, we were opening based on regional numbers. So Mississauga has been in a very, very good position. Unfortunately, our friends to the north in Brampton have struggled with the containment of cases. But because we are put into a region, our consumers and our business owners are concerned.

I was at one of our local restaurants on Friday for lunch with our city manager. They've just put a \$50,000 renovation on their patio roof as an investment to extend the life,

and there were five people sitting on a beautiful, beautiful Friday afternoon.

I will say that Mayor Crombie and I are going out this Friday afternoon with our related communications teams to visit several local businesses in Mississauga—

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

We will go back to the opposition now for their second round. MPP Morrison.

Ms. Suze Morrison: I'm going to start with Ryan from the CFIB. Thank you for being here. In your last round of comments, when you were speaking with my colleague MPP Fife, you mentioned the idea of “community soul” and small businesses really being the soul of our neighbourhoods. That really resonated with me. I represent a riding in downtown Toronto that includes the Church-Wellesley Village. We know that we have so many of these really distinct cultural communities that are built around the small businesses in those communities as the anchor; I think about places like the Village and Chinatown and Little Italy and Little Jamaica.

Can you speak a little bit more about the really important role of small independent businesses as anchors for cultural communities that, in many cases, have also been some of the communities that have been hardest hit by the pandemic from an infection standpoint as well?

Mr. Ryan Mallough: Absolutely. This is something that we were looking at into last year. We came out with a report on showroom shopping and the impact that that has—when someone goes into a business, uses the expertise, gets a price point and then goes to Amazon to actually purchase the product—and the kind of pain that that causes and what you lose out on.

Again, it's not just a sale for the business owner, and it's not just jobs for the local employees; these are the guys who had the names on the back of local soccer, hockey and baseball jerseys. These guys are the fabric of the community. Your neighbourhood is just a series of houses but for the businesses that are in it, because that is the draw, that is the meeting point—that local coffee shop in the morning, the guys who are sitting out on the front steps welcoming people in.

You mentioned Little Jamaica. I actually live in the Eglinton and Dufferin area. I've got to say that for these guys especially, going from the LRT construction disruption to a pandemic is absolutely devastating.

If there's one principal take-away that I could ask for everyone to take away from this, to borrow a medical term, it's “do no harm.” Approach everything that you have coming out of the pandemic with the approach of “do no harm.” I know infrastructure is going to be an important part, but please don't dig up Main Street in the spring of next year as these guys are just coming out of this pandemic. It will just crush them, as we've seen in the Eglinton area. Again, that loss is not just economic. It's not just a number on the jobs board; it is part of the community.

We have seen so many long-time businesses, hundred-year-old businesses, have this be the back-breaker. We had

one guy say, “I survived the Spanish flu and two world wars in this family business, and this is what’s going to get me.” It’s absolutely devastating. Again, everything at the government’s disposal, both in the short term and mid-term, to save as many businesses as possible and ensure that we’re able to not just survive, but thrive, coming out of this is important.

Ms. Suze Morrison: You make a really interesting point about not ripping up main streets. We saw the current Conservative government, just in the last session, table a transit bill that’s actually going to hand over power directly to P3s to overrule municipalities on decisions about the kinds of disruptions that they can make in these projects. We heard over and over and over again that it was going to be particularly devastating to communities like Little Jamaica and the folks who have been impacted by the Eglinton Crosstown. I think when you couple that with COVID-19, we’re looking at a disaster.

When I think about my own downtown community, we have a number of infrastructure projects coming up that are going to have massive impacts, between Enbridge lines that have to get moved, new power lines that have to get laid and tunneling for subway infrastructure.

Where you’re getting to might be an interesting recommendation for the committee around how some of these projects happen at different levels of government.

Would you suggest, perhaps, better coordination between the three levels of government, to make sure that some of these projects at the very least align, so that if we’re digging up a main street in a community we’re doing it once, not three times in three consecutive summers; that if we’re digging up the road to put in new power lines, the next year we’re not digging it back up because that’s the year it’s scheduled to get repaved, and then the year after that for the provincial transit infrastructure? What recommendations would you have for the committee around better aligning some of those projects to minimize and mitigate the impact?

1050

Mr. Ryan Mallough: I think better coordination is extremely important. We will have a full recommendation around the concept of construction mitigation in our written submission, as well. I want to say that infrastructure upgrades are important, and once they’re done, everyone will benefit. When the LRT is done, it’s going to be great. But the amount of business suffering that goes into that construction project, especially when there are delays, can be absolutely devastating. I know Mark just saw Elgin Street dug up in Ottawa, and there was a good grassroots “keep shopping here” campaign, but it’s always difficult when scaffolding is covering up your business entrance.

Ultimately, I think what we would like to see when the province does have a hand in a project is what we’ve seen in Quebec—in Montreal and Quebec City and on Guillaume-Couture in Lévis: to pay the businesses that are shut down and mitigate those losses. We have seen construction mitigation taken up in Quebec. We have seen it work in the States, as well.

Things like better communication, discussing with the community and the businesses, as well as having the liaison—I’ve got an LRT office here at Dufferin that I’ve never seen open. Having someone who is there on the ground, constantly communicating with the business owners, letting them know things like when water is going to get shut down before it actually happens—that sort of thing is crucial.

Again, if you’ve got something that can be delayed, if the street does not need to be paved next year but can wait until the year after, we’d highly recommend doing that, because there is nothing that is going to hit so hard as coming out of a pandemic just to see everything dug up and take a hit again.

The Chair (Mr. Amarjot Sandhu): We’ll go to the independent members now for their second round. MPP Schreiner.

Mr. Mike Schreiner: I just want to thank all three presenters for being so eloquent in their support for small businesses and the important role that small businesses play in our economy and our communities. They are the heart of our community. I appreciate the perspective on the need to fix the rent program, to have a made-in-Ontario program and to extend the eviction ban. I’ll certainly be advocating with you for that.

I’ll ask you, Ryan, just from the CFIB’s perspective, since you’ve been surveying so many of your members: If the rent program is not fixed, do you have a sense of how many businesses will not be able to survive, and do you think there’s any way we can have an economic recovery in Ontario if we lose a number of small businesses?

Mr. Ryan Mallough: I can’t pin it exactly on rent. We did do a survey about the number of businesses that were considering shutting down or closing up shop from June forward—so not including the recently released StatsCan numbers of the businesses that have already closed—and the number you’re looking at is one in seven, if things don’t change.

Mr. Mike Schreiner: Wow.

Mr. Ryan Mallough: It’s one in seven businesses, so the mid-range around that in Ontario, I think, is in the 60,000 range. Again, that is incredibly significant. It is a major loss to the community. It is a major loss for the economy. Moving forward, small businesses are such an integral part of the economy that I don’t see how recovery is recovery without them.

Mr. Mike Schreiner: I’m a one-time small business owner. Sometimes small businesses have to draw on a line of credit and maybe go into debt a little bit to make some investments, because they know they’re going to get a return on investments. It has to be strategic. But it seems like this is one of those moments where pinching pennies, if that means that we’re going to lose a lot of small businesses, just doesn’t seem like a very smart investment. It feels like if we can make some investments, the rent program being one of them, I would think the return on investment for the province in not losing tens of thousands of businesses would be essential to economic recovery.

Mr. Ryan Mallough: Yes, I'd be inclined to agree with that. That's going to be the engine of the recovery; you want it to actually be there to be able to do it.

On the debt side, I think the average incurred debt for Ontario small business as of July 2 was \$152,000, for those businesses that did take on debt, and they're reporting that it's going to take well over a year to pay off. It has taken a significant toll. It is going to be a long road to recovery from that.

Mr. Mike Schreiner: Mark, I'm going to give you an opportunity to answer that question as well, because I can see you're wanting to say something.

Mr. Mark Kaluski: I'm just echoing what Mr. Mallough is saying about the amount of debt that companies are taking on. The bigger issue is the uncertainty over how long this will last. As you said, it's a good idea to borrow some money in the short term, but if this is going to be another year—sometimes you have to shoot a dead horse, and I hate to say that. Some businesses are going to be faced with that choice: Do I keep going into debt? Do I keep borrowing against my house and every credit facility I have to keep this thing going, not knowing if in January things are going to be better, if next June things are going to be better?

The holiday season for both retail and for restaurants—and that is their most important time of year. If we're not going to be able to generate sales in that time, I really think we're going to see a much higher rate of failure come January, when people are going to say, "I just didn't make it. I didn't make it in my good times, so I'm definitely not going to make it in my bad times." That's why it's so critical—rent is the number one expense after employment, the number one fixed cost. We need a program that works.

Mr. Mike Schreiner: Yes. I should just be really clear, Mark: I was thinking of the provincial government doing the borrowing, not the small businesses on this particular one, because I know small businesses are tapped out at this point, especially with interest rates so low. So I hear you.

I also just want to say to David of Mississauga, thank you for echoing the exact same concerns.

I'll go to you, Mark, with this final question. I know all three of you brought this up to a certain extent. I heard from I can't tell you how many small business owners upset about people buying electronics at Walmart or clothes at the local grocery store. I heard that over and over again. Can you give us recommendations of how the government can better manage the essential business list and communicate that? If we have a second wave and if that second wave requires another shutdown, how can we do it better the next time around?

Mr. Mark Kaluski: The easy answer is, you tell Walmart, "If you're selling groceries, then you sell groceries." You close off what is the non-essential part of their store—or the Costcos. I don't want to pick on one company. The good news is, unfortunately many businesses have had to adapt but have now found a way to do curbside pickup.

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

Mr. Mark Kaluski: I think, even in another closure, we will be able to allow a certain kind of curbside pickup for smaller businesses, to give them a chance to make some sales, and that too—really, if we're going to make it fair for everyone, we have to make it fair for everyone. So Loblaws should not be selling microwaves as part of an essential service. The unfortunate consequence of that is people then go to Amazon and buy on Amazon or walmart.ca, whatever. It is a tricky one to nail down.

I suppose, in full possibility, you could shut down online people from selling non-essential goods, but I think that would be a much bigger crisis or problem. It's not something that's easily solvable. But in terms of optics for fairness, definitely roping off the sections of a store that aren't considered essential products or goods would go a long way toward making businesses feel like it's fair.

Mr. Mike Schreiner: Ryan, there's probably not much time left—

The Chair (Mr. Amarjot Sandhu): Thank you so much. Sorry to cut you off. We are out of time.

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

Mr. Kaleed Rasheed: Thank you to all three presenters this morning.

My question is to a very good friend here, David from the Mississauga Board of Trade. We are all Mississaugans, and I am very proud to represent Mississauga East–Cooksville. David and I had several conversations, especially during this COVID-19 crisis, about businesses. First off, I just want to commend David and his entire team for doing incredible work during COVID-19. You guys are doing amazing work and making sure that the businesses know that you are there for them. Thank you on behalf of all my Mississauga colleagues, as well.

David, as you know, as a government we have been investing even before this pandemic started, but also during this pandemic. We spoke about the Mississauga LRT and now, just last week, we were at the announcement for the RFP for the Metrolinx part of the subway extension or Metrolinx towards the airport, Etobicoke, Mississauga, Malton and everything.

1100

What I'm hearing from businesses out there, especially when I go around as part of my tour, is that—everyone is saying that, yes, the CERB program has been great. During this pandemic, it has played a huge role. But what businesses are saying to me is, "We are now struggling to find people to come and work for us." Is that something you are also hearing from your members?

What are your members saying to all of the investments that we, as a government, are making in Mississauga right now?

Mr. David Wojcik: Thanks for the question. It's good to see you in the committee room. Thanks for your support as well.

It is a concern, of course, with companies that are in manufacturing, to get some of their workers to come back to work, and I don't know that it's so much because of any CERB programs, but it's certainly a safety issue and a

child care issue. There are some more, I'll call, socially motivated reasons for not returning to work. Anything that the government can do in those areas to promote safety, to help businesses increase their safety awareness for their employees and certainly along the lines of assisting employees with health care—I know that the government is working on the back-to-school program in a very efficient way. That's really what's causing a lot of the issues in that area.

Mr. Kaleed Rasheed: David, when you talk about safety and child care—we, as a government, have been announcing in terms of child care, but also all the safety measures as prescribed by the doctors in our province.

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

Mr. Kaleed Rasheed: Thank you, Chair.

What do you mean when you say “safety”? Each individual business has its own plans. Are the businesses not getting the message as per the advice of the Ontario chief medical officer?

Mr. David Wojcik: I think the businesses are getting the messages, certainly, and the commercial buildings are getting the message. They do have signage up. I think one of the messages that might be getting missed is—now that we have mandatory masks, there are a lot of commercial buildings that still have the maximum of two people in an elevator. In our own building, it's seven storeys. Trying to get people back into those commercial buildings when you're only allowed two people in an elevator, even if you stagger hours and do all of the things that have been recommended, is going to be very difficult.

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

Mr. Kaleed Rasheed: To your earlier point about mandatory masks: Mandatory masks were implemented by the city—I'm just going to talk about the city of Mississauga. Did you have a chance to speak with Mayor Bonnie Crombie about the mandatory masks and what the businesses are mentioning to you? As a province, we did not say to—we recommended it, but not mandatory. That was done by the municipalities.

Mr. David Wojcik: Yes, we did speak with the mayor's office on that. We'll be having another conversation on Tuesday when we have our next meeting. We supported the masks. Of course, we were concerned about the fines and who was going to be responsible—

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

Thank you to all three presenters for coming. We appreciate your presentations.

BOATING ONTARIO ASSOCIATION
CONVENIENCE INDUSTRY COUNCIL
OF CANADA
WARRIORS OF THE LIGHT INC.

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters: First, I would like to call upon the Boating Ontario Association. Please state your

name for the record, and you will have seven minutes for your presentation.

Mr. Rick Layzell: Good morning. I'm Rick Layzell of the Boating Ontario Association, and my colleague is Andrew Blenkarn. Thank you, ladies and gentlemen, for this opportunity. I'm the CEO of the association. We are a non-profit, serving over 500 member companies across Ontario's recreational boating sector, spanning all shorelines and communities throughout our province. Andy and I are here today on behalf of the marinas, the boat dealerships, the service centres and the trade sector that serve Ontario's \$4-billion recreational boating industry. As many of you know, our sector creates over 30,000 jobs, and pays wages of over \$1.1 billion and taxes of \$378 million.

Ontario's boaters are middle-class families, with the majority having an average household income of under \$100,000. These families buy pontoon boats, personal watercrafts, small rowing boats and fishing boats, and these are the very same boats that can be seen on the over 250,000 lakes and rivers in our province. Our surveys in partnership with Parks Canada show that over 53% of the boaters on the Trent-Severn and Rideau Canal systems are also small boats, families spending time together on the water, and that there were 43% of Canadians actively participating in our sport. Recreational boating truly is a part of our Canadian identity.

Mr. Andrew Blenkarn: We'd like to thank the Premier, all committee members, all ministers and all MPPs from all parties. The united effort across all parties has set Ontario apart from other areas as you have safely guided us through this pandemic. Your tireless efforts are sincerely appreciated not only by our industry, but by the thousands of Ontario families who are out there actively and safely boating today. We are grateful that recreational boating was recognized early as a safe social distancing activity, and we are proud to say that with your approval and support, we have seen an increase in boating activity on many of Ontario's waterways.

As Rick said, we're proud of the \$4-billion economic contribution that boating represents within the Ministry of Heritage, Sport, Tourism and Culture Industries.

In order to help the continuing economic recovery, our primary ask is that you support the operation of the Toronto Boat Show under its safe social distancing plan.

Mr. Rick Layzell: The Toronto Boat Show is the premier boat show across Canada. As North America's largest indoor boat show, the event creates an economic impact of \$384 million. Boaters and industry professionals from across Ontario actively engage in this 10-day retail shopping event that showcases over 1,200 boats ranging from six feet to 60 feet. The event supports critical jobs in the 550 exhibiting companies. The event directly and indirectly employs some 7,000 people, and there are direct spinoff benefits to Toronto's hotel and restaurant industries from the show that will certainly help to support the recovery phase.

For many Ontario boat retailers, the Toronto Boat Show represents in excess of 45% of their annual retail sales

revenue. The January timing sets the stage for our industry's technicians to begin preparations on these newly purchased watercraft over the winter months, and that's a critical step in our desire to continue to provide year-round work for our skilled-trades sector. Spanning one million square feet and with a timed, ticketed and controlled entry and contact tracing protocols for all attendees, the Toronto Boat Show is a retail shopping business event.

Mr. Andrew Blenkarn: Timing is of the essence, as most of the boats displayed must be ordered now from our manufacturers.

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

Mr. Andrew Blenkarn: With the US boating market coming off a positive 2020 retail season, we retailers must order boats now in order to have this inventory built and available for display in January. I personally had one of my boat manufacturers place our company on a limited supply for 2021, and I've been a retail partner of this brand for over 13 years. This has never occurred before in our industry and is a direct reflection of the North American market demand and factory capacity. I and my peers need to make commitments today for an event that I can only hope will receive your support and approval to take place.

1110

Mr. Rick Layzell: We ask that trade and consumer exhibitions be separated from the current criteria of events and for the Toronto Boat Show plan to safely open to be considered. We feel very strongly that the Toronto Boat Show can operate responsibly and safely for both attendees and workers. The show is not a large public gathering like a concert or a sporting event. The Toronto Boat Show is a retail environment, consistent with shopping malls, large retail stores, farmers' markets and even grocery stores.

Mr. Andrew Blenkarn: The economic recovery of our sector continues to be under pressure from two other issues. High water levels on our Great Lakes have wreaked havoc in marinas throughout Ontario during the 2019 season, as decades-old safe infrastructure was destroyed by unprecedented high water. Boating Ontario is represented on the IJC's public advisory group, conducting an expedited review of the Lake Ontario 2014 plan.

In addition, we are aware of the proposed luxury tax, and we have all recently heard about the return of US aluminum tariffs and Canadian countermeasure tariffs. While currently not on the list, recreational boats were listed in the 2018 countermeasure tariffs, and the harm this caused our sector was significant. We ask that you raise these issues as sector concerns in any discussions with your federal counterparts.

Mr. Rick Layzell: As stated, our primary ask is for your support of the safe opening of the Toronto Boat Show. There is no cost to government, and your approval will support the desired continued economic recovery of the province.

Thank you again for hearing our requests, and we do sincerely look forward to your questions and comments on how we can continue to grow Ontario's economy together.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is the Convenience Industry Council of Canada. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Anne Kothawala: Thank you very much. My name is Anne Kothawala. I am the president and chief executive officer of the Convenience Industry Council of Canada.

By way of background, we are the national association which brings together convenience retailers, manufacturers, wholesalers and distributors that comprise the convenience supply chain.

CICC has over 8,600 members in Ontario. They are present in every riding and neighbourhood in the province and often represent the primary commercial outlet for many rural and remote communities. Our members include Circle K, Parkland, 7-Eleven, Petro-Canada, Canadian Tire, MacEwen and Husky.

At the outset of the COVID-19 crisis, Ontario recognized the important role our sector plays in providing the daily necessities Ontarians need, and deemed gas stations and convenience retail as an essential service. While we have been able to stay open, the outlook for our sector is uncertain. The majority of our stores during the pandemic have seen a significant decrease in both car and foot traffic. For example, our members whose convenience stores are located in a gas station have been very hard hit, reporting a 40%-to-60% drop in fuel sales.

With significantly less foot traffic and reduced revenues, coupled with the COVID-19 compliance cost, which averaged \$13,000 per year per store, it has been difficult for convenience store owners financially. Reconfiguring stores to allow for social distancing practices and safety equipment for workers, including the installation of Plexiglas at the cash, are all new costs for our businesses with already slim margins.

COVID-19 has shown that we need to prepare for the significant changes in the way small businesses will operate in the future. To prepare, we need government action to ensure we can continue to survive beyond COVID-19. We need to make sure our businesses can compete tomorrow.

Some of the areas where the government can act to support our businesses include:

(1) Expand alcohol sales to convenience stores. Ontario convenience stores have been hard hit by increased compliance costs and government decisions to remove certain products from our shelves. In a bid to help restaurants, the government removed regulations and red tape that prevented the sale and distribution of alcohol through takeout or delivery. This change has been well received and will likely be in place for the foreseeable future. Our members are not unlike these restaurants. We are family-owned-and-operated businesses that are struggling and are left asking, "Why not us?" CICC wholeheartedly supports the government of Ontario's ongoing efforts to put consumers first and reduce regulations on the sale of alcohol in the province. Removing outdated restrictions would open up a significant new

revenue stream for our retailers, something that is needed more than ever as they recover from the significant impacts of COVID-19.

(2) The pandemic has shone a light on the level of contraband use in Ontario. Our members have reported significant increases in legal tobacco sales, particularly the locations that are near First Nations reserves that were closed during the height of the pandemic. We believe there is a real opportunity to address this problem once and for all by acting swiftly on contraband offences, in order for government to collect the significant taxes that are—

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

Ms. Anne Kothawala:—currently being evaded. We are doing our part and have contracted Ernst and Young to conduct a study that will provide governments with solid data to help inform their policies.

(3) Work with the federal government to cap credit card swipe fees. CICC has long advocated for a reduction in credit card swipe fees, because they represent a significant cost to our retailers. For example, our industry collects and remits more than \$22 billion in combined federal and provincial taxes each year. Prior to the outbreak of COVID-19, approximately 30% of our transactions were paid by credit card. In 2018, this resulted in our members paying more than \$217 million in credit card processing fees, just on the GST alone. This amounts to more than \$3,700 per store in credit card fees to collect taxes. With consumers being encouraged to use contactless payments during the pandemic, this will only increase, resulting in thousands of dollars in additional fees.

(4) Finally, show your support for convenience store workers during National Convenience Week. Not to be confused with C-Store Day, held last week, National Convenience Week is the premier outreach event for the convenience industry in Canada. Last year, more than 2,400 retail locations participated and helped raise more than \$180,000 for the Children's Wish Foundation. This year's National Convenience Week is scheduled for August 31 to September 4, and we hope you will visit one of our stores or show your support through your social media channels.

To conclude, convenience stores continue to play an essential role in serving Ontarians throughout the COVID-19 crisis. At the same time, we've not been immune—

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

Ms. Anne Kothawala:—from economic impacts of the pandemic. Expanding alcohol sales to our stores, addressing contraband tobacco and capping credit card fees will ensure that our industry can keep meeting the needs of Ontarians in a post-COVID-19 environment.

I'm happy to take any of your questions, and I thank you so much for the opportunity.

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

Our next presenter is Warriors of the Light, Inc. Please state your name for the record, and you can get right into your presentation.

Ms. Beth Sturdevant: Good morning, members of the parliamentary finance committee. My name is Beth Sturdevant. I'm the founder and director of Warriors of the

Light Inc. I am in the process of dissolving my not-for-profit corporation, and I am also at risk of going into personal bankruptcy because my landlord opted out of the CECRA program you created. I would also like to acknowledge that I am here because Michael Wood from Ottawa Special Events suggested that my story needed to be heard by elected officials in Ontario.

First, let me tell you a little bit about myself and my organization, Warriors of the Light. Warriors of the Light was a community-oriented health and wellness organization that relied solely on volunteer-based assistance with a number of contracted instructors and facilitators. We helped men, women and youth from all walks of life in the Ottawa community to feel supported and cared for in a safe and welcoming environment—offering programs, events and services that helped to strengthen people in mind, body and spirit.

Our programs helped women and members of the Canadian Armed Forces in need of additional support in overcoming the adverse effects of PTSD, as well as men, women and children looking to believe in themselves and find hope in their lives again. We offered workshops, classes and events aimed at helping women and teenage girls learn to set stronger boundaries and defend themselves against bullies or potentially compromising situations, as well as everyday people looking to feel a part of a compassionate and understanding community of friends in a kind and safe environment.

1120

When I first opened Warriors of the Light at our current location back in September 2018, I took out personal loans to cover the initial costs of opening a brand-new start-up business. I did so with the 100% understanding that there was inherent risk in doing so. Even so, I decided to go ahead despite the risk and assume personal liability, because I believed so strongly in what I did and what it could offer our community and people in the long term.

You see, Warriors of the Light is more than just a business. It is more than profit margins and numbers. It is a dream—my dream, my vision, my purpose. It is the result of years of personal struggle and, most importantly, triumph over adversity, and it is that triumph, that inspiration, that drove me to open this business, despite the personal risks and liabilities, for the greater good of helping others.

As a full-time single mother who has rebuilt her life despite the circumstances that befell her, I created Warriors of the Light not for myself, but for the countless members of our growing community in need of finding the strength and the will within themselves to overcome their own adversities as well. Whether our community members are veterans and/or first responders managing the effects of PTSD, or youth needing a supportive environment free from judgement and criticism, or single parents needing to believe in their own strength and abilities to raise their children alone, or women wanting to feel stronger and more empowered in their mind, body and spirit, Warriors of the Light was our hope, our dreams and our purpose.

It is not just me, personally, who is suffering from the effects of the government's lack of support during the

closure and dissolution of our corporation; it is the suffering of our entire community, present and future. Not only have I lost my passion and my purpose, but so has the community we supported. Due to the fact that the CECRA program was not made mandatory and that it was put solely in the hands of our corporate landlords and whether they chose to participate in it or not, I had to start the process of dissolving my corporation last week, because I cannot afford bankruptcy fees and most of my debt is in the form of personal loans taken out—

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

Ms. Beth Sturdevant:—in support of my business and my dreams. As well, given that we are a volunteer-based organization with contracted instructors and facilitators, we never qualified for the \$40,000 CEBA loan that was restricted only to those businesses that fit within the tight confines of its limited requirements.

Because the government made CECRA optional for our landlord and because our landlord continues to penalize us for circumstances beyond our control—such as to send me a letter from their lawyer reminding me that I am personally on the hook until 2023 for continued rent or will risk further legal action should I default—it is forcing me into personal bankruptcy and into dissolving our corporation due to no having no other options. Although I can appreciate why we all shut down, our corporate dissolution—and, therefore, also any personal bankruptcy associated with it—was through no fault of my own, so why am I personally liable for something I did not cause?

The government should never have given our landlords the option of opting out of CECRA. Had they put the program's application within the control of those who need it most—i.e. the tenants—I, a full-time single mother of two, would not be risking personal bankruptcy at no fault of my own; the men, women, youth, veterans and first responders we serve, Warriors of the Light's community, would still have the support they need when they need it most; and our greedy corporate landlord would not be profiting off of my financial ruin.

So I ask you, my government, those who have put me in this position, both professional and personally: How am I supposed to support my children now? How am I supposed to deal with the personal debt that I have as a result of the early closure of my organization and my dreams? My eldest son, who turns 13 next week, has been in tears and riddled with anxiety for months—

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

Ms. Beth Sturdevant:—because he has been worried about his mother and the community that he himself has come to love and cherish as his own.

Given the fact that we are in the process of dissolving our corporation, that our physical doors have been closed since March at close to 0% income, and I am at risk of going into personal bankruptcy because of the personal loans that I took out in support of Warriors of the Light, I come to you today knowing that we may not benefit from any further remedies you may be able to offer other small businesses at this time. However, I offer my testimony today in the hopes that perhaps you will hear my story and

realize that these small businesses are born and bred from the blood, sweat and tears of real-life, everyday people, and that the programs you offer in support, the support you give from here on out, can literally make or break the hopes and dreams of someone who has risked their entire livelihood and shown more strength and courage than the average person to make their dreams become a reality—

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

We'll go to the questions now. Just for the committee members' information, we are about five minutes behind schedule, so I will shorten each amount of questions equally for the government, opposition and independents.

We'll start with the independent members. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all the presenters for coming and providing such valuable information.

Beth, I just wanted to thank you for putting a human face on a story that we've heard over and over again at committee. We've just had the Canadian Federation of Independent Business, the Ottawa BIAs and the Mississauga Board of Trade providing us with the statistics of what the failure of the rent program means for tens of thousands of small businesses across the province. I think you coming in the next round and humanizing it for us is very powerful.

I know you had a few more words to say to finish your presentation, so I'd like to give you a bit of my questioning time just to give us your concluding remarks.

Ms. Beth Sturdevant: Thank you so much. I very much appreciate that.

If my testimony today can help keep other people's businesses alive and breathe hope back into their hearts, then it will be worth this. I am asking that the government re-examine its CECRA program—a program that, in and of itself, is very generous and well-intentioned, but unfortunately left the power 100% in the uncompromising, uncompassionate hands of so many greedy corporate landlords as to whether or not they chose to participate in it.

I am also asking that the government consider helping small business owners who have had to close permanently and are now left personally responsible for paying back loans, by offering some kind of financial assistance or grants to help them recover some, if not all, of the debt that has now befallen them due to the COVID-19 shutdowns, at no fault of their own.

Lastly, I am asking the government to consider helping small business owners who took out personal guarantees on their commercial leases, to offer assistance or grants that cover the remaining costs owed or to make these personal guarantees the responsibility of the government, so as not to risk small business owners losing their homes or other personal assets because they had to close permanently or file for personal bankruptcy due to COVID-19—again, at no fault of their own.

In conclusion, I have lost everything due to government-imposed restrictions, and this was not my fault, yet somehow I am liable. So my question to the committee is: What do you suggest I do now?

Thank you for listening.

Mr. Mike Schreiner: Thank you, Beth, for having the courage to come and tell your story. As a long-time small business owner, I can relate to much of what you have to say.

I just want to note for the committee research staff—even though it may not always be provincial jurisdiction, in some cases it is—the need to look at reforming contract law and insurance law around these personal guarantees, especially during a pandemic. It's something that Beth's presentation really highlighted and that others have hinted at as well. I think it's something that the committee needs to look at. So thank you for sharing that, Beth.

The Ontario Nonprofit Network had talked about a stabilization fund for non-profits. Your business is a non-profit—that's my understanding from your presentation. Do you think that for the non-profit enterprises like yours—

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

Mr. Mike Schreiner: —a stabilization fund would be helpful?

Ms. Beth Sturdevant: Perhaps, yes. We haven't examined too much into that. Right now, we're just dealing with the repercussions of what has been, but it's certainly something we could look at for the future, most definitely, especially if it helps us given the current circumstances with our landlords.

1130

Mr. Mike Schreiner: If the rent program could be fixed, how would you fix it? How would you recommend we fix it so it works for business owners like yourself?

Ms. Beth Sturdevant: Definitely, putting it in the hands of the tenants. It was created so that we could work together to support each other. But as it's showing, so many landlords are obviously opting not to do that. I believe if you had put it in the hands of us the tenants—

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

Ms. Beth Sturdevant: —by giving us a grant, perhaps giving us the 75%, or at least the option of participating in it, I think that would have saved at least us, and a number of other very important businesses out there.

Mr. Mike Schreiner: My time is very limited. I wanted to ask the other two presenters questions.

To the boating association: Have you filed with government or could you file with committee a plan of how the Toronto Boat Show could go forward in a safe way? Obviously, we want to protect public health.

Mr. Rick Layzell: We certainly all want to protect public health. That is first and foremost. I know our partner with the show has met with Minister McNaughton and his team regarding the workforce side of it—so the preparations and development side of it. We're also aware that Exhibition Place has—

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

We'll go to the government side now. MPP Roberts.

Mr. Jeremy Roberts: Thank you very much, Chair. Just so you know, I'm going to split this round of questions with my colleague MPP Babikian.

I want to thank all three of our presenters and certainly echo MPP Schreiner's comments.

Beth, thank you for sharing a very personal and difficult story. I'm glad Michael suggested that you come forward to the committee. He presented to us last week, and he has been doing a phenomenal job keeping in touch with a lot of small businesses across Ottawa.

Beth, I'll start with a quick question for you. I'm trying to wrap my head around, in the event—which, of course, we all hope will not happen—of a second wave happening, is there something that the government could have done to perhaps allow businesses like yours to continue bringing in revenue? Were there any regulatory issues or anything like that? I, for example, am thinking about other organizations I know that provide counselling or therapy-type services that moved a lot of those operations virtually. I know it didn't cover all of their revenue, but it allowed them to continue bringing in something. I'm just curious if you have any thoughts or advice for us going forward as to, in the unlikely or unwanted event that we have to put back in place any measures, how we could allow you to continue to try and operate as best you can in those circumstances.

Ms. Beth Sturdevant: Absolutely. It's a wonderful question.

In our particular case, we offered classes that brought multiple people together. I understand that in the event of a second wave, we can't, for safety's sake, be around each other; it's hard for us to run a lot of our programs. However, 100% assistance with rent would have helped at least facilitate virtual classes and/or virtual one-on-one sessions and having a space to continue to do that. Yes, we can do that in our homes, but when we're worried about going bankrupt because we cannot pay our rent, then it puts added stress.

Because a lot of our services were membership-based, when we can't offer that in person, a lot of people opt not to participate as much. Short of helping with rent, helping offset the lack of funds coming in from any type of membership or one-on-one counselling service, I'm not really sure what else can be done.

Mr. Jeremy Roberts: I appreciate that. I know my colleague will have some questions for you, too.

Before I pass it over to him, to Rick and Andrew: Definitely, do go along and work to submit a plan for your event. I have no doubt that any of us here, both government and opposition MPPs, would be happy to work with you to make sure we get those plans to the right ministries.

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

Mr. Jeremy Roberts: When you tell us that that's 45% of your business, I think we all definitely want to make sure that that opportunity can continue safely, and give you that good opportunity.

I spent a lovely weekend, three weekends back, on my lake in Lanark area, on a pontoon boat. I hope that we can get lots of other people those opportunities.

I'll pass it over to MPP Babikian.

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

Mr. Aris Babikian: Thank you very much, MPP Roberts.

Good morning to everyone, and thank you to all three presenters.

Beth, your story is quite heart-wrenching, what you are going through. I have heard this story from many deputants who have been dealing with landlords. When I tried to reach out to one of the landlords, he even refused to talk to me.

The issue that I want to raise is, because this program is jointly administrated by the federal government and the provincial government—and we heard so many stories from the provincial level. Have you ever got in touch with the federal government, and others, to bring to their attention your plight?

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

Mr. Aris Babikian: That's one question. The other one is that some of the tenants, for example, suggested that tenants have the right to apply directly to the program. What do you think of this? Of course, it is important to know what the federal government is thinking about this kind of suggestion.

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

We'll move to the opposition now. MPP Morrison.

Ms. Suze Morrison: I'm going to start with Beth. Thank you for being here today and for sharing your story. It's truly a heartbreaking experience, and I want to say you're not alone, unfortunately. We've heard similar stories from many small businesses that have come forward to committee over the last number of weeks—particularly with the failures of the CECRA program that relied on the goodwill of landlords to help tenants survive. It's been a huge issue in communities across Ontario and in my riding in downtown Toronto. We've gotten to the point where I'm personally calling landlords, begging them to opt in to this program to save the businesses in my community. I cannot get over how cold and unwilling to compromise the response has been from many of the landlords I've spoken to who are putting profits over the viability of our neighbourhoods. So I want to thank you for sharing your story today. It was really impactful and powerful.

One of the policies within the NDP that we're pushing for provincially right now to support small businesses like yours would be a direct rent subsidy, paid directly to the tenants, of 75% of your commercial rent. Is that a policy that would have helped save your business? And if it was something that was implemented quite expediently, would there be any—are you past the point of return to save your business at this point? Or are there measures that could be put in place quickly that would benefit you?

Ms. Beth Sturdevant: Absolutely. Having that subsidy would have helped immensely.

And you're right: What I'm finding—and you guys have probably seen a lot personally and professionally—is, it's really bringing the best out of people or the worst

out of people. There is no in-between. So give that subsidy to the people who are doing the best work.

As for us and Warriors of the Light, at this time I think it's past the point of return at this current location. However, if there's anything at this point to help with the impending debt so that we can get back on our feet faster and stronger, then that's where we're putting most of our energy at this time.

1140

Ms. Suze Morrison: What are the direct fixes to the CECRA program that you would like to see? Are there any other government measures that would support small businesses like yours moving forward, in the next few months?

Ms. Beth Sturdevant: I'm sorry. I missed the start of your question.

Ms. Suze Morrison: Sorry. What are the specific changes you would like to see to the CECRA program? Are there any other initiatives that, specifically, the provincial government could be looking at to better support small businesses like yours, to protect against future waves of COVID-19? How do we ensure that small businesses are resilient and able to survive any future waves of the virus as well?

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

Ms. Beth Sturdevant: Definitely, putting the CECRA program in the hands of the tenants, whether it's a subsidy program or allowing us to have the choice whether we want to apply for it or not, would help exponentially. A lot of small business owners took out personal loans—so perhaps offering some type of grant to help offset some of those for businesses that are having to, unfortunately, close.

Also, the businesses and business owners who put personal guarantees on their leases, that's a huge—that kept me up many nights, worrying about that as well. The landlords have our lives on the line, essentially, not just our businesses—so offering some kind of assistance to help small business owners who have personal guarantees on their leases find either a way out or some kind of ability or options with that.

Ms. Suze Morrison: We've heard from several small businesses over the last little while around commercial leases perhaps needing to be looked at in terms of how imbalanced they are, and better protecting commercial tenants. I know that the—

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

Ms. Suze Morrison: It's not something that's been looked at in a long time.

Are there specific changes you would like to see to how commercial leases are structured in Ontario that would have helped you survive COVID-19?

Ms. Beth Sturdevant: That's a good question.

Definitely, it's bringing it out of the personal liability of it, for sure. When I signed my commercial lease, I was not advised by the lawyer I was consulting with not to sign a personal liability. So I think a lot of lawyers and/or commercial real estate agents should be more knowledgeable in the fact that we don't actually need to do that.

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

Mr. Aris Babikian: Thank you again, Chair, for giving me the opportunity.

Once again, Beth, I want to ask you if you got in touch with the federal government about this program. What was their response? In the end, it is their decision how they want to move. Even though the province is co-operating and jointly administrating—not only in Ontario, but in 11 provinces and territories—it is up to the federal government. So I am interested to find out what their response was and how they acted.

Ms. Beth Sturdevant: We tried to get in touch with some of the federal government, but mostly we were looking provincially. The few times that we did hear back from people, we were redirected toward applying for the CEBA loan, which we didn't qualify for, or applying for not-for-profit grants, which, as you know, take a long time.

We had actually just applied for a number of grants before COVID-19 hit and were denied all of them. When you're supposed to pay rent now and you have a landlord who is demanding rent at the first of every month and not willing to help in any way, your options are limited and time is of the essence. Although we tried to reach out, we weren't given many options or solutions other than more loans, more debt. That's pretty much—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to MPP Wai now.

Mrs. Daisy Wai: I appreciated all three presenters.

I'd like to come back to you, as well, Beth, but I want to address the two other presenters first.

First of all, I'd like to reassure Anne that we will definitely participate in your convenience store workers' awareness week. I understand it is coming up. It's August 31 to September 4. Am I correct?

Ms. Anne Kothawala: That's correct.

Mrs. Daisy Wai: I will get in touch with you to get more information, or you can always reach out to me.

Ms. Anne Kothawala: Thank you so much.

Mrs. Daisy Wai: With all the work that the convenience stores have been doing supporting us and giving us all those conveniences, it is time for us to do the best we can to support all of you.

Back to boating: Rick and Andy, boating is something that we all love to do, especially during the summertime, and we are here to support you, as well. But the most important thing you're working on now is for January, for the exhibition that is coming up. We will definitely share your concerns, as MPP Roberts has mentioned.

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

Mrs. Daisy Wai: We will also send this information to our ministers.

One thing I would like to address is: Would you start right now doing something virtually, just to make what you are doing—instead of it being a challenge—become an opportunity? Recently, we just participated in what we call the AMO conference. Everything was done virtually and it was so successful. I'm sure you will stimulate a lot of people, who can start looking at things that they want to

have—to have a boat or to do construction—a lot sooner when you do that virtually. Have you ever thought of that?

Mr. Andrew Blenkarn: Our industry has been doing more and more—everything is Web-based, with the Internet and everything. Our customers are actually doing a fair bit of virtual shopping, gathering research and everything, to a point where if they come and see a dealer like myself, in some cases they may be better informed on the particular model or product than maybe one of the staff is.

One of the things that's unique about that show is, there's no substitute for physically touching. Automobile shopping, for example—

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

Mr. Andrew Blenkarn: People will shop for cars online, but ultimately, they do like to at one point go for a test drive or to sit in the seat—does it feel right? This show is the one place that a consumer can go and it's all under one roof. They'll do their research, they'll do their online shopping, but they won't do their final commitment until they actually can physically go and compare the one or two brands that they're looking at. So that's what's critical about it.

To answer the other question, the organization has submitted plans, both through the trade show industry and is currently—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off, but the time has come up for the government side.

We'll move to the opposition now. MPP Morrison.

Ms. Suze Morrison: I'm going to move to the boating association folks. Thank you for being here. I know you mentioned some issues around being put on limited supply with your suppliers and manufacturers. I was recently talking to some folks at an RV centre, and they were saying they were having issues around a lack of supply as well. Because there are so many limited vacation opportunities for folks this year, instead of the family vacation out of province they're buying RVs and boats and going camping and getting out in Ontario, and they're selling out of everything. But the problem that they're having is actually the supply chain disruption at the manufacturers themselves, that have had to shut down their production. Are you anticipating issues this year and next year with not only being put on limited supply, but that limited supply not being delivered on time because of shutdown at the actual production facilities because of COVID-19 restrictions as well—and any other supply chain issues you foresee?

1150

Mr. Rick Layzell: I think those are a couple of great questions there.

First and foremost, we are reliant on US-based manufacturers. Ninety-five-plus per cent of the boats that are sold in Canada are built in the United States. Our dealer partners, like Andrew's, have great relationships with those companies. But you've got a double hit here; you've got the US recreational boating community that's seen an uptick this year, so their demands for production have also increased.

I will state, though, that one very good strong year is not a trend. We don't forecast that the push that we've seen this year is necessarily going to continue in that level of a trend. We think that we can safely continue to grow our contribution to Ontario's economy, but some of what we've seen and read in some of the news stories I would caution is a little bit heightened beyond where it really is.

As Andy stated in his deputation, the challenge is, when a 13-year partner says, "You're on a restricted allocation amount of inventory for next year," if we're not owning those boats now, we're simply not going to—the manufacturers now have production slots, and if you don't accept the production slot for the boat you want, you're simply not going to get it. And when you have an event that sells up to 45% of your year's inventory and you don't know if you're going to get that opportunity to present, it creates a lot of caution in the industry.

Mr. Andrew Blenkarn: And a lot of financial hardship, potentially, for a dealer who has to invest significantly in inventory to have it and commit to that inventory, whether it's through floor plan financing or whether they're actually paying for the boats. Most of us dealers can't afford to just pay for them. We have to finance them, just like our customers do. So that's the challenge. And the lead times have gotten so long.

Our industry is very sensitive. A couple of years ago, when that tariff came in, we had the exact opposite effect. It was just devastating to us. So it's nice to have this. The Ontario government needs money, the economy needs—everybody needs jobs, and we can be a source. If we're allowed to do what we can do, we can be a source for helping with that problem in a very realistic and meaningful way—

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

Mr. Andrew Blenkarn:—so that the government has resources to support people like that.

Ms. Suze Morrison: Does your association have an understanding or track the broader economic impact in terms of the tourism sector that you feed into? If you're selling more boats in Ontario, are we seeing more Ontarians actually staying in the province for their holidays and recreation, and impacting the local tourism industry in Ontario as well? Does your sector have any sense of the downstream economic impact of the boating industry?

Mr. Rick Layzell: Yes, we have a great working relationship with the TIAO organization, with Beth Potter's group at the Tourism Industry Association of Ontario. Certainly, we are working with her team on some of the tracking. We also work with the manufacturing sector, who have done some statistical abstract surveys over the last number of years to really give us the scope of localized impact on jobs and tourism.

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

Mr. Andrew Blenkarn: You have to also remember, with the US border closed, many of our businesses—for example, 30% of my clientele are US customers, so we've lost that 30%. But the local demand and people doing things locally is offsetting that shortfall. It's not just pools; it's backyard pools, bicycles, boats. People are investing

their dollars and staycationing in the province. I think you're going to see very positive results if there's a continual opening and we don't see a big spike, especially after the kids go back to school.

Ms. Suze Morrison: Chair, how much time do I have?

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

Ms. Suze Morrison: Are there any last recommendations you'd like to make to the committee quickly?

Mr. Rick Layzell: We appreciate the announcement that occurred on Friday evening. We have to understand that a 50-person limitation will not work in an event like a boat show. That is still too restrictive. It is a million square feet of opportunity, and with the right protocols in place, which the show, I know, is prepared to put in place, we can get through that—

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

We'll have to move to the independent members now. MPP Hunter.

Ms. Mitzie Hunter: I want to say thank you to all the presenters.

I agree with you, Andrew. The concern is that there will be a spike with the return to school. Without a safe back-to-school that is resourced and planned, the economic recovery will remain uncertain. That's a concern, I think, for everyone, and giving everyone the confidence about the fall and the health of our communities and families.

I do want to just quickly ask Anne about—first of all, thank you to you and all of your members for the hard work that is done each and every day by our convenience store workers. In the face of a pandemic, they were very much appreciated for the work that they do. I look forward to the August 31 recognition of those workers.

Ms. Anne Kothawala: Thank you.

Ms. Mitzie Hunter: Many of them are owners, as well, and they're families—so please share that with all of the members who are in touch with your organization.

I want to give the last word to Beth. I just want to ask you about insurance. That's something that we've heard a lot—that people felt that they had coverage and in the time of a health crisis and a pandemic that ordered a government shutdown, there just doesn't seem to be flexibility in that industry to do more and to assist. Can you comment on that?

Ms. Beth Sturdevant: On our insurance?

Ms. Mitzie Hunter: Just from that perspective or your knowledge of how insurance could have played a role in this, as well, to help small businesses.

Ms. Beth Sturdevant: Certainly. To be honest, my intention and energy was mainly on covering rent and other expenses during the months that we were closed. Insurance might have been a small piece of help, but I do know that when I reached out to our insurance company, they were not able to offset any of the costs. Even though we were not doing physical activities and there were no operations running in our location, we were still required to pay the full amount. However, they are allowing us to end the terms of our insurance coverage without any

penalties, which I think is pretty great, because a number of companies will have to pay an early closing fee or an early termination fee.

I do know that a lot of insurance companies were not willing to help or assist in any way, and I know that was a problem for a lot of small businesses as well.

Ms. Mitzie Hunter: Right. You've really articulated the challenge and how personal it is for you and for your family, and just the effect on your kids and the future. I think that this committee has heard you, has heard your story and it is something that—

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

Ms. Mitzie Hunter:—we have to pay attention to in terms of the government's support for small businesses. We know that the creative energy and hard work that you've put in, and then this happens—not through any personal fault of yourselves and what you're doing in your business. So your opportunity to recover is really important. It's really the essence of what we're trying to get at in these hearings.

I want to thank you for sharing your story in such an open way and with the view to helping others as we move forward. We will take that back and continue to fight, particularly on the commercial rent relief side of things and some suggestions for it—to take the unused portion and make that available to small businesses so they can apply for that directly. Also the moratorium on evictions—

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

Ms. Mitzie Hunter:—is not long enough because the effects of the pandemic are still ongoing, so we should support tenants in that effect. Ontario needs to do more to support tenants. Other provinces have commercial tenants and other provinces have stepped up to do that. Quebec has done more in other areas. So there are some things that we can do and really to focus on while you're operating versus—even after the fact, as well, is something that is important.

Thank you for sharing your story.

Thanks to all of the presenters for sharing today.

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

This committee stands in recess until 1 p.m.

The committee recessed from 1200 to 1300.

The Chair (Mr. Amarjot Sandhu): Good afternoon, and welcome back. We are meeting for hearings on the small and medium enterprises sector of 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.

CLUB COFFEE

GREATER KITCHENER WATERLOO
CHAMBER OF COMMERCE

SOUTH SIMCOE COMMUNITY STARTUP

The Chair (Mr. Amarjot Sandhu): We'll move to our next group of presenters. First, I would like to call upon

Club Coffee LP. Please state your name for our record, and you will have seven minutes for your presentation.

Mr. John Pigott: My name is John Pigott. I'm the chief executive officer of Club Coffee. Mr. Chair, I would like to thank you and the committee members for this opportunity to tell you how this medium-sized Ontario company has adjusted during COVID-19 and has actually found new opportunities out of these recent challenges.

First, let me tell you about Club Coffee. We've been producing coffee in Toronto since 1906, mostly for major brands that are very well-known to the consumer and for the restaurant and hospitality sector. Our names are not often on the packages, but we are one of the three largest coffee roasters in Canada.

We are Rexdale-proud. We have created good-paying manufacturing jobs in a part of Toronto that really needs them, and we take pride in reflecting our community. Our plants deliver the jobs that first- and second-generation Canadians need to deliver on the Canadian dream that they came here for. And we are the proverbial David-like company, one that has taken on global Goliaths in the coffee industry. Club Coffee is the little Ontario-based firm that is known for succeeding by using world-leading innovation to compete outside Canada. I'll tell you about that a little bit later. But first, let me tell you about how we've adjusted to COVID-19.

We've had a very different experience than most businesses and sectors of the economy that you've heard from. Canadians view coffee as a very essential product. Most people need it every day. We lost most of our restaurant and hospitality business very quickly as they shut down across North America. The majority of our foodservice business is actually in the United States. But we did experience big jumps in our consumer coffee purchases from grocery stores. The only thing that has changed during COVID-19 is where the consumer drinks their daily coffee. Net-net, our sales are about the same, so we've come out of this with our business pretty much intact.

Overall, there were three key focuses we used to adapt to COVID-19. The first thing, and the most important thing, was the health and safety of our employees and the consumers, which comes first. We did absorb extra costs for bringing in the PPE, redesigning our workspaces and doing cleaning, cleaning and more cleaning. We've done well so far. But the best measure I can offer you is that our employees have told us they feel very safe in our workplace, and that is what we're counting on.

The second thing we tried to do was to give back to the community. As I mentioned, coffee is an essential product, and our front-line workers needed coffee more than ever. So in April, we launched the #FuelTheHeroes campaign and delivered coffee to front-line health care workers across Ontario. It actually started off very small. The Peel Paramedics reached out to us and asked us if we had any extra coffee, and we did, from our restaurant business. We then gave it to paramedics in Hamilton and Guelph, and the word spread. We then took care of hospital staff in places like Kenora, Oakville and Ottawa. Then we moved

to other health care facilities and community agency staff across Ontario. To date, we've provided more than a million cups of coffee across Ontario, something we're very proud of. The big surprise in all of this was how much this did to help our own employees. In a very dark time, they say that what they were doing was a really good thing to do and a direct way that they could help their community. So this turned out to be a very motivating force for a workforce that was scared to come to work at first.

But really, what I'd like to focus on is the third thing we did—and probably the most relevant to the work you're doing on your committee—and that is, how do we keep and create more jobs in Rexdale? We're doing that by innovating. A new normal has taken place in food processing, particularly in Ontario, but in order to win in the future, we need to be ahead of the curve that's happening.

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

Mr. John Pigott: The evidence is clear that consumers want to end the unnecessary plastic packaging waste that has gone on in the food sector. We actually saw this years ago in our single-serve coffee business, and that's why we developed the world's first compostable coffee pod. It breaks down in as little as five weeks in the green bin process. It's a real made-in-Ontario success story. The key research behind this product was done at the University of Guelph, and we built a supply chain that runs through Leamington, Oakville, Ottawa and Toronto. The result is, every day in Rexdale, we produce a million single-serve coffee pods for consumers in Canada and the United States. But we didn't stop, even with COVID-19. We actually went ahead and launched a new compostable pod designed for Nespresso machines, and we're already exporting this to the United States, where they had consumers who wanted it. So we actually were able to take the COVID-19 crisis and turn it into an opportunity to continue to grow.

Looking forward, there are two places that we'd like to call out to the committee where there needs to be action. What can the province do? It needs to go ahead and build on the progress we've already made in sustainable packaging. Here in Ontario, we're actually seen as the leading edge of this in North America, and if we continue to support this, it would create more jobs through innovation.

The two things our industry needs are—first, to break down the barriers to getting green innovation in the hands of the consumers. The consumer wants to change, and business is pivoting to deliver that change. But we would like to encourage government to see the big picture; be a facilitator. Just like the famous parable, be like David and take speed and turn it to our advantage as a little economy in North America and take on the big Goliath to the south. There is a huge jump in demand for plant-based packaging in products. The industry is responding—

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

Mr. John Pigott: —but we need to make sure that our policy and regulatory environment keeps pace and keeps

us ahead of the curve. The Made-in-Ontario Environment Plan has highlighted that our pods are a great example of green innovation. The Ministry of the Environment, Conservation and Parks has been looking for ways to make it clear that people can and should put these pods in their green bins. What we need is to cut the municipal red tape. We're not there yet, but we're making progress.

The second thing I'd like to call out to you is that Ontario should try to help facilitate the funding of these export-driven green innovations. We've already made some big investments in more innovation packaging to meet this demand, as consumers want alternatives to fossil fuel products. The kind of consumer interest we have here has allowed us to fund our plans for the Canadian market. The great news is, the Americans want to do business with us because they, too, see this, but they see us as being ahead of the curve on it. So how do we leverage this first-to-market—

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

We'll move to our next presenter, Greater Kitchener Waterloo Chamber of Commerce. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Ian McLean: Good afternoon. Thank you, Chair Sandhu, for the opportunity to appear before the committee this afternoon. My name is Ian McLean. I'm the president and CEO of the Greater Kitchener Waterloo Chamber of Commerce, one of the top three chambers across Ontario. I'm joined by Art Sinclair. He is the vice-president at the greater KW chamber.

Today is our second appearance before this committee. In June, we appeared to discuss the impacts of COVID-19 on the Ontario tourism and hospitality sector. Many of those issues we advanced at the time, particularly as they relate to our business financial assistance programs, are still relevant to our 1,800-plus members and all the businesses across Waterloo region, both in the short term and in the longer term.

A high level of co-operation and collaboration between all levels of government, of business, in managing this pandemic should give us all confidence about our collective ability to deal with the long-lasting changes it will bring. The ongoing financial support of businesses and their employees through COVID-19 is helping to ensure that that will help lead our economic recovery. Thank you to the government and opposition, who have collaborated and worked around the clock to help support people and businesses during this difficult time.

In fact, we were in a crisis mode. Now we're leading to recovery, but we're not there yet. We can recall that last March many of us expected a reasonably quick return to the office and business as normal. Five months later, in August, we need to address the longer-term impacts of COVID-19 and our collective responses at all levels of government and within business.

The crisis isn't over. The wage subsidy program has been extended several times, to the end of the current calendar year, and there are questions about whether those

extensions will be sufficient. We've got to remember, most small and medium-sized businesses—this pandemic was not something that they did; this was something that happened to them. Having cash flow to be able to survive, to get to the other side, when we can more fully recover as a business and create economic opportunities, is going to be critically important. Ultimately, the pandemic and economic shocks require that continued support for business.

Over the past five months, our chamber has allocated a lot of our time to assist members with accessing the federal and provincial programs—the CEBA program, the wage subsidy program and the rent assistance program. While our local business sector appreciates the support of all levels of government, we continue to emphasize that speed matters. Money has to flow as soon as possible, particularly for those SMEs in the retail, hospitality, accommodation, foodservice sectors so that they can stay afloat and be ready to create the jobs we'll need on the other side of the pandemic.

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We have noticed that there have been lots of changes that have occurred on some of these programs and we appreciate that, including some changes to the CEBA program and the wage subsidy.

However, the rent assistance program continues to be a major source of contention and concern. Most small businesses are being screened out of the program for a variety of reasons. I can get into detail. Art will make sure we pass along our prepared remarks that have more details in them. But suffice to say, the program either requires major changes so more businesses can access it, or it needs to be wound down or confined and other dollars allocated for other programs. Remember, the prime objective was not that we have a rent assistance program; it was to get cash into small businesses to pay their bills—the two major issues obviously being, for any business, rent and wages, which is why they got divided that way.

But let's not get stuck on whether the rent program can be fixed or not. It's about getting cash to small businesses that won't be alive in six months, to create the jobs that we'll need to come on the other side. So I encourage the provincial government to be talking with the federal government about how we either adapt and actually fix the program, or look to other programs to support small and medium-sized businesses, to help them pay their bills so that they can stay in operation until the economy grows further and there's more cash flow in those businesses.

Based on the current estimates, and there are lots of numbers around—when it was designed, almost up to 500,00 businesses should have been eligible for this program. Only 12%, according to the numbers that we have, have actually accessed the program, a fraction of the amount that was allocated in terms of dollars. It has not worked by any measure. It needs to either be fixed or funds allocated in a different way for those small businesses.

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

Mr. Ian McLean: Thank you.

I'll move on and say that, again, the rent program needs to be fixed or there have to be other solutions, such as

working between the province and the federal government to maybe enhance the CEBA, which is the bank loan program.

Ultimately, I'll just leave you with this: Cash is the problem for most businesses. They will go out of business because they don't have cash to pay their bills, whether it's rent, whether it's wages, whether it's fixed costs. That's the problem for small businesses. We need to be working together to say, "How do we adapt the programs we have?" The next six months are going to be the real tell. Many businesses won't survive to March or April of next year unless they have continued support. That's just the reality.

I think we still have to be having the conversation about what the longer term is, what systemic changes need to happen. But we're still in the crisis and most of our businesses are feeling that, particularly the small and medium-sized businesses, and those are the businesses on main street. They're in your downtown, your uptown, and they're in those high-risk retail, hospitality and tourism businesses.

We'll distribute the rest of the written remarks because I'm running out of time. But I would say that that's our theme. While we look to recovery, and I think that's an important thing to do, we're not past the crisis at this point. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is South Simcoe Community Startup. Please state your name for the record, and you can get right into your presentation.

Ms. Joy Adams: Good afternoon, everyone. My name is Joy Adams. I am the owner of Covenant Wealth Financial Services and the director of South Simcoe Community Startup.

I will be speaking on behalf of South Simcoe Community Startup. We're a non-profit social enterprise that provides support for entrepreneurs and small businesses. Our community consists of approximately 700 members from various business sectors. Many of these businesses are home-based. Some are hair and nail salons, restaurants and gyms. A large percentage of the businesses in our community are start-ups, and they have not fared well in this pandemic. In a survey that was conducted by the Simcoe county economic development office on COVID-19 business impact, 43% of the businesses that were closed permanently were start-ups and were in business for five years or less.

For businesses that have reopened, recovery has been a very slow process. Cash flow continues to be the number one concern, as many of these businesses have not returned to pre-COVID-19 revenue levels. Some businesses have been hit harder than others, mainly those that provide personal services, such as hair and nail salons and gyms.

Today I want to bring to the committee's attention one business that might have fallen through the gaps and is very much struggling to restart. The name of this business is 9Round gym. The owners have given me permission to speak on their behalf.

9Round gym is a family-owned local business, serving the Innisfil community. They were open for just 25 days before COVID-19 hit. They had to close their operations and lay off staff due to this pandemic.

As of today, they have not qualified for any of the federal government relief programs, because they are a new business and they did not meet any of the eligibility requirements. Their landlord has refused to apply for the rent subsidy program for them and is actually demanding full rent, even for the period of closure. Negotiations with the landlord have stalled, because they cannot afford what the landlord is demanding as they have had zero revenues over the last few months.

After 141 days of being closed, the business reopened immediately after the stage 3 announcement. This is a business that is still struggling and not in recovery. There has been so much financial devastation. There has been loss of revenues; there have been marketing dollars that they will never recoup. As of today, they have lost approximately 46% of their membership, as some families have chosen not to return to their gym, probably because of the fear of contracting COVID-19. I will also add that this business is adhering to strict COVID-19 protocols. This is an example of some of the challenges that many small businesses are facing.

Moving forward, one of the recommendations that I'm bringing before this committee is for mandatory participation in the Canada Emergency Commercial Rent Assistance program, as some landlords are opting to not participate—

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

Ms. Joy Adams: —which is not providing any relief for small businesses.

I thank you for your time.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start the first set of questions with the opposition. MPP Morrison.

Ms. Suze Morrison: I'll start with the Greater Kitchener Waterloo Chamber of Commerce. Thank you for being here today. The last presenter mentioned the impact on start-ups and new businesses. I'm wondering if you can speak a little bit more to the impact on start-ups and new businesses in the KW area.

Mr. Ian McLean: Thanks for the question.

Part of the reason that Art and I have been doing regular calls with our provincial MPPs, federal MPs—and then government programs and providing feedback—is precisely because there are a lot of folks who didn't get captured appropriately at the initial design of some of these programs. As an example, our friend Matt Bondy and others are going a great job with Communitech, in the start-up community, particularly in tech. But as new businesses, a lot of them are screened out, because if they started a business, they haven't hit the revenue targets or they don't have comparables year over year and were artificially screened out. In some cases, they have no revenue; they're pre-revenue. But they still have expenses going through. Angel funding, venture capital, has really dried up. So if you're starting a new business and you

don't have a track record, but you've made the initial investment up front, it's really problematic.

There have been some changes that have made a difference both in the wage subsidy program and, in particular, making CEBA available to them, but we've got a long way to go, because capital, particularly in the early stages, has been a real problem.

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Again, that's my theme. I get that we do need to be thinking about Minister Phillips and the recovery phase of what comes next, but we're not out of the crisis yet for most small and medium-sized businesses.

Ms. Suze Morrison: We've heard similar concerns from a lot of businesses, about not just getting through to recovery, but also thinking about resilience for future waves and future shutdowns.

What are some of the small businesses that you're connected to saying in terms of how they can prepare to be resilient if we see a second or a third wave of the virus before we have a vaccine?

Mr. Ian McLean: One of the things that we came out with early, as a chamber, on behalf of the business community here, with BEST Waterloo—the Business and Economic Support Team of Waterloo Region, which is the Cambridge chamber, our chamber, Waterloo economic development and Communitech talking collectively—is the importance of masks and the things that we can do as individuals, as communities, but as business as well, to do everything we can to try to prevent the next wave, or at least make the next wave manageable so that we can keep business open.

The worst thing, the absolute crisis—if you want the next crisis—is that if we have to shut down again, there will be a vast number of small businesses that will never be able to recover from that. They've been able to survive one, and we need to get these subsidies or these support programs in place to get them through this next six months; but we can't have another shutdown. That means that there's a responsibility on the part of the business community, which we fully endorse, which is wearing masks, social distancing and being cautious about how they do business, because the confidence of your customer and confidence of your staff are hugely important to business recovery. The crisis isn't over. The virus is not gone, and it won't be for some time. The new normal and how we create confidence within the economy—masks are a huge part of that. We fully endorse it—we have here, locally—and with a minimum of muss and fuss, it has been adhered to virtually everywhere. I think that's incredibly important.

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

Ms. Suze Morrison: We've heard from some folks on their concern about the upcoming holiday season. What concerns are businesses in your area sharing around what it means for businesses that have been able to operate outdoors when they'll have to move inside when the weather cools down—and any impact on potential spending around the holiday season in terms of the viability of businesses, considering any holiday impacts?

Mr. Ian McLean: Retail, hospitality, tourism and restaurants were some of the first to close, and they'll be some of the last to open fully. All I can say is that in my conversations with everyone from Casa Rugantino, which is a mom-and-pop shop in Belmont Village, to Charcoal Group, which has 13 restaurants across southern Ontario and employs 1,000 people, but all in the restaurant space—

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

Mr. Ian McLean:—most businesses and restaurants in that space don't make any money until they make—it's close to 95% of their gross revenue target before they even think about making money. So when they can't fully open, when the patios aren't open, is going to be the real challenge, which is why we need to be thinking about how we get them through the fall and the winter, to get to the other side.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. MPP Hunter.

Ms. Mitzie Hunter: Thanks, everyone, for joining us today and for your presentations, and giving this committee insights into what it is like for small businesses to operate during the time of COVID-19.

I want to start with the start-up community, because we need to hear more about what that space is looking like.

Joy, could you talk more about what the realities are for start-ups and how programs that are being offered can be more considerate of start-up businesses so that we don't lose that innovation and that entrepreneurship that we need, frankly, at this time? Maybe there's an aspect to this where we need to be providing incentives for entrepreneurs to solve problems and to get into business. Can you talk a little bit about what your member organizations are most interested in seeing in terms of supports?

Ms. Joy Adams: One of the main concerns that I've heard for entrepreneurs and small businesses in our start-up community is the aspect of cash flow. It is the biggest issue right now.

Unfortunately, because they're start-ups, many of them do not even qualify for CEBA. I waited for the possibility of applying for CEBA and I didn't qualify, because of, number one, the restriction with the \$40,000 of overhead expenses. I can be very honest with you: Most small businesses do not have \$40,000 of expenses. So it excludes a lot of start-ups.

Many of them did qualify for the CERB. But on the business side, many of them were just left out of any of the government relief programs. It's sad, because a lot of them are small businesses. They've put their time, energy, finances, personal finances on the line to start these businesses. I can tell you right now that many of them will not survive through the next six months.

If there is another lockdown, many of them will not survive, and it's heartbreaking. I've gotten to know a lot of these entrepreneurs and small businesses over the last two years, and many of them—my heart really bleeds because I know what they've put on the line to be able to start. To see the possibility of these businesses not being a going concern is very heartbreaking.

So I'm asking the government—whatever you can do. CEBA does not apply to start-ups. We just do not qualify for CEBA. I am hoping that we will make it a little bit more lenient for start-ups to get into that space, to give us the cash flow, so that we are able to be a going concern. We need these small businesses within our communities. They are the ones that create different programs and enrich the overall communities for us. To see these businesses not being a viable business to move on and get over this COVID-19 to the other side is very sad.

Ms. Mitzie Hunter: Yes, I saw a story in the paper this weekend where even after-school programs and non-profit programs are saying, "We're looking towards a recovery, but if we don't have these supports in place in the community, that recovery is not going to be realized." Parents are going to need to have the confidence that their child is looked after before school, during school and after school, in order for them to return to the economy and to be fully participating. So we have to pay attention to every segment, not just to the ones that are most obvious.

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

Ms. Joy Adams: In a rural region, the challenges become even more—so whatever the government can do to provide more support for these businesses so that they can continue to be a going concern. I'm here representing our group, and I'm hoping to see a lot more programs rolled out in the next couple of months that will really be able to give small businesses and start-ups the cash flow they need to stay afloat.

Ms. Mitzie Hunter: Thanks for what you and your members are doing.

I want to quickly switch to the KW chamber of commerce. You talked about doing everything possible to avert a second wave, and I really appreciate that focus as a chamber—leading the charge on safety, masks and all of that.

Do you have any specifics that you and your members are doing to prepare for the fall and winter at this time? What are we doing to get ready to prevent that?

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Mr. Ian McLean: Thanks for the question.

I think we're doing everything that we can as a business collective. We've started a co-op, if you will, around PPE. That started as a co-operative around some of the larger institutions, such as the region of Waterloo, the fire and police and hospitals and others, for PPE that's required. Also, we've extended it out, because we went to them and said, "If you're going to have small businesses opening up and they can't afford to buy in bulk masks, hand sanitizer or those things and they don't have them, you can't safely open." So trying to work together to say everyone is going to need masks—and not for a short period of time. My view is, we'll be here a year from now talking about the fact that COVID-19 is still around. We may not be—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll come back to you in the second round.

We'll move to the government now. MPP Wai.

Mrs. Daisy Wai: Thank you to the three presenters.

I just want to respond to John. I do not drink coffee myself, but I did hear a lot of good things about your product. People are liking your pods, and I'm glad that your business is doing well and that you're exporting to the States as well.

Do you know that we're also promoting Ontario-made products? Have you leaned on that? Have you worked with our government in this area to promote your product? Especially when your product is also promoting green, we support that as well.

Mr. John Pigott: Yes, we've had a long-standing great relationship with OMAFRA. They've been helping us for years, and they really know how to act as the facilitator. I couldn't say enough good things about them. They get what needs to be done to open the American market. We can't, as Canadians, get enough scale, because we're only 36 million people. We have to feed hungry and thirsty Americans to prosper, and they get it. We've got to figure out how to go offshore too. They've been very, very helpful and supportive. We get it, in Ontario.

Don't forget, we've got a great location. Think of where we are geographically. We can get to 100 million people in one day's truck from southern Ontario. That's a real nature-given advantage we've got.

Mrs. Daisy Wai: That's great.

What else can the government do together with you to support your products?

Mr. John Pigott: It's not just our company. Certainly, the small companies really need help, and today's discussions show that, but don't forget the medium-sized companies that are trying to compete against much bigger ones. We need help, too, and part of it is just telling the story—us little Davids can take on the Goliaths. It can be done, but it's still a stretch for us to take on companies much bigger than ourselves. So we need to work with speed. Speed is our advantage in Ontario, and when we get in the way or slow things down, we lose that natural advantage.

My big message was, don't get in the way of us moving quickly when we've got an advantage like we do in green technology.

Mrs. Daisy Wai: Definitely. We hear you. We'll pass that message across. We're here to support you.

Mr. John Pigott: Thank you.

Mrs. Daisy Wai: I would like to move on to Joy. My heart goes out to a lot of those start-ups, especially when they started up just before COVID-19 and were shocked when it seems that they cannot even have the chance to develop the business, and a lot of things hit them hard. At this point, I can only share the challenges that they are facing.

Have you been working with your local municipalities? Do you know that we have Small Business Enterprise Centres across the province? Perhaps they can give them some advice. Perhaps they can support them and work with them.

Ms. Joy Adams: Yes, we understand that. At South Simcoe Community Startup—and I see MPP Andrea Khanjin is on the call—one of the things that we've done

is, and our mandate as an organization is, to engage the town councils. We are very much involved with the town of Innisfil—economic development. We are involved with Nottawasaga Futures. So they do provide support for us—but once again, the main concern is cash flow, cash flow, cash flow. I applied for the regional relief loan, and it was Nottawasaga Futures that helped with that.

What I would like to see moving forward is, at the federal level, if more relief can be provided for start-ups. It's not a matter of not being able to access the different services within our community; it's a matter of cash flow. Nottawasaga Futures is not going to give us grants. They will help us to maybe apply for the loan—

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

Ms. Joy Adams: But with start-ups, especially for those who are just starting, such as 9Round—they just did not have a track record, so they were squeezed out of all of the government programs. I know it's a unique situation, but I don't think it's an exception to what other start-ups are going through or experiencing right now.

Mrs. Daisy Wai: Can I invite MPP Khanjin to see if she have any more advice or anything to say?

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

Ms. Andrea Khanjin: Thank you, Joy, for everything you're doing with South Simcoe Community Startup. A lot of businesses lean really heavily on you and your advice.

What I wanted to ask you about is the importance of getting good financial advice so that people know exactly what's the best program for them. And if you were to give advice, if we were ever to come to this situation again, what could government do in terms of providing a hub for financial advice, providing a hub for bulk purchases—

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

Ms. Andrea Khanjin: —of personal protective equipment so businesses could apply there at a lower rate? Are there some of those things that would be helpful? Or do you think it's really restructuring these programs and talking to the federal government to lower the threshold?

Ms. Joy Adams: I think restructuring the program would be ideal. There are two sides to the start-up space. A lot of them are home-based businesses. Home-based businesses might not be affected as much as those that are gyms and hair and nail salons, for example, where they're renting commercial spaces. Those might be a little bit different. These sorts of businesses that I'm concerned about—where the PPE might be of concern because, when reopening, they may need support in buying equipment. I believe very strongly that some of them do have access to that type of resource—

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

We will move to the independent members now for their second round. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for coming in today. I have so many questions for all three of you—but I also have to apologize; I had another obligation and so I missed parts of your presentations. So if I ask a question that seems out of left field, you'll know why.

I want to start with John, only because, as the MPP for Guelph, I'm obviously a huge fan of the university's Bioproducts Discovery and Development Centre. I know you've worked with them on your compostable pods, and we've done a lot to champion and cheerlead. One of the challenges, and you talked about this earlier, is—we have so much opportunity with green technology, and we do a great job of research and development, but sometimes we have challenges in commercializing and scaling and exporting. But I think Canada can be a leader.

I'm just wondering if you have some thoughts, as we think about economic recovery, on how government could assist in commercializing and scaling up these green-tech companies.

Mr. John Pigott: First of all, it's attitude. We, in Canada, can lead. We're not necessarily followers. My view is, let's make the Americans our followers. If you think about the old proverb—David changed the rules. Goliath thought he was going to have a sword fight. David came with speed and a slingshot. I think our little pods are the stone in the slingshot.

In Ontario, we have to believe in ourselves, and government has to help. How do you clear the roadblocks out so we can take on that big market? The only way we can really succeed is shipping and exporting. Part of it is, how do we tell the story to others, and how does government help tell that story that we can and stop Canadians who think we're followers? No, we're not.

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Guelph is doing world-class stuff. In fact, what they delivered was taking food waste and turning it into packaging. If we can do that in a whole lot more places, think of what we can create in Ontario. We're ahead. We have good regulations. We have a well-developed post-consumer use in the blue box and the green bins. How do we take that advantage and scale up faster? It's part believing in ourselves, and that's our attitude.

Sure, COVID-19 knocked us, but instead of just asking, "Okay, what do we do?", let's ask how we can turn this into an opportunity. That's what we're coming out of here saying. "Government, you may not have a lot of money, and we're not asking for money, but can you facilitate? Can you knock down barriers? And can you tell more stories about the beautiful things we're doing in Guelph?"

Mr. Mike Schreiner: We're always in line to talk about the great things happening in Guelph, so you and I will be aligned on that one.

I want to look down the road to our neighbours in Kitchener, Ian, because I would say that the same thing applies to the tech sector. Obviously, Waterloo region is a tech innovation hub, and the whole corridor, really—Guelph, K-W, Brampton, Toronto. What can we do in terms of economic recovery to take advantage of this world-class innovation corridor that we have here?

Mr. Ian McLean: Thanks for the question.

I'm going to start off, and then I'll hand it off to Art, because he's been on a couple of the Innovation Corridor Business Council committees about how we do the recovery. We consider Guelph to be an honorary member of Waterloo region—it's close enough that we do that.

I do think that there is really a role to play about what's next and how we try to leverage, as John and Joy said. There are opportunities out of this. I think that there are elements of both things. Joy is right—I'm the same way. The two words "cash flow" for the businesses that are up and running—if you want the businesses that are going to stay alive, like John's, who have a new opportunity, you've got to help them stay and keep their human capital. And then we've got to be looking at what's happening in the innovation corridor. Maybe, Art, you can talk a little bit about a couple of the committees that you've been on—

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

Mr. Ian McLean: —because we're starting to think about the "what's next?" part.

Mr. Art Sinclair: One of the key things with economic recovery is, of course, infrastructure development. As you're aware, Mr. Schreiner, one of our focuses has been two-way, all-day GO service between Waterloo region, stopping in Guelph and continuing on to Union Station. We're continuing our lobbying efforts with respect to that project. You might recall, about a month ago, there was a major announcement with respect to a new Highway 7, which the business community in Waterloo region has been advocating for for a number of years. Of course, we're quite pleased.

Again, I think we're pretty well on our way with respect to the advocacy efforts and the identification of priority infrastructure—not only physical infrastructure like roads and highways and railways, but also social infrastructure. Obviously, there are going to be certain health care—

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

Mr. Art Sinclair: —and social service requirements that are going to be necessary coming out of the pandemic that we're going to have to re-examine. That's all part of the review process, and I think we're moving down that line. So two or three years from now, we'll be organized and we'll be capable of moving forward.

Mr. Mike Schreiner: I want to ask Joy a quick question on the access to capital. We had angel investors present to committee, saying that if government could help connect angel investors with new start-ups, it would be a way to facilitate investment and have a huge return on investment. A lot of your start-ups sound like they're really small-scale, early stage.

Ms. Joy Adams: Very early.

Mr. Mike Schreiner: Do you think those kinds of networking opportunities with potential investors would help with access to capital?

Ms. Joy Adams: For most of them, maybe not at this point, but they certainly have the capability of scaling up later on. But they need the—

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

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

Ms. Andrea Khanjin: Joy, I'll let you finish that thought because you got cut off.

Ms. Joy Adams: One of the things that I have seen over the last few months with the small businesses is the digital

transformation of their businesses. Even in order for them to be able to increase their revenues, they still need to put money on the table to do the digital marketing. With a reduction of their revenues and not having access to capital, it just doesn't help the situation at all. In terms of angel investing, yes, there's a possibility, but not right now. They basically just need the capital, they need the cash flow, to be able to get to the other side of this COVID-19 pandemic.

Ms. Andrea Khanjin: On that note, with the digital piece: I know Digital Main Street, obviously, has been trying to fill that gap, but they don't fit everyone's model. How would you amend that so that we have something similar to the Digital Main Street program, but one that fits the needs of businesses and start-ups you work with?

Ms. Joy Adams: I had a conversation around this. With Digital Main Street, one of the things that they require is for the business to have a storefront. For some businesses that are operating from home, it literally squeezes them out of that program. So if they can open it up a little bit, especially now, in this environment, when there are a lot of businesses that are actually working from home—if that program can be opened up a little bit more to allow more of these home-based businesses that have the potential of scaling later on, then I think that will be a good thing.

Ms. Andrea Khanjin: That could take those businesses well into the future, because if more and more people are working from home—and COVID-19 has doubled down on that—that's a win-win.

Have you heard anything about the quality of Internet and access to Internet? Provincially, we've been trying to get better broadband, and we've been working with the federal partners. We have a provincial program, but it's not as big as the federal one. What have you been hearing about how that's so vital to get businesses to work from home?

Ms. Joy Adams: It is vital, especially with businesses that are now working from home. I'll give you an example. There's a business in Alliston that I was trying to reach, and literally, it took them two weeks because they did not have access to stable Internet. I was not even able to do a Zoom call with them because their broadband was so weak that they weren't able to do a Zoom connection. That also needs to be taken care of. If the government can roll out a program that supports that initiative, it will help start-ups a great deal.

Ms. Andrea Khanjin: I want to thank John for the work you're doing with the compostable coffee pod. I work with the Ministry of the Environment, and we featured your compostable coffee pod success story in our Made-in-Ontario Environment Plan, which you mentioned, so thank you. We'll continue that along. There's a lot of work to still be done with the green bin program transformation, so we'll keep in touch.

For all three of you: What can we do—not only at the government level, but through communities and personal responsibility—to foster that consumer confidence to go out and support these small businesses?

And Joy, when it comes to supporting small businesses, what can we do to reach out to those home businesses?

Ms. Joy Adams: There's so much. I've been in this phase for over five years, and a lot of times, even with the town's economic development—they might not even realize that these companies are there, because they're working from home. If there's a possibility to get these businesses online, to strengthen their online presence, so that they will not only attract new customers, but they will attract presence within the community so that the economic development offices are aware that these businesses are there—because for the longest while, that was always a complaint I was hearing: “We didn't even know that they were there.”

Mr. John Pigott: For me, it's one word: confidence. You've got to maintain the confidence of those small investors—

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

Mr. John Pigott: —to start small businesses. You've got to maintain the confidence of the consumer to spend money. The consumer psyche is so fragile that whatever the government can do to say, “Yes, we're going to get through this”—the governments, in general, have done a masterful job of cushioning this blow and keeping money flowing. But how do we keep it going? We've got to maintain confidence so people aren't going to hide and scrimp and save when they really could spend, because it's the money that gets back in the economy that keeps, particularly, our service sector going.

Mr. Ian McLean: Yes, I echo that. Confidence absolutely is the number one thing—confidence of your staff, confidence of your customer, and confidence of the community. That's why we are really big into PPE and masks and numbers of people. I would add to that that we want business to open as quickly as possible so as many people can have growth, and Joy and her start-ups can get going. But the number one thing—and this is where the other C comes in: being cautious. We have to make sure we do it right, because if you close down again—

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

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Mr. Ian McLean: —and the numbers will tell you. As an organization of businesses, if the scientists say that you're going to have tens of thousands of people get it unless you close down, then you've got to close down. But what comes with that is going to be an economic disaster. If you've got confidence so that we can get open properly and stay open, that's really, really important.

Ms. Andrea Khanjin: Yes, for sure.

Mr. John Pigott: Another one that I would echo is, don't let complacency set in. One of our fears is complacency of dropping your guard, not protecting people and, in our case, not protecting the people in the plants. We're working 24/7. We've got to make sure that we don't let our guard down at 2:30 in the morning, because this is a nasty, nasty thing we're dealing with. It's when we drop our guard that we're going to get caught as a province.

Mr. Ian McLean: That's the third C, John.

Mr. John Pigott: Okay. We're thinking alike.

Ms. Joy Adams: Yes, I like that. Confidence—

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

We'll move to the opposition now. MPP Morrison.

Ms. Suze Morrison: I'm going to direct my questions to Joy. Can you speak a little bit about the impacts of commercial rent on the small businesses in your area and if small businesses, specifically, have been able to access CECRA, and the barriers there?

Ms. Joy Adams: I'm speaking on behalf of my client, of one of the members of the South Simcoe Community StartUp—and his ability to access the commercial rental subsidy. The landlord is basically saying no; they're not complying. At this point, there's really no recourse. This is just an example of one of the situations. They have been closed now for about four months with no revenues, and yet the landlord is making all these extra demands on them—number one, to cover the four months that they were closed and for them to continue to pay the full rent. The businesses that do have commercial space—there are situations where landlords are just not complying, and at this point there is no recourse.

Ms. Suze Morrison: Yes, we've heard that concern from many, many small businesses that have come forward to the committee. I know it's been a substantial issue in my area, in downtown Toronto. A lot of small businesses have fallen through the cracks of this program, and we've heard that over and over again. The landlords are simply not opting into it.

Are there other ways in which small businesses have been disqualified from any assistance programs? What are some of the key themes that you're seeing and reasons that businesses were disqualified from certain assistance programs? I know the KW folks mentioned things like start-ups not having proof of revenue loss, for example, in terms of year-over-year. What sort of things are you seeing as the reasons folks are being disqualified?

Ms. Joy Adams: For the CEBA—the \$40,000 of expenses—a lot of the small businesses, especially start-ups that are just starting, do not qualify. That's one.

Secondly, I know that a lot of them were waiting for the revised version of the CEBA and, even then, some did not qualify because it squeezed them out of this because of the \$40,000 business expenses requirement. So did it help at all? I'm not sure. It has to be reduced. Small businesses, especially start-ups, will not reach that threshold.

Ms. Suze Morrison: Definitely.

From your perspective in your community, what are the types of things that we should be looking at to help small businesses stay resilient—not just how do we look at recovery, but how do we protect those businesses and organizations from future waves of the virus?

Ms. Joy Adams: I would like to see a revision of the Digital Main Street program. The norm right now is that businesses are operating from home. So in order to help small businesses and start-ups to be resilient—if a digital marketing mainstream program can be opened up so that these small businesses and start-ups can qualify for the program. I would like to also see access to funding so that they can continue with their digital—it's one thing to pivot

and be online and have an online store, but if you are not doing the regular marketing, if you are not doing any type of digital marketing, you're just literally having just a page online that is not attracting and drawing in new clients or customers to your business. If they're able to access funding, especially for marketing—I remember I had this conversation with Nottawasaga Futures when I applied for the original relief loan—

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

Ms. Joy Adams: “Okay, so you're giving me money just to maintain the status quo of my business, but you're not giving me enough so that I can grow and continue to be resilient and be able to get through COVID-19.” So I would like to see more funding, especially if it's a percentage of pre-COVID-19 revenues that can be allocated for marketing. These are just suggestions; these are things that I have seen, and I think these are things that would help small businesses to be resilient, to get through COVID-19. I pray that we do not have another lockdown. It would just be devastating for businesses.

Ms. Suze Morrison: We heard from a presenter earlier in the day around concerns about infrastructure projects on main streets as we work towards recovery—concerns around ripping up the main street in a town or a community as those businesses are just starting to get reopened and back on their feet.

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

Ms. Suze Morrison: Is that a concern that you're hearing at all out in your neck of the woods?

Ms. Joy Adams: Not really. I'm just in the start-up phase. It's my passion.

Ms. Suze Morrison: Okay. Thank you so much. I don't have any other questions.

The Chair (Mr. Amarjot Sandhu): That concludes our time, as well. Thank you to all three presenters for your time and for your presentations.

Before we move on to our next group of presenters, I would like to do an attendance check. MPP West, can you please confirm your attendance?

Mr. Jamie West: I'm in my office in Sudbury.

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

YMCA OF NORTHEASTERN ONTARIO
BARRIE AND DISTRICT
ASSOCIATION OF REALTORS
ONTARIO CHAMBER OF COMMERCE

The Chair (Mr. Amarjot Sandhu): Our next presenter is the YMCA of Northeastern Ontario. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Helen Francis: Good afternoon, committee members. My name is Helen Francis. I am president and CEO of the YMCA of Northeastern Ontario, formerly the YMCA of Sudbury and North Bay.

Ms. Sibel Cicek: My name is Sibel Cicek, and I work to support YMCAs across Ontario with our government relations efforts. Thanks for having us today.

Ms. Helen Francis: I understand that this committee has already heard from Medhat Mahdy, president of the YMCA of Ontario, and as such has heard details of the precarious position YMCAs across Ontario and Canada are in as a result of the impact of COVID-19. As such, I shall focus my points only on impacts to my local association and the impacts in northeastern Ontario.

The YMCA of Northeastern Ontario is a charity that has been operating for 85 years in Sudbury and over 62 years in North Bay. Typically, we would serve well over 20,000 people per annum. When the pandemic hit and we had to close our doors, our YMCAs stepped up in different ways to support our community. Our centre of community in Sudbury partnered with the city of Sudbury and opened its doors for the vulnerable, providing washrooms, computers and telephone access, as well as a warming and cooling centre. Our centre of community in North Bay partnered with Nipissing Mental Health Housing and Social Services to open its doors and act as a temporary emergency shelter for the homeless.

Our child care team worked to open centres to support essential front-line workers, and have adapted through each phase of the province's reopening to provide safe, licensed child care. Our employment and immigrant settlement services team worked to move programming online to support their clientele. Our staff team also launched DISCO—Digital Inclusion, Seniors Connection and Opportunities—for seniors, to help them navigate an increasingly digital world, specifically since the pandemic, and also placed calls to check on the well-being of our members. In addition, our staff work to provide free virtual content for all for health and wellness, through YThrive, YGym, Gym Y and YCamp. This exemplifies how the YMCA of Northeastern Ontario truly embodies its role in building healthy communities, and we'll always look forward to playing that role.

1400

However, the lack of revenue from membership fees and programming fees has to date reduced our association's revenue by over \$2 million. Further, as we forecast our operations moving forward, we anticipate ongoing deficits, as membership levels for our health and fitness centres in Sudbury and North Bay are not expected to return to pre-COVID-19 levels for a further 18 to 24 months. Our greatest challenge in our health, fitness and aquatics business is offsetting the fixed costs of occupancy and utilities, particularly when the data suggest we can anticipate membership revenue to be as low as 30% of the pre-pandemic level.

As a charity, we have prided ourselves on the fact that we were one of the first social enterprise models that did not have to rely on external funding to offer our programming and ensure equity to all. Rather, our fee-for-service model provided the revenue to both offset operating costs and allow us to provide financial assistance to 25% to 30% of our membership, alleviating any financial barriers to access.

COVID-19 and the anticipated following recession have significantly challenged this model. As we reopen

our centres of community, gradually and cautiously re-introducing limited health and fitness programming, our YMCA will be faced by a growing deficit and severe cash flow issues as early as December 2020. This is a precarious time for our YMCA. Our centres of community in Sudbury and North Bay are the face of the YMCA; however, deficits in the health, fitness and aquatics area could destabilize the entire association.

Closure of the association would lead to impacts in areas critical to our recovery as a province, including our licensed child care programs to support children to develop and grow in healthy and safe environments while parents participate in the workforce and contribute to the economy. We currently provide 1,573 licensed child care spots. Our employment and training programs, which are imperative to connect people to jobs and help the economy recover, currently serve over 600 individuals annually. Both child care and employment training will become even more important for our communities in the post-COVID-19 recovery. It's imperative for the recovery of our local economy that we can continue delivering these important services. Closure would also impact our newcomer and immigrant settlement services, which continue to play an important role as northeastern Ontario looks to grow into the future.

Today we serve over 800 individuals and families. Our centres of community provide a venue for youth drop-in activities, health, fitness and aquatics programs, camps, seniors programming and much, much more, serving over 9,000 members and over 20,000 public users. In addition, we currently employ over 400 people per annum whose jobs would be lost in the event of closure.

We believe that the province has a role to play and that we need a made-in-Ontario plan to help charities like the YMCA to stabilize and recover. We are business-minded; we depend on fee-for-service revenue in order to maintain our operations. We also operate with razor-thin budgets and have a limited ability to accumulate reserves. As a result, the long-term viability of our operations has been dangerously destabilized and we have a very short runway to find solutions—

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

We'll move to the next presenter, the Barrie and District Association of Realtors. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Robin Jones: My name is Robin Jones. I am the president of the Barrie and District Association of Realtors, affectionately known as BDAR. Thank you to the committee for hearing me today. Thank you for this opportunity to speak to this group, with special acknowledgement of committee member MPP Andrea Khanjin, who represents much of our region.

BDAR is a local non-profit association serving 1,100 real estate professionals in the greater Simcoe region. In organized real estate, we are connected and we work directly with OREA and CREA, Ontario and Canada real estate associations, to support our members and advocate

on their behalf at all government levels in terms of housing policy. The focus of our presentation today will be about how the industry has been impacted, and provide recommendations as to how real estate and housing can play an important role in the economic recovery.

At the present time, it would be misleading to suggest that COVID-19 has created fiscal challenges in the housing sector that did not exist prior to the pandemic. We all know real estate affordability and secure shelter are a significant part of the greater economic challenges we face. If COVID-19 has brought added light to this, let us hope this will translate to changes we all need to see addressed.

From the onset of the pandemic, the prescription was to stay at home, remain at home and limit physical contact with others. Protection from spreading the virus required a home—a shelter—to isolate in. Housing was needed to manage the infection rates and reduce hospitalizations. Home, health care and hospitals were all key to addressing the pandemic and saving lives.

The pandemic has forced a pause in our lives, changing our attitudes towards where we live and work, where we travel, where we shop, where we learn and, truly, what we value. Initially, with the declaration of a state of emergency, our spring market was deliberately stalled. Our members and our sector were, thankfully, deemed essential, and we are grateful and appreciative of the province for this trust and foresight, as it allowed us to continue transactions that were already in motion and helped us get buyers and sellers where they needed to be.

It was not, and is not, business as usual. Many members stayed at home. Others followed protocols for operating our business, and others adapted to our business to work remotely with less in-person contact. They effectively worked to reduce activity to approximately 15% of what we may have expected in April. The real estate market is primarily based on supply-and-demand forces, and with demand and supply both held back, this reduction due to COVID-19 protocol restrictions has led to the current situation where demand has outpaced supply and prices have been on the rise.

In Simcoe-Muskoka, this has been exacerbated by buyers moving out of the GTA for various reasons, from high urban density pandemic limitations to reducing commuting due to opportunities to work from home. Home sales reached an all-time record in the month of July, and supply is just starting to catch up with demand. This is a market fully in rebound and driven by forces that I haven't seen in my 33 years in business. Market analysis is a constant, and it is extremely reactive to all forces acting on the pandemic, from new cases, to medical breakthroughs and speculation, to government programs.

Each real estate sale generates almost \$80,000 in ancillary spending, so this would be a great way to help get the economy back on track.

In considering economic recovery, we recommend that government should make home ownership more accessible, with policies to help achieve home ownership, which supports citizens to build equity, to offset debt and

inflation and provide for retirement. This approach has been proven to be better for all of us. How can we do this? With a permanent increase of the first-time homebuyer land transfer tax rebate, from \$4,000 to \$6,000.

Implement measures for down payment assistance, as often young professionals with steady jobs and income, or newer families to Canada, can afford the home and can carry the debt. The challenge is getting in the door with a down payment and qualifying for a mortgage, which can be very difficult.

Consider financial measures to support homeowners facing economic hardship, who may have lost their business or have not been able to return to work. Perhaps offer, for a limited time, a holiday from the provincial land transfer tax and help young people severely affected by COVID-19 with a package that includes student debt relief and frees up funds to make home ownership affordable.

So what measures will encourage supply? Housing construction and renovation. Such incentives could be the following: Take measures to adjust and adapt housing supply, housing quality, housing type and housing affordability. Resist intensification philosophy. Do not return to sprawl, but rather define a balance between remote working and the need for physical space and social distancing.

1410

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

Mr. Robin Jones: For the short term, provide financial support to municipalities to help reduce development charges to aid in offsetting costs, or perhaps give a credit directly to the new buyer, and tax incentives. And expedite the process for developers to build affordable housing: further access with affordability by accelerating building permits and easing red tape associated with the new private sector housing; more support for the community and less policing of petty infractions; less support for NIMBYism and more backbone when receiving applications for affordable housing or intensification of land use. Build green cities and smart homes. Reward this with incentives. Create an aggressive program to speed up the transition of surplus urban government property holdings into new affordable housing, and create an aggressive plan for urban brownfield renewal to transition these lands into more affordable housing.

Home renovations and efficiency rebates: As a result of COVID-19, more people are staying at home, working from home, vacationing at home and improving their home. Getting trades working encourages employment, and the trades sector are taxpayers and homeowners too. Improvement to the home increases the benefit and the value of the home. When people buy, they spend and renovate, injecting money into local value chains, many of which are medium and small enterprises. An investment in real estate is an investment in the community.

So what can be done for the economic recovery? Introduce a provincial version of the home renovation tax credit to make home ownership more affordable and stimulate economic activity around supply chains, and additional incentives for second suite development to help increase housing stock. Offer provincial interest-free loans

for home improvements. Provide an accessible quick process for renovation permits. Introduce a provincial go-green stimulus package for private homes, social housing, public infrastructure and businesses. The time has come up.

We'll move to our next presenter, Ontario Chamber of Commerce. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Rocco Rossi: I'm Rocco Rossi, president and CEO of the Ontario Chamber of Commerce. I'm delighted to be joined by my colleagues Michelle Eaton, our VP of public affairs, and our director of policy, Daniel Safayeni, who both make me look far better than I deserve.

Aside from thanking the committee for this opportunity, I really want to take this opportunity to thank all parties and all staff for being truly remarkable in an incredibly difficult time. Governments are not designed to move quickly. Purposely, they are not designed to move quickly, because you want to think through unintended consequences and you want to be sure, as you're putting policies in place, that they make sense. COVID-19 has simply not given us that luxury, so the incredible amount of flexibility, listening, willingness to iterate and, on the part of opposition parties, willingness to listen to our concerns and champion them to the government has been nothing short of remarkable. We need only look south of the border to understand that this isn't a given. The cacophony of voices in the south shows us you can get this very wrong, and I think we've been blessed in large measure here in Ontario.

There are a few measures that I want to particularly give kudos to the government for:

- the willingness to be flexible in things like allowing licensed restaurants to add alcohol to deliveries to add much-needed margin in a difficult time;

- for cannabis stores just starting out, a new industry, allowing for curbside pickup and delivery of online orders has been crucial;

- amending temporarily the Employment Standards Act so that we reflect the fact that, through no fault of their own, businesses are putting people on furlough for longer periods than the 13 weeks that would have triggered permanent layoffs and the costs accruing to those, which simply would not have been able to be paid at this time;

- the work in providing consumers and businesses relief on hydro bills;

- the investments in improved connectivity in Ontario, both in terms of infrastructure and working with the federal government, building out the Digital Main Street initiative. One thing that the pandemic has certainly underscored for us is the digital divide in this province. Really, much more needs to be done, but those were important.

Working with the federal government, the commercial rent assistance—we were really excited about that when it was originally announced, and we hope that, as with other measures like the wage subsidy program, the provincial and federal governments will sit down again and fix this program once and for all. Yes, there are over 30,000

businesses that are benefiting from it today, but quite frankly, that's less than 10% of those qualified. We hear way too many stories from our members—similar businesses with different landlords and different outcomes. That is not the point of the program. I want to thank Mike Schreiner of the Greens, I want to thank the NDP and the Liberals for continuing to shine a light on the importance of this issue. I know that the provincial government is working with the feds, who write the big cheque, and it's important that we correct that because the bulk of the financial supports, as we all know, from the provincial government to small businesses at this crucial time—

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

Mr. Rocco Rossi:—have been deferrals. I think it's incredibly wise that the Minister of Finance has set up very large—historic—contingency funds in the budget, because quite frankly, they're going to have to use a big chunk of them. The average small or medium-sized business started the crisis with 20 to 30 days of cash on hand. We're at month five. So how are any of them surviving? The reality is, they've spent the HST, they've spent income tax, they've spent WSIB. When those bills come due, one of three things is going to happen:

- (1) The can is going to be kicked down the road, and we've seen that already, to move to October.

- (2) There's going to have to be massive forgiveness on chunks of this, and that's why the rent subsidy is so important, because that's such a big cash cost for many of our members.

- (3) We're going to see a wave—

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

Mr. Rocco Rossi:—of bankruptcies the likes of which we've not experienced in our lifetime. None of us want that to occur, so that is critical.

There are a number of recommendations that we have, beyond the rent subsidy. Clearly, a number of those temporary measures we'd love to see continue, going forward, whether it be alcohol sales delivery or curbside pickup, and delivery on the cannabis side. Those are important areas of margin in doing business that we need for an extended period of time, if not forever.

There are lots of opportunities on the fiscal policy and regulations side, and I would start, first and foremost—in an era when we see protectionism rearing its head around the world and a fight between the US and China with us sandwiched in the middle, I think now is the time, if ever there was, to talk about real free trade between our provinces. That's not just for goods and services; it's also accepting, recognizing the accreditations of the different provinces. It's ridiculous that we accept BAs, MAs and PhDs from universities, colleges across the country, and yet an electrician, a carpenter, a plumber, a boilermaker can't cross provinces and be recognized for those skills. That's a ridiculous circumstance that is harming productivity and can have no place in this country, going forward, if we're going to compete and recover effectively.

There are a number of things that we can and should be looking at in terms of workforce development. Our

colleagues in Quebec have recently implemented a \$100-million program to help companies train workers and continue paying those undergoing training—

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

We'll start the first round of questions with the government. MPP Khanjin.

Ms. Andrea Khanjin: Thank you to all of the presenters. You really echo the importance of supporting one another and the whole local element.

I have several questions. I'm going to start off with a question for you, Robin. Thank you for the shout-out in your opening remarks. I noted that you didn't get to finish your presentation. Did you want to just finish up the last few things you wanted to say? And then if you could comment—I wrote down that you made some recommendations on brownfield transitions, so if you could deep-dive into what that would involve.

1420

Mr. Robin Jones: I'll start with the brownfield. It's more of a generalization. Brownfield is actually a big component to the industry. I know that there's an entire working group throughout the whole province and, actually, nationally, that has dealt with brownfields in the past. Locally, we haven't isolated any particular brownfields that are actually of that concern, but that's something more of a generalization that is always in the back of minds. I know that, certainly in other countries, it's been used for affordable housing.

What I was going to talk a little bit more about was our vulnerable populations and the transitional housing for seniors—how that dramatically affected our seniors and the shame of how that happened. What we're looking for is maybe some more government aid working towards creating transitional housing for seniors to stay at home, like for the home care environment rather than the institutional care environment, including transitional housing for seniors, stay-at-home services and co-ownership, such as the Golden Girls house.

Basically, their conclusion was just to illustrate that the pandemic has reinforced how housing is such an important part of our lives as Canadians, as well as the economy in general, and that any plan, in our opinion, must include housing as a big component towards that.

Ms. Andrea Khanjin: I know the Golden Girls model—it's certainly key for our government. Lindsey Park introduced her private member's bill, which we adopted as government legislation. We have an example here in northern Barrie of that model, so thank you for supporting that.

When you talked about monetary policy for banks, so things like qualifying for mortgages, as we see more and more newcomers coming to all communities across Ontario—my family are immigrants here and we had the same issue, where my grandparents couldn't get a mortgage right away because you need financial history. What would be some monetary policies you would recommend that we could pass on to the federal government when it comes to newcomers having access to housing and mortgages?

Mr. Robin Jones: In general, the entire federal policy, the B-20, really seemed to be much more applicable to the larger municipalities like the GTA, Vancouver and even Montreal. Every time we reach out into those urban areas, or the smaller communities like Barrie and what we have in Simcoe county and Muskoka—it seems that those policies really become such a hindrance for people to enter that marketplace, whereas they seem to have a lot greater opportunity to get bigger down payments in those big cities because they have higher-paying jobs. So it really does come down to making those policies more specific to the local smaller communities, rather than just covering the whole country with the same paintbrush.

Ms. Andrea Khanjin: I'm going to turn some questions to the Ontario chamber. I want to thank you for all the work you've done. I've heard countless people who have used your guides and your PPE portal. We often do the town halls with the Barrie chamber every two Fridays, so I get a lot of recommendations from you. I wanted to get a deeper dive in the sense of that "buy local" campaign that you are really stewarding and the economic effects of that, and the economic effects of the fact that—the witness we had before you, Joy Adams, arrived from Innisfil, and a lot of these small businesses are also home-based. How do we reach out to those businesses that may not have all the resources and could really use some of the chamber's help and government's help?

Mr. Rocco Rossi: Thank you for always making yourself available on the town halls and the webinars that we've having with our local chamber and chambers across the province. Together with—

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

Mr. Rocco Rossi: —all of the provincial chambers across the country and over 50 iconic corporate brands led by RBC, the chamber just launched the Canada United buy local, dine local, explore local, celebrate local campaign, which culminates this weekend, so the timing is perfect. We've been showcasing—and certainly, you've done your part with great videos of the Barrie-area businesses, home-based and otherwise. Unlike the so-called great recession of 2008-09, this has really been and is a main street recession. So 2008-2009 was largely a financial recession, and it hit larger entities far more than small businesses. Small businesses, according to our partners at RBC in a great report called Small Business, Big Pivot, show job loss and revenue losses at twice the rate for small businesses as it was in 2008-09. We've already seen the closure of thousands of businesses across the country, and the longer this goes, the more will be lost. So that multiplier effect of buying local, supporting local—

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

Mr. Rocco Rossi: —makes a huge, huge difference, and we certainly will continue to encourage it well after this weekend.

Ms. Andrea Khanjin: Chair, do I have any more time?

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

Ms. Andrea Khanjin: Well, thank you, everyone, again for coming.

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

Mr. Jamie West: My questions are going to be directed to the YMCA. I wish I could share more, but we're limited with time.

Helen, would you like to finish your deputation? You talked about needing a made-in-Ontario plan to stabilize recovery, and then got cut off due to time.

Ms. Helen Francis: We know that YMCA is going to be needed now more than ever. We want to continue to stay strong and serve our communities as we build and recover, but we really do need your help. We're calling on the province to provide sector stabilization for Ontario charities as a whole, as part of the economic recovery efforts, and to allocate the funding needed to support organizations like the YMCA so that we can continue to offer services that Ontarians will rely on.

Thank you very much. I'm happy to take any questions.

Mr. Jamie West: I think it's interesting that even while advocating, you include everybody. It really tells the character of the Y—because it's not just for the Y; it's for Ontario's charities. I want to thank you for the work that you're doing. You've listed some of it, and I just want to reiterate how important this was. It seems like COVID-19 happened so long ago, but it was such a short amount of time, and the Y responded really quickly, helping the less fortunate with washrooms, and computer and telephone access. If you think of how everything went online so quickly—and if you didn't have access to the Internet or if you didn't have a telephone, what could you do? The warming and cooling centre—all these different ways that the Y pivots. I'm underscoring this, because for many of us the Y is the place you go swimming or you work out at the gym or it's a seniors centre, but there are all these different areas.

Helen, you talked about the number of users that the Y has. If we don't receive this extra funding, how does it impact the community in terms of membership, in terms of all the services you have?

Ms. Helen Francis: Our association is really in those three big chunks—it's health, fitness and aquatics; child care; and then employment and immigrant settlement services. The challenge for us right now is in our fee-for-service model with health, fitness and aquatics, because we have obviously been closed for so long. We did not collect revenue during that time, and as we open up, we understand that we will have many fewer members returning, at least initially, both because of the physical limitations that we need to have in place to protect everyone's health, but also because consumer confidence won't necessarily be there as folks just get used to working in an environment where COVID-19 is still present.

That fee-for-service model—we're heavily dependent on it in health, fitness and aquatics. We've already lost \$2 million to date, and so the implication is that very shortly, before the end of this year, both from a cash flow perspective but also from net contributions, our YMCA will be very precariously positioned, to the extent that not only could it mean we have to close our health, fitness and

aquatics centres permanently, but it could also impact our licensed child care spots, as well as the employment and immigrant services we offer. Across the whole spectrum, we serve well over 20,000 people in our region.

Mr. Jamie West: Helen, I'm going to hand off to France Gélinas. I just want to highlight, though, that the charity has been in place for 85 years. It was self-sufficient for years, and you're looking for help now—just for the government to remember.

France?

1430

The Chair (Mr. Amarjot Sandhu): MPP Gélinas, can you please confirm your attendance before you ask a question?

Mme France Gélinas: I'm France Gélinas, MPP for Nickel Belt, and I'm in Nickel Belt.

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

Mme France Gélinas: My question is also for the Y. You used the sentence, "We have a short runway for solutions," and you made it clear that the solution is that you need money to stabilize your sector. I'm sure you're aware of the \$83 million that the government has made available to the not-for-profits. If you could comment on this—and if you could put a number as to how much money we are talking about to make sure that important agencies such as yours are not lost.

Ms. Helen Francis: Certainly, we are aware of all of the levels of government funding that have been made available. We've been able to take advantage, very specifically, of the Canadian Employment Wage Subsidy. Where the emergency relief funds have been available for charities and not-for-profits, it has really helped in offering some additional programming like the digital inclusion social connection hub that we were able to put on for seniors to help them through the pandemic. The disadvantage is, very few of those programs have been able to help us offset the sustaining costs that come with the fixed assets that—usually, it's good to own your own buildings, but they have a lot of fixed occupancy costs etc. That has really been the big drain on our association at this point in time.

So we calculate—and we've been using not just this fiscal year, but trying to forecast out for 18 to 24 months, understanding that it's probably going to take that length of time, unfortunately, until we have COVID-19 immunity or some form of vaccine available and things will return to a more normal situation. We anticipate that we're going to see close to \$1.5-million-type deficits without any support. That still assumes that we're adjusting programs and trying to reduce staffing levels in order to remain sustainable.

So for us, it's between the \$1.5 million and \$2 million that we would ideally be looking for, and for Ontario YMCAs in Canada, across the whole gamut, it's \$77 million that we'd be looking—

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

Mme France Gélinas: So this is money that you could—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll come back to you in the second round. The time is up.

We'll move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for excellent presentations—so many questions and so little time.

I want to start with Rocco and the rent programs. I know how vital that is to small businesses. If we can't fix this with the federal government, would you be supportive of Ontario just taking the funds and developing a made-in-Ontario program? And do you think it's important to extend the eviction ban at least to the end of the year to help those small businesses that are struggling?

Mr. Rocco Rossi: We need a solution that is more tenant-driven and that is getting the funds to qualified businesses, of which there are many, who are currently not receiving it. The feds have the printing press and so have more capability to do that. Ultimately, that solution is going to have to include them, so I don't see how, realistically, we have an only-in-Ontario solution on it. Clearly, people have got to put some water in their wine to get that solved.

As an aside and a shout-out to the Y—just so people realize it's not theoretical; it's very practical. I have four younger sisters. My parents did not speak English when they came to Canada. It was only a Y program that managed daycare for my mom and English-language courses for her that transformed her and our lives—so a big shout-out to something I've got a lot of heart for.

Mr. Mike Schreiner: You've almost anticipated my next question, actually—while we have the Y here. I have so many businesses reaching out to me, concerned about being able to restart without their employees having access to child care. The Y is the largest child care provider in my riding—and across the province, it sounds like, and in northeastern Ontario. Can we have economic recovery, really, if we don't have stabilization funding for organizations like the Y to provide child care, from a business perspective?

Mr. Rocco Rossi: From a business perspective: Michelle has done some great work with our colleagues at Ryerson. Effectively, as the analysts are saying, this is a she-cession even more so than a recession. Women have been disproportionately hit, unlike prior recessions that have primarily or disproportionately hit men, and it's largely over the issue of child care. Unless there is a safe and secure option, they simply will not be able to participate fully in the economy, and that will significantly hold back recovery.

Most of the productivity gains that Canada has made in recent years have actually been because of increased participation on the part of women and under-represented groups, and everything that can be done to encourage that is critical to a robust recovery. That includes the very difficult choices—I don't envy the choices that have to be made—around school reopening, particularly elementary, because for many, they simply do not have the financial

option of daycare, even given the opportunities through the Y and others.

Mr. Mike Schreiner: I think it highlights the importance of safe back-to-school and child care for businesses reopening, and especially for women being able to restart and be in the economy.

I want to give Robin a quick opportunity. We've had a lot of people come and talk about a home renovation tax credit, which I think is a job creator and job generator. Also, you had talked about a go-green building fund right when you were cut off. I have to ask about the go-green building fund.

Mr. Robin Jones: The go-green stimulus package is for private homes—and actually for social housing, public infrastructure and other businesses, as well, so it wasn't just for housing. The idea was to create some more energy-efficient opportunities and retrofitting, just to create jobs from that perspective. All the changes of systems we've had—everything like LED lighting—just accentuate that, and I think we'll have benefits right down the line for that.

Mr. Mike Schreiner: Do you find that that helps homeowners, businesses and public institutions also save money on their utility bill, so there are even multiple benefits beyond job creation?

Mr. Robin Jones: I can actually tell you from personal experience: I bought a house that had 50 pot lights that were all 50 watts apiece. If I wanted to have my house with this nice ambient light, it was costing me a certain amount of money. I made that one change when they had that program where you could get LED lighting in there, and it went from 50 watts a unit down to, I think, about 11 or maybe even seven watts a unit. I can turn them off and on. My bills went down—well, let's put it this way: The year after, the bills were less than they were the year before, and I was using those lights now. So yes, I think I definitely noticed that, in an environment where utility bills were going up by 5% per year and mine actually went down the year after. I would say I probably saved the better part of a couple hundred dollars that year.

Mr. Mike Schreiner: I'm probably almost out of time, but I'll try to get my question in to—

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

Ms. Peggy Sattler: I want to thank all three presenters for making the time to come today to share some of your priorities and thoughts about what we can do together to move forward.

I had some specific questions for Rocco and the Ontario chamber. First I want to say thank you for the advocacy and the work that the chamber has done to help small and medium-sized businesses in the province cope and adapt and adjust and hopefully move forward through COVID-19.

1440

One of the big value adds of the chamber, of course, is that you represent every small and medium-sized business across the province, and so often you bring forward regional differences that are really important for

government to keep in mind. Today we've heard some people talk about urban and rural differences. We've heard discussion about the GTA versus outside the GTA. I wondered if you had any comments, from a regional perspective, about what the government needs to do to provide meaningful support for small and medium-sized businesses.

Mr. Rocco Rossi: Again, thank you for the NDP's work on Save Main Street—lots of really valuable suggestions in that.

One of my colleagues, Claudia Dessanti, put together a report a few months ago, before the pandemic, called The Great Mosaic, and it was looking at exactly this issue of the disparity in the province—even before COVID-19, to be clear. We've been talking about incredible job creation for the better part of 15 years in Ontario, and that's absolutely true, but when you dig under the surface, it's kind of like the advice I got from my dad: Be wary of going across a river with an average depth of a metre; you find places where there are holes. So what you saw in the last 15 years is incredible growth in the GTA, Ottawa, the greater Golden Horseshoe, but actually negative economic growth and population growth in the north, in eastern Ontario, other than Ottawa, and in many areas in southwestern Ontario as well.

There are a number of key things that we need to look at. One, again, back to broadband: We simply can't have everyone participate in the economy of the 21st century if they're on dial-up. That's not just the economics; that's online learning, that's virtual health care. Fort Frances residents in northeastern Ontario are desperately disadvantaged with, effectively, a digital desert.

I think there are also opportunities, quite frankly, in the use of—there is already a northern price for electrical power, but we could use it as one of the many tools to attract and retain other employers, other opportunities as part of increasing load on an intelligent basis, that still has conservation, still has many of the recommendations that our friends in the Greens have and others, but that uses the fact that, quite frankly, the fixed cost of our power is such that there is no quick solution to bring those prices down on a permanent basis, and so the best way is actually to increase usage. If you can do that strategically, you can provide opportunities in those areas.

There's lots with respect to skills development—

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

Mr. Rocco Rossi: Back to this free trade point: It is ridiculous that an apprentice carpenter who is in Fort Frances or Atikokan spends a summer or two summers doing work in Winnipeg and that time is not counted toward his C of Q and becoming a journeyman, because somehow a two-by-four in Winnipeg is different than one in Thunder Bay. It has to stop.

Ms. Peggy Sattler: I wanted to go back to your earlier comment about the need to fix CECRA. You mentioned that less than 10% of qualifying businesses are participating and that there is a need for a tenant-driven solution. Some people have talked about making it mandatory. Some people have talked about redirecting the funds that

have been set aside and making them a direct commercial rent subsidy. Do you have some specific thoughts as to how to fix CECRA and provide commercial business owners with the support that they need?

Mr. Rocco Rossi: I much prefer the one where it's directed to the tenants to pay. I think landlords have been getting a bad rap through all of this, because a lot of landlords are put into an impossible situation. It is relatively easy for a government to say, "Unless the revenue drop is more than 70%, too bad, so sad; you don't get the benefit." It is very difficult for a small landlord. Say they have four tenants—and this is not an unusual circumstance—and two of them had a 70% decline in revenue. They could apply for those two, but another two tenants who had been with these landlords for 20 or 30 years, and maybe they're at 55% or 60%—

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

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

Ms. Mitzie Hunter: Do you want to finish your sentence, Rocco? You were still talking.

Mr. Rocco Rossi: These landlords are put in the impossible situation of being able to give it to Josephine but not to Bob and the people that they have long-term relationships with, so my heart goes out to them as well. It's not just bad, greedy landlords; it's a bad situation when you've outsourced the responsibility to deliver the subsidy to landlords. This money needs to go to the tenants. They need to be able to pay their costs—and hopefully we save more of them, because we're losing businesses each and every minute.

Ms. Mitzie Hunter: Yes, that was going to be what I wanted to speak to you about. Earlier today, the CFIB said that one in seven small businesses is at risk of being lost, equivalent to 60,000. That's an enormous hit to the Main Street environment here in Ontario and to the people who deliver those businesses that we hope will grow and scale in Ontario.

What can we do proactively to support businesses now? Many of them said that they'd want liquidity support, a bridge type of financing and perhaps forgiveness rather than deferrals, because they don't have any cash flow or any sales to offset those deferred costs. They need flexibility right now. What are your thoughts on that? What are you hearing?

Mr. Rocco Rossi: Deferral and liquidity were the answer if this was a one- or two-month thing; it's five months and it's continuing. The reality is that many small businesses work on small margins—so you start to do the math in your head and these bills have all added up. At a certain point, people have to ask themselves, "What is it going to cost me to actually open the door? I'm now in a position where it would then take me 20 years, even if I got a reasonable loan, to pay it back. I'm never going to make money, so here are the keys; I'm gone." The rent subsidy program is key.

There are going to have to be significant amounts of forgiveness on the deferrals, and this is important also to

protect our municipalities, because—God love them—they deferred property taxes, and much of that money has been spent. If we're going to save them longer-term and they've been bearing the brunt with fewer fiscal tools to manage, that's going to be a key area to support on.

Some of the regulatory issues—again, it doesn't seem like a big thing, but being able to add alcohol to a delivery order adds much-needed margin to restaurateurs. So there are a number of smaller things like that. The digital area is key, and the Digital Main Street. I heard an earlier deputant talk about expanding that so that more can access it.

PPE and other costs: Several other provinces have actually made grants to small businesses to help with those costs. And we, through Canada United, have been building up a fund to provide \$5,000 grants to qualified small businesses to help with these additional costs. You're seeing too many small businesses having to add COVID-19 surcharges to the bill. They don't want to do it. Customers don't want to see it. But there is just a reality, because money is extremely tight.

1450

Ms. Mitzie Hunter: Either you or Michelle could talk about the she-cession and a she-covey—where there is sensitivity to the fact that women have actually lost jobs in a deeper way and are recovering at a slower pace than male-dominated jobs. That's something that we need to course-correct—

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

Ms. Mitzie Hunter: —because we cannot afford to go backwards in Ontario and in Canada in terms of women's participation in the labour market.

Mr. Rocco Rossi: A hundred per cent—and this comes back, first and foremost, to daycare and hopefully a successful reopening, particularly, of our elementary schools, because without that, we simply will not have the recovery that we need. The inequality of it is significant. It's not just the right thing to do, ethically and morally; it's the right thing to do economically, because that participation is critical to productivity.

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

Ms. Mitzie Hunter: Okay. I'm going to jump to the Y, because the programming that you provide on an after-school basis is a key part of this, in terms of what communities rely on. Any destabilizing in that sector also affects our economic recovery. Do you think you can speak to that, Helen?

Ms. Helen Francis: Thank you very much for that question.

We definitely are at risk if we destabilize our association, in terms of losing the full daycare or child care licensed spots, as well as before- and after-school programs.

The other piece that I'll add in terms of the charitable sector and not-for-profit sector in general is, it is dominated by women, in those roles in that sector. So again, the more that we impact and destabilize the charitable sector, it will unfortunately have a greater impact on women in our communities as well.

Ms. Mitzie Hunter: Absolutely. This pandemic has hit many service jobs—

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

We will go back to the government side now. MPP Rasheed.

Mr. Kaleed Rasheed: Thank you to all the presenters this afternoon. I really appreciate your presentations.

As I always say, this is a global pandemic and it's not confined to this province or something that we've seen before. We saw the impacts of this pandemic on the global economy, and we continue to see how the economies are recovering, even though we in Canada, especially in this province, have, I personally feel, come out of this pandemic stronger than ever. We see our numbers declining on a daily basis.

My question is to Mr. Rocco Rossi at the Ontario Chamber of Commerce. What are your members saying or discussing about the opportunities for the economic recovery, based on the provincial government's plans and what our Premier and finance minister and Minister Vic Fedeli have been discussing all along in terms of the economic recovery?

Mr. Rocco Rossi: As I said off the top, our members are very grateful for a wide number of programs—not the least of which has been, really, a very strong, from the beginning, acceptance that science needs to be listened to. I think that goes a long way to explaining why we've done—together with sacrifices made by all Ontarians—far better than many, not all. We only need to turn on our TV and look to the south, to Texas, California or Florida, to understand that we have been fortunate. But I think it's really important—I was on a panel with Finance Minister Phillips at AMO just a few days ago, and as he said, we don't know where we're at in the recovery because no one can tell us exactly if there's going to be a second wave and what the size of it is.

As I like to say, we may be in phase 3, but that doesn't mean we're in the third period. Maybe we're in the third inning of nine innings, and so we shouldn't take anything for granted. We have to keep focused on ensuring that proper public health policy is actually good economic policy. You're seeing us and many of the Europeans recovering far better than the Americans because we've managed the health crisis better, to date—but understand that, absent of vaccine widely available, there is no zero-risk way to reopen the economy and there is no zero-risk way to reopen our schools. I wish there was a simple answer, but there isn't.

There's an awful lot of responsibility by everyone—including making sure that everybody downloads the federal-provincial tracking and tracing app which, unfortunately too few Canadians have done. So we worry and we wring our hands about whether we're going to be able to reopen properly, and yet we're not prepared to download a simple app that will help us contain any outbreaks as they happen. Testing is great, but if you don't have tracking and tracing, testing is almost useless. Once someone tests positive, we need to be able to quickly get a

handle on whom they've been with, whom they've seen and who might also be at risk.

Those are the kinds of things that, if we do them together, if we continue this unity of purpose that we've seen in such a great way across Canada and in Ontario, we will get back better. But we're not there yet.

Mr. Kaleed Rasheed: I always say that the government can only do so much if we, as the residents of this country or the province, are not going to do our part. So to your point about the app: Yes, the government, federally and provincially, came up with this great plan. We invested a lot of money in this plan. If the people of this country and the province are not going to download the simple app, then I feel like there is a big disconnect. Would you agree with what I just said?

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

Mr. Rocco Rossi: I understand concerns around privacy, but virtually every Canadian has Facebook, Twitter, Instagram and a whole bunch of other apps that actually have more information about you, and not one of those apps can save you behind, whereas this can. Get over it. There is a significant amount of individual responsibility, exactly to your point. Government does not have all of the answers here. Individuals have sacrificed immensely. We've got to keep doing the great job that we've been doing, and this is one of those steps that each and every one of us needs to take.

Mr. Kaleed Rasheed: Absolutely. I'll close with this comment: I believe that safety is the number one thing for this government. The safety of the people of this province—

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time.

Thank you to all three presenters for coming. We appreciate your presentations.

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

Mr. Tom Rakocevic: MPP Rakocevic from Humber River–Black Creek.

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

COMMUNITY ACTION PLANNING GROUP:
JANE-FINCH COMMUNITY
INTELLECTUAL PROPERTY INSTITUTE
OF CANADA

The Chair (Mr. Amarjot Sandhu): Our first presenter for the 3 p.m. slot is Community Action Planning Group: Jane-Finch Community. Please state your name for the record, and you will have seven minutes for your presentation.

1500

Mr. Troy Budhu: My name is Troy Budhu. I'm the [inaudible] Black Creek. I'm the co-chair of a community group called the Jane Finch Economic Opportunities Action Group.

Ms. Debra Eklove: My name is Debra Eklove. I'm the co-chair of the Community Action Planning Group. We've come today to the economic standing committee to ask that people in small and medium-sized businesses be targeted to receive short-term and cost-effective interventions to address the added stress that COVID-19 is creating. We have some cases that Troy will be presenting later—but for businesses, the additional uncertainty due to COVID-19, the distancing and access to suppliers are really creating excess stress.

As we know, small businesses and medium-sized businesses are often individuals, sole practitioners, businesses under five employees. The need to reduce the stress, so that the economic indicators of decision-making can be helped, so that absenteeism and sick leave can be reduced, so that these important parts of the Canadian economy can be helped—in a COVID-19 consultation process that we did informally in the community, over 50% of the small business owners cited stress as the number one issue.

I'd like to congratulate the government, though, because I know that recently \$20 million has been given to a special program to help individuals, families and youth under age 10 receive cognitive behavioural therapy. The program that you have presented, that you're taking on, is based on a program that started in Britain; there it's called IAPT, Improving Access to Psychological Therapies. The success rate of that program is about 50%.

What we're saying today is that if measures can be given to small businesses not within the health system, but within a business context—because the stigma regarding mental health still exists; I know measures have been taken so that it's better than it used to be, but it still exists. For small business owners to access it, and recognize that it is to their benefit as a businessperson to take it, will help their bottom line and their personal lives.

As I was saying, the success rate of the program is 50%. Other therapies can be added, and not necessarily talk therapies. In the past decade and more, ancient techniques that have been well documented are being examined scientifically—North American scientific research—to understand that breathing, meditation and yoga are very effective interventions. In fact, Harvard and Yale have recently come out with studies recognizing the importance and the greatest effectiveness of a breathing technique to help students with their stress—and we do understand how stressed out students are.

Albert Einstein said you can't solve a problem by the level of the problem; you have to go up a level. To use the mind to solve the mind is hard for people, but when we use the breath—every single emotion has a different breathing pattern. When you change your breathing pattern, you're changing the way you're feeling, your thinking, your physical interventions.

We really believe that increasing programs for businesses will help all of Ontario.

Troy will go into some of the experiences we've had in our community.

Mr. Troy Budhu: Recently, the economic opportunities action group had the pleasure of doing a consultation

on COVID-19 and how it's affecting the neighbourhood. The number one thing cited was mental health stress. That was cited by both residents and business owners. In a follow-up conversation about this with a couple of business owners I personally know, they talked about having these issues with their partners, whomever they're going into business with—and also recognizing some stress from the workers and not knowing how to adequately address those issues. Being caught up with trying to pivot their business to become sustainable, they're recognizing that they're not able to address some of the concerns that their employees are having, and they need a mechanism for that—

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

Mr. Troy Budhu: I think it's also important to recognize that, when we talk about small and medium-sized enterprises, we need to recognize the microbusinesses, particularly in a neighbourhood like Jane and Finch, which has a high population of racialized people who have been historically taking up the place of microbusinesses just to survive—so that's taking on a second job or a side gig. These things that are new and that are occurring in today's gig economy have existed throughout. For me, growing up in the neighbourhood and understanding things, it's just recognizing that for those business owners, loss of income, even if it's a side gig—is something that they're counting on for their livelihood, and that complication adds mental health strains which entrepreneurs are not necessarily equipped to deal with. When we talk about small and medium-sized businesses—the extra stress on them that they have to encounter as entrepreneurs is something that they need to deal with, but then also the issues of their employees, and recognizing that these institutions or these organizations are not equipped to address those concerns, is problematic. I've heard stories of people who've been working for 20 years who lost income—

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

We'll move to our next presenter, Intellectual Property Institute of Canada. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Stephanie Chong: My name is Stephanie Chong. I'm the vice-president of the Intellectual Property Institute of Canada. IPIC is Canada's professional association of patent agents, trademark agents and intellectual property lawyers. I am also a partner in the Toronto law firm of Hoffer Adler and have been practising in the field of intellectual property, or IP, law for about 25 years.

I'd like to thank the committee for inviting IPIC to appear before you today. IPIC has two specific recommendations for IP programs which will support Ontario's economic recovery. Number one is called a first-patent program for patentable inventions. Number two is a brand strategy and protection program to cover trademarks for brands. Both of these recommendations would provide funding so that small and medium enterprises are incentivized to actually engage in the IP system to seek the advice that they need, and to be able to strategize and then ultimately protect their valuable IP rights.

Before getting into the specifics, I just want to spend a minute on the framework behind this. It's already a given that SMEs are strong drivers of the economy, but here's the key point: SMEs that own registered IP rights are nearly twice as likely to grow and scale, when compared to SMEs that do not own formal protected IP rights. In other words, getting formal IP protection is of key importance in helping SMEs to succeed.

IPIC's recommendations are focused on financial incentives, because without these financial incentives, early-stage companies in Ontario are going to have to make a choice: Do they invest in protecting their innovation and their IP, or do they spend their resources on that new piece of machinery or something else which they may need? With IPIC's recommendations, Ontario's SMEs will be able to do both.

1510

With respect to the specifics of the first recommendation, the first-patent program: This type of program has already met with success in the province of Quebec. It was launched in July 2015 in Quebec. The way it worked was, with respect to expenses relating to a company's first patent, the government provided a subsidy amounting to 50% of the costs associated with that first patent, up to a cap of \$25,000. The initial phase of that program met with such great success that Quebec has actually revamped and retooled it. It's been expanded into a broader innovation fund called Passeport innovation, and it actually covers all aspects of innovation, not just patents.

A first-patent program allows entrepreneurs to access professional advice about patent strategy, conduct the necessary due diligence—which is so important in determining what to patent and how to go about doing it—and to obtain professional advice with respect to the complex and technical process of filing the application and pursuing that application through to registration.

We recommend that this government implement a first-patent program like Quebec's and, in fact, due to the immense economic downturn caused by the COVID-19 pandemic, we actually recommend that the credit be increased to 100% of incurred expenses with respect to an initial patent, up to a cap of \$25,000.

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

Ms. Stephanie Chong: But it would be time-limited, for expenses incurred until the end of 2021. That's our recommendation. When 2021 comes, of course the government may decide whether to keep the subsidy at 100%, whether to ratchet it down to 50%, as is the case with Quebec, or to choose another number.

With respect to recommendation number two, a brand strategy and protection program, the concept of innovation is not limited to patents. Patents, of course, cover inventions; they cover products and processes and improvements to those products and processes, as long as they meet the requirements of patentability. Trademarks, on the other hand, protect brands, and let's remember that it's really brands that resonate with consumers.

Consumers rely on brands to differentiate different products and different services from each other, and a

successful brand is key in creating market demand and in maintaining market demand. Registered trademarks—in other words, formal, registered protection of trademarks—are another key aspect of formally protecting and encouraging the commercialization of innovation in Ontario.

A successful brand protection program, from the outset, will help to stimulate the Ontario economy. It will allow businesses to come up with a robust brand protection strategy from the get-go. They will then be better able to meet with not only local success, but with global success, as local Canadian trademarks are often used as a springboard for those entities to launch overseas and to other markets. We are therefore recommending that a stimulus program directed to SMEs provide funds to cover costs associated with due diligence searches relating to trademarks—

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

Ms. Stephanie Chong:—and then with the subsequent drafting and filing of the trademark applications and pursuing those applications through to a successful registration.

Those are the nuts and bolts of our two recommendations.

On another note: IPIC was very pleased to see the Ontario government recently announce that the Ontario COVID-19 Rapid Research Fund would allocate a portion of funds to cover costs associated with licensing and commercialization, including patenting of valuable IP rights. IPIC would in fact like to see the government take that one step further and have a similar funding program with respect to all publicly funded subsidies and research grants in the future; in other words, allocating a portion of such funds to licensing and commercialization on the IP side for all publicly funded innovations, beyond those that are related to COVID-19.

In conclusion—

The Chair (Mr. Amarjot Sandhu): Thank you so much. I apologize to cut you off. The time has come up.

Our next presenter, Timmins Chamber, has cancelled, so we'll start with the questions now. The first set of questions will be with the independent members. MPP Hunter.

Ms. Mitzie Hunter: Troy and Debra, could you talk a little bit about investments that are being made in response to stimulus and how important it is to have embedded in those agreements benefits to the local community?

Mr. Troy Budhu: Benefits to the local community or neighbourhood are particularly important, because different neighbourhoods have different issues. I can only speak for the Jane and Finch context, or any of the neighbourhoods like ours, which is heavily racialized and has a history of underinvestment. There is a concentration of poverty in our neighbourhoods.

We have a different experience when it comes to small and medium-sized enterprises. When we talk about micro-businesses, that's a huge thing in our neighbourhoods. We have a history of single parents, mothers, trying to make ends meet with their informal and formal businesses. I

think when we talk about a COVID-19 economic response without understanding how that affects that particular community, it's not really addressing those issues. With the growing concern about gig economies and how young people are working multiple jobs just to make ends meet—you have to recognize that this was the story of our racialized communities for a long period of time, and now it has been exacerbated.

Knowing that particularly the majority of people are working in the manufacturing industry, and we know that the manufacturing industry is changing, which means that the [inaudible] of that work, which was already happening, is still going to grow. Businesses have become a survival mechanism to escape the uneven economic development that's happening. We need to address those concerns with our business owners, because businesses are one of the only ways for people to survive in addressing those [inaudible]. I think we spoke directly to mental health supports, because mental health supports are things that are not accessible or understandable to some of the business owners here. It's affecting not only their enterprise, which is their main source of income, but also [inaudible].

Those are my thoughts. Debra, do you have anything?

Ms. Debra Eklove: I think you've covered the main one, that different parts, different areas have different needs. Recognizing that each community has its own needs would embed different encouragements, different motivations.

Ms. Mitzie Hunter: And what are those mental health needs that you're seeing?

Ms. Debra Eklove: It comes across in people's behaviour all the time. We all feel stress. There's no doubt about it. Some of us have tools to deal with it in ways that are positive and sometimes not.

I was speaking with a teacher who teaches stress to children. At one point, they asked the children, "How do adults handle stress?" The answers weren't a pretty picture—drinking, swearing, poor interpersonal relationships. That, I think, is how we see mental health playing out in communities through behaviours.

When we put the term "mental health" on it, it makes it an illness in some ways—health and illness—but it's an issue of well-being. It's an issue of happiness. It's an issue of coping and resilience. From that perspective, it's something that we probably need to do every day.

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

Ms. Debra Eklove: I laughingly say: There's dental health—we know we have to brush our teeth. There should be mental health—we have to brush our minds. We have to keep our minds positive every day.

1520

Mr. Troy Budhu: Just to add on that from the business perspective: Entrepreneurs are in troubling times, and they're stressed to try to pivot. But then recognizing that they're hearing staff complain about their mental strain—that has resulted in some cases where people have been terminated. I've seen cases where the stress is put on the workers, who then are taking pay cuts just to cope, for their

own mental health's sake. Those are earnings that they have worked for for 20 years, that have now been reduced drastically.

I think the recognition is that entrepreneurs and small business owners are not equipped for dealing with the stress, what's happening with COVID-19 and other things that are happening.

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

Mr. Troy Budhu: We need support to help these entrepreneurs maintain their competitive advantage and have a strong workforce to contribute to the economy.

Ms. Mitzie Hunter: When you look at the map of Toronto—public health has it; I look at it often—Jane and Finch is in a COVID-19 hot spot. It's one of the most COVID-19-impacted areas in our city. How is that reality affecting entrepreneurs, businesses and families?

Mr. Troy Budhu: The sad thing is that, to be honest, from the stories I've heard, I don't think people have the luxury to care about COVID-19, because they need an income.

Ms. Mitzie Hunter: They need to eat.

Mr. Troy Budhu: Yes. I think that's the main thing. I've had conversations with family members and friends who own businesses. I know a lot of people in—

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

Mrs. Daisy Wai: Thank you very much to the presenters.

Troy and Debra, thank you for coming in and expressing to us how mental health and stress have been affecting small businesses in your area. As we have just mentioned, we know that the Jane and Finch area is also affected very hard by COVID-19, so with the business downturn, I'm sure that is giving stress to a lot of people, especially those in small and medium-sized businesses. Our government has already realized that, and we've put aside special funding and a special minister to address it.

Thank you, Debra, for acknowledging about the 50% that it has been effective for, and how the talking and the therapy has been helping. Thank you for suggesting about other therapies. I will definitely put that into writing and send it to our minister of mental health, and they will take care of it. We'll see how they can put everything into the big plan.

Thank you, Troy, for also bringing us the awareness of the small businesses' challenges. Have they been working with the municipal government, the Small Business Enterprise Centre or any other people in the area—to partner with your agency to help those businesses?

Mr. Troy Budhu: I can't speak for the individual businesses. Our organization is a volunteer-run organization, but we are in the process, with other community groups at Jane and Finch, to figure out ways to support businesses. I definitely will connect with any resources that could help our small and medium-sized enterprises in our neighbourhood.

Mrs. Daisy Wai: That is great. I understand that the province, working with the municipalities, is reaching out to the businesses on the ground.

I'm from Richmond Hill. We have a Richmond Hill recovery task force, working together with the small businesses, the BIAs, the different agencies in the area and the board of trade. We work directly with the businesses. We have been encouraging the people in the community to buy local. We do a lot of things to support and help them.

I understand that every community is different. Can you start looking into that and see how we can give you support?

Mr. Troy Budhu: For sure.

Mrs. Daisy Wai: Thank you. Please let us know. We will do whatever we can to work with you, because small businesses are the backbone of Ontario's economy.

Mr. Troy Budhu: One thing that I think we tend to forget in these cases is that when you define businesses, you normally define the bricks-and-mortar businesses. You need to recognize that there are businesses that are run out of homes or that have no real location. A strategy that I would be interested in is on how we reach out to those enterprises, because they are providing significant economic benefits to communities, but they're usually not in the BIA spaces or other outreach mechanisms.

I'll definitely connect with you and we could discuss this further.

Mrs. Daisy Wai: Sure. I have been running a small business myself. It's not like bricks-and-mortar is big business either. In Richmond Hill, we have a lot of small businesses. A lot of us are working from home as well, so I can understand what you're talking about. I would still say the best thing is to talk to your local Small Business Enterprise Centre. Working locally is another way of supporting each other. We are ready—

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

Mrs. Daisy Wai: —and want to help businesses.

I also want to talk to the Intellectual Property Institute of Canada. Stephanie, our government has been promoting people having a lot of innovative ideas, being creative, doing business internationally. What you were just suggesting is very important for us as we move forward into protecting the IP for the businesses that are developing into the next phase, especially with COVID-19. This can also turn—

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

Mrs. Daisy Wai: —a lot of people [*inaudible*] the business model.

Do you have any suggestions you want to give us for supporting those businesses as they go forward internationally?

Ms. Stephanie Chong: Thank you very much, MPP Wai, for your comments and your question.

In thinking about international expansion, it's really important to appreciate that local rights are actually the foundation in many cases for an international expansion, and that's why our comments are really focused on financial incentives to encourage local entrepreneurs, SMEs, to take advantage of the IP system.

There are a lot of initiatives out there that are incredible. They're great work, focused mostly on increasing awareness, increasing education and making entities more aware of what IP is, and our recommendations are focused on—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to the opposition now. MPP Rakocevic.

Mr. Tom Rakocevic: My questions are going to be directed to both Troy and Debra.

I want to begin with Troy. First of all, thank you very much for your excellent presentation and your participation in the committee. It's very important to hear your voices, and it was a really good presentation. You talked about a lack of investment and years of underinvestment in the Jane and Finch community.

Can you tell us what impact years of a lack of investment from provincial and federal governments to the Jane and Finch area might have on residents or small businesses there?

Mr. Troy Budhu: The neighbourhood speaks for itself. When you look at the private equity score, we are the lowest-ranked neighbourhood. I've done research on this for my MBA on the history of development in the neighbourhood. There's a lot of planning in the neighbourhood for community housing. I think the shift of community housing through the municipalities, and then the lack of resourcing for that has resulted in some of our community housing stock being deemed a health hazard and being terminated now. There's a history of the lack of real support for a neighbourhood that was designed to be an area for poverty and for transitioning out of poverty without the real mechanisms to do that. How that impacted businesses is, historically, when the community wasn't able to participate economically, they had to start their own businesses. Their businesses were more for survival than helpful. There has been a bit of research on this. That impacts a lot of the mentality there. There are a lot of people just struggling to survive instead of really being able to further how we can develop larger corporations and new things.

1530

There are great examples of people in the community who are trying to help others, and I think if there was more investment historically, we would see a lot more of a social enterprise mindset in fruition, and we would see development of a neighbourhood, where people see it as a community and a place to grow and a place to live, instead of an area of transitioning and an area to escape, which is a sad truth of the neighbourhood. There are amazing people in the community who are trying to change that with innovative business models and new enterprises, and we've got to harness that and give them the right support for that kind of initiative.

If we bring it back to the mental health issue: It's troubling to see those entrepreneurs dedicating their lives and dedicating their resources to do work in a community that's non-profit and more people-focused than profit-focused—and now, to have an additional layer of mental health which they're not equipped to deal with and that being the cause of their organization falling apart. I think

that's one of the things that is sad to see—some of these strong entrepreneurs now struggling to deal with not only the financial particulars, but how to deal with their own mental health and then their employees' mental health. I think supports on that level could address some of these concerns, and also recognizing that a lot of this comes from a systemic neglect of oversight of how the dynamics of that neighbourhood would transition.

I don't know if I answered your question—

Mr. Tom Rakocevic: Very good. Thank you very much.

My next question is specifically for Debra. I was glad to hear that the government member said that she would take your concerns and the methods that you were talking about very seriously. I hope you will follow up with her to see where the government is going with that and what some of the next steps are for possible implementation; you never know.

I think we still face a bit of stigma when it comes to mental health, and so there are a lot of people who are suffering from issues and challenges that they may not even be aware of. Do you have any recommendations to the government for an acknowledgement—to even understand there might be challenges there that they might be able to seek help with that they may not even know they need? Are there any recommendations you might have for the government on how to spread a little more awareness, even locally, in my own riding, to let people know that there might be options for help?

Ms. Debra Eklove: Thank you very much for the opportunity.

If I may just make one comment regarding the question you asked Troy, I've been a resident in this area now for about eight years—wonderful people who recognize they have to rely on each other.

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

Ms. Debra Eklove: The underinvestment over the years has an intergenerational effect as well, in terms of trust, in terms of developing skills. I just wanted to add that.

At this point, the community is coming together. There's hope for building a hub, which will create a meeting place for people from all backgrounds, all walks of life, to come together and enjoy and develop this community. There are images of it being the “Yorkdale North,” because we have the LRT coming, we have the subway. So there's a lot of hope right now, and I hope that the government can build on that hope and support it with some investments in the area.

In terms of your specific question, I think a lot of it is communication. I appreciate the work that's been done to reduce the issues of stigma around mental health. We're very aware of severe cases, of urgent cases, but I think quite honestly all of us to some degree are in shock of one thing or another—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We have to move to the government now for their second round. MPP Babikian.

Mr. Aris Babikian: Thank you to our witnesses today for their presentations.

First of all, I would like to address my first question to Troy and Debra. I am cognizant that the Jane and Finch area is facing multi-faceted challenges and these challenges go way, way before COVID-19. That's why I want to focus on the COVID-19 effect on small businesses, medium businesses, home-operated businesses, and how we can move on and how we can help this segment of our business society.

Our Associate Minister of Mental Health and Addictions, Minister Michael Tibollo, is very active and very outgoing in addressing some of the issues. He has been doing an excellent job in following the results of COVID-19 on the mental health of various segments of our society: businesses, communities, children etc. I have been with him in a few virtual meetings and we discussed those issues. And there is money allocated, as my colleague MPP Wai addressed. So it is something that we are very much interested in, and we would like to address some of the issues.

I'm glad that you are participating to bring the Jane and Finch area to our attention. It is an important area and we need to address it. So my question is, focusing on the business aspect, on the business owner etc., what concrete action do you want the government to launch? For example, one of the things I can suggest is, if you can bring some of the local small businesses on a Zoom virtual round table with the minister, you will have more time to address the issues with those businesses and prepare very clear direction to the minister. Until then, what concrete actions, what tangible proposals do you have for us to move further on this very important issue?

Ms. Debra Eklove: Troy, do you want to start?

Mr. Troy Budhu: I think your proposal on the mental health aspect should start this process.

Ms. Debra Eklove: Okay.

Thank you very much, sir, for that question and for the concern about our community, which is unique in some ways but also representative of all of Ontario in others.

As I said before, I think one of the interventions that can be recognized as a business need is to provide stress reduction to small and medium-sized businesses. Those would be short-term, cost-effective interventions, which obviously would be scientifically based, where they could be recognized as a support that would be for the owners and for employees, and that would create a culture within the organizations of concern and also responsibility for one's own mental well-being. I personally have a view that it is coming to a day when people who don't meditate will be looked at like people who are smokers, because the secondary effects of not looking after one's own mental health can have great detrimental effects on others. We're all concerned about it. We all have to take responsibility for it. At this time, in this presentation, I think that's the main intervention, I would say.

People will be resilient when they know they have support. People will be creative when they know they have support. Stress on the mind stops good decision-making. That's scientifically shown.

1540

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

Ms. Debra Eklove: So anything we can do to allow people to make better decisions, I think, is something that the government can support.

Mr. Troy Budhu: On my side, dedicated support for small and medium-sized businesses, to get mental health support for their employees and for themselves, would be great. Also, any solutions to address microbusinesses—because I think that's an area that we tend to forget. The lived reality is that many people are entrepreneurs in neighbourhoods like ours and, I think, across Ontario, because it's a mechanism for them to participate in the success of our economy. It's not just employment. A lot of people have jobs and then a side gig, or multiple side gigs, to make up for a job that they don't have. I think addressing those issues is also something that we need to take into consideration, because that's the lived reality—

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

Mr. Troy Budhu:—and the growth of gig work and the gig economy is just going to exacerbate that. We really need to think about those in our strategies.

Mr. Aris Babikian: Seeing the short time that I have, I would like to address my question to Stephanie.

Stephanie, regarding the patent issue etc., because I believe that there is a jurisdiction issue—federal, provincial etc.—how do you suggest to coordinate that aspect? Also, you talked about the launch of international business initiatives for Canadians. So what do you think? How can we effectively protect the patents on the international scene?

Ms. Stephanie Chong: Thank you for your question.

In terms of the jurisdictional issue, we're really talking about two different things here, because intellectual property is—

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

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

Mr. Joel Harden: I want to thank our folks who have deputized to us today.

I want to begin, Troy, with you, and I want to acknowledge a lot of the hardship that's going on in your community, as MPPs Hunter and Rakocevic have mentioned. Your community—and Debra, your community—is having a really tough time with COVID-19. When I hear you talk, you really remind me of some of the community members just to the south of me, in Ottawa South, Heron Gate, whose community has also been impacted.

It would seem that support has been very present for large chain stores, large big box stores, large operators like Loblaws, the big financial institutions. The federal government has seen fit to write down hundreds of billions of dollars of liabilities in this moment with some changes in economic policy at the federal level. I'm wondering how that makes you feel, connected as you are to a lot of microbusinesses that, on a given good day, as you said, would be struggling to survive but under COVID-19 are really having a hard time. Do you have a message to my

friends in government for what they need to do to make sure that microbusinesses and small business in the Jane and Finch community get the same level of support that Loblaws does? What do you think?

Mr. Troy Budhu: It's very easy to be frustrated and angry at the dynamics that we see. I see the issue on these things as the accessibility. The reason why you have big institutions being able to influence economic policy is, one, they're able to hire people who are informed and they're able to lobby for certain things. That accessibility is not there from a neighbourhood scale.

I think that when we talk about the government, we need to understand that there are different scales. There's the municipal scale and the national scale, but a neighbourhood scale has always been something that has had no support or resources into it. So if we really look at what is actually happening on the ground in neighbourhoods like mine, in neighbourhoods across Ontario, we will see that there are certain solutions that have not been proposed by bigger corporations, because it's not in their realm of expertise because it's not something that they need to deal with. But those things are not being advocated for because there isn't a mechanism for those people who don't have the time to be in spaces like this that I'm privileged to have, or don't have the background and information to be able to speak on these things.

I think what we need to do is always look at, when we do economic development on different scales, who are we actually helping, and making sure that there is evenness in our economic development. That would look like recognizing what businesses are and recognizing that our solutions are addressing all elements of it, whether that's the big box retailer or the small microbusiness that people are having to support their economic livelihood. Unless we address all those issues, we're going to have increased wealth inequality in the neighbourhood and unsustainable economic development.

Mr. Joel Harden: I hear you. I hear you. The word that we use for it here—and tell me what you think about this—is shared prosperity. We have to have more shared prosperity. When I hear you talking about the organizations and the microbusinesses in your neighbourhood, I think about a lot of the small businesses right now here at home that are getting crowded out. A lot of the big chains like Walmart and Canadian Tire and Loblaws and Sobays, they were able to sell a lot of the products that those small businesses couldn't, because they had a grocery component to it. They could say, “Oh, look. Yes, the T-shirts are for sale, the electronics are for sale and the other things are for sale. You, small business owner, and you, micro-business owner, you won't be able to open, but we can. We can, because we have the heft.” The federal government got Loblaws \$12 million to retrofit their fridges so they could be environmentally friendly, and this is a company that hardly pays any income tax at all.

I have to tell you, when I hear you talking about what people are going through, it really bugs me, because I figure if you're going to hustle, if you're going to work hard and you're going to put out a really interesting

product for the community, shouldn't you be the first person to receive government support in a pandemic?

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

Mr. Joel Harden: Why are we worried so much about some of the larger companies? What do you think?

Mr. Troy Budhu: I think there is a point there with the unevenness of support. I see the need for things to happen at different scales, once again. There is a need to support big businesses, but there is a need to understand the dynamics and the actual implications of these things to small businesses, because we have to recognize that online big corporations that have investors and capital means—small businesses are the livelihood of the people involved and the workers. So if that's there, you have livelihoods there as well. If the corporation fails, there's still livelihood because of their employees and there's a lot of impact there, but a lot of that is investing and income that is not necessarily food income. It's not, “How am I going to pay my kid's bill?” or “How am I?”—

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

Mr. Troy Budhu: Recognizing the consequence of a failed microbusiness or a small business or even a small or medium-sized enterprise, that failure has a deep impact on neighbourhoods and families. It's horrific, right? And again—

Mr. Joel Harden: Understood. Troy, sorry, I haven't asked Debra a question yet, and I apologize to my friends from intellectual property; I won't be able to get to you before my time is out, but I respect what you're saying about we need to make sure people who work hard at the local level to develop brands can have them.

Debra, my last 30 seconds is to you. As you're hearing Troy and I discuss this, what's on your mind around the mental health of businesses, families—you're clued into that. Take the last 30 seconds that I have and talk to our friends in government about that.

Ms. Debra Eklove: One of the things that the United Nations has come out with is the happiness survey; I'm sure people have heard of it. The world exists for people. People ideally should be happier as we grow and develop. Canada slipped. It's not one of the top 10 anymore; it's number 11—

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

We'll go to the independent members now for their final round. MPP Hunter.

Ms. Mitzie Hunter: Thanksmyou so much to all the presenters today. It's just really fascinating having the chance to hear your story.

Stephanie, I wanted to ask about the IP tracking in Canada and if you did that in a disaggregated way so you understand gender and if women are seeking patents, and perhaps people of colour, as well. Do you break it down on any spectrum?

1550

Ms. Stephanie Chong: That's a really interesting question.

IPIC itself, as an organization, does not do that tracking. The appropriate entity to do that tracking would be the

Canadian Intellectual Property Office, which operates under Innovation, Science and Economic Development Canada. To my knowledge, that level of data tracking is not being done, so I'm not aware that those statistics are currently available.

Ms. Mitzie Hunter: Maybe it's something we can request. We've seen that where this data becomes available, it sometimes speaks to communities in a particular way that generalizing the data does not, particularly when you're looking to boost outcomes.

I really liked your point around, companies that seek to register often perform better in the long term and end up scaling more broadly. I think that this indicator is one that's a very, very important one in our economic recovery. We heard a lot today about the fact that this is a shecession and a she-recovery, and that women have been very hard-hit by the economic shutdown, and we have to find ways of making sure that we support women's economic recovery. This could be one aspect of that as we move forward.

Ms. Stephanie Chong: Yes, I completely agree with the comments that you've made. I think it would be very interesting and very enlightening to find that out.

One point that I do want to make is that the recommendations that we're putting forward are actually meant to be gender-neutral, in the sense that they are meant to lift up all small and medium enterprises. So from that perspective, we are aiming for something that is going to be more global in application.

Ms. Mitzie Hunter: Well, I really support what you're doing and want to encourage you to continue on and to engage small and medium enterprises. I'm sure you already work with all of the centres of excellence and all of the incubators that are helping to develop new businesses. This is a key aspect of the information that they need, as well, in their early stages.

I want to pivot back to Debra and to Troy. I have taken note of your two recommendations that you've repeated here to the committee, which is mental health supports for businesses and entrepreneurs in neighbourhoods like Jane and Finch as they seek to survive and recover from COVID-19, and also making sure that there is micro-investing in smaller businesses—so at every scale, I think Troy said, we should be investing.

Some of the programs, as they were designed—with Digital Main Street, for instance, you have to have a storefront in order to participate in that program. Someone who is doing it as a gig or as a home-based enterprise would not qualify, yet being online would expand their capacity instantly. So we have to be thoughtful about how we design. I hope I got that right. We will definitely reinforce that as we move forward in this committee to recommendations.

Troy, you said something to me when I asked you about the effects of COVID-19—

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

Ms. Mitzie Hunter: —that people are not worried about COVID-19; they're worried about running their business so they can feed themselves and their families.

That's a stark reality, but there is community spread of the virus in Jane and Finch. We see it. So what additional supports are needed so that people feel that they can cope with all that is being asked of them at this time?

Mr. Troy Budhu: Realistically, people need to be confident that there is a pause on their household economic circumstances so they're confident enough that they don't really need to go out and hustle, that they're going to be secure by staying home. Then people will stay home. But if people are realizing that their business will go under if they're not participating—

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

Mr. Troy Budhu: —as soon as possible, they're going to go out and try to keep their business afloat. That's what they're incentivized to do. Until we incentivize them not to—they're at risk in this scenario. Unless we reduce that risk, people are going to—they just have to. Somebody who owns a business for a decade or two decades and realizes that it might fall apart a month from now—you don't have the luxury of saying, "I don't want to do this." They're going to try to figure out a way to not spread COVID-19, but that's with taking everything into account—financially stable, maintaining whatever business may happen. It's difficult. It's sad, but it's the truth.

We see this in education in our neighbourhood. We see this in all these other spaces. A lot of these conversations are privileged conversations that we can't afford to have in some spaces. It's sad to hear—

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

That concludes our time. Thank you to all three presenters for presenting.

Ms. Debra Eklove: Thank you very much for having us. We appreciate the opportunity.

BONEYARD EVENT SERVICES INC.
RYERSON UNIVERSITY
FUTURPRENEUR CANADA

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters: Our first presenter is a bit late, so we'll start with the second one, Boneyard Event Services Inc. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Kevin LeGallais: My name is Kevin LeGallais. Along with my wife, we run Boneyard Event Services here in Mississauga. We're family-owned and operated. We provide management and rentals for the trade and consumer show industry, which, as you know, doesn't exist at the moment. We've been in business since 2010.

Some personal quick history on myself: I started in Ottawa as an operations manager for a trade show company. I got lured to Toronto to come and work on the big shows, spent a few years there, and then I moved to the event production side of things, with a UK-based company that does shows in North America, so I got to travel a little bit and share some ideas back and forth with those folks.

When I left there, that was my chance to get out of the industry, but once it gets in your blood, you're kind of stuck there. So I went on contract to do some event management stuff, and then eventually returned to my roots and started Boneyard in 2010. All in all, it has been about 30 years in this business.

We've grown steadily over the last 10 years. As a small business owner in a competitive environment, it takes a while to get some traction, so it was a tough couple of years to get going, but we knew we had a better approach and we kept plugging away at it. It takes a while, but we're getting there.

We had a great 2019. It was laying a good foundation for a 2020 that was going to probably shatter our yearly growth average and beat our revenue targets. We landed a big contract for seven shows over four years, a 28-show contract, which was really big for us, and that started in January 2020.

So we got two shows in, and that contract, along with every other one, just disappeared. Basically, over the course of a week, our best year ever became our worst. Revenue requests were constant, and emails cancelling more shows as we shut down public gatherings. Revenue went to zero, and really nowhere to pivot for the most part. Being a small business, we trimmed down our costs pretty quickly. Unfortunately, we let our staff go and trimmed off anything that wasn't necessary and hunkered down and started looking around for relief options. Eventually, we started going into our savings and our company's savings.

The CEBA benefit came through quickly, thankfully, but as a blanket amount, it doesn't service every business the same, and we've pretty much gone through that \$40,000. The wage subsidy has been helpful—not as good as it sounded, but it has helped a little bit.

By far, I think our biggest stress has been CECRA—the challenge that I think a lot of people are having with landlords not buying into the program. Fortunately, just last week we got word that our property manager was actually applying to the process, so that was a big relief. Hopefully, there will be no hiccups and everything goes well, and that's going to give us a few more months based on the rent that we've already paid, to give us a few more months to keep thinking about a plan and try to think of how to spin out of this. We're hoping for that.

Then we've started looking at the BCAP. We're not having a lot of luck with that—just trying to get somebody from our bank to start the process—but we're going to keep plugging away and see what happens with that.

I think once all the confusion and the crisis of all the cancellations started hitting, we started looking at the situation from a survival outlook. So it was time to reach out to others in our industry to see how they were faring, what we could do to help them, perhaps even just share a smile with all the isolation that we were forced into for the last little while. Little mention was being made in the mainstream media about our industry. We seemed to hear a lot about restaurants and airlines and beauty salons, but not so much about trade shows and conferences and business meetings.

1600

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

Mr. Kevin LeGallais: A lot of us started having conversations amongst ourselves, taking matters into our own hands. We do have a national association. I don't think they've been doing a great job with any awareness campaigns. But it was by connecting with people that we started sharing our stories and listening for opportunities and commonalities in what's going on.

The events industry, I think, is a misunderstood mixture of really big and really small companies that pull it off, a lot of family-owned businesses that provide AB services, cleaning, logistics, entertainment—the whole gamut that goes on behind the scenes, that nobody ever really sees when you go to a car show or a home show or a business event. The events industry apparently supplies some 229,000 jobs. That's probably a little low. I think there are a lot more people who are involved in it who maybe go unnoticed or are unaccounted for because they're freelancers or they're independent contractors. It's a big industry, and there are a lot of us out there who come together to make this happen.

Being a small business, everything becomes personal. It's a chance to provide for your family, for your staff's family and for your retirement, but it's a struggle 95% of the time. We get that. You need to really be aware of all kinds of things, from bylaws and tax laws to marketing to HR to operations, finance, the whole gamut, but there's a limit to what we can plan for, and I think pandemic protocols fall out of that realm for most of us.

I've had conversations with multi-generational businesses that are worried about being the last ones to run the family business. We're losing good, talented and experienced people who can't choose to hang on until we get through this. They've got to support families and stuff themselves.

Many of my colleagues were thinking that 2020 was going to be one of their best years as well, but now they're talking about closing out, retiring early or just shutting down because there's no one there to build the business that they've been working on for eight, 12, 15 years.

The shutdown of the events industry is affecting many, many small businesses, and I think we need some extra consideration if we're going to survive this and get out on the other side of COVID-19. We've cut costs and dipped into savings—

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

Mr. Kevin LeGallais: —taken on personal debt that we didn't need because of all the cancellations, all the events that have just been frozen. Many of us can't pivot and use our goods and services in other ways. They're a pretty specific type of product that we can't just change and use for something else.

If we're to survive this shutdown, I think longer-term options are needed for our industry. We're really looking, though, for a lifeline and not a handout. We don't expect any—it's no one's fault that this happened, but at the same time we don't think it's our fault that it happened either. We had good, profitable, sustainable businesses that were chugging along nicely.

We know there are risks being a small business owner, but we've been forced to shut down for the time being, and nobody wants to declare bankruptcy or default on loans when we have personal guarantees attached to them. Obviously, that's a big—

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

We'll go to our next presenter, Ryerson University. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. John MacRitchie: Good afternoon. Thank you to the members of the committee and the committee staff for providing the opportunity to speak to you today. My name is John MacRitchie. I'm assistant vice-president for zone learning and strategic initiatives at Ryerson University. In this role, I oversee the 10 innovation zones at the university, as well as external initiatives related to the zones.

On Friday, you heard from Sherif El Tawil, senior director of programs and partnerships with the DMZ, the best known of these 10 zones. Each zone provides incubation, mentorship, workspace, skills training and access to networks, all with the goals of accelerating the development of new ventures, creating jobs and building globally competitive entrepreneurial capacity here in Ontario.

In the past 10 years, we have incubated over 3,500 start-up teams and have raised over \$750 million and created over 4,000 jobs. Typically, we have over 300 teams incubated at any time across these zones. Over 600 students gain experience leading or working with the start-ups each year, and our programs and activities have engaged over 14,000 students in the past year.

In addition to the DMZ, the nine zones at Ryerson include the biomedical zone, which was invented at St. Michael's Hospital; three technology-focused zones covering engineering, science and energy technology ventures; three zones covering the creative industries, including digital content, fashion and design; the social ventures zone; and the first legal technology incubator, the legal innovation zone. Embedded in the university, the entrepreneurs can easily access the research capacity, talent and intellectual property of the university to accelerate the growth of their companies and build their competitiveness. This interaction also helps to shape their training and research activities at the university.

We share this broad cross-sectoral experience here in Ontario working with our partners in other communities, including Innisfil and Niagara Falls, and in other sectors, such as cyber security. On September 9, we will have an online launch event for the new Ryerson Venture Zone in Brampton, which we are building with the support of the city of Brampton. As well as high-potential start-ups, the zone has cultivated a talent pipeline of creators, innovators, and entrepreneurs, instilling them with the entrepreneurial skills and mindsets that will power the Ontario economy.

So what has been the impact of COVID-19 on our ventures? As the COVID-19 restrictions were implemented in mid-March, like other businesses, we moved our operations in the zones online. Our start-ups similarly moved to working from home or other remote locations. The zones quickly adapted to the needs of their members, launching new programs and services specifically designed to help support the start-ups through the pandemic.

The impact of COVID-19 on start-ups has not been uniform, as you've just heard. We all know about the impact on the hospitality sector, but any companies in other sectors that similarly rely on access to consumers in person or require in-person interaction for product development have been particularly hard hit. Like the hospitality sector, there remains great uncertainty what these sectors will look like when we emerge from the pandemic. In some sectors, businesses will have to transform or be reimaged.

For start-ups developing medical technologies, medical devices, health care IP and diagnostics, access to hospitals and clinicians, which is always difficult, has understandably become almost impossible right now, unless the company is offering COVID-19-related solutions.

Many other ventures in our zones are pre-revenue. As a result, these ventures have not benefited from most of the widely available COVID-19 relief funding programs. So the question is, how long can they wait out the delays and what can they do in the meantime and still have the resources to grow once the pandemic has passed?

So what are scenarios where the government of Ontario may be able to help?

(1) Access to non-dilutive capital to support ventures through key phases of de-risking and validating the business through interaction with customers. This capital should come with clear accountability for the venture to move forward and, with access to support and guidance, to move through these stages quickly. Programs such as our Esch program and a pilot lab-to-market program we were working on are examples of this approach.

(2) Continuing to review regulatory and industry barriers that restrict the entry of new ideas and innovations in favour of larger incumbents. Not all these restrictions are government regulations; some of these are barriers that relate to the way industries are structured and managed. Critically, access to customers is just as important as access to capital, and probably even more important for the early stages of new ventures developing.

(3) Along the same vein, the province has to continue to find ways to ensure that innovative new companies can access the province as a customer, perhaps leveraging some of the experience you've had with the COVID-19 response procurement efforts that have been launched.

(4) I would be remiss if I did not point out that the work we are doing in the zones in the past 10 years does come at a cost. We have built the zone network because we believe it is an important part of how we connect with the community and provide economic impact to Ontario through jobs in an entrepreneurial workforce. We share this experience outside Ryerson and we learn from these

interactions but, like many new initiatives that lie between traditional areas, much of what we do can fall outside the standard funding programs. We continue to grow and scale the impact of this work with a mix of committed private, university and public funding as necessary.

Finally, [*inaudible*] we value new ideas and the opportunity to test these ideas with committed partners, where we can each learn and make an impact. We would welcome the opportunity to apply our experience and networks on new initiatives that can create jobs in globally competitive companies across all regions and all groups within Ontario. Over the past 15 years, this vibrant system producing higher-potential technology start-ups, entrepreneurs and talent has developed in Ontario. This system, along with the many other benefits in the province, makes Ontario an extremely attractive location for hydro companies to start, locate and invest. But Ryerson has start-ups in our zones to connect us with industry, customers, entrepreneurs—

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

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Mr. John MacRitchie:—and investors, ensuring that we are building the skills and the research needed for the economy.

The role of the Ryerson zones is to build up a funnel of start-ups and of entrepreneurial talent that will power into venture growth and job creation in Ontario.

Thank you for your time today and for the support of the province to the start-up community in Ontario. I look forward to our discussion and would be happy to take your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is Futurpreneur Canada. Please state your name for the record, and you can get right into your presentation.

Ms. Karen Greve Young: I'm Karen Greve Young. As you've been hearing, small businesses are the heart and soul of communities across Ontario. I appreciate the opportunity to share Futurpreneur's first-hand insight on how the government of Ontario's response to the COVID-19 pandemic has impacted small and medium-sized businesses across the province and why young entrepreneurs will play a critical role in the province's economic recovery.

As you hopefully know—and many of you, I know, do—Futurpreneur is the only national non-profit organization that works across Ontario to help young, diverse entrepreneurs aged 18 to 39 to launch new businesses. We do that by providing wraparound support of non-dilutive loan capital, mentorship and other resources. We've been doing this since 1996, and with our pan-Ontario reach, we've helped more than 2,800 young Ontario entrepreneurs launch businesses. We're the only organization in the province that has the infrastructure and the capacity to support the government of Ontario's efforts that must happen now to drive inclusive economic opportunity through direct and comprehensive support of young entrepreneurs across the province.

Again, we've helped more than 2,800 small businesses launch across the province, and each one of them creates good jobs in communities of all sizes, fuelling the economy and generating tax revenue.

A few examples of the businesses that we've supported over the years are the Brampton Hill Skating Academy—which did temporarily close during COVID-19 but has recently reopened. We heard about succession planning earlier. Kenora's popular Ye Olde Chip Truck is an example of our support enabling young entrepreneurs to purchase existing businesses and provide succession planning in the province. The third example is Knix, a women's intimates company in Toronto that was recently named the sixth fastest-growing company in Canada. I'm proud to say that Knix Wear's founder, Joanna Griffiths, has recently joined our board as part of her giving back to the future generations of entrepreneurs.

As you all know, entrepreneurs are by nature problem-solvers; it's what they do. As the world faces the greatest global challenge of this century—hopefully, maybe of several centuries—we've been inspired by many small business owners in our network. A great example in Waterloo is the ed-tech company InkSmith, which you may have heard about in the news as the Canadian Shield. InkSmith was a 3-D printer and robotics educational technology company, and they pivoted to create 3-D PPE under a new spinoff company called the Canadian Shield. Since they launched in March, the team has grown from 10 to 250 employees, and they're supplying two thirds of the 16 million medical face shields that the federal government is procuring from Canadian companies.

That's a good-news story; they aren't all, as we know. The COVID-19 pandemic has caused unprecedented disruptions to businesses of all sizes across all sectors, in small, main street, tourism businesses—also, businesses started by young people have been particularly hard hit.

At Futurpreneur, we've witnessed first-hand the pressing needs of Ontario's small business clients. Some 70% of our clients reported revenue declines due to COVID-19 in recent months in a survey that we recently did. In March, to address the needs of these entrepreneurs, we immediately paused payments on our loans that they had with us, and we lowered our interest rate to reflect the government of Canada's rates. Then, once we'd procured the funding necessary to do this, we actually were able to provide six months of loan-payment coverage for our entrepreneurs. We made the loan payments on their behalf. And we provided \$10,000 interest-free top-up loans to our existing clients who didn't qualify for CEBA. There were cracks that certain types of entrepreneurs fell through and they were not able to qualify. We provided \$1.4 million in support to 175 of our Ontario clients who receive Futurpreneur top-up loans, which is in addition to the 770 Ontario small businesses that have benefited from our loan payment coverage. Our team has worked really hard, as all of you have, to help support young entrepreneurs who are continuing to start new businesses.

And here is the good news: Even in these hard times, since April 1, we've had 68 small businesses across Ontario launch. That's a lot less than usual, but certainly is a

promising sign. Taken together, the economic support measures undertaken by the province have been incredibly important.

However, the survival of small and medium-sized enterprises is just one part of the equation. Supporting new businesses to keep launching, going forward, is going to be really important, and new business launches are down. That's the stark reality of this pandemic. We can help with that. In a recent survey, Futurpreneur's clients shared why investing in loan capital on wraparound supports for young entrepreneurs is so important. For 94% of the entrepreneurs who responded, the main reason they came to Futurpreneur was start-up loans, and more than half didn't receive any other financing. Of the Futurpreneur clients who were rejected for other financing, 78% said that it was because they didn't have collateral or they didn't have the business track record, and that's exactly the niche in which we play.

Some 93% of young entrepreneurs felt prepared when launching their business with our help, which is great. Since the pandemic started, 88% of the clients who have reached out to us have found the support that we've given them helpful. We can't make the full difference; we can't make their business come back open, but we're doing our best. We're a Futurpreneur team that talks to you and is actually helpful to businesses across the province. You've borne the brunt of these impacts.

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

Ms. Karen Greve Young: Thank you.

My two key recommendations for the committee are—first of all, to continue to provide additional support and invest, and you heard it from John MacRitchie, in the accessible loan capital. We have programs that could be helpful for the province for entrepreneurs looking to start new businesses. The barriers that existed before COVID-19 have only increased in size and scale. Our wraparound program of financing and mentorship is really important. The second recommendation is, keep the benefits that have been put in place for a few more months. A lot is going to come off in September. Keeping the current benefits—the rent relief, the tax relief, the energy savings—through to December would make a huge difference for these entrepreneurs.

I look forward to the questions and I look forward to the conversation. I'm grateful for all the entrepreneurs we're able to help across Ontario. There are many, many more examples.

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up.

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

Ms. Suze Morrison: I'm going to share this round with MPP Fife.

I'm going to address my questions to John. I'm happy to see you here from Ryerson. I'm happy to have Ryerson in my riding of Toronto Centre.

I'm wondering if you can speak a little bit more to some of the issues that the start-up community and the start-ups

that you're supporting have faced with commercial rent support, specifically.

I know we've heard from a lot of start-ups—especially in Toronto, where we have some of the highest commercial rents in the country—being left behind by the current rent programs.

Can you speak a little bit to what you're seeing out of the start-ups at Ryerson?

Mr. John MacRitchie: One thing with our start-ups is that most of them are using space that we would provide. The physical spaces that we have to host them have been closed since the middle of March, and they'll likely continue to be closed for several months yet.

There would be some start-ups that are beginning to move either out of our spaces—or they are looking for their own space that they would rent when they reach that size. Anecdotally, I would say we have heard some that are at that stage of being larger companies on larger teams. Some of the reports, as others have heard, around whether landlords are taking up the opportunity to use that funding and the complexities of doing that—that may have reduced whether that rent relief is actually attuned to the teams or the companies that could use that support.

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Ms. Suze Morrison: My follow-up question to that is, if your co-working spaces at Ryerson have been shut down, where have those start-ups been working out of? Are they mostly at home? Where have folks gone?

Mr. John MacRitchie: To this point, mostly, they would find their accommodation at home or their apartments and have been able to continue to work from there. The biggest impact or the biggest gap that we've had is actually that the teams would normally have access to workshops, labs, other making facilities that we have in some of the zones, and that's not something that they could access remotely or virtually there. But for the most part, the teams that we have have been able to adapt to this, at least for the medium or short term, to be able to work remotely reasonably well. As I said, it's the ones that have needed that access to specific facilities and workshops and equipment that's not easily replaced virtually—we're looking at what we can do safely, through the fall, to be able to get some of those teams back into those spaces.

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

Ms. Catherine Fife: Thank you to all the presenters—excellent information.

I'm going to focus my comments on Karen. I am a big fan of Futurpreneur, as the innovation critic for the official opposition.

Karen, you're right: Entrepreneurs are inherent problem-solvers. But problem-solving your way out of this one is a huge challenge. We've heard from a lot of entrepreneurs from across the province who are looking to the government to help instill some confidence in the economy. This speaks to Kevin's points as well: There needs to be transparency, there need to be the guidelines, and the rules of engagement, if you will, need to be there.

We've heard that capital and drawing investment to Ontario is—there's an opportunity here. Can you speak to

how the government—because we heard this morning that perhaps an innovation fund should be restarted, relaunched in a very open and transparent way to address some of the issues that we're facing, to address capital and investment. Can you speak to a “lifeline” like that—that's Kevin's term—for young entrepreneurs?

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

Ms. Catherine Fife: What would that do for confidence for a not-for-profit organization like Futurpreneur?

Ms. Karen Greve Young: I'm happy to speak to that.

I do think capital is vital, and young entrepreneurs have less access to capital than older entrepreneurs. They have smaller networks. Their networks are less advanced. Access to capital for so many young entrepreneurs—friends and family is a joke. It doesn't exist. They don't have friends and family who can give any kind of capital to get started. So accessible, easy-to-qualify-for-as-long-as-you-have-a-good-business-idea capital is vital. And I'm not talking about venture capital; that is a type of capital. I will say that we live more in the economic development than in the innovation and science space at Futurpreneur. You heard a couple of examples of innovative companies—

Ms. Catherine Fife: Yes, a lot are from my riding.

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

Ms. Karen Greve Young: —but a lot of them need capital to pay first and last months' rent. If it's the bike business in Ottawa that needs to be able to buy their first round of bikes in order to run their bike tourism and touring company—that kind of capital, the non-dilutive financing that John referred to, is vital for those companies, making it accessible in a way that companies can get out of the Catch-22 of not having proven that they've started. We are working with the companies who have the plan and the idea and the dream and the cash flow statement of what they will do. I think making sure that whatever capital is put into new businesses in the province is there for the earliest-stage companies who are starting will be really important. They don't start with a track record; they build it as they go, and we can help them do that.

Ms. Catherine Fife: Excellent. Thank you so much for today.

Ms. Karen Greve Young: I hope that answers your question.

Ms. Catherine Fife: That's good. Procurement can also play a key role, as well.

The Chair (Mr. Amarjot Sandhu): We'll go to the independent members now. MPP Hunter.

Ms. Mitzie Hunter: Thanks so much to all of these terrific presenters.

I'll start with you, Karen, because I have had my own experience getting seed capital as a young entrepreneur. It makes all the difference during the time of a recession, when we can provide that spark for young people and also in an inclusive way.

I'm still thinking about a conversation we just had with the Jane and Finch community, who talked about microfinancing and the importance of that. One of the last

comments the gentleman said was, oftentimes, the programs that are being conceived of are being conceived for the privileged. That's unfortunate, because creativity, idea generation and the energy to start something can come from anywhere.

I'm just wondering what you're seeing in terms of young people here in Ontario, in all parts. How can we invest in our youth so that this time of the pandemic does not become a scarring effect on their future potential and their opportunities, but rather it opens up new horizons for them?

Ms. Karen Greve Young: I think this is such an important point. Our team is working—I would say we're spending most of our time right now—on, how do we make sure, as we're launching new businesses, that we're not perpetuating barriers but we're removing them? For instance, we have a non-dilutive loan financing offering. It is collateral-free. You don't have to have equity; in fact, it's for people who don't. And you don't even have to have credit.

At the same time, our goal is to not raise barriers but also not give people bad credit or a bad debt history. So the amount of capital that someone can qualify for is based upon what we see as their opportunity to leverage that capital meaningfully for their business. We do it with so much hand-holding: 90% of our effort with the entrepreneur goes into helping them develop their business plan, helping them develop their cash flow, understanding their needs, helping them understand what it would be to have a loan. For many of them, this is their first loan. They haven't had access to financial institutions in the past.

Again, some of our entrepreneurs could qualify for money anywhere, and yet we will also help them get a leg up. A lot of the entrepreneurs we work with are not going to qualify for financing anywhere else. And we don't just give them the financing; we give them the mentorship. So they're getting the financing and they're getting the support from a mentor. We don't just want to help them launch; we want to help them succeed. It's really a horrible feeling to fail in business, but we know that a lot of entrepreneurs do. We try to help that not be the case.

Hopefully, that's helpful. A ton of our conversations are about this. We are exploring different loan sizes. We are exploring the possibility of having very small grants in addition to the loan, again, as we think about the disparate needs of all the different entrepreneurs who are going to be looking to launch in the days ahead.

Ms. Mitzie Hunter: Right. People will be looking to launch. I know right now we're talking about people closing, but at some point people are going to be resilient and they are going to want to—

Ms. Karen Greve Young: Our applications are through the roof. Actually, our applications in July were up 25% over our normal, steady state. People are undaunted. We just have to make sure that they're able to launch successfully. Absolutely, yes.

Ms. Mitzie Hunter: Thank you so much for all that you're doing. I could really talk to you all day. What you're doing is very important, and I hope that you are

reaching into those places like what I just described, because the need is great as well.

Ms. Karen Greve Young: We are—sorry, I don't want to take your time away. We have tried to be early to the front in terms of having a diversity and inclusion commitment also—

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

Ms. Karen Greve Young: —to really show what we stand for and who we are and make sure that we are representing ourselves to Ontarians across the province and all the different ways that they are coming into entrepreneurship.

Ms. Mitzie Hunter: John, obviously, I think the work that you're doing is fabulous. I know that you not only work with Ryerson, but your incubators incubate other incubators and help to mentor, and that's so important.

We heard earlier from one of our deputants who was a small business, who really felt like they had nowhere to turn. All of us on the panels kept saying, have you talked to the incubators? Have you talked to—because we knew that the universities and the colleges had these resources. I'm just wondering how we can let more people know about what you're doing so you can do more of it. What can the government do to help you get the word out there so that people can get the support they need right now, during the time of the pandemic, so they can continue to innovate and solve those tough problems?

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Mr. John MacRitchie: That's a great question and one that we even struggle with ourselves—how to get the word out. Even within the university, one of the things we face is that the people who find us are often people who are predisposed to entrepreneurship.

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

Mr. John MacRitchie: We feel that there are many students, many people who could benefit from the experience and take advantage of it, if they were just aware of it.

You're right; there are actually a lot of good resources across the province available to support entrepreneurs, through programs like Futurpreneur, through the different Small Business Enterprise Centres that are around the province. The easiest thing to do is when you—

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

Before we go to the government for their time of questioning, MPP Glover, can you please confirm your attendance?

Mr. Chris Glover: Yes, I'm present and in Ontario.

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

We'll go to the government now. MPP Khanjin.

Ms. Andrea Khanjin: Thank you to all of the presenters. I have many questions for all of you.

Kevin, my heart goes out to you. A trade show and everything you tried to do—you have a credible story. Did you apply for an exemption or are you or anyone in your industry looking to apply for an exemption? What I mean by that is, just allowing you to operate under COVID-19, given that trade shows—there's a seasonal aspect to it, but

there's also a non-seasonal aspect. I'd like to get your thoughts on that.

Mr. Kevin LeGallais: No one I have talked to has done that. Everyone seems to be trying to switch to a virtual compensation for the in-person thing. The feedback for probably 90% of them is that it's not the same thing, and we all knew that. There are exceptions to that. I think some conferences, where you're really just going to listen to people speak, may be doing well, because they're getting a bigger attendance than they would in person. They normally would have 200 to 300 people; they might be getting 400, 500 people tuning in. But that's not going to sustain the industry. That's not going to keep businesses flying. For all the service providers, like the staffing agencies and guys like us who do the decorating and the set-ups, it's a no-value for us.

Ms. Andrea Khanjin: We just had, funnily enough, a drive-through Ribfest this weekend—

Mr. Kevin LeGallais: I definitely heard that.

Ms. Andrea Khanjin: —in Barrie in support of the hospital.

Are there any of those types of ideas that your industry could do, and how could we help in terms of the supplies you would need or any guidance or instruction?

Mr. Kevin LeGallais: I think, right now, the idea is to—I've been talking about this with my wife a bit, just trying to figure out—the format is going to be small. It's going to be more focused. It's going to be more intimate, I think. Funnily enough, we just did a little—there was a little car show in Simcoe, just [*inaudible*] we know through the industry, this weekend. She did a really good job. They're not going to make a lot of money at it, but they capped their attendance, they capped their number of show cars. Things like that will happen.

We're keeping an eye on Europe. They seem to be trying to be a little progressive as far as twisting things, like with outdoor concerts on limited stage platforms. Where they normally would get 25,000 or 30,000 people, they're only dealing with 2,500. But it's getting people out and it's getting people to do the social thing. I think we're at that point now, where we're starting to think about how we can do things. At the beginning, it's the shock, and then it's the "poor me," and then it's "what are we going to do?" Then, all of a sudden, it's summer. I think people are going to start saying, "What little events can we do within the parameters set by"—whether it's an outdoor event or whether it's an indoor event with a cap limit.

I think we'll see some things in the fall—none of the big shows. You're not going to see the Cottage Life show and you're not going to see the power sports show or whatever where they normally draw 10,000 people. But there might be little pop-up things. They're not going to sustain anybody. It's a drop in the bucket compared to what we normally make in a month or in a season, but it feels good to do it, I'll tell you. It felt good to go and do that little show in Simcoe, as tiny as it was. It was just good to be out amongst people. We all had our masks on and whatnot.

So, yes, things like the drive-in barbecue, the Ribfest— it's a great spin on it. They're trying to stay relevant. They're trying to get people to be social, but safely social. The thing is, those events are so small that it's hard for either the organizer or any of their suppliers to really have it make an impact on the bottom line. But from a social aspect, it's something positive. We can do something. We'll get back to the full-blown thing, but for now, those little baby steps are nice to see and nice to be a part of.

Ms. Andrea Khanjin: Have the guidelines been clear enough in terms of what your expectations are for public health or labour guidelines? Is there anything you'd recommend? Or is it pretty straightforward for your industry?

Ms. Kevin LeGallais: No. I think it's pretty straightforward for the industry. They're getting modified, I think, in the next week or so, where it's 50 people per room and not 50 people per inside. I think it was Cineplex that pushed that through on their end, as far as saying, "We want 50 people per theatre," so that means 500 people in a 10-screen theatre. Now that that's going to start applying to business meetings, that's going to help too.

So we're getting there. We all know it's nobody's fault, and we all know it's not the government. We're all trying to be safe, but in the meantime we're also trying to survive.

Ms. Andrea Khanjin: I'm going to turn some questions to John and Karen.

John, I'm a big fan of Jennifer Grass, who you've got working at Ryerson. I talk to her quite a bit and she has taught me a lot, so say hi to her if you see her.

I have a question for both of you. Ryerson is very infamous for its DMZ model. We had the DMZ before this committee last week. We're actually getting a digital media zone in Innisfil. That brings me to talking about future talent and diversity of talent and, instead of having it be from our urban centres, being able to spread that to other parts of Ontario, rural Ontario. How do you feel like that's going to fit into the future of people working from home, but also skilling up from home as well?

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

Mr. John MacRitchie: Actually, over the last two years, pre-COVID-19, we had some experience with delivering programming in a mixed model, with some of it virtual. That helps to overcome some of the barriers and challenges that you have when you're dealing with a rural, lower-populated area. We have great advantages at Yonge and Dundas—there's no question of that—because of the density of population and businesses there, so—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters. I have a lot of questions,

John, you were cut off, and I just want to give you an opportunity to build on that, because I think incubators and innovation should be happening all over the province. Maybe you can talk about how we spread it around.

Mr. John MacRitchie: Thanks. As I said, we need to figure out ways to replicate what happens in an incubator in a more dense area. There are a lot of advantages that we

have in the downtown area, and the density of what's there is critical to what makes it successful. What we're seeing is a model that presents a mixed approach—of being able to deliver some of the program remotely, to support the mentorship that Karen talks about that Futurpreneur has and to be able to deliver that, accessing the people who have that expertise from wherever they are, and then giving some self-paced activities or work that the entrepreneur can do to help build their business. You need both. You can't just hand them off into an online environment; you have to have some interaction as well.

Then there's also figuring out ways to better connect the entrepreneur with others in their community, either virtually or in person when you can, and also with the other resources. One of the advantages that smaller communities have is that people tend to know one another. They know who to know around their communities. In some ways, that's a lot easier to get going there if you have people who are committed and dedicated to do it. The nice thing, when you do have programs like Futurpreneur and Karen's that are available across the province, is ensuring that you can tap into those.

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I'll stop there. Maybe Karen has some things she'd like—

Mr. Mike Schreiner: I actually have a question for you, Karen, as we shift over. I was going to ask you about mentorship, but I also want to say that I remember when I was first starting my business and got my first \$20,000 non-collateral line of credit. I felt like I'd made it at that point. What a difference it can make. It doesn't sound like a lot of money, but for a new entrepreneur, it's a lot of money. So I think it's great what you're doing.

I was curious about your diversity and inclusion—I was just looking at it on your website really quick, in response to MPP Hunter's question. Yesterday, I was meeting with somebody from the Black Business and Professional Association, and the president was telling me that Black-owned businesses in particular right now are really struggling to overcome systemic barriers to access capital. I'm just wondering if your diversity and inclusion programming is helping to overcome some of those systemic barriers.

Ms. Karen Greve Young: Absolutely. We're working on it. That would have been Nadine Spencer, right?

Mr. Mike Schreiner: Yes, Nadine.

Ms. Karen Greve Young: That's exactly what we're working on. It comes in all forms. The urban/rural divide—now that everything is virtual, everything is actually accessible to everyone who has broadband. That in itself is a barrier, and that can be for people outside of the city, but it can be for people who can't easily afford to get downtown or can't get the child care to get downtown. Some entrepreneurs take being able to be in a physical location for granted, and many entrepreneurs can't.

In our model, it's up to \$60,000 with the BDC's two-to-one match, but up to \$20,000 from Futurpreneur direct. The kinds of measures we're doing—we signed a partnership with CAMSC, the Canadian Aboriginal and Minority

Supplier Council, so that our entrepreneurs who are themselves Black, Indigenous or people of colour can have access to the supply chain, to the purchasers in CAMSC's network. Also, we can procure ourselves, walk the talk and procure from Black- and minority-led businesses.

A lot of times, the barrier is credit. There are lots of barriers, and we're in the midst of doing research to understand this better, in terms of what kinds of barriers different entrepreneurs of different demographics face. One of them is credit, because of systemic challenges accessing financial institutions. We're looking to address that by having our no-credit model for a small amount of money—

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

Ms. Karen Greve Young: —and increased credit education for all entrepreneurs, which may particularly impact entrepreneurs facing systemic barriers that we have to change.

Mr. Mike Schreiner: Can you comment on the importance of providing mentorship support and providing funding to organizations like yours that can provide that mentorship for new entrepreneurs?

Ms. Karen Greve Young: Well, it's that support—it's that person, for entrepreneurs, who has that lived experience. So many entrepreneurs don't have a role model or someone in their family. They haven't necessarily gone to university or college. They don't have teachers or professors to look up to. The mentor is someone who can really help them navigate and make connections if they need to make connections, and we offer it for two years. When they get started, they have a year of interest-only money, so they have a year before they start paying back the collateral, and then for the first and second year they have access to mentorship. They have someone holding their hand as they launch, as they go through those early steps. It's really important. There's all kinds of data that entrepreneurs who have a mentor are more likely to succeed, and that's part of what our wraparound support does.

Some of our mentors are the DMZ or other incubators' team members, or they're experienced entrepreneurs themselves.

Kevin, we could talk about whether you want to be a mentor for other events businesses going forward.

It's to keep the ecosystem going.

Mr. Mike Schreiner: Kevin, I probably am almost out of time, so you can chime in about being a mentor in my last 10 or 15 seconds.

Mr. Kevin LeGallais: Sorry; what did I miss?

Mr. Mike Schreiner: I just said I'm probably almost out of time, and Karen had talked about you being a mentor, and I thought as somebody more established—

The Chair (Mr. Amarjot Sandhu): Thank you. I'm sorry to cut you off. The time is up now.

We'll move to the government side. MPP Rasheed.

Mr. Kaleed Rasheed: Thank you to all three presenters this afternoon.

My first question is to Kevin. Kevin, my apologies; did you mention that your landlord applied for the rent relief program? I just wanted to clarify that.

Mr. Kevin LeGallais: He did, actually. We just got notification last week that they were starting the process to do it. But it's been a pretty stressful four, five months, thinking that they weren't going to do it.

Mr. Kaleed Rasheed: The reason I'm asking is because I'm from one of the Mississauga ridings and I came across many businesses that experienced the same issue that you experienced. We, at times, were personally making phone calls to landlords to make sure that they participated in this program. Each landlord had their own reasoning whether they wanted to participate or not. I'm glad that at least your landlord is participating. That's some good news here.

I know my colleague MPP Khanjin also asked this question, but now, as we move to stage 3 and, hopefully, God willing, we continue to move to different phases and stages, are you starting to see more and more events happening, outdoor events taking place that can help businesses like yours? Or do you still see some red tape or some restrictions that we, as a government, can have a conversation with our Ministry of Finance and other different ministries about to see how we can help you or businesses like yours?

Mr. Kevin LeGallais: I have some colleagues who have party rental companies, so they're starting to see some tents, some outdoor events getting moved, some weddings and birthday parties, because the limit is 100 for outside.

We're still pretty limited as to what we can do inside. I think changing the regulations that we talked about earlier about 50 people per room versus 50 people inside—we'll probably start seeing some advancements.

CAEM, which is the association of exposition management, put together some guidelines. I know they've been working with health officials and some MPPs about putting together some guidelines.

I think events managers for trade shows are in a pretty good spot, where they have really good control over the attendees. It's a business-to-business thing. Consumer shows are a little different, because you're dealing with the general public, so you're going to get every different type of person coming in with different issues, as opposed to putting together a conference for people in the glass industry—it's all glass guys; here's what we've got to do; they're going to listen.

I think separating mass gatherings and trade shows was a good step. Perhaps you have to separate trade shows from consumer shows, because trade shows are a more homogeneous group. I think they're there for a business reason, so they're going to adhere and it's easier to control. They're usually smaller groups. They're usually 500 to maybe 1,500 people at a time or over two days, whereas consumer shows are 15,000 or 20,000 or 25,000 people over three days. We've got a while to go to get to those.

I think the party rental guys are starting to pick up, but they've lost so much business in the first two to three

months of the summer that they'll never catch up to where they were going. But it's a start. That's nothing, really, for us guys, because we're more indoor guys; we're not outdoor guys. We're different people. I think it's starting.

Mr. Kaleed Rasheed: I'll give you a small example: When we talk about the restaurant industry, there is a big difference between a dine-in and a buffet.

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

Mr. Kaleed Rasheed: Businesses are asking, "When can we allow people to have a buffet system?" When I asked them, they gave us some really great ideas that I brought forward to the ministry, and that's something that we can explore further. That's why I just wanted to understand.

I don't have much time—but if you can just help me understand, pre-COVID-19, some of the red tape that your industry, or especially you, were facing. One of the mandates of our government is to reduce red tape within certain limitations and everything. What would you say? Is that something you are seeing some improvement in, in your industry—when we talk about red tape reduction?

1650

Mr. Kevin LeGallais: I haven't really experienced very much in our 10 years of doing it. It's an old industry. It's been around for a long time. There's not been a lot of craziness about it. So as far as public gatherings and trade and consumer shows, it's all pretty straightforward.

We've worked on some big ones like the CNE, where you get a lot of international people coming. I don't think it's been really—

Mr. Kaleed Rasheed: Okay. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the opposition now for their second round. MPP Glover.

Mr. Chris Glover: Thank you to all the presenters for being here. I've got questions for each of you, so I'm going to ask you to try to be succinct with your answers so that I can get through all of them.

Kevin, I'll start with you. The panel is actually very interesting—because there are two things that the government needs to be doing in this time to make sure our economy bounces back. The first thing is to support the industries that are in place, to make sure you survive so that we can bounce back and restart as soon as the pandemic allows us. The second thing is—there's a whole new wave of entrepreneurship and business opportunities, and we need to make sure that we're in place and taking advantage of those opportunities and being a global leader in that.

My first question to you, Kevin, is, in terms of survival of your industry, has the government's support to this point been adequate? You talked about four months of stress waiting for this rent relief, for the property owner to actually give the rent relief. There have also been property and income tax deferrals, but I'm hearing from a lot of businesses that the deferrals are not going to help them, because they've lost three months of income and the debt is just mounting up. What are you hearing from your industry?

Mr. Kevin LeGallais: I think the same idea, that deferrals don't really—deferrals can work if they're longer term, because this isn't like a little blip; this is going to last a while. So to say you're going to defer two months and then want all your money back—it's like saying, "We're not going to be running in two months and I'm not going to have a bagful of money to catch up on this." So I think the payback terms have to be a little more reasonable. Everybody has a different situation. You can't do a mass customization kind of thing. I get that it has to be blanket, like with the CEBA and the \$40,000. Well, if I've got a 1,500-square-foot bookstore somewhere, that \$40,000 might be pretty good for me for a while, but if I've got a 10,000-square-foot warehouse, that 40 grand gets eaten up pretty fast. It's hard to say. We've tried not to get into the deferrals because it's only going to postpone the pain, I think. So we've been trying to keep up on all our bills that we can. The deferral program is really about, "Well, we'll defer for three months, but then you'll owe us double payments for the next three months," and we're saying, "Well, we're not going to be able to in three months." So it's not for us, anyway.

Mr. Chris Glover: Actually, I'm hearing similar things, especially from storefronts in my riding. I'm from downtown Toronto, and a storefront often rents for \$20,000 a month. So \$40,000 is inadequate, and the deferrals—we're seeing a lot of bankruptcies on our main streets, which is unfortunate.

John and Karen, obviously, DMZ is legendary. I've been there. I worked with them when I was a school board trustee. We've got all this young potential talent out there, and we've got programs like DMZ and Futurpreneur out there to try to help them.

What more should the government be doing to make sure that we get this next generation of young people trained and to give them the resources they need—and I'm asking you to be as specific as possible—so that they can take advantage of the new entrepreneurial and business opportunities that are arising during the pandemic?

Ms. Karen Greve Young: There are so many. The first is actually just being open to the opportunity. I think we do need to keep sight of the fact that a lot of opportunity always comes out of a crisis. I don't want to belittle the pain and hardship of the entrepreneurs who are leaving those storefronts, but for Ontario's sake, if those entrepreneurs can't come back, if those businesses don't come back, we need the next ones to come in, and so we need it to be accessible for them. Again, I'm not belittling that. It's making the capital available to these young entrepreneurs, making sure that they see entrepreneurship as a viable opportunity.

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

Ms. Karen Greve Young: I'm not an expert on the kinds of red tape or other restrictions around rentals that might exist—but if there is a way to make rentals available to people with a smaller business track record, for instance. There are experience-driven barriers that penalize entrepreneurs, and so the more we can make sure that new opportunities are available to the kinds of entrepreneurs who are launching them, that would be really important.

I was asked about procurement. Part of it is the government's own procurement, and having the government's procurement be open to these smaller businesses and younger business leaders is a really great opportunity. It's a place where one small procurement, one small contract, can make a transformative impact on one entrepreneur or on a sector, depending on the kind of contract that we're talking about. It's things as simple as foodservice. When we get back to having in-person meetings, the government will host meetings and they will serve coffee. They may even get to serve muffins in less lean times. Can we get those from the bakery started by a young entrepreneur, as opposed to from Tim's? Not that we don't all love Tim's, but—

Mr. Chris Glover: Are you suggesting that when the government is procuring just about anything, when they're looking through their checklist of what the requirements are, there should be a bonus if you are a young entrepreneur, if you're an entrepreneur of colour or from a disadvantaged group? Is that the kind of thing that you're suggesting?

Ms. Karen Greve Young: Absolutely, so that they get the leg up, because they often aren't at the kind of scale where they can compete on price. They might be 10% more expensive today, but with a 100% premium on what they'll bring to the province tomorrow.

Mr. Chris Glover: That's really nice. That's a really—

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time.

Thank you to all three presenters for presenting.

TORONTO MUSICIANS' ASSOCIATION,
LOCAL 149 OF THE AMERICAN
FEDERATION OF MUSICIANS OF THE
UNITED STATES AND CANADA
STONEFIELDS ESTATE
OTTAWA-GATINEAU WEDDING
INDUSTRY ASSOCIATION
CANADIAN WOMEN'S CHAMBER
OF COMMERCE

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters: First, I would like to call upon Toronto Musicians' Association, Local 149 of the American Federation of Musicians of the United States and Canada. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Michael Murray: Good afternoon. Thank you, Chair and members of the committee. My name is Michael Murray. I'm the executive director of the Toronto Musicians' Association, an association of 3,000 professional musicians in the Toronto area, joined collectively with 17,000 musicians nationwide in our Canadian federation of musicians.

We are asking for a live arts benefit through a labour tax credit for live arts for-profit companies and a labour rebate for live arts not-for-profit companies. Also, we

would like the government to require or incentivize the engagement of Ontario musicians in productions that receive screen-based tax credits. Lastly, we are looking for safe, transparent and predictable reopening rules. Coming out of the COVID-19 crisis is the perfect time to implement these solutions for Ontario.

As you know, there have been no live performances in Ontario with more than 100 people since March, and truthfully, there have been very few live performances at all. The pandemic has meant that this year our members will lose between \$15 million and \$20 million in scale wages. According to Statistics Canada, the live arts contributed nearly \$900 million to Ontario's GDP in 2017 and provided over 19,000 jobs. Much of that contribution and the majority of those jobs will be lost in 2020, and they will be lost going forward, unless we work together during recovery.

I'm joined today by two incredible members: Shane Kim, a violinist from the Toronto Symphony Orchestra; and Tamar Ilana, a singer, dancer and producer who is featured in her group, Ventanas, and just today began tracking as the lead vocalist on the next album by Jaffa Road. I want you to hear from them directly about how the pandemic has challenged them, how they have been resilient in managing through those challenges and what they could use, going forward.

Shane, over to you.

1700

Mr. Shane Kim: Thank you, Michael, and thank you to the entire committee for your time today.

The major impact of the COVID-19 crisis on the live performing arts sector has been the loss of connection to live audiences. While the shift to online or virtual performance models has resulted in the creation of a lot of interesting content, this digital onscreen experience is a temporary solution and cannot become the new norm. Our most important contribution is the creation of live, spontaneous, in-the-moment experiences. For this reason, as Michael mentioned, we need safe, fair, transparent and predictive reopening guidelines that will allow performing artists and institutions to reopen to their communities.

Even amidst all of this chaos, however, a lot of good work is being done. I am a violinist in the Toronto Symphony Orchestra, and over the past five months, the musicians of the Toronto Symphony Orchestra have worked with the TSO administration at an unprecedented level to redesign what this coming TSO season will look like. In the absence of full orchestra concerts, musicians will instead be working in small groups throughout the greater Toronto area to give not only small performances, but also expanding to lectures, education workshops and master classes. The Toronto Symphony Orchestra musicians are changing the very nature of their jobs in response to this pandemic.

At the Toronto Symphony Orchestra, our mindset is not just about surviving this pandemic. The TSO is thinking about growth and new opportunities at this time. We are beginning to reimagine what a symphony orchestra can do for its community beyond the concert hall. I'm speaking

as a member of the TSO, but I think my words are reflective of the resilience of performing artists in general and of the important role we play and will continue to play in our communities. I think now, more than ever, the live performing arts sector needs your support. Thank you.

Ms. Tamar Ilana: Thank you so much, Shane. Hi, everyone. It's an honour to be here. My name is Tamar.

Ontario is home to some of the highest-quality musicians from around the world. Up until March, the live music industry was thriving. According to Music Canada, Canadian musicians were playing an average of 96 shows per year, and according to Nielsen Music, 58% of Canadians were attending live music shows annually.

Of course, in March, COVID-19 hit Ontario and everything changed. All of our shows, our tours, our recording sessions and our contracts were cancelled overnight, from one day to the next, and almost everybody I work with essentially lost their jobs for the foreseeable future.

I, myself, am an independent world music singer and a flamenco dancer in the heart of Toronto's multicultural music and arts scene. Our community is super-resilient and creative, and I was blown away to see how everyone came together and moved our lives and our livelihoods online. But consumers are just not used to paying for online performances what they would pay for a live, in-person show, and our incomes really reflect that dramatic shift. Furthermore, independent artists must now essentially run our own careers as online businesses, and not all of us are experienced in that and may not have access to training for that.

As I said, Ontario is home to some of the best and most diverse musicians in the world. Now is the time to invest in this community, and this community will give back, showcasing Ontario as a vibrant, multicultural hub of music and art that people want to visit and renowned for musicians people want to see. Now is the time and the opportunity to incentivize the Ontario music industry to hire local musicians, composers, sound designers and performers, and we need your support. Let's get to work. Thank you so much.

The Chair (Mr. Amarjot Sandhu): Thank you. There is a name change for our next presenter. The new name is Stonefields Estate and Ottawa Gatineau Wedding Industry Association. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Stephanie Brown-Malenfant: My name is Stephanie Brown-Malenfant. I just wanted to ask you first if you happen to have received my presentation, because it came in, due to the last-minute change, at the very last moment.

The Chair (Mr. Amarjot Sandhu): You can start, but we will check if we received it or not.

Ms. Stephanie Brown-Malenfant: Okay. That's fine.

Hello, everybody. Thank you all for organizing these sessions. I really appreciate being a part of this. My name is Stephanie Brown-Malenfant, and my company is Stonefields Estate. We are located 30 minutes west of Ottawa, in Carleton Place. We host exclusive, elegant country weddings on our pre-Confederation farm.

I'm speaking to you today both as an entrepreneur and business owner as well as a board member of the newly formed Ottawa-Gatineau Wedding Industry Association. In that capacity, I will be speaking to the challenges facing the entire wedding industry in our area. My goal is to ask you for support, with specific points that we will address shortly.

The Ottawa wedding industry is essential for celebratory events in people's lives that bring family and friends together. Our average wedding size is typically about 120 people, with a budget of \$30,000. Ottawa hosts over 6,500 weddings per year, generating \$325 million in revenue. Ontario has 65,000 weddings per year, for an annual revenue of \$3.2 billion. The industry is largely composed of local, self-funded small businesses that are more vulnerable to large shifts in the economy.

Until the pandemic hit, the industry was thriving. The COVID-19 pandemic has hit our businesses especially hard, as many are grappling with long periods of no income and a slowly reopened economy that strictly limits social gatherings. Eighty-five per cent of weddings happen from May through October. Most have lost 70% to 95% of their total booked revenue for 2020. Everyone has been working tirelessly with couples to offer a variety of options and to accommodate the many changes over these past months. A very few small weddings are happening this year, due to social gathering restrictions of 50 people indoors.

Every day, these small businesses are dealing with continuous cancellations, not only in 2020, but through 2021 and 2022. Meanwhile, everyone's ongoing operational costs continue to accumulate. The off-season is looming near, and there is no income to make it through for these small businesses. The return to profitability will take, on average, five to 10 years, depending on the vendor or business type. The year 2021 will see a decrease in revenue, where postponed couples have booked up most of the season, and if restrictions continue through 2020 and into 2021, most are going to have to file for bankruptcy. Immediate changes are needed.

I want to talk a little bit about Stonefields as an example, to give you better insight into these big numbers. We are a small business, as I mentioned. My husband and I bought this old farm 10 years ago. We rehabilitated it and we built it one tiny step at a time, adding buildings and lots of luxury for these weddings. Up until now, we had seen 20% year-over-year growth, and typically, our weddings get booked one to two years in advance. We host large weddings, and that is the framework that we built our business on, as well as our pricing structure and guest minimums, in order to cover the heavy operational costs.

The top challenges we're dealing with right now, after five months with no income, are a loss of 96% of our 2020 booked revenue, starting 2021 in the hole to the tune of \$1.5 million, and taking on additional debt to cover our expenses. Out of 34 staff members, we could only bring back nine, thanks to the CEWS program. Because there are only a few weddings happening this year, we just didn't have work to bring everybody back. Our relationships with our couples are being ruined because so many

are upset due to the restrictions—blaming the venue or not getting the dates they want; for others, it has to do with cancelled weddings. There are lots of lawsuits in progress not just for us, but for many of the small businesses in our industry.

1710

For couples going ahead this year, we did create pandemic packages, but they are very small packages at very discounted rates. We are also facing ongoing push-back from couples for added discounts for their small weddings, and we're basically hosting these few small weddings at our own cost. We have offered all our couples multiple options, just like all the industry members. We've even added winter months to our calendar, when we don't normally host weddings, in order to have additional dates to pick from, but out of that, only two have chosen to do so. Winter months are just not a viable option for weddings.

As I mentioned, with Stonefields for this year, we had our best year planned yet for our 10th anniversary, with 111 booked weddings between the months of April and November. Our expected revenue, and really our booked revenue, was \$2.7 million, and our operational expenses and costs of goods sold were scheduled to come in at around \$2.5 million. So even after 111 weddings, even after large groups, there is a very small amount of money left, which we always reinvest into the company to make things that much better.

Since the pandemic hit, we are facing our 2020 season with 21 cancellations, 78 postponements and 17 small weddings. Ongoing cancellations and refunds that we've issued are over \$150,000. Our year-to-date revenue is \$17,000, versus last year, when we had even less weddings, at \$832,000. Our operational expenses, despite this tiny revenue of \$17,000 year-to-date, are at \$500,000. We're expected to finish the year, because we still have to pay our bills, at about \$1.2 million to \$1.5 million in the hole from operational expenses—

The Chair (Mr. Amarjot Sandhu): Thank you. The time has come up.

Just to answer your previous question: Yes, we have received your written submission, and it has already been distributed to the members.

Ms. Stephanie Brown-Malenfant: Thank you.

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Canadian Women's Chamber of Commerce. Please state your name for the record, and you will have seven minutes for your presentation. You may start.

Ms. Nancy Wilson: My name is Nancy Wilson. I am the founder and chief executive officer of the Canadian Women's Chamber of Commerce. We are the only chamber of commerce at any level in Canada that represents and advocates for the economic interests of women-identified and non-binary founders, entrepreneurs and business owners in Canada. We launched in 2018, so we're in our third year of operations, but we have accomplished a lot so far. We have 350 businesses that we represent so far. We are growing in members 20% month over month.

Advocacy, obviously, is our fundamental activity as a chamber of commerce. We also provide tools and resources to our members so that they can launch, build and scale successful businesses in the immediate term, while we do the heavy lifting both to assist our members to communicate with the government and to assist the government in accessing the information they need to build effective policies for women-identified entrepreneurs and business owners.

I thank you for your attention today and for inviting me to speak. The information that has been shared so far and the stories that I have heard from the other speakers are certainly familiar to me. We have members who are artists. We have a lot of members involved in the writing industry across Canada. They have faced the challenges that have been described by the other presenters. Women have businesses in all sectors, but they are highly represented in sectors that have been the hardest-hit by COVID-19. Certainly, there is a body of research that exists showing that women have been disproportionately affected by the economic impacts of COVID-19.

When COVID-19 came upon us and social distancing protocols were implemented in March, the Canadian Women's Chamber of Commerce, or CanWCC, as we call it, shifted gears immediately, focusing on our members in the broader community to look at how we could best advocate on their behalf, as well as to collect information and data about what was going on in their lives. We partnered with a variety of different organizations and launched a specific survey looking at the impacts of COVID-19 on not just women entrepreneurs, but under-represented entrepreneurs and founders across the spectrum. This is one of the first and few surveys out there that really took an intersectional lens to look at the impacts of COVID-19, and it certainly showed that traditionally marginalized communities were being hit particularly hard by COVID-19 relative to, let's say, the average business owner.

When you look at women-identified business owners or entrepreneurs, the top three concerns or impacts that really stood out were a devastating loss of revenue through loss of contracts, loss of customers, loss of clients, as well as other associated events or other associated impacts such as payment delays—

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

Ms. Nancy Wilson: Okay—and supply chain disruptions.

Recommendations—I'm going to skip to right there. Child care, from our perspective, is a no-brainer. I'm not going to go too deeply into that.

Direct funding absolutely has to go to women's economic recovery. Finally, that money needs to go either directly to women entrepreneurs to rebuild their businesses, to get their revenue generation strategy back in place, or if it's not going directly to women-owned businesses, then it needs to go to the community organizations that have direct relationships with those women-owned businesses. To be effective, an intersectional lens needs to be placed on these strategies. Organizations that have built

trust within the community are going to be government's best allies in making sure that your funds have the best return on investment, in terms of those funds reaching the women who need the funding the most.

The other impact that our survey found was a really significant spike in negative mental health impacts, and that keeps increasing as you pull back the layers of intersecting identities. Indigenous women reported—

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

We'll start this set of questions with the government. MPP Wai.

1720

Mrs. Daisy Wai: Thank you to the three presenters. My heart goes out to all of you when you share your concerns, and I understand.

Since I've been sitting here, listening to the different organizations coming in—you are the third musician organization to come in. I see the challenge that you're facing. Our government realizes that. In fact, the minister of tourism has already seen how it hits hard on tourism, as well as our musical industry, as well as our theatre industry.

Michael, have you been talking with the ministry of culture and tourism and with Minister MacLeod?

Mr. Michael Murray: Yes, we are in touch with the Honourable Minister MacLeod's office. We really appreciate all her work. We appreciate her town halls and her tours. She had a submission prior to our submission here.

The one piece, I think, that we haven't quite broached yet is new spending, and I get that. It's been in emergency mode so far. I know the minister has strong relationships with festivals, which are important to us.

But overall, the live sector appreciates the minister's work and her representation. And yes, we are in dialogue with her.

Mrs. Daisy Wai: That's very good. I would like to encourage you to continue to get in touch with them. I was also in some of those town halls with them, and there are different organizations like yours that are talking about doing joint marketing. Those are the kinds of things that can market each other—as well as the good thing is the referrals. So if somebody is doing something that you can refer or you can join hands together to promote, I would encourage you to do that.

Unfortunately, this happened. We'll do our best to support you, but we know the pain and the challenges that you all are going through. I was looking at some of the pictures when the performers are acting onstage. You all do great jobs.

As I'm listening to—whether it's Stephanie or whether it's Nancy—both of you saying that your business has been growing 20% year after year, my heart goes out to you. On one hand, I want to say congratulations, but on the other hand, I can share the pain you're all sharing.

I ran my own business before, and I understand that my people who were doing my strategy and everything kept on reminding me and urging me if I had been doing my business plan, reviewing that year after year. I guess that's

why, Stephanie, you're growing your business. You're building one thing after another.

Is there anything that you can do to change your business plan a little bit? Rather than just doing the weddings, can you expand it to other areas so that you can increase the business—or do some marketing, but attract them with a good price?

Same with Nancy: Can you change your business model a little bit, your way of doing business?

Can I start it off with Stephanie?

Ms. Stephanie Brown-Malenfant: Thank you so much for your kind thoughts and your question.

Our current challenge is that we are way overbooked for next season. It sounds like a great-news story, but unfortunately, it's not, because all of it is deferred revenue to next year, when we need brand new revenue for next year.

We have spent every day since mid-March coming up with solutions, pandemic packages and everything in hopes of stage 3. When it hit, we were so excited—

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

Ms. Stephanie Brown-Malenfant: —but our couples were not happy with all the restrictions in place and the small groups.

Our number one ask right now is, please allow us to host 50% capacity. We have the space. We have all the measures in place. If we can do that, not only does it help all the venues that are in the same boat as us, but every related vendor, from photographers, officiants, florists, the entire industry—the buck starts with the wedding venue, and once we can host and people want to have their weddings, then we will be able to bring on everybody else. They all rely on us. The group gatherings are the number one challenge in our entire industry.

Mrs. Daisy Wai: Thank you for letting us know. I will pass that information along. In fact, we have been negotiating—I'm serious. I know the Premier has been negotiating with the Chief Medical Officer of Health. Whatever they decide is safe, we will have to follow, but we have been negotiating on your behalf. We will continue to do that and, at this point, I'll pass your information to them.

I'd like to encourage Nancy as much as I can. I know you have already let us know the challenges you're facing. As a female, as an entrepreneur, as somebody who has been running my business for the past 25 years, I know the challenges, but I have never faced the kind of challenge that we are experiencing now: a pandemic. If you can, encourage each one of them to work with the local municipal organizations. There are different organizations that will be there to work together with you—even the board of trade.

Have you been working with other partners?

Ms. Nancy Wilson: Definitely. We're national in scope. We are working—

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

We'll move to the opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all presenters.

I'm going to start with the Toronto Musicians' Association, Local 149. First, I want to pass on the regrets of our critic Jill Andrew. She sent me some notes and wanted to thank you for your advocacy on behalf of musicians, and also make note that in the early days, musicians did take a stand and generously donated talent and energy.

Our goal as a committee is to be very clear to the government what needs to happen by way of recommendations. I think that you are tired of hearing thoughts and prayers here.

So what is the significance of the live arts labour tax credit and the live arts labour rebate? What will happen if the government does not come forward with a strategy to support artists? We can start with Michael, but I also want to hear from Tamar and Shane.

Mr. Michael Murray: Thanks for your words, and our best regards to MPP Andrew.

The live arts labour tax credit was something we were already looking at. The investment in the arts and cultural industries in Ontario has been constantly shifting over the past 10 years—really, much before this government's mandate—to tax credits. In 2009, tax credits were about a quarter, or maybe even less, of the ministry's budget; now they represent over half—\$750 million in 2018, \$850 million in 2019—and the live sector has been cut out. The Ontario Arts Council, the Ontario Music Fund, Celebrate Ontario—we appreciate every dollar. We really do. We understand it's very difficult to balance budgets, but those sources have not been increased at the same level, and they haven't been for some time, while the screen-based tax credits have gone up. We know with that tension, unless live arts become part of the tax credit equation and we also mix in a rebate for not-for-profits—because there are many large not-for-profit live producers, such as the Bluesfest and the Toronto Symphony Orchestra; I could go on. If we are not part of that equation going forward, along with COVID-19, we will lose that as an industry. We will become a cottage, de-professionalized industry of volunteers. We will lose those jobs. They will not be able to compete.

New York state has started a live tax credit. Chicago, Illinois has started a live tax credit. Live tours and shows—I think you'll hear from Mirvish, at least through a letter. They're asking for the same thing, because they will lose the development of the shows. When Harry Potter is being built here next year with all those jobs, tech positions and actors—that came without a tax credit, but that was rare. They lose many, many more shows when competing with Chicago.

I'll stop there, but really we have to be part of this.

Ms. Catherine Fife: Thank you. Tamar?

Ms. Tamar Ilana: Thanks so much for that question.

I really believe that if the music industry is not significantly helped, it could potentially fail. There are so many artists who don't have support systems other than their shows. We've seen the numbers of what that contributes to the Ontario economy, but in terms of individuals'

livelihoods, I think it can be a dire situation really soon, and it needs some help.

1730

Also, for the music industry at large in Ontario, it might just fall down and not be what it is now, which is super vibrant and multicultural. There are artists from all over the world who come here and contribute to it. They are stars in their countries and have to leave, and they come here and they grow here. So many stars of the world are here, and we might lose them and we might—it just won't work. We really need to be looked at as an industry rather than just gig workers.

Ms. Catherine Fife: Thank you. Shane?

Mr. Shane Kim: Thank you. I'm thinking also about the future of young musicians, who look up to professional musicians like Tamar, who look up to people like me who are in the Toronto Symphony Orchestra.

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

Mr. Shane Kim: If we're in an industry that's really in crisis, I think young musicians are looking at that, and then from a purely practical point of view, I think they think, "Is this a career? Even though I have great musical talent and I have the love for it, is this really something that I want to pursue?" To some degree, we look at performing musicians on stage and we think it's a very glamorous life—we're on stage, under the lights, and we're touring and playing music. But it's actually a lifelong investment. I started music when I was six, and to this day I'm still working so hard to perfect my craft of the violin.

Ms. Catherine Fife: You also mentioned that we need, on a go-forward basis, fair, transparent and predictive guidelines as we reopen. Can you speak to how important that is? It goes to confidence, I think.

Mr. Shane Kim: Well, we're not the only industry like this, but performing arts organizations are very much based on a crowd model. The survival, the financial viability of putting on concerts requires that we have a certain number of people in the audiences. Ticket revenue is an essential part of what we can put on.

Right now, there is no clear sense of what we can do, coming up in the future. That has a trickle effect, where we're just—what can we plan in the concert hall? What artists can we engage?

Ms. Catherine Fife: Yes, and I think the opening of the schools is actually changing this whole—if we're going to be opening schools of 1,000 students, how does that play itself out in the arts community and in the community at large?

Nancy, I want to thank you for your presentation. You've echoed pretty much everything that we have heard from progressive organizations on the role of women in the economy, and the child care especially.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three organizations, presenting very valuable—Nancy, I'm just going to pick up where MPP Fife left off, because I think it's important to put this on the record. The Ontario Chamber of Commerce was here earlier today saying that without

child care, we're not going to have a successful reopening of the economy. We simply can't recover if families don't have a safe place for their children. I know you said it was a no-brainer, but I think it's important to put it on the record that the Canadian Women's Chamber of Commerce has the same position as the Ontario Chamber of Commerce.

I'm assuming, then, that you would support a stabilization fund for child care operators, to ensure that everyone has access to affordable, safe child care, in order to restart the economy.

Ms. Nancy Wilson: We certainly support any move towards a child care policy that is better than what we have right now. I suspect—and I didn't hear their presentation, but I think where CanWCC and the OCC may differ is in the minutia. What CanWCC supports is universal subsidized child care. There have been a lot of policies put forward looking at the nitty-gritty, the economics of it, showing that it will pay for itself in terms of women's labour force participation and positive outcomes with children who attend really well-funded, well-organized child care. I won't get into the details because we don't have time and I'm not an expert on that. There are whole organizations that focus on that. We endorse one of their policies specifically.

Regardless, we are certainly in agreement with the OCC. We're so pleased to see that organizations like the OCC and the Canadian Chamber of Commerce are embracing child care as a real priority.

Mr. Mike Schreiner: I thought it was really important to put that on the record, Nancy, so thank you.

I want to shift quickly to our Toronto musicians, mostly to say that I was wondering—Michael, you had said that there are other states that are implementing the tax credit or the labour wage subsidy. Can you submit that information to the committee? You've given very compelling arguments of how vital that is to financial viability for musicians. I think it will be important for Ontario, if we want to preserve a music scene, to look at what others are doing and adopt best practices. Thank you for bringing that to committee, and if you could share that, it would be very valuable to us, I think.

Mr. Michael Murray: I have the list in my submissions to the committee, but I can also submit some details, as well as plans in New York, Louisiana and Quebec.

Mr. Mike Schreiner: Thank you for that. I greatly appreciate it.

Finally, I just want to close my remaining time—Stephanie, you've been cut off a couple of times just as you were getting to your solutions, and so I wanted to give you a moment. You had mentioned the 50% capacity rule. I've had other large venues approach me, asking, "Can we do it based on capacity rather than a one-size-fits-all solution?" Maybe you can just talk about how vital that would be for your business and if you can achieve that in a way that meets public health guidelines and safety so we have consumer confidence.

Ms. Stephanie Brown-Malenfant: Thank you, MPP. I really appreciate that.

You're right; I didn't get a chance to talk about my asks. I probably should have started with that. As it relates to the 50% capacity—I believe it is the driving force and the number one important point for the entire wedding industry. Our venue is an example, and I am working with all the venues in the Ottawa area as well. We all have large capacity. For us, as an example, it's 220.

I've created a long list of every single thing that we are doing, as a company, on wedding days and prior to, to ensure compliance and to ensure that we are adhering to the rules and safely hosting events. For us, to add 50% from 50 people—well, that's 110 people. There is zero difference for us. If anything, from a restriction—and what we have to do and all the things we need to put in place—we've even measured out all the rooms—

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

Ms. Stephanie Brown-Malenfant: —and tried what it looks like with 110 people, and there's more than six feet apart from every group. So we have the capacity. We have it both in—this is called the Stonefields loft. We built it in 2016. We have tons of room in our loft. In addition, as well—that's the inside of it, just from a quick view. Last year, we built our chapel. Our chapel has more than enough space for us to be able to socially distance 110 people, and that's the case for all venues.

So my two and half pages of—these are all the restrictions we're putting in place. I could spend five minutes telling you, but I don't know if that's what you're asking. Everybody comes with masks on. Everybody is socially distancing. Our staff welcomes people. They sign a waiver. They say, "No, I don't have COVID-19. I don't have symptoms. I have not been around anybody. Yes, I will wear my mask indoors. Yes, I'll socially distance." We get their contact tracing. We're disinfecting. We've added all sorts of services to abide by the rules and the guidelines.

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Having 110 people means the entire wedding season, both for this year and next year, can start again. It means that—

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

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

Mr. Joel Harden: Ms. Brown-Malenfant, continue your thought, please—from one Ottawa person to another. You were cut off.

Ms. Stephanie Brown-Malenfant: Thank you so much. I appreciate that.

What I was saying is in relation to the thousands of small business owners in the Ottawa wedding industry. If we can go to 50% capacity, so many, if not the entire industry, will have a much better chance at surviving this. Yes, small weddings can happen, but let me tell you, out of everybody in our industry—they will tell you it is a tiny percentage of these happening. Why? Because people want big weddings. The reality is, people are cancelling.

They don't want to move forward. They hope next year will be better, but we know it won't. Everybody is just waiting and praying or moving on. Until we can host at 50% capacity, where we know we can be safe and implement the rules, just as we are now—honestly, it will make a world of difference. I feel that, number one, out of my list of 10 items that we are asking for, if that can happen, that will help save hundreds and hundreds of businesses in the Ottawa area.

Mr. Joel Harden: Thank you for making that point.

I hate to take us here, but I want to be a realist, too, in the sense of what I see coming. Across the river from us here in Ottawa, the limit is 250, and that must really stick in your craw. I've heard it from other presenters.

Ms. Stephanie Brown-Malenfant: Yes.

Mr. Joel Harden: If we don't have a change—because we're all committed to take the medical advice that's given to us from public health officials. I know your number one demand, but can you just remind my friends in government about numbers two through five, in the time that I have here?

At the federal level and the provincial level—it seems like large organizations are doing okay. Costco and Loblaws have been able to sell all their products. These folks seem to be doing okay. But I don't see a lot of the money flowing to small and medium-sized operators, and we've been hearing this time and time again.

Imagine the worst-case scenario from the public health standpoint. What's the thing you want, within that context, as a small industry? Is it immediate transfers for rent and debt relief? Is it changes to bankruptcy law? Is it direct help from the province to help the hospitality sector, your sector, get through this moment?

Ms. Stephanie Brown-Malenfant: I think if you put it in the context of, "Let's just suppose restrictions don't change," to be very frank with you, there's not much that's going to help us survive. That's the bottom line. Does CEWS help? Absolutely. Does rent relief help those, unlike me, who are renting? That would help. For people like me who have \$2 million in loans for having bought the farm and built all these buildings, take away all my loan payments. Example: BDC said, "Don't worry. You don't have to pay principal. You're just going to pay interest." Well, it's a few hundred dollars' difference. And then we've taken on an additional loan to help us pay for our operational expenses. We're even more in debt. We've got double the monthly payments now on loans just to help us get through the pandemic. So, yes, other things can help—but nothing is going to help our industry survive unless there is a change in the occupancy. I will agree with you—250 feels a little scary to me, because what does that mean for venues that can just barely hold that? I don't want to be risking people's lives. I want to be able to do it safely. I want to be a socially responsible person. And I want to invest in everything that we're doing already. Nothing would change for us—the masks and everything we're doing.

So I believe there's a way to do it, and if there's not, honestly, we're all doomed. That's going to be somewhere between December of this year and April of next year.

Mr. Joel Harden: Chair, how much time do I have left?

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

Mr. Joel Harden: Thank you.

Thank you very much, Ms. Brown-Malenfant, for making that point.

I'm going to say hello to my musician friends, but my colleagues MPP Fife and others—allow an opportunity to explore your sector. Good luck in all the fantastic advocacy you're doing.

Ms. Wilson, thank you for the presentation you brought to the table today. You put a compelling case forward for investing in women-led businesses.

Given the conversation I just had, I'm wondering, to you, what we can insist, from a provincial level—on making sure that some of the lenders in this moment take their haircut along with SMEs. It seems to me that a lot of SMEs have massive personal loans and they have massive liabilities, like Ms. Brown-Malenfant was just talking about. What could we do, from a policy perspective, to make sure that lenders, large banks play a role? What I've seen the federal government do, frankly, is write off hundreds of billions of dollars of their liabilities. But what are they doing for SMEs? What do you think?

Ms. Nancy Wilson: Absolutely. We have to look at a little bit of a push toward who has skin in the game and what type of risks are being shared. So if the government is adjusting policies—fiscal policy and this, that and the other—to allow for more liquidity, for additional credit to be opened up—

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

Ms. Nancy Wilson: —that's all well and good, but women entrepreneurs, women business owners experienced significant barriers to access credit before COVID-19. Now everyone has a challenge to access credit, so women entrepreneurs are further disadvantaged. That same government that has the ability—

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

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

Ms. Mitzie Hunter: Thanks, everyone, for your presentation.

Nancy, please carry on.

Ms. Nancy Wilson: Thank you so much. I think that when the government makes more capital available for lending, not only is it a great thing because more people get money, but the banks are making money on interest. Yes, the interest rate is low, but they are making their money on interest and fees. That same government needs to really push those financial institutions to make sure they are lending that money in an equitable way, so they're not just pushing those loans onto the folks they already have lending relationships with—and if they don't, then there has to be some kind of a consequence. It can't be business

as usual, because COVID-19 is not business as usual. It has turned everything on its head.

Ms. Mitzie Hunter: Let's talk about that, because I really want to hear your perspective on the she-cession and on the she-covey. What do you think needs to be changed? If we do the same things that we've always done during recessions, a lot of the stimulus and the investments are going to go into industries that are not women-first—whereas women have taken the brunt of the losses in employment and are slower to come back. What are you seeing and what do you want to tell us about that?

Ms. Nancy Wilson: In so many ways, COVID-19 has laid bare a lot of the structural inequalities that people who are on the same page as me have been talking about for a long time. Now those same structural inequalities seem to apply to everybody, so people are actually sitting up and taking some notice. It's a great opportunity for governments to be creative and to try different ways and be innovative themselves. There's always this call on the business community to be innovative and contribute to the innovation economy. Well, I would call on the government to be innovative. You need to take advice from our community, because we are saying to you, "This is what we need." You need to trust us that we need different ways to administer grants. It can't be top-down. It's not one-size-fits-all.

This intersectional lens absolutely needs to be applied so that funding doesn't get stuck in the middle in the mainstream organizations, because it doesn't trickle down; we know it doesn't. That funding needs to go straight down to front-line community groups that have trust built with marginalized communities, so that that money is actually getting to the people who need it most.

Ms. Mitzie Hunter: That's great. We heard that, as well, today.

I want to talk to the Toronto Musicians' Association, Local 149. I thought your presentation was so on point, particularly when you talked about the example of the TSO—changing what you do completely, becoming master class teachers, and getting out of the venue and into the community.

In my own riding of Scarborough–Guildwood, Guild Festival Theatre is doing porch plays. They're amazing artists and artisans, and they're enlivening a place that otherwise would be quiet right now and that needs you.

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

Ms. Mitzie Hunter: Tamar, I love what you said about our place in the world in terms of the arts. We actually have a very premier place in the world, and we cannot afford to lose our arts community.

What do you need from government in order to make sure that we sustain this industry going forward? Michael, you can take it.

Mr. Michael Murray: Obviously, our top-line request is a live arts labour tax credit and a live arts labour rebate. This is just to stay in the game in terms of cultural funding for the arts. That's really where the government of Ontario has gone over a long period of time, and we think live

needs to be there. And yes, our musicians have been quite resourceful.

We also have a reopening ask. Like Stephanie, we did submit to the Ontario Jobs and Recovery Committee to consider a 30% or higher of capacity; we were thinking of 50%, but we wanted to go slowly. We said 30% because of religious services—we find a live performing arts event very similar to a religious service. In fact, you could say they're the same thing. We thought if the government was confident going there with religious services, we would make that the next step—mandatory masks for all attendees, limited speaking opportunities. You can have an active listening concert where there's no intermission, where folks show up, listen, with masks on. There's not a really heavy social element. So we submitted that, and we got a great response.

Lastly, the existing tax credits—we're not really a part of it. Musicians really aren't engaged by film and television and gaming companies. It's not a significant part. We would [*inaudible*] we need some partnership on that to figure out how little that is and when we can go with that. But if we can incentivize the current tax credit recipients to use Ontario musicians on Ontario films, television and games—even that, without any incrementals—

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

We have to move to the government side now. MPP Babikian.

Mr. Aris Babikian: Thank you to the presenters for taking the time.

First of all, I would like to start with the musicians of Toronto. I understand that you are looking for the live tax credit as one way to help, and the other issue is the 30% capacity. Other than these two suggestions, are there any other needs that we can work together on? In the end, music is an important element in any society's cultural advancement, putting it on the world stage etc. We need to be cognizant that, unfortunately, this pandemic is something that no one predicted how it will evolve, and we're still trying to deal with it—not only us, but the entire world. Other than these two asks that you've put, are there any other suggestions you have that we can look at and try to work with you to ease the pressure, at least in the short term?

Mr. Michael Murray: Most of our short-term requests have been of the federal government. We've been advocating for the continuation of CERB and EI reform. That's primarily at the federal level. I can imagine there could be some opportunities in terms of HST relief or HST averaging; many of our members are independent contractors who do remit HST, so there's something there.

In terms of retraining, which Tamar mentioned, for the same reason, we are not eligible for Ontario retraining grants. If a musician did want to train for online, to become a Web designer or a computer programmer to either augment or, to be honest with you, replace their current career, they may not be eligible. They don't have an ROE. Those programs are for employees, currently employed and formerly employed. The standard in our province is

for musicians to be independent, or at least dependent, contractors, so they don't get ROEs and therefore are not eligible. They haven't had an ROE maybe ever in their lives, and if they have, not in a long time.

So those are a couple more ideas. We have many more.

Shane or Tamar, I'm not sure if there's anything else you'd like to say?

Ms. Tamar Ilana: Thanks for asking. I know Michael has mentioned this, and we have mentioned this already, but I really think it is important to mandate, encourage, incentivize hiring Ontario artists in music and film. For everything that requires music, we should have Ontario artists working, because we want to work. Everybody wants to work, and there are some top-notch artists on all levels. Composers, sound designers, producers—we have everything right here, so if we can hire from here, that will go a long way in the short term and in the long term. Tax credits, I understand, will incentivize that in the long term, but even mandating a percentage—as the venues reopen, as festivals are able to hire musicians again, what I hope doesn't happen is, when a festival can exist again, which I can't wait for, they turn immediately and say, "Let's now hire all our international artists we weren't able to bring." How about they hire local artists first, Ontario artists first, and then they look? That's what I think could really help.

Mr. Aris Babikian: I think, Tamar, that your line of thoughts is close to ours in the government. The government already started with the manufacturing business, encouraging Ontario-made, and I think that this is something that we should also encourage. It's not only manufacturing, it's not only the food business, but the music business also.

Stephanie, I feel what you are going through, because I am not a stranger to the industry. In my past reincarnation, I was a banquet hall manager, I was involved in the

catering business, and I was even a wedding photographer. So I know what you go through.

Whatever you need, I wish I could grant you, but the issue with the 50% capacity—I understand that in your case it is a reasonable request. But when it comes to larger cities, like Toronto's banquet halls, with 600 or 700 people—how can we balance that act, with smaller venues like yours and the major venues we have in Toronto? You know how it is. In Toronto today, there is no wedding with less than 400 people.

Ms. Stephanie Brown-Malenfant: That's a very good question, MPP, and—

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

Ms. Stephanie Brown-Malenfant: —thank you very much for that. It is a good thought, because it is an industry that we're talking about, and really all of Ontario. We don't have many of those in Ottawa, but having lived in Toronto a few different times, I've been to those big weddings and I know exactly where you're coming from. As far as how to balance that, you're right—if there's a venue that can host 600, is bringing in 300 the safest thing? I don't know. I think that it could either be a regional approach, or maybe it's 50% capacity with a cap on it to a certain amount—because even for the venues that are hosting up to 400 or 600 people, for sure 50 is killing them. It's a death sentence to all of us.

Those are two quick thoughts off the top of my head for that really good question—

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

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

This committee stands in recess until 6:30 p.m.

The committee recessed from 1800 to 1830.

Report continues in volume B.

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Mr. Chris Glover (Spadina–Fort York ND)

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