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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament

Wednesday 26 August 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature

Mercredi 26 août 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Wednesday 26 August 2020

Mercredi 26 août 2020

Report continued from volume A.

COVID-19 STUDY

The Chair (Mr. Amarjot Sandhu): Good evening, and welcome back. We'll start with our next list of presenters, but before we do that, I need to do an attendance check. MPP Piccini, can you please confirm your attendance?

Mr. David Piccini: It's MPP Piccini and I'm dialing in from my constituency of Port Hope, Ontario.

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

Mr. Jeremy Roberts: Good evening, Chair. I am present and in Ontario.

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

Mr. Peter Tabuns: Thank you, Chair. I'm here in Toronto.

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

Mr. Will Bouma: Thank you, Chair. I am here in St. George, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you. Minister Thompson?

Hon. Lisa M. Thompson: Good evening, everyone. I'm here from Teeswater, Ontario.

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

M^{me} Lucille Collard: Good evening. I'm sitting in place of Mitzie Hunter, and I'm here in Ottawa-Vanier, in Ontario.

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

GREYHOUND CANADA
TRANSPORTATION ULC
BARRIE
CHAMBER OF COMMERCE
TECHTO

The Chair (Mr. Amarjot Sandhu): Our next presenter this evening: I would like to call upon Greyhound Canada Transportation ULC. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Stuart Kendrick: Thank you for the invite, committee, to the discussion on small and medium impact of COVID-19. My name is Stuart Kendrick. I'm senior vice-president of Greyhound Canada, based out of

Toronto, Ontario. I've worked with the company for 34 years, all of that in Ontario. I'd like to talk about the impact COVID-19 has had on the private bus carriers, specifically at Greyhound.

Really, almost immediately after the COVID-19 lockdown, we saw our ridership decline by about 95%. I think this is similar to what other transportation companies and public transit experienced in the province. Despite our best efforts to reduce costs gradually and reducing service as the demand decreased—we also had significant outreach efforts to different levels of government on the federal and provincial side to try to raise the awareness of the issue that without some sort of financial support to maintain minimum service, we were looking at ceasing operations. Unfortunately, that did happen on May 12. We did cease operations without getting any support to maintain a low level of service.

Greyhound Canada, as well as other private bus companies that operate in-city bus travel and leisure tourism, don't receive any subsidies, and really rely on the fare box, which is not the same for some of the federal trains and some of the provincial and municipal transits. We all understand that there is a requirement, obviously, to keep those services running.

Before COVID-19, we employed about 400 employees in Ontario who have been impacted by our shutdown; and obviously services to dozens of communities across the province have been impacted.

May 12 was the date after eight weeks of significant losses and no financial support at the federal or the provincial level. We did, as I said, reduce service and shut down, and that has left many customers without service.

It's important to understand that before the pandemic hit, about 15% of our riders are unemployed, about 40% of the riders are people with a household income below \$25,000. Some 60% of our riders are female, among them single moms who need affordable and safe transportation to travel with their kids. Whether it's for school, leisure or jobs, our customers rely on Greyhound as well as other private sectors in the business. Some 30% of our riders are students and young people looking for work who can't afford a car, and with the upcoming school return and the uncertainty on how many students will actually be in class, a lot of them will be working online. Coupled with the continued closure of the border, the outlook for the private bus carriers on the inner-city bus travel and the chartered and leisure is very grim.

Greyhound customers are Main Street Ontarians from small towns, rural communities and inner-city neighbourhoods who are trying to get to where they need to go, again, for either work, family or leisure. I think it's important to understand that we did approach the federal government to look for a break-even subsidy for the inner-city bus carriers, which would have allowed Greyhound and the inner-city private carriers to operate for six months while we didn't have to worry about the load factor or how many people rode the bus. As I mentioned, we rely on the fare box. This would allow some minimum service and some consistency, too, as we evolve out of the pandemic and move from phases 1, 2 and into 3—that the customers would eventually, hopefully, come back.

I also sit on the board of the Ontario Motor Coach Association. They've been doing some work locally with provincial, municipal and federal governments to raise the awareness of the importance of the private carriers—the inner city, the tour companies and bus operators—who are really fighting for their financial lives. Without the support of many of these companies at the provincial level, I think they're at serious risk of collapse, so I wanted to raise that awareness today. Our ask is to hopefully get on the radar of the provincial government—to take a close look at what some of the things are that can be done to really look at the private bus carriers and how they survive as we come out of this pandemic.

I appreciate your time, Chair, and that's my presentation for today.

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

Our next presenter is the Barrie Chamber of Commerce. Please state your name for the record, and you will have seven minutes for your presentation as well.

Mr. Paul Markle: Good evening. My name is Paul Markle. I'm the interim executive director of the Barrie Chamber of Commerce. I'd like to thank the Chair and the members of the committee for the opportunity to speak and to present as a witness on the impact of the COVID-19 pandemic on the Barrie business community; specifically, small and medium-sized enterprises.

I will tell you that I have spent a fair amount of time reading transcripts and watching, so I won't belabour this. I'm likely not to take the seven minutes—I know it's late in the evening—and I believe that most of my comments are going to be relatively repetitive to what has already been covered.

However, Barrie prides itself on its entrepreneurial spirit. In fact, it's one of the most entrepreneurial cities in Canada, making the top three of the CFIB's list in 2016. Our proximity to the GTA and relatively low cost of living makes Barrie an attractive place to start a business. The local economic ecosystem in our city is very strong and has always worked collaboratively to help small and medium enterprises grow and prosper. This great working relationship has only strengthened as we work together on our combined local response to the beginning of the pandemic, and now, our focus on reopening and recovery.

When I talk about the ecosystem, specifically the Sandbox Centre for innovation, the Henry Bernick centre, the local BIA, the Small Business Centre in Barrie—and there are many others that we collaborate with, including the local real estate association, to get information and support our businesses.

My comments today are more anecdotal in nature and are based on feedback from our 950 chamber members, who employ 16,000-plus citizens in our city, and what we are discussing as an ecosystem. The general feeling is that all levels of government have done a remarkable job working together in response to the pandemic and helping businesses survive and, in some cases, prosper. The speed at which government reacted left gaps in the programs put in place. Many of those gaps have been closed, thanks to the work done by committees such as this one, and the continued willingness to listen and act is encouraging.

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Having said that, there are some issues that continue to concern small and medium businesses today. The topics that are most often heard in our conversations surround the issues of child care and the important part it plays in getting business planning started, along with the uncertainty in what will happen when our schools reopen. Not knowing what the rules are relating to the duty to accommodate exclusions etc. is a very real concern for our businesses, and there is a growing sense of frustration.

I understand that some new information was released today, which is very much welcomed. Unfortunately, I haven't had a chance to review it as I was focused on today's presentation. In fact, Andrea Khanjin, our MPP for Barrie–Innisfil and I believe a member of this committee, is hosting a live round table with Minister Lecce as we speak. I can tell you that that, with schools starting in a few weeks, doesn't leave a lot of time for businesses to plan accordingly.

Labour continues to be an issue in our area. We have a very strong advanced manufacturing sector. We've heard from our manufacturing sector, many of which are small and medium enterprises in size, that even though Barrie has some of the best employment numbers in Canada, they are still struggling to fill entry-level positions and find unskilled workers. It's a very real concern that this situation will worsen as summer students return to school and as elementary and secondary schools reopen.

We've heard time and again that the CERB continues to be a competitor in the labour market, but we are encouraged that the program is ending soon, and we welcome any changes to that end to get workers back to work.

There is a very real concern in the construction and trades industry. The skills gap is a huge issue, and I can see that widening as well. There are programs in place in Barrie, with Georgian College, on upscaling and rapid skills development, both on the entry-level and on the advanced side. In fact, some of those courses are already online. But that is something that is required and needed now. Funding for those particular kinds of programs would have a big impact in our community.

We also have a large number of solopreneurs, as I mentioned, because of our proximity to Toronto, and also the fact that we have Base Borden very close to us. There's a large number of families who move up here where they have one spouse working and the other one is trying to find something to do, so they start a business; or they're tired of the commute so they take their skills, bring them to Barrie and they try to start a new life. Most of those businesses will start in January and February, which is the same as what happened this year; so when the pandemic hit, a lot of these businesses didn't have enough revenue to be able to be eligible for the different programs that were offered and generally relied on the personal supports, such as CERB, which has kept them alive.

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

Mr. Paul Markle: This has improved as the government worked to address the gaps, but in many cases it was too little, too late. There continues to be a need to provide support for these types of businesses as they try to reopen.

I'll finish my remarks there. As I said, I think that a lot of this stuff has been covered time and time again. I'm happy to answer any questions relating to our specific area. Again, thank you very much for the work that you're doing to get us back up and going.

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

Mr. Jason Goldlist: Thank you, Chair Sandhu and all the members of this committee, for the opportunity to speak with you today. My name is Jason Goldlist, and I'm the co-founder of TechTO. TechTO is a community organization that supports technology founders and their small and scaling start-ups. We work with entrepreneurs and intrapreneurs at all stages of their careers and businesses, and provide an accessible platform for anyone to become part of the tech ecosystem in Ontario and Canada.

Our work helps shape what it means to be part of the tech community and also contributes to more accessible, diverse and inclusive tech culture. Since 2014, our programming has reached more than 100,000 members of Ontario's tech ecosystem, and in the five months since the lockdowns began, we've hosted more than 120 online events for over 25,000 technologists.

The entrepreneurs in our ecosystem have certainly experienced some hardship, but we also hear stories of companies that were building what seemed like the distant future get accelerated to become immediately relevant today. We're also hearing stories about companies shifting their plans and finding new models for success. That's really a key attribute of the tech community: its resilience in the face of difficult circumstances, its flexibility to adapt to changes in external markets.

I appreciate the opportunity to share some of the feedback that we've received from companies in the tech industry. I want to emphasize that technology plays an all-encompassing role in the province's economy—contributions across every single sector: health, manufacturing,

retail, education and more. And the tech ecosystem that we're building is powering not just the future of our economy but our economy right now.

The province of Ontario is estimated to have contributed over \$40 billion to the total Canadian ICT economic output in 2019. Ontario is home to three of the largest start-up ecosystems in the world: Waterloo, Toronto and Ottawa. Toronto, specifically, is North America's fastest-growing tech market, adding over 80,000 tech jobs in the past five years, and tech is crucial to the SME ecosystem, with 80% of technology companies falling under the label of small business.

We've spoken with TechTO's members about their challenges in navigating the COVID-19 crisis and what they'd like to see, and thinking really optimistically about the future—how can governments support an industry that's such a crucial driver of Ontario's and Canada's economy?

(1) Buy from start-ups: For government procurement, the eligibility and evaluation guidelines don't always recognize the merits of tech start-ups. The government could consider easing process requirements for small pilots or even running programs that specifically solicit proposals from start-ups; for example, a request-for-start-ups program, where the government identifies a problem and then invites tech companies to submit solutions. We'd be happy to share with you some of the community's favourite Ontario-made tech solutions for virtual education, virtual health care, virtual events and more.

Let's also make it easier for businesses to buy products and services from Ontario's SME tech companies. Tech companies have products that can help retailers, restaurants and more get through the crisis. Programs, grants or tax incentives to help businesses buy existing tech solutions or to create entirely new solutions can be a win-win.

(2) Invest in start-ups: Let's be clear. Tech investment doesn't always result in immediate success. Some projects are hitting roadblocks; others only succeed after a pivot. But government investment in tech solutions should recognize this and consider supporting a portfolio of solutions by selecting more than one company or proposal and doubling down on the winners as they show success. We can also imagine empowering experienced grassroots investors with angels and local community ties to support a portfolio of Ontario SMEs.

(3) Prepare people for start-ups: Ontario tech companies have been successful because of the talent here. Our people are highly educated and entrepreneurial. We can't afford to lose that in the face of the changing nature of education and global access to talent. The tech community encourages support for all post-secondary training opportunities in tech, business and innovation. In addition to formal education, the government should move swiftly to create incentives for skills training, while encouraging more diverse participation in the tech sector by supporting some of the incredible organizations already doing this work, like Canada Learning Code, Actua and even our own TechTO emerging leaders program. Initiatives like

these give Ontarians the skills and knowledge they need to innovate and grow the sector locally, laying the foundation for a robust and growing economy for years to come.

(4) Make it easier to launch a start-up: Cut the red tape, especially for the time it takes to process licences and approvals in regulated industries. If processing the administrative backlog is a problem, there are plenty of made-in-Ontario software solutions that can help, plus many of Ontario's most successful tech companies have benefited from launching in physical hubs, incubators and accelerators. Several of those entities were pushed into really precarious positions, at least one shutting down permanently. So as we transition to working remotely, we urgently need to find new ways to connect entrepreneurs, investors, talent and customers. Government support for online community and networking platforms can help Ontario's tech talent inspire new tech talent to accelerate their success.

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

Mr. Jason Goldlist: (5) Improve broadband access: Tech companies require faster and more reliable Internet access. The Internet should allow people anywhere in the province to launch businesses and contribute to the growing technology ecosystem. This is a real obstacle for many entrepreneurs, especially in rural Ontario. One megabit a second upload is barely sufficient even for what we're doing right now, a basic video conference, let alone developing new businesses and technologies that innovate and extend what we do today, or even participate in distance learning and virtual health programs.

Those are our five recommendations on how to best support small and growing tech companies: buy from start-ups; invest in start-ups; prepare people for start-ups; make it easier to launch a start-up; and improve broadband access.

On behalf of TechTO and members of Ontario's tech ecosystem, I'd like to thank the committee for the opportunity to share my comments. I'm happy to answer any questions and, moreover, I want to convey the willingness of the tech community to contribute to Ontario's economic and social recovery. Our mission has always been to win together. Thank you.

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

We'll start with the questions, but before that I'd like to do an attendance check. MPP Kusendova?

Ms. Natalia Kusendova: Good afternoon, everyone. This is MPP Kusendova calling in from Vaughan, Ontario. 1850

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

We'll start this round of questions with the independent members. MPP Collard.

Mme Lucille Collard: Thank you for the opportunity.

I have a question for Greyhound Canada Transportation and Mr. Kendrick. I'd like to know to what extent you've resumed your operations and what percentage of your clientele have come back, if you have.

Mr. Stuart Kendrick: We have not resumed service yet. Other than Greyhound, I think there's one carrier operating one or two schedules a day out of Toronto with very limited passenger ridership.

Mme Lucille Collard: As a follow-up: Are you preparing, if you can resume—I know Via Rail is back on track with safety measures. Are you considering that as well?

Mr. Stuart Kendrick: Yes, we're in the preparation mode every day on the right safety measures, the implementation of what we will put in place from a policy perspective on PPE, and customers will have to wear masks in the buses and in the bus terminals. So there's lots of preparation going on.

Mme Lucille Collard: To the Barrie Chamber of Commerce: Mr. Markle, my question to you is, do you see an opportunity for a community of new immigrants to contribute to your needs in terms of labour? You said there is a need there. If we could fast-track skills recognition, would you see that as an opportunity? Have you explored the possibilities?

Mr. Paul Markle: Absolutely. I think that's a fantastic idea. Georgian College has an extraordinary number of immigrant and foreign students coming in. However, a lot of them are still in their originating country because of the pandemic, and they'll be doing their first semesters online. But yes, absolutely, I think that's something that would work very well up here, and I believe there are some programs in place that do begin to place those individuals into jobs. But as our manufacturing sector expands, the need for those workers is growing and it's outstripping.

Mme Lucille Collard: Jason, thank you for your very clear and comprehensive presentation. You look like you've got the technology very well handled there. It sounds like your contribution is also key to our economic recovery.

Do you also see—in line with my question to Mr. Markle—a role that you would have to play in order to assist new immigrants to acquire or to update their skills, to contribute to the economic recovery?

Mr. Jason Goldlist: No doubt. In fact, we work with new immigrants all the time to bring them into the tech ecosystem. Especially with the recent cancellation of the US H-1B program, we see an enormous amount of skilled labour from all over the world who are looking towards Ontario and our companies to make their contributions. The uptick has been immense over the last few months. It has been really enormous throughout the last five years, but it is significantly higher now. I would say that there are programs in place that have made it already really easy, and we look for new opportunities to even better integrate more immigrants into our growing tech ecosystem.

Mme Lucille Collard: Thank you very much to all of you.

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

Mr. Jeremy Roberts: Thanks so much to all of our presenters for appearing this evening. I know it's a late night, but we appreciate you taking the time to share your perspectives.

I'm going to start with Jason. Jason, I represent Ottawa West in Parliament, and of course Ottawa has got a very vibrant tech community in our west end. We've had a

couple of presenters from the tech industry who have met with us over the course of the committee so far, and one of the things I've been really struck by is how innovative and resilient the tech industry has been throughout all of this. There are a lot of challenges, but I think a lot of the tech community were some of the first to be able to react quickly to the challenges posed by COVID-19.

I want to dive a bit more into your suggestion around attracting talent. I think this is something that our government is very interested in. We've seen moves recently to try to add coding into the curriculum.

What other ideas do you have for how we can best ensure that that talent is staying in Ontario and helping to fill some of those job gaps? You mentioned incentives, for example. I'm really curious, if you can expand on that.

Mr. Jason Goldlist: Absolutely. In our opinion, the best talent is looking for, really, three things. The first is the opportunity that we celebrate a lot: to become entrepreneurs and to build their own business. So as much as we can do to help support the entrepreneurship and start-up journey to help people create the businesses of the future that will create employment and will create the tax base—we want to be able to make this a really easy place for them to do that.

The second is the people who are growing their careers who are already in the tech industry—we want to make this a great place for them to continue to meet the people who are local here, who are going to help them get to the next stage of their career. Whether it's a mentor, whether it's other opportunities for employment, how can they best connect with others to grow?

And then, of course, the third is people who are not yet in the tech ecosystem—there are plenty of people here who are very talented, and they need the opportunity to break into the tech ecosystem. So the third thing we need to do is we need to make the tech ecosystem inclusive, open and accessible for anyone, whether they are a tradesperson, a professional, a retailer, who wants to join this movement. How do they get started? With intro programs and content, of course, to learn and grow. But also, how do they meet people inside, so that they can learn what it's really like to be part of a tech company, to lead a tech company and eventually to build their own tech company?

Mr. Jeremy Roberts: I'm going to be visiting, tomorrow, Algonquin College in my riding, and touring it with the Premier. They're graduating a lot of folks, particularly in the animation space, as well as some of the other tech fields. So I think that feedback is very valuable. Thanks, Jason. I appreciate that.

I'm going to quickly pivot to the Barrie Chamber of Commerce in my remaining time. There are two questions I have for you, Paul—I know Andrea would have loved to have been here with us tonight, but as you note she's busy on another Zoom call—around some of the orders that are going to be expiring come December around alcohol. One was about the expanded patios that we allowed to happen during COVID-19 to help some of our restaurants; and the second was about allowing the delivery of alcohol. Both

of those are set to expire December 31. Based on what you're hearing from your membership, do you think it's merited to look at expanding or continuing those provisions that have been allowed?

Mr. Paul Markle: Thank you, Mr. Roberts. I must say, my daughter went to Carleton University and Algonquin College, so I'm very familiar with the drive to Ottawa and love the city and everything that goes on there.

I'm also fairly heavily involved in a festival called Kempenfest, and specifically the beer garden. The alcohol and working with the AGCO is always fun.

The adjustments that were made, obviously, to keep businesses and restaurants afloat were very progressive relative to what has been done in Ontario up until this point, and I think continuing that is a very wise move. It allows businesses to continue to expand their offerings. I think we have to take into consideration that we have a mature enough audience out there and that they're going to handle it properly. Look at other cities throughout North America that have no issues, for the most part. I think we need to be a bit more progressive. I would certainly support that, and so would my members.

Mr. Jeremy Roberts: Unfortunately, we're going to have challenges with weather come December as well, even with expanded patios. We may not have folks who want to be out and about. But I think both of those are definitely merited.

Chair, how much time do I have remaining?

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

Mr. Jeremy Roberts: Paul, I'll continue along with some questions for you. We've heard a lot of suggestions about how we can best support small businesses through tax relief. Is there anything you'd like to add? Are there innovative ideas floating around, or are folks focusing on things like home renovation tax credits and different things like that? Any thoughts you have there would be great.

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Mr. Paul Markle: From a business perspective—and I'll stay there—one of the topics I really didn't get into was the rent subsidy. We firmly believe that putting those decisions in the hands of the business owner and not the landlord is a better decision. It's a lot more controllable. I think there would be a lot more uptake.

Those kinds of tax credits or the ability to make adjustments would certainly help small business to recover. They need the help. They need the relief from their expenses because the expenses haven't changed. Anything that can be done there is going to help them to move forward faster.

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

Mr. Peter Tabuns: Thanks to all the presenters this evening. I appreciate what they've had to say.

I'm going to start with TechTO. Mr. Goldlist, thanks for your presentation this evening. There are two things that I'd like to have you expand on. I'll start with improving broadband access. I understand that there is, let's say, unevenness across Ontario with regard to broadband

access. I'd like to know if that's what you're talking about and, if you are, the scale of the investment that's required and the scope of the limitations that it's presenting to us. But if it's more than just an urban-rural issue, I'd like to know about that as well.

Mr. Jason Goldlist: For the first one, on broadband access: To give you an example of the size, some of the guidelines that have come out have expected all of Canada to be covered in at least one-megabit-a-second upload speeds. Most rural communities that don't have access to fibre or cable are receiving service from the telcos via wireless home Internet; those packages are severely disabled. When you think of the packages that are available in urban centres, some have upload speeds of over 940 megabits a second, so 940 times faster. What that let's us do, especially in a day and age when we're working remotely and we're doing virtual health, is, it lets people participate more in the economy that we see happening. Even, for example, today you might want to upload a body scan for a health care provider. On certain rural providers, it just won't be possible to do that. It will be hours, if not—and it will be exorbitantly expensive.

What I think we need to do is to look at innovative ways of connecting access to people who don't have it. Typically, we see that being in rural and remote communities. I believe that in the urban experience that I've had, I've had access to the broadband that I need. But I do encourage us to think broadly, outside of cities, because without that essential tool I think there are going to be a lot of missed opportunities for small businesses and for the talent that's across the province.

Mr. Peter Tabuns: Could you talk about the scale of investment that will be required—I'm focusing on Ontario rather than Canada—to actually put in place the broadband infrastructure that Ontario's economy needs? Have any studies been done giving an assessment of the potential economic development dividend should we make that investment?

Mr. Jason Goldlist: I think the first thing we're going to need to do is decide which of the available solutions we're interested in pursuing. There are multiple solutions out there that are going to help increase speeds—everything from running cables and running wires and running fibre optics to creating the next generation of telecommunication towers, which are known as 5G, and replacing devices there, all the way to several solutions that are actually space-based and satellite-based that are being launched today. Each of those have very different economics, different partnerships and different investment required.

I believe there probably have been studies that have been done—and I'd love to research them and share them back with you—that would talk about the economic development and the trade-offs between those. But I think it's important for us to think about what are the one or, to my talk before, the several solutions that we want to pursue and see which one wins and make commensurate investments, to make sure everybody has equal access to very fast download and upload speeds.

Mr. Peter Tabuns: I appreciate that there are some very different options before us: cable, satellite, new towers.

Has anyone done an assessment giving us a scope, a ballpark estimate of the total infrastructure investment that would be required to give us at least a functional system right across Ontario?

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

Mr. Jason Goldlist: I'd love to look into it and see if that report has been done. I'm happy to share it with you if I find something great.

Mr. Peter Tabuns: Jason, that's absolutely fine. If it isn't at your fingertips it isn't, and we can go on to other things.

When you talk about preparing people for start-ups—can you expand on that? Are we talking about business abilities, or are we talking about the technical skills that they have to bring in to actually get a product together?

Mr. Jason Goldlist: We're talking about skills for sure, both technical and business skills. We're also talking about soft skills, so we're talking about the way that we think, the way that problems are solved, the way that people communicate, the tools that they use, the people they know. Finally, I think we're talking about experience. One of the things that is very much celebrated in the circle of tech start-ups is the ability to try and fail. We want to get more people—yes, the basic skills, whether they're in, it was mentioned before, animation skills or writing skills or video skills or coding skills—all sorts of different skills that can contribute.

We also need them to think a certain way, to be a little open to taking a risk, open to new challenges, excited about growing quickly and fast. Then, of course, we need them to try it. We want them to create—even if it's not their full-time income to begin with, how do they create a side project or what we call a side hustle? How do they start a small business and how do we help them grow and expand that so it becomes a big employer or gives them the skills to move into the tech industry and make a major contribution there?

Mr. Peter Tabuns: I don't know how much time I have left, but I'd like to try a question for Mr. Markle before my time is gone.

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

Mr. Peter Tabuns: I'll give it a shot. Mr. Markle, thanks very much for your presentation. One of your comments that quite caught my attention was around the need to allow businesses to apply directly for the rent subsidy rather than going through the landlord. It's a huge issue for me—

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 side now. MPP Kusendova?

Ms. Natalia Kusendova: My question is for Mr. Markle from the Barrie Chamber of Commerce. I find it very interesting that you had mentioned child care as one of your talking themes today. We've heard about the topic of child care previously from different stakeholders. We

know that in order to allow the parents of children to return to economic participation, we need to ensure that they have a proper plan in place.

In fact, with Minister Lecce, our government has now 900 new child care spaces across Ontario, which is great news for Ontario parents. In terms of our safe September return to school, even today there has been an announcement of an additional \$381 million from the federal government to be flown into our school boards to give parents assurance that their children will be safe when returning to school.

My question is, what other tools or resources do you think we should provide to our school boards to give parents confidence, as children return to school, and in turn members of your chamber—some of them entrepreneurs and small and medium-sized business owners—that assurance that their children are safe?

Mr. Paul Markle: As I mentioned, I didn't have a lot of time to cover off what was released today and I apologize for not being prepared on that front.

I think what our business owners are looking for is certainty. They want to know what's happening. That's really the biggest problem. Everyone understands all the complexities that are involved with it, and that it takes time to work together on these issues. As I mentioned—and I remember saying that the government has done a fantastic job, everybody. It's just the speed that it came down. Businesses like to plan, and when they can't plan, they get very uncomfortable, because they're talking about their dollars; specifically, when they're a solopreneur. That's where the concerns are.

I don't have any specific recommendations for you. I'm not an educator. I would be grasping at straws, and obviously, I need to represent my base. I would just say that bringing things to bear fast—that's what needs to be done. Even if there are mistakes with it, as long as it's up and running, you can adjust it, as the government has done through this entire pandemic response. That would be my recommendation.

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Ms. Natalia Kusendova: Yes, definitely, the word "certainty" is something that has come up time and time again. In fact, we had a caucus call this morning and some of our members asked the Premier that very same question. Do you know what the Premier said? He said, "I wish I had a crystal ball" to be able to give some certainty, not only to our small and medium-sized business owners, but also to parents and teachers etc.

But this is a novel coronavirus, and that's why we're still learning each and every day, and that's why we rely heavily on the advice of our chief medical officer in order to ensure the health and safety of Ontarians, which is our number one priority, in conjunction with our recovery. That's why we are hosting these hearings today to hear from stakeholders such as yourself on suggestions on how we can better support you as we safely reopen our province.

My next question would be to Mr. Goldlist, from TechTO. I find it very fascinating how much the tech sector has stepped up during the pandemic.

But my question is around mental health. We have seen huge impacts on people across this province in terms of their mental health, and technology and innovation have been key in giving some resources and some tools to our mental health practitioners for relieving some of the symptoms of the COVID-19 pandemic in terms of social isolation, loneliness, anxiety and depression. Can you maybe speak to how the tech sector can actually support the government and support people in their mental health?

Mr. Jason Goldlist: Certainly. I think what's really neat is a lot of the solutions that you're talking about today as being really successful in the pandemic have been the work and the culmination of the work over many years of entrepreneurs who have been thinking about not necessarily the coming pandemic, but a world where we will be able to deliver solutions like this virtually. I think we are just seeing the tip of the iceberg on the kinds of things that are being invented and explored to help with health care delivery, to help with education delivery, and to help with more provision of services remotely. Specifically, when we think about the solutions that are being built here, I think we're in a really unique position, because of the state of how the provincial health care system works, for us to be really excited about trialling and supporting up-and-coming health opportunities.

One thing that I have heard from several start-ups in the community is that working with hospitals and other provincial health care providers has oftentimes been a very slow process—months and months, if not years. What changed earlier this year was that suddenly—I don't want to say that due process was skirted, but it was accelerated very quickly.

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

Mr. Jason Goldlist: I think that acceleration is going to be really important, not just for us to recover, but for us to thrive going forward. So any learnings that we can take from how we were able to work with start-ups, how we were able to get their technologies really quickly integrated to be the solutions that we were looking for—how do we make that into the new process to make sure that we're giving lots of up-and-coming companies the chance today, but also tomorrow, to be part of the solution?

Ms. Natalia Kusendova: Now over to MPP Piccini for some questions.

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

Mr. David Piccini: With only 30 seconds left, I'll just thank the presenters for their presentations and defer to the next round.

The Chair (Mr. Amarjot Sandhu): We'll move to the opposition. MPP Arthur.

Mr. Ian Arthur: Good evening, and thank you for presenting.

I have a couple of questions. I'm going to start with Mr. Kendrick and Greyhound. I had a small business round table about two weeks ago, and we heard from a small bus company in Kingston trying to explain what was actually happening in terms of—they were basically walking their buses, because they weren't driving them. They needed

them to still run because of the potential maintenance costs if they actually let them still sit there. So he's had to essentially keep people on staff using the wage subsidy. But in terms of a start-up, he can't even break even with 30% passengers. What is it like for Greyhound in that area?

Mr. Stuart Kendrick: Thanks for the question.

Exactly the same. All the bus carriers, whether they're medium, large or small, have different levels of costs, but when it all comes down to maintenance and keeping your buses ready to roll on and get moving, you're going to need to keep minimum staff. And whether there's a limit on the amount of passengers that you carry—this is the exact issue I raised in my presentation. The small bus carriers and the one in Kingston and then Greyhound and others—in order to start up, they need help. They need to be able to provide a consistent service, and as the consumer gets more confident in travelling on the bus, obviously your revenue is going to go up. But when you start and the fact that you do not get any revenue, or very little, and your cost to drive per kilometre is still there—that's the issue that every bus company will face. One of the asks that I think all of them at every different level have is, they're looking for support from the province on that.

Mr. Ian Arthur: Thank you. I may come back to you, but I'm cognizant of having very little time for these questions.

Mr. Goldlist, you've talked about the need for—and we've heard from many, many parties about the need—expanded broadband service, particularly in more remote areas. We've just heard from another presenter who has partnered with Starlink. Have we missed the boat on delivery of broadband? Is it just going to be solved by the private sector?

Mr. Jason Goldlist: That's a great question. I don't know the answer to that.

When I think about the last generation of broadband that was sent to the house, I'm not sure I'm familiar with the role that was played by the government versus what actually happened with the private sector. When I think of companies like Starlink or other Canadian satellite opportunities that are happening there, all those are enabled by policy, I would imagine. So I don't think you've missed the opportunity; I think there's plenty of opportunity to work together with private companies that are delivering this.

But to my previous comments: I think it depends on the perspective we want to develop on how we want to deliver it to the home. I don't think that there will be a single solution that's going to be the winner here; I think it will have to be a portfolio of options. It probably makes sense to investigate and work with private industry to make it successful for everyone in Ontario.

Mr. Ian Arthur: What we hear when we talk to the actual service providers that are delivering it is that it's not cost-effective to deliver it to smaller communities and, therefore, they need government subsidies in order to be able to do that. The satellite opportunities circumvent that and, frankly, they're near impossible to regulate. You

purchase a box or rent a box; it's installed. There's almost no ability for government to even have a say in that. That's part of the push for those Starlink programs—to have that kind of freedom of the Internet globally.

Go ahead. I'd love your thoughts on this, because I'm very curious. My gut tells me we've missed the wagon on this one. It should have been 30 years ago that we were investing in this.

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

Mr. Jason Goldlist: That could be right. The right solution, in my opinion, is a solution that gets faster speeds to the most people. If we think a solution is going to, for example, circumvent this process but end up delivering really high-quality, fast Internet speeds to people in Ontario, I think that's a win, not a “we've missed the bus”—sorry to the Greyhound speaker for the “missed the bus.”

I do think we need to be thinking about an index—how many people are there who don't have speeds and anything that moves the number of people towards gigabit-and-plus connections we should think of as a win, and there will be multiple solutions to get there. I think a satellite provider that maybe is going through different channels is one way to do it, and there will be other ways as well.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. MPP Collard, any questions?

Mme Lucille Collard: I don't have any more questions, but I do want to thank the presenters tonight for their very thoughtful remarks. I do hope that these will be taken into consideration going forward. I think you have great incentives and a great sense of what needs to be done. I certainly do appreciate your time, and listening to you was very helpful to me, so thank you.

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

Before we move along to our next group of representatives, MPP Morrison, can you please confirm your attendance?

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Ms. Suze Morrison: Yes, I'm here, present in Toronto.

The Chair (Mr. Amarjot Sandhu): Also, to let the members know: The first presenter of the 8:30 p.m. slot will be presenting with the two presenters at 7:30 p.m., so we'll have only one presenter at 8:30 p.m.

CANADIAN CHAMBER OF COMMERCE
CORKTOWN RESIDENTS AND BUSINESS
ASSOCIATION

SIMMERING KETTLE AND DOSTI EATS

The Chair (Mr. Amarjot Sandhu): First, I would like to call upon the Canadian Chamber of Commerce. Please state your name for the record, and you will have seven minutes for your presentation.

Dr. Trevin Stratton: My name is Dr. Trevin Stratton. I'm the chief economist at the Canadian Chamber of Commerce.

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

Dr. Trevin Stratton: Thank you.

In the middle of a once-in-a-century pandemic, it is difficult to think beyond confronting the immediate effects of COVID-19. However, even as we continue supporting each other today, we must also begin looking over the horizon to the post-COVID-19 world. We need to start planning for how our country and our economy can emerge stronger.

The first phase of dealing with the pandemic was to contain it using any means available to us, even at the expense of placing our economy and much of our social interaction into a medically induced coma. We have now moved into the second stage of our response, the carefully measured decontrol that allows Canadians to resume more of their ordinary lives and that attempts to breathe life back into our economy. This phase will last for some time. We often speak about the new normal, but we won't really know what that new normal will look like, let alone start to live it, until we have an effective vaccine in wide distribution, a process that is likely to take some time.

Our small and medium-sized businesses are on the front lines of this crisis. They represent many of our hardest-hit sectors—restaurants, retail, accommodation, tourism and the arts—that rely on physical presence for their business models to work. Some of you may have seen that today the Canadian chamber launched the Our Restaurants campaign to address the more than 60% of Canada's restaurants at risk of having to close their doors permanently by November. These businesses need more support, and more information is available at ourrestaurants.ca.

Where we find ourselves today is in a transitional phase, where we will have to live with the virus in our midst without any absolute guarantees, but managing the risks involved carefully and responsibly while increasing our economic and social activities. The first few months of the economic impact of the pandemic were driven by the restrictions put in place, but now, as businesses have started to reopen, the next phase is characterized by our economy operating below capacity. Full recovery is a long way off, but recovery starts with resilience, and the government response thus far at all levels has been instrumental in helping to ensure that many small businesses will be there to propel our economic recovery. These measures have come at an enormous price, and their costs will continue to mount for the coming year and beyond. The burden of carrying that cost will be borne by an economic infrastructure that has been badly damaged.

As provinces and territories reopen, Canada must prepare to transition away from a subsidy-based crisis response towards economic recovery and getting Canadians back to work, while ensuring their health and safety. We will need to encourage investment and business activities that will create jobs and generate the revenue needed to offset the extraordinarily high levels of public spending during the emergency. This will be no easy task.

Over the coming months and years, our international competitors will be fixated on attracting investment and creating jobs, and for Canada's recovery plan to succeed,

our policy-makers will need a singular focus on economic fundamentals and on promoting growth. Governments must be as agile and determined in pursuing economic growth as they have been in responding to the virus itself.

Developed in partnership with our vast network of over 450 chambers of commerce and boards of trade and more than 100 of Canada's business associations, the Canadian chamber's road map to recovery lays out nine policy areas and specific measures that our political leaders must consider to ensure a sharp and lasting recovery. These priority areas are:

- getting Canadians back to work;
- keeping supply chains and people moving;
- managing debt and deficits;
- navigating global fragmentation;
- adopting technology and innovation;
- ensuring a resilient resource sector;
- planning for SME business continuity;
- strengthening our public health infrastructure; and
- rethinking government's role and priorities.

The economic, political and cultural changes this crisis inflicts on Ontario, Canada and the rest of the world will be massive. We will need to continue the high level of collaboration among governments, business and civil society that characterize the management of the pandemic. We ask the government to work closely with the business community in developing a road map for economic recovery. A growth-focused plan based on broad consultation will unlock economic capacity, fuel job creation and promote new business investment. By working together, we can forge a path to recovery that is inclusive, sustainable and innovative.

I would like to thank you for the opportunity to meet with you this evening, and I look forward to our discussion.

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

Our next presenter is the Corktown Residents and Business Association. Please state your name for the record, and you can get right into your presentation.

Mr. Aaron Binder: My name is Aaron Binder. I'm the president of the Corktown Residents and Business Association. Thanks for having me today. I would also like to thank Minister Sarkaria's office for inviting me to speak at committee today. It's the second time I've done this, and it's been about a month and a half, so I'm going to reiterate some of the topics that I brought up last time, but I have some new information to share. I want to thank you all for sticking around so late. I know a lot of us are working late a lot these days. It's important that we hear from a lot of different folks in different sectors.

I've come today to talk specifically about main street businesses. These are businesses that are struggling to pay the bills, even with government subsidies in some cases. I think "operating below capacity" is a great phrase that Trevin just used. We're seeing a lot of businesses wanting to stay open, but they can't bring back the number of employees they want, they're not seeing the revenue that they used to have, and there is still a lot of uncertainty

about how to proceed from here for a lot of business leaders.

The other thing is that a lot of these businesses do have long, storied histories as local neighbourhood coffee shops, pubs, gyms and other gathering places. That's why it's important for us to get the actual recovery stage of Ontario's response to COVID-19 right. I think there's been a lot of great collaboration between all three levels of government, and that needs to continue.

The province does have a great opportunity to lead with innovative ideas. You just heard from Jason Goldlist in the last hour, from TechTO, who gave some great ideas to help boost the tech community. Many bricks-and-mortar businesses don't have those resources to adapt as quickly as many tech businesses do. I've spoken with our community leaders in Corktown and our business leaders, and they've given me a few recommendations to pass on to you.

Number one is a serious reimagining of how MPAC specifically assesses urban, commercial and residential properties.

Number two is a provincial enhancement to the federal CEBA loan program.

Number three is an additional provincial component to the federal government's CECRA program that would see qualification rates for that program decrease from a threshold of—I think it's 70% to 30% revenue loss for qualification.

Number four is to make it easier to start a new business. Just like many other business owners, my mind has been racing, thinking of new business ideas: What can I do next if my current business fails? We need to make it easier for entrepreneurs to do what they do best, and that's execute our really cool ideas in the province of Ontario.

And number five is simple: to create incentives for existing and new businesses by investing in and expanding Digital Main Street. This is an easy, tangible thing that the government could do tomorrow.

In Ontario's tourism sector, where my current business operates, recovery has meant part-time work for our employees and a huge uncertainty of how to pay our rent through the winter months, when we're going to incur maybe a thousand bucks of revenue a month against our \$4,000 rent. I do want to say that, thankfully, my business has enjoyed access to all three programs offered by Digital Main Street. Expanding this program in tandem with the Ontario government is definitely my top recommendation to the committee today. It would cost relatively little, and main street businesses would benefit by being able to compete with companies like Amazon and Best Buy that have continued to eat away at their market share while paying less taxes than the average main street business does.

Last week, you heard my colleague Beth Potter from the Tourism Industry Association of Ontario give you a few stats, and I'd like to reiterate a couple of them right now.

In 2019, Ontario's tourism industry brought \$36 billion to our economy, and \$5 billion of that went to the province

in tax receipts. That \$36 billion came from 200,000 businesses, supported by 400,000 jobs in the industry. If Ontario doesn't protect these businesses now, we will lose billions of those dollars to other destinations and jurisdictions that are already planning aggressive recovery strategies. We have seen places like Italy, parts of the States and South America start new programs, even in May, to bring in early-adopter tourism business.

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

Mr. Aaron Binder: They will be some of the first major competitors that the Ontario tourism industry and many other industries have. So we really need to make sure that this strategy is worked on at all three levels of government.

Here are my tourism-related recommendations for you today.

An economic stimulus package that helps keep tourism businesses solvent over a 12-to-18-month period for now with a program of forgivable grants and loans—kind of tying into my earlier remarks.

Development in tandem with the federal government of a Canada tourism recovery strategy—I know that's already being worked on, but we really need to stress that.

Some level of tax forgiveness for tourism businesses—I don't know what that looks like, but I am sure the tourism industry association has given many of the members present some specific ideas.

And, I just want to reiterate again, grants and forgivable loans for new tourism businesses—any new businesses, really—or new franchise locations of existing businesses.

I'm just going to end by saying, "Good Things Grow in Ontario," and right now we've got an opportunity to keep them growing. I think this is a great opportunity for every business sector in the province to capitalize on the global economy and move forward in ways that we never really dreamed but have the talent to follow through on. Thank you all.

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

Our next presenter is Simmering Kettle and Dosti Eats. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Shalu Persaud: I'm Shalu Persaud, the owner of Simmering Kettle and Dosti Eats. Today, I thank you for having me here, and I'd like to share my journey through COVID-19 with you.

Even before everything was shut down, we saw stuff coming down the pipeline, and I had already put "reserved" signs on my tables. I've been in business 30-some years. We've been serving the Barrie area—me and my family—since I was a teenager. I've served generations of families, and so keeping them safe was obviously of utmost importance to me, too. I had already put "reserved" signs on tables to do the social distancing and all of that, and yet still we got shut down. All the rules that came down with COVID-19—wash your hands, sanitize everything, cough into your shoulder or your elbow—these are natural things that a restaurant does. That's how a restaurant operates. So, I'm sorry, but I felt like we were

just targeted, because we're already doing those things. I understand that we didn't know how bad it was going to be. But in any case, they shut us down.

I have two restaurants: one that is a dine-in—99% of our sales are dine-in, with a little bit of takeout—and the other restaurant is more set up like a QSR, where you can dine in if you want but it's a lot of takeout. Both restaurants were in a predicament because the QSR I just opened a year before. When you first open a business and it's not a Tim Hortons or a Starbucks, you've got to work really hard to get people knowing what you're doing. I didn't just open another burger joint; I opened Dosti Eats, which is street food from around the world, so we had to educate the consumer about the options. Everyone coming in was saying, "Oh, my God, I've never seen anything like this before." So it took us some time—and we got awarded the best new business award by the Barrie chamber. So things were going in the right direction and then, boom, COVID-19 happened. That's one scenario there.

The other scenario: I had a long-time established business. I had two locations, but because of health reasons, I had just sold one location and had come down to just one location. So I was really looking forward to enjoying the abundance of the business, because they were close enough in proximity that the customers were coming over. In January and February, we saw a big boost in our sales, because the customers were coming over, and yet in March we got hit really hard, because on March 17 we literally had to shut down, and that was that.

To keep my sanity, I still showed up to work at Dosti Eats every day. I was the only staff member there, and sometimes I was the only customer there. That's how bad it was. But to keep my sanity, I was there day after day after day—you're working there 10 or 12 hours—because we are an essential service. We've got to be there for the customers—gotta, gotta, gotta.

What I witnessed was people sitting and eating on the curbside instead of sitting at my sanitized table, because they weren't allowed to eat indoors. It was, "Don't let the Uber drivers or anyone use your bathrooms," and I saw people just peeing out in public—all sorts of craziness. How is this cleaner? How is this any better than just allowing us to continue with the precautions of the social distancing inside?

Anyway, as it turns out now, we were so happy and grateful when the patios got opened. For my dine-in restaurant, in March, because we pretty much shut down half, we lost 50% of our sales—actually, it was 56-point-whatever per cent. In April, we did not open. Finally, I think it was the last week of April that we opened up, so 98% of our sales were lost. In May, we were down 86%, because once people knew we were open, we had a little bit happening. And then in June, because patios got opened, we were still down, 76% less, in sales. In July—

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

Ms. Shalu Persaud: —the numbers were getting better.

Nonetheless, when they allowed for dine-in, I was so excited. I thought the floodgates were going to open and

we were finally going to be able to get back to business, but it didn't happen. That's when I went through a depression—not even in March, when it first happened, but then—because the reality of how afraid everyone is set in. My question is, how are we going to get beyond? How do we bring confidence back? You're going to boost the economy when you bring the confidence back to the people that they're safe and it's okay to go out. So how are we going to get that happening? When people feel safe, the numbers will go up.

Like I said, at the restaurant, we sanitize non-stop. We clean. We're constantly washing our hands. It's a lot safer than going into a Walmart; you have no idea who has touched all those things or coughed on them or done anything. Meanwhile, I've got designated servers who sanitize every single thing multiple times a day.

Sorry; thank you for having me. That's my rant. I just want to get back to doing what I love, which is feeding and serving people.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start the first round of questions with the opposition. MPP Harden.

Mr. Joel Harden: Thank you kindly, Chair, and thank you to all of the folks who are deputing to us tonight. Thank you to the staff who are keeping the wheels grinding at such a late hour.

I want to begin with the Canadian chamber and Mr. Stratton. Mr. Stratton, I was listening closely to all of the indicators you are looking towards for a successful response to COVID-19. One of the things I didn't hear you reflect on, which I'd like you to consider, is, how vulnerable the province was, given some of our reliance in certain sectors on low-wage, precarious labour. I'm thinking in particular of personal support workers moving between many different homes. I'm thinking of education assistants and early childhood educators who are going to be trying to fill our schools in the fall. I think we made ourselves, by industrial policy—for decades; it's not only on this government, if I'm fair—very vulnerable to the spread of this virus, and in some cases to some of our most vulnerable constituents.

With that in context, I'm wondering if you are reckoning at all with the chamber's policy on paid sick days. A couple of years ago, the government made the decision to get rid of the two paid sick days in this province, and I can tell you a lot of the folks who I have met through our MPP office would certainly have liked to utilize those paid sick days in Ontario—vulnerable to the growth of this particular pandemic. I look at other jurisdictions like New Zealand and many states in the US that have taken a different strategy.

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I'm wondering if you or your organizations all had a rethink about sick days, particularly for large operators that can afford it.

Dr. Trevin Stratton: Absolutely, and this is a very big issue. I think this is an issue where most Canadians and, certainly, the business community is on the same side,

where no one wants anyone going to work if they feel like they might have symptoms of COVID-19 or anything else.

I think one of the questions is, what is the best way to do it? Certainly, there have been some recommendations on being able to provide those additional sick days through the EI system. I think one of the challenges with that is that the people who pay for EI—seven twelfths of the cost from employers and the additional five twelfths come from employees themselves. So the cost for these programs might actually be borne by the businesses that we're trying to resuscitate, and the individuals, the workers, the employees who might be facing challenges right now as well. So what we've advocated for is, instead of having it be part a permanent EI system, to have some sort of temporary provision for those sick days that would be available through the CERB system, while the COVID-19 situation is in place.

Mr. Joel Harden: I hear what you're saying. What I take from other jurisdictions, though, is that income security programs were not set up for sick days. The way in which the sick day system works in the unionized sector is very clear: You have a bank of them, you use them and then if you have to go over, there is a conversation to be had about disability leave, short-term or long-term. For so many workers in Ontario, they absolutely don't even have that choice.

Again, I ask you the question from the chamber's perspective. I value the work of chambers across the province of Ontario, although I think you've got this issue wrong. I think pushing the government to jettison the two paid sick days that we had under the previous provincial government, which I don't think went far enough, made us uniquely vulnerable. I think Walmart can afford it. I think Canadian Tire can afford it. I think many of the large, corporate employers in this province, if we actually sat down and had a proper round table, might even agree to it. But that ship has, to an extent, sailed. This federal government has announced this aspirational program of 10 paid sick days, but there is no plan. I'm used to seeing that from the federal government.

What I would love to hear from your perspective is, how can we get back to a reasonable conversation about paid sick days so people are not going to work sick, particularly during a pandemic?

Dr. Trevin Stratton: It's a very good point. I think that it actually applies to a broader issue, which is that some of the support programs that we have in place for workers might be outdated. The way that the workplace and the labour force have changed might result in certain members of the labour force not necessarily having access to the same supports that some other employees have access to.

In theory, if the EI program was actually working properly, CERB wouldn't even have been necessary—if it were able to catch everyone, if it were able to catch gig workers. So what we have been advocating for is, first of all, being able to transition people away from subsidies to get them back to work. Using a wage subsidy is one way to do that. But certainly there are going to be a number of Canadians who might not have a job to go back to, who

might fall through the cracks. That's going to require a reform of support programs like EI, as well—

Mr. Joel Harden: Indeed, but let's not reform it, Mr. Stratton, in the direction it has gone for the last decade, where people can't even access it anymore. We've had the experience with the CERB. The difference between the CERB, I would submit to you—and you're an economist—is that at least it had some pretense of universality. Increasingly, what would happen with EI is that more and more unemployed and seasonally employed workers couldn't even get it.

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

Mr. Joel Harden: So now we are pushing millions of Canadians onto an inadequate social program. I would submit to you that the answer isn't taking the sick day conversation into that program. Maybe this is an epiphany moment where we can agree from the left to the right and all points in between. We need a provincial program for paid sick days. It's good for employers. It's good for workers. It will keep us safe during a pandemic. What do you think?

Dr. Trevin Stratton: First of all, the Canadian chamber is a non-partisan organization. We're neither left nor right. And throughout the pandemic, I think something that has been beneficial for all Canadians has been the close work between business and labour and governments as well.

We've been working very closely with the Canadian Labour Congress on putting together some of those emergency subsidies and programs that were put in place in the first place. What's going to be very important, looking forward, is to ensure that all voices are at the table for any supports that are changed or that are provided, to make sure that all the proper consultations are taking place with business and with labour going forward as well.

Certainly, looking at some of these issues, our labour force is one of our greatest competitive advantages in Canada for skills and education and talent—

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

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

M^{me} Lucille Collard: I'll first ask a question to Mr. Stratton, to keep you going. You did mention, I think—and correct me if I'm wrong—that 60% of the businesses are at risk of closing their doors or going out of business. Is that accurate, and do you have a number of businesses to go with that?

Dr. Trevin Stratton: That was for restaurants in particular, but yes. We partnered with Statistics Canada throughout the crisis to create the Canadian Survey on Business Conditions, to get not necessarily the real-time data but proper data as conditions evolved of what businesses were experiencing and what they were facing. We've done two waves, and the third wave will be coming out in September. So, yes, we do have data on exactly what businesses are facing when it comes to the cash buffers that they have, when it comes to the liquidity and when it comes to how long they think they can remain in

operation—at the beginning, while restrictions were in place, and now just in general, how long they can remain in operation.

M^{me} Lucille Collard: So you don't have a straight number. But I want to ask another question about—did you want to answer to that?

Dr. Trevin Stratton: I can send the raw data from the Canadian Survey on Business Conditions that would be able to provide all of that information by sector and by region of the country as well.

M^{me} Lucille Collard: Thank you. That would be helpful.

I do have another question. You said that consultation is part of the solution for economic recovery. Obviously, you need to be at the table to figure out what solutions we can put in place. Can you give us some examples of what you think the conditions need to be in order for a meaningful consultation to happen? What would you like to see in order for that consultation to be really meaningful?

Dr. Trevin Stratton: Different businesses in different sectors are in very different situations. At the Canadian chamber, I certainly see this first-hand because we represent all sectors across the economy. I would also say that different sizes of business are also in very different situations when it comes to SMEs or when it comes to larger corporations. So for consultations, I think it's going to be very important that we talk to all kinds of sectors and that we talk to all different sizes of businesses and that we talk to urban and rural businesses about their different experiences during the pandemic. If we're going to have an inclusive and comprehensive recovery, then it needs to take into account all these different types of tailored solutions.

M^{me} Lucille Collard: Do I have more time, Mr. Chair?

The Chair (Mr. Amarjot Sandhu): Yes.

M^{me} Lucille Collard: Okay. I have a question for Mr. Binder. You talked about the importance of technology, and we've heard from Jason how there are some innovations that are out there. Innovation, I think, is very important going forward. We need to be thinking outside the box and doing things differently. I think we were forced to do that through the crisis.

Have you thought about opportunities to partner up with other businesses for collaboration in order to lessen the impact of COVID-19? We're talking about innovation here, so maybe one sector can help the other.

Mr. Aaron Binder: Personally, in my business, yes, we have, and we've been very successful with that. When it comes to your average bricks-and-mortar business owner, they're not super savvy, and honestly, they don't have a lot of time because they're doing 2,000 different jobs in a day, so expecting them to then collaborate across industries is difficult. In that instance, it's really beneficial for programs—like I said earlier, Digital Main Street is connecting these businesses with Web-development firms; Shopify is one of the partners. They're able to go digital and sell their products online and start taking market share back from places like Amazon.

One of the other recommendations that I have is to actually collaborate with other businesses. In the last six months, we've brought another tour company into our space. They don't compete directly with us, but we're sharing the cost of rent that way. It's not the most optimal solution, but it's getting us through, and we'll re-evaluate that in a year.

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To make what you are suggesting work, we really, really need that to be led for small business owners by someone like a government, because it's not something that they would go out of their way on any of their busy seven days of the week to go and find.

M^{me} Lucille Collard: I want to thank all the presenters. That was very insightful.

The Chair (Mr. Amarjot Sandhu): We'll move to the government side. Minister Thompson.

Hon. Lisa M. Thompson: Good evening, everyone. First of all, I appreciate our guests and the effort that you put into your deputations very much. It's enlightening, and we need to hear your voices in order to inform policy. Sincerely, on behalf of all of us, thank you.

Dr. Stratton, you spoke about the need to plan, on how to emerge stronger, and also that we need to have a growth-focused plan. We just heard from Ms. Persaud earlier that when she realized, even though people could come in and sit at her absolutely clean establishment inside—she fell into a depression a little bit, because she realized people still didn't have the confidence to be out and about. So I'm wondering if the Canadian Chamber of Commerce is looking into the mental health aspects and the supports needed for our small businesses. Could you speak to that, please?

Dr. Trevin Stratton: Absolutely. Well before COVID-19, the Canadian Chamber of Commerce has taken mental health very seriously, when it comes to business owners and also when it comes to employees. Certainly, some of the conditions that business owners have been placed into because of COVID-19 have been incredibly stressful, as some of the testimony today bears witness to.

Providing the right supports for business owners is going to be very important when it comes to mental health, but that also involves providing opportunities for these businesses to come out of the crisis with their businesses intact, with opportunities looking forward—to make sure that there aren't a number of business owners who feel that there are no opportunities or that they don't even want to be an entrepreneur anymore, that they don't want to start a business or maintain their own business because they feel that there might not be a future. Really, it requires transitioning to a growth-led policy and focusing on business competitiveness to get these businesses out of this.

Hon. Lisa M. Thompson: I appreciate that. Also, Dr. Stratton, I'd be remiss if I didn't thank you for the campaign that you're going to be embarking on this weekend. Canada United: Show Local Some Love—shop local. I really applaud you for doing that.

In that regard, as we unite across Canada to support our local businesses, what are some opportunities that you're already seeing in your crystal ball that we could be, as a

government, developing policy to support in order to propel our businesses forward?

Dr. Trevin Stratton: First of all, I want to applaud Ontario in particular for Digital Main Street. I really do think that is a wonderful program. We at the Canadian Chamber of Commerce have certainly been advocating to make this type of program national in other provinces as well. I really do think that it will support a number of small businesses on Main Street and will be instrumental in economic recovery.

That being said, apart from adapting, I think that there are a few different issues that small businesses in particular are facing because, as I mentioned, they're really on the front lines of this crisis. They're going to need support in terms of maintaining their operations, and they're going to need targeted liquidity supports to do that and also some sort of initiative to transform them, for technology adoption and the digital economy. In some ways, this could involve leaving liquidity programs in place even after we wind them down so that they're available in the case of another emergency. We have certainly been advocating for creating something like a tax-free emergency savings account for businesses, as exists for individuals, so that businesses are able to save up for future emergencies as well. Certainly, digital transformation and things like Digital Main Street are very important, but grants to be able to provide health and safety equipment or to reconfigure physical premises are also going to be very important for small businesses. Then I would say for larger businesses, we really need to focus on economic fundamentals. Some of that involves having a competitive tax system to ensure that business investment remains and continues to grow in Canada.

Something at the provincial and territorial level that I think we can do is reducing interprovincial trade barriers. A number of economists like myself have been talking about this for years now, and now is the time. That certainly includes removing the restrictions that are in place in the Canadian Free Trade Agreement, but also labour mobility too. We have a number of Canadians who are out of work, and if we're able to loosen some of those labour restrictions between provinces and territories, that will definitely help.

Hon. Lisa M. Thompson: I only have six and a half minutes for everyone, but I can't wait to connect with you again from a jobs and recovery perspective. We certainly would love to have your voice heard in a couple of different streams. Thank you very much for being here this evening, and thank you so much for recognizing Digital Main Street.

That's my segue to Mr. Binder. I was introduced to Digital Main Street a couple of years ago. In my riding, a small town of 1,000 people enabled businesses to compete at a larger, broader level, because they equipped them to be better served on the Web and to compete with online deliveries and even curbside during COVID-19, so thank you for recognizing that.

Mr. Binder, your enthusiasm—absolutely, your entrepreneurial spirit, I might say—was not lost on me. Given

that I am calling in from a farm that has been in my husband's family for 120 years, your line "good things grow in Ontario" was not lost on me whatsoever. Hopefully we can find ways to connect rural with urban with interprovincial travel. Certainly, it's something that I know Beth Potter and the gang are taking a look at in terms of our RO organizations across the province.

Something you said stuck with me: We need to seriously reimagine how MPAC evaluates property. Can you expand on that for me, please and thank you?

Mr. Aaron Binder: Well, yes, as someone from a small town as well, I—

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

We'll go to the independent members for their second round. MPP Collard.

M^{me} Lucille Collard: I don't have any more questions. Thank you.

The Chair (Mr. Amarjot Sandhu): We'll go back to the government now. Minister Thompson, do you want to finish your question?

Hon. Lisa M. Thompson: Over to you, Mr. Binder.

Mr. Aaron Binder: Yes, it's an important program. I want to reiterate again that Digital Main Street has helped a lot of businesses in small towns, as well.

I can expand a little bit on MPAC. It's certainly not my area of expertise, but I can tell you what some business owners have told me, especially business owners who own the space they operate out of. In our neighbourhood in downtown Toronto, a lot of them live above the space they work in. It's a concept that you don't see a lot anymore in Toronto and a lot of other larger urban centres, but it has been maintained in Corktown. They are really quite worried about the incredible increases that property values have seen in Toronto.

I can even expand to other urban centres in Ontario, like Windsor, Kingston and Ottawa. We've seen huge property increases there. As happy as they were to see a deferral of rate increases until 2021, they're really scared that if property values continue to go up at the same rate, when they do get that next tax bill, that next increase, they're going to have to move, because they won't be able to afford it.

Really, that's about as far as I can go. Like I said, I'm not an expert on this, but I know a lot of urban business owners and even residents are very worried about this going forward.

Hon. Lisa M. Thompson: Thank you very much. Over to MPP Piccini.

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

Mr. David Piccini: Thank you to all the presenters. I would echo my colleague Minister Thompson's comments: I greatly appreciate the dialogue today.

I'm going to go to Mr. Stratton from the chamber. Mr. Stratton, you saw earlier, from questions from my colleagues, how we can bridge a competitive environment that ensures our businesses stay here with ensuring we're supporting our labourers and ensuring, ultimately, that

there is a job to go to. I visited a local manufacturer, Protoplast in Cobourg, and it got me thinking. They had 20 labourer positions; they had 20 interviews. When the Canada Emergency Response Benefit was extended, what were 20 interviews turned into nobody showing up. That's the reality they're dealing with, and in a competitive economy—I spoke with the ownership there and management, which are local here, and they were looking at a variety of other jurisdictions.

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So how can we marry what MPP Harden was saying—which is certainly an endless pursuit for a universal basic income—with how we can have a competitive climate that ensures that we're supporting our workers but ultimately, Mr. Stratton, that we're not hemorrhaging manufacturing, as we saw under the previous government, south of the border to Mexico? Talk about what we can do to modify these programs, so that I'm not visiting Protoplast—which can hire 15 tool and die, which can hire skilled trades today, but they don't have people to fill those jobs.

Dr. Trevin Stratton: That's a great question and one that we deal with at the Canadian chamber every day these days.

First of all, in broad strokes, it really is about transitioning away from subsidies towards growth. We certainly need to provide as much support for employees as possible. But there are also some distortions that are created in the labour market by some of the subsidies in place and also, in terms of, obviously, the fiscal sustainability of them over the long term. We're seeing large deficits and increasing debt at federal and provincial levels. It's going to be very important to make that transition.

I think we have to acknowledge that Canada's workforces aren't going to be the same when it comes time for recovery. In the span of a few months, we went from one of the tightest labour markets in history to millions of job losses, and employment may not return to pre-crisis levels at any immediate point soon. The available jobs and skills are going to shift, too. What this really speaks to is the need for reskilling, upskilling, skills training programs to be able to get Canadians back to work. Education and training is also going to change. There is going to be a greater need for online learning and durable skills. If there is EI reform, we think that needs to be a very big component of it—having to reskill and upskill the retraining component of it. It's going to be very important as the economy is changing at a faster and faster pace as we go along.

Mr. David Piccini: I echo that. On the training programs—certainly, as the government looks to micro-credentials and what more we can do—I appreciate the sentiment there.

You mentioned earlier, and it stuck with me—you talked about having a competitive tax system. Can you elaborate a little further on what you mean by that?

Dr. Trevin Stratton: Absolutely. This is something that a number of different Canadians and organizations,

ourselves, business organizations, CPA Canada, tax practitioners—

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

Dr. Trevin Stratton:—have been calling for for quite a while. Last time Canada had a comprehensive review of its tax system, humankind hadn't even walked on the moon. It has been a bunch of cutting and pasting since then. Our tax system is uncompetitive, particularly when it comes to personal rates, but also corporate rates, because a number of our other competitors, OECD countries, have done comprehensive tax reform over the past few years.

If we really want to be able to attract and retain investment in this country, particularly foreign investment, we're going to need to make sure that we're competitive compared to other countries. That certainly includes a comprehensive review, but also simplifying it. If you're a small business in Canada, you don't necessarily have a dedicated tax department like large corporations do, so it's even more onerous on you.

Mr. David Piccini: I greatly appreciate your comments—certainly, something I hope my NDP colleagues take to heart.

Thank you very much to all the presenters. I'm looking forward to continuing the dialogue.

The Chair (Mr. Amarjot Sandhu): We'll move to the opposition side for their second round. MPP Morrison.

Ms. Suze Morrison: I want to direct my questions to you, Aaron. Welcome. Thank you for being here. It's good to see you again.

I want to follow up on the impact piece because it's something that hasn't come up a lot in the committee hearings, but I think it's something really important. It's something I've heard from, particularly, small businesses and landlords, quite frankly, across the downtown core, and actually pre-COVID-19 as well. While I've got the minister on the call as well, I do want to flag this for you particularly.

Part of the issue is that our land values for our businesses in Toronto are assessed based on the best possible use for the land, not what's actually currently on the land. What happens is, you may have a small business operating that has a one-bedroom apartment above the business, and they are assessed based on the value of the whole block if, for example, the best possible use for that land is a 40-storey condo tower. Then what ends up happening is that the landlords have to transfer the base rates for the taxes to the small businesses in the form of rent increases. It's really unsustainable.

I've had small mom-and-pop landlords crying in my office. I had one woman who got a 200% tax increase on her property last year, and she had to pass it onto the small businesses that she rents to. It's something that's quite out of control, so again, just to flag that for the minister—I want to thank you, Aaron, for raising it. It's a huge issue, and one that's not well understood because it is technically complex, but it's affecting our downtown core businesses substantially.

I want to ask you if you can elaborate a little bit on some of the barriers and eligibility restrictions that you've seen

with small businesses in Corktown, in terms of how they've been eliminated from accessing either the loan program or the rent assistance program.

Mr. Aaron Binder: Thanks for expanding on the MPAC side of things. I've certainly seen "highest and best use"; unfortunately, I've seen a lot of landlords have to pass on those massive increases to businesses in Corktown and downtown Toronto.

Addressing the second part of your question: We've seen a lot of difficulty coming up in businesses that simply come close to meeting thresholds but don't quite achieve them. Even in my business, we've kind of jumped one month to the next, whether or not we qualify for the CECRA program. I know that it's a federal-level program, but some of the provinces have implemented additional measures that I think Ontario could look at. That's certainly one of the biggest barriers.

The last time I presented to the committee, I said I could still count on two hands how many businesses have closed due to COVID-19. I am now down to my toes, and I've only got two left. This is one of the things I am always happy to expand on—that the recovery isn't done. We're still in a pandemic, and anything that the provincial government can do to enhance what the federal government is doing means that we save more businesses that in any other year would be posting profits, would be hiring people part-time and full-time. If we stop the recovery efforts, from the government perspective, too soon, we're going to lose these businesses and we're going to be less competitive globally.

Ms. Suze Morrison: In follow-up to that: One of my biggest concerns for some of our small businesses here in downtown Toronto is resiliency. We've got so many businesses, many that have closed already, and for a riding that is less than seven square kilometres, that's a lot of businesses, if you've only got two toes left.

What I am really concerned about is the businesses that are just sort of skating by right now and, if we see a second wave of the virus, don't have the ability to manage a second wave successfully. Are there any recommendations you'd make to the committee in terms of how we help those businesses that are just sort of skating by right now to be resilient against a future wave?

Mr. Aaron Binder: As I mentioned in my opening remarks, I certainly am in favour of additional—

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

Mr. Aaron Binder:—forgivable loans. Granting programs and anything that the government can do to help offset rent costs is the biggest measure that you can take to save businesses. I can lay off employees all day long; I don't want to, but if it's necessary to do that to save the integrity of the business so that we can bring them back next year, we've done that. We're down from 10 employees to two, and I'm not getting paid for at least another year personally. We can take those measures, but we still can't pay the rent, and that's the biggest issue that many bricks-and-mortar businesses are facing. Anything the government can do to address that would be huge to

improve the resiliency of bricks-and-mortar businesses in downtown urban areas.

Ms. Suze Morrison: As the NDP, we've been pushing for a rent subsidy directly to commercial tenants, as well as extending the commercial eviction ban. Are those measures that you would see as necessary to help our businesses downtown survive?

Mr. Aaron Binder: I think an eviction ban goes in a certain direction, but it doesn't provide the long-term necessity. I think, in tandem with other programs, yes, it's 100% necessary right now because there are businesses that just need a little more time to make payments, to pay the rent, to pay their other bills. But it definitely needs to be used in tandem with other financial measures for small businesses like the ones you identified.

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

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter: Since we have only one presenter for the 8:30 p.m. slot, we'll be doing only one round of questions.

I would like to call upon the Ontario Convenience Stores Association. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Henry Boyd: It's Henry Boyd here. I'm a consultant working with the Ontario Convenience Stores Association. Dave Bryans is the CEO, and he's been the CEO for a number of years. He should be joining soon if you can just bear with us. It's he who's going to be delivering the remarks.

The Chair (Mr. Amarjot Sandhu): Sure. He's here.

Hello, Mr. Bryans. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Dave Bryans: My name is Dave Bryans. I'm the CEO of the Ontario Convenience Stores Association. It's a great opportunity every time I'm able to present to the committee of finance and economic affairs in advance of the budget. Obviously this has been a different and much more challenging year, and I want to commend this committee in convening and hearing from stakeholders during these unprecedented times.

Today, I'm going to use my time to provide some context as to the impact of COVID-19 on our members, many of whom are small, family-run businesses. I'm also going to suggest three creative ways in which this government could help these families get back on their feet and continue to play the important role that they play in their communities.

Before I outline these recommendations, I want to state publicly that the Ontario Convenience Stores Association does not accept any money from any of the tobacco companies. In 2018, the association became tobacco-free,

meaning that our association no longer accepts any types of financial or in-kind contributions from tobacco-based interests. We feel it is important to highlight this so the government understands that the recommendations being made here this evening are not influenced by big tobacco companies and only represent the interests of small business retailers.

OCSA is one of the largest small business advocacy groups in Ontario. Our association represents the interests of approximately 9,000 business convenience stores. The industry employs 78,000 Ontarians and serves approximately three million customers every single day. Other facts I'm proud to communicate to you today include that our channel facilitates \$2.4 billion a year in lottery sales for the province. We collect \$4.7 billion in taxes every year. Our hard-working employees pass government-imposed inspection rates at 96%—and these are sourced from Ontario Public Health. We proudly employ more new Canadians, seniors and students than any other industry, and our industry gives back to neighbourhoods we operate in and contributes to the children's foundation hospitals of Ontario through our annual CStore Day, which some of you have participated in.

COVID-19 has been very difficult for our members. We were encouraged early on by the Premier announcing that the convenience stores were considered an essential business and were allowed to remain open during the lockdown. Despite being granted this critical distinction, our members saw a dramatic drop in business. For instance, our channel relies heavily on petroleum sales to drive revenue and foot traffic. As you can well imagine, this category is no longer a necessary expense for many Ontarians who are working from home or out of a job altogether. In addition, our members were forced to invest their scarce resources to install equipment that would keep their employees and our customers safe.

Our first recommendation is for the government to deliver on its promise to extend beverage alcohol retail to our channel. It has now been three years since the leaders of this government made this commitment to the public. Our members have been busy preparing for this eventuality, and the OCSA continues to work with all stakeholders to ensure its smooth and successful rollout.

Involving our highly responsible channel in the next phase of beverage alcohol retail is common sense. Beer and wine are available in an open, competitive and convenient environment through convenience stores all through North America and in the world. In Ontario, the retail landscape is complicated by the existence of the foreign-owned entity known as the Beer Store, which has somehow managed to negotiate exclusive rights to sell a commonly accessible product. It makes no sense, and it's hurting our small business retailers who require this destination-category product to survive.

We ask this government to provide a timetable to the public as to when they can expect to buy beer and wine at local convenience stores so that our small businesses can start planning for it and so that some assurances can be

made on the sustainability of our stores. This would also go a long way in helping our channel recover from the losses caused by the pandemic and would also reverse the general trend of store closures that we were experiencing prior to March 2020.

The second recommendation I'd like to make on behalf of our members is related to the OLG lottery revenues. In order to help our retailers recover, we are asking for the government to increase margins for our retailers by 2% on all OLG sales made through our channel. Our stores account for 76% of all lottery sales for the OLG and remain the number one partner collecting revenue for the government.

The value for our members of having an OLG lottery licence is largely limited to the foot traffic it generates, as the margins are quite small. Specifically, our stores only make 5% on standard electronic tickets and 8% on scratch tickets. Under any other circumstance, a retailer would never participate in a product with such a small margin. In addition, these margins have remained at these same rates for over 20 years. We feel that in order to support small businesses through this unprecedented time, a 2% increase to these margins would go a long way. Specifically, it would represent an injection of an estimated \$30 million into our channel.

Our final recommendation is for the government to address the issue of contraband tobacco in a meaningful way. One of the opportunities that the shutdown period has afforded our channel was the ability to experience in real time its effect on legal tobacco sales in our stores. The principal source of illicit tobacco for Ontario remains the shops located on First Nations reserves. During the shutdown period, almost all First Nations reserves barred entry, and the stores were closed to the average Ontarian.

Based on a survey we conducted with our membership between June 2 and June 30, we found the following: There was a dramatic increase in legal tobacco sales. Convenience stores throughout Ontario showed an increase in tobacco dollar sales between 10% and over 30%. The proximity of our stores to the reserves played little role in this. Sales increased across the board, irrespective of the store's proximity to a reserve. Almost half of all the stores surveyed, 46%, were over 30 kilometres from the closest reserve. Our independently owned and operated stores are the most impacted. Eighty per cent of retailers who responded were independent, family owned and operated—

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

Mr. Dave Bryans:—who were subject to a small 5% to 10% margin on tobacco sales.

The research has proven what many of us in the industry have known for a long time; namely, that legal tobacco revenues are impacted by up to 40%, thanks to the availability of the illicit alternatives. This is bad for small business, bad for public health and bad for the Ontario government, which loses millions of dollars in tax revenue.

On the illicit tobacco, we recommend that the government consider the following:

—increase and enhance law enforcement to mirror the success of the Quebec region;

—fund public education and retailer training programs; and

—review the impact of tobacco price increases on the proliferation of illicit tobacco usage.

On this last point, it may interest this committee to know that tobacco companies have imposed their own price increases—

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

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

Mr. Will Bouma: I appreciate the presentation. Being a small business owner myself, I know exactly how difficult COVID-19 can be.

I was wondering if you could describe to us a little bit, Dave, exactly how much revenue the average store in your association has lost through COVID-19, even through being labelled as an essential service.

Mr. Dave Bryans: If you were a gas station operator, you lost upwards of 50% of your daily sales in-store, and even higher than that in petroleum sales. People weren't coming in to buy petroleum, so they weren't buying chips, they weren't buying pop, they weren't buying anything.

If you were a family-run convenience store—people were very nervous about coming in at first, at the start of the COVID-19 issue, so our volumes were down somewhere between 20% and 30% on a daily basis, and we're still trying to recover. Add into that some of the issues with rent when it comes to certain landlords—because most of the new Canadians rent space throughout Ontario, so they have no control over any subsidies. Because they're self-employed, they've gone around in circles trying to get any help as far as wage subsidies or business subsidies or even the loans that were available to them.

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Mr. Will Bouma: I appreciate that, and I understand that.

I was in a convenience store the other day in the south part of my riding, and they actually have alcohol sales there. It was interesting, I thought, because I've seen such a turn in my community towards small, local shops and everything else. I've talked to so many businesses, especially small, family-run specialty shops, that have really seen an uptake in business, whether it be a butcher shop or a cheese store—locally made foods—that have done extremely well through COVID-19. So I was somewhat dismayed when I talked to this business owner and he said that, even with the alcohol sales, he wasn't seeing that at all.

I was wondering if you had any comment on that and the stores in your association that have a side-by-side or an LCBO built into them. Were they experiencing the same loss of business as everyone else—or do you have any comment on how they were different?

Mr. Dave Bryans: LCBO convenience agency stores have actually been a lot of help to small businesses in certain communities. The only problem with that model—and that's why we discussed an openness of the market—

is, there is one winner in every community, and everybody else loses.

Yes, it does bring in traffic, and I still believe beer and wine and soft alcohol is the future, as we see in every other market, to replace tobacco declines, to replace lottery, which is a mature product, and of course, the petroleum business. But I would say, if I had an agency store, I had more traffic than if I didn't, because people were going to the local stores to buy their wine and cold beers, especially on a hot summer day. But the majority of those stores don't. There are about 400 agency stores. A lot of them are members, and we've helped them get agency licences, but there are still about 8,600 that are sitting out there in every town, city and village—that have no way of growing their business—just hoping the traffic returns.

Mr. Will Bouma: How much time do I have, Mr. Chair?

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

Mr. Will Bouma: Excellent.

You talked a little bit about the rent assistance program through the federal government, in partnership with the province of Ontario. I was wondering if you'd comment a little bit about the good, the bad. How helpful were landlords in general? How many of your members who were leasing space saw an uptick in that uptake by the commercial landlords in their spaces?

Mr. Dave Bryans: Thank you for that question.

I would say probably, on the high side, 20% were actually working and their landlord was compassionate to them—because, remember, landlords believe that a convenience store can be replaced by anybody at any time. What we do face every time from the landlords as soon as a lease comes due, if we lose a store—and we do lose about five stores a week anyhow—it's because somebody has taken the rent from \$1,500 a month to \$2,000 or \$2,500. That's the final straw, because when you are working on 5% lottery margins, 5% tobacco margins, I don't know how you pay the bills and keep the lights on when your rent is \$2,000 and \$3,000.

A lot of new Canadians had no idea even how to get the money, and if the banks didn't recognize them—and they're really not in tune with giving someone from another country who has had a convenience store for two years a lot of money up front.

So, yes, it was helpful, but it could have been a lot more helpful.

Mr. Will Bouma: With that, I would like to thank you for your time. On behalf of our committee and the government of Ontario, thank you to your members for everything that you do. I've had meetings with your association previously, and I look forward to being able to work with you on some of the issues that you brought forward today in order to keep your businesses viable so that you can do well into the future. Thank you for coming here this evening.

The Chair (Mr. Amarjot Sandhu): We'll go to the opposition now. MPP Morrison.

Ms. Suze Morrison: I just want to follow up on the questions around access to the rent relief programs. We've

heard over and over again from small businesses across the province that the current program is not working for a lot of small businesses, mainly because it relies on the landlords to opt into the program for the tenants to benefit, and we've seen a lot of problems there.

Do you have an understanding of how many of your members were able to benefit from the program, and if there were additional barriers other than the landlords not opting in that made that not a viable program for them?

Mr. Dave Bryans: First off, thanks for the question.

I can tell you that we don't have any pure data, because it's hard to—we're a very diverse industry. You only hear about those that don't get what they want; you never hear about those that do get what they want. But the majority, I would say, and working with the CFIB, Dan Kelly's group, as well—we're seeing that the bigger the landlord, the less chance they're going to work with small business.

It's the same with the banks. The banks will give out as much as a \$40,000 loan interest-free to businesses that they trust or understand, but when it comes to a new Canadian—remember, 80% of all convenience store operators in Ontario are new Canadians—they will just be a little bit more reluctant. Many of them have told me they have no hope of getting the money or don't even understand the process to get the money. Even though the rules continue to change almost in their favour, we still don't seem to be able to move that peg along.

That's why we're suggesting in our discussion—the lottery is 76%. We do all of that for the government. They could help us by just putting on another 2% commission. It would cost them absolutely nothing, because the consumers pay for lottery anyhow, and we're the biggest contributor of \$2.6 billion or \$2.7 billion. And the same with fixing contraband—I've got to tell you, during COVID-19, the first five weeks, our business was roaring because people who couldn't buy illegal cigarettes, who were lined up on the reserve before, were now coming into every store and looking for the cheapest cigarette on the shelf. Our business started flying, not only tobacco sales—chips, water, everything, because all of a sudden impulse sales took up because the people who always bought illegal cigarettes and left us were now back buying all these products.

We have to take seriously what's going on in every community when it comes to the underground economy, especially when it comes to tobacco. When you're talking \$16 or \$17 for a pack of cigarettes, people will just morph to any reserve or find some delivery, so we have to find a way to work with this government to fix it.

Ms. Suze Morrison: No further questions. Thank you.

The Chair (Mr. Amarjot Sandhu): We'll go to the independent members for their time. MPP Collard.

M^{me} Lucille Collard: Thank you for your comments, Mr. Bryans.

I'm wondering whether you gave any thought to bringing some diversity to your sales. I hear you that you are relying a lot on lottery tickets and tobacco and, hopefully, alcohol to keep your business going. But I've seen in other provinces—and I'll name Quebec because I've been to Quebec—where they are a partner to local businesses, because they do sell a lot of local products, which actually attracts a lot of people. In a place where you actually have gasoline, you take your car and you go inside, and then you've got the display of local stuff. Because you're travelling, it's an incentive to buy in there. I'm just wondering if you have explored the idea.

Mr. Dave Bryans: Nobody supports local more than the family-run convenience store in every community. I'll refer to Quebec. In Quebec now, for over 60 years, 6,000 convenience stores have been the destination of choice to buy local beer products and now wine products. That has brought the traffic into the store that allows you to get into foodservice offerings and support more local, because it was the new destination.

Relying heavily on petroleum sales with the changing environment that is coming with electric vehicles, relying on the sunset category called tobacco, and you can tell I do have a distaste for some of the way we operate with that, or are being treated, and hoping that lottery will continue to grow at 5% margin, until there is some category that brings those people back—we just saw it with tobacco. When the reserves voluntarily closed, our business went up 30%. It was flying again. That would allow us to invest that capital into better stores, new offerings—and also spending more time shopping local, because nobody shops more local than walking to the 8,600 convenience stores around Ontario.

M^{me} Lucille Collard: Thank you for your answer.

I was thinking more—and I don't see that in my neighbourhood—going to the convenience stores, an offering of local cheese and local pâtés and all of that stuff that is produced locally. I see that as a great opportunity to be a partner to local businesses. That was the sense of my question—whether you're willing to look at expanding your diversity of sale in that kind of partnership. But I think your answer speaks to it. Thank you very much.

The Chair (Mr. Amarjot Sandhu): That concludes our business for today. Thank you to the presenters for presenting, the committee members for their participation and the committee staff for their assistance.

As a reminder, the deadline to send in written submissions will be 6 p.m. Eastern Daylight Time on Friday, August 28.

The committee is now adjourned until 9 a.m. on August 27, when we will meet for further hearings on the small and medium enterprises sector. Thank you and have a good night.

The committee adjourned at 2031.

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M^{me} France Gélina (Nickel Belt ND)

Mr. Joel Harden (Ottawa Centre / Ottawa-Centre ND)

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