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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Thursday 27 August 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Jeudi 27 août 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Thursday 27 August 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Jeudi 27 août 2020

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

COVID-19 STUDY

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

We have the following members in the room with us: MPP Morrison. The following members are participating remotely: MPP Piccini, MPP Schreiner, MPP Bailey, MPP Tangri, MPP Armstrong, MPP Hassan and MPP Harden.

MPP Rasheed, can you please confirm your attendance?

Mr. Kaleed Rasheed: Good morning, Chair. MPP Kaleed Rasheed, from Mississauga, Ontario.

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

We're also joined by staff from legislative research, House publications and language services, and broadcast and recording.

Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation, and after we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, the opposition and the independent members as a group.

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

Are there any questions?

RESTAURANT BRANDS INTERNATIONAL

SUNSHINE RESTAURANT

FIRST WORK

The Chair (Mr. Amarjot Sandhu): All right. I will now call upon our first presenter of the day, Restaurant Brands International. If you can please state your name for

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

Mr. Duncan Fulton: Hi, Mr. Chair. My name is Duncan Fulton. I'm the chief corporate officer for Tim Hortons. If it's okay, I'm going to try to share my screen here for folks to be able to see a presentation.

The Chair (Mr. Amarjot Sandhu): Yes, you can share it here.

Mr. Duncan Fulton: Of course it's not letting me do it so, you know what, we will just speak to it to maximize everyone's time.

Thank you very much for having us today. I'm also joined by Rick Murray, who is one of our great Toronto franchisees and who has been with the system for 20 years now and now owns seven restaurants in the Toronto area.

Tim Hortons, most of you know well. We have 4,000 locations across the country. We have almost 2,100 locations in Ontario, run by 507 franchisees. These are small business operators who have put their life savings into the business. Usually, most of their family is involved. In Ontario, those 507 small business owners employ more than 50,000 Ontarians in our Tim Hortons restaurants. In addition to that, we have five distribution centres nationwide, including two in Ontario, in Guelph and Kingston, that employ almost 800 people. Our coffee that we serve in Canada, and also in the US and internationally, is all roasted in Ancaster, Ontario, in our roasting facility.

In the community, as you all know well in your own ridings, our Tim Hortons owners have been huge supporters of the community for 56 years. We do an annual Smile Cookie campaign that raises more than \$10 million a year. About half of that is in Ontario. Last year, 185 charities in Ontario benefitted from that \$5 million.

We do an annual Camp Day fundraiser in order to help disadvantaged kids come to our seven camps, with six in Canada and one in the US, usually for a five-summer program to help build their confidence to become great, productive members of society. Even in COVID recovery this year, we raised nearly \$11 million just two weeks ago, which is a big testament to our owners and to so many Ontarians and Canadians who supported that.

In Ontario, on top of that, our restaurant owners have invested more than \$13 million in communities, everything from spring cleanups and Canada Day to local Santa Claus parades or Operation Red Nose. Here in Ontario, we support more than 150,000 kids a year through our Timbits sports program with soccer and baseball and hockey.

During COVID, we immediately, back in March, got together with our restaurant owners and said, “We need to rally for our communities, but we also need to get behind our owners to support them,” as our sales in those early days hit close to minus 50%. We immediately set up a \$40-million sick fund for any of the restaurant employees nationwide. Those 100,000-plus employees in our restaurants work for our small business owners. Notwithstanding that, corporately, we said we would put \$20 million towards a sick fund to match \$20 million from owners to make sure that anyone who had to go home sick could ensure they would get paid for the 14 days to sort out whether or not they had COVID.

We did rent relief for our owners. We delayed capital investments to help protect their cash flow. We worked with the federal government to help structure the wage subsidy in a way that made sense for our owners. We worked with major banks on bridge loans—

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

Mr. Duncan Fulton:—for our owners. We paid a \$3-an-hour premium to a lot of our corporate employees to thank them, and our owners did the same thing. You should know that even though we are eligible to take the wage subsidy for our 400 corporate staff, plus the 800 BC staff, plus Ancaster, corporately we’ve taken no government subsidies at all. We believe that that program is designed for small business owners, which is why our owners have taken that. And we’ve done a ton in the community.

But what I would like to do is maximize Rick’s time here and hand things over to him, just to give you a view and a voice from a small business owner here in Toronto. So Rick, over to you, please.

Mr. Rick Murray: Thank you, Duncan. Thank you for allowing me to address the committee. I’m pleased to speak on behalf of Tim Hortons owners and share the impact of COVID-19 on our business. I have been a Tim Hortons restaurant owner for 20 years and currently own several restaurants located on the west side of Toronto.

First, I want to thank you for designating us as an essential service when the crisis hit, as this allowed some of our restaurants to remain open for takeout, delivery and drive-through sales. Who would have thought, when launching drive-throughs over 40 years ago, that this would quickly become the best approach and the first choice of our guests to access contactless service during a global pandemic? I’m so proud of the work and dedication of all of the employees and our owners.

Like so many businesses, Tim Hortons sales across the country have been heavily impacted by the pandemic. Ontario restaurants have been hit the hardest, and we’re still struggling. In my case in particular, the week of April 5 saw the greatest decline. I was down over 62% across my seven restaurants. Today, despite the national average being down in the mid-teens, my average sales in Toronto are still down by over 27%. To give you a range, my best-performing store—

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

Mr. Rick Murray:—is still down over 10%. However, my worst-performing store is still down over 50%, a reflection of the tough recovery.

Because of the timing, I’m going to jump to quick points. Before COVID, I had a total of 187 team members. During the height of the pandemic, the number went down to 84. As of today, we’re slowly back up to 133, as a result of the help of the federal wage subsidy.

As we weather the storm, our commitment remains strong in the community. Our restaurant showed our support by giving back to thank the Toronto police and the TTC drivers. I also donated, myself, over \$10,000 from coffee sales during the August 12 Camp Day. Although we remain optimistic that we will recover over the long term, this will take time, and ongoing government support is still required.

As we look at the road ahead, we ask that you consider the following recommendations: represent small business’s interests in discussions with the federal government—

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

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

Ms. Rainey Weisler: Thank you. My name is Rainey Weisler, Sunshine Restaurant. Thank you very much for the opportunity to address you today.

0910

Again, my name is Rainey. My husband and I followed our dreams of owning our own business in a small, rural town in Bayham municipality called Straffordville. For background, we have owned and operated the Sunshine Restaurant in Straffordville since 2007. It is a small mom-and-pop diner that seats 30, and we offer breakfast, lunch and dinner, with homemade daily specials and soups. We expanded our business to include catering in 2010, and we have built a successful catering enterprise in addition to operating the restaurant six days, 72 hours, per week. Along with my husband and I, our team consists of one full-time and three part-time employees. They represent the majority of small business in southwestern rural Ontario for the number of small business employees.

On March 17 of this year, we were contacted by our local health unit and given two hours’ notice to shut down our business as a result of the COVID-19 pandemic. We were given the option to provide takeout or delivery only. Given the location of our business and taking into consideration our takeout income, my husband and I decided that our best option was to remain closed completely. We were provided with some hope from our health inspector that the shutdown would be temporary and we could resume business in about four weeks. We donated all the perishable food that we could, deep cleaned and disinfected the dining room, and spent the next two weeks updating the kitchen to ensure ease of cleaning protocols once we reopened. After the first month, however, it became evident we were not reopening any time soon.

Over the years, we've gotten to know others in the business. After hearing from them that their income was at a maximum 30% of their typical income from last year, my husband and I remained confident that we had made the right decision.

Entering phase 2, we were given the option to offer a patio, and local municipalities supported those small businesses in an effort to assist with that reopening. We do not have a patio, however, nor would we ever maintain a patio once dine-in service resumed, so the gamble for us was, do we open and incur the expense of a patio or do we wait? We continued to wait.

On July 17, our area stepped into phase 3. We were required to replace the contents of our freezer because we had been closed for more than three months. As a result, we applied for and received the \$40,000 business loan. This money helped us to rehire our staff, modify the restaurant for social distancing and restock. I won't lie; it has been very challenging since we reopened. Our business income is less than 60% of our typical income and our catering business is non-existent. All events scheduled for this year have cancelled, which will represent a huge loss for our business.

I make these comments because you have to keep in mind that this has absolutely nothing to do with me or my husband and how we run our business. None of this has anything to do with my ability to own and operate my own successful small business in Canada. But I'd like to make a comment about an industry that has stuck out in my mind since the onset of the pandemic, and that's the insurance industry.

I listen to Doug Ford plead with these businesses that could help and allow individuals to skip or stagger payments. I reached out to our insurer to inquire about our options.

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

Ms. Rainey Weisler: Thank you.

For the sake of this discussion, I will tell you, aside from our mortgage and payroll, our insurance expenses represent our highest monthly bill payments. Since we are closed to the public, I requested relief on the liability portion of our business insurance, which would have saved us over \$300 a month. I was told that acts of God are not insurable, due to pandemics, so we were unable to receive any assistance there. The government had an opportunity to change this response, but instead, they left it up to the companies themselves to decide, and sadly, some did not step up to the plate for small business.

I've intently watched how our government has handled this crisis. My deep-seated love of politics and community service has provided the catalyst that resulted in my successful 2018 election as deputy mayor in my hometown municipality of Bayham. I have participated in discussions surrounding the state of emergency in Ontario and the effects on small business since the onset. There are many unfortunate stories coming to light regarding the sudden and resulting permanent closure of small business in our area. Sadly, I've just been notified of an additional four businesses in Elgin county that have permanently closed just this week.

Given that we have not reopened the economy completely and things continue to change on an almost daily basis, I do not believe we can even begin to realize the overall lasting effects that this pandemic will have on small business. It is going to take time.

In closing, in my opinion, communication has been the most important aspect of this pandemic. Again, I must commend the efforts made by the federal and provincial governments. For most of the population, we saw both tiers working together for the greater good of the country; that was a welcome distraction in comparison to our neighbours. But as the information started to funnel down to our—

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

Ms. Rainey Weisler:—health units and local municipalities, this is where I begin to notice a bit of a communication breakdown. Sometimes the recommendations are misleading, and those regulations that should have been subject to harsh punishments are met with education recommendations instead of appropriate action. Indeed, with local law enforcement scrambling to keep up with increased costs relating to addiction and domestic violence, the responsibility for enforcement was put on the shoulders of local bylaw enforcement. Smaller municipalities have neither the funds, nor the staff, to accommodate.

In addition, the multiple outlets for misinformation found on social media, YouTube and other popular applications used by the masses—I do not believe you can offer too much information. Continued, repeated recommendations and regulations are necessary in these uncertain times to reassure, reinforce and reiterate accurate information.

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

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

Ms. Akosua Alagaratnam: Good morning, members of SCOFEA. My name is Akosua Alagaratnam. I'm the executive director for First Work. It's a pleasure to be here this morning. Presenting with me is the vice-president of the board, John Mitteregger, who will introduce himself shortly.

First Work is Ontario's youth employment network. Representing over 80 organizations serving youth seeking employment, First Work is a convening body for sector dialogue, research advancement and advocacy for Ontario employment service providers.

The past six months have been a transition of all employment services in Ontario moving to a remote working model. While some ESPs, employment service providers, have opened their doors, a majority of the services are currently delivered online while also adjusting to new labour markets of far fewer jobs and a growing fear among job seekers of the associated health risks that come with those jobs.

Within this period, the labour market has also shed over a million jobs, with over 50% being in the hospitality and retail sectors, industries that have a large concentration of

youth employed. The current youth employment rate in Canada has decreased to 24.2% in July, down from 27.15% in June—still two times the average unemployment rate.

Based on the current labour market conditions, agencies, post-secondary institutions, advocates and policy members are already anticipating the impact of COVID to have prolonged effects on youth employment. The impact of this employment disruption on youth is significant. Studies show that a break from employment in the formative years can result in long-term impacts on future labour market participation and earnings, also known as employment scarring. There is a need to focus on youth employment funding and program delivery during this time.

Our sector responded to the additional challenges presented by COVID by providing innovative service delivery, new programming for the new workforce reality and supporting a new wave of job seekers, while continuing to manage our existing caseloads. The sector has also moved from in-person service delivery only to digital delivery in record time.

The employment service providers themselves stepped up to support a wave of mental health challenges brought on by the health crisis and subsequent lockdowns, while managing their own struggles in this new reality.

I'm going to pivot over to John to talk about what the employment service sector's needs are in aiding this recovery.

Over to you, John.

Mr. John Mitteregger: Thank you, Akosua. My name is John Mitteregger. I'm the vice-president of the First Work board.

The sector needs additional support now to ensure those in Ontario who are already facing barriers to employment prior to COVID are not left out of recovery. Prior to COVID, this sector was already going through a systems transformation, as directed by the government, which is currently in its prototype stage. This makes ensuring resiliency in the employment service sector even more critical, as it is a key aspect of success for job seekers across Ontario as we move forward in recovery.

0920

To ensure that those in Ontario facing barriers to employment are not left out of recovery, we recommend the government consider the following recommendations.

Mental health supports for sustainable employment: Provide additional support for mental health so that clients can receive the care they need to be able to achieve sustainable employment. Right now, front-line workers are acting as mental health support for youth dealing with anxiety.

Prescribe flexibility in delivery targets: Providing flexibility in delivery targets to reflect engagement during the pandemic, as delivery targets prescribed by the ministry cannot be reflective of the work completed by the sector as currently tracked.

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

Mr. John Mitteregger: Build sector capacity by ensuring retention of employment service providers so that

the service delivery network is not overwhelmed by the influx of new clients with the end of the federal support programs.

Ensure a safe return to work: Government should provide financial support for the safe transition to in-person service delivery at employment service centres through financial supports.

Finally, modernize administrative practices for easy online access. Continue to modernize administrative practices so the end user is not reliant on in-person support for job seeking. Standardizing this access across the province is critical for equitable recovery; for example, easy fillable online forms so that job seekers can access the tools they need with basic technology.

We urge the government to provide increased financial support to the sector for these measures to ensure those most vulnerable in our communities are not left out of recovery. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Before we go to the questions, I would like to do an attendance check.

Minister Surma, can you please confirm your attendance and if you're present in Ontario?

Hon. Kinga Surma: I'm here.

The Chair (Mr. Amarjot Sandhu): In Ontario?

Hon. Kinga Surma: Yes. Yes, sir.

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

Mr. Michael Coteau: Yes, Chair. I am here in Don Valley East, Toronto.

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

Mr. Chris Glover: Yes, I'm here as well. I'm in Toronto.

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

We'll start the first round of questions with the opposition. MPP Armstrong?

Ms. Teresa J. Armstrong: Thank you to each of the presenters. Really good information that we heard from you, and we want to thank you for what you have been doing to keep the economy going during the pandemic and for helping people with the essentials that you have provided.

I have a question for Rainey. I did look at your Sunshine Restaurant and was very impressed with it, actually. You had mentioned that you had accessed some programs—I saw your charts—and I wondered, of those programs, which ones do you think the provincial government could have expanded or improved on sooner, and do you think the initiatives that the NDP submitted early on, when we talked about supports for commercial tenants and subsidies in rent as well as putting a moratorium on utilities payments, would have helped?

You also commented that insurance companies—you tried to negotiate a staggered payment. Do you think, again, if the government acted in a way that would make those companies actually accommodate you, that would

have made a difference to your economic health when it came back to recovery? Thank you.

Ms. Rainey Weisler: Thank you very much for those questions. There's a lot of questions there. Okay. In a round table discussion that I participated in early on in June with a number of business owners in southwestern Ontario, the consensus there was that a lot of us really didn't want to access any government funding, to be honest with you, because the idea of going in debt for something that was out of our control was very nerve-wracking.

I will be honest with you. The only reason that we accessed the \$40,000 business loan was to hopefully be able to save the portion that we have to pay back, hold on to it and use the \$10,000 forgiveness portion towards reopening the business, and we didn't access that funding until we hit phase 3, when we knew we were going to be reopening. Financially, we worked on our own the four months that we were closed. I didn't access any funding there.

The wording for the wage subsidy is extremely difficult to figure out. The wording was tough. Knowing that that's a taxable benefit, I was a little concerned about accessing that as well, so we have not accessed that either.

I think that the government did well right at the very beginning to try and get funding into the hands of individuals and families who were facing financial hardship. I do have some significant concerns about the CERB, because it has been very difficult to rehire part-time staff because they are making more money on the CERB than they are to come back to work. There were some issues with the CERB, and again, that one being a taxable benefit as well, there was definitely some room for improvement there.

In terms of the insurance question that you had, I think that when you don't have some clear recommendations towards large businesses like insurance companies to say, "Hey, you really need to help out small business," then it becomes up to that company themselves to make that decision. For example, my 18-year-old daughter got a cheque in the mail from her insurance company reimbursing her a portion of her car insurance. She didn't ask for it; it was just given to her.

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

Ms. Rainey Weisler: The flip side of that is where small business really could have used the break, particularly in the liability payments. I don't mind paying insurance on my building, but if I don't have people in the building, I'm not sure why I'm paying liability for something that I can't use or I don't need. It would have been nice to even have a portion of that. That would have saved over \$300 a month. That's just a comment that I have on that one. Sorry I didn't get to all of those questions.

Ms. Teresa J. Armstrong: I know I asked you a lot, so I wanted you to tell us as opposed to going on with my questions. A lot of the programs you talked about were federal. Do you think the government provincially could have provided more support, like with utilities, having a freeze on utility payments, giving commercial tenants actual rent subsidies to get them through, and acted earlier on?

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

Ms. Rainey Weisler: I do believe, yes, that provincially we could have helped and we could have provided a lot more feedback early on in how to handle the pandemic, particularly with the rent relief. It was a big one for sure, so yes, I do believe we could have done better.

Ms. Teresa J. Armstrong: Thank you.

Is there any more time, Chair?

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

Ms. Teresa J. Armstrong: Okay. With the 30 seconds that are remaining, again, I just want to thank the small business owners, because they really did take the brunt of getting into debt, like Rainey said. They took losses in the pandemic. It's going to be a long-term recovery plan, and we need to make sure that we pay attention to what small and medium businesses are saying in order to support them through—

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up. We'll move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Thank you to all three presenters for providing such valuable information to us. I actually want to ask Rainey my first question, at Sunshine Restaurant. I'm trying to think of lessons learned moving forward in terms of economic recovery. You had mentioned the problems with the rent program. We've heard that from a lot of small business owners. I'm just wondering if you have some suggestions of how we could improve that program moving forward, so it works better for small business owners.

Ms. Rainey Weisler: Yes, thank you very much for that. It's difficult to comment on that, because that really wasn't a program that I had to consider, because we own our facility. I did hear some feedback from some of the small businesses that were renting that the program would only be successful, in their opinion, if they had a very good working relationship with their landlord. A lot of times that wasn't the case.

0930

Again, a landlord is a business owner as well, and they have to protect their interests too. So there was this funneled-down concern that if it's not working well, if they're not working all together, then the program wasn't something that they would access. I heard a lot of people making that comment that it wasn't even an option for them to consider. They didn't meet the criteria. Again, I didn't really look into the nitty-gritty of the criteria, just that a lot of them didn't even utilize the program. I'm not sure if that helps you. Thank you.

Mr. Mike Schreiner: Thanks for sharing that. I appreciate it.

I just want to quickly switch over to Restaurant Brands International. As the MPP for Guelph, we're happy to have one of your distribution centres here in the riding. You had started to list some of your recommendations and then you ran out of time. I'm just wondering if you could quickly—I probably have maybe three minutes left here—go through some of those recommendations for the committee.

Mr. Duncan Fulton: Yes. Rick, why I don't I do the 45-second snapshot and then you can take any other further questions?

Probably three:

(1) Continuing to support small business in discussions with the federal government. There is a substantial amount of funding that small businesses will count on from the feds, and we're very, very appreciative of anything all you folks could do in all of the dialogue with the feds to continue to support small business.

(2) Better coordination with Ontario municipalities. In particular, we found a fair degree of chaos among the different hundred health units across Ontario, which I know is more of a municipal issue. We had examples of a health unit in eastern Ontario declaring at 4 p.m. one day that cash would no longer be allowed and anyone caught taking cash would face a fine, but in the next region over, that was not the case. It caused chaos between restaurant owners. Front-line staff were concerned that they might be fined for accepting cash by mistake. Things have settled a bit now, but what we really saw in the middle of the crisis is there was a lack of coordination between municipalities.

(3) Anything the province can do to help small business owners focus on their cash flow, whether that's extending deduction limits on taxes, whether it's looking at WSIB rates for, say, the quick-service restaurant industry that has a lower level of risk than full service, or regs and policies. Anything that the province can do to help cash flow for small business owners would be terrific.

Mr. Mike Schreiner: Great; thanks for that. I want to just highlight point number 2 because Rainey brought that up in her presentation as well. I've heard that from many restaurant owners in my own riding and across the province. I've even heard it from municipalities themselves saying that it was very hard to respond because they didn't have enough time, essentially. Something would come out Friday at 5 p.m. and you had to implement it Monday at 9 a.m. or something.

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

Mr. Mike Schreiner: I'm thinking that might be one of the lessons learned. Hopefully we don't have to have a future lockdown because of a second wave. But if we do, I guess maybe the importance of clear communications and maybe more notice—would that be a benefit to small business owners?

Mr. Duncan Fulton: Yes. I think anything that can be done to provide consistency in how rules get applied city to city is important certainly for a chain like ours, where we would have 2,000 locations. If you only operate in Brockville, you're probably a bit more dialled into what Brockville is doing. But in a chain example like ours, if Kingston and Brockville and Ottawa all have different applications of local rules, it distracts owners for hours or even days in trying to make sure they don't go offside those rules.

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

Mr. Mike Schreiner: Great. Rainey, because you brought that up in your presentation as well, do you want to highlight any additional information along those lines?

Ms. Rainey Weisler: I have to agree with Duncan 100%, in that it was very difficult because we had multiple health units within a small area because we're close to Tillsonburg, which is Oxford, and then you have Norfolk and then you have Southwestern Public Health. We had all of these different health units and there were different rules applied to different areas. It was very confusing. So I do agree with you as well in saying that what would be very helpful is if you had a little more time to implement some of these changes, because what happened was a lot of our stuff was delayed a few days. We were allowed to open on the 17th, but I couldn't open until the 19th because it took us that long to organize everything we had to do to get ready to make sure we were meeting all of the requirements—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll have to move to the government side now. Any questions from the government? MPP Rasheed.

Mr. Kaled Rasheed: Thank you to all the presenters this morning. I appreciate your presentations. First of all, Duncan, thank you so much. I think Tim Hortons as an organization has been doing a phenomenal job, especially the Camp Day. What I really liked was the fact there were those wristbands. I think they were a perfect fit, especially during COVID-19. I have three daughters and I got them all the "Empower" wristband.

Interruption.

Mr. Kaled Rasheed: Sorry.

It was a really, really well-planned program, so kudos to you and your entire organization for that.

Rainey, when my colleague MPP Armstrong asked you about some of the programs, you briefly talked about the CERB. You talked about the fact that even though individuals are getting up to \$2,000 a month, you are finding it difficult to find individuals to come out and work. Have you had a chance to speak with your local member of Parliament or anybody federally about your comments, your thoughts on CERB?

Ms. Rainey Weisler: Thank you for that. At this time, I have not. I have reached out to our local MP and I've requested to have an opportunity to speak with them. We are in the process of making an appointment. It's along similar lines as what we're doing today. Coordinating schedules has been a little bit difficult, but we are working on it.

Mr. Kaled Rasheed: This question is for both Duncan and Rainey. As you know, a few months ago, we said that patios were extended to allow businesses during this COVID-19 to actually continue to operate. What would you say about the extension of patios, or what's your comment on it, from a provincial perspective, allowing businesses to at least operate on patios?

Mr. Duncan Fulton: Rainey, go ahead if you want, please.

Ms. Rainey Weisler: Thank you, Duncan. That's a very loaded question, actually, because sadly for us, in our location a patio didn't make any sense. We do neighbour a beach town. This was a perfect opportunity for them, and we did see that that was excellent for them and it was well-

received by the community. Where the challenge happened was that you still had to social distance, so space was an issue. With the social distancing, in addition, you were dealing with non-permeable barriers which were expensive and difficult to construct. Materials were really hard to find in our area, so that was another area of concern.

We had one business owner that got very creative and ended up using shower curtains as her barriers, which is okay but aesthetically she was disappointed with that. But in order to open, that's what she had to do.

The other issue for myself as a business owner and the way our business was set up was I would lose half of my parking lot if I constructed a patio large enough to even serve half of the people that we could get inside the restaurant, which meant that I was needing special permission from local municipality bylaw to make sure that I wasn't breaking any rules for parking because I have to have so many parking spots. And a lot of that stuff became very time-consuming, a lot of back and forth.

0940

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

Ms. Rainey Weisler: Then the quotes on how much it was going to cost for patio furniture and to set that up for something we knew, down the road, we weren't going to use—it just didn't make any financial sense for us.

The flip side of that is, once you start something like that and you no longer access funding, if it doesn't work, you can't go back. You can't shut your business back down and go back on supports, so there was that gamble, too. There was a lot going on at that time, and then it ended up only being a two-week period, so you saw all these businesses spend all this money, and then we went into phase 3 within two weeks. I maintained the position that we did make the best decision financially for our location and size of the business.

Sorry, Duncan.

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

Mr. Duncan Fulton: Oh, no. Thank you.

And, Mr. Rasheed, I would say, look, certainly for Tim Hortons owners, it was a lifeline. I know that they would want me to thank the government and everyone who supported the patio initiative. Some 60% of our business is drive-through, and 40% is dine-in. Certainly, with limitations on dine-in through the various phases, being able to convert parking lot space into patio space gave so many loyal guests the opportunity to still come down and have coffee for their Saturday morning group—so certainly, for us, an absolute lifeline. Thank you very much.

Mr. Kaleed Rasheed: Thank you. Sorry, Chair, how much time do I have?

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

Mr. Kaleed Rasheed: Oh, 20 seconds; okay. Then you know what? In the end, thank you so much for your presentation, and I'm looking forward to continuing to work with you all. Thank you, Chair.

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

Mr. Mike Schreiner: I want to direct my first question in this round to First Work. You had mentioned safe-return-to-work protocols in your presentation. Do you have any thoughts around what those protocols would look like and how they could best be implemented?

Ms. Akosua Alagaratnam: Thank you for the question. Yes, we actually do. There are a few things that we came out with it, and I think that John can speak to it as well, because he is an employment service provider himself.

John, do you want to go ahead?

Mr. John Mitteregger: Yes, sure. In terms of the return to work, there were a lot of expenses put in, first of all, just in installing Plexiglas around the offices, making sure that all the protocols are in place in the office for both staff and clients. Right now, we, as a service provider, are back in the office, staff only. We don't currently have clients, but there are service providers around the province that are seeing clients by appointment, and there are various protocols that are being put in place to make sure they're safe. Of course, there's a cost to all of this—just making sure that we are keeping safe all of our employees as well as all of the clients that do come into the office.

Mr. Mike Schreiner: Great. Thank you. I think MPP Coteau is going to take the rest of the time.

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

Mr. Michael Coteau: Thank you to the deputants today. All of the information that you provided has been very insightful.

I wanted to go over to First Work and ask Akosua, the executive director, a quick question: From the federal-provincial-municipal, any dollars that have come forward to address the concerns that have been brought up during the pandemic—has there been any money that has been earmarked specifically for youth employment that you're aware of?

Ms. Akosua Alagaratnam: From the federal government, yes, currently; from the provincial government, we haven't heard anything as of yet. There has been flexible movement in terms of programming through our EO delivery service providers, but no direct funding put through from the provincial government. This is why I think it's critical to emphasize that fact and to emphasize the fact that especially these Ontario youth who are remote and in smaller communities are finding it harder to gain access to the basics. So when you're talking about just working from home, it's digital technology, Internet bandwidth—all of those pieces and basic resources they're critically missing. As employment service providers, we're trying to do our best in terms of equipping them, but there needs to be further funding pumped in.

Mr. Michael Coteau: Right. How many young people would you connect with businesses or provide with employment opportunities in a year, as an organization?

Ms. Akosua Alagaratnam: Because we are the associative body for all our employment service providers, there is a larger number. This is in CaMS, so the employment service technology toolkit that the government uses to assess how many people we're actually serving. It's over 100,000 youth per year.

Mr. Michael Coteau: Is there an indication that that number is going to drastically shift over the course of the year?

Ms. Akosua Alagaratnam: Definitely. Right now, and in a good year, we're usually serving people who are the furthest away from unemployment. This year, you're facing recent graduates, youth that usually have their retail, dining service employment. Right now, none of these—Rainey and Duncan have spoken to the fact that it's hard to have any of their restaurants—

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

Ms. Akosua Alagaratnam: —and retail open, right? And for that fact, that need for additional employment, additional jobs, we're going to face a huge amount of youth coming in, especially coming this September.

Mr. Michael Coteau: Yes, I can imagine. Just hearing what Rick had to say about one of his stores losing 50% of its sales—it has a huge impact on young people, who traditionally will go after those types of jobs in communities, so I completely understand that.

The Ford government prides itself on a job being the best solution for a person to move forward. I hope that members within the government take this message back to the Minister of Economic Development, to look for ways to work with organizations like yours and our restaurants and franchises here in Ontario—

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

Mr. Michael Coteau: —to look for ways to ensure that we can get young people into the workforce, and especially an alignment between those opportunities that are here, which COVID has presented, and what people have actually been trained and educated to do.

Thank you very much to your organization and thank you to Sunshine Restaurant. Next time I'm in town, I'll make sure I stop by to support your business. Take care.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the government for their second round. MPP Piccini.

Mr. David Piccini: Thank you to all the presenters for your remarks today—greatly appreciated.

I'm going to start with Duncan. Duncan, thank you very much for your remarks and for the work you do. As a rural Ontario MPP, I greatly appreciate our local Tim Hortons franchisees and the work they do. I'm a former soccer coach and an active, I guess, slightly retired player myself, so I appreciate the work you do to support minor soccer in our community and, of course, a number of other charities.

You mentioned public health. I just wanted to take a deeper dive with you in there. Duncan, if we're looking at lessons learned from COVID, what would you propose? Do you think reform needs to take place at a public health level, and what would your advice and guidance be to government?

Mr. Duncan Fulton: Look, it's a fair question. I think this is the first time any of us has had to deal with resolving an economy to a global pandemic. The early efforts to shut down businesses, I think, made sense. Maybe we should have mandated masks earlier than we did, but really, who knew?

I think mandating gloves was certainly important. It's been a learning for everybody, because you can wear a glove, touch four things and still transmit a virus the same as your hands, if you're not changing your gloves frequently. I think that's where some of the well-intentioned but unfortunate chaos came in with some of the health units. There was one health unit that at one point said that team members would have to change their glove between every single service. If you can imagine a drive-through going every 24 seconds, and you're the poor person in the drive-through who has to change your glove, serve someone, change your glove, serve someone—it's just not practical.

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So now that we can reflect on it, I think your point is a good one. Let's take the time to identify the practical things at a retail level and a restaurant level that we should implement if there's a second wave this fall.

Mr. David Piccini: Thanks very much. Definitely, we've leaned on our public health experts for their sound advice. I think your point of all well intentioned but where the rubber hits the road and the practical nature, certainly, from businesses—so just moving on that, what would maybe three recommendations be?

We've had, as I said, a number of local public health officials that have come out and have worked very positively, collaboratively on the education piece with businesses. I think if we were to look at trying, going forward, to make sure that that's really uniformly done across the province, what would some of those recommendations be that you'd have? Let's try to zero in on two or three here.

Mr. Duncan Fulton: Let me go straight to one: I would try to find a vehicle to bring together a lot of practical, on-the-ground voices to give advice. Look, many of us belong to industry associations. They do a wonderful job, but they also represent dozens and dozens and dozens of companies, and so they have to kind of roll up all the recommendations.

If you imagined a round table of 30, 40, 50 voices, including people like Rainey and people like Rick, they would give, I think, timely, practical advice as to what they're seeing on the ground and the kind of changes that we might need to implement. I think it's easier and the system is set up for everyone to go to the industry associations—and we love, for the record, Restaurants Canada and the Retail Council of Canada. They do a wonderful job. But I think if you want grassroots, practical, rubber-hits-the-road advice, finding a way to put a lot of voices at the table and hearing those voices would be very beneficial for everyone.

Mr. David Piccini: Thank you very much, Duncan. I greatly appreciate that.

I'm going to move questions to John and Akosua, please. I really liked your comments about youth—

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

Mr. David Piccini: —and certainly for me as a young MPP, one of the reasons I got involved was for our next gen. As we talk about linking labour market outcomes to the training and to our education, I know that government

has taken steps, working closely with our universities, colleges, Indigenous institutes to greater align funding and supports with labour market outcomes and looking at outcomes-based funding. Is that something that you would support?

We're seeing a really good dialogue now between the on-the-ground jobs that are available and universities. Is that something that you support? And maybe as a follow-up question, what more can we do to link our universities, colleges, Indigenous institutes, private career colleges direct to labour market outcomes?

Ms. Akosua Alagaratnam: I'll start it off, and then I'll pivot over to John.

That is definitely something that we are supportive of. But the thing is, oftentimes, employment service providers provide support to youth who are often not in education, employment or training, right?

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

Ms. Akosua Alagaratnam: So that's a completely separate segment of the population that needs to be addressed, and that's who we're missing through this conversation.

I can pivot over to John to add more in terms of what the ESPs are doing.

Mr. John Mitteregger: I agree with you. For the most part, we are helping people who are not in education right now. As well, it could be helping them after they've done their education piece. So again, it doesn't necessarily mesh with what we're doing right now, but again, I can see the point of that.

Mr. David Piccini: And micro-credentials: What sort of role, quickly, do you think that plays? In colleges and universities, the ministry I've been appointed to, we're really pushing for that. Do you support it?

Ms. Akosua Alagaratnam: To a degree, yes, but there also should be training on practical skills and trades for the everyday worker.

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

Before we go to the opposition, I would like to do an attendance check. MPP Mamakwa, please confirm your attendance.

Mr. Sol Mamakwa: Hi. Good morning, Chair. Good morning, everyone. This is Sol Mamakwa, and I'm in Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the opposition for their second round. MPP Hassan.

Mr. Faisal Hassan: Thank you to the presenters for your important information that you shared this afternoon. I would like to direct my question to Akosua and John to talk about the issues. I know that prior to COVID, young people—you talked about how those who are in school and those who are unemployed or dropped out of high schools and school systems are not included in many of the programs. The statistics of pre-COVID youth unemployment were high, and now, because of the pandemic, the situation is worse for young people.

What other recommendations do you think—last year the official opposition put forward work-integrated learning, expanding it to young people who are not in school

and who are not recently graduated. Programs like that that bring work and school together and get those kinds of young people into skill trades: Would it be useful? And what are the challenges they're having at the moment?

Ms. Akosua Alagaratnam: Okay. I will start this question off, and then hand it over to John. Yes, work-integrated learning, I do think, is quite beneficial. It's not just the intellectual and philosophical learnings you are doing in school; practical knowledge that you can have on-the-ground skills for when entering the labour market is vital and very important.

The unemployment rate for youth is generally always two times the national average. COVID just made it that much more. Prior to COVID, we were at 12% unemployment. Now we're closer to the 24% to 25% mark. For the very marginalized youth who we often serve, this means they are the furthest away from employment. The resources that government has been spending often go to those with the lowest touch, so recent grads that need employment. I do not by any means undermine the true devastation that is there for them in terms of finding employment in this period, but for those furthest away, it is even harder. That requires even further supports, supports that EO to some degree is trying to do their best to provide. We just need to make it as flexible as possible and provide that digital ease to be able to do that.

John, do you have anything further to add?

Mr. John Mitteregger: I think you've covered a lot of it. Again, it's going to be very hard for the youth who we serve to get employment following COVID, because a lot of the jobs will wind up going to those who are closer to the labour market and the youth who we serve will wind up getting left out of that.

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

Mr. Faisal Hassan: I'll just pass on to my colleague, Chris Glover, for the remaining—

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

Mr. Chris Glover: I don't have much time left, but I did want to ask a question for Rick and Rainey. Thank you to all the presenters for being here. I'm deeply concerned about small businesses across the province. In my own riding, there are so many that are being lost. Rainey, I'm sorry to hear about the four that you were describing in your area.

Anyway, what I'm thinking about are what supports the government—obviously, the banks need to play a bigger role; the insurance companies, as you said, need to play a bigger role; but also, our provincial government, I think, needs to play a bigger role. One of the things—there has been a tax deferral for income, for health, for property, but it's a deferral. What I'm hearing from businesses in my area is that the deferral just means that there's this debt mounting up. Are you facing something similar? Are you hearing similar things in your own business and in other businesses? Rick, do you want to go first? We'll try to save enough time for Rainey, as well.

Mr. Rick Murray: I'll be quick. Thank you. That's an absolutely fantastic question. I've got to be honest with you: That's probably one of my biggest concerns, is that

restaurant owners have been deferring. We've been deferring rent payments, we've been deferring taxes, we've been deferring employment health—

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

Mr. Rick Murray: —and WSIB, and sooner or later, that's all going to come due. One of my biggest concerns is cash flow, and continuing on as we come out of this to have cash flow and pay all these deferrals as they come due.

I'll defer to Rainey for her comments, please.

Ms. Rainey Weisler: Thank you, Rick. I think you answered that perfectly, because I think at the end of the day, a lot of small businesses feel the same way. When the rubber hits the road, somebody's going to have to pay, and oftentimes, I see that happening on the backs of the small businesses. So when you see this debt mounting—the programs, they're excellent to access now, but at some point, we're going to have to try and get out of this deficit. How is that going to affect our taxes? Are taxes going to go up? Right now, we're struggling—

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

Ms. Rainey Weisler: —just to stay afloat, so it does become very concerning, which is why I think a lot of small businesses, particularly those that have worked so hard to get out of debt, do not want to even consider going in further debt. That has been a concern that I've heard from a lot of small businesses in our area.

Mr. Chris Glover: Obviously, there's a big concern for debt, both at the government level and at the small business level. The question for me is, how do we refloat the economy? How do we keep businesses intact through this pandemic so that the employment opportunities and everything else they provide for the community are available when we can refloat?

Thank you very much for being here. To all of the speakers, I think I probably have 20 seconds left, so thank you again.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time as well. Thank you to all three presenters for your time. We appreciate your presentation.

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

MPP Arthur?

Mr. Ian Arthur: Yes, I'm here and I'm in Ontario.

The Chair (Mr. Amarjot Sandhu): All right. So we'll come back to MPP Gélinas later.

BACCANALLE AND CAPITAL FARE CAFÉ
NEIGHBOURHOOD PHARMACY
ASSOCIATION OF CANADA
BEEF FARMERS OF ONTARIO

The Chair (Mr. Amarjot Sandhu): Our next presenter is Bacchanalle and Capital Fare Café. Please state your name for the record, and you will have seven minutes for your presentation. Unmute, please.

Ms. Resa Solomon-St. Lewis: Good morning. My name is Resa Solomon-St. Lewis.

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

Ms. Resa Solomon-St. Lewis: Good morning, committee members and colleagues. I'd like to thank you for the opportunity to give testimony today and to express gratitude for my local municipal councillor, Rawlson King, for referring me.

I am the chef and founder of Bacchanalle Caribbean Lifestyle Foods and the owner of Capital Fare Café in Ottawa. I'm also a chemical engineer, and most of my career was spent in management in the federal government in Ottawa. My company has been operating for approximately five years, and we are a small enterprise with fewer than 10 employees.

In 2019, our business scope was approximately 70% split between our cafe business, as well as our Bacchanalle business, which was our Caribbean lifestyle business for festivals, artisan shows and special events. Approximately 15% was Bacchanalle catering, and the remainder was split between delivery apps, local farmers' markets and wholesale.

However, once the pandemic was declared, everything changed quite drastically. We were reduced essentially to zero in all aspects of our business except for takeout and delivery apps, which, as I mentioned before, was a very small part of our business, less than 15%. Our building clientele where we're located consists primarily of physicians, paramedical services, labs and pharmacies, and these were essentially closed or operating remotely for many months. So as a result, our clientele dried up.

We had a huge year planned for 2020 and committed for festivals, special events and farmers' markets to grow the Bacchanalle side of our business. Following the declaration of the pandemic, and out of concern for our families, our staff, our community and our clientele, we contemplated pausing our business until the pandemic was over. However, we quickly realized that there was no end in sight, and within a few days, as a team, we elected to take precautions, as we were considered an essential service, and attempted to adapt our operations.

We tried to convert to doing online takeout for our cafe business and delivery apps. However, with the drop in clientele in our building and also with the exorbitant fees from the third-party delivery apps, we faced the reality that that was not going to be a viable situation. We decided to put our cafe in hiatus and, instead, rebuild or adapt our model for Bacchanalle by focusing on building a new model for food delivery, as well as trying to build our microprocessing of specialty foods operation.

We needed to pursue these options as a result of the food delivery apps, and we're grateful for the creation and launch of Ottawa's Love Local Delivery service during the pandemic. This innovative service provided a platform for restaurants like ours to have delivery options that were outside of the third-party delivery apps that were commonly available in the market. This greatly expanded our reach and visibility for this particular market, so our revenues have actually increased overall in the past several months.

But our viability is still at risk because increased revenue is not equating necessarily to increased profit. We've got higher operating and labour costs. Because we elected to stay open during the pandemic as an essential service, that meant that we continued to receive revenues, which also meant that we did not—

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

Ms. Resa Solomon-St. Lewis: I'm sorry?

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

Ms. Resa Solomon-St. Lewis: Okay. We were not eligible for a commercial rent subsidy and we have not qualified for the wage subsidy, as well, for most of the months. But our operating costs are higher. We also have increased operating costs for sanitation, hygiene supplies etc. As a microprocessor, we also usually have access to a small shared factory kitchen, an incubator kitchen, but that's closed due to COVID, and that's significantly affecting our ability to maintain and grow that revenue stream.

Attracting and retaining employees as a result of the pandemic conditions and the lure of CERB has also had an impact on us, as well as capital expenditures to adapt our location in order to meet the pandemic restraints that are facing businesses.

What we are asking of the provincial government is financial support for business continuity and cash flow, particularly a grant or contribution for the food service sector for:

- PPE;
- sanitation and hygiene products;
- contributions and cost-sharing for investments due to COVID mitigation adaptation;
- marketing and subsidies;
- contributions for cost-sharing business adaptation packaging and social media as we continue to adapt.

As a Black-owned business, I would like also for the provincial government to consider wage subsidies to retain and hire Black youth. As a result of reduced employment opportunities from the economic downturn, the prospects of Black youth will be further reduced, and they are under-represented.

I'd like to thank the federal and provincial leadership for collaboration resulting in support to my business—

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

Ms. Resa Solomon-St. Lewis: —the wage subsidies that we were able to benefit from for a short amount of time, the \$40,000 emergency loan, and the Digital Main Street partnership to help businesses go online. We're in that process, and we've also applied for a provincial e-business grant opportunity for local producers and microprocessors, and we hope to have positive news soon. Thank you for your time.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to our next presenter, the Neighbourhood Pharmacy Association of Canada. Please state your name for the record, and you will have seven minutes for your presentation, as well.

Ms. Sandra Hanna: Yes, good morning. It's Sandra Hanna from Neighbourhood Pharmacies.

Good morning, and thank you for the opportunity to present to you today in this consultation. Again, my name is Sandra Hanna. I'm the CEO of the Neighbourhood Pharmacy Association of Canada. We represent Canada's leading pharmacy organizations, including chain, banner, long-term-care and specialty pharmacies, as well as grocery chains and mass merchandisers with pharmacies. I'm also an independent pharmacist, and I own and operate a pharmacy in Guelph, specializing in opioid dependence therapy. So I stand before you today somewhat wearing two hats, primarily on behalf of my members but also as a front-line worker and a small business owner.

Pharmacies are uniquely both an essential service in the health system and an important part of the province's economy. The pharmacy sector's total economic footprint in Ontario is \$6.2 billion in GDP and 94,000 jobs.

All businesses, as we know, have been impacted by the pandemic, both those who have been forced to close their doors and those who have continued to remain open to serve Ontarians' needs. We are incredibly proud of our members for stepping up to support Ontarians during the first months of this pandemic. Pharmacists play an integral role in ensuring continuity of care, serving as health system navigators for anxious Ontarians looking for advice on testing and symptom management, and playing a key role in implementing policies that protected the pharmaceutical supply chain so all Ontarians could access the medicines they need.

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Today, I'm bringing you lessons learned from our members, as we experienced in the first wave, as we prepare for a potential second wave. You all have our submission in front of you in which we discuss seven recommendations, but given my short time before you today, I will focus on four.

Our first recommendation is to implement supports for essential services, such as pharmacies, that are making significant additional investments to remain open and safely and effectively serve Ontarians. Where access to other health system resources were strained or unavailable, pharmacies responded quickly to meet public health guidelines and implement measures to remain open. In the first 13 weeks of the pandemic, Ontario pharmacies collectively incurred almost \$400 million in costs to increase home deliveries, to encourage physical distancing and isolation, to install physical barriers, and to acquire PPE for their staff and clients, among other measures.

We appreciate the actions that Ontario and the federal government have taken to support small businesses. However, in many cases, pharmacy has not benefited from these programs. As the economy reopens and we prepare for a potential resurgence, pharmacy must remain a viable sector not only because of its economic impact on communities but because of the central role in health care and in the pandemic response.

Our second recommendation relates to pharmacy's role in immunization, both for flu and for other public health

immunizations, including the COVID vaccine once it becomes available. Last year, 1.4 million Ontarians got their flu shots at their community pharmacies, and this number has continued to increase year over year since the launch of the program. Additionally, recent changes to shift the distribution of the flu vaccine to the pharmaceutical supply chain has both significantly reduced vaccine waste and created capacity in public health units to enable them to better focus on ensuring vulnerable populations receive care.

The capacity of all health care providers this year to administer the flu vaccine will be strained due to physical distancing and other public health guidance, so we need to do what we can to encourage the support and participation of as many providers as possible to meet the demand for the flu shot this year.

The ongoing pandemic imposes additional investments, such as PPE and additional sanitation measures, to keep staff and patients safe. We propose in our submission a modest \$3 increase in the administration fee, from \$7.50 to \$10.50. This change will ensure that pharmacies can continue to sustainably provide influenza vaccination services to Ontarians throughout the COVID-19 pandemic. More importantly, it will ensure that the flu vaccine remains accessible to [*inaudible*] Ontarians—

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

Ms. Sandra Hanna:—when other parts of the system may be overloaded.

Furthermore, we urge the government to apply the many lessons learned from pharmacist-administered flu vaccination to Ontario's COVID vaccine plans as well as to other public health immunization programs, including routine child and adult immunizations. Pharmacists are the most accessible and convenient health care providers, and Ontarians have come to rely on them for immunization services. We are perfectly positioned not only to administer vaccines but also to distribute them through our existing and robust pharmaceutical supply chain.

Our third recommendation is to make the investments and enact proposed changes to the scope of practice to enable pharmacists to assess and treat common ailments such as diaper rash, allergies and cold sores so Ontarians can access care conveniently in their communities. Pharmacists in most provinces already have this scope, and we commend the government's plans to enable these services in Ontario. Looking back at the first few months of the pandemic, where access to primary care was restricted, we can be better prepared for a second wave by equipping pharmacists to create capacity and support our primary care physician partners and patients.

Lastly, widespread testing will be vital to ensure Ontario's economies and schools can remain open safely, so our final recommendation today is to empower pharmacists to expand their scope of practice and leverage their accessibility and expertise to increase the provincial COVID-19 testing capacity, specifically asymptomatic testing. Pharmacists should be fairly compensated to recognize the labour, training, infrastructure and resources required to effectively support Ontario's testing strategy.

Pharmacists in the US and Alberta are already successfully administering COVID tests; Ontario should follow their lead.

In conclusion, we believe that with a collaborative approach that engages critical stakeholders and empowers health providers, we can best protect Ontarians from COVID-19, fight this illness and build the foundations for long-term improvements in [*inaudible*]

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

Ms. Sandra Hanna:—while also supporting the economic health of our province. Community pharmacies can play an important role in assisting patients closer to home, ensuring continuity of care, facilitating integration of information, and allowing governments and public health to continue to prioritize patients and ensure vulnerable patients receive care. Pharmacies stand ready to do more to help protect Ontarians from this illness.

Thank you for your time today.

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

Our next presenter is Beef Farmers of Ontario. Please state your name for the record, and you can get right into your presentation.

Mr. Rob Lipsett: Good morning. I'm Rob Lipsett, Beef Farmers of Ontario.

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

Mr. Rob Lipsett: Joining me today is Richard Horne, the executive director of Beef Farmers of Ontario. We'd like to thank you for the invitation to participate in the committee's study of recommendations relating to the Economic and Fiscal Update Act and the impacts of the COVID-19 crisis on the economy.

The beef industry is an important economic driver of Ontario's agri-food sector, contributing \$2.69 billion to Ontario's GDP on an annual basis. Gross sales from the sector exceed \$13 billion annually and sustain more than 61,000 jobs, and there's significant opportunity to build on these contributions. The vast majority of beef farms in Ontario are small and medium-sized family operations.

Policies and programs that support our sector will provide direct support to thousands of small and medium-sized enterprises. The COVID-19 pandemic has had major impacts on the beef cattle market. Without strong support from the provincial government in four key areas, we fear the sector will lose farmers, along with the associated jobs and economic activity generated by every farm.

As many on this committee have probably noticed during the COVID-19 pandemic, there is surging demand for local food right now. People want to eat Ontario-produced and Ontario-processed beef. They want to support local businesses, the provincial economy, and they want to feel connected to their farmers.

Though locally raised and processed beef is in high demand right now, bottlenecks in the supply chain due to processing capacity issues prevent the sector from contributing to economic regrowth at its full potential. Some beef farmers, for example, are being told to wait up to one year to have their cattle processed. Without sufficient capacity at provincial processing plants, many beef

farmers simply can't sell their product to consumers looking for Ontario beef.

We recommend that a beef processing infrastructure fund be developed for projects at provincial abattoirs that will increase processing capacity, using a combination of no-interest loans, non-repayable loans and cost-share funding.

We appreciate government funding for Ontario's abattoirs, such as the Emergency Processing Fund. However, the funding has been focused on health and safety protocols, and we need to urgently address capacity issues in beef processing. Infrastructure funding for provincial abattoir expansion should be made available.

Beef is a commodity product, and market instability during the COVID-19 pandemic has led to instability on farms. We greatly appreciate the Ontario government's recent investment of an additional \$50 million into the Ontario Risk Management Program. The Ontario Risk Management Program is a cost-shared insurance program designed to provide stability to Ontario's farms by providing partial financial protection against downturns in commodity markets. As farmers across Ontario struggle with COVID-related market uncertainty and losses, the recent investment into Ontario's Risk Management Program will provide much-needed support for this vital program when it is truly needed most.

The Ontario Risk Management Program is an excellent program. The only problem is that it's chronically underfunded. While \$50 million is an excellent addition, the agriculture sectors participating in the program and the province should jointly be looking to get the program to a more sustainable funding level that can sufficiently cover the agriculture sectors in the worst years. Some \$150 million annually in total for the program and all the participating sectors is still not likely to sufficiently cover farmers' risks. Also, the more participants who enter the program, the fewer the dollars that are available for everyone enrolled.

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

Mr. Rob Lipsett: Minister Hardeman has committed to redesigning the Ontario Risk Management Program in some capacity. Some agriculture sectors that participate in the Ontario Risk Management Program have their own sections of the RMP that operate differently than others. While we are not opposed to a review of the program, the beef section of the Ontario Risk Management Program is working well for the beef sector.

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Farmers are taking on much of the risk associated with growing food during the pandemic, while the federal suite of business risk management programs, most especially AgriStability, need critical updates. AgriStability is funded by both the federal government and the province, and we greatly appreciate the ongoing efforts of Premier Ford and Minister Hardeman to strengthen the federal suite of business risk management programs for Ontario farmers through ongoing federal-provincial discussions.

Throughout the pandemic, the federal government has suggested that Canadian farmers need to utilize the current

suite of business risk management programs before additional support can be considered. Canada's beef farmers would support this position if the business risk management programs were properly designed to meet the needs of the Canadian beef industry. As currently constructed, AgriStability, the core business risk management program, does not meet the needs of beef farmers due to an inequitable limiting of reference margins, an outdated payment cap and the current trigger threshold.

Since 2018, federal and provincial governments have been conducting a comprehensive review of business risk management programs, with a key focus on improving program equity amongst agriculture sectors. We ask that all Ministers of Agriculture work collaboratively to quickly address these shortfalls within the AgriStability program, which will allow beef producers to better mitigate risk and have confidence to invest in their operation for years to come.

Lastly, we recommend improvements to the funding programs offered to producers through the Canadian Agricultural Partnership. Most farm funding programs—

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

Mr. Rob Lipsett:—do not provide funding for normal business costs or for expansion or growth proposals that have the ability to increase jobs and economic output. The existing programs are too limited for farmers to utilize.

The Ontario beef sector is in a prime position to meet the demand for local food, help ensure food security for the province during this crisis and spur economic activity in production, processing and retail. Support from the province through a beef processing infrastructure fund, making changes to the federal AgriStability program, continued commitment to improving the Ontario Risk Management Program and improvements to the Canadian Agricultural Partnership funding programs for producers will give the beef sector the support it needs to come out of the COVID-19 crisis as a key economic driver and job creator.

Thank you for the opportunity today. We'll welcome any questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now, and we'll—oh, MPP Gélinas, can you please confirm your attendance?

Mme France Gélinas: Hi. I'm France Gélinas, MPP for Nickel Belt, and I'm in beautiful Nickel Belt.

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

We'll start this round of questions with the government. MPP Tangri.

Mrs. Nina Tangri: Good morning, everyone, and thank you to all of our presenters for coming out today. We really appreciate the feedback that we're hearing from you, and those concerns.

My first question is for Ms. Hanna—and actually for all of you. I really want to thank you, as part of our essential businesses, for staying open. I know it has been extremely difficult to have to make very quick decisions and choices and incur many, many additional costs.

My first question is regarding potential testing of asymptomatic COVID patients. I know it has been done in

some other provinces, and it's working quite well. However, I was just wondering if you could give me some idea, because every location is very, very different. Some are looking at drive-throughs; some are looking at other ways, like maybe a tent outside in the parking lot of their space. But would you potentially be requesting people to come inside and have a test, if it was COVID testing and you didn't have another place to do that?

Ms. Sandra Hanna: I think that as we look to a second wave, as we acknowledge the weather that we have in the province, realistically, it can be done anywhere. What we've recommended is outlining what the safety precautions and the sanitary precautions need to be and then have pharmacies implement as needed. In Alberta, for example, they're doing it inside the pharmacy, not outside the pharmacy.

With asymptomatic testing, we're likely dealing with lower-risk patients, and therefore safety measures certainly are in place, but it is being done inside the pharmacy. Most pharmacies have private counselling rooms in which these tests can be done, but certainly, as you pointed out, every location is a little bit different. The way we've always talked about these types of programs is that they're on an opt-in basis. There are close to 4,600 pharmacies in Ontario, so we have the opportunity to really, really expand testing capacity, but it's not necessarily every pharmacy that would be able to participate, and it would have to be opt-in based on the specifications of that pharmacy, both physical and resource specifications.

Mrs. Nina Tangri: If the testing was potentially taking place inside the pharmacy, would that not hinder your sales for your general public? If I was to come into a pharmacy thinking that there's testing taking place in there with people who potentially have COVID-19 when we're taking all of these extra measures—do you believe that that might hinder the other parts of your business?

Ms. Sandra Hanna: I think a lot of the measures are already in place in terms of physical distancing, in terms of PPE and physical barriers. Those are already in place in pharmacies now, and we're well-equipped to manage that flow of clientele. However, I think that that's why we're really focusing on asymptomatic testing. We feel that pharmacies are better equipped to take on asymptomatic testing so that we can help build capacity in the public health system to continue to manage those higher-risk patients.

Mrs. Nina Tangri: I just want to move on to a bit of more primary care. You're looking to assess patients in the primary care field. I know you mentioned a few areas you'd like to potentially complement our physicians. Can you just elaborate a little bit more on what kind of assessing you would like to do and what kind of testing, perhaps?

Ms. Sandra Hanna: Yes, absolutely.

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

Ms. Sandra Hanna: Pardon me? Oh, three minutes.

In eight out of 10 provinces today, pharmacists are prescribing for minor ailments. In many cases—you may have experienced this yourself: You go into a pharmacy,

and you speak to your pharmacist about your symptoms, and we'll ask you a number of questions, we'll do an assessment and then in the end, we have an idea of what the diagnosis is. Unfortunately, today we don't have the scope to be able to prescribe for that diagnosis so we'll send you to your doctor and say, "You know what? You probably have pink eye," for example. "You'll need to go to your doctor to get a prescription for that."

What we're proposing is to improve the efficiencies in the system and to improve health care visits and improve efficiency of your time to be able to prescribe it right then and there, because for many symptoms and conditions, we already know what it is. We'd like the opportunity to be able to prescribe for it so that we can make the system more efficient.

Mrs. Nina Tangri: Thank you. And then lastly, on the administration fee to increase for the flu vaccination, I think you were talking about, by another \$3—I've heard that across the board from many pharmacists. From what you're hearing—not just yourself, but from the organization—if that increase is not put in place, would you choose, perhaps, to not administer the flu vaccine?

Ms. Sandra Hanna: I think it's difficult to say. Pharmacies have been really successful at administering flu vaccines in the program to date, and we're very committed to supporting Ontarians by continuing to provide the flu vaccine in a very accessible way. However, Ontario is far below the median in terms of the fees that are being paid. With the additional costs this year, it might become difficult for some pharmacies to be able to sustainably provide that service. That's really a concern that we have. We want to make sure we can enable every pharmacy to be able to participate.

Mrs. Nina Tangri: Thank you very much. I think I'm out of time. Thank you.

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

Mrs. Nina Tangri: Oh, we still have another minute? Okay.

So just back on that same area there, on the 30-day prescription that we had to initially put into place for those on the Ontario Drug Benefit Program: On the one hand, we were having seniors—we don't want them to go out too often into the public—and then we had a limited time of every 30 days they're having to get their prescriptions refilled, perhaps having two, three, four different prescriptions. Now that, of course, has gone away to the 90 days. How did you find the supply chain? I've spoken to a lot of generic pharmaceutical companies and patented companies. There has not been an issue; however, logistics are occasionally a bit of a problem. How did you find that personally?

Ms. Sandra Hanna: We actually work very closely with the generic and innovative medicines and the wholesalers' associations to compare notes and try and understand what's happened with the supply chain. It's a very complicated global supply chain. There were a lot of risks, obviously, with border closures. We were really taking precautionary measures to make sure that we could make sure everybody had access. Lots of lessons—

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up now. We'll move to the opposition now for their first round. MPP Harden.

Mr. Joel Harden: My question this morning is for Ms. Solomon-St. Lewis. Thank you very much for joining us. Your businesses are well-renowned in our city, and I appreciate your insights and some perspective into what you've had to do to remain and in some cases, as you're saying, to thrive. One of the things we've heard at this committee is the need for federal, provincial and municipal programs, particularly in situations where small enterprises are renting their own space, to try to provide relief directly to tenants. We were wondering what you thought about that.

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Ms. Resa Solomon-St. Lewis: Yes, I think, absolutely, that is definitely a concern in our sector. There have been many instances where the tenants have approached the landlords and they have not wanted to go forward with the applications. This has resulted in pressure on the respective tenants, so I think that a number of my colleagues in the sector are definitely looking for that.

In my particular situation, it's not the same type of issue. What I would say is that because I've had to adapt my business—or, we need to adapt our business because we don't have access to the supplementary shared facilities that we use for microprocessing; we have not been able to negotiate with our landlord to find an affordable solution to get the support we need to bring in our equipment. So I think that putting that back in the hands of the tenants or being able to put that in the hands of the tenants would provide more necessary flexibility to the business owners.

Mr. Joel Harden: Once again, thank you very much, Ms. Solomon-St. Lewis, for being here and for your leadership in our city.

I want to pass the mike to MPP Gélinas, who I believe also has questions.

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

M^{me} France Gélinas: I actually think it's going to Ian next.

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

Mr. Ian Arthur: Good afternoon, and thank you. I'm going to address my questions to the beef farmers. You talked about the need for processing capacity in Ontario and the wait-list. Would you explain why that's so important? I kind of know, but so the rest of the committee knows, about the extra losses you have with more delays in terms of booking beef in, in terms of the processing. What's the best path forward to quickly ramp up that processing capability, and distribute it through the province so we don't have such a concentrated area? So if a plant goes down because of a second wave outbreak, how do we make sure that we don't get that backlog again in Ontario?

Mr. Rob Lipsett: Sure. Thank you for the question. I guess what we've identified is there are two problems right now. One is actually that some of the plants have a lack of physical infrastructure, and they've indicated that they would do some expansion to their freezer capacity and their actual floor space for processing capacity.

The second big piece has been labour and access to it. It's a fairly specific job that we're kind of entertaining the idea of trying to partner with some schools to provide an education program—maybe it would be a kind of co-op program with some of the processors, that they could hire some labour and run them through maybe two days a week in the classroom and two days a week on the floor, learning how to cut.

In terms of what would happen if we have a plant in Ontario close due to a COVID outbreak, it would be absolutely devastating to our industry right now. We're already at our capacity with the major federal plants that we have in the province. We lost one of them back in December due to some inspection infractions, and that caused a bit of a backlog right off the bat, pre-COVID, and so we're fighting our way through it.

Some of the smaller processors have indicated that there was some red tape that just caused them to not want to be in the business anymore. We're looking at different ways around opening up some of that red tape regulation, and then some kind of partnership for the plants that stayed operating to ramp up production in a short time.

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

Mr. Ian Arthur: That's really interesting. How long would it take you to ramp up a labour program like that? We have huge job losses. We're going to probably see at least a minor restructuring of the job structure in Ontario. How quickly could you get people working through a program like that?

Mr. Rob Lipsett: We're investigating what schools are offering programs right now. One that we're aware of and very interested in is at Canadore College in North Bay. There's a new plant just about ready to open, a federal plant in North Bay, that has partnered with Canadore to offer that program. So we're interested to get some more details to see how they make out with that, that we could maybe roll it into some of the other schools and colleges down in southern Ontario, that we could really access that program to ramp up the labour front.

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

Mr. Ian Arthur: That's perfect. I don't have any other questions at this point, but thank you for coming before the committee today. We absolutely support an expansion of crop insurance and increased funding for the program. The other part of it you were talking about, the NDP has consistently supported that. We hope to see the government take some action on that. We know it's needed and we know that the minister does realize it's needed, so I hope to see that move ahead. Thank you so much.

Mr. Rob Lipsett: Thanks. We appreciate the opportunity.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the independent members now. Any questions? MPP Coteau.

Mr. Michael Coteau: Again, thank you to the presenters today. I was really intrigued by Baccanalle and Capital Fare Café. It sounds like such an interesting model. I went on to your website as you were speaking. I noticed that not only do you provide the cafe experience, the takeout,

catering, but also a frozen section. Maybe you can talk a little bit more about your model, because it seems a bit unique, and how a model like yours really fits into the challenges that COVID-19 has brought forward. You list some of the products on your website—actually, there were a few sold-out products, so I'm hoping that that side of the business is doing well. Can you talk a little bit about that?

Ms. Resa Solomon-St. Lewis: Thank you very much for your question. That's one of the things that we've essentially tried to adapt our business model. During COVID, we noticed, as an essential service, especially when the restaurants were closed down, that of course families were tiring of making their own food all the time, that not everybody has that skill set. So we attempted to solve some of that by giving families options. It's not just a matter of, what are we going to order for dinner tonight, but giving them some things that they could keep in the freezer, mix and match, to put together their own meals, and also make it a little bit more economical, if they wanted to, for example, make a component and use some of our pulled jerk chicken.

We also have had the benefit of farmers' markets reopening under constraints over the past two months, and we have resumed our participation in that. That's also helped to grow the business. Really, I see that the local clientele is appreciating the essential services that farmers' markets provide.

Mr. Michael Coteau: Now the farmers' market, is it a typical farmers' market or does it have a West Indian theme to it?

Ms. Resa Solomon-St. Lewis: No, it's a typical farmers' market. We've been active in several farmers' markets locally for a number of years. I think that we definitely are pioneers, somewhat, in that area in bringing the Caribbean food, not just condiments and sauces, for example, to the market. We actually sell Caribbean food and have raised visibility, interest and awareness for Caribbean food locally in our city.

Mr. Michael Coteau: And the last question is: You mentioned that you were using a communal kitchen environment. This is becoming a lot more popular as a model. I've seen some food co-ops on the west coast in America come together in different communities, different businesses that partner together to share that space. You said that it was closed down during COVID. Was there any clear indication by the government of what the guidelines were for a space like that, considering they may not be as common as more traditional restaurant environments or preparation places? Any thoughts on that?

Ms. Resa Solomon-St. Lewis: That's a great question. We have a couple of incubator kitchens in Ottawa. The one that we use, it was more—because we have our own location for our day-to-day operations, we use an incubator kitchen for our microprocessing, so it's a small food factory.

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I don't think the government was preventing them from opening. I think that they've made a decision, and it's

around limiting—because they are their own producers and co-packers and the shared component was an additional part of their business. I'm imagining that the reason is that, in terms of risks from COVID, the shared environment in that facility maybe was something they felt that they couldn't accommodate, but that does put pressure on me. As a microprocessor, I need to find another solution, and it's definitely going to cost me more money—

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

Ms. Resa Solomon-St. Lewis: —and if I can't solve that, it effects the viability of my business.

Mr. Michael Coteau: Because the standing committee is going to be exploring different models of business, especially post-COVID, can you explain a little bit about the incubator kitchen and how it works and how a person becomes a member? What are the commitments to it, and what are you able to do in that facility when it comes to microprocessing?

Ms. Resa Solomon-St. Lewis: In that particular facility, really, there are a variety of different types of businesses. I find that some incubator kitchens are focused more on providing shared facilities that are great for caterers and bakers. This is a small food factory, so if you are—in my case, we need to process different sauces, condiments and spice blends, and they also have industrial-sized baking equipment and mixers and packaging—

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

Ms. Resa Solomon-St. Lewis: —bottling equipment. Each one offers different benefits for their clients.

Mr. Michael Coteau: Thank you very much for enlightening us today, and good luck with the business. I appreciate it.

Ms. Resa Solomon-St. Lewis: Thank you so much for your time.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the opposition for their second round. MPP Gélinas.

M^{me} France Gélinas: Good morning, and thank you to all the presenters.

I would like to start my questioning with Sandra Hanna. My first question is, we have been talking about pharmacists being able to treat common ailments for a long time. Could you bring us up to date as to how the negotiations are going for you to be reimbursed to do this and how the work is being done by your colleagues so that you are finally allowed to do this? Where are we at?

Ms. Sandra Hanna: Yes, absolutely. At the end of June, the Ontario College of Pharmacists, our regulator, actually sent in the proposed regulations, the framework for which pharmacists would be enabled to prescribe for minor ailments. Those are now with the ministry, so we are actually working collaboratively with government at the moment to bring those to life. We're really hoping that we can expedite that process, because we do feel that there is an opportunity for us to really support the overall system in the case of a second wave, given the strains on primary care and other parts of the health care system.

In terms of reimbursement, we're continuing to advocate for fair reimbursement. We feel that there's an opportunity for pharmacies to really significantly create capacity

in primary care if patients are offered the same opportunity to be reimbursed whether the service is provided by a physician or a pharmacist. We feel that that's fair, to help provide opportunities and options for patients and for Ontarians. We are having great discussions with government about that. There's no indication just yet, but we are continuing to collaborate and work with government.

M^{me} France Gélinas: Okay. I haven't seen the recommendations from your college. Is it specific to certain ailments? I know that you mentioned pink eye, diaper rash, and another one. Are the recommendations specific, or would it be by class of common minor ailments?

Ms. Sandra Hanna: The way that they're done is by indication. There are a number of indications—as you mentioned, things like pink eye, things like cold sores, things like urinary tract infections, for example—and they would be by condition. Does that answer your question?

M^{me} France Gélinas: Yes, it does. So it's by class; it's not specific to—okay. Is it well received by your profession? Are pharmacists happy with the recommendations from their college?

Ms. Sandra Hanna: They're very happy. Pharmacists are so well positioned to do this, and we do this on a daily basis. As I described before, we're often doing the full assessment, but the only barrier is that we don't have the ability to prescribe at the moment. It's frustrating for us. It's frustrating for patients. There's just such an opportunity to make the system more efficient and to make it more convenient for patients. Not only that, but there are lot of savings that are available to the system by avoiding hospital or primary care visits. Additionally, there's just the convenience and the productivity improvements that can be achieved just by the fact that pharmacies are open, in many cases, 24 hours a day or for much later hours, so people don't need to take time off work, reducing absenteeism, improving productivity for employers and employees as well—so just a lot of opportunity to provide some real value for Ontarians.

M^{me} France Gélinas: My next question had to do with vaccines. I agree with you that pharmacists being able to deliver the flu vaccine was a game changer in Ontario as to increased access. Is there any talk that you would give—I took it for granted that you would be allowed to give the corona vaccine, if and when it shows up. Is this something that you feel confident will happen?

Ms. Sandra Hanna: We've been having these conversations both at the provincial level and at the federal level, just to raise awareness of our willingness and our availability and opportunity to help. To your point, I don't think there's any opposition to this. I think there's very clear success, opportunity and value to the pharmacist-administered influenza vaccine, so it stands to—

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

Ms. Sandra Hanna: —it makes sense for pharmacies to participate. Some of the questions lie around how it's going to be distributed, the funding. Those are all question marks at the moment, and I think the province is still planning how they're going to administer the COVID vaccine.

But the additional piece that we really are stressing is looking at childhood and adult routine vaccination as well. In the first wave, we saw a lot of those vaccine schedules get delayed because of the closures of a lot of primary care offices. If pharmacists have the training to administer vaccines for flu or for COVID, we should extend that and be able to provide for routine adult and childhood vaccines as well and be reimbursed for them, as they are through primary care or public health.

M^{me} France Gélinas: My last question kind of piggybacks on what MPP Tangri was talking about with the shortages of drugs that were expected and that do happen. I mean, we've had shortages of drugs since I've been in health care, and that's a long time.

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

M^{me} France Gélinas: How are talks going with therapeutic substitutions within a class in order to provide continuity of care to patients affected by shortages? Are we moving forward?

Ms. Sandra Hanna: We are also having discussions about therapeutic substitutions. These discussions have been ongoing for a long time, as you probably know. They were reinitiated as a potential tool, given the situation that we saw in the first wave with COVID. We're recommending [*inaudible*] pharmacist to do therapeutic substitution because it just gives us another tool in the toolbox to be able to manage drug shortages, which, as we know, are common and very possible and probable with a global pandemic, as we saw in the first wave. So we are continuing discussions around that.

M^{me} France Gélinas: How close to becoming reality are we? You've been discussing for over a decade. Is there a finish line?

Ms. Sandra Hanna: We hope so. We hope so—

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

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

Mr. Mike Schreiner: Thanks to all three groups for coming in and presenting today, providing great information. I feel like there are so many questions and so little time, so I'll be as fast as I can.

I want to direct my first question to Sandra. Thank you for the great work you do in our community here in Guelph. I wanted to just expand on the conversation around scope of practice and providing immunization services. My understanding is not only are you maybe increasing access and convenience, but you can oftentimes do it at a lower cost to the health care system. Could you maybe elaborate on the importance of how you could increase service and lower costs for the system?

Ms. Sandra Hanna: Yes. We always focus on the fact that pharmacists can be a lower-cost provider, and that is true. The other part that I want to stress is that it's the same service, right? It's the same service, more convenient and more accessible for Ontarians. If we can provide that at a lower cost, then that's a real bonus. In many cases, that's the main reason that's looked at, and I really to want stress that there's a lot of value.

The bigger issue is that our other parts of our health care system are so at capacity. So it's not only the convenience and the access, but it's creating capacity so that physicians can see more complex patients, so that hospital beds are filled with more sick patients, as opposed to having Ontarians suffering minor conditions going into the hospital or the emergency room because they can't access their doctor in the middle of the night or after hours. It's really that convenience and the capacity that's created in the health system that we stress.

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Mr. Mike Schreiner: Yes, that's a compelling argument for the points you've made, so thank you for that.

Resa, I just wanted to quickly ask you a question. I started a micro food processing business here in Guelph about 20 years ago or so, so I can relate to what you're going through. I was meeting with the Black Business and Professional Association the other day, and they were saying that a number of Black-owned businesses are facing some structural barriers in terms of access to capital. I'm just wondering if you've experienced that and if you have any suggestions for the committee on how to overcome some of those barriers.

Ms. Resa Solomon-St. Lewis: I think that definitely can be a challenge. In my particular situation, I applied for the things that I was eligible for. I mentioned that in my case, we worked through the pandemic, so we did have some revenues. We applied for the emergency business loan, and we didn't have a problem because we were already a client of the bank, but I know that there are definitely challenges if that commercial banking relationship doesn't already exist.

I think that we're already all aware of a number of systemic barriers that can potentially create challenges for Black-owned businesses when they're looking to seek out support through things like financing through the banking institutions. I think that a way that the government could assist further is to make available some of the models that they have looked at for things like supporting women-owned businesses; for example, the contributions and the grants to help small businesses that are women-owned to rebuild, revive and restart. Similar types of supports could be beneficial.

Also, one of the other aspects that I mentioned before was about employment and providing an opportunity for a wage subsidy to retain and hire Black youth. I think that Black youth have a greater likelihood of being hired by Black-owned businesses because that barrier doesn't exist. So to help us help them would be great, if that could be considered.

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

Mr. Mike Schreiner: Yes, I really appreciate you bringing those specific recommendations to the committee. Thank you for taking the time.

Ms. Resa Solomon-St. Louis: Thank you.

Mr. Mike Schreiner: I'm almost out of time, but I want to go to the beef farmers really quickly, because in my food business days—I've been a strong advocate for local food over the last 25 years, and have seen a dramatic

decline in the number of small abattoirs. I'm wondering what that decline has meant in terms of barriers to access to local food and how vital it is that we preserve and even expand the number of small abattoirs in the province.

Mr. Rob Lipsett: Yes, thank you for the question. It's been fairly debilitating in my area specifically. Fifteen years ago, we had four local abattoirs and now we have none. The closest one to me would be Elora, which is close to two hours away from home. I come from the county that is the largest beef-producing county in the province—

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

Mr. Rob Lipsett:—and we're now talking about two hours away from a processing plant. That's the kind of barrier that we're facing where I'm specifically from. I'm not sure what happened during that time exactly.

In the meantime, we now have a two-hour one-way trip with animals, and the federal government released some new transportation regulations that are going to cause a little more complication, as well, in terms of different categories of livestock and how long they can be transported for. So if we could ramp up local processing, not only is it going to benefit the farmers themselves, but it actually plays well into these new transport regulations so that we can adhere to them and not cause an animal welfare issue.

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

Mr. Mike Schreiner: Thanks.

The Chair (Mr. Amarjot Sandhu): We'll go back to the government side for their second round. Minister Surma.

Hon. Kinga Surma: I guess I'll start with Rob. You mentioned that smaller processors are facing challenges in terms of red tape. Can you expand on that for me and provide me with some clarity on that item that I can take back?

Mr. Rob Lipsett: Sure. I think one of the key examples has been in the actual inspection process. I've heard several local abattoirs talk about different inspectors interpreting the rules differently. I think we need to lock down what the rules are, so that it's not open to interpretation. I've heard one particular abattoir that said they had an inspector recommend where to put a washing station, and within 12 months a new inspector came in and told them they needed to move it. Those kinds of things are what's frustrating to these local abattoirs. When you tie up all your profit in something like the location of where to wash your hands, they just get frustrated and walk away from the industry.

Hon. Kinga Surma: Thank you very much.

I'll now switch over to Sandra. I know you've been asked a lot of questions, but I have more. Can you please expand on what policies you introduced to protect the supply chain? I think you mentioned that in your introductory remarks. Can you just expand on that, please?

Ms. Sandra Hanna: Absolutely. We worked with different supply chain stakeholders—the generic pharmaceuticals, the innovative medicines and the wholesalers—to monitor the supply chain throughout and to understand

what the risks were. In the majority of the provinces across the country, Ontario included, a policy was put in place to reduce the quantity dispensed to 30 days. It's certainly not convenient for everybody, but it did serve to protect the supply chain and we did avoid any massive shortages that could have occurred. Really, the priority was to ensure that we could protect the supply chain and ensure that all Ontarians and Canadians had access to the medicines they need.

What happened was that in the beginning of March, there was a huge surge in demand. There was a massive spike, and the supply chain wasn't ready. We saw a lot of risk in terms of meeting that massive surge in demand, especially given so much uncertainty globally with India and China and the transport by land, by sea and by air. There were so many restrictions globally, and the 30-day policy really did help to dampen the demand so that we could rebuild the stock supply of the pharmaceuticals, so that we could meet the demand.

Hon. Kinga Surma: Great. For the 30-day demand, did you hear a lot of feedback from your clients and customers that used pharmacies in terms of the distribution fees and that aspect of it? I have a lot of seniors in my area, and so I heard a lot about that on the ground.

Ms. Sandra Hanna: Yes, we did. It was a challenging time, honestly, for front-line pharmacists, because ultimately pharmacists were essentially the messengers for the entire supply chain. Pharmacists don't have control over the actual supply of medicines, but we're the front end of that. We're the customer-facing end of that. We're the ones who are implementing these policies, but we don't have full control over what's happening in the entire supply chain, because it's a global supply chain. So it was a very challenging time for pharmacists, and we can appreciate the frustration of some customers that had to incur costs.

I'll say that for pharmacies, in many cases, our members increased deliveries, not only to help their customers and their patients to remain at home and self-isolate, but also to reduce the frequency with which they had to come in to the pharmacy to get their medicines—

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

Ms. Sandra Hanna: —as a result of these policies. That was a costly measure for pharmacies. We estimated that the delivery costs, with the increase in deliveries alone, cost pharmacies in Ontario collectively close to \$8.2 million weekly. It was a difficult time, certainly, but it was something that we all had to do and we were all in together to protect the supply chain.

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Hon. Kinga Surma: Thank you for that. In terms of should there be, whether it's a second wave or a different pandemic situation in the future, what has the pharmacy industry learned? Are there any recommendations to the provincial government? What can we take from this situation to be better prepared in the future? How are you going to deal with possibly another influx of people seeking medicine? Do you have any insight on that?

Ms. Sandra Hanna: Yes, we're doing a lot of work on that.

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

Ms. Sandra Hanna: There are federal and provincial tables looking at drug supply and shortages, or potential shortages or at-risk shortages. Another piece is education. Just educating the public that our supply chain is robust, it is responsive, it is strong; and really, what initiated the big issue was the massive stockpiling at the beginning, which sort of depleted all our stocks in pharmaceuticals. So, education—order as you have in the past. We're continuing to monitor any drugs that are at risk. We also talked about therapeutic substitution and other tools that we could think about and put into place to really support pharmacists to be able to manage some of these shortages as well.

Hon. Kinga Surma: I think you may be cut off, but I'm going to ask one more question. In terms of expanding the scope of practice and flu shots and possible additional immunizations and all of those ambitious plans, how are you going to manage? How are the local pharmacists going to manage and make sure people are safe at the same time?

Ms. Sandra Hanna: I think the safety precautions are certainly in place. I think this is why reimbursement is so important—

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

So that concludes our time. Thank you to all three presenters for your time and for your presentations.

OLIVER AND BONACINI HOSPITALITY
ELECTRICAL CONTRACTORS
ASSOCIATION OF ONTARIO
ONTARIO DAIRY COUNCIL

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, first I would like to call upon Oliver and Bonacini Hospitality. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Andrew Oliver: Hi. Good morning, everyone. I'm Andrew Oliver, president of Oliver and Bonacini. Thank you for allowing me to address the committee here today. Oliver and Bonacini manages a number of restaurant and event venues, the majority of which are operating here in Ontario, where we employ almost 2,000 people. Our portfolio ranges from quick service to fine dining, and we are the largest events and catering group in the country.

At O&B, we closed our restaurants before it was mandated, as did so many other operators in Ontario, doing the right thing and likely slowing the spread of the virus and saving lives. I'm proud of the role we played in flattening the curve here in Ontario, and I applaud the provincial leadership and their Herculean efforts to keep people safe. I also appreciate that the road to reopening the businesses across the province has been carefully and intelligently considered.

While we are seeing some economic recovery across the province, which is great, there is no question that there

are a handful of industries that have been distinctly hard hit by COVID-19, both financially and in the undue hardship to its workforce, and hospitality is most certainly one of them. Certain initiatives such as allowing restaurants to deliver alcohol and set up temporary patios have been a small positive step; however, they only represent a small drop in the bucket of what our industry actually needs to survive this crisis.

Despite the current measures to date, it is estimated that still half of our industry is laid off, one third have permanently closed their doors, and sales are less than half what they were this same time last year. With winter coming and patios closing, things will likely only get worse in the coming months and many of our industry are only hanging on by the tips of their fingernails. No other industry in Canada or Ontario has suffered as many job losses. I estimate that, at most, only half of our industry's employees are back to work, many on reduced hours and salaries. That does not compare to any other industry.

If we are to have our sector survive—and I mean survive, because we are on the brink of total and complete collapse—we need specific, nuanced, long-term support and systematic changes. We must not have any illusions: Our sector is at risk of complete destruction and will take years to recover.

Our number one priority has been trying to keep as many people employed and jobs for them to come back to. I appear before you today with several recommendations that will save jobs and help many businesses within our industry avoid bankruptcy and get back up on their feet.

According to ORHMA, over 300,000 hospitality employees are currently either laid off or not working any hours here in Ontario. The wages of those few employees we were able to keep are being subsidized, but that program ends November 23, not at the end of the year as many in the industry have been led to believe. The Canada Emergency Wage Subsidy program needs to be extended to reflect the limited capacity of indoor dining rooms and seasonal patio closures. It is simply not right that measures are not being matched to occupancy measures that are in place to keep everyone safe. It's simply not common sense to not match these programs.

The number of laid-off employees does not only represent the current dismal business reality, but the urgency to defer the temporary Employment Standards Act layoff extension deadline to a period when hospitality is stable and sustainable. Extending the date will ensure that hospitality employees can continue to keep working at the reduced hours and wages, which are most certainly higher than CERB or what EI will be, versus being laid off on September 4. Tens of thousands of employees might be laid off needlessly.

Furthermore, they will not automatically be terminated at the end of the layoff period, triggering an obligation of termination pay for all businesses. Such financial burden will needlessly bankrupt the vast majority of operators whose have survived this long. We would be kidding ourselves to think that this crisis will not be longer than the next 13 weeks.

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

Mr. Andrew Oliver: Without a common-sense measure like this, many hospitality businesses still surviving and fighting will have no choice but to fall like the thousands that have fallen before us with CCAA protection, eliminating any hopes of a V-shaped recovery and having boarded-up windows for years to come.

In order to allow for long-term recovery for the hospitality industry, we need to work together to create a more manageable tax structure for our sector. For so long, the hospitality industry has been disproportionately taxed. Although the loss of tax revenues in the short term will be tough, it's in everyone's best interest to make this investment to ensure the industry's survival. Lowering corporate taxes, preferential prices on alcohol and introducing temporary measures for accelerated depreciation are critical.

Of course, paying rent has been another one of our major challenges through the pandemic. Let's all face it: CECRA is simply not working. We need the province to lobby the federal government to re-examine this area of assistance for the longer term, with a more sustainable program that is, again, matched to the occupancy limits placed on our industry.

In order to help restaurants reopen and recover, we propose low-interest-rate loans and a recovery fund program for the sector. Current EDC and BDC programs have failed to help and have very little uptake given their extremely high interest rates, which is shocking considering they are government-backed. We need longer five-, seven- or 10-year loan programs with 1% to 2% interest rates, not 7% or 8% interest rates.

Lowering interest rates on existing loans is another way to directly help the hospitality sector and result in less permanent job losses and save the entire ecosystem. Individual programs like the enhanced wage subsidy program in Manitoba and the Alberta government grant program would be others that would be more than welcomed by our industry here in Ontario.

As we slowly rebuild guest confidence in restaurants and demand for dine-out, we need to look at creative solutions and incentives to boost the economy. We need to waive HST for the next five years on all meals and entertainment. We need to work with the federal government to have expenses of restaurant meals at 100%. We need the extended patio extension allowances to go through 2021 and 2022.

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

Mr. Andrew Oliver: We need to look for other creative ways to incentivize Ontarians to dine out. For example, the UK Chancellor launched the Eat Out to Help Out program, in which the government pays 50% of diners' meals, up to £10. Being allowed to sell and deliver alcohol as part of our take-out and delivery offerings has been long overdue, but we need more, and we need more to incentivize Ontarians to buy from local breweries, distilleries and wineries.

We need to reduce the price of alcohol to restaurants and entertainment venues, reduce taxation, continue to cut the red tape on alcohol-related laws to make permanent

changes, allow restaurants to import directly from suppliers, continue to sell alcohol for delivery and take-out and decrease wholesale pricing for Ontario producers.

On a last note, we're obviously concerned about Ontario's employee community and those that are hardest hit by all this. From servers, dishwashers and cooks, and now even those delivering groceries and take-out, let us remember that they, too, are also front-line workers. Not only that, but their compensation has been completely devastated. One small change that could help their livelihoods is waiving income tax on the first \$30,000 of income for the next few years to allow those to get caught up where they were barely surviving on CERB, especially in urban centres like in Toronto—

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

Our next presenter is Electrical Contractors Association of Ontario. Please state your name for the record, and you will have seven minutes for your presentation as well.

Mr. R. Graeme Aitken: Good morning. Am I unmuted now?

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

Mr. R. Graeme Aitken: Thank you, my name is Graeme Aitken, and I'm with the Electrical Contractors Association of Ontario, or ECAO. I want to thank the standing committee for your invitation to present and also for your valuable time this morning.

ECAO represents over 550 members, electrical and communications contractors in the province of Ontario. We've been around since 1948. Just to give you a very brief overview, we do work in a number of sectors throughout the province of Ontario. We do work in ICI, which is industrial, commercial and institutional; residential—low-rise, high-rise, single-family units; road work—so street-lighting, traffic-lighting control; high voltage—so the tower lines that you see; communications; renewable energies; and maintenance.

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The province of Ontario is in fact a large consumer of our product. Just four quick facts for you so that you understand the impact of our industry: We have an annual average growth in the province of Ontario of 3%, which is the third-fastest-growing sector in the province; in 2019, we employed 542,000 people, which is 7.3% of the province's employment; the construction industry in this province represents 6.8% of the GDP; and the total impact of a \$100-million non-residential building is actually \$194.8 million, and it generates over 830 jobs.

As for what you're seeking from us today, I first want to thank your government on five very quick points. One of the issues that was dealt with by this government was eliminating the freeze provisions with respect to the Construction Lien Act, which was a significant boost for our industry. It's a cash flow industry, and those unintended consequences of the initial Emergency Management and Civil Protection Act had actually stopped the cash flow, so we thank you for that. We also want to thank you for the quick move with respect to virtual or remote

statutory declarations. That was also an impediment to cash flow. The others I want to say thank you to you about, very briefly, are the elevated health and safety protocols in the construction industry—the Ministry of Labour, Training and Skills Development was outstanding in working with our community in doing that—and also for the emphasis on the skilled trades.

We have written to the Premier, to the Minister of Labour and to the Associate Minister of Small Business and Red Tape Reduction a number of times during this pandemic. While there are a few issues still remaining, I'd like to talk to you about what I think is critical moving forward, and that's the contemplation of subsequent waves. Although we, ECAO, with everyone else, hope for none of this happening and that our actions continue to minimize the spread in any future outbreaks, I think it's important that we learn the lessons and that we're prepared in the event that we do have to deal with this again.

The first thing, and it can be done directly by government, is in the tendering process. That's both government and government-funded projects.

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

Mr. R. Graeme Aitken: Thank you.

We would ask that there be an elimination of no-COVID-19 clauses in tender documents, or even better, have a provision in each of those government contracts for the negotiation of COVID-19 clauses. We think that we should see the government continue its work on Ontario-produced—not just PPE, but we're talking about supply chain materials for construction.

Child care: Our workers, we need them, but our workers also need child care. And we are happy to work—I should say right now, before I forget—on all of these issues with you.

We think that there should also be a fair extension of time and fair compensation for any reasonable costs—and I emphasize “reasonable”—incurred due to COVID-19. Those would include things like demobilization, remobilization, site safety, interruptions, extended rentals, security and those types of things.

The most important point I want to get to you—and I'm going to leave the items that we have asked for, and will continue to, to my written submissions. But we urge you, in the event that there is another outbreak, there's a subsequent wave, to allow the construction industry—which has proven itself as not spreading the virus, as lessening spread—to maximize opportunities such as, if we have a shutdown again, things like traffic lights, street lights, airports, schools, municipal buildings, Ontario government buildings. We should be in there doing that work for you when there is no vehicular or pedestrian traffic. We can do it quicker, we can do it more efficiently and we can, quite frankly, do it safer.

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

Mr. R. Graeme Aitken: In the event, we would ask that you look at maximizing those opportunities.

Was that my one-minute warning or am I done?

The Chair (Mr. Amarjot Sandhu): You have 40 seconds.

Mr. R. Graeme Aitken: Thank you very much.

Let me just end with this one, then. When the government is looking at infrastructure and other construction projects to help restart the economy—which, by the way, we contributed to, I believe, significantly, during the height of the pandemic—we ask that you ensure to do it across the province. It doesn't do any good to invest \$30 billion, just to pick a number out of the air, all in the GTA when we still have Thunder Bay, Sarnia and Kingston who don't have any work.

I'll leave it at that, rather than go the next 10 seconds. Thank you very much.

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

Our next presenter is Ontario Dairy Council. Please state your name for the record, and you will have seven minutes for your presentation. Unmute, please.

Ms. Christina Lewis: Great. Thank you. Good morning, everyone. Thank you, Chair, and thank you, committee, for the opportunity to appear before you here today. I'm pleased to be here representing the Ontario Dairy Council.

My name is Christina Lewis and I am the president of the Ontario Dairy Council. Ontario Dairy Council is a place for dairy processing companies here in Ontario. This growing industry proudly and consistently provides high-quality, nutritious and delicious milk and milk products locally, nationally and even around the globe.

ODC members contribute about \$6 billion to the Ontario economy every year. They employ about 8,000 employees and process about 98% of the three billion litres of milk produced here in Ontario by Ontario farmers. Our members also process 100% of the buffalo milk that's produced in Ontario and nearly 100% of the goat and sheep milk produced here as well. Our 31 member companies make the full range of dairy products including milk, cream, butter, cheese, ice cream, yogourt, powder and even ingredients. These companies range from small artisanal manufacturers to on-farm processors, mid-sized companies, co-operatives and even global corporations.

The impact of COVID-19 on Ontario's dairy processing industry is indeed significant and came at the most inopportune time possible, as this sector was and is still working to mitigate the impacts of three recent trade agreements where nearly 10% of our domestic market was conceded to our trading partners. Our members are looking for two things at this point that could help us. One is support to manage COVID challenges into the future, and secondly, we need assistance from partners such as the Ontario government to remind the federal government of the promises they made to help us mitigate the impacts of the trade agreements.

The first one that I'll talk about is really support for COVID. Through COVID, as a designated essential service, dairy processors worked and are continuing to work diligently to ensure that grocery store shelves are stocked with sufficient rich dairy products, while at the same time protecting the health and safety of their employees. Many dairy processors lost up to 80% of their

food-service business overnight, only minimally offset by the increase in retail sales that occurred during COVID. They've incurred significant revenue losses due to excess inventory because of short-life products that had to be disposed of or donated, and they continue to deal with staffing issues and employee absenteeism and apprehension.

At the same time, they have been subjected, like many other industries, to millions of dollars in costs for new things such as Plexiglas, face masks, sanitizer, social distancing spacing etc. to keep their employees safe. These new challenges and increased costs have further complicated what is already a delicate environment for dairy processors and led to additional financial losses.

Uncertainty of the food service market is of great concern. As Mr. Oliver noted before, this industry, food service, has been hit significantly and there is a domino effect from food service to the manufacturing sector. It's not clear to what degree the food service market will come back and reopen, although we've heard some statistics this morning as well. With the fall approaching and patios closing, this creates another level of uncertainty. We are very hopeful that there is not a second wave, because that would be catastrophic.

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

Ms. Christina Lewis: To mitigate the impacts, support local farmers and service customers and consumers, ODC is asking for the government to implement new programs and expand existing programs so dairy processors can manage into the future.

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A few areas that we're going to suggest are:

- to fund a support for e-commerce development;
- financial support for infrastructure that allows them to support current and future physical distancing;
- reimbursement of precautionary measures, including PPE;
- assistance to cover costs associated with recruiting and maintaining employees; and
- costs to cover the lost revenue from product that had to be disposed of or donated.

The second thing that I want to talk about quickly—not really to do with COVID directly, but as I mentioned, it couldn't have come at a worse time. We have been hit hard by the recent trade deals, approximately \$320 million per year in lost sales once all of the trade deals are implemented fully. On top of that, we've got unprecedented pieces in CUSMA, such as global export restrictions on a few of our products. The early implementation of CUSMA was another multi-million-dollar hit for us.

Our market is very unstable right now. Certainly, any innovative developments or market opportunities at this point will only cover foregone markets, lost markets at this point, before we can actually realize any growth. It's important within a supply-managed industry that we have stable conditions. The federal government has continued to promise compensation to dairy processors in light of the trade deals, but so far, they've only provided funding to farmers. While it's not directly related to COVID, this

would certainly go a long way to help dairy processors during this very difficult and unpredictable time. We ask you for your help to remind the government.

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

Ms. Christina Lewis: In conclusion, ODC and its members and the broader industry have always focused on the best interests of consumers. We are proud of our contribution to the Ontario economy, our efforts to continue growing our businesses in Ontario and to serving Ontarians. COVID has shown us clearly how important it is to support the sectors that are essential to our province and our consumers and our residents. We thank you, the committee, for your ongoing support to address many of these issues, and we look forward to reviewing our recommendations further so that Ontario's dairy processing industry can be sustainable into the future. Thank you very much.

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

Before we go to questions, MPP West, can you please confirm your attendance?

Mr. Jamie West: Yes, thank you, Chair. I'm calling from my office in Sudbury.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the independent members this time. MPP Coteau.

Mr. Michael Coteau: Thank you very much, Mr. Chair. I appreciate it.

I wanted to talk to Andrew Oliver a bit. I know that your company has—how many restaurants do you have within the company at this point? Is it a dozen? Maybe 15?

Mr. Andrew Oliver: No, no. We have a lot more than that.

Mr. Michael Coteau: Oh, wow.

Mr. Andrew Oliver: We've made investments in other companies, again, in an effort to try and help grow the economy and create opportunities for people. So we have an investment in the company iQ Food, which was a start-up a handful of years ago and has 10 locations; in Pizzeria Libretto, which has four locations. We made a large investment in Alberta. So we have more than dozens and dozens of restaurants that go from, again, quick-service operators that do less than a million in sales to event venues that do some of the largest events. As far as we know, we're the largest event producer now in North America. We did over 20,000 unique events last year.

Mr. Michael Coteau: Wow, that is incredible. How many direct or indirect jobs—because I'm sure that with the events, you may hire people temporarily, just on a short-term basis. But how many people do you employ over the course of the year?

Mr. Andrew Oliver: In Canada, it would have been roughly around three and a half thousand. We've grown tremendously over the last five years, where our annual compound growth rate for the previous five years has been just over 30%. So we've invested tens of millions, collected hundreds of millions of dollars in tax revenues for provincial, federal and municipal governments.

Mr. Michael Coteau: So overall, with the investments, your entire portfolio, would you say that you—it's been,

what, a 70%, 80% hit on your bottom line overall? Do you have that number? I know it would be pretty hard to figure out.

Mr. Andrew Oliver: On our bottom line, no. Our revenues for the second quarter, and that would have been from April to the end of June, would have been down 98%. I mean, we were fully closed. If you look at events, if we do hundreds and hundreds of weddings a year that are over 50 people, which we're now allowed to do, you've had five or six months where that's just been completely gone. So overall, I would say our business, because of a lot of it being on the event side and then a lot of it, again, on iQ Food and things like that where they're in food courts, which literally have not reopened, might be down 75% since this started.

Mr. Michael Coteau: Right. I remember—I think it was Bloomberg. I saw you speaking on the impact. It was a few months ago, if memory serves me correctly. But I know that there was a message getting out to Ontarians that 50% of our restaurants, I think it was, by next year could be closed. Do you still believe that's a pretty fair assessment of the situation?

Mr. Andrew Oliver: My assessment would be that by February 2021, it would be the best case scenario that we will have 50% fail. Look, we already have about a third, we believe, that have already failed. I toured a food court with 11 operations on Tuesday, seven of which have gone permanently dark. So in that food court alone, it's something like 60% or 70% have failed.

To put it bluntly, there is no industry that has been harder hit than hospitality, full stop. Our business is human interaction, and that has not been allowed. And unlike most G7 and G20 countries, where they have specific aid measures for hospitality, unfortunately, at the federal level, they've just painted with a broad brush. I think you see things not make sense when our Canadian banks last month, based on the changing of the CEWS program, qualified for tens of millions of dollars in support despite billions in profit. We're lucky that the Canadian banking system has rejected taking government aid that clearly was not meant for them. But we need specific aid to our industry. We need common-sense solutions—

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

Mr. Andrew Oliver: —or you will literally have complete and utter destruction. It would not be surprising to me that 90% of our industry will not be here this time next year should there not be direct aid into our industry. The math does not add up.

Mr. Michael Coteau: We've talked to a lot of small business owners who own one, two, maybe three, even five franchises. But the pressure that yourself and your partners must be feeling at this point, not only because of the reduction of revenue but the responsibility of being a person that provides job opportunities for thousands of people—that's a lot of responsibility, so I couldn't even imagine the pressure you're feeling personally.

I saw a report recently where it said the COVID response by governments in general—the federal government has taken on 91% of the cost of the response to COVID when it comes to support for businesses and

individuals, and that's right across the country. That's not specifically Ontario; that's across the country. Do you think provincial governments and municipalities are doing enough to assist you and your industry?

Mr. Andrew Oliver: Look, I've lost 55 pounds since March. I feel the weight of my 3,500 employees, 3,000 of whom are still unemployed, and how they're going to feed their families and pay rent.

At the end of the day, I've been fortunate enough to talk to Mayor Tory, and I've talked to many people in the Ford government, and then I've talked all of the way up to the PMO.

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

Mr. Andrew Oliver: Effectively, at the end of the day, the federal government has the printing press, and though there are unequivocally things that the government of Ontario can do, and I believe will do, to support our industry, I think the number one thing that they can do is lobby for more federal aid, ideally with some sort of matching; and doing things like the Alberta government of providing grants to guys like small restaurant operators and mid-sized restaurant operators, or in Manitoba, where they've augmented the CEWS program. Obviously, I feel there's more that should be done, because at the end of the day—

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

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

I just wanted to give you, Andrew—if you want to just finish off. I know you were cut off there. If you want to finish, and then I have a question for Christina.

Mr. Andrew Oliver: Again, I think with the government, ultimately at all levels, we need help and support. My point was just, the printing presses are controlled by one group and one group only. We've seen that with them coming in at the eleventh hour to try to help out schools across the country.

There are unequivocally things, both at the municipal and provincial levels, that we do need help with. For whatever it's worth, I wish there was a group of folks that could get industry leaders together with all levels of government to come up with a comprehensive plan that is just common sense. That's all we're asking for: common-sense solutions. Because of all of the interconnectedness between provincial, municipal and federal, we need that to save this industry, and most importantly, to not waste billions of dollars of taxpayer money that is going to the wrong people at this point.

Mr. David Piccini: Thanks, Andrew, and again, thank you to all of the presenters.

Christina, my question for you is—I'm the representative of a rural riding, Northumberland–Peterborough South, that boasts a proud agriculture tradition. I just wanted to talk to you from a digital perspective. I've had a lot of conversations over the last number of weeks with our farming community. We launched the ICON program provincially, but do you have some recommendations

from a digital perspective of things that can directly help the agriculture sector now?

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Ms. Christina Lewis: Is it the online portion, perhaps, that you are speaking of?

Mr. David Piccini: Yes.

Ms. Christina Lewis: Well, certainly, one of the things that many companies realized, because they had to during COVID—the ones that have been maybe the most successful are ones who were able to pivot quickly and figure out how to do business differently. Certainly the online business was a piece; the e-commerce part was certainly a part that some companies decided to embark on. I think they're just exploring that in the early stages, but they are interested and looking to do more of that in the future.

I don't have specific examples of how to do that, but certainly working with the government to find solutions and ways to explore that area further will be very important into the future to help companies pivot and switch gears if they need to, especially if we hit a second wave.

Mr. David Piccini: Yes. From a perspective as, obviously, a supply-managed industry, do you feel the supports from the federal government have been adequate to date?

Interjection.

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

Ms. Christina Lewis: Well, a lot of the programs that were offered by the federal government, our members didn't qualify for, especially, I would say—I know this is a small and medium businesses forum, but our large companies in particular didn't meet the minimum criteria, so a lot of the programs—our larger companies couldn't take advantage of those.

Certainly some of the programs were beneficial. Could more be done? I would echo the previous speaker's sentiments that we're thankful for everything that's been done, and I guess it's new for the government as well, but there can always be more done, for sure.

Mr. David Piccini: As we look at the future going forward, Christina, obviously there has been at the provincial level a real move to make sure that we take lessons learned here: The Premier has launched the Ontario Together portal and we've seen a recent announcement from 3M for mask production in Ontario, so certainly to be a little more self-reliant.

That gets me thinking, from an agriculture perspective, why I'm a supporter personally of supply management and the high-quality product that we see from our remarkable agriculture sector. What trade sort of things would you like to see internally within Canada? Do you think we can continue—

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

Mr. David Piccini: —to pursue free trade agreements globally while maintaining our supply-managed sectors domestically?

Ms. Christina Lewis: I'm sorry, David; I missed the very first part of your question. I'm on an unstable connection right now, and I'm sorry. I know I'm running out of time. I apologize.

Mr. David Piccini: My first piece was what can we do to promote our dairy sector and reduce barriers domestically. And then globally, do you think we can continue to pursue an ambitious free trade agenda while maintaining our supply-managed sectors and support for supply management?

Ms. Christina Lewis: Yes, I think that probably domestically, for sure—there's always more that we can do here. There are new dairy processors every year, so certainly there is growth. We've experienced double-digit growth in some of the previous years, so growth within the domestic market is already being realized and can certainly continue into the future.

On the export market, there are always opportunities for us. I think that within supply management, we have some challenges to overcome in order to do that so that we don't negatively impact one side of the business—

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

Ms. Christina Lewis:—versus the other. But certainly we're willing to have those conversations, and I think we need to have those conversations with farmers and with government to find a way to open more doors, because as our doors open coming in, we need them to open going out as well. We need to be able to compete on a level playing field and not just accept products coming in.

Mr. David Piccini: Just quickly, with the final few seconds, a yes or no: Do you think we could do more in our education sector to promote ag?

Ms. Christina Lewis: Absolutely.

Mr. David Piccini: Thank you. Perfect. Thank you so much. No further questions, Chair.

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

We'll go to the opposition. MPP West.

Mr. Jamie West: Thank you, Chair. I was just waiting to unmute. My question is going to be directed to Graeme from the Electrical Contractors Association of Ontario. One of the things that you mentioned, and a couple of construction industries have talked about this as well, is the elevated health and safety protocols. I want to compliment the industry for how well you pivoted, because in the early days of COVID there were a couple of viral videos about construction sites, and the industry really pivoted quickly to it, addressed it, and I think you can sort of claim being at the top of the heap in terms of health and safety in what's happening. What do you think that you learned as an industry that we could share with other industries going through COVID in improving their health and safety?

Mr. R. Graeme Aitken: Thank you. Look, I was on a number of calls with the Ontario Chamber of Commerce and some colleagues from different industries. I think that something that's really important is that we do this every day. So what was COVID-19? It was a hazard. We do hazard assessment and then we do risk mitigation, and we do this every day; we do this hourly. In conjunction with that experience, we were able to isolate COVID-19 as simply a hazard. I think that's one of the things that we learned, and a lot of people brought back to us with our

approach was, yes, this is a novel pandemic with respect to society in general, but for workplaces, there was a simple approach to this for keeping members, keeping workers safe.

The other thing that was absolutely critical was our labour partners. Our labour partners are the IBEW. Some 17,000 of our members' employees belong to the IBEW. They're skilled trades people and apprentices. What we did is we worked together to ensure that the message was received by everybody on-site. That was important.

The other one—and I think everyone sort of knew this, but it was really consolidated and shown how effective it is—was we were in consultation with Minister McNaughton's office on a regular basis. At the beginning, in the height of COVID-19, I was on the telephone with my labour counterpart daily and with Minister McNaughton's office two or three times a week so that we were using our best practices in trying to pass those along to other industries.

I think, Mr. West, that probably the most important lesson that we as Ontarians can learn is that those types of best practices are transferable along sectors and industries. They are not identical, but the theories behind them are. We were quite happy to be able to assist others in doing so and again, moving forward, our doors and books are open with respect to how we did this.

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

Mr. Jamie West: Thank you. I appreciate that. It's interesting because I was looking for the secret sauce, and the secret sauce basically is you follow the IRS, the internal responsibility system, and you use that model of recognized controls, assess them, control them and evaluate them. That's, really, what we teach in terms of health and safety.

Getting specifically into your deputation, more specifically, first, I want to congratulate you and thank you for talking about the importance of child care, because without proper child care we just can't kick-start this industry. We won't have the workers available, so I want to acknowledge that, for sure.

You talked about the negotiation of COVID-19 clauses, or the elimination of no-COVID-19 documents. Can you expand on that just so that other MPPs, when they are reading this or following up on this, will have a clear idea of what you were talking about?

Mr. R. Graeme Aitken: Yes, thank you. There have been a number of tenders, two of which have come from municipal governments, that have said very clearly in the documents that you cannot put in any costs for COVID-19. Furthermore, in the event that you put in costs for COVID-19, your bid will be disqualified and you will not be permitted to bid in future. We think that there should be a recognition of what this is. It's an environmental hazard that has a widespread base. We're not looking to capitalize or make a margin on COVID-19 costs. We're trying to deliver our projects as we always do, very well done, the best in the business and at the cost that we bid it for.

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

Mr. R. Graeme Aitken: What we would be happy to do is to have a COVID-19 negotiation clause so that the parties—the owner, the general, the subs—can come to an agreement on how to best tackle COVID and how to do it in an efficient and economical way, not just safe. Safety is a given, but we can do this together as owner, client and all of those involved in the process.

The clauses, Mr. West, that you may have seen which have surged in British Columbia and are making their way here, where certain owners are saying that if you have a legal contest against them, you are no longer able to bid—

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

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

Mr. Kaleed Rasheed: Thank you to all the presenters this morning. Thank you for all you are doing, especially during this COVID-19 crisis. I truly appreciate your support.

My question is actually to Andrew. Andrew, during your presentation, you briefly touched upon the red tape. As I was writing notes, I couldn't get the entire presentation when you talked about the red tape. But also, if you can please speak about—as you know, Minister Prabmeet Sarkaria, who is the minister for red tape reduction—have you had a chance to speak with him? If yes, what was your conversation, and if you have seen any positive trend towards our government initiative about red tape reduction and how it has helped you and your business—I would appreciate your feedback on that. Thank you.

Mr. Andrew Oliver: Look, I haven't had the privilege to meet with the minister. But we definitely have seen—and where I think there's the most amount of help that we could get is on alcohol and liquor sales and movement. It's obviously extremely regulated here in Ontario. Again, given that we are a national company and seeing how things are being run in other jurisdictions like Alberta, where it's substantially more privatized, it definitely made things easier there in the early days.

And you did remove the red tape and allow us to do things like—with someone like me, who is a multi-unit operator, at the height of this crisis, it was literally about converting assets into cash, even if we did them at a loss. So if you bought a bottle of wine for \$30, we would sell that for \$20 because we needed cash to literally keep the lights on, pay bills, pay for our insurance and pest control and all of that. Given that we went and closed down 50 locations and had two open in Ontario, we needed the rules and the red tape moved so we could actually take alcohol from one location and then sell it at another, versus having to try to figure out how to return it to the LCBO. The LCBO then also, I think at the behest of the Ontario government, started taking returns, so we didn't have to sell them at losses or at such steep losses.

I'd be more than happy to meet with the minister or have conversations with the minister about what we think would be part of longer-term systematic changes that would help our industry. For whatever it's worth, we don't have the best lobby group, because I find, in our industry,

the best example I can give you is—and this is what COVID is right now: There are icebergs and mines in the water and the ocean ahead, but every single restaurateur that hasn't drowned yet and their ship hasn't sunk, is bailing out water as fast as they can. They are neck deep in water right now. They're not looking at what's going to bankrupt them next week; they're trying to survive today. So I think a lot of the reason why a lot of the things are being brought up or are being brought up at the last minute, and where I feel an obligation to go on Bloomberg and go on CBC, CTV or whatever it is and speak of these things, is because we're lucky, as a large organization, that I have infrastructure and people in place who can help us with these things; but in the broader market, we have no one. We have no one here helping us to the same extent as other industries, and I think that is why we have been by far the hardest-hit industry, with the largest job losses, permanent and otherwise, and are more likely, without direct help, to really struggle to rebuild.

Again, we're going to need to replace and add back restaurants and have all of those that are closed and boarded up—I don't want my kids growing up with graffiti-filled streets for the next 10 years, whether it be Main Street or Bay Street, but we are 100% heading down that path. So whatever we can do, I'll meet with you, the minister, to go over what red tape we need to ensure a thriving hospitality sector coming out of this, because for whatever it's worth, our industry is more tantamount to a tax collector than it is to any other sector.

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

Mr. Andrew Oliver: It's estimated almost 30% of every dollar we generate ends up in municipal, provincial or federal coffers. When you think of that, 30% goes to government and the average restaurant, so the industry as a whole, makes a 4.5% margin. It's wild.

Mr. Kaleed Rasheed: I don't mean to cut you off because I only have two minutes. I appreciate it. PA Tangri is on this call as well, and she and I can work together to see if we can have a conversation with you. I'd absolutely love to do that.

In the short time that I have right now, Andrew, as you know, things have started to open slowly. We are hoping to go back to normal as soon as possible. Are you experiencing, when we talk about employment—

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

Mr. Kaleed Rasheed: So for example, are you experiencing that you have an event that is taking place but you are unable to find people to actually fulfill the job or the responsibility based on your business right now?

Mr. Andrew Oliver: Yes, for sure. Whether it be daycare, going back to school and then CERB, they were for sure an impediment for people coming back to work. People would want to work for \$1,000, get the \$2,000—and all of that. We are lucky as a large organization to have a corporate culture of those folks that have had the ability to reopen and do everything, but by no means are we even remotely close to full capacity. I guess it's a blessing and a curse. When you have over-two-metre distancing, the average restaurant doesn't get to open at 50%. They are

more likely to be opening at between 30% and 35% because two metres is substantially larger than the restaurant industry typically does. Given that we've only needed 25%, 30% of our workforce back, we've been lucky enough that we've been able—

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up. We'll move to the opposition side now. MPP Arthur.

Mr. Ian Arthur: Good afternoon. Mr. Oliver, I'm going to keep going with you for a minute here. You said in your deputation that there were some things that you thought the province could and will probably do. Would you outline specifically what actions those are? You mentioned alcohol sales. Would you touch on the tax deferrals versus forgiveness?

Mr. Andrew Oliver: Yes. At the end of the day, our industry needs liquidity. So grants would be number one, for sure. But at the end of the day, if Ontario is in the position to financially be able to afford that in a sustainable way, whatever allows people the capital they need to survive, pay their rent and all of the things that we need to do while there are restrictions—at the end of the day, if you are restricting our business, once patios are closed, which is happening—patios are going to close; that's just what happens—we will be at 35% occupancy on average in the industry.

Come September, every restaurant's expectation is they have to pay 100% of rent. In the real world, budgets don't balance themselves. We actually have to generate enough revenue to pay those rents. The math simply doesn't add up. So what we're hoping for here is that you guys on the provincial side will lobby the government to say, "Look, we need industry-specific solutions that will help us—"

Mr. Ian Arthur: Okay. But you said you had specific things you thought the province could and can and will do. Can you say what those are?

Mr. Andrew Oliver: My hope on the provincial side—we've been talking to folks, and through SaveHospitality, an organization I've started, we're begging you guys to extend the emergency measures on labour. Ultimately on September 4, all the protections that companies have had are going to be gone and again, you're not going to be able to not top up employees and risk constructive dismissal. Let's say you have an employee that makes \$75,000 and you're paying them \$50,000 to work 50% of the time. On September 4 that employee will have the choice to say, "I've been constructively dismissed." Operators such as myself have a choice: Do I lay them off and they can go on CERB and make not \$50,000, but \$2,000 a month and not work for the next 13 or 35 weeks, depending on benefits—our position to you is, we believe very, very strongly that as long as our industry is hampered by occupancy and impeded from doing normal business, which we are in full support of if it's for the safety of Ontarians—no problem—we should have protections that every industry has benefited from because our industry, unlike most others, has not been able to recover in the same manner.

Mr. Ian Arthur: And would you support an extension of the commercial eviction ban?

Mr. Andrew Oliver: Yes. I think the commercial eviction ban works to an extent, but all you're doing, in my opinion, is delaying evictions. Because if you're not going to give us money to actually pay rent—and let us be clear: Landlords have done nothing wrong. Landlords did not create this crisis by any means. They pay our property taxes and they support our communities as well.

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Ultimately, what I think would be better than an eviction ban is plain and simply financial support directly in the hands of small, medium- and large-sized businesses to actually afford to pay rent. I am very confident, in the conversations I've had with CEOs of the largest pension funds and largest landowners, they would welcome rent reduction. They would be more than fine to reduce rent for a year as long as the provincial or federal governments were willing to backstop some of that. And as far as I understand it, there was a plan in place to do so that was shot down by the federal government, unfortunately.

Mr. Ian Arthur: So with the OCECRA plan, you would like that money to go directly to renters rather than through the landlords? Is that what you're suggesting?

Mr. Andrew Oliver: Yes, I think that only makes sense, that the renters would then have the opportunity. We, unfortunately, have cases where some of our companies qualify, and the landlord simply said, "I'm not doing this." So it doesn't make sense to me that a business—literally, their survival—depends on the goodwill of a landlord. The vast majority of landlords, in my experience, have been great actors and good actors, but I think that they're looking for more than one month at a time.

For as long as our sector is going to be restricted to less than 50% of our sales and business, I think the onus should be on the government to say, "We will support you and your entire ecosystem to ensure your survival," which means paying rent. I am very confident that if the government came in and said, "We'll pay rent, 50 cents on the dollar, as long as landlords cut that," and that's just what has to happen, that 90-plus per cent of landlords would accept those terms.

Mr. Ian Arthur: That's kind of what the current program does, and the reason that there has been 10% of the funds allocated—it does ask the landlords to take a 25% hit, and landlords have been unwilling to do that to date. So the funds simply are not being distributed. They are there for business owners. Yes, many great landlords are out there but there are also bad actors who have refused to take part in that program. That's led to the shuttering of countless small businesses.

Mr. Andrew Oliver: I completely agree. Again, we've had guys say, "I'll pay the extra top-up and all that"; and I agree with you, which is, again, first and foremost, put it in our hands, at the end of the day, to allow us that opportunity. Even if you give us half, at least then we only have half left to make up. You're giving us more options.

Conversely, again, I think that a lot more people will be applying and having it go through than the 10%, but I think even the way in which you had to apply was extremely challenging and convoluted. I think there are a lot of reasons why that program didn't work well.

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

Mr. Ian Arthur: I want to come back to what you would actually like to see the province do. You mention that the feds had a printing press and the province doesn't. To my understanding, all of the response to COVID has been funded by debt. They're not really printing more money; they're borrowing. Why shouldn't the provincial government borrow more in order to help businesses such as yours and other ones, dairy farmers—all of them? Do you think that the provincial government is giving enough liquidity to all sectors in order to see this province through?

Mr. Andrew Oliver: Look, obviously on my end, I would very much so want more liquidity in my sector. Whether that comes from the federal or provincial side, of course, I want that and—

Mr. Ian Arthur: Do you think the provincial side has done enough? Some 90% of funding has come from the feds.

Mr. Andrew Oliver: No. Again, I think—

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

We'll move to the independent members now. MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three presenters for the valuable information.

Andrew, I'm going to start my questions with you, because I agree with you that, in my conversations with people in the hospitality sector, they might not make it—first to shut down and one of the last to reopen, and still not reopening at capacity.

You've given us a long list of recommendations of things that government could do. I'm just wondering if you could give us, specifically, what you think are the top three or let's say the top five recommendations that the province could do that would be most helpful to your industry.

Mr. Andrew Oliver: Yes, unequivocally, the extension of emergency employment laws I think is number one. I think that you're going to have so many healthy guys go under needlessly if you don't extend the protections. I think it's just common sense. If you're not able to operate at 100% capacity—that has been imposed by the government for all of the right reasons; we're not trying to argue that we want to be unsafe—then how can it be reasonable, or not just common sense, that if my business is going to be kneecapped by 50% or more, that I am then forced to somehow figure out a way to hire 100% of the employees out there? It just doesn't work. I think, first and foremost, if they extended that and matched it—whether they extended it generally to everyone or went and said, "Hey, any industry that's got restrictions, we're going to give you 60 to 90 days after those restrictions are lifted to bring everyone back before you are going to be deemed to have layoffs or constructive dismissal."

I think that Ontario working with the federal government on HST reductions and lowering taxes on our industry would be another huge one; if not, providing grants. But Ontario is willing to borrow billions of dollars and backstop the loans that are out there to our industry right now, and would step in where the EDC and BDC programs

have currently failed, which is proved by the fact that they're not being used. If you were able to give low-interest-rate, long-term loans to businesses to survive this and, again, eventually grow the industry the way that it had been growing, I think the return on investment to Ontario and Ontario taxpayers would be through the roof.

The next big thing I think would be alcohol. Ontario is on its way to reducing alcohol laws a little bit more, like other provinces. We have been very, very blessed that our suppliers out there from all walks of life, be it dairy or otherwise, have supported us, and we are making a huge push on local. Again, we'll always serve lemons, we'll always have avocados and things like that, but at this point in time, I think that we owe our suppliers in the distilling market, the winery market and the beer market, many of whom pivoted to create disinfectants and donated hundreds of thousands of products to hospitals. We are indebted to them, and I'd love it if there were a way that we would be able to get better pricing and buy direct and have wholesale pricing on those products to have those on the menu and allow us then to price-compete better with international brands, where more and more revenues are leaving the province and the country.

Mr. Mike Schreiner: Great. Thanks for that. As a local food advocate, that's music to my ears in that regard.

I just want to switch over to the dairy farmers a bit. Andrew actually talked about this in his presentation as well: support for the added costs around meeting public health measures, PPE costs etc. You had brought that up as one of your key recommendations, Christina. I'm just wondering if you could expand on how you would see that support being delivered and why it's so vital for dairy producers.

Ms. Christina Lewis: Thank you for the question. Just one clarification: I don't represent dairy farmers; I represent dairy product manufacturers. There is a distinct difference there.

My connection is very unstable. I just want to make sure I clarify the question.

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

Ms. Christina Lewis: You're looking for clarification on how we could get the compensation that was promised us by the federal government and how to action that. Is that what you were asking me?

Mr. Mike Schreiner: No, I definitely think we should be asking for the federal government support that they promised you on supply management.

My question was: You had specifically talked about the added costs that dairy manufacturers have to meet public health measures, PPE costs etc. Andrew had talked about that in the hospitality sector. We've had a number of small businesses talk about that. I just wanted to give you an opportunity to elaborate a bit more on that and what that support could look like and why it's important to dairy producers.

Ms. Christina Lewis: Okay. For sure, some companies alone have incurred millions of dollars in extra costs. Despite [*inaudible*] that their sales are lower, they've incurred millions of dollars in new costs for things like redoing their floor plans and how workers work, social

distancing, Plexiglas, PPE, sanitizers. All of those types of things have certainly created new costs for processors to conduct their business.

The employee side of the business—

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

Ms. Christina Lewis:—certainly CERB has helped the employees. It has in some cases hindered the ability of companies to have employees. It's a lot easier to stay home than work, especially if you're nervous, to get that funding as opposed to coming to work, so that's certainly been a challenge.

One thing that would be helpful: Some companies and some of our dairy members have actually paid their employees 100%, even if they were staying home, mostly to make sure that they protect their workforce and continue to have their workforce once COVID clears. So some companies have created an environment where their employees did not need to apply for CERB. Helping those companies that really helped the government save money in that area would be nice, to recognize that.

The Chair (Mr. Amarjot Sandhu): Thank you so much. I apologize to cut you off. That concludes our time. Thank you to all three presenters for coming and for your presentations.

Seeing the time on the clock, this committee stands in recess until 1 p.m.

The committee recessed from 1200 to 1300.

The Chair (Mr. Amarjot Sandhu): Good afternoon and welcome back. We're meeting today for hearings on the small and medium enterprises sector of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy. Before we go to our next group of presenters, I would like to do an attendance check. MPP Skelly?

Ms. Donna Skelly: It is MPP Skelly and I'm in my office in Hamilton.

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

Mrs. Jennifer (Jennie) Stevens: It's MPP Jennie Stevens here from St. Catharines.

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

Mrs. Lisa Gretzky: Sorry, folks. We were having troubles getting me unmuted. It's Lisa Gretzky and I'm in Windsor.

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

Mr. Wayne Gates: How are you doing? I'm in beautiful Niagara Falls.

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

FORAHEALTHYME INC.

ONTARIO CRAFT WINERIES

GRAPE GROWERS OF ONTARIO

The Chair (Mr. Amarjot Sandhu): All right. The first presenter this afternoon is ForaHealthyMe Inc. If you can

state your name for the record, and you will have seven minutes for your presentation. I'll give you three- and one-minute warnings. Thank you.

Mr. Courtney Cole: Thank you. Good afternoon, everyone. My name is Courtney Cole. I am the founder and CEO of ForaHealthyMe Inc. Thank you for having me. In my comments, I will make reference to—we're in the health care innovation sector, specifically virtual care technology solutions. We're based in Markham. As a founder and CEO of a small-to-medium enterprise and an Ontario-based company, I hope that my discussion, my topic, the material that I present will help to inform future policy going forward.

I'd like to begin with a quote from the father of modern economics, Adam Smith: "No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable," from *The Wealth of Nations*. The reference is in relation to an environment, specifically as a software-based entity within the health care sector, where we've had significant difficulty scaling here in Ontario.

So let me tell you a little bit about what we do. We are a virtual care solutions provider. We develop software systems, applications and technology that enable a hospital or a health system with multiple care providers to deliver care remotely to patients. That includes patients with complex health issues, musculoskeletal care, neurological—so a stroke, cognitive, dementia etc.—and also cardiac care. With our solutions, a health system or a patient doesn't necessarily need to travel to a hospital to access the care and resources they need. We've developed a suite of solutions that allows these patients and their health care provider to connect virtually. We're talking about more than just a video call. We're talking about tele-rehab capabilities where we're using gaming and 3D technology that allow a patient to do all their rehab protocols from home.

As I mentioned, we're based in Markham. We're part of the health innovation ecosystem at ventureLAB. Part of ventureLAB's mandate is to really drive commercialization, to help companies like ours scale to be global entities. Over the past four years, we've collaborated with multiple institutions here in Ontario—York University, University of Toronto, Toronto Rehab, Spinal Cord Injury Ontario and CAMH—to design and develop clinically validated solutions to enhance care delivery within the Ontario health care system.

All our work is done in R&D. All the ideas, all the products, everything that we do is done right here in Markham, where I am right now. Our work is published and recognized internationally. In the most recent months—in 2018, actually, just to go back a little bit, we were recognized by IDC, International Data Corp., as a leading innovator in the Canadian health technology sector.

Earlier this month, the company ForaHealthyMe was featured among Microsoft's partners in its Inspire Awards for the work that we've done regarding innovation generally across health care sector, but specifically COVID-19-

related products and solutions to support patients with spinal cord injury and also mental health.

Next month, I'll be presenting at an international event. It's Intelligent Health 2020. I'll be presenting under the heading, CEOs and the founders of the most disruptive artificial intelligence tech companies of tomorrow. The organization has 56,000 members around the world.

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

Mr. Courtney Cole: They are aligned with the UN development goals and focus on using health technology to enhance the human race.

One of the difficulties that we've had in terms of our ability to scale in Ontario has largely been, I think, the lack of regard for intellectual property and IP-related technology companies. It is much easier for us to scale outside of Canada. Unfortunately, I can count on one hand the number of Ontario-based hospitals that we work with. What that has to do with, I think, is a general lack of acceptance around the value of intellectual property, but also how we truly innovate in health care. We do not have, despite what many think, one of the best health care systems in the world. That is a myth. We can do much better. I think we've been locked into protecting legacy institutions. We favour large multinationals over small SMEs, and that's prevented our ability to grow. I was recently told by the CEO of a very large Ontario hospital, "We don't work with start-ups. We prefer to work with multinationals."

Just recently, during the midst of COVID-19, I read an article in the Toronto Star where the head of an Ontario-based organization basically said that they were scrambling for resources to support the needs of youth mental health. We have clinically validated solutions that have been published in international journals. In fact, we just concluded a randomized control trial at York University specifically related to youth mental health. I contacted the organization and offered our support. The response was, "Thanks, but no thanks. We're mandated to work with the Ontario Telemedicine Network." Clearly there's a huge disconnect between the resources that are available and the capabilities of the government to manage the technology resources, but also to deliver care to the people when they need it.

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

Mr. Courtney Cole: Pardon?

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

Mr. Courtney Cole: Thank you very much.

As we look forward towards the second wave—generally, it is widely accepted that there will be a second wave. Vietnam, Hong Kong, Korea and Australia have already been hit. The new world going forward will require innovation, will require changes to our procurement process. It will require the recognition of the significant value that SMEs bring to the Ontario economic system. Otherwise, companies like mine will fail; otherwise, we will be acquired by overseas companies for pennies on the dollar and all our IP will move overseas.

I'd like the committee to actively look at how we can actively change the delivery of care specifically in Ontario

respecting IP and enabling SMEs to participate in the process. Thank you.

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

Our next presenter is the Grape Growers of Ontario. Please state your name for the record, and you can get right into your presentation.

Ms. Debbie Zimmerman: Thank you very much. I wonder if I could ask my colleague Richard Linley to go first?

The Chair (Mr. Amarjot Sandhu): Sure. Ontario Craft Wineries?

Ms. Debbie Zimmerman: Yes.

Mr. Richard Linley: Yes. Thank you, Mr. Chair. Can you hear me?

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

Mr. Richard Linley: Great. Thanks, Debbie. I'm Richard Linley, president of Ontario Craft Wineries. Thank you for having me here today. I'm splitting my time with Debbie Zimmerman, the CEO of GGO.

Let me begin by expressing my gratitude for the invitation to appear as part of your consultations on COVID-19 impacts related to SMEs. As a non-profit trade association, the OCW represents over 100 Ontario VQA family farm wineries from across the three designated viticulture areas of the province, Niagara, Prince Edward County and Lake Erie North Shore, including Pelee Island; as well as emerging wine-producing regions such as Ontario's south coast and Georgian Bay, Grey county. Our members are independently owned small and medium-sized enterprises, grape growers, manufacturers and leaders in tourism in their communities.

Some quick facts about the industry which the committee will recall: Our industry supports over 18,000 direct and indirect jobs in the province. We welcome over 2.5 million visitors annually, driving tourism across the province. We generate \$750 million in annual tax revenues, and in total we represent \$4.4 billion in annual economic activity.

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The pandemic has hit Ontario VQA wineries hard, especially the small and medium-sized businesses that make up the vast majority of our membership. The majority of our members, based on recent surveys, saw our sales decrease by 25% to 50% between April and July. Key revenue drivers have been severely impacted, including tastings, tours, dining rooms and on-site retail stores, as well as weddings and other special events. Wineries have lost key sales opportunities in the most critical months of the year and at a time when the lead-up to the fall harvest is most capital- and labour-intensive. Simply put, the timing could not be worse.

In terms of outlook, over the next four months the situation is bleak for a lot of small wineries. Layoffs are expected to continue, especially as many restaurants shutter permanently. One in four wineries may have to close their businesses temporarily and one in 10 say they may have to close permanently.

Our message to those listening today who want to help is, thank you and keep buying Ontario VQA 100% wines directly from wineries or at the LCBO. Every little bit helps, and each bottle of Ontario VQA wine sold generates \$98 in total economic activity for Ontario, which helps all of us, especially our rural communities.

Given the challenges we face and the complexity of our sector, we need sector-specific focus and support in order to renew, recover and contribute to the rebound of Ontario's economy. OCW's recommendations to the committee are the following: Eliminate the 6.1% basic wine tax at the cellar door to help our province's smallest wineries survive the current pandemic and economic downturn. This is especially important for our members that do not sell their wines in the LCBO. Second, adopt a graduated craft beer tax credit program as a model for the creation of a modernized VQA support program for Ontario Craft Wineries.

Taking meaningful action on these two issues is the only way Ontario VQA wineries will survive. Failure to do so would simply be the beginning of a major fallout throughout Ontario's small businesses, agricultural and rural economies.

In closing, we are working together across the industry to help each other wherever we can. We're doing our best to get through this, but our sector faces a severe existential threat. We ask our government to keep working with us and to support family businesses in small communities, and we ask our government to work with us to take real action on these two issues at the earliest opportunity.

I'll now pass it over the Debbie. Thank you.

Ms. Debbie Zimmerman: Good afternoon, everyone, and thank you very much for the opportunity.

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. Are you guys splitting time? Because you have a separate presentation.

Ms. Debbie Zimmerman: I have a separate presentation.

The Chair (Mr. Amarjot Sandhu): Oh, separate. Okay. Just give me a second—

Ms. Debbie Zimmerman: Is that all right?

The Chair (Mr. Amarjot Sandhu): Go ahead, please. Grape Growers of Ontario.

Ms. Debbie Zimmerman: Thank you so much. Good afternoon, everyone. I'm Debbie Zimmerman, the CEO of the Grape Growers of Ontario. Thank you for the opportunity to be part of this committee hearing today.

Building on Richard's comments, our growers across Ontario make up 500 farm businesses and supply grapes to wineries throughout Ontario. We are the largest wine region in Canada. As Richard described, we're fighting for the survival of our Ontario-grown businesses. This is not new, but for us, COVID-19 has really highlighted these challenges for growers and 100% Ontario-produced wine.

Let me highlight for you one of the challenges. As of today, we have 3,000 tonnes of grapes with no home for the 2020 harvest. These are all Ontario-grown grapes, yet these exact same grapes are being imported from other countries as finished bulk wine, shelved as a blended wine

and provided with a tax advantage through a private store system.

Let me just demonstrate and explain the impact this blended wine is having on our growers. Yesterday, I'm sure with much desperation, one of our growers wrote to us to advise of the battle he's facing. None of his grapes are sold—none. He's agreed to share his story with you today.

Currently on their farm, there is a total of 725 tonnes of grapes for sale. Of that total, the largest amount is 200 tonnes of Chardonnay and 200 tonnes of Vidal. However, as an example, 1,821 tonnes, which is the equivalent of 144,000 cases of bulk Chardonnay, was imported as blending material into Ontario. To add insult to injury, 3,000 tonnes of generic white or Vidal, the equivalent of 255,000 cases, were also imported for blending. This is not an oversupply of Ontario grapes but an oversupply of foreign imports making its way into a bottle of blended wine with a tax advantage and a private store system in this province.

This is just a snapshot of the varieties being imported as bulk wine into Ontario and as blended material. We also have Merlot, Cab Sauv, Pinot Gris and others that make up that list, which are also included on our grapes-for-sale list.

The government of Ontario has the tools to fix this situation and to help our domestic industry. Richard just talked about a few for the wine industry. The Ready to Grow report we submitted as a solution in January most importantly also has a strategy to build the Ontario wine industry, not the wine and grape industry in Chile and Argentina. We need a level playing field to sell our grapes and our 100% Ontario-grown wines. Today more than ever, we need the government of Ontario to help us, using the tools they have to redirect the support to Ontario-grown grapes and 100% Ontario wine. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We will start with the questions now, but before I do that, MPP Mitas, if you can please confirm your attendance.

Miss Christina Maria Mitas: Hi. This is MPP Mitas calling in from Toronto, Ontario.

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

Mr. Dave Smith: This is MPP Smith calling in from beautiful God's country, Peterborough.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start this round with the opposition. MPP Stevens.

Mrs. Jennifer (Jennie) Stevens: Thank you. Can you hear me?

The Chair (Mr. Amarjot Sandhu): Yes.

Mrs. Jennifer (Jennie) Stevens: Great. I'm going to direct my question back to Ms. Zimmerman, Debbie. We've already heard that 180 wineries in Ontario are mostly family-run. The wine-making business sits in an intersection with agriculture, retail and wholesale and is very vulnerable right now during Ontario's ongoing emergency with the COVID recovery state. You had mentioned in your presentation tools, and that the government could

use tools. What are the tools your industry needs to address the upcoming problems about the Ready to Grow grapes and the challenges in this industry? Let's just say if the proper tools are not put in place, what is going to happen to the industry?

Ms. Debbie Zimmerman: Thank you, Jennie. I appreciate the question. This is a two-part question. I'll speak from the grape perspective. First and foremost, we're competing with this imported blended material that goes into a bottle of wine that has 75% imported and 25% domestic. The tools the government of Ontario has are two-fold. First of all, we've given them a report with the solutions, and I want to ensure that—we've had tremendous support from the government to date. The problem is, the imported material is creating an oversupply in our market. But it's not an oversupply; it's imported material that comes into the market, gets a tax advantage and goes into a private store system owned by five large wineries. This is the system that has 292 stores. The tool is called the Wine Content Act; that's one tool.

Richard has referred to some tax benefits that small wineries and 100% Ontario domestic wineries need to grow. In addition to that, there are changes to the LCBO that we can do. The LCBO does a great job; I'm not saying they don't. But the fact is, we only own about 11% of our market, as 100%. The rest is owned by imported. Ontario needs to come first, and especially with COVID, we have the chance and the opportunity to drive policy that can help us grow.

I think I've been before the committee three times in the last year. This problem hasn't changed; it has just become more enlarged with COVID. It has shown the disparity between imports and domestic. We want to see something for the domestic industry.

For us, I don't want to see a grape drop on the ground in this province when we only own 11% of our market share. That is unfair to our growers, unfair to our Ontario wineries.

Mrs. Jennifer (Jennie) Stevens: Great. I'm going to share my time, Deb, with MPP Gates. As well, I think MPP Gretzky is going to ask a few questions, so I'll pass it on, if that's okay with you, Chair.

The Chair (Mr. Amarjot Sandhu): Yes. Who wants to go first? MPP Gretzky?

Mr. Wayne Gates: Go ahead. Thank you.

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

Mr. Wayne Gates: Thank you. I know that Debbie and Richard can't say it, but I certainly can: It's absolutely ridiculous that we only have 11% shelf space at the LCBO. I think that's something I can say, and I've been saying it for a long time.

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I've been an advocate for the wine and grape industry here in Niagara. We know how important it is to our community and to our economy. Niagara alone produces 93% of Ontario grapes. The industry did over \$800 million in retail sales and supports—think about this—18,000 jobs across the province.

As you know, I introduced a previous private member's legislation, something your organization has supported and recently created a petition on. Could you discuss some of the direct impacts your members could make to their business if the government committed to eliminating the 6.1% basic wine tax, subject to the successful resolution of the Australian trade challenge?

And I will be bringing that bill forward again when they allow us to sit back at Queen's Park.

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

Mr. Richard Linley: Thanks, Wayne. I really appreciate the question and I appreciate your support on this private member's bill, which your office has worked on with us under the previous government and then also has given us support publicly on this issue, as has MPP Sam Oosterhoff. We appreciate the regional support.

The 6.1%, just so everyone has context, is a tax that's over and above HST, bottle deposit and other fees that we pay at cellar doors. This is a tax on the family farm and tourism. This is a tax that no other wine region pays in Canada, whether you look at BC, Nova Scotia or Quebec, and we feel is patently unfair.

If that money were to be returned to the industry, we have said to government and decision-makers that that money could be reinvested in front-line operations to both improve on the offerings wineries provide, but also invest in new people and create new jobs in the province.

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

Mr. Richard Linley: We're not talking about a lot of money in the grand scheme of government. We're talking about \$5 million that could be evenly distributed amongst 180 businesses that could put it to good use to put people back to work.

This tax is incredibly important to wineries that are not in the LCBO, and that's about 50% of them. It's an issue that we will continue to advocate for our membership and for the industry.

Mr. Wayne Gates: I'll do this really quick, and maybe Debbie can answer it after. Early in the pandemic, we heard the grape growers thought they might be unable to sell their grapes to wineries because of a lack of demand at that time. Is this something your industry is still facing, and how confident are your members going into this year's harvest?

Ms. Debbie Zimmerman: Wayne, just to speak to the point, as I said, we have 3,000 tonnes of grapes for sale. As you know, your riding represents the largest sector of those grape growers in Ontario. We have no hope of selling those grapes. I have a grower with 725 tonnes of grapes unsold—

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

Ms. Debbie Zimmerman: That's okay.

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

Mr. Mike Schreiner: Thanks to all three presenters for bringing such valuable information to the table.

Debbie, you can use a bit of my time to finish your thought there, because I think you were making a very important point.

Ms. Debbie Zimmerman: Thank you so much. The point is that we do not have a home for those grapes. As I said, just one grower alone has 725 tonnes of grapes that are unsold.

But the problem with that is we're bringing in blended material from Argentina and Chile and putting out a bottle of wine and calling it an international domestic blend, which only has 25% domestic in it. The sadness of that is, in this province in this day and age—and as Richard highlighted for COVID—if we had more support for our small wineries, we would be able to sell, I think, some of those grapes. But the fact is this is an untenable situation, when we're importing material from Argentina and Chile and those farmers are getting the benefit of a tax advantage that we give to these wineries in our home province.

We know this can change. It's unfortunate. We were working on a modernization of retail; it was sidelined by COVID. But we need to get back to the table and talk about moving up content in that bottle of wine from where it is at 25% and moving it up for the future, at least to help the situation. That's the kind of support we need from our MPPs across the province.

Mr. Mike Schreiner: Debbie, related to that, just to get it on the record, the GDP multiplier and job multiplier of a VQA wine versus a blended bottle of wine: Could you just put that on the record for us?

Ms. Debbie Zimmerman: Well, it's significant. Richard may have the details on that, in terms of the cost. What we know is every bottle of VQA wine generates \$98 in economic impact. That's 100% VQA, and that's significant when you look at what we could grow to be. At 11% market share, we have the opportunity to eat into the imports in our market. We are facing the challenges from the WTO; it has been settled, but there's a lot of consternation with our members on how that's going to work under those measures that we unfortunately negotiated away and how that's going to work into a new system.

In this province in this day and age, we should not be seeing any agricultural producer having to drop their product on the ground and being faced with imports to supplement that market. We want to do that.

Mr. Mike Schreiner: Yes, it makes no sense whatsoever. I agree with you.

Richard, I just wanted to quickly give you an opportunity to talk about the importance of the tax credit program the craft brewers receive and how that could benefit VQA wine.

Mr. Richard Linley: Yes, the tax credit program that was brought in by the Ministry of Finance is a program that has helped to support the growth of the craft beer industry. We wholeheartedly applaud the tax credit and the approach to that industry. I think it has done a great job at helping to leverage investment in Ontario and build businesses across the province and small communities. It's something we strongly support.

We have said that a similar program—I think the cideries, if they were here today, would also make the argument that that program is the program that would work best for everyone in the craft beverage alcohol sector

to help support the future growth of the industry. This will also allow small and medium-sized wineries to scale up and buy the grapes that Debbie is talking about. The grapes that aren't getting purchased this year—if you create those opportunities through a tax credit program like craft beer, there will be an opportunity then for small and medium-sized wineries to grow and buy more grapes from the growers and really enhance and support the value chain across the various regions of the province.

This is a program that we have long advocated for, that should be adopted here and would help grow market share also in the LCBO, which ultimately is good for not only the LCBO, but for government coffers.

Mr. Mike Schreiner: Thanks, Richard.

How much time?

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

Mr. Mike Schreiner: Two minutes? Great.

Courtney, I'm going to give you an opportunity to answer some questions as well. We've heard a lot of interesting government procurement and the barriers to small and medium-sized enterprises being able to take advantage of, to utilize, government procurement. You talked about the fact that we could be using losing intellectual property if SMEs don't get support and are purchased by foreign multinationals. Do you think you could just talk about the importance of government procurement and some of the barriers that SMEs face?

Mr. Courtney Cole: Thank you. This is Courtney Cole of ForaHealthyMe responding to the question. Let me put it this way: The government, with respect to health care, cannot be both customer and supplier. There are multiple legacy institutions that exist within the ecosystem, and they are the preferred providers of services to the hospitals because that's how the hospitals get paid.

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

Mr. Courtney Cole: They will say to me, "We love the product, but unless we can get paid to use it, we can't use it." So what it means is unless—in the previous sense, there was an organization called OCHIS which was responsible for health technology and innovation. They have a health technology fund. With the funding aside, at least there was a clear channel through which we could access the Ministry of Health. We could get our technology tested, evaluated and then adopted.

One of the drawbacks is that in the current environment we are really great at R&D and we're great at developing stuff, but we are really lousy at commercialization, because hospitals don't know how they're going to pay for our products. Unless we can find markets for our products, we end up looking overseas. It means that the innovation that was developed here, that was paid for through tax grant money and so on—basically we're subsidizing the economies of other countries.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the government side now for their time of questioning. MPP Smith.

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Mr. Dave Smith: I'm going to pick up a little bit from where you left off on that, Courtney. We had a couple of

presenters yesterday who were talking about intellectual property as well. One of the things that this one gentleman in particular suggested was that most start-ups are looking at an exit strategy to sell, and one of the things that Ontario needs to be looking at is, how can they promote those companies to become an enterprise as opposed to looking at their IPO, selling out, collecting a large paycheque and be gone? How do we move forward in a way in Ontario that builds on those companies? Do you have any thoughts on that yourself?

Mr. Courtney Cole: Absolutely. Let me give you some examples. Just yesterday I was having a conversation with some potential partners and investors. One of the things they talked about—they said that when they look at Canadian companies like ours, they actually discourage them from trying to do any business in Canada, okay? They tell them to look south or look east to Asia, which we have done.

I'll give you another example. Let's look at the State of Israel, for example, when we talk about IP. Israel has half the population of Ontario. They have no natural resources to speak of, per se, except for their people. Yet Israeli companies are second only to Canadian companies in terms of their listing on the New York Stock Exchange. The difference is Israeli companies are biotech, they're software companies, they're technology companies, they're medical devices etc., all of which are generated from IP.

Our companies are resource companies. We are really great when it comes to taking stuff out of the ground and selling it, or importing stuff, putting it together and then selling it, but when it comes to nurturing intellectual property, which is the future currency going forward—you look at the states of New York, you look at California, you look at Massachusetts. Their economies are thriving and a lot of those companies are driven by ideas, intellectual property and so on. So we in Ontario—a lot of US-based companies will come here and acquire Ontario-based companies because it's cheaper. We're hollowing out our intellectual property. We cannot grow unless—and resources aren't going to be in the ground forever. We need to take a different path. We need to start fostering a culture of innovation, and not just talking about it but actually enabling companies like mine and many of the companies here in the ventureLAB ecospace to actually commercialize our technology.

Mr. Dave Smith: I came from the software industry before getting into politics, and locally here in Peterborough we had one company that appeared to be becoming very successful in the delivery of education online. They were bought up by OpenText, a US-based company. OpenText bought them up because they were looking to get into that marketplace, so they essentially bought the IP and the customer base. Within two years' time, they had dropped that application and just kept the customer base with it.

The company that I used to work for recently has gone through exactly the same thing. A US-based company has purchased them, not necessarily because of the product

itself, although I am very biased and think that it was an excellent product, because I wrote it, but what they really were doing was they were buying the marketplace. That's where I see the biggest challenge that we face with these small companies that have great ideas, that have a wonderful process: The IP really is valuable, but the client base is really what the international companies are looking for, to get the foothold in here.

How do we keep that from happening? How do we promote from within? How do we build upon what we have? And I'm going to throw a plug in there on, is there any red tape that we can reduce to make it easier for companies like yourself to get your product into Ontario?

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

Mr. Courtney Cole: To your question, yes, there is red tape. I would say to my earlier point that the province can't be both be customer and supplier. We can't get our products into the hospital as a result of that. So we need to start breaking down some of those barriers, and I've written some thoughts around that whereby when an RFP is issued, for example—and two were recently, to the Ontario Together program. One of the selected vendors was a multinational company which is listed on the stock exchange. How can we compete against companies like that?

From a red tape perspective, I've talked with ADM Gherson. I've also talked with Minister Singh around some of the things that we can do. I think that's part of the reason why I'm here, to talk about the challenges that we face as small companies. If we can't scale within the Ontario health system, despite all the innovation—

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

Mr. Courtney Cole: —all the R&D we've done, the clinical work, then we will simply either wither and die or we will get picked up and taken overseas. Removing those barriers, incentivizing those multinationals who are going to win these big contracts and say to them, "We want you to include an Ontario company as part of the delivery mechanism"—that gets us in the door, that validates us, that helps us generate revenue and that helps us commercialize.

Mr. Dave Smith: Thank you. How much time, Chair?

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

Mr. Dave Smith: Not enough for a question, so thank you very much. I greatly appreciate the time you've given to us today.

Mr. Courtney Cole: Thank you. I appreciate your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the independent members for their second round. MPP Schreiner.

Mr. Mike Schreiner: Thank you. I was—you weren't allowing me to unmute there for a second. I appreciate the opportunity to ask another question. Thank you, Chair.

Courtney, I wanted to go back to you a bit more. There has been a lot of talk about the need for Ontario to have an IT strategy to support SMEs, and I'm just wondering if you have some elements of what that strategy can look like.

Mr. Courtney Cole: Thank you for your question, Mr. Schreiner. The best example I can think of: I'll go back to Israel, where IP is considered a valuable part of their economy. It's an economic driver. What they've done is they basically enable and encourage companies to try different things. They are very open to taking a risk because a lot of their companies end up selling for billions of dollars when they get listed and so on. That money goes back into Israel.

So from an IP protection perspective, what they've done is to incentivize some of those small companies. They will award funding, whether it's grants, whether it's non-repayable loans, and say, "When those companies scale, a portion of whatever they are sold for or whatever revenue is generated has to go back into the Israeli government and a lot of the IP itself has to remain within the fabric of the Israeli technology system."

Mr. Mike Schreiner: Thanks for that.

I'm going to just switch back to the grape growers for a second here. If there is some construction noise in the background, I apologize. My neighbours have decided to start doing work on their office here. Hopefully, that's good for the economy. Anyway, I hope the noise isn't too loud.

Also across the street from my constituency office is one of the first pubs in Ontario that featured only craft beer back in the 1980s, and that owner approached me the other day and said, "I would love to help Ontario VQA wineries by opening a VQA-only store in downtown Guelph, but of course, the rules will not allow me to do that."

I realize it's complicated with all the various agreements we have in place, and so I don't want to suggest that this is an easy solution, but I'm curious if entrepreneurs like this who help build the craft brewing industry want to start focusing on VQA wine, would you like to see some of those opportunities out there for entrepreneurs and would it help the industry?

Mr. Richard Linley: Do you want me to take that one, Debbie?

Ms. Debbie Zimmerman: I'll flip that over to Richard. Yes.

Mr. Mike Schreiner: Either Debbie or Richard, either one of you.

Mr. Richard Linley: Thanks, MPP Schreiner. That's been a long-standing policy ask of ours, that the Ontario government allow for independent retail private wine shops that would complement the role the LCBO currently plays in the market.

The takeaway I would have for the committee today is, it's important—it's critical—that we get back to looking at how we modernize beverage alcohol. The Ford government has moved forward with removing some of the regulatory powers that the LCBO still has and moving those over to the AGCO. That work was stalled as a result of COVID, so we need that work to continue in the fall. We need to resume it. That's through the Alcohol and Gaming Commission and the Ministry of Finance. That's the Attorney General's office and the Ministry of Finance.

We need to get working groups going, and we need a path forward on that.

So yes, that has been a long-standing ask of our industry. We think that would be a great way for our members' products to get to market and build business relationships with small entrepreneurs in the province. We would love to see that happen or evolve over the next couple of years.

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Mr. Mike Schreiner: Debbie, did you want to add, or are you good with Richard's comments?

Ms. Debbie Zimmerman: I just wanted to add that I think it's so important for the committee to get a grasp of why Richard and I decided to come as a team, because the supply chain will get clogged if we can't get our product to market—

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

Ms. Debbie Zimmerman: —and obviously that's the wine. What's important for us is to make sure that there are those opportunities so the 11% share of the market in Ontario isn't just at the LCBO. We've been doing very incremental steps working with the government. I want to say too that, with Sam's help—Sam has been fantastic, bringing our story forward. But I know it will take all the MPPs on all sides of the House to really want to celebrate the domestic industry. That's what I'm worried about. We have Mother Nature, who dictates a lot about what we do. But when we have grapes on our farms that are being imported, it doesn't make any sense to us. I can't even face the growers and say to them, "I have nowhere to sell your grapes, because 455 equivalent cases are coming in from another country, and I can't do anything about it."

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

Ms. Debbie Zimmerman: So that's the kind of problem we want to get fixed.

Mr. Mike Schreiner: I would also just say, on that note, a lot of us are concerned about the hollowing out of our downtowns with what COVID has done, the competition with online retailing—all the things that our downtowns and main streets are facing. To be able to open things like a VQA store that takes Ontario-grown grapes, connects them with Ontario craft wineries and then allows small entrepreneurs to open up in a downtown as part of the revitalization of our downtown, to me, makes so much sense. So I really just want to say thank you so much to the wine industry, the grape growers and the craft wineries for continuing to push this issue. It just seems like a no-brainer win-win for everyone.

I think I'm probably out of time, so thank you.

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

Ms. Donna Skelly: Debbie, I wanted to follow up with you. You were talking about the challenges of getting your product to market. I live in Hamilton, and over the past number of years, I've seen the volume of traffic on the QEW grow incredibly. It's quite challenging. The number of transport trucks on our highways has become a big problem that has been raised by a number of industries. I'm just wondering, in your sector, is that an issue? You

talk about getting the product to market. Is the actual movement of goods an issue for the wine industry?

Ms. Debbie Zimmerman: I would say one of the challenges that we face is—currently, there’s more of a distribution issue within the warehousing right now with the LCBO. We’ve got some backlogs and some challenges that COVID has presented, so getting our product to market can mean more than just moving trucks. But I agree with you, MPP Skelly. I’ve always been a big fan of the mid-peninsula corridor. I’ve always thought there was an opportunity to utilize Hamilton airport way better than what we do, but that’s a separate aside.

From our perspective, it is getting the goods to the LCBO and getting them to the consumer. We have good foot traffic. As Richard has pointed out, COVID-19 took that away from small wineries, that foot traffic. It’s an experience. It’s not just going to a bottling plant; it’s going to a winery to get that experience of pairing wine and food and other things. And that’s the tourism side.

Getting our product out of the warehouses at the LCBO is a bit of a challenge right now. Maybe Richard can now elaborate on that.

Ms. Donna Skelly: Richard, go ahead. Can you unmute Richard, please? Thank you. Oh, there you go.

Mr. Richard Linley: There we go.

The government, through Minister Phillips, moved during COVID to support the industry, and a bunch of measures were brought forward to really focus on buy local for VQA wine, beer, cider and spirits, which has been great. The challenge is often policy and practice. The government has made a considerable commitment and put forward support for the sector, but the challenge has ultimately been around the warehouse and getting product from the warehouse to retail stores. Some of those issues are quite complex and have to deal with labour. But that has been a problem.

Pre-pandemic—I would just touch on your question—there were challenges with bringing people down to wine country: People get stuck on the Skyway or turn around on their way to wine country and would just give up. That is a problem from a bottleneck standpoint. I know the government is trying to address that through some of their transportation strategies, which we really appreciate. But that has been a recurring challenge and problem for all wineries along that corridor, no doubt.

Ms. Donna Skelly: While I have you and Debbie today, we have heard some of the challenges that you raised earlier, but I would like to expand a little, perhaps, if you want to advocate for funding for a mid-pen highway, as a lot of [inaudible] are now calling it, the international corridor. Why do you believe it’s necessary to address congestion in this particular area? I can’t get over the growth on the QE to Niagara in the past six or seven years alone.

Ms. Debbie Zimmerman: I think you appreciate, as many do, the opportunity for infrastructure, especially as transit can be a great mover of people. We seem to be the last frontier. As people move from Toronto to Hamilton to Niagara, we’re facing those challenges. I just think that an

infrastructure strategy is important for the future because it means business to us as well. I think everybody recognizes that it’s good for business. And that international trade from the US to Canada—I-95 is one of the biggest corridors in the world for the opportunities for trade.

Ms. Donna Skelly: Any time I have an opportunity, I have to promote Hamilton airport. It is the busiest airport in the country and a real jewel. We’re fortunate to have it.

Thank you for that. I’d like to ask, if I have time—Mr. Chair, how much time do I have left?

The Chair (Mr. Amarjot Sandhu): About two minutes.

Ms. Donna Skelly: Thank you.

Courtney, I have a couple of questions for you. You talked about losing our intellectual properties. What is the solution—if you can, in a nutshell; you’ve got about a minute. What can we, as a provincial government, do to ensure that you can grow and that we can retain companies, small and medium-sized enterprises, that are challenged with other larger international companies coming in to buy that intellectual property?

Mr. Courtney Cole: Thank you for your question. I would say, in a single sentence, incentivize companies like ours, creating opportunities for us to sell either into the government, where the government is the customer and therefore—I can’t think of a single company here—

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

Mr. Courtney Cole:—where we are in Markham that has said to me, “I can’t wait to get out of Ontario.” We all love it here. We built our business. Ontario, to a degree, has been great to us in terms of the support, the infrastructure, the universities, the R&D and so on, but then when it comes to commercialization, we tend to hit a wall. So where, in our case, the government is the customer, we [inaudible] sell into the government services.

Ms. Donna Skelly: Are you at the table with any of the Ontario health teams? Have you had any opportunity to meet with them?

Mr. Courtney Cole: Not directly. We were working directly with a number of individual institutions while some of those teams were being assembled. To be honest, things were a little chaotic. There was a lot going on, and we were being told that from a technology perspective, they were at least a year away from making any kind of decisions around procurement, because they were trying to figure out what the structure looked like—

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

Ms. Donna Skelly: Thank you.

The Chair (Mr. Amarjot Sandhu): We’ll go back to the opposition for their second round. MPP Gates.

Mr. Wayne Gates: Hey. How are you doing? My question is going to Richard, but before I start with a question, Richard, I’m going to make another statement, like I did before.

On your number one ask on the 6.1% tax and my private member’s bill, the Conservatives could do that today. They have a majority government. They know our industry is in really, really tough shape. I’m asking the

Conservative colleagues that are on this particular call: We can help fix the problem, and particularly, your number one problem. We could do it today. I'd be quite happy to let them do it and take the credit for it. I don't have to wait until September to put it into another motion or a bill, but I wanted to say that.

1350

Again, Richard, it's my understanding that wineries are facing a significant backlog in cases at the retail point of sale. We have heard suggestions on the ability to offer discounts on those cases to deal with the backlog. Do you believe this is something that you'd be interested in, that would be helpful?

Mr. Richard Linley: Am I unmuted? Yes, I am.

Yes, it's an idea that has been put forward in terms of the ability for wineries to offer discounts. This is something that BC wineries and California wineries are allowed to do as part of their wine clubs, and it certainly keeps wineries competitive in their home market, in terms of competing in a market with the LCBO and grocers and other outlets such as the Wine Rack and Wine Shop. We have been supportive in this regard. It will certainly help move cases, and hopefully lead to grape purchases as well if we are able to move volume. So to answer your question, yes, we are supportive.

Mr. Wayne Gates: Okay. I'm going to go back to Debbie or Richard, whoever wants to answer this one. Would an increase or diversification in online sales assist the wine industry right now and going forward in our ever-changing wine industry?

Ms. Debbie Zimmerman: Yes, online sales have been great, but we still need to deal with the fundamental problem of the importation of blended material that is exactly the same as what's being produced in your riding. That's the key, Wayne. At the end of the day, we need to take a look at how we have imports versus domestic. Domestic needs a leg up.

Richard's giving an example of the 6.1% as an opportunity to give the small to medium-sized wineries that leg up. That will make a difference to us. I think online sales have been great, but we still believe having tourism in Niagara is important for the long term. People visiting Niagara is a good thing for everybody: 98\$ from every bottle of VQA wine.

Mr. Richard Linley: And I did—

Mr. Wayne Gates: And I believe—

Mr. Richard Linley: Sorry. Go ahead, Wayne.

Mr. Wayne Gates: I was just going to say that I believe it's about \$1.10 of help to our economy when it's a foreign wine coming into Ontario. There's not even close to a balance there and it makes no sense.

Ms. Debbie Zimmerman: No.

Mr. Wayne Gates: Go ahead, Richard. Sorry.

Mr. Richard Linley: I just want to build on Debbie's comments. It's the Ministry of Finance's policies that are distorting the market. It's not outside factors, market forces that are distorting the market; it's currently the tax policy that is applied to Ontario VQA wines and blended wines that continues to distort the market. A lot of the

issues and problems that we have as an industry are at the core of current government policy. I appreciate that this government didn't create these policies, but these issues continue and we need them addressed.

Ms. Debbie Zimmerman: Exactly. That's key.

Mr. Wayne Gates: This one will be to Debbie, I think. Other than increasing the international-Canadian blended maximum, what is the one biggest issue that the province can do right now to help your industry get through the end of the season and be sustainable going forward into the 2021 season?

Ms. Debbie Zimmerman: I would say two things. One is the content. If we need to move more content into that bottle of IDB, to move it up, the government can do that with a stroke of the pen, because they don't have to go back and ask for approval within the House, because that authority has been moved to them.

I would say one of the other aspects is that 6.1%. That's live-or-die for some of these small wineries. We're already facing challenges from the settlement of the WTO that we have to—

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

Ms. Debbie Zimmerman:—engage with in our discussion with the government of Ontario through the next couple of years. So we're facing two uncertain futures, and this is an industry that drives—as you pointed out, Wayne—a lot of economic benefit, particularly for the Niagara region, but Ontario as well.

Mr. Wayne Gates: Yes, I agree with the 6.1%. Would the industry benefit from direct financial support from the province, including buying up the excess of grapes?

Ms. Debbie Zimmerman: We hope that never has to come to be the result, having to face that as growers. That happened in 2008, and that, again, was out of desperation. But when you have the tools in your hand to make those changes, that is not the kind of tool we would want. We want the tool, meaning we don't want to drop grapes on the ground when they have no home. We want them to go into a bottle of wine.

Mr. Wayne Gates: Yes, we are all trying to get there as well.

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

Mr. Wayne Gates: What's left?

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

Mr. Wayne Gates: Okay, I think we have time for one more, quickly. Do you believe that the effects of this year's wine season will have a lasting effect on future seasons post-COVID?

Ms. Debbie Zimmerman: That's a good one for Richard.

Mr. Richard Linley: Absolutely. The world has completely changed for wineries, both from a tourism standpoint and a retail standpoint. The large majority of my members—I would say all of them, in fact—have had to change their business model overnight, which has not been easy. Government programs have certainly helped.

If I leave the committee with a few final comments, it's that our members are very worried about the winter. We lost three or four months of the tourism season in the lead-

up to the summer, and the tourism season will taper off through the fall and into the winter. The survivability for our membership is a key concern right now.

Mr. Wayne Gates: Thank you.

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

Ms. Debbie Zimmerman: Thank you.

RETAIL COUNCIL OF CANADA

MS. KIM THIARA

SNAP HOEK PRODUCTIONS

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, first, I would like to call upon the Retail Council of Canada. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Sebastian Prins: Hi there. My name is Sebastian Prins from the Retail Council of Canada. I'm just going to take half a second here to click over to a presentation so that I can walk through that. Sorry for the half-second delay. I'm going to start the slide show, and hopefully, folks can see this. Can folks all see this presentation?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Sebastian Prins: Okay. Thank you to the members of SCOFEA and to Chairman Sandhu for having the retail council here today. There is a very important topic to us, as a major industry and business partner. What I thought I'd do is start off the presentation by briefly talking about the retail sector at large and who our membership is.

Retail is Canada's largest employer. In all of your ridings, so to speak, all across the province, this is the front-facing connection point of how consumers get goods. We're the largest private employment group, with 2.2 million Canadians, as of this past February, working in our space. I will say that our sector is, of course, down like everyone else's. We've seen 390,000 jobs shrink in the retail space—that's about 17%—as a result of COVID. But this is something that, of course, through the supports of government, we're hoping to see gains and upticks in as the economy ticks back online.

In terms of the Retail Council of Canada specifically, we represent members on all of the spectrum within the sector, so folks in *[inaudible]* goods in terms of grocery, but about 60% of retail sales are represented by our members, more so in some subsectors, with grocery being the largest at 95% of Canada-wide sales.

I thought I would just take half a second here, because one of the things Ontario was extremely good at—and we've got to applaud them for this—was the constant communication back and forth with industry associations and members. This was a fast-moving time period, but they kept us apprised as each of these different announcements was moving and sought the input of industry and of business. I just wanted to highlight that briefly in a timeline.

One of the first things the Premier did right after declaring the state of emergency was he sat down with 10

of our largest CEOs to kind of get a state of affairs on retail. It was two days after the state of emergency was declared. We had another one a few days after that with 10 different small business owners around the province to have them speak directly to the Premier and share what their impending needs were at the start of this state of emergency.

I wanted to highlight a few of these things, because some of these business supports were extremely impactful in ways that members of the committee may not quite understand; so I just wanted to take a second to highlight that. Off-peak delivery is one of those. I'm sure everyone remembers that we couldn't, for the life of us, buy toilet paper at the beginning of the crisis. There were empty shelves. That was something that had been caused by that panic buying by the customer. We saw that basket sizes—so the amount of items that people were purchasing—were way up, but their traffic was down. We couldn't control for those spikes one day to the next.

One of the amazing things that the Ontario government did, actually, in the wake of that discussion with the 10 CEOs and the Premier, was to temporarily lift some of the time-of-day restrictions on our roadways that prevent us from actually getting our goods to market in an expedited fashion. This was backed by amazing research from the U of T and funded by the Atmospheric Fund that demonstrated that this actually even leads to not only faster goods, but a cleaner movement of goods around Ontario.

1400

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

Mr. Sebastian Prins: This was an amazing thing that helped expedite and move things along for us.

All throughout, the province engaged with industry over the "essential business" definition. Of course, all of our folks wanted to remain safely open. We know that Ontario listened to us and allowed for curbside pick-up and delivery, something that allowed our retailers to get a bit of lifeblood moving, even in those time periods where things had to remain shut for health and safety reasons.

I know some folks will say that there could have been more lead-up time. Speaking to those, we still applaud the government for having that open line of communication with associations during this really fast-moving policy period, and we wanted to highlight some of the key supports that the government has really helped us with.

Deferring the 10 different provincial business taxes was amazing for a lot of our retailers, to help with their cash flow situations. I've spoken to a lot of our members in the clothing space where they had summer inventories coming in and were questioning how they would be able to pay off folks with all of the extra things like employee health tax and WSIB premiums. By deferring these out, that gave folks the necessary cash flow to deal with some of the upcoming expenses.

Of course, we've seen a whole host of other things like rent relief, partnering with the federal government to deliver that. A pause in commercial evictions was something that all the industry associations called for and that we were amazed when Ontario delivered on.

And, of course, things like Digital Main Street helping us into the future to set up some of those systems for tomorrow and helping small business get to market in this new, very digitally focused space.

A few of the things we wanted to highlight going forward is—again, everyone is speculating out there about second waves or things like that. Throughout the pandemic, we saw a lot of local health units—

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

Mr. Sebastian Prins:—that had the authority to pass very niche policies. We just wanted to highlight that harmonization would have been more effective to keep people focused. Masks are a great example. There are 32 different sets of rules.

I'll jump quickly right to the end here. As things go forward, direct business support programs are amazing but there are non-financial things that can be done as well: making permanent some of the temporary red tape initiatives like off-peak delivery, or adopting an economic lens for other policies and legislation moving through the government. I know the blue box is one that we're happy to talk to a little more, just to highlight that there are other things coming on. Keeping this lens on a go-forward basis is great.

And at some point, I'll talk about COVID business liability as one other one.

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

Ms. Kim Thiara: Hello. Good afternoon, and thank you for allowing me to present today. I'm speaking on behalf of the SMEs in Canada, and in Ontario particularly. I'm a small business owner based in Mississauga. Our company has been in business since 1983. We serve a lot of the plastic injection molding manufacturers.

We've seen a huge awareness over the last several months of our manufacturers stepping up to the plate and responding to the demands that COVID has put out there. A lot of our automotive manufacturers have pivoted to producing ventilator parts, face shields and bottling containers for sanitizers or disinfectants. We're tied in with a lot of these manufacturers, and it's been very enlightening to see the awareness that has come about over these past months and the recognition that manufacturers are getting. Manufacturing is key to a country's economy, and I think our manufacturers have shown just how vital they are to our country.

What I wanted to speak about was more of the SMEs that feed in to the larger corporations. Doug Ford has spoken a lot about keeping it in Canada, and made in Canada; I'm all about being Canadian, making our products here in Canada and supporting local businesses. The larger manufacturers are only as good as the smaller base that feeds into them. I'd like to see more awareness of the SMEs that are supporting the larger manufacturers in their efforts to produce parts for Canadians first, and then looking to export once we've satisfied our local needs. My whole emphasis here was just about bringing

that more to the forefront as far as the importance of SMEs, as much as the larger manufacturers that contribute to the Canadian economy.

We're a small company and we've faced a lot of growth—and we're very grateful for that over the last few months—because of our manufacturers that have pivoted. But we're having a real issue with hiring now. Simple positions are very hard to fill. As the gentleman who just presented was saying, 300,000 jobs were lost in their industry. Where have all those people gone? I know a lot of people in our industry are looking for workers, but we're struggling to find people. So that's a very real issue as well. That's it for me.

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

Our next presenter is Snap Hoek Productions Inc. Please state your name for the record, and you will have seven minutes for your presentation as well.

Mr. Zane van Hoek: Good day, everybody. My name is Zane van Hoek. I'm the owner of a business in Toronto called Snap Hoek Productions. We are usually the people that you don't see when you go and see a televised live event or concert. My business last year sent out over 600 T4s throughout the time of 2019, making me one of the largest employers in the entertainment business in Toronto. I provide staffing for such events as Boots and Hearts, the MuchMusic Video Awards, the Toronto auto show and countless other events that happen in hotels and trade centres across the country. When this all took hold, I was in Saskatoon on March 11 for the Juno Awards. Friday the 13th came around, and basically that was the day that the Canadian entertainment industry had the rug literally pulled out from under them.

As stagehands and people who build concerts and events, you can imagine how much we rely on the fact that people are able to get together. We have always been the first people to get to those events and we're the last people to leave those events. Unfortunately, with COVID, that has meant that we were the first people to be out of work and more likely the last people to ever come back to work.

Right now, you've probably seen a few people who are really trying to put a band-aid on the situation with some drive-in concerts and make a little bit of a salvage of what could be left of the season. But to say that these events are breaking even would be about the most that they're doing, and the fact of the matter is that there's not much employment behind those events for our technicians.

We are built on the fact that we are going into basically an empty field, putting together what you would see as a five-day music festival over a 14-day span, employing people to the tune of 150 per event and providing some real work for a lot of people. Unfortunately, our work therefore, being in Canada, can be quite seasonal, because I don't know how many festivals you've ever been to in the winter. Usually the Aurora Winter Festival or the things that are happening at the Distillery District are our big winter events to get us through, but obviously we are very much dependent on the summer season for our industry.

With that being said, myself personally, over the span of March 1 to August 31, 2019, I brought in a revenue of

roughly \$1.2 million. Over the same span in 2020, from March 1 to the end of August, I've seen a revenue generated of \$120,000—an exact 90% loss in revenue for my business alone. I would consider myself one of the lucky ones that I was even able to put together \$120,000 in business. Given the fact that my business is not one of gear rental but is more so of skills and production management and labour provision, there's not much overhead that needs to happen when there aren't jobs happening. But at the point in time, given where rents are at in Toronto, with wage subsidies and everything else that I could possibly go through to tighten the belt as tight as I could, that \$120,000 basically means that we broke even over the last six months. And to say that I'm the only one that's involved in this is obviously not the case. I think in Toronto alone there are roughly 40,000 to 50,000 individuals who rely strictly on film, television and event gig-based economics, and that's just people who work on stage and production. I'm not talking about flight attendants who fly us to and from places, hotel staff who take care of our rooms, security guards who watch the events for us, cleaning staff who take care of before and after, and everything else that goes into it.

To say that our industry has been particularly hard hit by COVID would be an understatement.

1410

I do appreciate what the members of both provincial Parliament and the federal government have done to help us along. Obviously the commercial rent relief program was fantastic and putting a moratorium on commercial evictions was something that really held a lot of people together, but I think there's only so long that these initiatives are going to last. I myself even, as a business owner, am looking at what I can do to pivot things for myself personally so that I can still generate income, and like I said, I've got another 400 regular individuals who are relying on me underneath for their annual employment. So far this year, I've only employed 95, so there's a massive shortfall for what's going to happen.

I was glad to be able to put our position forward to this committee today and try to open up the conversation on what is directly happening with events and entertainment economies based on what is currently happening with the pandemic. I really want to see some extended—

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

Mr. Zane van Hoek:—wage subsidy benefits, CERB benefits and things that are directly related to people who are not going to be returning back to work even if we start calling things “phase 4,” “phase 5,” or “phase 6.” Until this industry is able to hold 50,000 people in one venue so that they can come to see a festival or a concert, there is no industry returning anytime soon.

A lot of the conferences that used to happen in hotels are happening in this exact same format as we speak now. As the world turns, our industry is also getting changes happening to it such that even should crowds be able to gather again, the post-traumatic stress of COVID is going to force a lot more people who used to gather together into online circumstances, so the future is uncertain for entertainment and the arts, to say the least.

I would love to also see more grants and other funds available for people who are creative enough—

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

Mr. Zane van Hoek:—to be able to sidestep and make some pivots and changes, and get some arts funding going back so that there is still a job for people to return to.

I thank you for your time today.

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

Before we go to the questions: MPP Tabuns, can you please confirm your attendance?

Mr. Peter Tabuns: I'm here in Toronto, representing Toronto–Danforth riding.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start this round of questions with the government. Any questions from the government? MPP Piccini.

Mr. David Piccini: Sorry, I was just getting unmuted. Thank you very much to all the presenters. I greatly appreciate you presenting us to today and taking the time to do this.

My question is for the Retail Council of Canada. Sebastian, thanks very much for your presentation. I'm just wondering, Sebastian, if you could talk a bit about—obviously, I represent a rural Ontario riding. Retail stores and the downtown core have been hit hard by COVID-19. Obviously Digital Main Street has been a support that has helped. Can you talk a bit more about how—to really close the digital landscape, you obviously need the service, you need to have broadband in rural Ontario, but then the supports to support businesses. Is there anything else you'd like to see? Obviously we've expanded Digital Main Street, but is there anything more we can do to help our retail stores, with an eye specifically to rural retail?

Mr. Sebastian Prins: Maybe I'll touch on a couple of the broad ones first, and then speak a bit more to the rural. All of the “support local shopping” efforts that this government has been putting forth, both on the retail end—there was the POST promise and some funds and announcements behind that, trying to encourage Ontarians that it's safe to get out to shop again. Those are great for local businesses, including in rural communities, and then all of the made-in-Ontario manufacturing funds that have been put up to help identify for the consumer where the product was made.

We know from internal polling that just over 70% of Ontarians want to buy local, but don't have context or don't understand what product on a store shelf is or is not local. That, of course, also impacts and flows back through the economy. One stat I'll mention that we always love to tout at the retail council is that for every retail job, we like to point out that there are four jobs behind the scenes in terms of manufacturing, supply chain, IT. All of that trickles back down to the various communities, and then a lot of the different portals that the government has used to help connect folks in terms of PPE procurement and those items—we used to get bombarded with questions at the regional council about that and we've been since directing them to the Ontario portals. Those have been very helpful,

and as soon as businesses are procuring those safety and PPE supplies, that helps give consumers confidence again.

Mr. David Piccini: I appreciate that, Sebastian. You touched on a number of things there. I really appreciate the focus. Obviously, I think now we can look at that focus on supporting local here in Ontario, and we've seen—I just got off a meeting with a local group, Northumberland Goods and Services, where they've got an online platform now of over 1,000 different products. So we're seeing real innovation.

Can you recall any time in recent Ontario history where we've ever seen such a focus on buy local, shop local? I don't; do you?

Mr. Sebastian Prins: Not that comes to mind, and I think you're bang on right: There's a push on that right now and a big push on innovation. We've seen things like—I've had members report that their online sales are up 450%, so we know that this is a big time for that innovation, and funds like the Digital Main Street and other things are really helping businesses enhance those features and get to the consumers where they are today, as opposed to the brick-and-mortar locations where they were yesterday.

Mr. David Piccini: I'm going to just push on one specific piece on broadband. Obviously the province launched the ICON program, of which we're seeing lots of intakes. I know at AMO I worked with a number of my local municipalities and regions on some exciting applications. Given the spectrum at a federal level, do you think we've seen enough from the federal government with respect to broadband supports?

Mr. Sebastian Prins: There can definitely be more. We were actually in a conversation last week with Allan Thompson, the chair of ROMA—

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

Mr. Sebastian Prins: —and he was highlighting the exact same thing. Given how digital our marketplace is today, the more investments, the more supports we can see, provincially and federally—including the feds—the better. That broadband is really key to helping the market evolve and move toward the online fulfilment of the sales that we're seeing today.

Mr. David Piccini: I think certainly at a time—we're all working together collaboratively, and there's no doubt that when we're working together and we're working together collaboratively, great things can happen. But again, I think great things can happen working collaboratively, but we've got to see action. I know provincially, that announcement was made, and certainly we look forward to any federal announcement. Have any of your members or has the Retail Council of Canada considered—I know locally we've written a letter, all of our municipalities. Have you considered writing a letter to the federal government to allocate that \$1.7 billion?

Mr. Sebastian Prins: I'll certainly take that back to our team and discuss it more. What I can share is that a lot of our members have been very, very focused on building out a lot of those e-commerce channels. Just as an example, the Ontario government—

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

Mr. Sebastian Prins: —was great partway through in enabling some construction for essential businesses to build out new supply chain functions because we saw that huge massive spike in IT sales in e-commerce.

I know our members are right there with you, and I can certainly take that back to the team to see if we can get something done there.

Mr. David Piccini: Beautiful. Thank you very much, and we'll follow up more in the second round. Thank you.

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

Mr. Peter Tabuns: Thank you very much, Chair, and thanks to the presenters today. I appreciate the perspectives they've brought to committee.

My first question is for Mr. van Hoek. Your operations are in my riding of Toronto–Danforth, and you're familiar, apparently, with what's going on with the film industry as well as the rest of live entertainment. You talked about what it's going to take to preserve this sector so it's there when we get back to something resembling normal. Could you expand on what it's going to take to preserve the businesses so that they're there and are able to pick up quickly when it is possible for us to join together in large numbers in public?

The Chair (Mr. Amarjot Sandhu): Sorry, Mr. Tabuns. We lost him for a while.

He's back. I don't know if—

Mr. Peter Tabuns: Mr. van Hoek, were you able to hear my question?

Mr. Zane van Hoek: Do you hear me now?

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

1420

Mr. Peter Tabuns: I can hear you now. Did you hear my question or do you need it repeated?

Mr. Zane van Hoek: If you could [*inaudible*].

Mr. Peter Tabuns: No problem at all. You represent a sector that's really been hit hard. Earlier on in the summer, I heard other people who were doing event organizing, professional large-scale event organizing, talking about how the floor had disappeared underneath them.

One of the things that's going to be critical is preserving the businesses that you and others are representing so that when we are able to once again gather in large numbers, we'll actually have an infrastructure there that will be able to provide services and employment. Can you talk about the critical things that the provincial government needs to do to make sure that you're able to survive and provide employment at a later date, when we're in a better situation?

The Chair (Mr. Amarjot Sandhu): Can you press *6 on your phone? To unmute, press *6.

Mr. Zane van Hoek: Can you hear me now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Zane van Hoek: Okay. To be totally frank, given the current circumstances and the extended period of time that our industry has had to go without work, many individuals are obviously seeking employment in other places. As much as possible with my direct team and the

wage subsidy from the federal government, we have been able to at least keep those core people together, but given the uncertainty and overall length of time that this might take before these gatherings can reoccur, I can only speculate that, like our other guest said, the rehiring process is going to be extremely difficult. People are going to have to move on to other jobs to make ends meet, in particular when it comes to the end of these benefits and wage subsidies.

The biggest concern as well, for me, is given the fact of our location being in Toronto, the cost of living is much more than \$2,000 a month could ever provide. As someone who might have ever been collecting CERB, let's face it: That might have worked well for them to get by while they still had some savings in perhaps June and July, but the longer this goes and as the benefits get clawed back, the uncertainty will only grow, in particular in retaining skilled employees. There is going to be a whole host of people that are going to attempt to move these skills into other places, whether that means going into other contractor positions, seeking other jobs with machine licences; and skill sets they've got in those departments will be difficult to recoup. So uncertain is the best way that we can describe any of what's occurring within the industry.

Mr. Peter Tabuns: Okay.

Mr. Zane van Hoek: As far as what the provincial government I feel can do—obviously the programs that I'm speaking of are more on the federal level, but as far as for my employees and particularly in the Toronto area, where rent is so high—

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

Mr. Zane van Hoek: —and only getting higher, it appears, we've got to ensure that no one is getting evicted at any point in time over the next year at least, if not 18 months. There's absolutely no reason that someone should have lost their job, lost their livelihood, was a highly skilled individual, and then the rug gets pulled out from the entertainment industry, and not only did they lose their livelihood, but they also lost their home on top of that.

The mental health implications that have already been occurring within the gig economy—we've been well-educated in the highs and lows of when you're working versus not. This has only exacerbated that for many individuals, I feel.

Mr. Peter Tabuns: Thank you very much for that. Unfortunately, I can see all the force of the argument that you're making.

Speaking of evictions, one of the things you mentioned was the moratorium on commercial evictions. This has been a huge issue amongst small businesses throughout the Toronto–Danforth riding and frankly, I think, throughout Toronto and cities across this province. For the people that you work with directly—

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

Mr. Peter Tabuns: —is there real concern about the end of the moratorium on commercial evictions that's coming August 31?

Mr. Zane van Hoek: Well, for myself personally, I am going from—I believe I am in your riding. I'm at Carlaw and Dundas.

Mr. Peter Tabuns: You are indeed.

Mr. Zane van Hoek: So I'm even personally, myself, after, for lack of a better term, fighting with my landlord for them to actually apply for the commercial rent relief program—she's saying, "Well, I'm going to lose 25%," and my argument, "Well, I've lost almost everything, so I can't see you going and trying to take full pop from me when we've already lost it all." Even for myself, everyone is working from home in my office. At the end of September, I will be looking to move all of my desks and computers and everything into a storage locker and continuing to work from home because of the—

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll have to move to the independent members now. Any questions from the independents? MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for bringing such vital information to committee. Zane, I'm going to ask you to struggle a bit longer here with our connection, because I wanted to follow up on—I understand your personal situation with the rent program. We've heard that from a number of small business owners. I'm just wondering if you have any recommendations to the committee on how that program could be fixed to work better for small business owners.

The Chair (Mr. Amarjot Sandhu): Press *6 again, please.

Mr. Mike Schreiner: We still can't hear him, unfortunately.

The Chair (Mr. Amarjot Sandhu): One more time, *6.

Mr. Zane van Hoek: Let's try here again. Am I working on this one now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Mike Schreiner: We can hear you.

Mr. Zane van Hoek: We'll keep both connected here just for the giggles of it. But here's the deal: The economic factor about the rent relief is that we are going to have to move out of our building, even at 25% rent. I can't afford that. My bigger concern is now for my employees, who are going to be behind on their rent at their personal places and they're also going to be potentially facing eviction, which is a frightening thing for any individual. And we're not just talking about our young employees. I employ people with families.

This is a big situation for the entertainment business as a whole. As far as, I feel, for the provincial government's concerns, we need to particularly be looking at things more on an industry level on these returns and what that means for, potentially, extensions on the benefits or the moratoriums on rents for these more affected businesses. Let's say there are places like Home Depot, and people who were dying to do a bunch of house work now all had the time to do it—and you can't go and find pressure-treated lumber in Toronto anymore; everyone has built so many decks. But the fact of the matter is their business was

able to continue, five to six days later, and continue very successfully.

For us, this is going to be a very long, extended period of time. Even within a vaccination framework, by the time we go and get a vaccination together, how long does it take before the PTSD of all of these individuals gets past—that they're going to be comfortable to go to a gathering, to go to a hockey game, to go and return to seeing live entertainment, whether it be in a theatre, an arena, a stadium or a field? This is going to be a very serious situation that our industry is going to be directly affected by for a lot longer period than just going to a restaurant with your family for the first time in five months and doing these small exposures. This is going to be a very serious thing for a lot of people to be comfortable with again.

Mr. Mike Schreiner: Thanks for that. So your recommendation would be, moving forward, governments should be looking at some sector-specific support for small businesses but also their employees, especially when it comes to renovations, probably, I'm guessing, based on closure restrictions, given that some are open and some are not. Does that kind of summarize your recommendation?

Mr. Zane van Hoek: I agree. I think that we've got to recognize that even at phase 3, which we are now treading through here and things seem to be going okay, that doesn't mean that we're able to return to a place of work. That is a very fragile situation for us.

There hasn't been the outline of what phase 4 or phase 5 might be yet, and I don't think that that is something that has at least been conveyed to what it means next for these industries for reopening and getting these larger gathering abilities together.

We have done some more pivoted events. We had the Immersive Van Gogh Exhibit happening at the Toronto Star building at 1 Front Street, I believe, where they were bringing guests through into an environment where we can still allow for social distancing—

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

Mr. Zane van Hoek: —and control the numbers and so on and so forth. But these things aren't paying the bills; this is just enough to get by for individuals. There is not a profit to be gained there.

Mr. Mike Schreiner: Thanks for that. I'm just going to pivot over to Sebastian for a second here. I know we had an opportunity to talk about masks, in the early days, given that my riding was one of the first to bring in a mask mandate. You had talked about some of the challenges of operating businesses across multiple health units. We've heard that from other businesses. Could you maybe just elaborate on that a bit more, maybe on some of the ways in which we could address that for small businesses?

Mr. Sebastian Prins: Yes. This has been a challenge throughout the health crisis. Health units are locally governed and can come up with very niche rules. It's not even necessarily confined to rules related—

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

Mr. Sebastian Prins: —to health and safety, so to speak. It can be around things like—there were purchase

limits on milk in some health units that were mandated by the health authority. And on masks, this is a great example: We have 32 different sets of rules around masks in Ontario right now. Your riding, yes, was the first. I remember that quite well.

We always encourage harmonization. I think business has really truly realized why we need a lot more harmonization in health policy. It doesn't make sense to have 32 different sets of rules around masks; we can do with one in Ontario. If I can operate safely behind Plexiglas in Ottawa and not in Toronto, there's no rhyme or reason to some of these nuances. I think that would be what we would encourage, and we'd hope that there could be a legislative vehicle introduced at some point to try to amalgamate—

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

We'll go to the opposition now, for their second round. MPP Morrison.

Ms. Suze Morrison: I think I'll direct my first question towards the Retail Council of Canada. Thank you, Sebastian, for being here. I did also want to mention that my colleague Jill Andrew is the MPP in the riding where you folks are located and she really wanted to be here today but unfortunately had a conflict, so she did want me to pass on her regrets on her behalf.

I wanted to ask you a little bit about the issue around commercial rent that we've heard over and over again in this committee. Is that something that you've seen come up as an issue among your membership in terms of the varying degree of adoption of the CECRA program and landlords not opting into the program? Do you have a sense of if your members were actually able to access that program or not?

Mr. Sebastian Prins: RCC, along with a number of associations, was calling for a pause on evictions, so to speak, for commercial rents. We were really happy to see the Ontario government move to pause that. The big rationale or the cause for us writing some of the letters back in the day was right around that, that we were seeing landlords were not moving to adopt the programs that were in place that were supposed to be benefiting those small and medium-sized businesses in particular—the people on the rent programs that Ontario and the federal government have jointly put in place.

So I can share that, yes, there was a major uptick after the Premier—first, he signalled it, and in the coming days, the actual policy came to the table. I remember, after the Premier—we were doing three webinars a week and I can definitely report—I don't have the numbers with me exactly on hand, but we saw a major uptick in the number of folks reporting to us that they were now getting onto the program.

I can share that we are still seeing a lot of sectors that are down, so to speak, particularly in the fashion space. Depending on where you're located, if your sales are in a tourism-driven community like in Niagara-on-the-Lake or in Kingston, we have been seeing that that has really impacted traffic in those regions. I certainly know that we

were very supportive of Ontario's move to put a pause on those commercial rent evictions. We understand a lot of the business complexities in and around that topic.

Ms. Suze Morrison: Thank you so much.

I'm going to pop over to Kim Thiara. Thank you for being here as well. A similar question to you: Has your business been able to take advantage of the rent relief programs? Were there any barriers that you faced in terms of commercial rent?

Ms. Kim Thiara: Fortunately, our sales did not dip to the point that we needed to receive assistance for the rent, so we were gratefully not needing to apply for that.

Ms. Suze Morrison: Excellent. That's good to hear. I also wanted to ask you a little bit about when you raised the issue of struggling to hire enough workers. I'm wondering if you can elaborate a little bit more on that struggle and if there are any specific supports or recommendations you'd make to the committee for how we can help businesses like yourselves hire and maintain a workforce through the recovery.

Ms. Kim Thiara: Typically, we go through agencies and through a website, like Indeed, and there's another one that we go through—and this is just not myself, this is industry associates of mine as well. Typically, when we put out our calls for employment or for a job offering, we're inundated with résumés, and we just have them trickling in literally one or two a week. So that's been a real issue. I don't know what it is that you'd be able to do to assist with that. I don't really know how that can be addressed.

Ms. Suze Morrison: Is it something that you're seeing from other businesses in your sector? Are there other folks that you work with who are having similar hiring issues?

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

Ms. Kim Thiara: Yes, absolutely. Assemblers, general assembly work within some of the factories that we service, customers of ours; general shipping and receiving folks; general labourers—it just is a real issue, across the board, for a lot of our mold makers, the companies that make molds for injection-molding companies. So it's spread out across the board, and it's presenting a real issue for us.

Ms. Suze Morrison: Okay. Thank you so much.

Ms. Kim Thiara: Thank you.

Ms. Suze Morrison: And I'm so sorry to hear that.

I'm going to pop over again to Snap Hoek Productions. I know you spoke about that you were going to have to be leaving the space that you're in. Is that an ideal outcome for you?

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

Ms. Suze Morrison: Does it feel like a natural transition as your workforce goes home? Would it have been best for your company to maintain that space throughout the pandemic with supports, or is it just you moved on and adapted your model at this point?

Mr. Zane van Hoek: Well, by no means do I consider this ideal, losing 90% of my revenue. I would have loved to have kept an office, kept my staff employed and kept everything going, but let's face it, I don't want anyone to

get sick and die at work either, so there's a bit to say to that. But to be totally frank, it is a very emotional and sad point for me in my career, running this business for 15 years, being involved in entertainment for 25. Since the time I was 16 years old, I've known nothing but show business, and now there is no such thing as show business anymore. That is a very sad thing. And with moving out of the office, it is actually quite the sign on the gravestone, to say the least. It's the best way of describing it, the writing—

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up. We'll move to the independent members now for their second round. MPP Schreiner.

Mr. Mike Schreiner: Zane, I want to give you a chance to finish that point because it was very poignant and emotional. I think we need to think through how we're going to support the entertainment industry, so go ahead.

Mr. Zane van Hoek: Just that I would conclude on the fact that I ran a great office space. I loved working with the people that I saw every day. They were not just my friends, they were my family, and having to move out of the space and put all our stuff into a storage unit for an extended period of time of uncertainty, like I said, really sort of puts the writing on a bit of the gravestone here as the industry has made these unfortunate changes. Our world has had to go through these unfortunate circumstances.

So yes, it's dark days in the industry. We always said that Monday is usually the dark day at the theatre. Well, it's been a lot of Mondays, day after day, to get through before we can start seeing some returns.

Mr. Mike Schreiner: Thanks for sharing with that. I'm going to go to Sebastian, because I'm also hearing from a lot of retailers that it's a pretty dark day as well. I know the retail council—you represent the largest retailers down to the smallest retailers, so I really want to zero in on some of the independent retailers that are so vital to our downtowns, our main streets and our neighbourhoods. I can tell you, I've had so many of those folks reach out to me with concern about how changes in retail were affecting them, with online sales and competing with Amazon and companies like that. You add COVID on top of it, and a lot of the independent retailers are really struggling.

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I'm wondering if you have some thoughts that you could share with the committee on how government could support, specifically, those independent retailers to help them get through these dark days.

Mr. Sebastian Prins: Maybe first I'll say you're bang on right. They are still dark days. I know in May we saw sales were up, on average, 18.7% across Canada in retail, but they're still 20% below the February numbers, which shows that we're still deep—and it cuts deeper if you're a small business, particularly in the fashion space. People are just not out attending bricks and mortars in the way that they were before. A lot of clothing sales, if you're a small business, are transacted in person; you are less so in the online marketplaces.

I think the Digital Main Street initiative was quite a good one that helps businesses now today compete for market share in a digital space, but also sets them up for the future. We know that a lot of cross-border sales are supported and enacted through a lot of these platforms. If you're with Shopify, they'll cover all the export paperwork. Paperwork is the biggest barrier to selling things across international boundaries, so we see that as a huge support for small business.

Some of the other ones off the top: broader things when it comes to red tape. If there are things that can be made permanent, like that off-peak delivery or things around harmonizing health units, bringing an economic recovery lens to all of the policies that are coming through—I know MPP Schreiner will be big on this one at some point, but the blue box regulations—we're imagining that those drafts are going to be coming out. We know that's a \$150-million expense on the back of business every year. That's something that we support and agree with, but it's making sure that scope creep isn't seen as we're enacting some of these changes that are coming through, that we keep in mind that we're an economy in recovery and that it doesn't all have to be direct business supports.

Of course, direct business supports are amazing and help business owners like Kim, like Zane get over this hump, because when your sales are down, it's very challenging to pay bills, even deferred bills, so to speak.

Mr. Mike Schreiner: Yes, thanks for that.

Kim, I just wanted to give you an opportunity. You had talked about—

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

Mr. Mike Schreiner:—how you feel that SME manufacturers need to be given a bit more recognition and respect. I recognize that you play a vital role in supplying larger manufacturing as part of that whole supply chain. I was just wondering, in the bit of remaining time we have here, if you had some specific recommendations for the committee about how we could work with your sector to facilitate economic recovery.

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

Ms. Kim Thiara: Yes, Mr. Schreiner. I feel almost bad because Zane is having such an extremely difficult time in his industry, and a lot of the retailers are as well.

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

Ms. Kim Thiara: We are doing well, but this came out of nowhere for the manufacturers. I think the recognition that manufacturing is now given is filtering down to the SMEs, and we're now having to all of a sudden meet the demand placed on us by our manufacturers.

I think with SMEs, with employment, with investing in infrastructure, machinery and equipment—we're having to do that very quickly now. I know a lot of fellow businesses, with myself, had applied for the work-share last year because last year was a very difficult year for our sector. A lot of companies had applied for the work-share, so business was slow, and then fast-forward to this year and it's just ramped up all of a sudden. So having to now have a cash flow to sustain that growth is a struggle for small business.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to the government side now for their second round. MPP Smith.

Mr. Dave Smith: I'm going to start with Sebastian. We've heard from a number of different presenters who are in the retail world, and one of their comments—actually, all of them have made the comment that consumer confidence is one of our biggest challenges moving forward. It's fine to have an online store, it's fine to have an e-business that way, but for a lot of things you still need to go in and have that tactile touch before you will actually make the final decision to purchase something. How do you think that we can position Ontario to rebuild that consumer confidence, so that it is safe for them to go out and still purchase at a bricks and mortar?

Mr. Sebastian Prins: To some extent—and Zane will probably nod his head at this at some point—it is a timing thing. It's going to take time for businesses to grow that confidence. We know that health and safety procedures are the biggest influencers right now of consumers feeling safe, so we recently did some numbers on back-to-school sales. We know from that that 59% have said that it greatly influences their decision, with an additional 33% saying it somewhat influences their decision. That's a huge percentage of the marketplace that is basically looking for health and safety procedure confidence from business.

I know that the Ontario government supported something called the POST pledge. That, in our opinion, was kind of an attempt to reassure the marketplace, to reassure consumers that those health and safety protocols are in place. It basically encouraged small businesses, local businesses and main streets to put up signs indicating that they were following an agreed-to, non-profit-organized set of health and safety standards, and that if they had that poster in place, it was an attestation that the consumer could visibly see, to know that they've got those in place to attempt to build that confidence. We know that that's a big bit.

The other bit—and I know this is, again, back to the online space—is that free shipping nowadays is a major factor of purchases in the online space. We know that has been something that our businesses have been looking at and trying to solve for, as a substantially greater percentage of our sales are occurring through online mediums, so it's just understanding what that shift to online means in the various sectors. For us, it has been additional costs. In other places—I'm sure you've heard from the restaurant sector; for restaurants, it has deeply cut into margin rates, as a lot of folks are using apps to have food delivered.

So just understand that even when you see StatsCan revenue numbers starting to tick up, it doesn't mean that our profits are going to be the same. Our expenses have been significantly impacted as we try to cope with this new market environment where there are consumer expectations on the one end for health and safety and free delivery, and that impacts our bottom lines.

Mr. Dave Smith: Chair, how much time is left?

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

Mr. Dave Smith: I'm going to follow up with you, Sebastian, on something that you said, and that was the free delivery. If you're a small retail outlet selling T-shirts, let's say, for 10 bucks or 15 bucks and somebody buys one, it's probably going to cost you five or six bucks to get it shipped to them. Maybe one of the things that we should be doing, just taking from what you said, is maybe we should be looking at lobbying the federal government to change some of the rules and give a "COVID relief" on shipping through Canada Post, as opposed to, say, Purlator or FedEx or someone else. Because Canada Post is a crown corporation, we could then have an opportunity to kick-start some of that economy locally using Canadian employees that way. Do you want to weigh in on that?

Mr. Sebastian Prins: Sure. That's a very positive step. Like you said there, with the margin rates for a small business or a medium-sized enterprise, it doesn't make sense if you've got to spend five bucks shipping it. Aiming at helping that through is a big piece.

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

Mr. Sebastian Prins: The piece that we had raised as a bit of a flag just to keep in mind is that we're already quite nervous that Canada Post won't be able to handle volumes at certain points during the year, like Christmas and Black Friday, because their volumes are substantively up as a result of COVID and people using the postal system or couriers with greater frequency. So I think the only thing we'd flag as more just something to think through is how we make sure that the staff are there to support that. I think we'd be very happy to see additional supports for small business in that capacity, though.

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Mr. Dave Smith: Thank you. How much time, Chair?

The Chair (Mr. Amarjot Sandhu): One minute and 30 seconds.

Mr. Dave Smith: Kim, I'm going to quickly go to you. I know you're in injection molding and blow molding. I met today with a distributor of sanitizer and disinfectant, and he's having a great deal of difficulty getting those bottles, basically. Do you see opportunities, then, for Canadian companies who are in that marketplace to supply and make sure that our Canadian-produced or Ontario-produced disinfectants have a steady supply of Ontario-based bottles and caps and so on? Is that an opportunity for you?

Ms. Kim Thiara: We supply the injection molders and the blow molders and the companies that produce the caps. There is absolutely an opportunity for them. They're all maxed out. I know that their machines are booked for months out from now. There's one, actually, the spray nozzle—there's not one North American company that produces that assembly. It's only produced in China. I've been trying very hard working with our tooling folks to find a company that will actually invest in making a spray nozzle. There's a huge issue with those right now.

Mr. Dave Smith: So when Premier Ford made the statement that we shouldn't be reliant on another country to supply us, this is a great opportunity, then, for Ontario manufacturing?

Ms. Kim Thiara: Absolutely.

The Chair (Mr. Amarjot Sandhu): Thank you so much. The time has come up. That concludes our time. Thank you to all three presenters for coming. We appreciate your presentation.

Mr. Sebastian Prins: Thanks for having us.

Mr. Zane van Hoek: Thank you for hearing us out. Entertainment needs you.

Ms. Kim Thiara: Yes, thank you for your time.

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

CHICKEN FARMERS OF ONTARIO

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, first I would like to call upon the Chicken Farmers of Ontario. Please state your name for the record, and you have seven minutes for your presentation.

Mr. Ed Benjamins: Thank you, Chair. My name is Ed Benjamins. I am the chair of Chicken Farmers of Ontario. My family and I farm in a little village called Moorefield. We're about 40 minutes west of Guelph. Thank you for the opportunity to meet with you and members of the standing committee here today to provide you with an update on how Ontario's chicken farm families are responding to the ongoing COVID-19 pandemic.

We have approximately 1,300 family-run farms across the province. Chicken Farmers of Ontario appreciate the Ontario government's response, particularly the openness, the transparency and the timely communications that have encouraged not only collaboration and innovation but have moved us forward in these challenging times. We want to recognize Minister Hardeman and the Ministry of Agriculture, Food and Rural Affairs for working with CFO from day one of this pandemic. We've had a number of calls and meetings, and together we've been able to support and maintain a strong food supply chain in Ontario.

We want to thank the provincial government for the advocacy with the federal government by joining farmers and calling for adjustments to the federal business risk management suite of programs. We also appreciate the Legislature's consideration and the passing of Bill 156, the Security from Trespass and Protecting Food Safety Act. Thank you for recognizing the need for stronger laws to protect our farms, our animals and Ontario's food supply.

Successful family farms are crucial building blocks in Ontario communities. In Ontario, the chicken industry supports over 22,000 jobs and has contributed over \$3.8 billion to the Ontario economy in 2019 alone. With farms in 330-plus communities across the province, Chicken Farmers of Ontario is leading positive change, building value as Canada's premier provider of trusted family farm, safe, high-quality chicken. We play a unique role in Ontario and Canada's supply-managed chicken protein industry, and this COVID-19 global pandemic has made our role even more essential.

As we continue to weather the impacts of the pandemic, CFO remains focused on delivering the core drivers of supply-managed agriculture's values, which are quality,

safety, reliability and trust. Our CEO, Rob, will now explain how CFO is responding to the pandemic. Over to you, Rob.

Mr. Rob Dougans: Thank you. Our priorities are to ensure the continued supply of chicken protein to consumers and markets, and to safeguard the health and well-being of our employees and communities. CFO and the Ontario chicken industry have worked together to establish strong health and safety protocols based on the recommendations issued by government and local public health authorities in order to protect our farmers, our workers and our stakeholders across the food supply chain. We're confident that we have the team, the government support, the processor customer relationships, our industry value chain relationships and CFO regulations and protocols in place to maintain Ontario chicken protein supply resiliency through this uncertain period.

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

Mr. Rob Dougans: If I go back, we entered 2020 with a strong trend in market growth and considerable operating momentum on our base business. As government emergency orders were enacted in March, there were significant changes in consumer behaviour and consumption as demand reduced in out-of-home consumption and food service markets. At the same time, we experienced growth in retail grocery and e-commerce. We saw panic buying, and consumer confidence in the food supply system was shaken. At the same time, we experienced some short-term reductions in processing capacity as our processor customers adjusted their operations to protect the health and safety of their workers.

To relieve pressure on the supply chain and to respond to the changing needs of the market, CFO took decisive action and made an immediate adjustment by reducing our production targets by 15%. Chicken farmers across Ontario worked closely with our industry as we adjusted volumes as well as the types of products we were producing, in order to prevent long-term shortages in grocery retail while addressing the significantly reduced demand in our food service sector.

The responsible supply management system made this adjustment possible. Through supply management, we had the regulatory framework in place and necessary to respond to market changes. On behalf of CFO's 1,300 family farms, thank you for your continued support from all parties for the supply management system.

Market trends have mostly stabilized and we're now projecting to leave with some marginal growth by the end of the year.

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

Mr. Rob Dougans: To provide assurance to Ontario consumers, we launched a Chicken as Usual campaign. We wanted Ontarians to understand that it was chicken as usual, and Ontarians continued to count on safe, healthy, high-quality and locally grown chicken.

Throughout the pandemic, CFO has maintained a laser focus on effective risk management. We've implemented comprehensive preventive measures, with a specific focus on crisis management and communication plans. We're

collaborating closely with our industry partners, government and other stakeholders, holding weekly meetings and working together to address the challenges throughout this chicken supply chain as they emerge.

Now back to Ed.

The Chair (Mr. Amarjot Sandhu): Thank you. We're out of time.

Mr. Ed Benjamins: Sorry, Mr. Chair.

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

Since we don't have a next presenter, we'll recess for five minutes and we'll come back at 3:05 p.m.

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Interjection.

The Chair (Mr. Amarjot Sandhu): Actually, sorry—the next two presenters are not coming, so we'll do only one round then, one round of questions. We have only one presenter so we'll do one round of questions. MPP Piccini, do you have a question?

Mr. David Piccini: No, just ready to go.

The Chair (Mr. Amarjot Sandhu): Okay. We'll have to start with the independent members. MPP Schreiner.

Mr. Mike Schreiner: Ed, Rob, good to see you again. Ed, I can't wait to welcome you back to Guelph for another CFO Cares food bank donation in person. It's certainly been a pretty challenging time. You ran out of time there finishing your presentation so I'll give you some of my question time to let you finish.

Mr. Ed Benjamins: Thank you for that, Mike. I did want to touch briefly—and you've already introduced it, so thank you for that. We've been certainly supporting our communities and helping our neighbours by giving what we can. Over 500 Ontario farmers are donating high-quality chicken to the food banks. We're averaging 50,000 meals each week, and so far this year in 2020 we've done over 800,000 meals that we've given to the local food banks. So thanks for the question. I know, like you, I too look forward to the day where we can do that in person.

We also want to thank Minister Sarkaria for his continued focus on red tape reduction. We've also introduced a Chicken as Usual campaign, which means the chicken is there as usual but it's not been business as usual. So thank you for your question and thanks for giving me the opportunity, Mike. I certainly appreciate that. Thank you.

Mr. Mike Schreiner: Great. While we're at it, as you know, I'm a big supporter of local food and getting more local food into public institutions. Obviously, with supply management, chicken farmers are well positioned to do that. Do you have some thoughts about how we could take advantage of even more interest now in buying local to support local farmers and local food?

Mr. Ed Benjamins: I think we at CFO have a number of programs which encourage new entrants not only from the farmer side, but also particularly in the smaller abattoirs, artisanal programs and particularly for northern Ontario and less developed areas of the province. We continue to offer those. We've had great uptake on all those programs and we continue to offer those for everyone, whether you're raising local food for local farmers'

markets or what have you. We continue to focus on that and cover every opportunity that's out there. So absolutely, we're dedicated to doing that and continuing that going forward.

Mr. Mike Schreiner: And then, what have been the biggest challenges chicken farmers have faced through COVID? Is there anything that you feel like the sector needs to get through this time and come out on the other side of COVID?

Mr. Ed Benjamins: Well, I think at this point, what we're demonstrating and what's been demonstrated is the supply management system has really been able to look after itself. We have not had to reach out for government funding. We've had some challenge in terms of production that I think Rob mentioned. We had several periods of cutbacks that certainly have affected our farmers but we, for the most part, have weathered this storm quite well. It's been a rejigging of where the product goes with the closing of restaurants early on, redistributing that product. Getting it into retail certainly has happened. It's not without its challenges—

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

Mr. Ed Benjamins: —but for the most part, we have weathered this storm quite well. We look forward to the government's continued support.

If there's anything at all in here, it would be the continued focus on not only red tape reduction, but also making sure that the business risk management programs that the Minister of Agriculture has lobbied for on behalf of Ontario farmers at the federal level—those programs need to be expanded in some fashion, because really, they don't work that well. I think that work is under way.

Broadband service: Because we're doing more in the virtual world, anything that can be done to help—

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

Mr. Ed Benjamins: —with rural broadband certainly would be appreciated as well.

Mr. Mike Schreiner: Well, rest assured, Ed, I want to keep pushing both the provincial and federal governments to do more around rural broadband.

I guess one of the things that I've taken out of your presentation is that every now and then governments come along and they want to chip away at supply management, but this sounds like a lesson learned that where supply management is in place and working well, it's a way to help manage through choppy waters like what we've been through in the last six months.

Mr. Ed Benjamins: Yes, and I appreciate that comment, Mike. For sure, I think that now more than ever, supply management in a pandemic like this certainly has shown the value of a system that has worked and worked well—for everyone; not only for consumers, but for industry, for government and for farmers. So yes, truly it has not been without challenge, but it certainly has worked well, and it has shone a light on how resilient the sector can be when you've got the tools in place to make it happen.

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

Mr. Mike Schreiner: Great. Thanks, Ed, and Rob.

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

Mr. David Piccini: Thanks, Chair, and thanks, Rob and Ed, for your presentation. Good to see you, Ed. I know it was a while back that we spoke, and I greatly appreciate the role CFO plays in our province. I'd be remiss if I didn't give a shout-out to you for the work that you do in my community, supporting our food banks. It's greatly appreciated, and I know that our friends, our chicken farmers are the first to step up in support in a rural setting, so we really appreciate that.

Just if I can, going forward, I want to lead off with the trespassing piece. Talk to us: In the post-COVID lens, you spoke about reducing production targets by 15%. As you get back on your feet and as we all, as an economy, rebound, how important is it that we move as a government there to provide that stability going forward?

Mr. Ed Benjamins: I think it's extremely important, David. I would say that one of the biggest hurdles or one of the biggest challenges that farmers face through this COVID-19 pandemic has been the level of uncertainty, and making sure that their families, their farms, and the food production system remain safe is, I think, of great concern to our farm community. It is legislation that's needed. It is highly anticipated by all of agriculture, I believe, and so it is extremely important and we're looking forward to the implementation, because I think it will provide that safety and security for everyone that they're looking for.

Mr. David Piccini: All right. I'll just ask one more quick question before turning it over to my colleague MPP Smith. Broadband: Talk to me about the importance of broadband. The government just announced the ICON proposal. Do you think that government can do more? Have you seen enough from the federal government with respect to broadband?

Mr. Ed Benjamins: I'm not quite as familiar or up-to-date with the technical aspects or what it all means, David. I can tell you that everything we're doing today in our organization, and we've been doing this for a number of years, has been transforming to a digital world. The shift from in-person meetings, the shift to forms etc. had already taken place in CFO, and we had already migrated towards the next level of either virtual or remote communication or paperless communication.

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That cellular network, that broadband coverage—so far today, I think my broadband's working not too bad, but there are days where it has its limitations, living in rural Ontario. I'm not that far from either Kitchener or Guelph or what have you, but it has its limitations for sure and being able to communicate with our farmers, industry etc. is of great importance moving forward. So whatever can be done to strengthen and help that across the province would be greatly appreciated.

Mr. David Piccini: Thanks very much. Dave and I are really proud to have so many chicken farmers in our community. I think of Tim Klompemaker and what great

work he's doing up in Asphodel-Norwood. Thank you both very much again for what you do. I'm really, really proud to say we've got chicken farmers in my riding.

David?

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

Mr. Dave Smith: How much time is left, Chair?

The Chair (Mr. Amarjot Sandhu): Two minutes and 20 seconds.

Mr. Dave Smith: Ed, I think I'm going to come back to you on a couple of things. I know early on with chicken farmers during COVID, because there was such a change in the marketplace with restaurants not being open, that caused some significant challenges for the chicken industry. You guys were able to pivot. I know there was some downtime with it, but you were able to pivot and change the way that you're selling, I guess would be the best way to describe it. Do you see any problems, as we come out of COVID, pivoting back to the way things were?

Mr. Ed Benjamins: I would say it's maybe not without challenge, but I would say that pivoting back has largely started to take place. It's not so much the challenge of the farmer doing that; it's been more of the processing sector, the distribution sector, the retail sector, the restaurant and food service industries. Those guys have certainly been challenged much more so than we as farmers. Our world—yes, we took production cuts, but in essence, other than some extra precautions around PPE—

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

Mr. Ed Benjamins: —people on the farm etc., not as much. But I do believe that our industry is already well positioned to make the turnaround, and so if I were to look at today, in the next couple of weeks we'll be just 2% under where we were a year ago and then the next eight-week cycle after that, which would then be just before Christmas, we'll be back to about a 2019 level. That's a pretty good turnaround. We're actually quite happy with that, and I think it will augur well into 2021, because I think this is going to be with us for some time. So yes, I think industry will pivot and we can certainly respond and do what's needed.

Mr. Dave Smith: I'll pick up more on that in the next round of questions. We're almost out of time. Thank you very much for that.

Mr. Ed Benjamins: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We have only one round for questions—

Mr. Dave Smith: Sorry.

The Chair (Mr. Amarjot Sandhu): Thank you. So we'll go to the opposition side now. MPP Harden.

Mr. Joel Harden: Thanks to the chicken farmers for your presentations today. I'm interested in exploring a particular topic with both of you that has been a subject raised with our constituency office, and it would certainly benefit from your experience on the front lines of the industry.

Earlier in this committee's work, we were talking to folks from fruit growers and they were talking to us about

some of the frustrations they've had with respect to regulations around migrant workers and concerns expressed in the media and in the public around the living conditions of migrant workers and outbreaks that have happened of COVID in migrant worker communities.

I'm wondering what your perspectives are on some of those concerns in your industry. I know there was the awful tragedy with the bus accident in 2012 and some debate in the chicken industry since then. I'm wondering if you can just enlighten us about what you're hearing from chicken farmers and what your priorities are in making sure workers are safe, because all of us, of course, want a safe industry.

Mr. Ed Benjamins: That's a great question. I would answer it this way: The Temporary Foreign Worker Program, as far as chicken farmers are concerned, is probably very rarely used, if at all. The fruit and the vegetable industry would be looking at this much differently than we do.

I think some of the temporary foreign workers who are employed in the catching side of the business typically work here over a longer, extended period of time. My understanding is that, over time, most of these people look to get landed immigrant status as well. So I think that that's been our experience with it. It's an ongoing thing, whereas fruits and vegetables—much more seasonal and different. They're housing the workers etc. in larger numbers. So it's not necessarily related to chicken as much.

Mr. Joel Harden: Okay. One last quick question for you before passing the mike to my friend MPP Arthur: Do you believe that migrant workers have the right to refuse unsafe work when and if it exists?

Mr. Ed Benjamins: I hadn't given that much thought, but if it's unsafe I think that's just a human dignity thing that should be given to all people. So I believe if it's unsafe and you can't do it, by all means you shouldn't have to do that. I don't think you can be forced. We can't force anybody.

In everything that we've done as chicken farmers, we looked at what the big priorities are for us in this COVID pandemic. The first thing we've highlighted is the safety of not only our employees, our workers, but the communities in which they live etc. It was a number one priority for us, the health and safety of everyone, absolutely.

Mr. Joel Harden: Thank you, Ed. I appreciate your answers to the questions.

MPP Arthur?

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

Mr. Ian Arthur: Good afternoon. Thank you so much for your presentation. I want to touch on a little bit about what you said about the recovery. You're 2% below last year's numbers and projected to be about equal to 2019 for the last quarter of this year. Are you worried, as the patio season winds down? There must have been an uptick in restaurant demand for your product as we reopened patios. If we still have to maintain social distancing in restaurants into the fall and the patios close, we're talking about 30% capacity inside at most restaurants. Are you worried about the implications of that for your industry in terms of demand?

Mr. Ed Benjamins: I think your question is really about if we're prepared for a second wave.

Mr. Ian Arthur: Less so about a second wave than just the commercial demand for your product if there are fewer people in restaurants. Right now, we have expanded patios because of the warmer weather.

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

Mr. Ian Arthur: If there are fewer people in restaurants all the way through the winter, I'm just—

Mr. Ed Benjamins: Yes, I would say that, largely, the recovery has happened in many senses but I think our industry is still very much aware of that taking place. If you look at it—what, 40% of all restaurants in Toronto over the next several months are probably not going to survive, if I read some of the news. All of those things, and we have come out of a number of years of significant year-over-year growth. We were at 4% year-over-year growth for the last five, six years. Having a cut and then going back to a level of 2019 probably already anticipates much of that already.

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

Mr. Ian Arthur: Okay.

Mr. Ed Benjamins: So it's in there for sure. As retail continues to happen, people are preparing more from home, dinners from scratch; less food waste etc.—all of those are factors. Takeout, curbside, DoorDash, you name it, they are all expanding and going forward. But the restaurants in hotels or convention centres, all of those are still closed, nor do we suppose that they're going to be open anytime soon. So I think it's well into account, and it's going to slow a bigger recovery even more.

Mr. Ian Arthur: I think we're just about out of time, so thank you so much for your answers.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time. Thank you for your presentation and thank you to all the committee members for participating and our committee staff for their assistance.

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

The committee is now adjourned until 9 a.m. on August 28, when we will meet for further hearings on the small and medium enterprises sector. Thank you.

The committee adjourned at 1521.

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