

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-53

**Journal
des débats
(Hansard)**

F-53

**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Friday 28 August 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Vendredi 28 août 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<https://www.ola.org/>

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

House Publications and Language Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service linguistique et des publications parlementaires
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4386

CONTENTS

Friday 28 August 2020

COVID-19 study	F-2869
City of Brampton Economic Development Office; Clarington Board of Trade and Office of Economic Development	F-2869
Ms. Clare Barnett	
Ms. Gurdeep Kaur	
Ms. Sheila Hall	
Ms. Jennifer Vivian	
Attractions Ontario; Indo-Canada Ottawa Business Chamber; Ciena Corp.....	F-2877
Mr. Troy Young	
Mr. Kameshwar Mishra	
Mr. Rodney Wilson	
Chris James; United Nations Decade for People of African Descent Push Coalition; Halibut House Fish and Chips	F-2886
Ms. Christine Ray-Bratt	
Ms. Andrea Pierce	
Mr. Khurram Khawaja	
Memories Bridal; The SPACE/Ontario Dance and Performing Arts Studios; Timmins Chamber of Commerce	F-2894
Ms. Melanie Muirhead	
Ms. Linette Doherty	
Mr. Cameron Grant	
Ms. Karla Briones; TechAlliance; Crown Group of Hotels	F-2904
Ms. Christina Fox	
Mr. Sameer Sharma	
Cultural Arts Studio; Vaughan Chamber of Commerce; Guelph Chamber of Commerce	F-2913
Ms. Suzan Richards	
Mr. Brian Shifman	
Ms. Shakiba Shayani	
Bayshore HealthCare; Aroma Salt Therapy and Beauty Spa	F-2922
Mr. Stuart Cottrelle	
Ms. Toni Jacob	

LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Friday 28 August 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Vendredi 28 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 MPP Cho in the committee room and the following members participating remotely: MPP Kernaghan, MPP Harden, MPP Smith, MPP French, MPP Sabawy, MPP Singh, MPP Mamakwa, MPP Shaw.

MPP Roman Baber, can you please confirm your attendance?

Mr. Roman Baber: I am in attendance, and I'm located at my constituency office in North York.

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

Mr. Mike Schreiner: Hi. MPP Schreiner, confirming my attendance in Guelph, Ontario.

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

Ms. Donna Skelly: Good morning, Chair. It is MPP Skelly. I'm in my constituency of Hamilton.

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

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

Our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation. 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?

CITY OF BRAMPTON
ECONOMIC DEVELOPMENT OFFICE
CLARINGTON BOARD OF TRADE AND
OFFICE OF ECONOMIC DEVELOPMENT

The Chair (Mr. Amarjot Sandhu): We'll start with the presentations now. Our first presenter for the 9 a.m. slot, Indwell, has cancelled, so we'll have only two presenters for the 9 a.m. slot.

Now, I would like to call upon the City of Brampton Economic Development Office. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Clare Barnett: Good morning. This is Clare Barnett, the director of economic development with the city of Brampton. I'm joined by my colleague Gurdeep Kaur.

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

Ms. Clare Barnett: Good morning. Thank you again for this opportunity to share our experiences in the city of Brampton and the impact on COVID-19 on our economy.

When COVID-19 hit, the city of Brampton immediately set up task forces to support different segments of our community through this crisis. One of these task forces was for economic support, with representation from the federal and provincial governments and community partners, such as the Brampton Board of Trade, the downtown BIA and diverse chambers of commerce. We collaborated to coordinate recommendations and measures to support business-relief efforts in Brampton. We were fortunate to have engagement from the federal and provincial governments.

As we all know, COVID-19 has been an economic firestorm globally, and that was no different in Brampton. However, despite the impacts of the pandemic, we did see some bright spots: For example, our food processing and logistics sectors were essential businesses contributing to the country's food supply chain. They stepped up and continued to operate while working to ensure the safety of their staff throughout the pandemic, helping to ensure we all have food to buy at the grocery stores. Their commitment during these uncertain times helped our city's economy and the country overall.

We had a number of businesses who pivoted to support the efforts to fight COVID. O-Two Medical Technologies rose to the challenge of supplying much-needed ventilators to support at-risk patients. In partnership with

the Ontario government, O-Two pledged to manufacture 10,000 ventilators. MDA, the makers of the Canadarm, with its history in building ground-breaking aerospace and robotics machinery, used its sterile laboratories to help produce face shields to protect essential health care workers. The list goes on, and as much as this has been a very challenging time for all of us, it has also highlighted that in the city of Brampton we came together during a crisis, as others certainly did.

COVID caused a significant rise in unemployment rates in the region of Peel, from a low of 4.9% in January and February to a high of 16.3% in July of this year. Unemployment rates are expected to remain elevated in the short-to-medium term.

We can also see the impact of COVID-19 when we look at our business counts. From June 2019 to June 2020, the number of businesses in Brampton increased to 76,960. The growth rate for this year is substantially lower than in previous years at 2.89% year to date to June 2020. That's compared to 8.2% in 2019 and 9.28% in 2018. The number of businesses with over 100 employees has also slightly dropped.

We have also seen that credit has tightened since the start of 2019, and businesses that would have been approved for loans in January have told us that they are now not approved. Due to government funding, the negative impact on Brampton businesses may not be readily apparent, but we expect a better picture of our economy in the fall and winter.

As soon as COVID hit, we knew we needed to connect with Brampton businesses to support them by providing information and helping them to navigate government programs. We organized half a dozen tele-town halls for businesses of all sizes within different sectors. In all, we had over 1,000 businesses participate. During these calls, we polled them to assess the impact of COVID on each sector. An example would be how during a small business call, we asked, "Have you received any form of rent relief from your landlord?" and 85% said no. We asked the same question a month later and 73% said no. This information helped us direct our advocacy efforts.

The mayor and the task force councillors advocated to the government to adjust the rent relief program to help businesses that were falling through the cracks, and we also advocated for a freeze on commercial evictions. Our team at the Brampton Entrepreneur Centre consulted over 10,000 small businesses in Brampton between March and May. They gathered information through tele-town halls, as I mentioned, and the thousands of businesses our teams advised, and this led to the development of our economic recovery strategy.

The strategy has four cornerstones. The first is innovation, technology and entrepreneurship.

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

Ms. Clare Barnett: Thank you. I will skip over this, and I'm happy to provide more details in the interests of time.

I will pass things over to Gurdeep to talk about the provincial and federal response.

Ms. Gurdeep Kaur: Good morning. Thank you. As highlighted earlier, in Brampton we have seen business operations retool manufacturing functions to make hand sanitizer and surgical masks to ensure that PPE needs were met, without even being asked. In times of adversity the business community steps up, and we wish to thank the province of Ontario for their recognition of the important role of small and medium-sized businesses and how their success is directly linked to the province's economic recovery.

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

Ms. Gurdeep Kaur: Businesses expressed an overall feeling of relief as support programs were announced by the provincial and federal governments. Unfortunately, not all small businesses met the minimum requirements to receive this support due to the size of their operations. In several cases, an employer had to pivot their entire business case because they could not obtain any financial support to survive.

We've skipped over a lot of the presentation. Clare, did you want to finish off the last line?

Ms. Clare Barnett: Sure. Thanks, Gurdeep. We're happy to have a conversation with the questions to try to cover some more of our content.

0910

We wanted to again thank the government of Ontario for all that it did for the city of Brampton's businesses. What we think are future areas to support would be women-run businesses. We have some ideas about starter companies—

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, Clarington Board of Trade. Please state your name for the record, and you will have seven minutes for your presentation as well.

Ms. Sheila Hall: Good morning, everybody. Happy Friday. My name is Sheila Hall. I'm the executive director at the Clarington Board of Trade and Office of Economic Development. I am here on behalf of my board of directors, our members and our key stakeholders in the community of Durham. We would like to thank you for the opportunity to provide our thoughts and insights as they relate to the provincial government's response to the COVID-19 pandemic.

I would like to first recognize the enormity and unprecedented decisions that were quickly placed in front of all Ontarians and our government leaders. It's greatly appreciated by all that all levels of government were able to work together and respond to deliver quick relief and support focused on respect for families, businesses and front-line workers. We thank you for the swift action and willingness to pivot in response to feedback received through your key stakeholders and engagements. I would like to just take a minute and give a quick shout-out to all the MPPs in Durham region and their willingness to respond quickly to calls to their offices and participate in round tables and, in some cases, host round tables for us to be able to have our voice heard in a timely manner.

The value of collaboration between health care, education and business was heightened as we realized the

important role our innovative workforce played in helping business pivot to producing new products and delivery service. This reinforces our need for investments in health care, education and workforce development. Flexibility in job training and the apprenticeship process will help quickly build the strong workforce that transcends sectors and will make it much easier for our business community to participate without it being a costly adventure.

As a result of the pandemic, the manner in which businesses operate and how consumers behave has changed. Measures implemented by the province of Ontario provided necessary tools to give business a chance at survival, such as allowing restaurants to deliver alcohol online and extending commercial patio space to developing the red tape and Ontario Together procurement portals. We strongly suggest that these measures remain in place. It will take time to recover, and these tools will help prepare for the unknown circumstances ahead and beyond.

The Clarington Board of Trade is focused on the success of the Clarington economy and business community in our municipality. Throughout this pandemic, we have remained involved and hosted many round table discussions with various stakeholders within and external to the Clarington community. We want to take a moment and share some direct insight on what we have heard.

There is resounding respect for the efforts put forth by all levels of government to try to address rapidly changing circumstances. A few points we would like to recommend more consideration are:

Rent relief: This proved to be a difficult process, with the main applicant being the landlord, the level of paperwork and information. Our recommendation is to provide relief directly to the tenant, as they are the job creators. Maybe some more stakeholder engagement there would be helpful.

Expense deferrals and penalty fee freezes: The main concern there from our members was that it's just delaying the need to pay those bills, and they don't know how long the recovery will be.

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

Ms. Sheila Hall: Thank you.

Qualifying threshold: We found that many of our medium-sized businesses were unable to participate in some of the programs because of fluctuating sales cycles in their business.

A big one is a lack of a road map for the next wave or the next emergency that's going to come in, so we need to do some work on that, and continued investment in pre-COVID projects, such as the GO train extension to Bowmanville, the Bowmanville Hospital expansion and investments in the Darlington nuclear site.

If there is a lesson for us to learn in these events, it's that none of us operate in isolation. We need the community, we need health care, we need education, we need broadband, we need transportation, and we need an educated workforce to build our diverse economy.

With that, we encourage the province to continue stakeholder engagement with or without pandemic conditions. The business community has a great voice. We're the ones

who are hiring our residents and creating the jobs. Again, we thank you for listening to us, and we're happy to participate in any round tables that come up in the future. Thank you for the time.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now, and we'll start the first round of questions with the opposition. MPP Singh.

Ms. Sara Singh: Thank so much for the presentations; very informative to hear from the local level some of the economic impacts that cities are experiencing.

My question is for the city of Brampton. Thank you, Clare and Gurdeep, for that presentation. I know that in chatting with local small businesses, there have been many different concerns around an economic recovery here. The board of trade has flagged several concerns. I want to chat a little bit about some of the supports that are needed.

Sheila, you also spoke about this as well, so it's relevant in your jurisdiction.

Rent relief was helpful for some, and I think the focus on providing rent relief and providing that to landlords versus tenants created a lot of confusion and a lot of burdens for those small businesses to actually qualify for the rent relief, but I think it's important to highlight that, for small businesses, rent is not the only expense that they are incurring. As you alluded to in both presentations, those expenses, be it insurance, be it hydro, whatever it is, are compounding even though it has been deferred.

What do you think the government needs to do in order to ensure that those small businesses—you know, we're talking about small and medium-sized enterprises. What do they need to ensure that they're going to be able to recover and bounce back and be able to start to engage with our community the way they'd like to?

Ms. Gurdeep Kaur: Thank you, MPP Singh. I can answer that for you. Basically, as we continue to work towards a recovery stage of the COVID-19 pandemic and prepare ourselves for a potential second wave, we appreciate, first of all, the opportunity to give us and provide input on areas in which the province can produce support to small and medium-sized businesses in Brampton.

The Brampton Entrepreneur Centre pivoted from providing businesses advice on improving practices or their expansion plans, to advise on what would stop them from going out of business. Increased funding for training and resources to small businesses, enterprise centres and grant programs would really help alleviate some of the stress, as they would be able to get the information quickly and locally.

There were some instances where funding gaps were identified in programs offered by the federal government, and having the province provide a support system designed to fill those gaps will limit the amount of small and medium-sized businesses falling through the cracks. At the city of Brampton, we'd like to encourage the province to look at a grant stream especially for women and newcomers. This could look like an exclusive starter company stream for women and diverse groups, or the

creation of a women's angel network that provides funding, mentors, programming or grants for businesses.

Clare, would you like to add to that?

Ms. Clare Barnett: Sure. The only thing I would add to that is perhaps the medium-sized businesses, because they were equally hit—in different ways, obviously—they are asking for tax credits or some type of funding program to help cover the costs of taking their business to a safe environment, and to automate their businesses.

I know that we've struggled—globally, but in the country and in the province—with helping businesses become much more automated, to adapting new technologies and becoming much more productive. I think COVID has really highlighted that those businesses that are not automated and have not advanced their manufacturing were hit even harder, and they don't have the money to pay for it. We are working with many medium-sized businesses to try and help them with physical distancing, with health and safety on-site, and I think they need help. They need help covering the costs and they need help with best practices and guidelines.

0920

Ms. Sara Singh: Thank you both for that answer. In chatting with businesses in our community—and across the province, frankly—they're looking for direct support, because for many of them, the application process is cumbersome. That direct support is going to help them with liquidity issues that they might have.

Gurdeep, you mentioned, and—

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

Ms. Sara Singh: —I'd like you to expand on it, because you were cut off, some of the innovation that the city of Brampton and others are seeking to invest in. I think that now more than ever, as we envision a post-COVID economic recovery, it is time to innovate and support innovators. Can you chat a little bit more about the different streams that you're looking to invest in in this city, to fill in some of those gaps that the province has left behind?

Ms. Clare Barnett: Hi. Was that question directed to Gurdeep?

Ms. Sara Singh: Yes.

Ms. Gurdeep Kaur: Oh, okay. Sorry; I couldn't hear. Thank you for your patience.

It was important for us to basically stay in touch with local businesses throughout our covering of the pandemic and hear their concerns. Brampton has over 23,000 businesses with between one and 10 employees, and 91% of the ones we spoke to identified grants as being the best support mechanism during the pandemic.

In relation to the Starter Company Plus Program, one business owner questioned why more funding was not available as small businesses require further training, so training would be one thing, I think. They also noted the economic environment was changing so quickly that an increased level of available grants would have assisted the small businesses. The resonating messages for several different areas are grants, resources, skills and—obviously, look at the food industry. It's hugely hit. When we just

look at the downtown core, even mom-and-pop shops are a big one. I've gone to several of them just when we were putting our presentation together to speak to them, and—

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

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

Mr. Mike Schreiner: Thanks to both presenters for bringing such valuable information to the committee this morning and taking the time. I'm going to direct my first question to the city of Brampton.

I think it's important that you highlighted the need to support women-owned businesses, and you had mentioned new Canadians as well; maybe I would just expand that to people-of-colour-owned businesses. I'm just wondering if you could outline specific strategies to support those businesses, to help them get through the pandemic, but also to help with economic recovery. I don't know if, Gurdeep or Clare, either one of you wants to take that one.

Ms. Gurdeep Kaur: Clare can take that.

Mr. Mike Schreiner: Sure.

Ms. Clare Barnett: Thanks, Gurdeep. Thank you very much for the question. There are a few things that we've been considering. One thing, just to provide for context: With our economic recovery strategy, there are two lenses through which we were looking at all of the initiatives that we will be rolling out, one of which is talent—to ensure that we have the right talent in the city, that we retain the talent and that we grow the talent.

The other one is diversity, and that means for women and for minority-owned businesses, including newcomers and also Black-owned businesses. We all know that COVID has had a significant impact on women especially. Women tend to be in sectors that were most impacted by the pandemic, so the main street businesses, the service sector businesses. They were extremely impacted. Also, women tended to be the ones that left their jobs to take care of children at home and might not be returning to the workforce just as quickly as some of the others.

There was a recent report from the Canadian Women's Chamber of Commerce called *Falling through the Cracks*. It showed that COVID-19 had a significant impact on diverse-owned businesses. What we would like to do is ensure that all of our programs and all of the projects we take on through economic recovery are developed through that lens and that we are supporting Black-owned businesses as well as women, that we ensure that everything we do—in terms of programs like Digital Main Street, we found that a lot of businesses in Brampton, the main street businesses, were not online. What we've done is reached out into, for example, our Black business community to ensure that they also feel that they're getting the right information and the right access.

We heard from a Zoom call, actually, that we did with the Black Chamber of Commerce that they felt many government programs were very homogeneous, and those businesses had difficulty applying to them and needed assistance to apply for them. Those are the kinds of things

that we're going to be looking at to try and help those businesses apply for programming that they felt wasn't necessarily directed at their businesses. I hope that answered your question.

Mr. Mike Schreiner: Yes, thank you for that. I'll direct this question first to Brampton, since we're connected, but then I'd like Sheila to answer as well.

We've heard from so many small businesses over the last few months, talking about how the rent program just isn't working for them and that it needs to be fixed if a lot of our small businesses are going to survive this and come out on the other side. Obviously, you had very high percentages of businesses that were unable to participate in the program. I'm just wondering if they have any specific asks of the government around how to fix the program and if the program needs to be extended—and I would include the commercial eviction ban in that—to the end of the year or not.

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

Ms. Clare Barnett: I think in response to the question about the eviction ban we need to look at the data to see if companies were actually evicted. We heard many, many times from a lot of businesses about the threat of being evicted. We need to collect the data to find out who exactly was affected.

I'd like to ask if Jen Vivian could unmute her phone. She is the manager of our Brampton Entrepreneur Centre, and I think she could answer that, of the thousands and thousands of businesses that we spoke to about the rent relief program, that was the number one issue that we heard, from the mayor down to our business advisers. Everyone connected with us to say that that program was not flexible enough, and it was because of the piece with the landlord. I'm certainly not pointing fingers at landlords; they have their own business issues. Obviously, we have to be sympathetic. But I think that that is the one part that, if they are going to continue that program, I think it would be welcomed, but I also think they need to look at the landlord piece.

Jen, I don't know if you wanted to add to that?

Ms. Jennifer Vivian: Yes, for sure.

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

Ms. Jennifer Vivian: This continues to be an ongoing challenge. We're finding that many small business owners in Brampton are not being provided any form of relief, so landlords are not willing to negotiate or look at ways of reducing rent, and many landlords have indicated that they're simply not interested in applying for rent relief, as they find that the process is too tedious and too time-consuming for them to apply to. As a result, the business owners are suffering.

Just to add to that, for the small business owners that we've worked with and who have had challenges with rent relief, we've been trying to direct them to other forms of funding. CEBA is one of the programs that we're encouraging businesses to explore. One of the major challenges with that is that that program is really designed for a business that has significant expenses, and what we're finding is a lot of small business—

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

We have to move to the government side now for their time of questioning. MPP Skelly.

Ms. Donna Skelly: Thank you, and good morning, everyone. Good morning, Chair. My question is for—actually, anyone can jump in on this. I want to focus specifically on the restaurant industry. It has been about five months now since the lockdown, and all of our communities had to open in varying timelines. We're now all in stage 3. While that has provided some opportunities for restaurant owners, clearly that industry is really struggling.

0930

Are you speaking to stakeholders? Beyond saying that they need money—we clearly understand that—what is their new reality and what are they looking at long term in order to move beyond, you know even at Christmas? What are they looking at and how is the industry going to change? What are they doing to change the business model to adapt with all of the challenges that COVID-19 has presented?

Maybe Gurdeep you can begin, or Sheila, whoever wants to jump in.

Ms. Sheila Hall: Okay. Thank you. I appreciate your comment about it's not always about money, right? The experience in Clarington, anyway, is our restaurants pivoted very quickly to different models of delivering their food to the community, and the community really bought into it. We even have a restaurant that opened two days before shutdown and he is still open, so that speaks volumes to that piece.

Respecting that we all know that the funding models and the funding programs are very valuable to the restaurants, I think that a more grassroots support system for small businesses—not necessarily just restaurants but small businesses—is really, really important. The one thing we found was, it's not that they had trouble finding the programs or finding if they qualified for the programs, because they have organizations like chambers of commerce and boards of trade to help them through those mechanisms, but it wasn't what they wanted to be focusing on. They wanted to be focusing on how they keep food on the tables of the people they employ.

Ms. Donna Skelly: When you said grassroots—and I see Gurdeep shaking her head; maybe you can jump in as well—can you expand on what they're speaking to directly?

Ms. Gurdeep Kaur: Thank you for that. Sorry, Sheila, did you want to answer that part?

Ms. Sheila Hall: That's okay. Go ahead.

Ms. Gurdeep Kaur: Thank you. In some of my personal experiences when I spoke to some of the businesses, that's the number one priority: keeping food on the employees' tables. They're not able to decide who do we keep and who do we let go. There have been restaurants and take-away services where they've had a staff of five to 10 and now some of them are down to two people or even one person, just the owner.

There is no form of surety to anything. There are fridges full of food—produce, vegetables and meats—and other services and they don't know what to do with them. Do they continue to order them? They have contracts in place. There's equipment. It's just endless. The list goes on and on.

I think when Sheila refers to grassroots, we look to the local municipalities and the MPPs. Any local support would help, because some of these mom-and-pop shops, they've been around for so long, and no one saw this coming and no one realized it would be so long. We still don't know what the outcome is going to be.

Some places have gotten used to the fact that we can do takeout and we can do delivery, but a lot of businesses were dependent on the daily lunch crowd or the daily dinner crowds.

Ms. Donna Skelly: True.

Mr. Chair, how much time do I have?

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

Ms. Donna Skelly: MPP Sabawy is going to be taking on the rest of the time.

The Chair (Mr. Amarjot Sandhu): MPP Smith first, and then MPP Sabawy in the second round.

Mr. Dave Smith: My question is for the city of Brampton. One of the changes that we made around alcohol sales was to allow restaurants to deliver alcohol with food. It was a temporary measure that really would come up and end in December. Have you heard from any of your members or any of the restaurants in your area whether or not this has been useful for them? Is it something that we should be continuing after December?

Ms. Clare Barnett: I can start answering that question for you, and then ask Jen to augment anything.

We have not heard of many restaurants that have taken advantage of that, because they were very, very focused on looking at their facility and reopening and looking for guidelines and information. Although some found that helpful, I'm not actually aware of any restaurants that were able to maintain revenue or profit or bring money into the restaurant because of that. I think it may have encouraged some people to participate in takeout Wednesday about that type of thing, but I haven't heard of anything substantial in terms of companies or restaurants taking advantage of that.

Jen, do you have anything to add to that?

Ms. Jennifer Vivian: Of course. Yes, businesses are taking advantage. I don't think it's making a significant impact right now because patios are open and people are anxious to get out of the house and dine. I think it is something to consider extending into the winter, because once patio season is shut down for the year, restaurants are really going to be impacted again. They have to limit the number of patrons they have indoors.

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

We'll move to the independent members for the second round. Any questions? MPP Schreiner?

Mr. Mike Schreiner: I believe MPP Coteau wanted to ask questions, but not use video. Is that correct, MPP Coteau?

The Chair (Mr. Amarjot Sandhu): All right. MPP Coteau, can you please confirm your attendance first?

Mr. Michael Coteau: I apologize for not coming through via video. My connection is not very good.

Thank you very much, Mr. Chair, and thank you to the participants here today. It's great to hear that we have so many people in our province looking for ways to keep businesses successful.

I wanted to ask a question to the Clarington Board of Trade. Sheila, you talked about how moving forward, we need to develop road maps. I'm assuming that is the same thing as guidelines. Can you talk a little bit more about the road map going forward and how guidelines by government need to be established to better position organizations, associations and companies for success, and what your members were talking about when they spoke to the road map comment?

Ms. Sheila Hall: There's a fear out there that if or when that second wave comes—what does that mean to the business community? Does that mean they scale back to a complete shutdown? Does it mean that they scale back to stage 2? They just don't know what to prepare for. I think that as a guiding principle, we were all sort of caught unprepared, and so this has given us some insight into what could happen, what will happen when these emergency measures have to go into place.

I think they're just looking for a little bit of guidance. That will help them build emergency plans into their business plans.

Mr. Michael Coteau: Thank you very much. Back to Sheila: There has been a lot of talk about current programs and, yes, a lot of criticism because of the way the actual programs were deployed, and the eligibility and just the ability to qualify and access. I saw a report a couple of days ago where it said that 91% of the resources that have been provided to individuals and companies have come directly from the federal government. Do you believe that the provincial government has done enough when it comes to providing financial support for businesses in Ontario and, more specifically, for your region?

Ms. Sheila Hall: That's a tricky question. As I said in my presentation, in our community, the businesses are incredibly grateful for the way all levels of government have worked together, right down to the municipal level and up to the federal level. I think we've done our best. There's lots of things to keep our eye on. From the rent relief perspective, I think getting money into the hands of the business owner rather than the landlord, is really important.

0940

But I want to reiterate: I think that local support is really important. Being able to reach out to people and have access to helping them build contingencies into their plans is really important. I'm not saying that financial help is not important; it definitely is critical to them, but I think that there's more to it than just financial.

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

Mr. Michael Coteau: And not to put you into a tough position, because I know that you need to work with

politicians locally, but a lot of the criticism that I've heard out there is that the provincial government has not done enough to support local businesses. Yes, they've done some deferral pieces on taxes and things like that, but when it comes to direct support to families and companies there has been some widespread criticism out there that the provincial government has not done enough. That number I saw a few days ago—91% of those resources from the federal government—I think is very telling, considering that the provincial revenue in Ontario is just over 40% of the revenue of the federal government. So for the response rate locally, there could be more invested.

I hope that chambers do go back to government and do advocate for other ways to support businesses rather than—and you can see it on the committee today, people talking about the criticism towards the federal government. I think it's important that chambers of commerce recognize who has invested into businesses. And yes, it hasn't been perfect, but it's important to recognize that the bulk of that support has come from the federal government. I think it's a conversation that the boards need to have.

Thank you very much, Mr. Chair.

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

We'll go back to the government side for their second round. MPP Sabawy.

Mr. Sheref Sabawy: Hi. Thank you very much for the presenters to have given us an idea about the challenges which face small businesses. We understand the impact of COVID—and actually the impact of COVID not only on small businesses or mom-and-pop shops, but even big companies had a huge number of layoffs.

I think from my point of view as the government, looking into all the programs which the government had made available to the small and medium-sized businesses, they're actually more geared towards small and medium businesses than serving big companies. And that was meant and that was by design, to make sure that the small businesses, which are the backbone of Ontario business, can hold.

From the program for almost 75% of the rent, to 75% of the functioning businesses' wages for the employees, the \$40,000 for each small business to help in the cash flow, to adding some of the money for helping the business to go online—what else do you think the government or the board of trade can offer to help small businesses, but in consideration that this is a pandemic for all the country, even all the world?

Ms. Sheila Hall: Was that question for me?

Mr. Sheref Sabawy: Yes.

Ms. Sheila Hall: Okay, sorry. I think that small business is just catching their breath now. I think it's a great time for us to reach out to them again, as government. When the pandemic first hit, we were all very quick to host online stakeholder engagement efforts. I think it's time to do it again. I think it's time to listen to them now that they've got some experience under their belt. They know what the five months have done to their business, to their employees and to the community. I don't know that we

should crystal-ball and pretend we know what they're going through. I think we should talk to them.

Mr. Sheref Sabawy: Actually, the talking to the small businesses, that's ongoing. We did not stop talking to small businesses. All the MPPs in the spectrum of the parties actually do visit small businesses on a daily basis to listen and to ask questions, see what's going on and how we can help. So the listening is ongoing. We did round tables at different ministries; PAs in different areas did round tables, collecting all the different verticals of businesses, listening to them. There is no shortage of consultations, there's no shortage of listening.

But what I'm trying to gauge is the expectation. What is the expectation—if we did the math, if a small business is doing almost between \$200,000 and \$300,000 revenue per year, if you calculate the amount of support done in those five months, in some cases, they actually got more than what they do usually on a monthly basis. What is the expectation? I need to gauge something tangible. What is the expectation, please?

Ms. Sheila Hall: I don't have the answer to that question right now. But I think that it's a good project for the boards of trade to reach out too and garner that community by community.

Mr. Sheref Sabawy: Are you done? Hello?

Ms. Sheila Hall: Yes.

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

Mr. Sheref Sabawy: I myself find some challenge in trying to understand what the expectation is. What else can we do, other than rent, wages, cash flow? What else?

Ms. Gurdeep Kaur: If I may add to that, I think, as I mentioned earlier in regard to skills and training and resources, there's a lot of stuff available virtually. If we could come up with some type of programs that may be accessible to people to add to their skill sets and at that point provide some sort of employment opportunities virtually or remotely so they could continue their work, they could continue having food on their table.

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

Mr. Stan Cho: In a minute I think I'll just conclude with some comments. I appreciate you appearing here this morning. There are certainly some valuable ideas.

I'm a little bit surprised at our friends from Brampton in the economic development office hearing that the takeout of alcohol has not been well received, because at the Ministry of Finance, the feedback we received from restaurants has been overwhelmingly positive. This includes organizations and trade organizations such as Drinks Ontario, who a couple of days ago presented us with several supportive quotes from the restaurant sector, and this is an association that represents manufacturers, agents, marketing groups in the beverage alcohol sector.

I'd be interested to hear, if we could follow up, maybe: Should that change moving forward? Because it is a measure and a regulation that we would examine, moving forward, to see if it has indeed been helpful. And those are the other regulations, to our friends here on this call, that we are looking for regulation help on.

A final comment to MPP Coteau is on the provincial spend. Of course 40 cents on the dollar has been for health care prior to the pandemic, and so certainly our expenses and where the revenue goes is quite different from the federal level, and this has been a collaborative effort between—

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

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

Ms. Jennifer K. French: Thank you to the presenters. Welcome and good morning.

I'm going to direct my comments this morning to Sheila and the Clarington Board of Trade. We've fit a lot in the last five or five and a half months as a region in terms of consultation and all working together to get through this. I've been glad to do that work with the region, the various boards of trade and chambers and Sheila and the presenters from Brampton. I think you already get a sense that we have all been hearing from small and medium-sized businesses—the main street businesses, the bigger ones—and there are a number of issues that they have in common. We've already talked about this this morning, but we had been hearing about Digital Main Street and some of the programs that would help businesses pivot that needed the support, that may not have had the money to invest and whatnot. We did a lot of advocacy on that early on in this.

0950

I'd be interested, Sheila, in finding out what would be helpful for some of the—I won't say outlier businesses, but the folks who haven't been able to avail themselves of various programs. You had mentioned the qualifying thresholds and those that, based on their cycles or whatnot, weren't able to participate. There are some special, local businesses in different industries and different directions—what might be a strategy or an approach that the government could implement that wouldn't leave them out, that might be able to include them? What would that need to look like?

Ms. Sheila Hall: We heard from some specialty businesses that—some of it is regulation, right? Some of it is just looking at the planning process. We had that conversation on patios. In Clarington, some of our roads are owned by the municipality of Clarington, some of them are owned by the region of Durham. We've got MTO involved in some of them. So it's complicated when you're trying to bend some of those rules that are embedded in the provincial policies, by the time they get down through the different levels of government. So I think that if there was a little more flexibility at the local level to make some of those decisions, that would be incredibly helpful, because it would speed up the process for them.

Ms. Jennifer K. French: That's interesting. I think the innovative solutions and need to be nimble and creative as you hear things, that is an all-levels-of-government thing. I think we've all heard that. Frankly, it has been really cool to hear some of the local ideas that have allowed businesses and different ventures to have some success and to hang in there.

Something that I wanted to ask about were the long-term strategies. I was listening to some of the comments earlier and thinking as patio season—I don't ever want it to come to an end, but as patio season inevitably comes to an end, what will some of the seasonal strategies look like heading into fall? There is no one-size-fits-all, but is there something that seasonally, as we're getting into colder weather—ideas that you're starting to hear that we could factor in, and also the long term. Deferrals versus direct investment: That's always been a conversation, but what does it need to look like to be able to make plans when you can't make any plans?

Ms. Sheila Hall: Right. The Clarington Board of Trade is a bit unique because we also do the economic development portfolio for the community under contract. So I'm going to sort of harp on that procedural piece again.

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

Ms. Sheila Hall: We have not seen a large decrease in investment inquiries, so if we're looking long-term and we're looking at bringing new businesses to the community, we need to find a way to encourage that investment to continue in these difficult times and make it as easy and as seamless as possible for those investments to get moving forward.

I just want to echo the part about the selling of alcohol and those kinds of regulations moving forward. If 40% of a restaurant's sales are in alcohol, for a licensed restaurant, then when those patios close, they're going to be in a lot of trouble again.

Ms. Jennifer K. French: Yes. Unfortunately, I think you're right.

I have lots of questions about the specifics, but so much of that remains to be seen. I'm glad to hear that you do feel that you've got direct access to those channels of communication.

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

Ms. Jennifer K. French: I would say, though, make sure that you're getting that action step back right in the follow-up, because everybody's listening, but investing and actually committing to the specifics—I think that's going to be more challenging as this keeps changing.

In terms of the experiences of a number of your members, the comments earlier around being worried about putting food on the table: What are some of the outside pieces—child care challenges, access to testing or any of that? Are there outside context pieces that your members are struggling with that this would be a good chance to share?

Ms. Sheila Hall: Well, I think that came into place when we were trying to bring the workforce back into some of the community, whether it's in the tourism industry or—in Clarington, our tourism industry has been hit pretty hard. But the restaurants—we had some restaurants that just didn't open patios that normally would have had a patio, but it was not worth bringing in because the distancing—

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

Thank you to both the presenters for presenting today. We appreciate your presentations.

ATTRACTIONS ONTARIO
INDO-CANADA OTTAWA
BUSINESS CHAMBER
CIENA CORP.

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

Mr. Troy Young: My name is Troy Young. I'm the CEO of Attractions Ontario. I spoke to this committee earlier regarding tourism, and I'm here today to update you on our industry's needs and the financial assistance that it needs from the provincial government.

Since I last spoke to this committee, much of our industry has been allowed to reopen. Two exceptions to this are amusement parks and water parks. Earlier this summer, some water parks, notably Confederation Park in Hamilton, made the decision to remain closed. Others, such as Calypso in Limoges and Bingemans in Kitchener-Waterloo, held out the hope that they would be able to salvage part of their summer, and they had good reason to believe this as they were slated to open under stage 3. As Ontario progressed through the stages, these attractions began to spend money to prepare for eventual reopening. They were asked to submit plans to the province for assessment. Many shared their plans with our local public health units and some received approvals from their local chief medical officers of health.

Excitement was in the air as we approached stage 3 and they made ready to open. Yet they were denied as the Premier announced that not every business would be allowed to open in mid-July. These businesses spent money at a time when they were not open, not generating any revenue, in good faith, as they had no reason to believe that the province was not going to allow them to open.

Even though shopping malls have been allowed to reopen, some of which are putting 30,000 people through a day in high-touch environments indoors, even though the province is considering allowing casinos to open, these outdoor facilities, which have developed comprehensive plans on how they would keep their guests safe, have not been allowed to open.

I'm not here to debate whether or not this was the right call by the government. I recognize the safety of people comes first. At this point, being allowed to reopen is far less of a priority for water parks. Their season is virtually over. Amusement parks could open and attempt to recover some of their revenue while others, such as Canada's Wonderland, offer fall and winter programming. I would hope that they are given proper consideration to be allowed to open for the fall.

What I am here to advocate for is that the government needs to offer financial aid to these businesses. While many businesses were forced to close, these remain closed today. If the government did not intend to allow them to open this season, they should have said so earlier. While they still would have faced the financial hardships shared by most businesses in Ontario, they would not have spent

money to prepare for an opening that would be denied to them. The government's decisions have caused additional financial peril to these businesses at a time when everyone is struggling.

Reopening has benefited some of Ontario's attractions. Outside of urban centres, many of our outdoor attractions are selling out, albeit at a reduced capacity compared to a normal year. Indoor attractions, predominantly those in urban centres, are seeing far less visitors than anticipated. Some had opened at 30% of their normal capacity and they are currently seeing only half of their anticipated visitors.

In a recent survey of Attractions Ontario members, their year-to-date revenue loss has averaged about 70%. Absolute losses have ranged anywhere from \$100,000 to \$10 million, the average being \$3.4 million. In July alone, our members—even those that are open—are reporting losses of 87% from last year, from \$65,000 to \$2.4 million, with the average being \$521,000. These losses are not sustainable.

Many attractions were not able to qualify for the federal government assistance programs, and those that did take advantage are reporting the assistance is not enough to keep them viable. We are receiving reports from our members that some are closing their locations, while others are saying if this continues, they will not survive the year.

1000

These businesses are major employers in their communities and a draw to bring outside visitors to them. These visitors spend money at local retail stores, at restaurants, stay in hotels, motels and bed and breakfasts. Without these attractions, the movement of people around the province halts, and the money that visitors spend in these communities dries up.

I know the province recognizes this. Minister MacLeod, who has been a great champion for our industry, recently announced \$7 million to Science North to aid it with its COVID recovery. Science North is one of Attractions Ontario's members and a key attraction for northern Ontario, so we welcome this investment, but we need something similar for private businesses as well.

Every committee member here has tourism in their ridings. This makes tourism unique to all industries in the province. You are going to see real, negative impacts in the communities you represent if these businesses are allowed to fail. What will Ontario look like if these businesses are not there? What will happen to not only the tax base of this province, the provincial deficit and the threatening recession, but to the bedrock of what makes Ontario the awesome place it is to live? How can we expect these businesses to survive with reduced numbers of people visiting them without aid?

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

Mr. Troy Young: As our elected representatives, you have a chance to help determine what Ontario looks like in 18 months' time. Is it still the vibrant place we love, or is no longer recognizable? With financial aid, will there be budgetary pressures? Yes, there will be. Choosing not to act to save these businesses and communities may lessen

the deficits that are going to be our reality, but it will no doubt contribute to spreading the economic uncertainty over a longer period of time.

When Ontario's recovery begins, you will need these tourism businesses to spur it. Without them, you are foregoing the tax dollars that they will provide in the future. Any financial assistance provided today is an investment in ensuring that those tax dollars are there to help bring budgets under control in the future. Better to take the big hit today than to prolong the economic devastation over the next decade or more.

The province of Quebec announced a \$750-million program to aid tourism businesses. The province of Ontario needs to provide similar financial aid to tourism businesses. What that number looks like, I am uncertain of at this time, but Attractions Ontario will work with the government, if they are interested, to help them deliver and develop a plan of aid where it will have the maximum impact.

I acknowledge that the province has already spent money in financial aid. Still, the amounts given have been insufficient to deal with this issue and have focused mainly on marketing. Ipsos presented information to cabinet that showed only 20% of the public is currently comfortable visiting tourist attractions. Marketing is not going to change that figure. While marketing dollars will be essential to help us rebound, now is not the time to spend dollars on marketing. Instead, we should be investing in the businesses so communities have something to market in the future.

I thank you for allowing me to speak today, and I look forward to any questions you may have for me.

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

Our next presenter is Indo-Canada Ottawa Business Chamber. Please state your name for the record, and you will have seven minutes for your presentation as well.

Mr. Kameshwar Mishra: My name is Kameshwar Mishra, a practising chartered professional accountant. Today, I represent Indo-Canada Ottawa Business Chamber. ICOBC is the premier business chamber in Ottawa which provides a platform to small and medium businesses in and around our national capital region to network and get mentorship help from successful entrepreneurs, among its other mandates.

I bring greetings to you from our chairman, Mr. Harpreet Chhabra, and my fellow board members. Thank you for giving us the opportunity to air our thoughts with your esteemed committee.

My presentation is therefore not just one business or a person or sector-specific, it reflects the overall state of our lives and livelihoods. It is based on the input provided by our members and our discussions with industry experts and professionals. Some of their observations could also be my personal opinions.

Before COVID, we had only known about pandemics from our history books, and we never dreamt that, in the current modern scientifically and technologically advanced state that we are so proud of, we could ever be this vulnerable and that mothers would be asked to keep

away from their children, grandparents could not meet their grandchildren and temples, churches, mosques, gurdwaras and all abodes of God on earthly land would remain out of bounds. Should we say, we even failed to read the pattern of its spread in its early stages. Its spread was almost like a computer getting attacked by a Trojan, and the best anti-virus software failing to detect it.

While both provincial and federal governments initiated various economic measures to cushion the pain and suffering of the Canadians, the pandemic did expose gaps in our risk register and disaster managements plans. Therefore, the point we're making today is that we need a more robust recovery plan in the event of future natural calamities.

Both the chamber and I echo our sincere appreciation for all the hard work the Ontario government, under the leadership of Premier Doug Ford, has been doing during this trying time, including collaborating with federal counterparts. We understand the abnormal times we have been living in since March 15, 2020, and that therefore many programs have been designed and drafted at speeds never expected. This is where our sound human capital, which is capital that Canada is endowed with, comes to our rescue.

While the deferment of WSIB premiums, suspension or extension of EHT contributions and introduction of regional opportunity investment tax credits are welcome initiatives, these do not benefit the very small businesses in their fight for survival. Further, we see multiple problems with the incentives and economic measures that have been brought into practice.

First, the timing of the announcement of an incentive and the delay in operationalizing it with final details have not been very helpful in helping businesses make decisions. It caused a lot of anxiety and stress in business, which meant causing mental health problems. And as other speakers have said, these incentives are not adequate. It has not considered that different businesses, just based on location, need a different kind of stimulus. A one-size-fits-all mantra has left certain businesses totally exposed.

While the intention behind measures like CERB should be a social and immediate cushion, it has its own flaws, and a very negative impact on the availability of the workforce, even when work was available. We have heard from our members in the restaurant industry, which employs a very significant population, that they could not get their staff to come back to work as they were claiming the CERB, which was easy money. I reckon that this must have also engendered a cash economy. In our opinion, CERB could have also operated through the employer in most cases, which would have also resulted in lower wage subsidy bills while maintaining a near-full employability level.

The commercial rent subsidy does not adequately cushion businesses located in malls, as foot traffic in malls, except open outlet malls, is extremely, extremely low and not generating enough business. To illustrate, a coffee shop with sales that used to be \$1,500 a day pre-

COVID is now doing only \$200 to \$300 per day. The rent is \$11,000. With the current level of sales, and after the end of the rent subsidy, there is no way this shop shall survive. A standard coffee shop will employ at least two full-time employees and three part-time staff at any point in time. Consider the loss of livelihood for those workers and the financial impact on the business owners.

Further, not all businesses are able to get the benefit of the rent subsidy, because its conditions are extremely oppressive in our opinion. It should have been based on month-to-month sales comparatively, like the wage subsidy, and not a 70% reduction for all three months. It is also at the mercy of landlords. Most of them were accommodative, though.

Coming to saver loans: Multiple locations operating under their one corporation were unfairly placed for saver loans against corporations operating single locations.

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

Mr. Kameshwar Mishra: No consideration has been given to the fact that multiple locations have rent and other costs. It is another example of one-size-fits-all.

I will look at some sectors next. Spas and salons: One of our members who employs more than 400 full-time staff has lost their entire clientele overnight. People are very afraid of coming back.

Restaurants are in similar positions. We have restaurant clients who have lost almost their entire business, and there are caterers who have lost business of more than \$200,000 to \$500,000 in bookings in a year. Outdoor dining rooms have been there, but profits wilt. This is what has been very worrisome for the restaurant business, because they have to rely on Skip and Uber, which charge them 35% to 40% at times in commissions. This leaves the restaurants nowhere in having enough money to survive. At the same time, it also puts them in a position where the revenue looks very high and makes them ineligible for some of the benefits, whereas, actually, they are not having the cash to survive themselves.

The crisis also resulted in people working from home, including the staff from government agencies. But are we doing enough to invest in infrastructure to work remotely? Is our personal data safe in a remote working environment? The recent attack on the CRA system does not give any confidence to the public. Are we studying the impact of remote work in the bricks-and-mortar space?

1010

Utility services would remain discounted at the same rate as they were during the COVID time, during the lockdown, because after the lockdown is when we are trying to recover, and if the utility bills are higher like pre-COVID, it is not helping the businesses to remain afloat. What is the available support—

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, Ciena Corp. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Rodney Wilson: My name is Rodney Wilson. Good morning, Chairman and committee members, and

thank you for the opportunity to speak with you today. I am Ciena Corp.'s executive responsible for global external research programs, including our collaboration with universities and research organizations from my offices in Ottawa and Kanata north. For those of you who are not familiar with Ciena, we are an American telecommunications networking company and software services provider based in Hanover, Maryland.

Independent market researchers say Ciena is the world's biggest player in optical networking. The company reported revenues of \$3.5 billion for 2019, and our customers are located in over 35 countries around the world. Our systems are used by 85% of the world's top service providers, and it's almost certain that my appearance before you today is travelling through and enabled by Ciena technologies installed in the Canadian telecommunications infrastructure. Here in Ontario, our largest R&D site, we have a head count of about 1,650 people, 1,300 of whom are research and development engineers and scientists. Our labs have about a quarter-billion dollars of research and design equipment, and we support products globally. Our R&D investment last year was US\$548 million.

By any measure, Ciena is not an Ontario-based small or medium enterprise; we're big tech. So why am I here before you today? In spite of Ciena's remarkable success, we don't do it alone. We rely on an ecosystem that keeps us competitive in the technology forefront, and we're enabled with bright, sharp people who are not our employees. My main purpose for being here today is to tell you about this ecosystem and suggest a few ideas to stimulate financial recovery in high tech as the province emerges from COVID-19 constraints.

Ciena invests in university-based research, which is heavily weighted towards Ontario universities, largely due to academic research strengths. We partner with universities to explore or qualify promising technologies and learn, but also to stimulate entrepreneurship and foster growth of new businesses in the province. We provide a large number of internships, both directly funded by the company and co-funded through programs like Ontario Centres of Excellence. Right now, today, we have 69 interns working in R&D programs.

Research aside, talent acquisition is intensely competitive. Our universities and colleges here produce extremely high-quality graduates, but they don't turn out enough to serve high-tech growth. Finding high-quality people remains a huge challenge for high tech in the province.

Small and medium enterprises are important to big tech. Ciena engages SME specialists with skills, abilities and precision services. One example is a Stittsville company called DA-Integrated, which does prototyping and radiofrequency profiling for all our new products. It's a vital service for which we do not have direct capabilities. Another example is Renaissance Repair and Supply in Ottawa, which provides sustaining engineering and repair services to extend the life of otherwise functional networks. This SME works with our engineering group to

keep older systems alive and valuable for customers. These are two examples, one from each end of our product lifecycle.

It is very important to appreciate that Ottawa, and Kanata north in particular, is the location within Canada where over 80% of all commercial R&D on next-generation telecommunications is still done. SMEs are able to gain business directly, but also gain great competitive edge through the support of Kanata north's big tech community.

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

Mr. Rodney Wilson: Significantly, there's the Ontario project called ENCQOR, co-funded with the Quebec and federal governments, to stimulate the significant innovation and economic benefit; grants from \$50,000 to \$500,000 are arranged through OCE and have stimulated great success. ENCQOR recently announced over 450 SMEs across both provinces are committed to the program. One of the features is a testbed network which interconnects innovation hubs in Waterloo, Toronto and Ottawa.

So my concluding recommendations: Last March, in a 10-day window, 4.2 million households switched to work-from-home mode. The experience was not uniformly good. My bandwidth here is excellent, but a short 40-minute drive away, the picture is extremely different. In some near-urban pockets, the Internet is almost non-functional. Therefore, we strongly recommend incentives to enhance broadband in rural and northern communities to expand the digital economic footprint.

ENCQOR is a phenomenally successful program reinvesting to stimulate new academic and SME projects, with an eye to expanding the testbed to smaller urban centres. will expand the net benefit beyond the Ottawa-Toronto-Waterloo corridor and deliver great economic benefit to Ontario.

Lastly, Ciena relies on SMEs, but they have to be there. Incentives to support SMEs are great, but they have to be process-light. Heavy administrative burdens and bureaucracy mute the benefits from your investments. Consider increasing support for SMEs by providing both direct and indirect support to deliver incubation kick-starts.

Thank you very much for the opportunity to address you today.

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

Ms. Donna Skelly: Good morning, everyone, and thank you again for your presentations. My first question is for Mr. Mishra. I wanted to talk about the restaurant industry. It's a conversation I had with stakeholders in the earlier presentation.

I see my colleague from Hamilton—MPP Shaw—has joined us this morning, and we are fortunate to be in a community that was very aggressive in thinking a little bit outside the box. They put in place some initiatives that allowed a lot of our restaurants to move their patios fairly quickly, once they moved into stage 3, onto sidewalks, and they shut down roads etc. They did what they could, a lot

of the local business communities, to allow businesses, restaurants in particular, to operate.

You have said—and we have heard from hundreds of stakeholders throughout these committee hearings, many of whom are in the restaurant industry, that they need subsidies. But at one point, the wage subsidy and the rent subsidy will probably come to an end. What can that industry do? What are you seeing within the industry by leaders in the industry to adapt to this new reality in a post-COVID world?

Mr. Kameshwar Mishra: I think when I was explaining the impact, I also mentioned, or touched briefly on, that they have adapted to takeout and delivery services. But they were not geared, they were not prepared to do delivery and takeout services. Many of the restaurants could not open, because they were actually not prepared for that one. Those who were able to do that, they sustained themselves. That sustaining was just temporary, because the wage subsidy was there, the rent subsidy was there and they had the \$40,000 loan that was there so that gave them the room to survive.

Where the problem comes at this moment is twofold. We are approaching winter. The patios are going to go away from there. People are still not going inside the restaurants for two reasons, primarily. It's because they have been locked in their houses for months so they are trying to enjoy the summer that is there, but at the same time, they're also afraid of going inside and being in a crowd where they don't know who is there, because our tracing of the people for the moment has not been very high of late or from the beginning.

The other challenge they are facing is also the amount of commissions—because they don't have control over the amount of commissions that Uber and Skip and other delivery services charge. They take away almost 25% to 40% of the commissions. The assigned rate is 25% but with their own programs, which they directly pass on to the restaurant owners, sometimes it comes to 5% to 7% to 10%. In the end, some months they have 35% commission taken away from them. That does not give them any benefit. They actually lose more money, because when you are also doing delivery services, you're packaging food so your packaging cost goes up very high.

1020

It is also happening that while the wage subsidy is there, because their sales have gone up, you see the top line which is there, but actually, the top line is not the real top line, because there is an element which is not with them; the commission has been taken away. So if the CRA is tasked and they find that, "Okay, your sales with delivery services is \$100, but because you paid \$30 in commission to them, we will calculate your sales at \$70 only, and, therefore, probably, you will qualify for the wage subsidy or other benefits," that could help them to survive.

We have to also think of the time when we go into winter, how we are going to cope during the wintertime. That's the most challenging with the six months, where the members fear that if there is no event being held and people are not going to restaurants—how much they're

going to survive is a question that we still have no answer to.

Ms. Donna Skelly: A number of restaurant owners that I have been speaking with have told me that they've made changes such as going to a digital menu, shrinking the menu options. These massive menus are disappearing. I'm just wondering, is there value in having the industry itself start working together?

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

Ms. Donna Skelly: I mean, our reality, I think, as a society is going to change. I know I certainly miss that opportunity to mingle with friends and family in a public setting, but we just don't know how long it's going to be before that happens again. So the industry has to adapt.

We, as government, certainly don't have the answers, but it's interesting when I do speak with restaurant operators, who talk about things like disposable menus, because they don't want the virus to pass—or just adapting to a large screen or chalkboards that remain permanent.

I see Mr. Wilson—one of the other things is small businesses—you mentioned working from home. We know that the people are adapting because we just don't know how long this is going to go.

I guess my question to you is, is the industry itself working, collaborating, so that they can share best practices of where they're seeing opportunities in this new world?

Mr. Kameshwar Mishra: Yes, they are definitely. That's why there are a lot of changes that have come up. But again, that depends upon the customers. They can do all the changes, they can reduce their menus, but if the people are not going in after some time and they cannot—there are also people who will not get into the practice of ordering online all the time. They would like to go out, but if they're not going out—that fear and the frightenedness that is there among them is going to really not give them a lot of cushion for those few months or the unforeseen time that we have in those winter times.

The most crucial time, in our opinion, is that we have to somehow support the restaurant industry, especially the dining restaurant industry, during the wintertime. Hopefully, by the time they will have developed their own systems—they're all collaborating. They are doing their best that they can in the—

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

Mr. Joel Harden: Good morning, and thank you to our presenters for your comments this morning.

I want to follow up on some of what Mr. Mishra said. Mr. Mishra, it's great to see you from our city. Thank you for the work you do for Indo-Canadian businesses in our city. You mentioned that a lot of the programs that have been offered at a provincial level, be they tax deferrals, payroll tax deferrals and even many of the federal government programs, don't really catch a lot of the needs of mom-and-pop small businesses. We've been hearing a steady stream of that here at the committee.

One of the things that has come up time and again is the need for support for commercial tenants to go directly to

tenants—that it shouldn't be contingent upon whether the landlord decides to enrol in the program. I was wondering what you thought about that.

Mr. Kameshwar Mishra: I absolutely agree with you, sir, that yes, I'd say that the tenants were at the mercy of landlords. Many of the landlords are very accommodating, but then many were picky and choosy about who they wanted to support, and therefore that made it very difficult.

At the same time, the criteria for applying for a rent subsidy have been very stringent. On the wage subsidy, you go month by month. So if one month you qualify and the next one you don't qualify, you're still able to sustain that particular month. But with the rent subsidy, it is like 70% across three months. In April and May, when everything was under lockdown, their sales were—they all met the 70% qualification that they were all down. In June, when they opened up, someone missed by just 1% or 2% or 3%. That was, I think, not fair to them. They should have been given that opportunity, "Okay, fine. You don't qualify for the third month, but take it for the two months" that would give them a cushion to survive here.

Mr. Joel Harden: Right. I hear you. On this notion of support for commercial tenants, I'm sure you're aware the commercial moratorium on commercial evictions is coming up August 31. After that, I really hope it doesn't happen, but some folks are predicting we may be seeing a rash of evictions of commercial tenants. I'm wondering if you have a message for my friends in government about whether that moratorium on evictions for people who are commercial tenants could be extended so that they can help weather this time? What do you think about that?

Mr. Kameshwar Mishra: Absolutely. That needs to be extended, definitely. I gave that example of one coffee shop, but there's a number of similar examples where the current sales would only generate \$9,000 in income, but the rent is \$11,000. Where are they going to get the money from? Yes, that is definitely important for us to extend that.

Mr. Joel Harden: Okay. Thank you, Mr. Mishra, and thank you for being here.

I also want to move over to Mr. Wilson. It is actually quite refreshing, Mr. Wilson, to see you here, to have a major player in our city in Ottawa and, indeed, in global markets in the tech industry, making the case for help for small and medium-sized enterprises. I had occasion, through many neighbours, to know a lot about your company. Ray Quintal is a very good friend of mine who's someone who has been proud to work for your organization for a long time.

You talked about the fact that, in this moment in particular, we need to figure out incentives to expand broadband, and if there is a company who knows a lot about that, it's got to be yours. So I'm wondering if you could give us a little bit more of an idea about what kind of incentives you're talking about.

Mr. Rodney Wilson: I think that for service providers the cost of extending broadband services into rural and northern communities doesn't have a great business case. It has to be done in partnership with companies like Ciena

and our colleagues in the industry but also incented by government. I'm aware that there is some proposed money set aside to assist community research network extensions, as well as more general digital bandwidths for Internet to smaller communities. I think any incentives that enhance rural connectivity will help spread this economic digital footprint. The key is the service providers and the service delivery mechanisms.

I think in the future, Internet and broadband services should be more like a commodity service, like hydro and water, rather than privately owned, but that's kind of a fiction right now. Anything that can be done to extend services in partnership with service providers is key.

Mr. Joel Harden: Thank you for that.

Chair, how much time do I have left?

The Chair (Mr. Amarjot Sandhu): One minute and 30 seconds.

Mr. Joel Harden: Okay. I'll try to be brief.

Again, Mr. Wilson, to you: In this moment we've had occasion to hear a number of employers and small businesses talk about the fact that COVID has really exposed Ontario's jurisdiction to some risk because of the lack of prevalence of sick days available to employees in this moment. We're worried in particular, as we look at back to school, about potentially educational assistants, ECEs—people who are not remunerated as much and who do not have benefits that other staff do—going to work sick.

I'm wondering, as a large employer in the tech sector how important this issue is to you to make sure that if employees aren't healthy, we make sure they aren't going to work. What do you think about that?

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

Mr. Rodney Wilson: Absolutely, and there should be continued support for employers, particularly SMEs that don't have the breadth or depth of employees that Ciena has. We've been operating our labs with a skeleton staff of 200 people, and the 1,400 other people in Ottawa—in fact, all around the world—are working from home quite successfully, but we have 6,000 people to work with. That's not the luxury that small and medium enterprises have. So in addition to providing incubation kick-starters, incentives to help them develop business, it's important that we provide them with some depth so that they can be there.

My example before says if we're relying on an SME, they have to be there. They can't sort of take a pause. If we miss our product windows, we lose competitiveness; the province loses competitiveness.

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

Mr. Mike Schreiner: I just want to thank all three presenters for coming in and providing such valuable information to the committee.

1030

I'm just going to direct my first question to the Indo-Canada Ottawa Business Chamber. Mr. Mishra, I really appreciate you providing us with some recommendations on how to fix the rent relief program, which we know is

not working for small businesses. Another thing you had talked about is that one-size-fits-all programs don't necessarily work. I'm just wondering, are you suggesting that we have some sector-specific support particularly for those industries that have been shut down longer or continue to be shut down, versus some other sectors which are now reopened?

Mr. Kameshwar Mishra: Yes, I recall that is what I would believe my opinion to be. Yes, some sectors are in more need of assistance; some sectors are in less need of services. At the same time, the structure of how the businesses have been set up also makes a big difference.

I'll just give you an example: There's one company which has two locations. Each location has separate rent, liability, employee liability, all different kinds of liabilities. They had to apply for saver loans. Because they were all housed under one corporation, they could only apply for one \$40,000 loan, not two \$40,000 loans. If you compare them to another corporation which has just one location, they are very unfairly placed. It was a structural defect in the entire thing. Those are the kinds of things. So, yes, we need to do a little more discussion on that one. I think there has been improvement with that, but we have not caught up with the situation quickly.

Mr. Mike Schreiner: Thank you for that.

I just want to shift over to Attractions Ontario. Mr. Young, I think you would probably support some sector-specific support for those sectors that still aren't able to reopen. Do you maybe want to talk a bit about your perspective on one-size-fits-all programs?

Mr. Troy Young: Clearly, one-size-fits-all doesn't work. The \$40,000 loan program that existed—prior to the rent assistance coming available—a number of places were applying for that to use to pay for their rents. I had one member—a small business—and their rent on two locations was \$60,000 for a month. So they were able to go and get debt of \$40,000 to not even pay for one month's rent when there wasn't any assistance coming in.

Clearly it needed to be scaled to the size of the business. For some, \$40,000 was a lifeline and could help them survive. For others, it was a drop in the bucket, almost to the point that it wasn't worth taking on \$40,000 of new debt that wasn't going to actually help them at a time when they had no idea how long this was going to be, what other assistance would eventually come in.

So yes, very much so, a one-size-fits-all approach to industry does not work. We need to be looking at things very specifically, specifically for tourism businesses. For tourism businesses, the majority of their revenue is derived from June, July and August. Some 60% of their annual revenue comes from that. Most of them are small, they're spread out across the province, and any loss in that very valuable time puts them in jeopardy. We saw that. Things were starting to open in June, others were allowed to open in July. The weather has been great, which has been awesome for a lot of our outdoor businesses. Our indoor businesses, particularly those in urban centres, haven't been getting the numbers that they need to be sustainable.

So we need to look at this. This is a very important industry. It's the fifth-largest in Canada. As I said earlier,

it is in every one of your ridings. No other industry can say that.

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

Mr. Troy Young: And we need the help to be able to make sure that we survive. So, yes, definitely industry-specific approaches are necessary.

Mr. Mike Schreiner: Thank you for that. I also just wonder if you have some suggestions of how we can avoid the situation you described, using Bingemans as an example, where they made substantial investments in preparing to reopen and then were not allowed to reopen. Do you have some suggestions of how we can avoid that kind of situation, moving forward? I can certainly understand why for business owners, given the cash flow challenges they face, that would be very frustrating.

Mr. Troy Young: We're not exactly sure what decisions were being made in government with respect to this. We've never gotten clarity around why the Chief Medical Officer of Health has deemed water parks and amusement parks to be somehow less safe than other places. The only thing we've heard is, "Well, they're high contact and a lot of people."

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

Mr. Troy Young: But the plans that were developed by the various amusement parks showed ways that they were going to mitigate that through reduced numbers; we are outdoors, not indoors; virtual queue lines; sanitation of rides in between each run; half the level of people on the ride. So there were ways that they were approaching it that were very proactive, were in the plans that they were asked to present and develop and yet, they never ever got a direct understanding of why they weren't allowed. I know Calypso—I mentioned Calypso earlier, the water park up in Limoges—actually took theirs to their local Chief Medical Officer of Health who gave it a green light and said, "If it were up to me, you would be open today." It never ever got opened because water parks are somehow seen to be more dangerous than a public pool. We have one, East Park in London, that is able to operate their wave pool as a public pool, but can't turn on the waves.

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

We'll go back to opposition now for their second round. MPP Glover.

Mr. Chris Glover: I want to thank all of the presenters for being here today. Let's see. I want to ask a couple of questions. All three of the industries that you represent are strongly represented in my own riding—the Toronto waterfront, Spadina–Fort York, so the downtown core. All the attractions along the waterfront are in my riding, there are a lot of restaurants in my riding and there's also a strong IT presence. So I'm deeply concerned. The IT businesses seem to be the ones that are most able to withstand. Is that a fair assessment? Rodney, could you just respond to that?

Mr. Rodney Wilson: It is essentially a fair assessment because of the nature of work, but IT is a hugely broad category. In some instances, certainly in the case of small and medium enterprises, they are offering specialty

services, very targeted skill sets, and they're often more challenged than big multinationals. Similarly, with service providers and cloud providers, the nature of their business is virtual, and so COVID has had less effect on their core businesses. That said, all the businesses tend to be work from home and that does have a softening effect, particularly when you look at sales and the ability to meet with customers and design new technology things or bring them to market. So although what you say is fundamentally correct, there are some very significant challenges in the sector.

Mr. Chris Glover: Okay. Let's see. I want to talk to Troy about the attractions, the tourist industry. I'm deeply concerned about the tourist industry. You're asking for financial aid from the government to make up for some of the investments that some of the attractions in Ontario made. With an indication from the government that they would be open in stage 3, they made these investments, they were already struggling, and then they weren't allowed to open. How much financial aid are you looking for?

Mr. Troy Young: I don't have a specific number. We'd have to look at an individual, case-by-case basis for the water park and amusement park industry. I know some spent \$700,000 to get ready to open. That's a significant amount of money, obviously, at a time when they are not generating any revenue. Had they known they were not going to open, they could have saved that \$700,000 and gotten themselves ready for next year. So what the total amount is—we would have to look at each individual property.

I'm not just advocating on the water parks and amusement parks; that's one element, simply because they were told that they were going to be able to open under stage 3 and then weren't. But we still need to look at tourism as a whole, for all those other tourist attractions that are struggling with numbers. They're not seeing the numbers there. When I talk about tourism, I'm also talking about those restaurants that are struggling. I'm talking about the hotels. This is all part and parcel of it. While I represent the attractions sector, when we're advocating for tourism, we're talking about all those different pillars within it.

But the tourist attractions too—we would have to go and take a look. As I said in my presentation, I don't have a specific number in mind. One of the things that we'd floated to the federal government was a rebate on their HST, so a return of the HST that they generated in the last two quarters of 2019, because that then specifically talks about the size of the business. The government has that data on record. They know exactly how much it would be. It's just a matter of saying, "You paid us X amount of dollars in these two quarters. Here it is. It's back." That would be a huge start in helping our business.

1040

Mr. Chris Glover: Thank you. The other things that have been talked about—I want to give you a chance to answer this, but I also want to go to Kameshwar about the restaurant industry.

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

Mr. Chris Glover: What I'm hearing from businesses in my area is that what the government hasn't been able to do—the commercial rent relief has not worked, because it was directed to landlords; landlords didn't pick it up. That has been the message from the get-go on that. The government has deferred taxes—they deferred property, income, and health taxes—but those just mean that more debt is building up.

So I've got two questions: What would you recommend that the government do? Are these the issues that the government should be taking on? And what percentage of the businesses that you represent are vulnerable to bankruptcy if they don't get government support?

Mr. Kameshwar Mishra: Thank you for that question, again. I'll answer the last question first. As we say among our members, I think at least 30% to 40% of the businesses will go under if there's no government support or deferral of those and other challenges.

Even the banks have not been very helpful. We haven't talked about the banks. Even though the government came up with that extra funding level to help the businesses, the amount of work that they wanted the businesses to do during this crisis time was enormous. It was huge. The questions the banks were to ask us, the clients, to provide answers to were almost impossible to supply during this time, so actually, many of them never benefited from these bank programs which the BDC and all these banks ran.

So, yes, the government has to come up with some legislative tools. One of them that came up, again, was to defer the commercial tenant evictions, to give them time, probably to extend the rent subsidy during the wintertime. The wintertime is—

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

We will have to move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: I just wanted to direct a few questions to Mr. Wilson at Ciena Corp. You had talked about the importance of incubators and helping start-ups. I know that in my riding, in Guelph, Innovation Guelph has played a very vital role in that. I'm just wondering how important you think the regional innovation centres are and how important it is for government to continue supporting the regional innovation centres in terms of economic recovery, supporting tech and innovation start-ups etc.

Mr. Rodney Wilson: Sure. My best example of this is one that I gave, which was the ENCQOR program. It's one example of how these regional platforms are able to deliver enhanced incubation services. The innovation hubs, in our case, provide next-generation wireless connectivity and computational tools, but also training and business development resources and an opportunity to partner with big tech. Our project and the projects we're supporting are focused on the major ones. I think that if we could expand to areas like Guelph or up to Sudbury, that would be very beneficial so that high-tech—obviously, our field—businesses and SMEs interested in leveraging the presence of the hubs can broaden their economic solution and gain benefit.

In this case, we at Ciena don't receive funding from the government for any of this. We're trying to incubate and grow the economy and establish high-tech leadership for the country and for Ontario, so this is a little bit of our payback, and the testbed network helps deliver this to hubs. My position is that this is excellent and should be expanded.

Mr. Mike Schreiner: Great. We've had a number of tech companies come to committee, and talent attraction and retention is an issue that comes up over and over again. You briefly mentioned it in your presentation as well. Do you have any thoughts around how we can improve attracting and retaining tech talent?

Mr. Rodney Wilson: We've gained great benefit from programs like the Ontario Centres of Excellence Talent-Edge program, which allows interns to have experience working in industry. That helps streamline employment into selected companies on good projects, so it reduces the chance of these students leaving the jurisdiction, leaving the province and brain drain stuff. So that's very beneficial and is probably my best example of a tool that we use regularly that I know many other companies take great advantage of—OCE. It's a good program.

Mr. Mike Schreiner: Great. Thank you.

Mr. Young, I wanted to go back to you for a second at Attractions Ontario. You'd mentioned the \$750-million program that Quebec has put forward. Can you maybe outline what a difference that's made for tourism businesses to keep them alive? Would a comparable program provide similar benefits to Ontario businesses?

Mr. Troy Young: I've only had some response about that. I participate on cross-Canada calls with attractions across the country, so I've heard mixed reviews out of Quebec on that, simply because any time there's a government program, let's be honest: When we're giving out money, it can be an onerous process to get through, simply because the government does have a duty of care to make sure that the money is being well spent. So we understand that. For some of these people who need immediate support, they find going through the process to get the money to be very convoluted, taking an awful lot of time away from their business to be able to do so. So I've heard mixed things with regard to that.

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

Mr. Troy Young: The outcomes, though—at least it's there, right? The \$750 million is there. Does Ontario need \$750 million? Does it need more? Does it need less? I don't know. I'm not an economist. I haven't actually crunched the numbers, and part of the problem is it's hard to determine, because the best thing we've got for looking at tourism business is StatsCan data. Looking at StatsCan data, I don't even know, tourist attraction-wise, whether we've got 2,000 attractions or 6,000 attractions in Ontario. It's hard to come up with a comprehensive number when we're not even sure how many businesses we're dealing with. When I ask the government too, "How many businesses do we have in my sector?" their best guess is, "What the StatsCan data shows us." The StatsCan data is very limited when it comes to breaking out tourism product.

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

Mr. Troy Young: I'm not exactly sure what that number is. We would have to work with the government to determine what that number is. I understand the government doesn't want to commit to a number that could be open-ended. If they say, "Yes, we're going to do something," and they find out, "Oh, it's going to cost \$3 billion," well, that's obviously beyond Ontario's ability.

There was a Destination Canada study back in March that said it's \$15 billion across the entire country to save the tourism industry. If we were to look at it that way and break down Ontario's component of tourism, we might be able to get a number from that. But it's imprecise at this point.

Mr. Mike Schreiner: Thanks for that. I'm probably almost out of time, so I don't know if we'll have time for this question, but I have had a facility here in Guelph raise concerns that they'd like to see patron numbers based on percentage—

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

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

Mr. Sheref Sabawy: Thank you very much. For Mr. Rodney, as my background is in technology and I've worked for many of the advanced technologies companies, I can see and I can witness that the technology sector has thrived and offered solutions during the COVID period of time. I think they had a very good opportunity to prove some of the concepts which were available technology-wise for many, many years, but the market or the end-user or the corporates didn't deploy it full-fledged, basically, until COVID, which offered a golden opportunity for technology companies to step up and offer those solutions.

1050

Through those solutions, I can say that they have been doing maybe more business in some of the sectors, because we can't put all technology in one box because it's varied from technology in health care, technology in information, technology in the cloud, technology for remote access or remote conferencing. There are many, many areas, but I can confirm that the majority of the technology areas did very well. Even the NASDAQ stock market on the part of technology was doing very, very fine, and we see astronomical growth in the technology companies in urban use and in business. As you know, a percentage of that goes to R&D, so we can say that COVID, in a way, benefited the technology sector.

What do you think, in your opinion, the government can do to take advantage of that and help the technology companies to offer more solutions to cope with the new norm? We know that there will be a change in how we do business going forward—not only for a period of time, but this is going to be there for good. Thank you.

Mr. Rodney Wilson: From a technology perspective, what happened when COVID hit and everyone went into work-from-home mode is a huge change in traffic patterns. Canadian big service providers like Bell and Telus had a massive shift in their traffic patterns. They basically blew

through over two years of planning with the shift of people working to home. So some aspects of their network, the utilization went way down, and others blew through the roof. There has been a very significant rebalancing.

The answer to your question, I think, lies in a number of things that have been discussed before this committee. It includes the change to the way people work, the fact that the economy is going to be driven by a much larger percentage of people working from home permanently. This has ripple effects in real estate and transportation and other matters that have come before your committee.

For the technology companies, if we are to continue to grow, certainly access to talent is what we've mentioned before, but also opportunities to foster collaboration with up-and-coming companies: We believe that rising waters have to float all boats. In Kanata north, we have a very good ecosystem. We've seen the universities move campuses into Kanata north specifically to foster a closer partnership with industry.

Similarly, we work very closely with other SMEs just to try and spread the wealth, and I think the innovation hubs really allow sharing of this. So while individual businesses may thrive or struggle based on the COVID situation, the province will grow based on new talents, the ability to address future requirements and support for growing industries and growing companies.

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

Mr. Sheref Sabawy: I really appreciate the answer. I just want to put three points here on the record. One of them is the amount of savings in real estate and the cost of putting 600 or 700 employees in one building—insurance, utilities, security, all kinds of costs on the big companies. I think that's going to be an advantage, not a disadvantage, and working from home becomes a reality.

I have been working as a user when I was part of Cisco. In 2000, I was doing 50% of my time working from home, so it's not brand new; it's 20-year-old technology, basically, video conferencing and everything, so this is one point.

The second point is talking about the flexibility in technology companies to move to the cloud or move to virtualization, or to change the processes to do business that had been there many years ago. There is development of teams in Asia doing work with companies in Canada or in the US, so that part, that bridge, we've already passed.

The final comment is on talent or access to talent. I totally agree with you: With working virtually now, you can actually acquire any talent you need from any spot in the world and get that on board immediately and start benefiting from that.

Those are the three points I would like to make sure we put on the record. Thank you.

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

CHRIS JAMES

UNITED NATIONS
DECADE FOR PEOPLE OF
AFRICAN DESCENT PUSH COALITION

HALIBUT HOUSE FISH AND CHIPS

The Chair (Mr. Amarjot Sandhu): Moving along to our next group of presenters, our first presenter is from Chris James. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Christine Ray-Bratt: Good morning, everyone. My name is Christine Ray-Bratt. I'm representing a company called Chris James. We are a small, independent clothing company in Kingston. We've been in business for 10 years. During this time, we've weathered many storms. We're located in the downtown. We've had big digs every other year for the last 10 years while I've been open, for a total of four, and we've still managed to handle our growth and continue.

The advent of COVID on us has been unprecedented in its ability to continuously create problems. Buying in our industry is done six months in advance, so there was really no way to pivot and to mitigate our costs beyond cutting down staff and other things that we could do at the time, because the only way for me to begin to mitigate my costs was to start the ripple effect down the chain of not taking deliveries from my suppliers that have been pre-committed to, and legally it wasn't an option for me.

We were closed for two months, as we were mandated to shut down in Ontario. To date, we have reopened. We've been reopened for probably three and a half, almost four months. We're still down 76%. We are in a city that is predominantly university- and hospital-based. However, in the summer, because we are in the Thousand Islands, we are very dependent on the tourist dollar, and of course that didn't happen this year.

I am now moving into fall with purchases that were pre-committed to in January, before COVID hit—again, not really with the possibility to take down my payables at this moment, although I'm trying to work with suppliers and see what we can do. My concern, really, for moving forward is that in summer, we would typically have 25% of our revenue for the year. It would have set us up in order to move forward for the next season to come, which starts in September. This didn't happen. With us being down 76%, being in a tourist town, we netted \$120,000, which was exactly my payables to my suppliers, so all I've done in the last number of months is work to pay off debt that was already there.

Moving forward, I'm accumulating debt, and because so many suppliers are seeing issues, they are tightening their credit, as you can imagine. Many are requiring me to pay up front, and my mandate to them has been that I can't take their goods. This is not the agreement under which I purchased, and this is not something that's financially feasible for a small company like myself moving forward.

In terms of us being open again, I brought back half the staff, and we're open about 75% of the time, because there

just is no demand. I would like to be open more; however, with the oncoming decrease in the wage subsidy and the constant uncertainty of CECRA continuing or not, it makes it very difficult to plan my financials moving forward on a monthly basis. Just as we are starting to come into a new season with zero dollars in the bank, many of the programs are changing, morphing or discontinuing. The wage subsidy obviously is continuously going down. I believe I will be eligible for the 25% top-up for certain. But again, by October/November, I'm still talking about a 45% wage subsidy, not the 75% that was available previously.

1100

I hope that paints a bit of a picture of COVID's effect on me. Seven minutes is hard to sum it up in when it feels like it has been a lifetime. My main thing: If I could bring one thing back to what I would hope for, moving forward, for my business, it would be perhaps more continuous focus on different industries and different places. My situation is probably unique to someone who's in downtown Toronto, who is not necessarily looking to be in a downtown where I pay a 30% premium just to be downtown, to be in the tourist zone where tourism happens. We also are facing different delays with city and municipal services and so on, which don't add to things being easier. I would ask that there would be industry-specific, province-specific grants and loans that were more amenable to businesses of different nature and of different sizes.

I know when I've watched the numbers of retail overall and how recovery has gone, the numbers are grossly different than mine. I know that Ontario in particular has been hardest hit, and clothing has been hardest hit. But I'm watching numbers that say retail is down 7% to 25%, and I just think, "You've got some mixed merchandisers in there, whether they be groceries, whether they be home improvement, that really don't reflect the true picture."

Grants that could be more significant—my business typically grosses annually \$1.7 million. A \$40,000 bridge loan in the beginning is good, and it helped us get through initial payables; however, it doesn't bench me forward to be able to figure out how I cover costs of at least \$120,000 a season—and that's just the cost of goods, not rent and everything else. The overhead is at least \$10,000 a month.

I would ask that programs currently being run through the bank—I'm having difficulty accessing them because I guess they're busy. When I've called my banker, he has told me that the information is on the website and I should go on and have a read. When I've called the BDC, they've told me that I must contact my bank. I find it virtually impossible to figure out what programs are out there and what I'm eligible for.

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

Ms. Christine Ray-Bratt: And because it's bank-driven, it's very difficult to now see what is applicable to me and what I'm able to do in the short term in order to get us through.

So clarity and just more options—and loans; I'm not asking anybody to float the businesses. I don't necessarily agree that every business should be saved. However, I think if there were potential loans or grants set up, much

like a CMHC mortgage might have been in the past where it's forgivable over a certain length of time, if you stay in business for a certain length of time and you obviously bring it back to the economy—we're all working hard—that would be something that would be feasible and it's forgivable by a certain percentage per year. Perhaps not tied to revenue—I understand that's unrealistic—but if you tied it to true overhead costs, it would be a better picture.

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

We'll move to our next presenter, the United Nations Decade for People of African Descent Push Coalition. If you can please state your name for the record, and you will have seven minutes for your presentation as well.

Ms. Andrea Pierce: Yes, good morning. Thank you very much for your time this morning and for this opportunity to discuss the United Nations decade. As you know, since 2015, it's been the United Nations International Decade for People of African Descent. I'm representing the coalition here in Canada, and we're working to advance the principles of the decade here. My name is Andrea Pierce, and I am a part of the economic inclusion committee. I lead that across Canada. I'm located here in Ontario as well.

I would like to speak to you about Blacks and particularly the impact of COVID on Black-women-owned businesses in Ontario and also in the GTA. We have been significantly impacted—you know that. We've seen some numbers, how COVID has impacted the Black community, and we've seen that many of us are on the front line. Our businesses are also service-related businesses, so we're also in that space where we're interacting with a lot of people as well. Many of our businesses, like all other Canadian businesses, have been closed through COVID, including my own business as an entrepreneur.

I'm concerned, and I'm grateful for the opportunity to speak with all of you today about the issues facing us. Economic inclusion for Black businesses, and particularly Black-women-owned businesses—funding and support to advance our business has always been an issue.

We know that through the Women Entrepreneurship Strategy, there were many programs announced recently. In May 2020, Minister Ng announced \$15 million in funding to support women entrepreneurs through the Women Entrepreneurship Strategy, and that supported selected organizations that were currently part of the WES ecosystem recipients. Now originally, previously through WES, the government invested through FedDev and FedDev Ontario in southern Ontario and in the GTA. They said in the GTA it was \$244.3 million in 134 businesses, and 297 businesses in FedDev for \$207.7 million. The reason I'm mentioning that is, less than 1% of those were given to Black-women-owned businesses.

Originally, and I wanted to bring this to you—we're talking about COVID, but I want to discuss the layers that helped exacerbate these problems for us. When the original 300 businesses were given money, \$330 million from the federal government that went through the provincial organizations—for the same reason, Black-women-

owned businesses were left out. So when this new money came out, it went to the recipients of those organizations that were already part of the ecosystem, which we were not a part of in the first place. So we were not included.

The reason I'm bringing this up is, if we look at the root cause of issues, we see that many Black businesses we're talking about did not qualify. Because we have very small businesses, we have a hard time accessing—the previous lady, I give her credit and I agree with much of what she was saying that, the previous funding that was given, if you were not included, you're less likely to get additional funding. Same thing with banks: Black businesses and Black-women-owned businesses have a very hard time getting funding. That has been documented through Statistics Canada, through the Women Entrepreneurship Strategy—I talked a bit about that as well—it has been well documented. But because we continue to follow the same systems and the same processes, it ends up keeping people who are already not included out continually.

So as Minister Ng gave that \$15 million to the current recipients of WES and we were not included in the first place, therefore we were not included again. What I'm encouraging this group of people here—

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

Ms. Andrea Pierce: You have the authority, you have the power to look at this particular issue and how we can be more inclusive.

I'm sorry, was there a question? I thought I heard—

The Chair (Mr. Amarjot Sandhu): No, you have about two minutes left.

Ms. Andrea Pierce: Okay. What I am asking is that as we look at these programs, we look at the specific problems that are barriers to Black-owned businesses and Black-women-owned businesses. To be honest, in general this applies to many small businesses that are not well funded and women-owned businesses in general—that you would look at some of the root causes of those barriers and what special programs we can put in to address those issues so that we are not continually left out and we're included in this economy and we can contribute financially to creating good jobs in this tough time.

1110

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

Our next presenter is Halibut House Fish and Chips. Please state your name for the record, and you will have seven minutes for your presentation as well.

Mr. Khurram Khawaja: My name is Khurram Khawaja. I am the franchisee for the Halibut House in Barrie, and in Bradford as well. Thank you so much for letting me talk today. I appreciate your time.

My problems are different than what I have heard so far. It's my first time doing something like this, so I was not very clear what is there.

I've opened three franchises in the last year. I currently employ about 25 people in my businesses, and COVID has affected everybody, like everybody else is affected as well. Being in business for the last 20 years—starting something new is more difficult and being hit with COVID was something we all didn't expect to be there.

The government has supported us a lot, and I'm thankful for that. A lot of things that came around helped us survive. We have gone through difficult times, but it seems like small businesses like ours would need more help to sustain our businesses going forward.

Our loans were fresh. We employ a lot of people from small communities. Our banks did help us a lot, and I must say RBC was really good. Government utilities were something that really helped us. Tax relief helped us. The wage program helped us. CERB helped us. Rent relief helped us. All these things did help us. But there were also problems that were brought in with these things, specifically finding employees to work while CERB was still in place and it has been continuing to go there. It was a major issue for me. A lot of my employees didn't want to come to work or were asking for less hours. Again and again, I asked to go back to work, but filling hours for people who didn't want to show up to work was a major issue for many of my locations.

We were closed for 10 weeks, and to qualify for the rent relief that was there, the government has put in a very small limitation that your business should be less than 30%. To qualify for that, a lot of my other franchisees in the same group could not, because they were open. Our costs have gone up. We have put a lot of money into running the business and employing a lot of people. We believe that helping us with rent would have been much better than helping us for so long on CERB. I couldn't hire any people. Even if I gave advertisements out, a lot of people didn't want to come back to work or still don't want to come back to work, because they are getting paid much more through CERB than they will be getting paid coming back to work. So I would like the government to work on those programs and see what we can do.

You guys brought in patio programs for restaurants, which I find were good, but bringing in a patio for six months, the cost that was there didn't help small restaurants like ours survive longer. I didn't apply for a patio in any of my three locations that I currently own, because putting up a patio was pretty costly. My dining space in a regular restaurant is about 90 people. I've come down to 28 on the maximum side right now, but I can only seat 14 people right now. That means I'm very limited doing my business. Though my business is there, it's on a very small percentage right now. I do feel worried that, going forward, how am I going to survive all these things?

My costs have gone up. Food costs have gone up a lot. My sanitation costs have gone up a lot. The procedures that are in place have—though my earnings on my business are there, it's not the same with COVID. Of course, nobody's business is the same with COVID currently. But all those things have also taken a hit on my bottom line. So surviving and keeping everybody employed for a longer period is getting tougher and tougher day by day.

I really hope that your rent relief program, specifically, that helped us a lot to stay in business would continue for a few more months, and we can take the benefit out of that. That is all I have for now. If you have any questions, I will be more than happy to answer them.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start the first round of questions with the independent members. MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three presenters for providing excellent presentations and valuable information.

I just want to pick up where you left off with the Halibut House Fish and Chips. You talked about the importance of extending the rent relief program, and I'm assuming that you require that because your revenue is still significantly down and you're trying to recover. Maybe it could even be done sector by sector. We're starting to hear more and more that one-size-fits-all doesn't work for everyone. How much runway do you think you would need to get back on your feet in terms of the rent relief support?

Mr. Khurram Khawaja: Again, it depends on how long it takes to come back. For example, I was open from 8 in the morning until 9 in the evening every day. Currently I'm only open 12 to 8, so I'm losing four hours of business because I do breakfast and I also do lunch and dinner. But that's such a limited space. I cannot serve breakfast. I'm only relying on my lunch and my dinner business. A lot of people still get takeout, but they won't get takeout for breakfast. A lot of businesses there are closed; a lot of offices are not coming in, so my breakfast rush is not there at all. Even my lunch rush is very limited. My current business is only my dinner rush: people going home, taking food back home. So to answer your question, I don't know how long this could continue, but in another few months, I hope things improve, our numbers go less and we can come back on it. But rent is the biggest part of our equation, so I think if we can get some relief on that, that would really help a lot of small businesses.

Mr. Mike Schreiner: Yes, thanks for that. We've been hearing from a number of small businesses asking (1) to fix the program, (2) extend it and also to extend the eviction ban, because we're obviously still in a pandemic and that support is going to be needed. So thanks for sharing.

I wanted to go quickly to the United Nations Decade for People of African Descent Push Coalition. Andrea, you had talked about the barriers that Black-owned businesses face, particularly Black-woman-owned businesses, and I've been hearing this from a number of Black business owners that there are systematic barriers in terms of access to capital and just cash flow support. Could you offer us some recommendations of some ways in which government could help overcome those systemic barriers that Black-owned businesses and Black-woman-owned businesses face?

Ms. Andrea Pierce: Yes. I would say, as an entrepreneur myself, one of the barriers I'm facing is that I didn't qualify for—I'm in a service-related business; I'm an immigration consultant. My background was in tech before I studied immigration law. The way I've set up my business is to use contractors, so that when I'm not at my peak efficiency, my overhead isn't high and I go out of business. Because of that, I myself don't have payroll. I have contractors who work with me as both my other

immigration consultants and other service providers. So I didn't qualify. That's one thing I think that should be looked at, the structure of businesses. Someone spoke earlier about looking at different kinds of businesses and what would suit them.

I would say for Black-owned businesses as well, one of our issues is publicity and having the support and marketing. I know right now it's not one of the things that the government is looking at, but marketing and helping not just Black-owned businesses but businesses to market, so that people can know about them and give options as well: We started rallying around different businesses in our community, for example restaurants, to share on social media and to also help them with delivery and pickup and start offering it, because they weren't doing a lot of takeout and all of that before, even our local grocery store, the Caribbean store that we get some of our food from. It's not money that you put in to subsidize rent or anything, but that digital help would be so helpful for us to be able to expand our reach.

Also, with the banks, the requirements that they have—of course, we need to do our due diligence, but we also need to look at how they're looking at different businesses and scoring us with respect to our ability to get funding and credit.

1120

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

Ms. Andrea Pierce: It's very haphazard now, and I think there needs to be rules on that.

Mr. Mike Schreiner: You talked about the marketing support for local businesses. The Ontario Association of Broadcasters had come to committee asking for a bit of support to fund buy-local campaigns and marketing campaigns for local businesses over the radio. Would that be something that you would see as useful?

Ms. Andrea Pierce: Yes, I would love that. Right now, for example, in my business, people think, "Oh, nothing is happening on immigration." They don't want to come into the office and all that. Getting that word out, to say, "You know what? You can still sponsor your family members. You can still do all that"—even though there are some travel restrictions, the government is still processing paperwork. I'm still working, but I don't have as many people coming in and asking. To get the word out and let them know would be key for me.

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

We'll move to the government side now: MPP Skelly.

Ms. Donna Skelly: I have a question. I'd like to start with—well, I may as well start with Andrea. We'll continue along the line of questioning that you were just talking about, and we've heard it many times in these committee meetings. What specific things beyond the subsidies for wages and for rent can we do to help especially women of colour, who are feeling that they're being left behind in the recovery process?

Ms. Andrea Pierce: I would say one of the most important things that the government can do, and it's already something that you guys are doing through the

supplier diversity with the provincial government, is doing a set-aside for Black businesses. I think that would be really key, because that's work you're already doing. It's not anything new you have to create, but giving us an opportunity to go after some of those businesses ourselves and doing a set-aside to help us build that—right now, a lot of us are not winning or even getting those projects. If there's a set-aside, it will help build our reputation and build our capacity to go after bigger projects.

Ms. Donna Skelly: Are you talking about the procurement process specifically?

Ms. Andrea Pierce: Yes.

Ms. Donna Skelly: Okay. Could you give me an example of an opportunity that you would be seeking?

Ms. Andrea Pierce: Right now, there is a process—I know that CAMSC has a certification for Aboriginal business. We've been working with them to do the same thing for Black businesses so that we can get contracts.

Let me give you an example: I had a business call me last week in my work with the UNDPAD Push Coalition. This gentleman submitted a contract for a bid. He had to come up with 10% of the amount of the bid to qualify. He didn't have that reserve funding, so because of that, he lost the contract. We have lots of cases where people in the construction field, for example, come in and say, "We have to get bonding for this amount of money, and we don't have that cash flow." You would think it's a no-brainer, that the bank would give them that money because they're going to get it back—they have a contract—but that doesn't happen either. So having a set-aside, a small percentage—Blacks are about 9% of the GTA and about 5% of all of Ontario. That would give us a chance to build that capacity so that we can compete effectively and build up our reserves and our capacity to be able to do that on our own after a period of time.

Ms. Donna Skelly: My question for Mr. Khawaja: We've been talking to a number of stakeholders this morning, focusing on the restaurant industry, the recovery process. I'm curious—again, you've mentioned the challenges. CERB is actually becoming a deterrent for young people returning to work, and it's really having an impact on a lot of businesses in Ontario. However, it's still needed by many businesses in Ontario. Of course, you also referred to the rental subsidies. But are you looking at changing your business model? Moving forward, is there enough? Are you confident that somehow your former clients and new potential clients will have the confidence to return to these social settings that existed prior to COVID-19?

Mr. Khurram Khawaja: Thank you so much. Yes, we are. We are adapting to the new normal. Slowly and slowly we have seen—we've been open some of the month of July and now August. We have seen people returning; the numbers are going up. People are more confident coming out. Of course, we have to keep in mind that we have to keep the tables two metres apart. We have to put in proper signage. We have to make sure the sanitation is done. And when people do come out, they find confidence in the restaurants and they are coming out. So the numbers are

going up, but it all depends. Everybody monitors our COVID numbers every day and it can affect day-to-day issues on how things are in the market or how things are in society and how that would impact the restaurant businesses.

Ms. Donna Skelly: We heard from an earlier presenter who was concerned that people will not want to go inside the restaurant and you said, I believe, you're down to less than 20 people capacity in a restaurant that can hold 90. Am I accurate with those numbers?

Mr. Khurram Khawaja: You are correct. Yes, you are right. We have a 90-chair restaurant. Currently, because of the two metres apart, we can only sit 28 people if there are four people at a table, but usually that's not the case anymore. It's the husband and wife or two people dining in, so we are down to 14 people currently. That's what we can hold.

Ms. Donna Skelly: So is there anything that we could suggest or help you with to modify the capacity? Is it worth putting up, for example, Plexiglas barriers or anything like that, to have more bodies in the restaurant?

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

Mr. Khurram Khawaja: It would, but I think some people are more confident when they see that they are far apart and there is a distance between them. So I think for the confidence, it will take time, of course, for people to adjust to the new normal of things, and once they understand that they are secure outside and they have their distance, it would help. More business is still on takeout than it is on dine-in. It's the weekends that people are more coming in for dine-in.

Ms. Donna Skelly: Was it like that prior to COVID?

Mr. Khurram Khawaja: No, it wasn't. Especially for our business, most of our business was dine-in rather than take out. People prefer to sit in and enjoy their fish.

Ms. Donna Skelly: Nice and warm.

Mr. Khurram Khawaja: Yes, nice and warm. If I put my fish in a box, I also feel that the steam would kill the fish itself, so the batter goes away. I have a lot more complaints now on my fish. It depends on how far they are travelling with it and other things too.

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

Before I do that, MPP Arthur, can you please confirm your attendance?

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

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Harden for questions.

Mr. Joel Harden: Thank you to all of the folks who are adjudicating to us this morning.

Ms. Pierce, I was wondering if I could get your reaction to something. Thank you so much for being here today, and for all that you said about the need for us to be particularly mindful of the needs of Black businesses, particularly businesses headed by Black women. One of the things we've been inspired to demand in this moment, as the official opposition, is the claim put forward by the Canadian Black Chamber of Commerce, which is asking all governments, including the one here in Ontario, to

create a particular designated emergency fund to make sure that we pay particular attention to the way in which this pandemic is disproportionately impacting Black-led businesses. We were wondering what you thought about that.

Ms. Andrea Pierce: As a Black community, we are disproportionately impacted. We've seen the recent numbers of the data collection with the Black community, so of course we're in support of something like that. I think the challenge would be how do you divvy that up and how do you decide who gets it? It becomes very complicated.

I personally believe that unless there are very proper evaluation and metrics put in to ensure that that money is given and spent properly and used wisely, then it could be complicated. I think there are existing initiatives that are very needed. For example, our non-profit sectors have been devastated because of COVID and the increased demand.

1130

I've called upon all of us as a community to pitch in and to volunteer. I have been doing a lot of volunteer work in that space myself, even just driving and picking up food for seniors, because we didn't have the non-profits in our community. It doesn't have the funding. It's very necessary. The amounts? I'm not sure how that would work, but we have existing infrastructure like procurement that we could do to give to Black businesses that would support it.

I can't speak for some of the other sectors, but I can definitely speak for Black businesses. What we want is work. We want to be a part of the inclusive economy. We want to be able to contribute. We don't want a handout; we want a hand up.

The non-profit sector, for sure, needs financial support as well, and so do Black businesses. I could use financial support to get me through this period, to pay for marketing and advertising, and to let my clients know that I'm still open for business, that Canada is still open for business, right? So it's necessary. How that would work out? I'm not sure how they would do that.

Mr. Joel Harden: I understand what you're saying. It sounds like you're saying the leadership is there in communities you know well, far better than any of us here listening to you. So we need to figure out a way, on an urgent basis, to empower the folks who are doing the change.

By the way, thank you for being there for Black businesses and leadership in the Black community. We benefit from hearing from you directly.

I want to pass the mike, Chair, to my colleague MPP Shaw.

Ms. Sandy Shaw: My question is for Mr. Khawaja. I would like to start, Mr. Khawaja, by saying congratulations on your locations. I have been to the location that you have in Dundurn Plaza. I was there for breakfast pre-COVID, and we've done takeout a number of times. I wanted to commend you on your excellent food and also your wonderful staff. Your story is remarkable. You opened just pre-COVID and you've been able to survive this long, so I want to commend you on that.

I also wanted to ask you for maybe some of your survival techniques, if you will. You must have acquired a significant amount of capital cost having just opened up. In addition to that, you have said that the commercial rent relief has been helpful for you. Could you tell me a little bit about whether you were able to access that commercial rent relief? Can you also tell me whether or not there were ways that that could be improved going forward to ensure that you can continue to keep your doors open?

Mr. Khurram Khawaja: Thank you so much. I really appreciate your kind words.

Yes, the rent relief has really helped us. Being in business so early, it is difficult. I have used a lot of the credit line out of my home to support my businesses right now. Rent relief has helped us. My team has really been up there, the people who have showed up to work. I'm really blessed to have a good team set up in all of my locations right now.

If the rent relief was not there, things would have been really different and difficult for us. We were closed for 10 weeks. Again, the rent relief program only helped us because we were closed. If we were open, then it would have been very difficult to qualify for the rent relief because of the 30% gap. It is very tough to catch that gap if you were open.

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

Mr. Khurram Khawaja: Our cost of doing business has gone up. So even if our sales are there, it is still impacting our bottom line. It would really help us to sustain and survive if the rent relief program is continued for a few more months.

Ms. Sandy Shaw: Thank you for that. Just further to that, you talked about the significant costs that you've acquired in opening up your business, but there will be all sorts of costs that people will be required to continue to keep their businesses safe. Would it be beneficial for you to have some direct funding from the government, not wage deferrals, not loans to help cover the capital costs you have, in opening up your businesses and keeping them safe?

Mr. Khurram Khawaja: Definitely, yes. Currently, the running costs are pretty high, so the loans that the government has given have utilized that. If I was not given those, I would have to shut down, letting more people unemployed—

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

We'll go to the government now. MPP Sabawy.

Mr. Sheref Sabawy: Thank you very much, Andrea, for the presentation and talking about Black businesses and the supporting of Black small businesses. As one of African descent as well, I understand the challenges which some of the small businesses in the Black community have. But do you agree with me that giving direct support—talking about how 9% of the businesses are from the Black community, don't you agree with me that doing any positive positioning is giving advantage and that could cause some businesses to feel that they are left behind to start with?

Ms. Andrea Pierce: Could you clarify a little bit? I'm not sure I understand.

Mr. Sheref Sabawy: Like differentiating, meaning giving direct support to Black businesses, wouldn't that make other businesses in the same spot feel that they are discriminated, that kind of thing—by picking a specific sector and giving direct support, versus having something like the Black business board of trade, which I met with. If they have a program—which, as a non-profit organization, they might get some support from the government in the regular way—it can help the small businesses, versus looking for direct support for small business, which, really, the government does not do so that it doesn't interfere with the competitive positioning of small businesses.

Ms. Andrea Pierce: Well, what I want to say is where there are inequities, we must put in support to fix those inequities, whether it's Black, Aboriginal, women, differently abled people. If they're being disadvantaged, we as a community that says we're based on the democratic values that people are equal should be addressing those inequities. That's what we're trying to say: If there is a problem, it should be addressed. Now, what some people will always feel is that things are unfair and it's unfair to them, but we must put in positive—and Canada is a signatory to the UN International Decade for People of African Descent, which obligates Canada to address some of these inequities, not just Canada but the provinces as well. So it is very necessary and needful for us to do that.

Mr. Sheref Sabawy: I would like to pass the microphone to MPP Roman Baber. He has a question.

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

Mr. Roman Baber: Thank you, Chair, and thank you, Mr. Sabawy.

My question is to Khurram—very, very interesting. I'm very interested about what's happening in the restaurant industry. I started my legal career as a bankruptcy lawyer approximately 15 years ago. I have a lot of concern about what is transpiring right now in the industry at large. I was hoping that perhaps you could assist us with telling us what is happening beyond the restaurant itself within the industry, because surely, there are a lot of people who are relying on the front of the industry, which is the restaurant, but there are a lot of trade creditors, a lot of folks that are dependent on your operation. I was hoping that you could perhaps assist us in understanding that. Obviously, you're an experienced restaurateur—if you could begin by telling me, on average, for a mid- to large-size restaurant such as yours, could you estimate for me how many suppliers/trade creditors your restaurant has?

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

Mr. Khurram Khawaja: We deal with a lot of suppliers as is. Our major supplier is Gordon Food Service, and we have a few others that are there. It is definitely impacting everybody. I have seen changes in their set-up. I have seen people leave. I have been reshuffled a few times to a different representative. Of course, if I was buying food earlier for, say, \$10,000 a month, now my sales are less: I'm only buying for \$3,000, so their sales are different.

1140

The other thing I'm also finding difficult is that the supply is very limited. There are things that are not available currently in the market, or the demand is high. For example, our takeout things are not available. There were weeks I couldn't find malt vinegar in the market, or the potatoes are going up. Those are affecting our bottom line.

So, yes, as far as the front side is concerned, there are a lot of concerns on the supply side as well. I hope that helps.

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

Mr. Roman Baber: I have a number of follow-up questions on that. Generally, do you find that folks in your industry are meeting their credit terms? In other words, are they paying 30 days, 60 days, 120 days? Where is the industry at right now, generally?

Mr. Khurram Khawaja: As far as the restaurant is concerned, it has been better. My credit terms, for example, for me are 14 days. Of course, my supplies are less, so I can make the 14-day payment. I'm not buying as much as I was. So in that scenario, yes, the companies have helped. They helped us when COVID came in. They stopped our payments. They knew our sales were not there; we were closed. So they did help us there. There has been a lot of help from the suppliers, and the terms have gone up.

Mr. Roman Baber: That's good. Thank you, Chair.

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

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

Mr. Ian Arthur: Good afternoon and thank you, everyone, for coming in this afternoon—or this morning. I guess it is still morning.

I actually just want to start with a comment to MPP Sabawy, suggesting that perhaps he looks at definitions of “structural inequality,” the basis for programs like affirmative action and the need for targeted programs to address structural inequalities that exist in society. Far from making things uncompetitive, they would actually correct negative externalities in the market and allow for greater competition. So perhaps he could do a little bit of homework in that area.

Now I'd like to move to Christine Ray-Bratt. Thank you for coming in today. I'm just down the road from you. I wanted to talk a little bit about your loan program suggestion, because that's the first time I've heard this in committee. We are months deep in this committee and it's the first time I've heard that particular proposal brought forward. I think it's really promising, and I hope that the government is hearing and listening to that idea, the idea of forgiveness tied to a time frame of operation. You could even structure that, I think, in a way where greater portions of the loan were actually forgiven in the early years, when things were harder, and then smaller and smaller. Also, when you would be paying the most interest on those loans would be at the front end, in terms of that.

Do you have anything else to add to that plug? I think it's a really, really smart plug that would limit some of the

costs experienced by the government, but would go a long way in helping individual businesses.

Ms. Christine Ray-Bratt: For sure, 100%. And I agree completely with Andrea. I'm not looking for a handout; I'm looking for help—help to mitigate and ride this through the long term.

You talk about the rent relief program. Someone asked—I can't remember who, sorry—about how long would you anticipate needing it for. Not forever, but I will tell you, the added thing that perhaps a lot of people aren't aware of—for example, my lease, which is five years, is tied to a personal guarantee for that five years. If I default on my lease, they can come after me for the balance of that lease. I will lose my house.

Letting my business go, whether it's the right decision or not, becomes unfathomable. No matter what now, I have to try to keep this going, which was really the beginning of where the loan concept came from—not a loan tied to revenue, because I think that's unrealistic, but a loan tied to real costs that were—people talk about, how many creditors do you have? We have about 100. Right now, our longest-standing debt, which is common in the industry, is standing at about 180 days. We're getting chased every day to pay people. I am trying to pay people \$100 here, \$100 there, to try to keep their cash flow moving as well as mine.

If I were able to put the money back into it, I understand I have to pivot and make changes to my business in order to make it survivable for the next five years. I'm not just sitting back and saying, “Woo-hoo.” But I think what that would do is alleviate the pressure and allow me to bring people back in to continue business and innovate the way that I would, while not saddling me with a debt that makes it insurmountable to have to pay out in the next 30 days because people are getting tired of asking. Banks and interest and so on add up: You're absolutely right. My creditors have gone and financed loans in order to do their production. They're granting me 180 days as a kindness that they are paying for. It's a ripple effect.

Mr. Ian Arthur: If it was government-backed loans, arguably you'd have lower interest attached to them in the first place as well.

Ms. Christine Ray-Bratt: Absolutely. And you know what, Ian? At the end of the day, if businesses are going to fail—and there's a portion of us that will; there's no question—I just need to not be homeless.

Mr. Ian Arthur: Yes.

Ms. Christine Ray-Bratt: The \$120,000 worth of debt that I'm going to be saddled with, whether it's to the bank, whether it's to the government or whether it's to someone else—I need a time frame that's workable for me to assess and try to work that off.

I'm not eligible for CERB, CEWS or anything. I have no money coming in—zero. I'm working harder than I ever have on a zero-dollar return. I'm paying my staff, I'm paying my rent, I'm doing what I can. But at the end of the day, I have kids, I have mouths to feed, and it can't just be one way. If this makes it workable as a long-term, then we can talk about trying to survive and stay in business. Without that, the writing is on the wall. It really is.

Mr. Ian Arthur: I'm sorry, and thank you. I've said numerous times at meetings that I can't imagine what your days must be like at this point, and the same with all of the other small business owners in Kingston who have appeared before this committee.

Would you talk a little bit as well about the current tax deferrals that exist and your ability to pay them if they do come due, and how that could also potentially interact with a forgivable loan?

Ms. Christine Ray-Bratt: Yes, for sure. The HST would be the biggest portion of our taxes payable this year. Clearly, nobody's making—well, I shouldn't say no one; I'm not making any money. We, in downtown, pay a levee that's roped into our rent. That's also a portion of tax that isn't immediately visible by people, but it's about 2%, and it adds up on a monthly basis.

Certainly the tax deferral is helpful in a year where I'm probably not making a whole bunch of tax anyway. I don't know how much that helps me mitigate the loans and the ratio to debt that I'm carrying. The loan amount really that is about cost is what would be of the most interest to me.

Mr. Ian Arthur: Thank you. I expect we're just about out of time, but thank you. The office is always open if you want to talk more about that and kind of flesh out that idea. I'd be very interested in following up.

Ms. Christine Ray-Bratt: Thank you, Ian.

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

Mr. Mike Schreiner: Christine, I wanted to give you an opportunity to ask—I was the one who actually asked about the runway for small businesses, because as a small business owner at one time myself—no longer one anymore—I can certainly relate to the stress around a personal guarantee on a multi-year lease. Khurram, I don't know if you're experiencing the same situation, but you likely are.

At this point, it's somewhat unknown because of the pandemic, but do you have a sense of how much runway you need? End of year, end of next year, even if it was graduated over time or through a low-interest loan, like you've suggested? Can you just flesh out what that would do to the survivability of your business?

Ms. Christine Ray-Bratt: Thanks for asking the question. It's a question I don't have an answer to, unfortunately, because if I were able to tell you that COVID is going to be a two-year course, I could tell you two years. With none of us knowing, you might as well be asking me what's going to happen in the next 20 years, right?

I think when it comes down to it, really, for me being in the downtown as a whole, our most immediate danger is in losing the population and the business that we currently have. If I can't convince people to come downtown, then I just shouldn't be in business anyway.

For me, my cost—in January is when I committed to all of my costs for fall for production, so I have no leeway to go back on that. I am now buying for next spring. My purchasing, my budgets, everything is way down to a level

where I anticipate I can handle the commitment ratio that I am taking on.

1150

Having said that, it also ties into the personal guarantee. I understand you can't change the laws and you certainly can't get involved in contracts that are already written. However, let's say that you told me, "Look, you have five years left on your lease, so your exposure is five years' worth of payments, whatever that would come to at the end; however, we're going to say that there is no way that that should be recoverable. We're going to put a cap on what can be recovered by a landlord in this current pandemic. Because it is a pandemic, we're going to cap that at one year," then I would tell you my exposure would probably be one year.

But short of that, and the danger on the table for me being five years—I don't know how it's any less than five years, right? I think that's unrealistic to expect the government to float that for five years, but I would also say a graduated step-down would have to look at economies that are dependent on tourism that didn't happen this particular year. I am hopeful that all the snowbirds that would have gone away this year are not going to do so, so perhaps there are numbers that will come back into the pocket. But I really think it needs to be a graduated and stepped-down thing and individually tailored for industries and areas and zones. Seventy per cent is high. Not everybody can tailor it. I think perhaps if you are only down 50%, you should get some help. Because even if I were down 50%, rent is a big number.

Mr. Mike Schreiner: Yes, I think the important point you are making is that—in the early days, governments were just responding so quickly and we just designed programs to provide immediate support. Nobody had any idea. "Is this going to be a month? Two months? A year?" I really liked the way you framed a graduated step-down, a more flexible program, looking at revenue thresholds, looking at it sector by sector. Obviously, tourism has been hit harder than others. I think that's really important feedback for the committee, moving forward.

I want to ask you a question, though, about the fact that you operate in a downtown. You're in the tourist zone. I would argue—

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

Mr. Mike Schreiner: My constituency office is in downtown Guelph, and I look out and I think the small businesses in our downtowns are there as job creators and they provide services etc., but there's also the vitality and the vibrancy of our downtowns. That's almost priceless in many ways, and so just maybe the importance of keeping downtown businesses alive, to maintain the vitality and vibrancy of our communities.

Ms. Christine Ray-Bratt: I think you are absolutely right, and it doesn't take much to look at smaller towns like Trenton, Belleville and so on; slowly, with the demise of the downtown, it has really been a drip-drip-drop, as to a loss of residential people and so on. For us in downtown Kingston, we have a lot of second-floor businesses, and third-floor and fourth-floor. The reason anybody would

pay a premium to be located in downtown really is about the vibrancy. There's a level of retention for staff; there's a level of quality of life. We're trying to attract residential intensification downtown. If we don't have that as a downtown, then why bother?

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

Ms. Christine Ray-Bratt: It's really, really important. We support the local initiatives. We give thousands and tens of thousands a year to the local hospitals. We coach the little leagues in town. We give money back to programs that make a difference in our community. I'm not saying that the larger chains don't, but I am saying we are 700 businesses located within a very small area. We are 15% of the commercial load of Kingston, and yet we're struggling the most because tourism didn't happen.

I think we will see a lot of second-floor businesses start to question the value of paying higher rent to be down there. And then what happens to a town? What happens to it when your heart starts to slow down and stops beating? We all know what will happen to the rest of the body, right? What's the point?

Mr. Mike Schreiner: Thanks for that.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time. Thank you to all three presenters for their presentations. Thank you for coming.

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

The committee recessed from 1155 to 1302.

The Chair (Mr. Amarjot Sandhu): Good afternoon, and welcome back. We are 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 move on to our next group of presenters, I would like to do an attendance check. We have government House leader, MPP Paul Calandra: Can you please confirm your attendance?

Hon. Paul Calandra: Yes, I am here and in my riding of Stouffville.

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

Mr. Peter Tabuns: I am here in my riding in Toronto.

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

MEMORIES BRIDAL

THE SPACE/ONTARIO DANCE AND PERFORMING ARTS STUDIOS TIMMINS CHAMBER OF COMMERCE

The Chair (Mr. Amarjot Sandhu): Our first presenter this afternoon is Memories Bridal. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Melanie Muirhead: Hi, there. It's Melanie Muirhead. I am the owner and founder of Memories Bridal. Let me know when I can start.

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

Ms. Melanie Muirhead: Okay. Thanks so much for listening to me today. I'm happy to have this opportunity to speak out on behalf of new small businesses.

Just as history, late last year I left a long career in business to follow my dream, and I officially launched my small bridal shop in my hometown, the city of Barrie in January 2020. I carry predominantly bridal gowns. I was obviously not expecting to be immediately profitable, but I did a lot of research to set myself up for success. I networked with local vendors, made sure I was offering collections, carving out a niche for myself, and doing a lot to market myself.

Frankly, I was seeing a good level of interest, more than even I had anticipated. Sales were starting to happen, and my appointment book was filling up. I was very happy with how things were going until, obviously, this pandemic arose. I'm just really here to speak to the impact for myself, but I'm sure I'm not alone in saying that my business has pretty much been decimated.

During the pandemic, I did try to shift to a virtual type of business. I'm sure you can imagine, though, that my wares are a particularly large investment for consumers and they're not willing to make such a purchase virtually. So I did everything that I could during the closure to stay involved with prospective customers, aka those who were brides to be, who were engaged, who were looking to be married. One by one, literally 95% withdrew from the market.

What has happened, as I'm sure you know, is weddings have been postponed. Some of them have defined future dates; some don't. Even after reopening, obviously I haven't recovered as expected. My appointment book cleared out entirely, and it's continuing, right? Every day I'm hearing another cancellation, as people are still worried about their future event and the restrictions and are just not prepared to take that kind of gamble when they have an opportunity now to reschedule. A lot of the venues are changing direction, let's say, as of January 1. So they're rescheduling. Bottom line, the market has been totally—it's totally evaporated.

How does a new small business survive? Certainly, looking to the government for assistance has not been fruitful for me. I'm very grateful to our government and for any assistance during this pandemic. Nothing should be expected. But again, I'm here to let you know how it hasn't been accessible to new small businesses. For example, I had a 100% reduction in my sales, but also, like I said, a 95% reduction in prospective customers at that point, and it's increasing. As a new bridal business, I don't have real statistics that reflect sales year over year and the position we would be in, but I've heard from my colleagues in the industry that we're looking at less than a quarter of the level of business that we had last year.

I'll just speak quickly to the particular resources that I attempted to access. Obviously, the small business loan: The portion that would be forgiven wasn't accessible to me for many reasons. I don't have a history of sales. I just opened in January. I don't have any CRA reports. But not only that; I don't have evidence that can substantiate

\$40,000 of non-deferrable expenses. That's quite a hefty dollar figure. So that was out.

Obviously, I'm not open to wage subsidies. I'm a self-employed, one-person operation. I did speak with my landlords about the CECRA, but they're property managers of many, many properties and they felt that it would be quite arduous and unfair to apply for one property and not another. So that's out.

The CERB, so the individual: That subsidy I wasn't eligible for as I hadn't any self-employment income. I'm sure new business owners like me aren't paying themselves for the first period of time, so I couldn't apply for that. I don't qualify for employment insurance, given that I'm a small business owner. I didn't have the background. I mean, I took some time to start my business.

I've looked into every other resource, through the EDC and the STEM grants, you name it—obviously, I don't qualify for those.

I did raise my concerns, and not just for my business but on behalf of all little, small businesses. Even in Barrie, there are several that opened this year that raised those concerns to our local politicians and asked that they be brought forward, and obviously didn't hear a satisfactory response, haven't had a satisfactory result.

Just to let you know where I'm at right now, I'm not sure about the survival of my business. I feel unprepared for this hearing because I'm working literally around the clock, and that's at two part-time jobs—two paying part-time jobs, albeit—

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

Ms. Melanie Muirhead: Yes.

I'm struggling to revive my business in a market that's pretty much evaporated. I'm taking advantage of all local resources. I'm very grateful for them: the chamber, Georgian College, a very small business centre. But at the end of the day, I just don't know how to recover from the impact of the pandemic. That's where I'm at. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is The SPACE/Ontario Dance and Performing Arts Studios. Please state your name for the record, and you will have seven minutes for your presentation.

1310

Ms. Linette Doherty: Thank you. I also just want to be able to share a couple of images. Can I share my screen?

The Chair (Mr. Amarjot Sandhu): Sure, you can.

Ms. Linette Doherty: Thank you. I'm just going to set that up for you so that it's ready, and I will begin.

Good afternoon and thank you for the opportunity to speak with you today. My name is Linette Doherty. I'm the owner and artistic director of a dance studio in Toronto called The SPACE, the School of Performing Arts for the Community of East York. I'm here today representing not only myself but also the studio owners of over 550 dance studios across the province of Ontario.

We are asking for rent relief to be extended, for clear messaging that returning to dance classes can be done safely and that should anything happen to cause a return to

stage 2, our studios be allowed to remain open, as many other sports and fitness facilities would be able to do.

As no national or provincial sport organization currently exists for dance studios such as ours, we have developed a plan as a group instead to help facilitate a safe return to dance. Dance studio owners who have committed to Dance Safe guidelines have voluntarily chosen to operate as a self-governing body who agree to abide by the regulations we've set forth in our document, which was submitted to you: Ontario Dance and Performing Arts Studios Workplace Guidelines for COVID-19.

Our studios were mandated closed in March and are just beginning to reopen. We have limited class sizes, invested in signage, purchased equipment to keep our staff and students safe, and scoured the province for cleaning supplies and hand sanitizer. We've hired cleaners and contractors, or spent untold unpaid hours ourselves to prepare our studios for our students to return to dance safely. These extra measures have added to our financial burdens right as government relief and support is ending.

We are not back yet. Many other businesses who were able to remain open right from stage 1 or who were able to return to reopen in stage 2 have had time to build public confidence and pivot to get their businesses back on track. Our dance studios have not had that opportunity. We are struggling.

My landlord initially agreed to rent relief, but by the time the program was actually up and running, I had already paid my rent for April, May and June in full, and was staring down the full rent for July, which was due in less than a week. I received a rent relief cheque from my landlord for April, May and June. Although rent relief has been extended, she has chosen not to participate in the rent relief program anymore, and in fact, will not even discuss rent relief with me.

The way the rent relief program was designed, she can simply refuse to take a 25% loss and force me to pay 100% of my rent on my own instead, which I did for both July and August. I am now once again staring down a rent payment due in less than a week, with little to no revenue. I am trying to hang on and get students back into the studio, but without support, my studio may become another papered-over window on the Danforth, another business unable to survive this pandemic.

But it's actually not COVID that is forcing so many businesses to close; it's greed. My studio could go under because my landlord is sheltered from the financial hardships that have hit so many people in Ontario so hard, and when asked to share even a little in that financial burden, she can simply say no, and the government-funded rent relief program says that's okay.

While I run a small studio, the Canadian Youth Sports Report shows dance as the third most popular activity for youth three to 17 years old, with 625,500 Canadian kids participating in dance. I'm going to share my screen with you now so you can see the image. This report includes ballet as a separate activity, which means the combined numbers of children who dance across Canada is second only to swimming, a whopping 902,800 children across

Canada taking dance classes. With numbers like these, I am sure you know dance families.

This is not just my situation I'm talking about, but a reality for hundreds of dance studios across the province. Our studios employ artists, educators, accompanists, administrators, cleaning staff and more. It is not only studio owners who are facing economic hardship while we work to reopen, but also the thousands of other people who have lost their jobs across the province as we have had to lay off dance teachers, pianists, office managers and other staff.

Supporting art studios and helping us get back on our feet after this prolonged forced closure would provide jobs and financial relief for the many thousands of people employed in dance studios across the province, allow tens of thousands of children to return to an activity that they love and that has positive effects on both their physical and mental health, and would help ease the pressure on families as parents return to work by providing a safe place for children's activities. Many of our schools, with cuts to arts funding and programs, have lost the ability to offer a variety of physical activities such as dance.

Many educators now emphasize STEAM over STEM, recognizing the importance of the arts alongside science, technology, engineering and math. With uncertainty about which programs can be run safely in schools with large numbers of students returning over the next few weeks, parents are looking to after-school dance and other extracurricular activities.

While parents want a return to some type of normalcy for our children, we also want to keep them safe. We are asking for clear messaging from our government that returning to dance is safe. Without that assurance, parents are reluctant to register—

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

Ms. Linette Doherty: —for in-person classes, and also loath to sign their children up for even more screen time with online classes.

Dance is difficult to do at home. Students are dodging furniture or negotiating low ceilings and dancing on surfaces that are less than ideal. Dance studios are large, open rooms ideal for physical distancing. Dancers also don't require shared equipment. With the exception of ballet barres, which are easily wiped down and sanitized after barre work, my students don't share equipment with others.

At The SPACE, we are doing health checks before arrival, limiting personal items brought into the studio and following all federal, provincial and municipal guidelines for masks and social distancing. Here are some pictures to show you how we are making it work. I need to just get this next one up for you—I'm going to continue and then maybe I can go back to the pictures, because I don't want to lose my time.

As children return to school and more and more parents return to their workplaces, we want to remain open should we return to stage 2. Under current regulations, dance studios such as ours will be forced to close again, with disastrous results across the province. While there is the

DanceSport organization, this is a national body for ballroom dance only. It does not include our dance studios, so we would have to close simply because of the style of dance that we teach. If ballroom dancers can have the assurance that they can remain in dance safely, then surely so can ballet dancers, jazz dancers, hip-hop dancers and tap dancers.

In coming together voluntarily to draft these guidelines, studio owners across Ontario—

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

Ms. Linette Doherty: —have proven that we are willing and able to work with each other and the province to ensure the safety of our staff and students. I ask again for the approval of our rules and policies that we've put in place to allow our studios to remain open should a return to stage 2 become necessary, and I ask for your help and support with rent relief so that we can continue to serve our communities. Thank you.

The Chair (Mr. Amarjot Sandhu): I will move to our next presenter, Timmins chamber. Please state your name for the record, and you can get right into your presentation.

Mr. Cameron Grant: Cameron Grant, at Timmins chamber.

Thank you very much. Good afternoon to the Chair and members of the standing committee. My name is Cameron Grant, policy and engagement lead for the Timmins chamber.

Every business right across the province is affected by government legislation, whether it deals with policy, skills, taxation, regulations and the infrastructure that we use. As a result, the decisions made by government are critical for the success of our northern businesses.

As our province moves forward with the economic recovery, we applaud the Ontario government and opposition for their efforts to date in combatting COVID-19. Here in the city of Timmins, we convened the heads of business organizations and elected officials to develop a business recovery and continuity task force, with highly effective outcomes.

We, of course, fully support the province's intention of restarting the provincial economy, restoring jobs and building a healthier and more resilient future for our communities in northern Ontario and throughout the entire province. Northern Ontario offers some distinct opportunities to jump-start economic growth, given the vast natural resources that are largely untapped at this point in our history.

In my time today, I will outline key recommendations drawn from the close consultations we have had with our members in northern Ontario and more specifically in Timmins and the surrounding area.

The impact of COVID-19 has not been felt equally. For instance, given the structural differences and regional disparities across Ontario, the challenges facing entrepreneurs and small businesses in southern Ontario differ from those in northern Ontario. Further, businesses in this sector have been hit harder, like those in accommodations, food services, arts, entertainment and recreation and, finally, retail.

Given the important role SMEs play, ensuring the right policies are in place to help struggling businesses recover from COVID-19 is in the best interests of every community and the province alike. Indeed, containing the spread of COVID-19 is the first step in economic recovery. However, Ontario's entrepreneurs, SMEs and robust ecosystems that support them will play an integral role in helping the province bounce back.

The immediate need to accelerate broadband investment: Of course, broadband is a basic infrastructure requirement in today's economy, but the ongoing pandemic, or at least where we're at now, has made it even more essential to public health and economic resilience. For businesses and workers, particularly those practising physical distancing, connectivity is necessary to ensure that they can remain productive by using digital tools such as video conferencing. Without adequate access, of course, those rural and remote regions in northern Ontario are vulnerable to additional layoffs and business closures.

Together with the private sector, the government must do everything it can to limit the profound impact the crisis will have on Ontario's social and regional disparities. For this portion, we're recommending the following for consideration: fast-tracking the \$150 million in provincial funding that was committed to the broadband and cellular infrastructure program. While this amount is not sufficient to bridge Ontario's digital divide, accelerating investment will help mitigate the immediate impacts of the COVID-19 crisis. Work with the federal government, clearly, to speed up and augment existing broadband investment programs and work with the municipalities to boost existing WiFi hotspots.

1320

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

As governments withdraw short-term emergency funding, we need strong economic growth to generate revenues. Governments should refrain from austerity measures or tax increases that would damage economic growth, of course. Government needs to continue to fund the key determinants to growth—health, education, research and development, broadband and infrastructure.

As we move into the red tape portion of the presentation, as a natural-resource-driven economy here in Timmins—and in most of northern Ontario, for that matter—many of our SMEs are reliant on the health of the industry for their own successes. The single most significant improvement the government can make to red tape would be to appoint a single lead ministry to oversee the mining sector. The Ministry of Energy—MENDM, for

time—is the natural fit to hold responsibility for regulatory oversight and to coordinate the process leading to the issuance of permits for all activities and work carried out for mining projects, operations and closures in Ontario. This is critical to a lot of our manufacturers, who rely on mines for their growth and health.

While the term “one window” is often referenced by governments streamlining changes, there has been no meaningful elimination of regulatory overlap and duplication of work.

I'm just going to jump ahead, being sensitive to time, but as it stands, the permitting process continues—

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

Mr. Cameron Grant: —to take an inordinate amount of time. Ensuring these are done expeditiously will encourage further economic activity in our region.

I just wanted to wrap up my time to tell you about an initiative that is under way here in Timmins. Now, obviously, SMEs are in need of support, and I think my two colleagues who spoke earlier referenced that very well in outlining their challenges. But I hope to tell you of a local initiative that is under way that would need provincial support. Timmins currently boasts four publicly funded school boards, all of whom are faced with outdated workshops, equipment and curriculum. The aging infrastructure is composed of potential health and safety concerns, and dissuades students from enrolling in the programs.

SMEs will need the support of a newly skilled workforce, and as a result, our member, the Bucket Shop, has devised a made-in-Timmins solution to address the outdated programs and aging infrastructure with the development of a privately built centre of excellence to be shared by each school board. Moreover, they would leverage the new facility to expand upon the successful programs to provide an introduction to welding for Indigenous women in the region. They are the fastest-growing population in Canada and need our support. A world-class company that has recently invested in a multi-million dollar world-class facility, the Bucket Shop is prepared to invest in the construction of a centre for excellence for integrated skilled trades in Timmins, built in a geocentric location to the four high schools.

We are recommending that the province develop and implement strategies and initiatives that enhance exposure to the trades at the secondary school level—we have already seen that work slightly under way—and work with Ontario's employer community and post-secondary institutions to determine and promote in-demand skilled trades; develop trade camps for youth in partnerships with secondary schools and local colleges to further enhance exposure to the trades; and provide financial assistance and insurance for employers who take on secondary students on trade-related placements. This will undoubtedly lend to the ongoing success of shovel-ready projects that are on the ground and ready to be built in northern Ontario.

At this point, I want to thank all of the members of the standing committee for your attention and consideration, and best wishes—

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

Mr. Peter Tabuns: Thanks to all the presenters today. I really appreciated your attendance and your communications.

Melanie, if I could start with you: First of all, I am very sorry that you and all the other small businesses are facing such dire circumstances. This is pretty brutal. You were saying that the CECRA program, the federal-provincial rent support program—your landlord was saying that it was too arduous and that they didn't want to participate in it. Was that meant that you're effectively locked out?

Ms. Melanie Muirhead: No, no. I've been paying—oh, I'm unmuted. You can hear me, right?

Mr. Peter Tabuns: I can. You've been locked out of the program.

Ms. Melanie Muirhead: Oh, yes.

Mr. Peter Tabuns: You haven't been evicted; you just don't have support.

Ms. Melanie Muirhead: Correct. No, I don't; you're right. We haven't done an application, so I've continued to pay my rent.

Again, I did go into the application portal and it shocked and scared me, so I understood where she was coming from. There's an issue there, and the fact that it's voluntary—they were scared right away, and it looked arduous, and it had these disclaimers. They manage multiple properties, and so it was just not something that they were wanting to entertain. And they're good people. They really are good people.

Mr. Peter Tabuns: I think this is something that has come up with a lot of small businesses, and Linette, I think you may well have comments on this. If tenants were in a position to apply directly, I think they would be highly motivated to apply. There are a lot of obstacles in terms of paper shuffling that would be eliminated by having the most highly motivated person or party taking part. Thank you. I appreciate that.

Linette, it's good to see you again. I appreciated your presentation. I saw you nodding your head vigorously when Melanie was speaking. The CECRA program, the rent subsidy program—it's pretty critical to have it amended so that it's directly accessible to tenants. I'm assuming that this is a problem throughout the dance studio world, that it's not just you and not just the Danforth, but all over, people are facing this problem. Is that a fair comment?

Ms. Linette Doherty: It is. I am in contact with, as I say, over 550 studios across the province. My studio is small compared to what some people are facing with large warehouse spaces; they are facing massive losses due to their rent. My rent feels expensive for me, as a small studio, but when I look at what some of the numbers are for larger studios, it's staggering. We are bearing this loss completely on our own, because it's entirely up to our landlords whether or not they want to participate. When they're asked to face a 25% cut, in the grand scheme of

things, with everybody across the province facing economic hardship due to COVID-19, that doesn't seem unreasonable. But the way the program is currently designed, they could just say, "I would rather not. I don't want to take a hit of any kind, so you can pay 100% of my rent instead."

Mr. Peter Tabuns: One other issue that you didn't mention, but that I've had small and medium enterprises raise with me, is the extension of the moratorium on commercial evictions. Because if a landlord can evict you, you really don't have much leverage with them around negotiating something around the rent subsidy program. Is that a fair commentary for your situation and that of other studios?

Ms. Linette Doherty: That is fair as well. The whole fact that we don't have something like a Landlord and Tenant Board for commercial property owners and tenants is a separate issue from specifically being related to COVID, but it definitely comes into play here. We have no negotiating power, because our landlords can simply say, "Pay all the rent on your own, or I can lock you out," and we have nothing to come back to them with. Although some may feel, "Well, without a stable tenant, you wouldn't have a business in the first place"—I'm facing this with my landlord, and this is my 16th year as a studio owner. They're just ready to—

Mr. Peter Tabuns: Yes.

Ms. Linette Doherty: —because they can.

Mr. Peter Tabuns: Boy. One other thing I want to touch on in the limited time I have left—

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

Mr. Peter Tabuns: The conditions under which things will be safe in your studio: Could you expand again—what you're suggesting is putting in measures that would be comparable to those that have been supported in gymnasiums and fitness clubs. Sorry, is my understanding correct?

Ms. Linette Doherty: Yes, it is. And, in fact, I think some of the measures that we are taking at studios are going above and beyond what I'm seeing in other places. I am emailing out a health screening form to everybody before they come into the studio. So they already complete that Toronto Public Health screening to say that they don't have any symptoms, that they haven't been out of the province or they haven't been out of the country etc. When they do come in, I am limiting—there's a barrier in my doorway, so students come in one at a time. They wash their hands immediately when they come in to the studio.

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

Ms. Linette Doherty: I have spaces taped out for them so they're always remaining six feet apart from anybody else. I did have some pictures but just got a bit of a weird glitch in getting to it; I'm happy to share them now if that is allowed and okay. But we are spacing everybody out in the studio, staggering dismissal times, staggering arrival times. We're doing everything we can to keep our students safe and our staff safe. So far, the response from parents has been fantastic. They've said, "I'm really impressed with it. I'm really happy with what's happening." But

those are the parents who have been into the studio. There is a lot of hesitation on the part of a lot of people to return to these activities, and without that assurance that it is safe, it's very difficult for us as small business owners to communicate that on our own.

1330

Mr. Peter Tabuns: So who have you talked to in the provincial government to have them review your plan and put out a statement that, in fact, these are the proper and correct health guidelines that need to be in place?

Ms. Linette Doherty: We submitted our workplace guidelines months ago. I first spoke with this standing committee with regard to arts and heritage—

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

We have to move to the independent members now. Any questions from independent members? MPP Schreiner.

Mr. Mike Schreiner: Thank you, Chair. I believe that MPP Coteau is having trouble connecting. I think he was going to ask questions during the first round.

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

Mr. Michael Coteau: Yes, okay. Here I am. I'm just going to use audio right now. Thank you, Mike, for that.

I wanted to say thank you to the three participants. All of your points are so compelling. Not only have we heard your stories and your experiences loud and clear today, these are stories that we keep hearing from different folks.

Linette: In regard to the performing arts sector, during the last week and this week we have heard that same message that we need to get guidelines approved. There are also issues around protection against litigation for folks in athleticism that we keep hearing about. So there is a lot that the provincial government can be doing to ensure that the sector that you're involved in is set up for success as we transition into this new economy.

Melanie, I just wanted to say that I can't even imagine what it would be like to start a new business and, months later, be hit with something so drastic. My question to you is: How long can you keep going? Considering where we are today, the fact that the fall is hitting and weddings—usually, when people decide, between the decision and the actual date, there's usually a long period of time. Even if people started to book today, you probably wouldn't be working with them for at least four, five, six months, minimum. Where do you see your business going from this point forward in regard to the long-term prospect? I'm sure that you've got contracts, you've got obligations yourself. How long will you keep going?

Ms. Melanie Muirhead: Well, that's such a difficult question. I've actually been working with a financial adviser to try to answer that question, because I can continue to bury myself with debt, I'm so passionate about my business and hopefully recovering. But it's my house that I'm giving up, basically, at the end of the day.

I'm guessing by the middle of next year, we'll start seeing that activity again—those engaged couples making purchases, having booked their venues. Right now, nobody is booking anywhere. Some of the venues have

closed for the rest of the year, frankly. So by middle of next year, I think, that market will slowly start to return. How I'm going to make it to that point—again I'm trying to survive. My personal household I'm trying to keep alive on two part-time jobs—and it's debt. It's just debt, debt, debt, and I'm not sure that I've actually even determined when to say when at this point.

Mr. Michael Coteau: Wow.

Ms. Melanie Muirhead: Yes, it's awful. It's going to break my heart. It's going to just destroy me. But I'm not alone and nobody could have been predicted it. I had contingency plans coming out the ears as part of my business plan, but nothing, obviously, satisfactory for this. So I don't know. I'm very, very, very—I want to be optimistic, but I'm really uncertain about my survival.

Mr. Michael Coteau: Well, I know that the provincial government has—I don't think they've done anything for small businesses, at this point, in regard to looking for ways to provide some type of compensation or support. I know the federal government has provided some support, but like you said, there needs to be some reform in that support because it doesn't work for someone like you.

I know, originally, when you had the—is it the T5-based businesses? They made the adjustments, so they hurried that.

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

Mr. Michael Coteau: They made the adjustments and that was good.

But we've not seen anything come out from the provincial government at this point to support businesses like yours. Yes, you have them listening, and they're very proud of the fact that they're listening, but what they need to do is to start acting, and working with small businesses like yours.

To Cameron at the Timmins Chamber of Commerce, you said that you want more support from government, but you don't want to increase taxes. This is going to be a really big challenge for us. I'm not saying increase taxes or decrease taxes. My point to you, as someone who is part of the business sector, is, how do you continue to spend and support and not address tax issues? Would you support increasing taxes on the companies that have actually done well during COVID and make it more specifically aimed at those sectors in order to support some of the sectors that haven't done so well? Would you support that type of taxation policy?

Mr. Cameron Grant: I recognize that there is only one taxpayer, and obviously calling for increases in taxes is not favourable, but we always ask for a measured approach, nothing drastic, nothing out of the ordinary. In Timmins, it's hard to fathom what some—we don't have an Amazon here. We don't have large corporations. We do have the mining companies, which have been extremely good to our communities. They developed half a million dollars in a PPE fund. They took care of us and they did very well. So when I say tax increases, we're just asking for a measured approach before anything is taken out of context or jumping the gun, for lack of a better—

Mr. Michael Coteau: But these are extraordinary times, right? The ordinary doesn't exist anymore when it comes to government expenditures, and that just means that government revenue—

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. We have to move to the government side. MPP Cho.

Mr. Stan Cho: Thank you to all of the presenters for being here today. Being conscious of time, I do want to get to a couple of questions for Mr. Grant, but before we do, I want to express my gratitude to our small business owners for being here today. Running a small business is hard at the best of times. Certainly during a pandemic, it is much, much more difficult to do so. Having grown up in a small business family—still being a small business family—I know how much you're struggling out there. We really appreciate your being here.

I do want to just talk about CECRA for a second, on the rent relief. We're going to work with you, and I mean that, because I think people don't know that, while we are a 40% equity partner with the federal government, meaning we pay for that 40% of the 50% that the government relief provides, the feds hold the key to the program. Since the very beginning in March, when that program was announced, we kept calling to have reforms to that program. We're talking about originally there was talk of differentiating the profit outside of the rent and limiting landlords who own the property from participating in the program. These are changes that we had successfully made to the program.

All of those changes you're calling for, the extension or other changes you've asked for—work with us to lobby the federal government on this, because it is their agency that holds the key to those changes, and it's very important that we determine that. Otherwise, we will not be able to get those changes made. We cannot do it at the provincial level single-handedly, and your efforts and your voice will be very helpful in getting that message across to our partners in Ottawa. So please, if you could, feel free to continue to advocate for that and we will work with you.

To Mr. Grant: I understand that there is no cookie cutter for relief. The province has very much been concentrating on reopening businesses first, and now we can turn our attention to that recovery, because the small businesses out there, frankly, are doing an amazing job. We know that. We haven't had a single spike—knock on wood—in cases since we've reopened. That's really largely thanks to the measures—I think Melanie mentioned a couple and absolutely Linette mentioned a couple of measures that they're taking in their operations to keep people safe. So it's working.

As we turn our attention to the recovery part, you mentioned a couple of really important points that will be crucial as we move forward. One was red tape. You mentioned in the mining sector that there was red tape. The permitting process, I believe, was one of the red tape challenges that you mentioned.

What else, specifically, are we talking about in that sector, recognizing how important that sector is to Timmins's economy?

Mr. Cameron Grant: I mean, Timmins's economy—you raise a very good point. A lot of our mining companies—and natural resources, for that matter—lend heavily to the province's GDP.

We spoke about mine permitting delays, obviously, but shifting over to the forestry industry, finalizing the one-year extension to the Endangered Species Act—critical relating to forest operations and crown forests, of course.

1340

Reinstating those forest road access programs: These are our emergency vein lines in and out of Indigenous communities, who are cut off, in effect, if it's fire season, for example, and this is their only lifeline in and out of their community. That needs to be reinstated back to the \$75 million in funds.

That sounds interesting, but this also transports goods and services to the Indigenous communities, who otherwise would get a fly-in. These goods and services come from local vendors in our region. It's an added cost or a reduced cost, depending on how they get those services in and out of there. The forest road access program is very critical to that P3 model.

Of course, I appreciate the forest sector strategy. Let's get it going.

Mr. Stan Cho: Thank you. And I want to save some time to talk about the workforce challenges that you mentioned. Certainly, I have them even in Willowdale, an urban Toronto neighbourhood where my Uber driver was, for example, a mechanical engineer back in Iran and now is driving around in an Uber. That's certainly not the best use of our skilled labour force.

So tell me what we can do. You mentioned that we are working on it at the provincial level; de-streaming in our education system is one example of that. But what else can we do? Would you be open to something like foreign accreditation? Would that help your sector up in Timmins?

Mr. Cameron Grant: Absolutely. We are already underway for the Rural and Northern Immigration Pilot project at the IRCC level, of course, but skilled trades are going to have to come from somewhere. In the high schools, start younger. Go into the grade schools and start introducing what the skilled trades need.

I sure wish I went to a skilled trades college rather than getting a liberal arts degree, because let me tell you, they're doing very well for themselves.

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

Mr. Cameron Grant: My colleagues here, both Melanie and Linette, they need people to install the PPE; they need people to service their plumbing, their electrical for businesses. Right now, there's a high demand, a high cost. We need to start bolstering the skilled workforce in order to really ensure that those shovel-ready projects can get under way and restart our economy.

Mr. Stan Cho: Thank you very much for that, Mr. Grant.

Maybe turning our attention to Melanie and Linette, I do have an extra soft spot for you, Melanie, because I just got married on Saturday. I know the difficulties that are going on with the vendors in your sector, from hair to makeup, to DJs, to banquet halls. Can you talk about some

of the safety measures that you are able to implement into your business to keep people safe? Linette mentioned a few earlier. Should we be able to more aggressively open the sector?

Ms. Melanie Muirhead: Absolutely. We're taking all of the—with the highest, the most strict measures right now. Obviously, we started wearing masks earlier and right now we have all of our visitors wearing gloves. What I think is the most profound and what's the most difficult for me is the sanitizing of every single garment that has been touched or tried on. I spend hours a day, basically, in a sauna, steaming all of the gowns.

But certainly we're booking one appointment at a time and we're leaving a lot of time between appointments, which I think is really negatively impactful to the business, if it recovers, because we need that level of sanitization between appointments. And it's one appointment at a time; I'd like to book more than one. I have a number of dressing rooms. But absolutely, if we need to take more precautions, and if that's conducive to increasing demand, we'll do anything.

Mr. Stan Cho: We're running out of time, but please continue to send those ideas. We really appreciate it. And I have a feeling your industry is going to be booming very soon. So please stay positive.

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

Mr. Mike Schreiner: Thanks to all three presenters for taking the time to provide such valuable information.

I think maybe I'll just go to Linette at The SPACE, but I also I want to ask you this question as well, Melanie. I was a long-time small business owner, and I know a lot of small business owners have to put in personal guarantees for their commercial lease arrangements, so the commercial eviction oftentimes is more than just a commercial eviction. There also could be significant personal liability at stake here that would affect maybe your own ability to house yourself or continue with your own quality of life in terms of meeting your basic needs.

With that in mind, I'm just wondering, Linette, if you could give us some specific recommendations around how you would like us to push for fixing the commercial rent program, and then related to that is the commercial eviction ban which expires at the end of this month. That's completely provincial jurisdiction, just to be very clear. That was provincial legislation that was passed. Would you like to see the province pass legislation to extend that commercial eviction ban?

Ms. Linette Doherty: Absolutely, because I think if the commercial eviction ban was extended, that is the only card we have as small business owners to say, "I want you to work with me for rent relief." If they can't evict small business owners, then there's more of an incentive for our landlords to want to work with us for rent relief. Without that, they can lock us out at any time. They don't have to participate in the program because it's entirely voluntary.

As you said, those financial hardships are not just on our businesses, they're also on the people who own those businesses. I haven't been able to pay myself from the

studio since March. I am only relying on CERB, and that is running out. I haven't paid my taxes. I will, but the fact that they have extended the timeline to have to pay it, then I'm just leaving this money sitting in my bank account to fork it over to my landlord because I don't want to get locked out.

I've been extending the things that I have to do myself, personally, really to just try to take care of her, which seems ridiculous. It just seems that she is being protected in all of this, but small business owners are not being protected in this. I think extending the commercial eviction moratorium would give her a reason to want to look into commercial rent relief and to want to work with not only me but all of the small business owners across the province who are in similar situations with their landlords.

Mr. Mike Schreiner: Thank you.

Melanie, would you like to add anything additional from your perspective?

Ms. Melanie Muirhead: Yes. I'm in a totally different position. I'm not in an adversarial relationship at all with my landlady and I don't think that the eviction notice moratorium is something that would benefit me or that I want to see extended. I would prefer that we pre-empt that requirement by offering, again, that tenant-based opportunity to apply for the CECRA. I would imagine that if you are being evicted, it is because you have paid nothing. It already sets the stage for a very difficult future with your landlord, and that's not somewhere that I would be prepared to go.

Again, I'm digging myself into debt every time I pay my rent, but my landlady is a small business owner who also relies on rent as her income. It's a Catch-22 either way, right?

Mr. Mike Schreiner: Thanks. I agree that we should have a tenant-driven program, so thanks for that.

Linette, I also want to come back to you on your safe reopening plan. We've had so many dance studios come to committee and talk about this issue. I'm just wondering: Do you feel the guidelines that you've put together—

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

Mr. Mike Schreiner: —will maintain consumer confidence and keep your dancers and their families and your staff safe? This here is an opportunity, especially to the government members on the committee, to really make your case for why you think those guidelines will be effective.

Ms. Linette Doherty: Sure. We have put a number of different things into place, everything from limiting the numbers that come into our studio—I mentioned earlier that I'm doing health screenings for everybody who comes into the studio. We're keeping physical distancing throughout the time that we're in the studio. We are staggering arrival and dismissal times. So we're really limiting the endpoints of contact that students would have with each other, to really eliminate those contact points for COVID-19.

The document that we submitted went into that in greater detail. It talked about taping out spaces in the studio so that it's very clear where your space is so that

you remain apart from other students and other dancers in the studio. We are masked upon coming into the studio. The Toronto mask bylaw currently allows for our students to remove their masks in the middle of physical fitness or activity. But even if that happens, we are, again, maintaining that physical distance so that our students are always kept apart from each other.

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

Ms. Linette Doherty: With the guidelines that we submitted, we're hoping to be allowed to open in stage 2. Right now, as we're open in stage 3, we are hoping to not have to return to stage 2, because there are a number of businesses that—for example, retail stores that have small, little aisles. It's very hard to social distance from anybody else in there, but they will still be open if we go back to stage 2. Gymnastics will still be open if we go back to stage 2. Ballrooms will still be open if we go back to stage 2. But a studio like mine would be forced to close again. That doesn't seem like something we should have to do in the interest of public health if our guidelines were accepted and we would be allowed—

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

1350

We'll move to the government side now, for their second round: MPP Calandra.

Hon. Paul Calandra: Just a couple of questions: Obviously, we're hearing both Linette and Melanie—some very challenging situations that you're both feeling. Melanie, the timing obviously couldn't have been worse for you, to start. But that doesn't mean you're going to fight any less to try to make it a success, and I appreciate that.

Look, on rent relief, I think when we decided to halt commercial evictions, we obviously saw an increase in the amount of landlords who participated in that program. But we're not seeing the federal government making a decision to extend that program at this point. One of the things that we decided very early on is that, in co-operating with our federal and municipal partners, we would handle health care, and they would handle supports to small businesses or transfers to individuals. I think that has worked very, very well for the people of the province, because the results have been spectacular. I'll get back to you in a second, Melanie.

Linette, I just wanted to ask you something on something that Mr. Coteau brought up, and I think it might fall in line with what you're talking about with stage 2, protection against litigation. I want to learn a little bit more about that, in particular since you're asking for the government to overrule or override a decision of the Chief Medical Officer of Health when it comes to if should we go back into a stage 2. So a couple of questions: Would your insurance cover you if we overrode the Chief Medical Officer of Health and allowed you to stay open should the province go back into stage 2? Would protection against litigation be something that you would be requiring from the government to do something like that? Could you just give me your thoughts on that?

Ms. Linette Doherty: Sure. I think the best way for me to address it is to say that I'm certainly not asking anybody to overrule public health guidelines. What I'm asking for is for our dance studios to receive the same consideration that ballroom dance studios have. If there is no greater risk to a ballroom dancer being in the studio, I don't know why that also wouldn't apply to ballet dancers or tap dancers. So I'm not asking for our studios to receive consideration that another studio is not receiving; I'm simply asking for our studios to be given the same consideration as other sports and other dance forms would have to be able to return to stage 2. I'm just asking for our studios to be able to return as well. So I certainly don't want to override anything that's in the interest of public health. I'm just asking for our studios to be able to open in stage 2 along with the other dance studios that—

Hon. Paul Calandra: I appreciate that. But in making this decision, the government has been very clear right from the beginning that we would be following the advice of the Chief Medical Officer of Health and the local medical officers of health. We were very hesitant and we have been completely unwilling to override the decisions that they have made on that.

So you're not asking for protection against litigation. That's not something that you or your industry is asking as a condition of opening up or going back or protections into stage 2, and that's not something that you're specifically asking for.

Ms. Linette Doherty: I have not heard that from any of the other studio owners I've been speaking with. That's not something that's being raised. We're just asking that we can open again in stage 2 the same way that others can. In terms of what our local public health boards are saying, there's a lot of confusion. We're getting studio owners from across the province saying, "Oh, I was told we could do this." "Oh, I was told we could do that." "I reached out to Vic Fedeli's office. I got this response back."

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

Ms. Linette Doherty: When I get a bylaw officer, my response can't be, "Well, here's a Facebook screenshot of an email that another studio owner got from a different government official in another part of the province." It doesn't make any sense. We need guidelines to be clear and the messaging to be clear.

Hon. Paul Calandra: Yes, you've really hit the nail on the head on something. One of the things we're hearing a lot in these hearings has been the differences between different regions with respect to decisions made by the medical officers of health and that coming from the provincial medical officer of health or the federal medical officer of health and how that impacts businesses. I appreciate you bringing that up.

Look, on rent relief I'll just say this: I've met with a number of small-time landlords who still have to pay their mortgages; their property taxes may be delayed, but they're still having to pay those property taxes. They are struggling just as much as the small business people are struggling. It is something we're going to have to work on together. I know neither of you are saying that your landlords are difficult or unappreciative of what you're trying

to do, but I think that we also have to think that, by and large, a lot of them are small business people who are struggling just as much as you are.

Cameron, I would say this: The mining sector in northern Ontario is going to be extraordinarily important. Mr. Coteau says these aren't ordinary times and normal does not exist; I would suggest that, as far as Mr. Coteau is concerned, it does, because the first thing he said was how we can increase taxes to people who are making money on this.

I won't belabour that so much as to ask you if you would provide the committee very, very specific items on red tape reduction, just given how important your sector, the mining sector, is and how important the north will be to the economic recovery of this province going forward. I wonder if I could ask you one question, though, Cameron, and I should have researched this before you came online: How has COVID impacted your community in terms of number of cases that you have had? Do you know that—

Mr. Cameron Grant: Seventy-six.

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

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

Mr. Chris Glover: Thank you to all of the speakers today.

I just want to give you a summary. I've been sitting in on committee meeting hearings for the last two months. I'll give you a brief summary of what I've heard from different sectors, and particularly from small businesses. I have heard in different sectors in different regions of the province that 30% to 70% of small businesses are at risk of going bankrupt and that the commercial rent relief program has not been working because it is distributed through landlords and the landlords are not taking it up. We have known that for three months, and there still hasn't been any action on it from the government. We've been clearly asked that the government—this government—extend the eviction ban for commercial businesses, because that will put some pressure on landlords to accept the commercial rent relief.

What I've also been hearing is that banks, insurance companies and government all need to share some of the burden of the cost of the pandemic. But all three of these—banks, insurance companies and government—are downloading the burden, or the majority of the burden, onto small businesses. The banks: There are a few examples where they've given some mortgage relief, but very few. I've heard a couple of examples where some insurance companies have given some relief, but very few. They're still demanding their money from these small businesses.

And the government here, this government, we've heard again and again, needs to clarify and simplify the programs that they're offering. They need to provide financial aid. They need to continue the moratorium. They've also issued tax deferrals on property tax, income tax and health tax. But what they have done, by legislation, is asked small businesses to close, while at the same time demanding for that period while you're closed that you still are accruing these tax burdens.

What I'm hearing from small businesses is that that's just adding—between the mortgages, the insurance costs and the taxes that are mounting, there's just this mountain of debt that is pushing more and more small businesses into bankruptcy. My big concern is that if the government doesn't step up and support small businesses, then we are going to have a catastrophic failure of small business across this province, and 70% of jobs in the country come from small businesses.

That summary: Is it fair? Is there something I'm missing or something that I've gotten wrong or that you would like to add on to it?

I'll start with Melanie. Would you like to comment first?

Ms. Melanie Muirhead: Just speaking to the fact that there is no funding available to new businesses, so I can't even access a loan—not that I want to take on any more debt. I would love to have a partially forgivable loan.

But the other point about bankruptcy is that somebody like me—and one of you mentioned it. If my corporation goes bankrupt, that's one thing, but it's all personal debt, so I will lose my home. There is a secondary effect to that. It's not just my business closing, but me being homeless—I hope not; I don't even want to say that word. But that's the reality, right?

Mr. Chris Glover: Yes. Okay, thank you.

I'll go to Linette: Would you comment?

Ms. Linette Doherty: Yes. I think in my situation, and from speaking with other dance studio owners, the numbers that you're talking about are huge: the number of businesses that are facing closure, bankruptcy and personal bankruptcy for the owners of the businesses. I haven't done all the research to say those numbers are definitely accurate for dance studio owners, but I already know studios that have closed. We're all rooting for each other; it's not a competition thing. I can't take on everybody else's students if they close, and they can't take on mine if I close. We want to be able to recover, but we need support.

Mr. Chris Glover: Right. If you were to give, just from the studios that you've spoken to, what percentage are at risk of bankruptcy at this point?

Ms. Linette Doherty: I'm going to guess and say at least half of us if we don't get support, because we're just starting to come back for September. We really don't know what our numbers are going to be like, but we're anticipating most studios at a 40% to 50% drop in revenue and in students coming there.

Mr. Chris Glover: Thank you for that.

Cameron, I would like you to comment on what I just said, but I also want to add one more thing—

Interruption.

The Chair (Mr. Amarjot Sandhu): There is some issue at the Legislature, so we have to recess for a few minutes.

The committee recessed from 1403 to 1417.

The Chair (Mr. Amarjot Sandhu): Good afternoon, and welcome back. We apologize for the inconvenience. We were on questions from the opposition, and we were with MPP Glover. MPP Glover, you have two minutes.

Mr. Chris Glover: Just to let everybody know—I don't know what you heard—but it was a false alarm. There wasn't a shooter in the building, so everything is okay.

I want to thank the staff here at the Legislature, because they have a protocol in place, and I want to thank my colleagues. MPP Cho got up and locked the door for us. So thank you, everybody, for making sure that everyone is safe and that we're following the proper procedures here.

Just before we were interrupted there, I was asking Cameron to respond to the comments that I had made earlier. But I'm hearing loud and clear what you're saying about skilled trades. There's just a desperate shortage of skilled trades across the province. I'm from Oshawa. Everybody in my family worked at General Motors. My father is a tool and die maker. The other side of my family are all construction workers. It's a desperate shortage. You can respond to what I commented on before or talk some more about the desperate need for skilled trades, and I'm very interested in learning more about the Bucket Shop that you've got going.

Mr. Cameron Grant: I'm happy to share. Just on the comments, I think you've summed it up quite well. The Ontario chamber is actively working towards some of those solutions; specifically, identifying cities that have success stories. They exist; they're out there. There are cities that are winning right now. In Timmins, in particular, Newmont's Porcupine, a large mining operation, donated just close to a quarter of a million dollars for a PPE fund administered by this chamber, which we were able to provide to small businesses in small, \$10,000 microloans and professional service funds. There are stories in this province that exist and that can be applied to other areas in the region, so I highly suggest that you reach out and find those success stories.

On the topic of skilled trades, the Bucket Shop is an excellent partner of small-grown here in Timmins and has grown to be a world-class facility.

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

MS. KARLA BRIONES

TECHALLIANCE

CROWN GROUP OF HOTELS

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

Ms. Karla Briones: Good afternoon, everybody. My name is Karla Briones, and I'm a proud immigrant entrepreneur in Ottawa. Until this past March, I was living the Canadian dream. Through hard work and the support of my family, I have been able to build four successful businesses: two in the retail pet stores department, a restaurant and, most recently, a consulting business. Over

the past 13 years, our businesses have employed around 500 people, and we've paid hundreds of thousands of dollars in corporate tax, EI and CPP contributions on behalf of our employees. We have remitted a similar if not bigger amount in HST.

But this is truly nothing special. We're just like thousands of entrepreneurs who have done the same thing year after year—that is, until March 2020. I'm here to speak on behalf of these tens of thousands of entrepreneurs who are on the verge of losing everything they have worked to build because they can't pay their rent.

First, I would like to express my gratitude to the government for the quick implementation of the CEBA loan program. My goodness, three of my businesses were able to take advantage of this. It was a cash flow lifeline, for sure. The downside of this program, however, is that we are now \$90,000 in debt at best, or \$120,000 at worst. That's on top of our regular business loans.

Second, I would like to acknowledge the wage subsidy program. This has definitely allowed us to keep our key staff employed, and we have actually chosen to use some of this money as COVID top-up compensation to our staff. Unlike other larger retailers, this wage top-up is actually still in place in our operations. However, the downside of this program is that wages are a variable cost. As sales shrunk, so did our need for labour.

Unfortunately, none of my businesses were eligible for the rent relief program because none of them fell below the arbitrary threshold of a reduction of 70% in sales. For one of my businesses, I actually missed it by only a few points.

I would like to tell you about one of these businesses in particular. I opened a Freshii restaurant in 2016. Like many immigrants, I asked my family to invest in the business. My parents had recently sold their veterinary practice and chose to invest some of their retirement nest egg with me. Little by little, I built up a successful business. Actually, 2020 was shaping up to be the best year of our existence, and—you can tell what's after—then COVID.

Like many other entrepreneurs, we hustled and pivoted almost to the extent of doing pirouettes on an hourly basis, or at least that's what it felt like. We decided not to close. We got creative. We delivered groceries. We sold via companies like Uber, even though they take 25% to 30% off the top. The pivot I am actually most proud of is the Feed the Frontline program that we launched. This is where people could buy meals for front-line workers. In the end, we delivered about 3,000 meals to doctors and nurses in four Ottawa hospitals. It was so successful that the Freshii head office in Toronto decided to roll out our initiative across North America. In total, we were able to feed close to 100,000 doctors and nurses, including in the US.

However, when the rent relief program was announced, we discovered that all of our efforts to pivot, excuse the term, bit us in the behind. Our sales had dropped by 60%; therefore, we were not eligible.

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

Ms. Karla Briones: According to Industry Canada, small businesses and small restaurants in the restaurant industry usually pay anywhere between 8% to 12% of revenue in rent. As you are all aware, rent is a fixed cost, so if revenue decreases by 40%, rent would jump to close to 20% of revenue, which is unsustainable. In my case, it jumped to 33% of revenue.

Life as an entrepreneur is great, and Canada is an amazing place to do business, but it is very risky because we lack the regular safety nets of other Canadians, such as EI and WSIB. And regarding today's topic, most commercial leases require a personal guarantee. I know of entrepreneurs who, unfortunately, have chosen to take their own lives in the hope that insurance will shield their families from bankruptcy.

If my restaurant fails, it will have a domino effect. It will affect my parents, it will affect my other businesses, it will affect my employees, it will affect my community. I fear I could lose my house. Honestly, it's really hard to sleep at night.

We don't dispute the need for the lockdown. It saved lives. But on behalf of small business owners, I'm begging you to ensure that the economic cost of those lives saved be borne equitably across Canadian society, because Canadian society demanded that we stop operating at full capacity, but at the same time, Canadian law is obliging us to meet financial commitments that could only be met by operating at full capacity. There's a feeling among entrepreneurs that the rent relief program is unfair.

I'm just going to get you through a thought exercise here with me: What if the government told you that you could only use half of your house but you still had to pay the mortgage on the full amount? Is that fair? That's our reality.

We have done what we can to negotiate with our landlord. Rent has been deferred, but eventually we will have to pay our arrears in full. That combined with the \$40,000 loan program—

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

Ms. Karla Briones: —we are getting deeper and deeper into debt. We ask for three things:

(1) a tiered rent relief program based on a sliding scale versus an arbitrary amount;

(2) protection for personal guarantees—this is what keeps us awake at night or this is what makes people jump off bridges; and

(3) the bankruptcy mitigation program, guaranteed by the government, so that those facing this reality can breathe easy and actually stay alive.

Businesses are dying and many more like mine are on life support. As an immigrant, I gave up my previous life and my country for a new one in Canada. I don't want to give up my life as an entrepreneur, but I need your help. Thank you.

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

Ms. Christina Fox: Good afternoon to the members of the committee, and thank you for allowing me to present to you today. I'm Christina Fox, the chief executive officer of TechAlliance of southwestern Ontario, a place for dreamers, innovators and world-changing ideas. Today, I'm representing some of Ontario's most promising technology start-ups and fastest-growing companies.

As the province of Ontario's regional innovation centre for London and southwestern Ontario, we're focused on building tomorrow's globally competitive innovation economy that enables entrepreneurship, spurs accelerated growth and attracts ambitious tech talent and new companies. Through our advisory services, our accelerator and tech community experiences, we're committed to founders and companies of all sizes who are launching, scaling and competing globally. We are founder-focused, supporting investor readiness, access to capital, access to customers and access to vital talent.

We are the regional innovation centre with the largest geographic footprint in all of the Ontario RICs, spanning across five counties, from Lake Erie to Lake Huron, and headquartered in London, Ontario, Canada's eleventh-largest city. When you think of Canada's innovation corridor, include us, as southwestern Ontario is the GTA's strongest bilateral partner, at \$23 billion flowing between us each year, and TechAlliance is home to one of Ontario's cross-border gateways to the United States.

Our region's innovation economy is globally impactful, with organically grown successes like Voices, FreePoint Technologies, Digital Extremes and Big Blue Bubble. Race Roster, Autodata Solutions and InnoSoft have paved the way for the next generation of companies like Mobials, ODEA, Orca Intelligence, DIBZ, Motif Labs, EXAR Studios and others who competitively rank well on prestigious lists like the Report on Business of Canada's Top Growing Companies.

Together with collaborative public and private partnerships across southwestern Ontario, through the pandemic we have empowered a vibrant, diverse community of innovators with compelling stories, some stories of resiliency and some stories of loss. In setting the stage, consider this: The speed and depth of change with a new wave of platforms and technologies are set to transform how we drive or don't drive, how we invest our money and diagnose our health. Commerce is conducted increasingly by algorithm and online, and huge data sets are spawning new industries.

Technology is ubiquitous. Made-in-Ontario tech operates in farming, tech operates in energy, tech operates in mining and manufacturing, and tech operates in small and medium-sized businesses that drive 40% of the GDP in Canada. Incidentally, we're proud to be delivering Digital Main Street future-proofing, enabling and empowering contemporary main street businesses funded by you.

All of these changes have unleashed a wicked innovation race within cities, provinces and countries positioning for economic prosperity post-pandemic. For the London tech entrepreneur with a breakthrough idea, the challenge is to navigate this dynamic terrain and turn that spark into

commercialized IP and a profitable company with job creation. At TechAlliance, we are best positioned for the dreamers, the innovators and their world-changing ideas to help technology entrepreneurs start and scale their businesses and overcome business hurdles in this shifting, agile environment.

1430

I've had the great privilege of becoming the CEO of TechAlliance in the last 11 months and have been implementing change with a new organization, as well as in art communities, where there is a true bench strength of diverse technical verticals. We are bold; we have wild ambition, even during the pandemic. We'll be at the table with the government to solve challenges, to create prosperity, to compete for capital and talent, to have economic and societal impact and to share Ontario's competitive story.

Ontario innovators are looking to see a strong road map. So as the government prepares to rebuild the strategy post-pandemic, co-designed and rooted in consultation with innovative companies at all stages of business, in all parts of the province and down the southwestern Ontario innovation corridor, today I have a couple of recommendations.

First, keep investing in the pre-revenue and early start-up companies. If we leave them behind, that would leave the people who have put everything on the line for their venture to succeed.

Continue to invest in the dreamers—perhaps not the ones who still have an idea on a dinner napkin, but those who have shifted from ideation to early stages of scale. With the support of Ontario's collaborative and orchestrated ecosystem, they can move from pre-revenue to cash flow positive. Without a fluid and rich pipeline of start-up founders, coupled with a focus on Canada's fast-growing and scaling companies, we will not realize prosperity.

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

Ms. Christina Fox: Made in Ontario and informed by Ontario founders, a modern policy strategy will bolster employment, stimulate growth and retain and attract talent.

As the government considers how ambitious they might be, consider us your partner, moving Ontario to a state that has more promise than ever before through the start-ups we represent today and the scaling companies with annual recurring revenue in the millions. Think of it like a traditional sales pipeline: You need a lot of prospects to convert a sale, and you need a lot of sales to create a unicorn.

Canada's darling companies, like Spotify, were nurtured, supported and invested in before they became who they are. If it takes 5,000 companies to produce a Goliath, we cannot stop nurturing them now. They may want to commercialize the IP; they do want to become profitable companies with good-paying jobs that actually change the world.

Through this, I ask you to invest more in regional innovation centres that maybe haven't always been on the radar, which have exceptional promise to swing the odds in favour of early-stage start-ups. And in this, we cannot

forget the foundational need for capital for growing companies. Provide us with capital so we can seed the companies that are bootstrapping, overcoming hurdles and soaring.

The second recommendation today is the collision of tech and talent, and the future of work. As we expand our mandate to be more engaged in upskilling, governments of all levels must come together with corporate, academia and innovation centres to continue to nurture our domestic talent; to address roles at risk of automation; and to create opportunities for traditionally underrepresented Ontarians in technology, like women and Indigenous peoples, to participate in the innovation economy, where there is a financial benefit because of the existing higher average of wages.

International and cross-border has garnered even more interest recently. We ask you to continue to focus on attracting international students and employees to enhance our tech pool, while promoting our vibrant technology sector.

As job loss happens and as we saw in 2008, people in transition look at different options. History shows us we will see an increase in small and medium-sized enterprises that, in order to thrive, will seek support from regional innovation centres. We are resilient, and it's important to get people back to work. Upskill talent and give them the options to chart their own future.

We also ask that you increase funding focused on preparing Ontarians for the jobs in our sector. With world-class talent, we will attract world-class capital for organically grown, world-class companies. The province has invested in our vital role as a regional innovation centre and—

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

Ms. Christina Fox: —we maximize that investment and steward it carefully to create jobs and support the generation of revenue and capital raised.

Chair, I will conclude my remarks and welcome any questions.

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

Our next presenter is the Crown Group of Hotels. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Sameer Sharma: Sameer Sharma.

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

Mr. Sameer Sharma: Thank you so much to the committee members and all of the members of the Legislative Assembly and the Parliament for listening to us today. I represent the hospitality industry, which is hotels, restaurants, motels and resorts.

The hotel industry has been devastated by the pandemic. We've been hit first, hit hard and we will probably take the longest to recover.

The hotel industry represents around 8,000 hotels, motels and restaurants in Canada—which primarily, by the way, are family-owned businesses, small to medium. We employ more than 300,000 Canadians and we contribute about \$10 billion to all three levels of government.

The impacts of the pandemic have left an impact that will take probably around four to five years to recover from. We need assistance on a few things that will help us get through these tough times. We need assistance on property tax. We need assistance on insurance. We need assistance on loan deferrals, specific to our industry.

Our revenues have been impacted in the range of 70% to 95% since March. These numbers are not sustainable, and it's unfortunate that most of these are due to travel restrictions and government restrictions that we have no role to play in. We want to assist with public safety; that's why we've increased sanitization and cleanliness in all of our properties. But it's very difficult to operate with a limited capacity where our obligations for liabilities are full.

Our insurance rates are rising 20% to 40% per year. It's unfair and difficult for us to pay these with such a reduction in revenues. Property tax for us is calculated primarily on income, and of that, we have none this year. So it's difficult to pay property tax, which is calculated on past performance, of good times, and today, we're not able to make those same numbers to be able to pay our property taxes. We were offered a property tax deferral by some of the cities that we operate in. However, the unfortunate circumstance is that, two to three or four months later, you still owe that money. So how do you pay that money when we were shut down by the government? It is for public safety, which we understand; however, we need your assistance to perhaps speak with MPAC or the government or the cities to assist us in actually subsidizing or reducing the deferrals.

The wage subsidy has not only been helpful, it has actually been a lifeline for us. That's the only thing that has kept our employees employed, and that's the only thing that has kept us alive so far. That's one of the only reasons that we haven't had as many bankruptcies in Canada so far. But as of the latest announcement, as of September, the wage subsidy starts to tier its way down till December, which will force us to cut ties with a lot of the employees that we deal with and lot of the employees who have been here for 10, 20, 30, 40 years with us. It's unfortunate that likely we will have to meet ESA—Employment Standards Act—guidelines to take care of all employees during these tough times, and it's unfortunate that we will likely rehire them back in eight to 10 months or 12 months, as soon as this pandemic goes away or the economy gets better. These are liabilities that we would request some assistance from the government on because the standards that were designed to protect the employees were meant for during normal times.

The Business Credit Availability Program that was designed to give liquidity to the hotels and businesses that are hardest hit is a fantastic program. The unfortunate piece is that the guidelines were very vague, and it was left to the banks and the mortgage holders to determine how they would like to deploy it and if they would like to deploy it. It's unfortunate that only 6% of hotels have had a success rate with this BCAP program, which doesn't provide us liquidity, with what is intended by the

government to assist, but because they're not closely monitoring this, it's difficult for us to meet our debt obligations. Some of the banks have decided to go with this Business Credit Availability Program, some have not decided not to go with the program. Some are choosing to do deferrals, some are choosing not to do deferrals. So it's difficult to pay mortgages, again, based on income that was from previous times and not today.

In conclusion, I'd like to say that our future is in your hands. The government will be making life-and-death decisions for many of our hotels. We hope that you recognize that not every sector is alike, and you give us industry-specific assistance. It is time to transition into structure-specific support, which could be in the form of CEWS, which would be the Canada Emergency Wage Subsidy—if you could extend that 75% all the way to December for the hardest-hit industries. If you could actually mandate the Business Credit Availability Program a little bit further to ensure that the banks do take cognizance of the assistance that the government intends to do and not let the banks, at their discretion, decide to give the funds or not. And finally, for industry-specific help, whether it's property tax insurance—there are many things that are specific to our industry that are getting clumped in together that aren't assisting us as well as it's intended to.

Thank you for your time today. We look forward to good times together.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now. We'll start the first round of questions with the government. MPP Smith. 1440

Mr. Dave Smith: I'm going to start with Christina. One of the things that we've heard so far in this committee has been about IP and some of the difficulties that Ontario start-ups have with it. One gentleman actually said that he believed that IP was going to become the currency of the future and that intellectual property was going to be more valuable than anything else. One of the challenges we face that I see—and I came from the software industry before getting into politics—a lot of small start-up companies are already looking for their exit and the big payout when they exit. How do we convert a lot of these great concepts, a lot of these really good ideas that are coming out? As they go from start-up to becoming somewhat commercialized, they're looking for the exit on the big sale. How do we convert them to be looking at becoming enterprises and not look to sell out to a major multinational company who is trying to buy a client base or who is looking to purchase their IP to enhance themselves, and then we lose that IP from Ontario to some other jurisdiction?

Ms. Christina Fox: That's a really good question. I think considering IP and the scenario that you've shared is a step in the right direction and a question that could and should be asked. For our organization and the advisers that work primarily with our early stage companies and some scaling companies, we don't often find that the entrepreneur comes in with an idea to say, "I want to build an IP so I that can sell it for a large exit." I'm sure you know,

having been in the industry, that often we have wild ideas that come through that front door and they're thinking about how they're producing a product that has a life-changing opportunity, whether that be in ad tech, med tech or wherever. It's not often that they're thinking, "How do I build a company so that I can have that exit?" Of course, in that journey, that does happen, and we see that across Canada.

As we think about our opportunity and whether or not we're going to amend Canadian IP regulations or how we will engage with the government of Ontario to be looking at the kinds of supports that are provided—so then offering some of that early stage advice about, first of all, looking at your intellectual property and whether or not you need trademarks or patents or the like, and then having that coaching of what it means to scale a company to become that unicorn or Goliath and what it means to stay in Canada.

Taking it back to the talent pipeline, as we see companies grow, as we see the investment made in talent, there's that opportunity as those companies grow and they employ the numbers of employees that they have—there could be a shift. In Canada, we need to have a few stay, and that becomes, then, the role model for others. I do see some of that shift, if some of those companies are growing really well, and then some of them do leave, as you mentioned. I think there's an ongoing conversation here and an opportunity to have a contemporary strategy for what it means to engage and educate early stage founders in the opportunity to exit or the opportunity to really grow that company and become that tech Canadian darling.

Mr. Dave Smith: I lived through the dotcom burst, where the business plan was basically, "Get a product to concept, get a whole bunch of venture capital, buy a Porsche and then declare bankruptcy." That seemed to be the model for a lot of start-up companies 20 years ago.

Here locally in Peterborough, we had a company that was integral in online delivery of education, a great company. It grew to about 55 employees. It sold out to OpenText. Eighteen months later, they're gone. OpenText was really just looking for the client base. It didn't even use the technology. The software company that I worked for prior to getting into politics has actually just recently sold as well, to a US company. Same thing: They're looking for the client base. I see that a lot in tech companies. I do firmly believe that we need to be investing in them.

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

Mr. Dave Smith: But we also need to find a way to convert that to long-term Ontario success, and therein lies the challenge that I see.

I was touring a company in Sudbury about two weeks ago, maybe three weeks ago now, Flosionics Medical. They are producing a product that's in the conceptual stage right now. It would check your heart rate and your pulse and so on through iOS. It's a small device that would be attached onto your neck, and you could monitor somebody's vital signs with your cellphone—a great concept on it, and there are so many opportunities that that would

open up for us on the medical side. The challenge that I see, obviously, on that one is Health Canada approval and then making sure that they don't get bought by that large US company or that large German company that is dominant in that type of market.

Chair, how much time is left?

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

Mr. Dave Smith: Sameer, I'm going to jump to you, if you don't mind, for one quick second. We're taxed with foreign travellers. If you look outside of Ontario right now, the states that border on Ontario, we're looking at somewhere around 10,000 infections a week. How do we open up the tourism industry and get people into your hotels safely, if that's the problem we're facing outside of Ontario?

Mr. Sameer Sharma: I'll be quick. We are able to sanitize our locations and up our cleanliness to ensure that anybody entering our buildings and restaurants is safe to do so, and it is safe for them in their room or whether it's public space or gatherings. What we use to assist us is a financial model, which can be done by the government, which is with the assistance of liquidity that works for us at this time. We understand that sales may not come back up and that is not something that the government has control over, and public safety is first. However, what you can assist us with is our expenses, and our expenses can be mortgage deferrals, can be liquidity that works to pay property tax and insurance.

Mr. Dave Smith: Giving you money is going to help you in the short term, but how do you do it in the long term?

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

We'll go to the opposition now: MPP Harden.

Mr. Joel Harden: I want to thank all the presenters this afternoon. In particular, I want to thank Ms. Briones. Thank you. As the son myself of a small business owner whose family were immigrants not long before him, I just want to thank you for the courage. I've heard about you and I admire the work you've been trying to do in our city. I'm struck by something you said, though. It's something I have heard anecdotally. But you said that crucial help for mom-and-pop shops, for small entrepreneurs—particularly immigrant entrepreneurs—will keep people from jumping off bridges. Can you elaborate on that, given some of the first-hand experience you know, working with people?

Ms. Karla Briones: Yes. That is our number one thing. We come to Canada with everything, and we invest every single cent into a home, our kids' educations and our business. And if we have personal guarantees, it's very hard to sleep at night, because all of a sudden everything that we've worked so hard for and that we gave up in our countries is at stake. Having a personal guarantee on a business loan, on rent, on a lease—at the end of the day, when you have a corporation but you have a personal guarantee on a lease, on a business lease, the corporation is worth zero, because everybody is going to get paid before, and they're going to take your home. So as an

immigrant, you're putting everything on the line, and when you thought that you've already put everything on the line by leaving your country, war zone or not, and then having to live this reality where you're about to lose it again, it's a tough pill to swallow, and that's what makes people jump off bridges.

Mr. Joel Harden: Okay. Wow. Thank you for putting it in the starkest terms needed right now, for this moment, to get our attention. I appreciate it. Again, I salute you for your courage.

I just want to explore this a bit further. Personal guarantees within the credit union sector are governed by the province of Ontario. Personal guarantees in the financial sector from federally chartered banks are governed by federal jurisdiction. You're in front of a committee of the Ontario Legislature. My colleagues who are in the government who are here have the power to make interventions within the credit union sector. But they also, I would invite you to consider, have the power to make interventions in the insurance industry as well. What kind of specific help do you need in a moment like this, and other entrepreneurs and entrepreneurs in general? Can you elaborate on some of that for my friends here?

Ms. Karla Briones: Yes. In terms of the personal guarantees and what the government could do to help us would be to create some sort of government-protected funding program where the government could pay for whatever it is that we're needing them to pay for, but then we pay the government back instead of paying, for example, our bank loans, which have a term loan of 10 years, and let's say, if we have to close our business, we are still liable for that amount. Instead of declaring bankruptcy, if there is a way that we can create a government-protected long-term loan so that it protects us from going bankrupt, so instead of having to pay that loan right away, or giving up our home in order to pay that loan, if the government can create a long-term loan for us so that we can actually pay for it over 20 years and not have to declare bankruptcy.

Mr. Joel Harden: Again, just exploring this insurance angle a bit, because this is something that our colleagues in government can control—and I take your point about the ability of a provincial emergency system to help folks in your situation with personal loans. Do you currently pay for business cessation insurance and have you tried to access it from your insurance company?

1450

Ms. Karla Briones: Yes, but cause majeure is usually the clause that they hide behind. It really doesn't help at all, because it's cause majeure, and that's what they are hiding under.

Mr. Joel Harden: So in the worst possible moment for you and for anybody in a start-up or somebody trying to innovate and be entrepreneurial—

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

Mr. Joel Harden: —the insurance you've paid for is not available for you. How does that make you feel? What message do you have for the insurance industry?

Ms. Karla Briones: I have a message that I'm wasting my money. What is it good for? I had to close my doors for a certain amount of time or I had to reduce my operations, yet I'm still paying 100% of my insurance but getting 0% of the benefits. It is unfair and it needs to be disrupted. Somehow it needs to be revised. It's just not fair.

Mr. Joel Harden: I hear you, I hear you.

Chair, I just want to say, through you, my colleague MPP Kernaghan will be having our second round of questions.

Then just lastly, Ms. Briones, again your reputation precedes you in this moment. You're clearly under significant duress; I respect that and I see that. Do you have any advice, because this proceeding is being recorded, for any other small entrepreneur watching this right now? Given what you're going through, do you have any advice for them about what they can do to advocate for themselves?

Ms. Karla Briones: They can talk. They can speak up. Particularly for immigrant entrepreneurs, we're coming from countries where we're not used to the government helping us and actually being on our side. We don't really realize that speaking up is actually going to work for us and not against us. Any immigrant entrepreneur out there, I really encourage them and plead them to talk and speak up. Talk to your MPs. Get involved, because your voice does matter here in Canada.

Mr. Joel Harden: Absolutely. I couldn't agree more. I'll just offer up as well, for folks watching this from Ottawa: Our website is www.joelharden.ca. Please get in touch with me if you want to work with myself, Ms. Briones or anybody in our city trying to demand better.

Ms. Briones, again, thank you for standing up and speaking out today, as difficult as it may be.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. We're out of time, MPP Kernaghan. We'll come back to you in the second round.

Independent members? MPP Schreiner.

Mr. Mike Schreiner: Thank you, Chair. I believe MPP Coteau wanted to go in the first round, but I just don't think you can see his video.

Mr. Michael Coteau: Thank you so much, Mike.

Mr. Chair, before we go any further, I just want to say thank you so much. I've been part of these proceedings for the last two weeks, and I just want to say you've done an excellent job of guiding us through this process, listening to these incredible, remarkable stories, stories of resilience—and they're very inspirational. In fact, Karla, your story about your perseverance and strength, it's just so remarkable to hear such a true Canadian success story, so thank you so much. And to the rest of the folks, great job.

In the last round, Mr. Calandra, the member from Markham–Stouffville, said that there is almost like a historic agreement between the federal government and the provincial government. I think his words were, "We'll focus on health, and the feds can focus on business," which caught me a bit off guard, considering the current provincial government prides itself on being such a strong

advocate for businesses. I hope that's not the case, because, like we've heard in these proceedings, there is a lot the provincial government can do to help businesses, like look at legislation and regulations and directives through ministries, but also looking at providing some funding.

The government House leader gave me the impression that they're not in the business of funding small businesses to move forward. But if you look through the announcements in the last few weeks, there are many businesses that have been funded specifically to address their COVID concerns. So I think there needs to be some consistency with the provincial policy. It can't just be picking this business and that business. There has to be some consistency and predictability.

In addition to that, the member went on to say that I advocated for increased taxes. If you can go back to Hansard, it was clear that my question was around finding the balance between expenditure and taxation policy. That's why I asked the Timmins Chamber of Commerce's Cameron Grant that question, and what his impression was. So I just want people to be clear on that, and they can check Hansard.

I'm going to go over to Christina Fox from TechAlliance. My question is this: What legislation regulation can we use, as parliamentarians at the Ontario Legislature, to better align policy with the struggles that organizations and businesses are going through, but especially the start-up companies? There is a misalignment—it's not just an Ontario thing, it's right across the country—of protecting IP and having regulation that's really reflective of innovation. One of the best examples is the blockchain technology, AI, things like this that really don't speak—or even digital currency. There is nothing that speaks to it in legislation. Any comments on that?

Ms. Christina Fox: Yes, I think that's a really terrific question, especially when we look at what is the intangible economy or the innovation economy and how sometimes it's misunderstood or hard to grasp when we think about the kind of legislation that's required for regulation, for contemporary policy development in the 21st century. I think there is a really strong opportunity with the kind of interest that we've had and with the scale that Canada has enjoyed in growing the innovation economy, that we should continue these kinds of conversations and that when we bring others in, when we bring innovation entrepreneurs to the table, and ask the questions related to IP, regulation or legislation, to be uncovering together some of the barriers that might block them from growing or having their products regulated or through regulation and having that opportunity to really educate more widely on some of the innovative technology, as you mentioned, AI and blockchain, what that means and how that changes the future of work and the future of our prosperity.

Mr. Michael Coteau: How much time do we have, Chair?

The Chair (Mr. Amarjot Sandhu): Less than two minutes.

Mr. Michael Coteau: Going back to Christina, what do you see the role of the provincial government in making

sure that—because we're going to have a lot of companies that collapse because of COVID. But then we've heard some innovative stories of companies adjusting quickly to try to compensate and look for ways to provide services during these challenging times. What's the role of government, the provincial government specifically, during these challenging times, specifically around supporting start-ups and companies that are changing direction because of COVID?

Ms. Christina Fox: I think it's twofold. One is we have a narrative that we can continue to deploy more actively—

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

Ms. Christina Fox: —in talking about the vibrant economy that we have in Ontario as it relates to innovation. There is a role for all of us to play to attract that dialogue and that narrative to the work that we're all doing, because as you said, there have been some companies that have pivoted and have moved into completely different product management or have taken their technology and figured out how that might be deployed post-COVID, particularly as it relates to health care. We've got great stories out of London and out of Sarnia, where companies have said, "We're not going to shutter our doors. We're not going to reduce our staff, because we're going to hustle and go back into that scrappy start-up phase," to make sure that they're pushing forward.

So one is continuing to talk about the vibrant technology sector that we have and that we've earned, and the other is to be thinking about where we have seen some collapse in the early stage. How do we amend some of that opportunity through regional innovation centres? Where can there be opportunity to continue to see those early stages? As I mentioned earlier, the pipeline of start-ups has to stay rich, has to stay vibrant, and if it takes a lot of investment in early stage start-ups, to have us get to those—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the opposition now for their second round. MPP Kernaghan.

Mr. Terence Kernaghan: My question is for Christina from TechAlliance. You're well known for your vision, resourcefulness and ingenuity. It was great to see you, also, on all of the mayor's economic recovery task force meetings.

My question is this: The government of Ontario chose not to offer direct rent relief for small businesses such as those that the opposition laid out in our April Save Main Street plan, including rent subsidies, utility payment freezes and a ban on commercial evictions. They instead decided to follow the federal government's lead and implemented CECRA, which requires the landlord to opt in. But we know the numbers now, and we know that less than 10% of the funding committed to CECRA has been spent. The CFIB is now recommending that the money left in CECRA be repurposed and be spent to directly help businesses. In your opinion, would struggling businesses benefit from direct rent relief such as the CFIB is suggesting?

1500

Ms. Christina Fox: That's a great question. I would say that when you look at the first iteration of CECRA, and acknowledging that landlords are also small business owners in some regard, much like Karla's story, there has been some dialogue about—we have invested in landlords, and really, organizations like mine would support start-up founders in having negotiation and discussion with their landlord. Where maybe that dialogue and that negotiation have failed, when you suggest that maybe there's an opportunity to be investing directly in those founders and the tenants, I think there is an opportunity there. We have made a great investment in acknowledging that landlord and tenant agreement and dialogue, but if we're seeing underrepresented or unused funds, there could be an opportunity before the eviction moratorium is lifted for us to redesign and co-design this opportunity based on the feedback that we have also received. They're both good options, and perhaps it's an opportunity to have a pivot ourselves and be looking at some direct investment.

Mr. Terence Kernaghan: Excellent. Also, a two-part question: Do you know how many businesses were permanently closed during the pandemic in our area? And also, do you know of any businesses that have a landlord who opted to implement the CECRA?

Ms. Christina Fox: That's a good question. I don't have the specifics of a particular company that opted in for CECRA, although I do believe—even speaking with my board of directors, they talked very positively because they are commercial landlords themselves and they have had negotiations.

For companies that have closed their doors entirely, there are some companies in London, Sarnia, St. Thomas and Woodstock. What I have found, though, is for every story of loss there is an equal story of resiliency. In London yesterday there was an announcement of one of our big gaming companies who has made an exit and has sold their company, and there is another one who has had a devastating job loss. And when I look at those companies who are pivoting and doing all that they can to keep their people, to not shutter their businesses, I feel like the hustle still exists and it's part of the tech entrepreneur. The way that they operate is in their blood. Yes, some companies have closed and some have declined in their revenue and declined in their staff, but many are soaring in some of the most wonderful ways.

Mr. Terence Kernaghan: Most definitely. I was speaking recently with a small landlord who had opted in to CECRA because it was the right thing to do, and I was completely compelled by his story. But I will say that I know of very few.

But we do have great stories in London, such as Talbot Marketing, who changed to PPE in the face of what the pandemic has caused and has really seen some great success.

At this time, Chair, I would like to pass it over to the MPP for Spadina–Fort York, Chris Glover. Thank you very much, Christina.

The Chair (Mr. Amarjot Sandhu): MPP Glover? Two minutes.

Mr. Chris Glover: First of all, I just want to say thank you to all of the presenters today. It has been so enlightening over the last couple of months to be a part of these committee hearings and to hear what people are experiencing.

Karla, you're one of half a dozen small business owners today who have come in. Two months ago, when I was talking to small business owners, they were saying, "Hey, this has got to be fixed." And now people are getting more and more desperate because the support that they have been asking for for several months has not come.

I think it was you who said—actually, no, it was Sameer from Crown Hotels who said, "Canadian law mandates that we can't operate at full capacity but they insist on payments like taxes and mortgages."

One of the things that we've been pushing for is that the deferral in taxes, on property, income and health taxes, shouldn't be deferrals because if your business is shut down, you're not generating the revenue to pay and those are just more debts that are piling up. Would you support converting those deferrals for businesses that are impacted by the pandemic to tax forgiveness? Karla?

Ms. Karla Briones: Absolutely, absolutely. For example, for myself, I don't qualify for the rent relief program so my rent has been deferred. That's another thing that you add to my cash flow expenses, and then taxes deferred—I still have to pay them. The CEBA is a loan; I still have to pay it. All of a sudden, two years from now, my business is going to be unsustainable if I have to start paying everything back.

Mr. Chris Glover: Right, and we've heard that pretty clearly. I think I'm out of time, but thank you again, all, for being here.

The Chair (Mr. Amarjot Sandhu): We'll go back to the independent members. Any questions? MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for taking the time and providing excellent presentations. Karla, as a former small business owner myself, I could really relate to your story and particularly the anxiety around the personal guarantees. I remember signing those long-term leases and being on the hook for that. It is a lot of anxiety, so I hear you. I think we'll push as hard as we can to get this rent program fixed, and we've heard you and many others loud and clear on that.

I did want to follow up on your idea about the long-term loan to potentially help avoid personal bankruptcy. We had a few other small business owners talk about that a little bit today. Obviously, we want to do everything we can to avoid getting to that place, but I also understand that there may be some things we could do to relieve some of the immediate anxiety. Can you just explain a little bit more how you would imagine that working and what role it would play in helping to avoid bankruptcy?

Ms. Karla Briones: Yes. At the end of the day, as a small business owner, we don't want to close our business. We want to stay in business, and we don't want a free handout, either. We just need a little bit of help, and if the help comes in the form of a long-term loan, either if it's a

business loan—right now, I think I have six years left on my term, but paying the principal plus my interest is really, really putting me under strain in terms of cash flow. Is there a way that the government can come in and extend that loan, or pay it on our behalf and give us an extra five years or an extra 10 years so that our payments are much less and it's guaranteed by the government? It just makes it more feasible in terms of operating a business profitably. Again, we don't want a handout, and we don't want to close our business. We just need some sort of solution so that we can keep our business long-term.

Mr. Mike Schreiner: I want to thank you for bringing that idea to the table. Again, like I said, it's the second time we've heard it today, and I think it's worth the committee considering it, so thank you.

Just before I run out of time, I want to quickly pivot over to Christina. I wanted to say how much I appreciated you talking about the importance of tech related to mining and agriculture, because those are two vital industries that are going to play a huge role in economic recovery and the province's prosperity. Oftentimes it isn't thought about as a tech innovation. I'm the MPP from Guelph, so we get ag tech; I'm assuming you do in London, as well. Could you maybe talk a bit about the role that a regional innovation centre can play in supporting tech adaptation and use within agriculture and in food production?

Ms. Christina Fox: Yes. When I think of the geographic footprint that we have, as southwestern Ontario's regional innovation centre, we have cities and we have rural, and there are a whole lot of farms and cornfields in between. When I think of ag tech and the advances that have been made, I think of my friends at the Western Fair District, and they talk about how their early innovation was the tractor.

But when you think and propel forward to now and the current day and how data analytics are propelling the vehicles and the equipment to have growth in farming, when I think of the AI that's helping to power based on weather patterns, and the need for seed, the need for nourishment in soil—that's just a very different experience as we see a shift in generation with younger members of the family taking over the farm business. They've grown up with access to technology. To be able to deploy technology and work with the advisers that we have to understand where they could have efficiencies in operation, where they can have better data analytics to have predictive opportunities and predictive modelling—

1510

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

Ms. Christina Fox: —those are some of the things that you can tell I get excited about.

Mr. Mike Schreiner: Yes, I agree. I also know, as the Green Party leader, just how important that is to sustainable agricultural practices, and I would argue mining practices as well, utilizing technology better. I think the more we can incentivize that, the better. Thank you for bringing that to committee. You're the first to apply tech in those areas, which I think are important.

Sameer, really quick: I can't tell you how many hotel owners have come to me with incredibly challenging situations. In the few minutes or seconds, maybe, that I have remaining, if you could just talk a little bit about the need for sector-specific support for those sectors that have been particularly hard hit.

Mr. Sameer Sharma: Absolutely. Thank you for hearing me out.

As Karla mentioned, we're not looking for a handout here. We're not just looking for money from the government; we're looking for support to get us through these tough times. The travel restrictions, at the end of the day, will come back to normal. Life will get back to normal. It will just take time. So we ask for assistance during this time to get us through it. If that comes in the form of loans that we have to repay over a longer term, we're okay to pay that money. We're not looking for free money. The current structure that we have, of property taxes, insurance and mortgages, makes it very difficult to get through to next year. That's the problem the majority of the owners are having. It's not that we're looking for more money; we just need assistance during this time, and we're happy to pay it all back.

Mr. Mike Schreiner: And I'm assuming a longer-term period would take the immediate cash flow crunch—it would help alleviate some of that so you can recover as we as a society recover from the pandemic.

Mr. Sameer Sharma: Absolutely. Why the deferrals were given is because in April, May, we were shut down. We were in lockdown. Now, it takes time for a business to get back to normal. It will take a few more months, so we're asking for assistance maybe until the end of the year. So CEWS, which is the wage subsidy, is a great tool—

Mr. Mike Schreiner: Thanks. I think I'm out of—

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

We'll go back to the government for their second round. MPP Baber.

Mr. Roman Baber: Thank you to all the presenters. I've also come from a small business. Prior to my election, I was a partner in a small law firm. I am very, very sympathetic to everyone here who is struggling, given everything that has gone on in our province and in the world in the last five months or so.

I wanted to follow up on something that Karla said and specifically a further element of that. Karla, you have correctly suggested that your business and the effects on your business have a domino effect on your employees and on your family, and that is certainly understandable. I wanted to inquire a little bit more about the state of the industry and specifically the folks who are helping you to keep your doors open and to run your business, to understand where the industry is at vis-à-vis its suppliers and trade creditors. I understand that most eateries or eating establishments have anywhere between 20 and 50 creditors. I'm hoping you could tell us a little bit about where you are in terms of your relationships with your suppliers and your creditors and whether you're seeing

any co-operation or assistance from them and also, if you could tell us, from your knowledge, where they are in the scope of things.

Ms. Karla Briones: The biggest one would be my food distributor, which is, in essence—30% of my cost goes there. Initially, they were very understanding and they were very supportive in lowering minimum orders and whatnot. But at the end of the day, they're also a business, and they need to get paid. So there isn't a lot of flexibility nowadays. There was at the beginning, in the first month, second month. But now that we are on stage 3, from my creditors' point of view, it's business as usual and now they need to get paid. Again, Freshii is a franchise, so when it came to the franchisor, my franchise fees got deferred for the first two months, but now they are getting paid plus what I owe them. As you can see right now, when for the majority of my creditors it's business as usual, where things either got deferred or lowered and now we're back to normal, I'm just crawling up the wall trying to come up with all that cash to keep my business afloat, to pay my current expenses and the ones that are backtracked. The creditors were very understanding for the first two months, because everybody was hit out of nowhere, but now at stage 3, it seems like everybody wants to go to business as usual even though it's not business as usual.

Mr. Roman Baber: And where are you at vis-à-vis your banker? While you may not have defaulted on your small business loan, are you within the parameters that your loan is typically set out under? If not, then I am curious to know whether the bank alleged technical default on you.

Ms. Karla Briones: No. I did ask for the deferment of principal for three months. As of August 15, I am back to paying principal plus interest. Again, I'm an immigrant, and I want to make sure that the bank gets paid first because I want to keep my house. I will sell groceries if I need to. I want to do the right thing. I just need a little bit of time or I need a little bit of help. In terms of my bank loans, I am—

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

Mr. Roman Baber: Okay. Thank you very much. That concludes my questions.

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

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

Mr. Robert Bailey: Yes, I am here in Petrolia, Ontario.

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

Ms. Teresa J. Armstrong: MPP Armstrong here, in London, Ontario.

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

CULTURAL ARTS STUDIO
VAUGHAN CHAMBER OF COMMERCE
GUELPH CHAMBER OF COMMERCE

The Chair (Mr. Amarjot Sandhu): Our first presenter—there's a change of name. Suzan Richards will be presenting for the Cultural Arts Studio. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Suzan Richards: Suzan Richards.

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

Ms. Suzan Richards: Good afternoon, Chair Sandhu, and all committee members and participants. I would like to thank small business champion Michael Wood and city councillor Rawlson King for encouraging small businesses like mine with an opportunity to share our voice.

My name is Suzan Richards. I am the proud owner and artistic director of the Cultural Arts Studio, which has been operating in the National Capital Region for the past 25 years. The Cultural Arts Studio is the only space in Ottawa that celebrates Afro-Caribbean culture through the arts, with programs for children, adults and seniors. I am proud that my studio and programs are a pillar of not only the Black community, but also a safe space where all can come and learn and celebrate Afro-Caribbean culture.

I'm a single mom of two teenagers, and I operate my business full-time. I employ a dozen contractors who are mostly of African and Caribbean descent, especially youth, who have seen a work stoppage at my studio due to COVID-19. I am currently still closed and hoping to reopen for September, as I pivot and unravel what feels like double-sided tape, working through all the rules, guidelines, regulations and expenses of reopening a business type like mine located in a multi-use building. I would like to share my thoughts on some of the key points that have deeply impacted me.

The rent subsidy program: Although I'm extremely grateful for the creation of this program, and I am one of the few whose landlord was open to applying for it, it's my understanding that it wasn't an easy application. Without it, I would be forced to close. However, the stress that I'm dealing with right now is that it's a month-to-month situation. I would like to recommend that the program be extended for a specific duration so that we can actually plan and get off of our feet. The month-to-month is extremely stressful, especially during a time when we're putting out much expense to comply with the regulations and pivoting my business. I'm asking for a date similar to the wage subsidy program, which is December 19.

1520

For the CERB program: As a professional artist, it was a lifesaver for me. However, there were a few months where I had to refuse work because it would have impacted me personally. I feel that the program should have been adjusted to be either a top-up program or a 50% reduction program, similar to social services, that would have kept artists like myself working.

In terms of the insurance companies, for me it's a second financial tragedy through them, because my first

was impacted through the ice storm, where I was not covered. That was my fault, due to my inexperience and all the fine lines of insurance. Now I'm covered from head to toe—but, yet, [*inaudible*] to find that the business interruption does not apply to me. I urge this committee to apply some pressure to the insurance companies that are not covering during this duration and impacting small businesses like mine.

Lastly, arts organizations and future potential cuts: The arts have provided joy, inspiration and relief during this very difficult time. Arts organizations use grants to hire artists and businesses like mine. I know that we're looking at cost savings, but cutting funding to the arts in order to find savings due to COVID-19 would be very detrimental to the arts industry. It would have a ripple effect. I personally know of professional artists of over 30 years plus who are now working at the Beer Store just to survive because they're not able to work in the industry any longer. Although I'm in the business of arts, my business works in partnership with a lot of non-profits in order to provide much-needed programs in the Black community and beyond.

I thank you for your time today. I really appreciate being here.

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

Mr. Brian Shifman: It's Brian Shifman, president and CEO of Vaughan Chamber of Commerce.

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

Mr. Brian Shifman: Thank you. Good afternoon, Mr. Chair and committee members. I appreciate the opportunity to speak about the Vaughan chamber's activities surrounding the COVID-19 pandemic and the impact it's had on the Vaughan business community.

At the outset of the pandemic, the Vaughan chamber quickly pivoted our operations with a focus on three key objectives: (1) proactively reaching out to the business community and speaking to 500 of our members early on to listen and to capture the economic impact during the onset of the pandemic; (2) ensuring businesses had access to real-time information and support from all levels of government, including yours; and (3) shifting our focus to supporting businesses, through online networking and information sessions.

At the outset of the pandemic, governments at all levels, as you know, rolled out a series of relief measures, tax breaks and cash relief funds, and later commercial rent relief, to support businesses. Our role at the Vaughan chamber quickly became, in part, to help the community navigate, clarify and learn about these various economic stimulus measures. We know our efforts have had a calming effect on the community, because our 30-plus online segments have achieved 6,000 views and a total exposure of close to one million.

Based on an economic impact survey conducted by the chamber in partnership with the regional municipality of York and the city of Vaughan, the initial impacts from

COVID have been significant. Of the 300 businesses surveyed in Vaughan, 33% purported that COVID resulted in a major negative impact on their organization, and almost 5% reported they had fully closed their operations.

We have come a long way from the initial four months of uncertainty. As the economy reopens, the Vaughan chamber is shifting our focus slightly through a series of initiatives, from ensuring business continuity to charting a path towards recovery for Vaughan chamber members and the broader business community.

The road to recovery is a long one, and the Vaughan chamber is working tirelessly to support our business community through this difficult period. In the middle of a once-in-a-century pandemic, it is difficult for Ontarians, their families, businesses and governments to look beyond confronting the immediate impacts of COVID-19. However, as we continue supporting each other today, we must also start planning how our communities and economy can emerge stronger.

Certain businesses and sectors such as hospitality and tourism require additional support over the short- and long-term period. Assistance is required, as this sector consists of 2% of the Canadian economy and will be among the last to open due to the COVID-19 pandemic. Without financing, many of these companies will close with little prospect of reopening.

While no one can predict with any certainty the economic, political and cultural changes this crisis will have in Ontario, Canada and the rest of the world, we know the changes will be significant. The high level of collaboration we're witnessing amongst governments, businesses and civil society managing this pandemic should give us all some confidence about our collective ability to deal with the long-lasting changes it will bring. As an example, we do appreciate your efforts to help bring kids back to school. Our member businesses have employees with children, and education needs to be a cornerstone of the continued reopening of the economy.

From a continuity perspective, it will be important for the business community that clear guidelines are established and communicated to handle suspected outbreaks. This is essential, as any outbreak will have a dramatic impact on the ability of employees to stay at work. Your support of business and employees through the COVID-19 pandemic helps to ensure they will be able to propel our economic recovery.

Canada will enter the recovery with significant new public and private sector debt. Government used ample fiscal stimulus in this unprecedented health crisis, and further support may be necessary to avoid a prolonged economic downturn. Personal and private sector debt is also going to expand as households struggle to make payments and firms borrow to preserve their operations. We'll have to walk a fiscal tightrope between reducing debt and deficits and maintaining a competitive economy that encourages business investment and economic growth.

Broadband is a basic infrastructure requirement in today's economy, but the ongoing pandemic has made it

even more essential to public health and economic resilience. For businesses and workers, particularly those practising physical distancing, connectivity is necessary to ensure they can remain productive by using tools such as video conferencing.

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

Mr. Brian Shifman: Without adequate access, those in rural and remote regions will be vulnerable to additional layoffs and business closures.

There are also industry-specific consequences for sectors that are predominantly rural, including agriculture, that must face the significant challenge of adapting to this crisis by rapidly shifting to online marketing and training workers virtually for the upcoming season. Together with the private sector, the government must do everything it can to limit the profound impact this crisis will have on Ontario's social and regional disparities.

Moving forward, we recommend the following for consideration:

- fast-tracking the \$150 million in provincial funding that was committed to a broadband and cellular infrastructure program. While this amount is not sufficient to bridge Ontario's digital divide, accelerating the investment will help mitigate the immediate impacts of COVID-19;

- working with the federal government to speed up and augment existing broadband investment programs; and

- working with municipalities to boost existing WiFi hotspots and make sure that is done in a secure manner.

We also strongly encourage your government to consider a similar mechanism for Ontario to what has been done by Quebec's Ministry of Economy and Innovation. Quebec is working to develop a fast-tracking mechanism to help the telecommunications industry speed up current broadband expansion projects.

In conclusion, as governments withdraw short-term emergency funding, we need strong economic growth to generate revenues. Government should refrain from austerity measures and tax increases that would damage the economic growth. Government needs to continue to find key determinants of growth, health, education, R&D, broadband and infrastructure.

Thank you very much for your time.

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

Our next presenter is the Guelph Chamber of Commerce. Please state your name for the record, and you can get right into your presentation.

Ms. Shakiba Shayani: Thank you. Shakiba Shayani, from the Guelph chamber.

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

Ms. Shakiba Shayani: Good afternoon, everyone. I am Shakiba Shayani, president and CEO of the Guelph Chamber of Commerce. I appreciate the opportunity to provide input on how the Ontario government can support successful economic recovery and ensure our small and medium-sized enterprises emerge stronger than ever.

I'd like to reiterate what you've heard from many of my colleagues across the province, including messages you've just heard from Brian. We are thankful for the

significant and responsive actions taken by every level of government to support our business communities through these very challenging times. These actions allowed us to take the necessary steps to mitigate and manage outbreaks and bring transmission of the virus under control. The support for businesses and their employees through COVID-19 helped ensure everyone was supported through the acute crisis.

1530

We are, however, no longer in an acute phase. We are now in a longer-term chronic one that requires all of us to think and act differently on these unparalleled challenges. We must shift planning for, and execute on, a safe and sustainable growth strategy.

In the city of Guelph, we have a strong manufacturing base, and we are home to many regional head offices and varying industries, including clean tech, information and communications tech, and agri innovation. We are home to the renowned University of Guelph. All of this results in a diversified economy that has allowed us to experience the best employment rates in Canada over the past few years.

As such, representatives of our business community were keen to help establish the following recommendations as crucial to a successful recovery. The government of Ontario must ensure that we have a robust business investment climate. We need an environment that encourages business investment and growth. A thriving business climate is one that rewards risk-taking and entrepreneurship. It is imperative that the government resist the temptation to introduce cost-saving measures or raise business taxes in order to reduce the debt it has incurred. This curbs the passion and creativity that is a critical cornerstone in rebuilding our prosperity.

We urge you to make permanent some of the temporary measures you introduced during the pandemic, including reducing red tape and easing restrictions, such as the ones on the restaurant industry, allowing them to deliver alcohol with takeout orders and extending their patio space. Providing municipalities with the authority to swiftly put these measures in place has also been vital to the local economic revitalization. There has been great success around our city, and especially in our downtown, where we have seen a thriving dining district provide a welcome infusion of spending to our local restaurants and surrounding businesses.

Second, the government of Ontario must continue to invest in infrastructure. The past few months have demonstrated that broadband is crucial to ensuring business, public sector service, health care and students can remain productive with access to the digital and online tools they need. This is particularly essential in the rural and remote regions where the quality of service is quite poor. We urge you, similar to Brian, to accelerate the \$150 million that was committed to broadband and cellular infrastructure, and to work closely with telecommunications companies to speed up their current expansion.

Additionally, infrastructure investment is needed in the innovation corridor right here in Ontario, which represents

20% of Canada's GDP and which, pre-COVID, was gaining recognition as a global innovation centre. We cannot afford to lose this momentum. Fast-tracking the necessary upgrades to provide two-way, all-day GO service throughout the corridor is critical.

While physical infrastructure is key to our prosperity, so too are the health and social infrastructure investments. Locally, due to the impact the pandemic has had on our municipal budget, we're having to reopen discussions on previously-approved projects such as a much-needed new library and community centre. If we have to forgo these projects, this will adversely affect our most vulnerable populations.

Speaking of disproportionate impacts of social infrastructure, the closure of schools and daycares has had exactly that impact on women. In the spring, women's workforce participation in Canada fell to its lowest level in 30 years. Re-employment continues to be the slowest for women with children between the ages of six and 17, and this is deeply concerning not just for women, but certainly for our economy. We welcome all government efforts to ensure a safe return to school and are encouraged to see the province invest in testing, PPE and nurses to support the safe reopening. Investment in equitable child care is of utmost importance.

Lastly, the government of Ontario must help businesses to grow. More needs to be done to increase access to capital for our SMEs. When they can grow, so too can our economy. The government should continue to work on reducing trade barriers across provinces, encouraging growth into new markets and providing support to businesses as they grow internationally.

The cost of rent, of course, continues to handcuff SMEs' ability—

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

Ms. Shakiba Shayani: —to rebound as quickly as necessary. Although halting commercial evictions was a great first step, more needs to be done to support businesses that are unable to afford their rent. Allowing tenants to apply for the Canada Emergency Commercial Rent Assistance program in conjunction with landlords would alleviate a massive burden and allow them to pivot, grow and thrive.

Now more than ever, we need governance that takes a more sophisticated and comprehensive approach to solving problems and undertaking reforms and initiatives that build back better. As private businesses and citizens have pivoted and adapted to this extraordinary situation, so too must governments. I implore you to move outside the patterns of thinking and acting that we have been accustomed to. The high level of collaboration among governments, businesses and civil society in managing this pandemic and its aftermath should give us confidence in our collective ability to deal with long-lasting change. It will be the most effective way to achieve a safe, sustainable growth strategy.

On behalf of the Guelph Chamber of Commerce, our membership and our business community at large, I would like to thank you for giving me this opportunity to speak this afternoon.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now, and we'll go to the independent members for the first round of questions. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for taking the time to come to committee and provide such valuable information. As MPP for Guelph—you probably won't be surprised that I'm going to direct my questions mostly to the Guelph chamber.

Shakiba, I just want to thank you for all the great work the chamber has been doing during this pandemic to support businesses and our community. I also want to thank you for moderating all of my public consultations that fed into the Ontario Jobs and Recovery Committee recommendations. I wanted to make those as non-partisan as possible, so thank you for playing that role for me.

I wanted to follow up a bit. We've had a lot of discussions in consultation with businesses in Guelph about the importance of child care and that if we don't have accessible, affordable child care, it's going to be hard to have a successful reopening of the economy. Can you just maybe elaborate a bit more? You touched on that in your presentation.

Ms. Shakiba Shayani: Sure. Thank you, MPP Schreiner. It was my pleasure to help have those industry conversations, because it's vital information for recovery, as you've mentioned.

Like you noted, child care has been a key concern for businesses of every size, in every sector, every industry. They are concerned about their employees' ability to meaningfully return and focus on work. We're seeing a lot of numbers show the dropout rate—especially the burden on women and families of already low income and marginalization—having that impact negatively on their bottom lines, which of course means that consumer confidence decreases when that happens as well. So it's going to have a great impact on the economy locally, and we have to make sure that there are options and that they're equitable, like you mentioned, affordable and accessible.

Mr. Mike Schreiner: Thank you for that. I also want to just highlight—you talked about social infrastructure, and obviously, we want all-day, two-way GO, and hopefully we'll have time for that conversation. But I thought it was interesting that you talked about the importance of social infrastructure, in particular, the library. Suzan had talked about the importance of arts funding and how that benefits the business community as well. Can you talk a bit about the connection between social infrastructure and funding of things like the arts and how that's important to a vibrant small business sector?

Ms. Shakiba Shayani: Absolutely. I'd certainly love Suzan's input as well here.

We know that the connection between economic confidence and mental health is strong. There is correlation there. Supportive communities are stronger communities. They are working communities and spending communities. Establishments that are accessible and programs that are accessible and equitable are key to keeping people

well, which in turn means that they work and in turn means that they spend money. So there is direct correlation there, and losing one for another isn't really an option. It's an "and" position that we have to hold: We need both physical infrastructure investment and social and health investment to make sure our communities are well.

Mr. Mike Schreiner: Maybe I will give you an opportunity, Suzan, to go in. There has been talk previously about increasing funding for the Ontario Arts Council, and I just thought the connection you had made between arts funding and small businesses was an important one. Do you want to maybe add to what Shakiba had to say?

Ms. Suzan Richards: Sure. Thanks for that. I own a small business, and I'm also a professional artist. My capacity as a professional artist is through a non-profit organization called MASC, Multicultural Arts in Schools and Communities. It allows me to go into schools across the city to share art in a professional capacity. But their funding, to be able to hire me, as a professional artist, comes from the government. It comes from places like the Ontario Arts Council. So when there is a cut to the arts in that capacity, it impacts professional artists like me.

1540

This is my business. It impacts my bottom line. This is all I do. I'm a full-time artist. I've had the opportunity to teach balcony dancing to seniors in downtown Ottawa. They're on their balcony. The impact is huge: These are seniors who have not left their building since March. They're in their building and we're dancing in the street. It improves mental health. It's so important. The correlation—it's all linked.

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

Mr. Mike Schreiner: Do I still have time, Chair?

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

Mr. Mike Schreiner: Okay, great. Shakiba, the innovation corridor—K-W, Guelph, Brampton, Toronto, everyone in between; I won't leave Halton Hills out—is just vital to our economic prosperity and recovery. How important is all-day, two-way GO in unleashing the economic potential there?

Ms. Shakiba Shayani: Thank you. Great question. Like I mentioned, we know that there is an untapped multi-billion-dollar economic churn and momentum in the corridor. What we know is that people need to be able to move frequently and reliably between those communities to be able to unlock that potential in innovation and in employment.

Further, we also know that that investment in the movement of people leads to the effective and efficient movement of goods. When we reduce the traffic and the burden on our highways, the 401 and—

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

We'll go to the government now. MPP Cho.

Mr. Stan Cho: Thank you to all the presenters for being with us this afternoon.

I appreciate that there were some comments made about the CECRA program, the rent relief program. We've heard that a lot, certainly, during these deputations at committee.

I don't want to repeat what's been said, but I do want to just offer, once again: Join us in continuing to lobby our federal partners to improve the program.

Certainly, I think most people are aware that this is a joint program, where the Ontario government is a 40% equity partner in the program. But the federal government does indeed hold the key to make changes to that program, as it is administered through the Canada Mortgage and Housing Corp., which of course is a federal government agency. From the beginning, at the Ministry of Finance, we have called for changes to the program, recognizing there are indeed gaps that leave small businesses such as yours, Suzan, in sort of that category. So help us to help. We're certainly there and listening.

To Brian: I know that came up in our call earlier during the pandemic, and I valued the opinions you shared then. Certainly, both to you and Shakiba for your opinions that you've shared today, thank you for your ongoing efforts. And no, that's not just because you went to my high school, Brian—go Titans—I really do appreciate the feedback you've provided.

Shakiba, you mentioned something about the takeout of alcohol that the Ministry of Finance, in conjunction with the Attorney General, was able to allow for, to restaurant owners. This morning, I was actually quite surprised to hear from the Brampton Economic Development Office that that initiative had not—well, the individual representing the office had not heard that much positive feedback on the takeout of alcohol from restaurants. That was very surprising to me. Certainly, I have also heard from various organizations that it was very well received by the restaurant community.

Maybe, Brian, you can tell me what is happening at the Vaughan Chamber of Commerce and what your members are saying about the program, and if you do believe it is worth extending past December.

Mr. Brian Shifman: Thank you. Nice to see you. And I want to commend the other two speakers. You're both very well-spoken. And we have a strong chamber network, so good to see you, Shakiba.

Look, just generally, you have segments of the economy, whether it's tourism, hospitality and restaurants, which come to mind immediately, and small business broadly, that need a lot of support right now. I saw a recent study showing a high percentage of restaurants may be forced to close. Any ability we can give them to allow for patio usage and give more people the opportunity to dine there is just something that's important to help a really struggling aspect of the economy that's very important.

Now is not the time to shy away from this. We need to double down and support our small businesses, not just so that they are there in a month but so they are there, growing and emerging stronger, three years from now.

Mr. Stan Cho: I couldn't agree more with that, Brian, and certainly we need to double down on our efforts to help small businesses. I want to commend your members, and Suzan, who's on the call as well, for doing your part.

I remember, Brian, in our call with your chamber of commerce, we had discussions about how consumer confidence would return, and the impacts that COVID

would have past the reopening stage. We are very much now in that recovery stage of things. We expected numbers to spike, but we haven't seen major fluctuations to the negative end of things, and that is largely due to the credit of our small business operators, many of whom are your members.

I'm hoping all three of you might be able to share some of those initiatives that your members, your businesses, have taken to keep our communities safe so that we may use those good examples to help others in other jurisdictions throughout the province.

Ms. Suzan Richards: For myself, it's trying to go virtual. Because it's dance, it's the arts, that's all I can really do. Honestly, I'm stuck in a Catch-22. I'm located within a private school that has to follow the school's guidelines, and as well, they have children under five and that falls under the daycare and nurseries act, plus my industry. So it's this double-sided tape.

It's really difficult for me to reopen. I've had to put in a lot of money to go virtual, to purchase equipment that I wouldn't normally purchase.

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

Ms. Suzan Richards: Hey, it's dance; stick on some music and we're good and we're happy. But now I have to buy—I bought \$250 worth of tape to tape six-foot squares so that I can accommodate maybe—maybe—eight of my students. I had to buy that high quality of tape because that's the type of business that I have. I'm not just going to put masking tape on the ground. I want it to be clean; I need it to be sanitary; I need it to comply with all the rules. For a lot of businesses like mine, we need some support to be able to do that pivot. That pivot is essential for us in our survival.

For myself, personally, it has been moving to technology, and combining arts and technology. I've even tried to put an art and STEM program in place so that we can try to combine the two. In terms of what we can do, what we need is support, financial support, in order to pivot our businesses in order to survive.

Mr. Brian Shifman: Thank you. Frankly, Suzan's answer was great, because as an entrepreneur who is trying to pivot herself, she is the best example. When we were speaking early on to 500 of our businesses and throughout, we have lots of examples of businesses who stood by their customers, understanding that it's not just about today but it's about how you emerge.

Critically, and you guys know this, it's about getting online. If you weren't online before COVID, you needed to get online. If you're not online now, you have a significant problem. I know at the chamber—I don't want to make this about us, but we've done our best to enable small businesses, and in particular bricks-and-mortar businesses, to get online through programs like working with the city of Vaughan on digital boost programs and our RAP program that's upcoming. It's really about being online. It could be something as simple as having a Google profile. Some businesses don't have that—

The Chair (Mr. Amarjot Sandhu): Thank you, sir. Sorry to cut you off. We'll move to the opposition now. MPP Harden.

Mr. Joel Harden: Again, thanks to the presenters this afternoon for coming.

Ms. Richards, your reputation precedes you. Balcony dancing—what a fabulous idea. I'm wondering if you can talk a little bit more about, if we're able to convince my friends in government to make investments in businesses like yours, what's been your experience reaching out, as you have done, to seniors who are socially isolated, with programs like that?

Ms. Suzan Richards: Yes, it's been amazing. Just today, I also taught a program through Bronson RISE and Flo's Seniors. I've been doing online, virtual—it's called Virtual Movement for Seniors. They've had programs every single day, and I've been doing it every Friday for the summer.

Unfortunately, the funding is gone, the funding is over, and so they're like, "Well, maybe, Suzan, we'll be able to have you back in October." Yes, that's great for me, potentially thinking that I might have some other income coming in in October, but these seniors have now been left high and dry because they don't have the funding to continue to hire people like me, so it's really difficult. The outcome—we were, thankfully, covered by CTV and through the Ottawa Citizen for the balcony dancing. These are seniors that I've been working with for the past two years.

1550

So again, through MASC, there's an awesome arts program that goes through Sandy Hill and through Lower Town. I'm sure you guys know Ottawa, and that there are some high, high needs in Lower Town. It's a subsidized apartment building that houses all seniors.

I danced with them for two years, so we've already had this connection, this relationship. It makes me sad when I see Julia, four floors up, who has not left her apartment since March. So the fact that I can see her and dance with her, and we can shake our bodies together and celebrate—you guys all know the benefits of dance, the release of endorphins and how good it makes us feel. If I'm able to provide that little 20 minutes of joy, that just makes my day, and it also encourages all those around her, her neighbours, who get to see her, because the neighbours have not been able to see her either except for on her balcony.

Mr. Joel Harden: As you're talking about this fantastic program that I first learned about through the media, as you mentioned, I begin to think about how in COVID we've had to adjust to this new normal. Maybe it will become not-so-new after a while; it seems rather almost permanent, particularly for people who are having to adjust rapidly like you have. How important do you think movement is in this moment? Not only for seniors—I'm thinking even for children, for people who you've worked with. Your programs are right across the city. I'm wondering if you could talk about that.

Ms. Suzan Richards: It's absolutely essential. We're all in a battle with our couch right now, a battle with the couch and the TV, and we're all watching 90 Day Fiancé and seeing what's happening with that. So we have to keep moving. It's essential.

Since the pandemic, I've been offering free classes twice a week online from my living room here, just having people move. I've been doing #DontLetTheCouchWin because we need to make sure that—winter is coming, guys. What are we going to do? Right now, we're able to go outside and take a walk. But pretty soon, in Ottawa, it's going to be pretty cold. And if I have to wear a snow suit and go to 160 Charlotte Street and dance in the middle of Rideau Street, I will if it's going to help those seniors keep moving.

Mr. Joel Harden: Bless you for doing that.

I'll hand it over to my colleague MPP Glover.

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

Mr. Chris Glover: It's really wonderful to hear how inspiring that work that you're doing is, especially during this time, to get seniors out and dancing and people dancing—and you're right about the endorphins lifting.

How much time do I have left?

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

Mr. Chris Glover: Two minutes? Okay.

The big question is, what does the government need to do in order to help small businesses survive through this pandemic? You've mentioned a few things. The things that have come up most consistently are real commercial rent relief, because the current program is just not working. The other things are to push the hands of the banks and of the insurance companies so that they're also bearing some of the burden of the pandemic, that it's not all just downloaded onto small businesses, and also to convert some of the tax deferrals into actual relief so that that debt burden isn't building up. Are all of those essential for your business to survive, Suzan?

Ms. Suzan Richards: For me right now, it's the rent relief. That's my biggest expense. I have to pay rent with zero income. I have absolutely zero income coming in right now from my business. So what happens is that, right now, I don't even know what's going to happen for September. It hasn't been released yet. We're unable to plan.

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

Ms. Suzan Richards: We're unable to manage the money that we do have. We're unable to figure it out. I've taken that money to buy the technology in hopes—fingers crossed—that the program will extend into September. Even though we are in stage 3 or phase 3 here in Ottawa, I have not been able to reopen. In my industry, the arts education industry, it's not our season. Our season is mostly from September to May. So, yes, we need to be able to organize ourselves and organize our thoughts, organize our funds, organize our community. It's tough.

Mr. Chris Glover: Yes. Well, look, I'll just say—I think I've just got time for this—you've inspired me. I organized a singer to go to a seniors' home in our area, and I know a dance instructor. Now, I'm going to get her to come out too, to get seniors dancing in my riding, so thank you for being here.

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

Ms. Donna Skelly: Thank you to all three presenters. We're coming to the end of a very long process, but a very important one in the province of Ontario. This is one of the biggest—in fact, I think it may be the biggest ever stakeholder engagement. Of course, all of your comments are necessary as we move hopefully beyond stage 3 and into some real recovery. When we do go eventually into a new reality, I believe it's going to be very much a virtual world still.

I wanted all three of you—Suzan, you were talking about some of the challenges that you have right now in your world; I'm assuming it's dance. But all of you have spoken to the changed workforce. Maybe if I could get each of you to share with me and with our government the challenges that businesses and artists will face moving forward, and how the business world has changed with COVID.

Suzan, do you want to maybe just jump in now and take the lead on that?

Ms. Suzan Richards: Sure. So for me, my workplace has changed because most of my instructors are contractors. That's just how my industry works. I won't be able to hire as many contractors because I won't have the clients coming in-studio. So for myself, how my business has shifted is that I'm teaching most of my classes now, versus the young people that I would hire, mentor and teach.

I'm located in Overbrook, and that particular area has some of the highest earners and the lowest earners in the city of Ottawa. In terms of art programs, there isn't any other art business that's in that region, so I'm not able to hire those local young people and train and teach them in the arts and to give them a safe space.

That's the workforce challenge that it has for me now: I am chief cook and bottle washer. I wash my floors. I'm the tech person. I teach the classes. I'm the administrator. I'm everything right now, because I'm not able to hire anybody.

I consider myself almost like a micro-small business. I'm smaller than small. It's just me.

Ms. Donna Skelly: Shakiba, can you maybe speak to some of the changes that you have witnessed and what some of your stakeholders have realized with COVID?

Ms. Shakiba Shayani: Sure. We know we've had a shortage of skilled labour, generally, in our province and in our region. That continues and is amplified now because of COVID. Remote work, obviously, has heightened, and that's good news for public health reasons, but we are seeing the dropout rate continue for women and single-family homes, which is problematic, like I mentioned.

We also see some difficulties with our post-secondary and secondary education institutions that are having a hard time with co-ops and student placements that are integral to graduation for those students. Participation is precarious. It's good to see that our employment and economic recovery is on the upswing, but the workforce looks different and is going to need support through this period.

Ms. Donna Skelly: Sorry, I'm going to get you to follow up on that in a minute.

Brian, could you jump in and just share some of your observations in terms of the changing, more virtual workplace?

Mr. Brian Shifman: Absolutely. I think they did hit on it, that the biggest impact that we're going to see in the intermediate term is the willingness of a large portion of employers to consider work-from-home options. Whether that's shift working or to permanently work from home, they have now made the investments in infrastructure. Staff have learned how to work from home. So there is going to be more flexibility, which comes with a lot of positives but also some challenges in terms of workflows, cohesion and camaraderie—

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

Mr. Brian Shifman: —but it can certainly be done. Also, we've already started to see a shift in health care supply chains. We're going to bring some of that back home so we have more of that supply chain locally.

I echo earlier comments: There is a disproportionate impact on women and minorities right now, so definitely needing a lot of support in that area. Again, I just echo what I said earlier: I think our long-term plan needs to include improved broadband infrastructure right across the country, and our short-term plan should also be the same.

1600

Ms. Donna Skelly: That is a very valid point, and as you know, it does fall under federal jurisdiction. Having said that, it is a priority for our government, but we need the support of all of you to help us lobby the federal government to make sure that we roll it out. It is an extremely costly initiative but it is an essential service; it really, truly is. We have got to make sure that people right across the province—and it's interesting; I'm sitting in Hamilton, and I often lose my Internet service, as well. Especially now, during this particular pandemic, we need Internet service more than ever.

Shakiba, if I can get you to expand a little bit more—I think it was you who mentioned the transit initiatives. Do you think that our long-term plans have shifted? We talked about all-day GO, for example. I know it's still a priority. I'm trying to get all-day GO to Hamilton. But do you think that perhaps the pressure to have this type of a long-term transit service is going to lift because of COVID, or do you think that it still is necessary now, in this new reality?

Ms. Shakiba Shayani: I think that the only thing it may have lifted—if this is what you're referring to—is a pressure that we were feeling that some of this work should have really been done a decade or more ago.

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the opposition now. MPP Harden.

Mr. Joel Harden: I'm just wondering if we could continue the conversation, Suzan, about what we can do in this moment. As I hear you talk about your organization—you are the organization. We have heard from other folks during the course of this committee's work that there are serious liabilities for which entrepreneurs and small start-ups are on the hook, and there isn't enough help. Could you enlighten a little bit more into what you're facing right now?

Ms. Suzan Richards: Sure. Because my industry is dance, it's not just hand sanitizer; it's hand-and-foot sanitizer, because I want to make sure everyone's all right. So it's double the amount of sanitizer that you would calculate for each person. On top of that, I had to purchase a laptop, a webcam. I also was able to, in the past, piggyback on the school's WiFi, because when you're talking about broadband and all that—I was able to piggyback on the school's WiFi. But because I'm going virtual and because it uses a lot of bandwidth, I now had to get my own WiFi that's not the school's WiFi, so that's an additional expense. On top of that, I talked about the tape. I've talked about all the PPE, the thermometers that I need to purchase. I need to purchase an app so that people can check in and make sure that they're answering all the questions.

The liability is huge, especially, even, the insurance liability. It has gone up. I'm fortunate, so far; I'm not in my renewal season. But I'm expecting an increase with my insurance company for something that they haven't been able to help me out with. Right? They've denied my business interruption. So what do you do? You have to have the liability insurance, just like what was mentioned before. You need to have it. These are all extra expenses, so how we can get help is actually with those expenses, to pivot. That's what would help me as a small business.

I had to have Bell Canada come in for two separate visits for the installation alone. Because I'm the second-oldest building in Overbrook, they couldn't use Fibe; they had to use copper wires. These are some of the things that will happen, not just for myself—but they had to come in twice to be able to do it. Even that alone was hard.

Mr. Joel Harden: Okay. Thank you for all of that.

Earlier today, Andrea Pierce was here presenting from the UN Decade for People of African Descent Push Coalition, basically making the case that we as legislators need to take seriously the particular needs faced by businesses that are led by Black Canadians, particularly women Black Canadians. I brought it up because we had occasion, members of the opposition, to meet with the Canadian Black Chamber of Commerce, who are saying, "Look, our members were having a lot more trouble finding access to capital before COVID. Right now, forget about it. We need the Ontario government to make this a priority if we want equity in business." I was wondering if you had any comment to follow up on what Ms. Pierce had to say to us.

Ms. Suzan Richards: Sure. I changed my art business to a business because of that. That was one of the reasons: the inability to access funds. So for 25 years, I haven't been government-funded. There haven't been any grants or anything like that. It has been a business. I just figured out a way to pivot and collaborate with other non-profits.

Now I'm finding that I have to create a non-profit to be able to have access to some of the funds that are available, because the funds are not available to businesses. Even though I might have this super great idea of how I can pivot, how I can change my business so that there's a non-profit arm or a social enterprise arm, I've had to now create

something else in terms of being a non-profit—and it is a non-profit—to be able to access those funds.

It's very challenging for me. I'm a Black single mom, running this business for 25 years, and I've been doing it out of my own pocket. I went from working for the city of Ottawa and doing my business part-time, and over the last three years, I've been able to do, finally, my business full-time as a full-time artist. It's been hard now that I'm thinking about applying to Costco as a sampler—

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

Ms. Suzan Richards:—so that I can make sure that my kids have food to eat. I'm not trying to be funny; this is really the reality of my situation and the reality of a lot of artists.

What's also going to happen is that there are a lot of kids, a lot of youth, a lot of young people, who are not going to choose the arts as a possible career path, because right now, how do you do art? I mean, yes, I dance, but how do you do pottery by being socially distanced? How do you create those hands-on experiences? Art is also a feeling and an emotion; how do we do that via cyberspace?

Mr. Joel Harden: I hear you. I absolutely hear you. Thank you so much.

Chair, I want to give the rest of my time to MPP Glover.

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

Mr. Chris Glover: Oh, we've just got one minute.

I made a list of actions that we've heard consistently that the government should take. I'll ask Shakiba: Which of those actions do you think is the highest priority, or are all of them priorities, in order to help businesses survive in Guelph?

Ms. Shakiba Shayani: Rent, for sure, is number one. It's an expense that is tremendous, next to paying for employees. So keeping cash in hand is significant, especially as businesses have had to pivot and increase expenses, as Suzan has mentioned, in PPE purchasing and pivoting their programming, their services and their products to e-commerce and online. They've only been incurring debt and expenses, so keeping funds in their pockets is key.

Mr. Chris Glover: Thank you very much, and thank you all for being here today.

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

Mr. Mike Schreiner: Chair, I believe MPP Coteau is going to lead off this round.

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

Mr. Michael Coteau: Thank you so much. To the leader of the Green Party, thank you for those continuous introductions. I appreciate it.

I want to thank the presenters today. And Suzan, please extend a big thank you to Councillor King for sending so many great people our way to the standing committee, because there have been a few people who have come forward. Please extend my gratitude directly to him.

I think the voice that you brought today in regard to the arts sector is a very valuable voice. This is a \$30-billion

sector in Ontario that never gets the respect it deserves as an economic driver. My belief is that we are going to see some sectors, like the creative sector and the cultural sector of Ontario, play such an important role in uplifting our spirit here in Ontario after going through such a challenging time. It's so important that organizations have some stability and predictability moving forward.

Unfortunately, we're coming from a place that—it wasn't even a year ago that there was \$10 million cut from the Ontario Arts Council by the Ontario government, by the Ford government, and half of the money for the Indigenous Culture Fund was cut. In addition to that, the music fund lost half of its funding. We have a government today that may not prioritize culture the same way the rest of society does, so I think it's important that your voice is here today to talk about how important that voice is and the role of culture when we're rebuilding Ontario.

1610

Can you take a few moments to talk a bit more about the economic impact of the cultural sector and where you see it playing a role as we build our society here in Ontario post-COVID?

Ms. Suzan Richards: Well, in terms of the economic impact, I can't say it enough that the non-profits that support artists need continued and even more funding; as well, professional artists like myself and my business need easier access to those funds. Right now, it's extremely difficult, sometimes, for some people to access in that cultural funding segment. So for—how do I say this? The impact is long-lasting. You're losing artists right now. There are artists who are choosing part-time jobs, multiple part-time jobs, just to eat. They're not able to survive through the arts, yet it's the arts that are helping everybody else survive right now.

Mr. Michael Coteau: Right. Thank you, and I really appreciate you being here.

I'm going to turn it over to Mike from the Green Party—the member from Guelph, I should say. I know he has another question he would like to ask.

Mr. Mike Schreiner: Thank you, MPP Coteau.

Shakiba, you had mentioned the importance of the rent program and how vital that is to supporting small businesses and their cash flow situation right now. I think we all agree that we're going to lobby the federal government to try to make changes to improve the plan, but if the federal government doesn't deliver on those changes, would you be supportive of Ontario using the unallocated funds to create a made-in-Ontario rent relief program to support small businesses?

Ms. Shakiba Shayani: The short answer to that is yes, MPP Schreiner. Absolutely. As I ended my commentary, again, as I said, businesses and citizens have had to adapt so strongly, and I really think it's important for a government to recognize their role in adapting and changing our accustomed patterns of acting and thinking. So although I take my role really seriously to advocate and continue to advocate to the federal government for changes, as mentioned by another MPP, to change the regulations of the CMHC landlord support, I think it's imperative that the

Ontario government step up and really show their support as well by producing their own program and delivering those funding supports directly to businesses and tenants—

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

Ms. Shakiba Shayani:—so that they can afford to continue.

Mr. Mike Schreiner: How vital do you think it is that—we think of economic recovery, and Guelph is a large manufacturing town and a lot of the manufacturers have been able to pivot. Linamar making ventilators is probably the most well known. But for a lot of small business, the pivot has been a bigger challenge. Can you just talk about how important this rent relief and cash flow support is to those small businesses that are trying to pivot and trying to figure out a way to stay alive?

Ms. Shakiba Shayani: Sure. Another MPP had asked about really good examples of pivots that have worked. I can speak to a local bookstore, the Bookshelf, who, almost on day three, was able to deliver books that you ordered from their independent shop, and because of regulatory changes was able to include bottles of wine with that order. Those are the kinds of examples of successful pivots.

But the scale at which that can be delivered just cannot compete with what they can do in person. So we have to allow them to get through this period where in-person spending and shopping isn't as possible and keep cash in their pockets. Let them afford keeping their brick-and-mortar alive and well, until we can return to a time where that scalability of their business revenue increases again.

Mr. Mike Schreiner: I also just want to highlight how important that is for our downtown economies, and I know you talked about the dining district in Guelph. But if we're going to make those kinds of changes and make them permanent, we need to make sure we actually have the businesses downtown to do it. Would you agree with that?

Mr. Shakiba Shayani: Absolutely. The main street businesses need all the support—

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 your presentations.

BAYSHORE HEALTHCARE
AROMA SALT THERAPY
AND BEAUTY SPA

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

Mr. Stuart Cottrelle: Hi. My name is Stuart Cottrelle, and I'm the president of Bayshore HealthCare. Bayshore is 100% Canadian-owned and operated since 1966. We're a home care provider, and doing some other things in this province. We've been providing services that help Ontarians remain at home. That's where they want to be. That's where the care—there's a shift that has definitely

happened because of COVID, that we recognize home as the safest place to be.

As a company, we have consistently reinvested in innovative care models and digital health solutions that lead to better patient outcomes, and we're going to continue to do that. That's always been our mandate, to look at how we can keep reinvesting and how we keep doing a better job for Ontarians.

Some things in terms of Bayshore's background: We're one of Canada's 50 best-managed companies. We've been awarded employer of choice. We're a Best Practice Spotlight Organization. We've got very strong clinical leadership, IPAC practices, clinical policies and a whole bunch of things that really help us do things.

We have offices throughout Ontario. We're very familiar in terms of all parts of this province, especially all the outlying areas. Our offices operate with 30-plus staff. Collectively, we employ many thousands of Ontarians, and our Bayshore home solutions division takes care of 16,000 patients on any given day in their homes. We also provide community infusion therapy, pharmacy services and a number of other things that we can do to keep people at home.

First of all, I would like to applaud the government for a number of things that it has done and for its commitment to support for business in the pandemic, in this whole COVID-19 era. Specifically, we want to support the 2020 economic and fiscal update to invest \$3.3 billion in health care beyond what was budgeted last year. Particularly, that investment was pandemic pay, personal protective equipment and critical medical supplies for front-line staff. Without those, we wouldn't have gotten through. Our front-line staff do everything they can every day to help with sick Ontarians.

We also applaud the \$120 million that was used to invest with respect to increased home and community care, to allow hospitals to direct more resources to complex COVID patients and allow Ontarians to be supported at home, rather than in congregate settings.

But we should remember some things that happened in COVID-19. Most importantly, which is very saddening, we had over 1,200 people die in long-term-care facilities. In home care, we have had zero community-acquired COVID-19 deaths. That's just remarkable, and it's remarkable because home care is a safer alternative for patients, much safer. It's also safer for our employees. We've had no employee deaths as well.

We have the clinical expertise to support a different provincial system, and we've got to emphasize that we need a different provincial system that continues to be even more affordable for our seniors. There was a recent paper done by the Canadian Caregiver Coalition, and what it showed is that people want to remain in their home as long as possible. If given a choice, they prefer early discharge from hospital followed by provision of home care. Patient satisfaction levels were also found to be greatest for those receiving care in their homes.

What we're recommending in terms of a response, in terms of what else can be done—

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

Mr. Stuart Cottrelle: We've got to remember, in COVID, home care volumes declined significantly as a result of a drop in referrals, prioritization of certain patients, and as there were some home care patients who hit the pause button during the start of COVID. But we need to get people home, and the way that we need to do that is:

(1) We need to extend pandemic pay for home care. Pandemic pay went across a number of sectors, but it's got to be continued for home care. As the COVID-19 pandemic continues, and with the likelihood of a second wave, pandemic pay is going to be absolutely essential for maintaining our workforce in home care. If we don't get the support, we're facing a front-line risk of moving off to other areas, other sectors. We need that pandemic pay.

(2) We need to attract workers to the home care sector. We need an increased focus on human resource capacity planning, which is critical to our workers, and make sure they're retained to address gaps as they may arise. Home care workers in Ontario are paid less than those in long-term care due to different funding. With pandemic support, and with tuition and paid training, home care providers can attract and retain workers in this sector and not see them leaving to go to long-term care, where they've been paid more.

1620

(3) Continue to invest in virtual care and leveraging digital health. We've been doing a lot of that on COVID and we believe that continuing to keep investing in that area is the right thing to do for Ontario. We have seen great outcomes for patients: reducing caregiver burden and improving patient and family experience. It's really positive, especially for people who have chronic conditions.

And lastly: Expand palliative care at home. We believe palliative care and end-of-life care should be expanded and delivered at home versus in hospital.

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

Mr. Stuart Cottrelle: That's where people choose to want to die. For palliative care delivery to be successful there would need to be sufficient advance care planning and supports to prevent patients, families and caregivers from being overwhelmed by the system.

I want to thank you for the work that you're doing with respect to the 2020 economic and fiscal update, and for involving Ontario businesses. We believe these considerations will help build a better Ontario, and we thank you for the opportunity to present.

The Chair (Mr. Amarjot Sandhu): Thank you. Our next presenter is Aroma Salt Therapy and Beauty Spa. Please state your name for the record, and you can get right into your presentation.

Ms. Toni Jacob: My name is Anthonette Jacob. Thank you so much for having me; I really appreciate this time.

I want to talk to you concerning the ACB community and, during this pandemic time, how it has affected the ACB community. To begin with, my spa, when I started it, I didn't have the supports of the community, much less,

I didn't see any politicians or any councilmen come around at all. The ACB community is at a disadvantage already in terms of getting support from the government just to even start a business.

When it comes to Martin Luther King's speech in terms of "I have a dream," I would say I am that dream. I am that dream because I've managed to pursue, move forward and be able to stand without getting any kind of support from any government, any funding, any resources.

What I would say during this pandemic is that with most of the ACB community, they're the ones who are going to be at a huge loss, and who have suffered substantially. We're not getting the support like we're supposed to get from any kind of government resource. Most of the ACB community is small to begin with.

My organization that I also have—it's Ottawa Black women—is an organization that has over 100 women in business. My organization helps support other women in business pursue their dreams in terms of going further.

A lot of the businesses that have been operating—barely—now that the COVID pandemic has been here, it has really disturbed them a lot in terms of they're not able to pursue or to even continue their business, because they didn't have the supports there before.

The other thing is, our ACB community dollars don't stay in our community. They stay probably about six hours because every other community has figured out that they can come into our community, sell us our own products, and on top of it, they don't contribute back to our community. This is a big problem.

Now that the pandemic is here, we are suffering. I had to close down for at least four months, and I'm so grateful and so thankful to the government for all that they have implemented and put in, that I was able to reopen and start to see—not a lot—but start to see a little bit of revenue come back in from the clients that I had.

However, because I'm from the ACB community, I didn't have huge supports to begin with. And I find that when it comes time for voting, the ACB community—we're out there. We're out there as voters, we're out there volunteering, we're out there helping as much as we can. But when it comes to looking for the resources and supports, it's not there for us at all. I'm hoping that with all of this information that you guys are gathering, you guys really take a look at the ACB community and see how you can really help us, because we are a huge contributor when it comes to our resources going into other communities.

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

Ms. Teresa J. Armstrong: Thank you so much to both the presenters. I really appreciate that health care is a piece in the pandemic that you're bringing forward. Some of the recommendations that were brought forward from Bayshore HealthCare are what I want to touch on. During committee hearings on Bill 175, we talked about learning the lessons of the pandemic so that we can apply them to home and community care. Many presenters talked about

wanting to put a stop to the legislation and making sure that we learn those lessons. That wasn't heeded by the government. The government went ahead.

During committee, we had talked about amendments to the bill. Stuart Cottrelle touched on, number one—the one that I picked up quickly was the HR plan. We actually identified that as the NDP, saying, “We've got to have a strategy for human resources.” The government didn't agree with that.

The other one you talked about was wages. We've been speaking about home care and community care wages for years, about how low they are and that they need to be bumped up for someone to live on it—a living wage—when they go to do that very important work.

I just wanted to ask you how you see the government actually implementing those recommendations, which, unfortunately—I'll repeat that we asked for those things to happen during committee and they could have been passed. The bill is now subject to regulation, and I understand regulation talks are in place and they're going to be coming out. But do you think that the government has an appetite to even include these things in regulations if you had been consulted on Bill 175 and had it actually put the meat on the bone when it comes to that bill?

Ms. Toni Jacob: Is that question referred to me, or is it referred to—

Ms. Teresa J. Armstrong: Excuse me, to Bayshore HealthCare, for Stuart Cottrelle, please.

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

Mr. Stuart Cottrelle: Oh, I am off mute. Okay. I certainly hope so—sorry, I'm supposed to start my video, too. I certainly hope so. We do need change with respect to how home care is done. The pandemic pay was something put into place that made a huge difference in terms of maintaining the workforce, and that's why I said, could it continue? I don't know if that comes into regulation, but that is clearly something that needs to be done.

The biggest thing when you talk about health human resources—what's happened over the past 12 years is that home care consistently falls behind the other sectors, and it needs to get caught up. That has a lot to do with respect to rates, and those rates will directly relate back to pay for employees.

Ms. Teresa J. Armstrong: We also had heard from people who were working in the home care and community sector and left because of the low wages. The government has come out with a staffing paper for PSWs and other staff combinations in the long-term-care sector. You mentioned this. You said that people are going to be leaving the home and community care sector because of the pay, if they can find better-paying jobs. Now, saying that, you also acknowledge that home and community care is the best option for people who want to stay in their homes as long as possible.

1630

How do you see that staffing paper that's out right now affecting the workforce that is in the sector now, in home and community care? With the combination of the wages that we just talked about, how do you see that happening?

Do you feel that people are going to be going to those fields where they're going to be offered maybe better wages and full-time jobs?

Mr. Stuart Cottrelle: Let me start off by the long-term-care proposal. If there is a move to go ahead with four hours of care in long-term care, which was the biggest recommendation in that report, that would mean an additional approximately 15,000 people needed for long-term care. That's our fear: What will happen with respect to the home care sector? Our employees prefer to work in-home, if they can. That's what they want to do. But there's clearly a wage issue. I'm not trying to make—there is a wage issue, and people will make decisions on that. In our latest recruitment that we've been doing, we're getting a lot of people who don't want to work in long-term care. There is a lifestyle issue that comes with working in long-term care, and a lot of people choose—

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

Mr. Stuart Cottrelle: But we need a better balance. We need to have wages in home care approximating long-term care.

Did I answer your question?

Ms. Teresa J. Armstrong: Somewhat, yes.

Mr. Stuart Cottrelle: I didn't mean not to.

Ms. Teresa J. Armstrong: No, that's okay. So if there is going to be that shift from workers from home care and community care that you're saying we need to have more of, without a human resources plan, how do you see that being successful with this government in making sure that people are going to be home as long as possible? If that's the goal, the most economic goal, what would be the reason that this government wouldn't have an HR plan for the home and community care sector that, like I say, the NDP did ask for during the amendments under Bill 175?

Mr. Stuart Cottrelle: I think a human resources plan will definitely help. The biggest thing is, we need to create more capacity in the industry. I think we have to rely on the—

The Chair (Mr. Amarjot Sandhu): Thank you. We have to move to the independent members now. MPP Schreiner?

Mr. Michael Coteau: It's Michael speaking, Chair.

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

Mr. Michael Coteau: Thank you to both presenters. I want to ask Toni Jacob a couple of questions. I've been reading some reports this week. There was an article that came out by Forbes, and the title was “The Covid-19 Crisis Has Wiped Out Nearly Half Of Black Small Businesses” in America. When you think about that, what's taken place since April and the fact that half of the small businesses owned by the Black community in the United States have shut down, it's very telling.

Unfortunately, it's difficult for us to capture that type of information in Ontario. We did have an anti-racism directorate that was cut by the Ford government. That would have been essential for identifying issues like this and tracking things, but unfortunately, it's not collecting that type of data. I know that here in Ontario, from the deputations that have come forward in the last two weeks,

we've heard a lot from small businesses. We also know that there has been a disproportionate impact on the Black community in regard to loss of employment or hours, at a substantially higher rate than the general population when compared.

Do you have any recommendations directly to members of this committee on what the government could be doing to specifically work with the Black community in regard to economic development? Have you heard of anyone from the Ministry of Economic Development specifically speaking to folks from the Black community in regard to getting some advice?

Ms. Toni Jacob: Thank you so much, Michael. First of all, the ACB community, we're very resourceful. When it comes to business, if we want to start a business, we will find every which way to start up a business. Like I said, when I started a business, I wasn't able to get any support from anybody. I wasn't able to get any resources.

I think implementing some sort of resources for the ACB community to support and start up a business—right now, I have created a Black business directory, which will be coming out probably in October. Just by going through the research here in Ottawa to find out we have over 500 Black businesses, which is astonishing to me, and most of them started either from home, with maybe support from their family or friends—because there aren't any resources that government, that I know, has put in place so they can say, "Okay, well, this money is allotted to you. If you have a Black business and you want a start-up, we are going to help you do so." I've been in business and I know for a fact I haven't seen such.

I think they need to, at this time—because we contribute a lot, and like I said, we spend a lot of money, the ACB community. We spend a lot of money on all sorts of different items. A lot of other communities have come into the ACB community and they realize that our money doesn't even stay in our own community past six hours, and nobody is actually contributing back into our community. There are hardly any grants. There are some grants that come out, asking us to apply if you have a not-for-profit organization, but when you go to apply for your small organization, you still don't end up getting that money. It always ends up going to a bigger organization. As a business woman and a Black woman in business, it's hard enough just to get support.

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

Ms. Toni Jacob: So yes, it would be really good to see that there is some kind of funding or some kind of support from the government, that they can actually allot that to you if you want to start a business that they're able to support. There isn't anything. Speaking to other Black business owners, they're struggling, and because of the pandemic, most of them probably won't survive.

Mr. Michael Coteau: Thank you so much for sharing that with us, and thank you for joining us at the committee today. It's important that all voices are captured, and all the challenges people are going through, so I want to say thank you.

The organization that you said you're part of, where there are over 100 Black women supporting Black women in business—one of the pieces of advice I'd give you is, I would ask you to invite the Minister of Economic Development to that group of business people and invite him to sit down and listen—

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

Mr. Michael Coteau: —to the experiences that people are going through in the Black community, because I do believe there's a disconnect between the current government and some groups when it comes to financial recovery post-COVID. So please reach out to the Minister of Economic Development, Vic Fedeli, and invite him to join your group via Zoom or in person sometime in the near future and share that perspective. I would really encourage you to do that, and the next time I'm in Ottawa, I will reach out to connect with your group, being the critic for economic development.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the government now. MPP Cho.

Mr. Stan Cho: Thank you to both presenters for being here this afternoon.

Mr. Cottrelle, I enjoyed your presentation. Certainly, I've met with your organization several times before. I appreciate your comments today on two levels: First, you highlighted the importance of investing in our health care system, and you highlighted some of the recent investments that the government made in response to COVID-19. Of course, we all know that of our roughly \$156 billion in revenue in this province, 40 cents on the dollar does indeed go to our health care system, and that was improved upon in response to the pandemic. You mentioned the \$3.3 billion in additional expenditures, but our recent economic update signalled that we were actually investing now \$12.1 billion into the health care system, and it's absolutely necessary to do that.

But I want to focus, too, on the second part of your presentation that really spoke to me. You spoke of outcomes, and, boy, is that ever a key word. It's almost equally important to talk about outcomes as you do about investments into the health care system, and that's exactly what our government is focused on. We need to look at the outcomes of what we're investing in as well.

Obviously, our government is focused on creating a more holistic health care system, and I have personal experience with this recently. Last year, when I had a minor procedure, after the procedure I had three different LHINs call me to schedule a follow-up. I had to explain my story three separate times to these individual LHINs. It was a very confusing process. All the while, you have a patient who's not receiving the best care that's possible.

1640

So we are moving towards the Ontario health teams, a more holistic health care system. My question to you, especially coming out of this pandemic, is: How do you see home care playing a role in that holistic health care system that can provide those better outcomes for patients that we all want?

Mr. Stuart Cottrelle: The example you talked about, your personal example of dealing with three different LHINs, is what needs to stop. Those are layers that are before you even get the care. We should look at this during this pandemic, because the biggest pressure that's going to be on Ontarians for the next, I'm going to say, 18 months is that they'll want their surgery. Surgery wait times have been growing. Specialist wait times—specialists have not been operating etc.

I want to emphasize that we need to have a far simpler process, and people need to have their home care. This is the biggest thing we don't do. Home care needs to be pre-arranged. When you've waited a year for your surgery, you sure shouldn't have to be wondering what's going to happen on Friday afternoon when you're discharged. But that's when we find, as a provider, because of the bureaucratic processes we go through. That needs to be stopped.

Hopefully through Ontario health teams that happens, but one of the things we need as well, with respect to not just Ontario health teams, we do need some central guidance with respect to what should happen with home care, because we don't want to end up with 80 different home care systems. We want to end up with one home care vision across the province implemented by 80 different Ontario health teams. I'm using 80 because that seems to be the number I'm hearing—or 75; something like that.

Mr. Stan Cho: That's a valuable insight there, Mr. Cottrelle. You mentioned silos as well, which is a bit of a pain point for us at the Ministry of Finance, because we recognize that these silos not only exist between line ministries, they exist between the ministries and the agencies that belong to that ministry, and they even exist within the ministries themselves. I'm wondering—you spoke of those silos within the health care system. Can you think of some of those silos, as they relate to home care, that are severe impediments to those outcomes that we all desire?

Mr. Stuart Cottrelle: Yes. We need to have a simpler system. We currently have a system that relies on case management to assess every person before they start care. We have assessment capability, and then come back to an audit capability to make sure. That goes back to the LHINs. We don't need all of that layer that the LHINs have. We don't need a lot of the other layers that exist with the regions right now. We need a simpler system so that primary care can refer directly and get home care going.

Mr. Stan Cho: I couldn't agree more with that, Mr. Cottrelle, as well as talking about the duplication that we have across the health care system, and all the while—I like to use the analogy of a fuel tank. It's not enough just to fill it with gas. If there are holes in the system, we are topping it off more than we need to. And worse yet, these are leading to poor outcomes for the patients in this province.

Being cognizant of time—and I'm aware that MPP Skelly has some questions as well, Mr. Cottrelle—what I will offer to you, as usual, is to follow up again and to discuss those various ideas that you have proposed. I appreciate your presentation today.

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

Mr. Mike Schreiner: Thanks to both presenters for coming in and providing very valuable information.

I hope you'll permit me a minute to just say that I believe this is the last segment of public hearings that we'll be having before we move into report writing. I just want to take a moment to thank all my colleagues from all parties. We've put in hundreds of hours of work in this committee. But I especially want to give a shout-out to our Chair, MPP Sandhu, who has probably put in the most hours, and just say how important and valuable all of our collective work has been.

I want to direct my first question to Bayshore HealthCare. Stuart, you talked about the challenges you have in terms of staffing. It seems to me that one of the best ways to meet those challenges is if we not only talk about front-line health care workers in home care as heroes but we actually pay them as heroes, and we offer them full-time work with good benefits and living wages—that that would be the best way to attract and retain the kinds of staffing levels we need. I know that will require an investment from government, but would you agree that that approach would start to address the staffing issues we're facing in home care?

Mr. Stuart Cottrelle: We need to move wages for home care closer to long-term care. The proposal is parity, but we need to move closer to long-term care.

In terms of full-time, yes, we do need to have the capability. For the most part, our people are full-time, and we do need to have benefits, and we do have benefits. But the biggest issue that's outstanding right now is that wage, and that is the most important thing. So I would generally agree with your comments.

Mr. Mike Schreiner: I appreciate that. It seems to me that paying living wages is a no-brainer, I would argue, for home care and long-term care, so I appreciate you highlighting that issue.

I want to take a moment, before I run out of time, to ask Toni a couple of questions. We've had some Black business owners come to committee and, in particular, Black women business owners come to committee. I've also had the opportunity to meet with the Black Business and Professional Association. There has been a lot of conversation around systemic barriers to access to capital for Black-owned businesses. I'm just wondering if you could give the committee some final thoughts on how we could break down those systemic barriers so Black-owned businesses can be on a level playing field.

Ms. Toni Jacob: First of all, thank you so much for having me.

One thing I believe is that we, as the ACB community, are very much involved in the community in supporting not only our business but every other business. When it comes to the support that we are needing, we are needing resources. We need resources so that we're able, like I said before, to start a business. There are so many home businesses—like I said, I've been doing research for a

Black business directory, which I'm going to be producing probably within the next month. To find out, within Ottawa, there are over 500 Black businesses in the city that probably nobody knows about, but they are here, they're operating—and they're not operating at the 100% capacity that they would love to because they're not able to find the resources. Where is the information? Where do we go to find it within the community? It's very hard to find information. The second is, it's very hard to find resources. What could the government do? Open a fund that you put towards specifically the ACB community, because the businesses, like I said, that I'm unveiling within the next two months—it's a diversity of businesses.

Myself, I'm looking for funding to produce this book. Where would I turn to get that? I have no clue. And when I do turn to the government to find out, the door is always closed. It's always closed. Where is that dream that Martin Luther King talked about? Where is that dream that we're supposed to be equal on every level? We are not equal. As the ACB—and I'm an ACB woman—we are left behind, and we're always the last. Where is that dream? I'm supposed to be that dream. But that dream—

Interjection.

Ms. Toni Jacob: You're welcome.

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

1650

Mr. Mike Schreiner: Really quick, Toni: Having a fund targeted to support Black-owned businesses—do you believe that would help not only with the province's economic recovery in general, but also would increase economic resiliency and opportunity in Black neighbourhoods among ACB communities?

Ms. Toni Jacob: Absolutely. If they're also given an opportunity to start their own business, to support their own families, to support their own community, the crime rates—and I'm not saying the crime is only coming from the ACB community. However, without jobs, without education, people tend to turn to desperate means to do the wrong things. There's a lot of good businesses coming out of the ACB community. However, they're not able to even see it past the front door.

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

Ms. Donna Skelly: Thank you, both Toni and Stuart, for your presentations. You're the final presenters of a very, very, very long process. We began on this back in—Mr. Chair, was it back in May, that we started? We've met almost every day throughout the summer. The information you're sharing today is invaluable and we truly do appreciate it.

Toni, I just wanted you to continue a little bit. First of all, I don't know enough about your business, so can you give us a little bit of background on what you do?

Ms. Toni Jacob: I started a clothing business, actually, in the same location that I am in right now, called Toni's Fashion. I started that business strictly on faith. I was going through a divorce. I lost my home, lost my car, lost my house, and I had to move back home with my parents.

I stepped out on faith, knowing that—and I get so emotional about it, because it was a difficult time. I wasn't able to get resources from anybody; not from the bank, not from the government. But I stepped out on faith, and I leaped. I went and signed a lease for a business, when I knew I had no money.

But I had an idea, and I speak about that dream that Martin Luther King talks about. I had a dream, and that dream turned into, 10 years later, being successful. After 10 years, because I wanted to move with the times, I turned it into a spa, a wellness centre, called Aroma Salt Therapy and Beauty Spa, in the same location. Going forward as a Black woman, I do a lot of giving back to my community. I still don't get the help that I should actually get. Everything I have done for this business, it all has come out of my own pocket from doing other jobs to support it and just wanting to get it up off the ground. That's hard; that is hard.

Ms. Donna Skelly: Absolutely. Your story is so emotional. It really is. It's an incredible story of a single mom, a single woman who has been able to go out on her own and start a business—and then COVID hits.

I'll share a personal story. My son had a tragedy. His father passed away a year ago. It was the day before he had actually received—he graduated from hair school the next day. His father, who was a hairstylist, passed away. He ended up taking on a business with no experience and then, a year later, had to go through COVID. But he's made it, and he's got all of these challenges. I think that sometimes you get through something and you're far more resilient.

But you've had so many challenges, and now you've got COVID. How has your business been impacted by COVID, especially—you're the first person in all of these that I've heard in that line of work, the salt spa. Are you open now and how are you moving forward?

Ms. Toni Jacob: When COVID hit, it was just like, "Whew, that knocked me on my butt." Because I am a small business as it is, I wasn't making a huge amount. We had just flipped over six months, and when COVID hit, that just knocked me—it was devastating. Now we are open, back probably about a month, and we're still trying to recover. It's not easy, because of course the rent is the biggest factor. The government, yes, put in place—to help us with the rent, but it's not enough. It was only for four months. But then that rent is still huge. It's piling up, when we haven't been able to even recover.

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

Ms. Donna Skelly: Has your customer base changed? Are they confident coming back into a spa?

Ms. Toni Jacob: They're confident coming back into the spa, because we have procedures set up for when our clients come back in. They feel safe. They're starting to trickle back in. But like I said, it's only been about a month, going into two. I'm hoping, as time goes on, that things will really start to speed up. But now we're also heading into possibly a second wave, and the winter. Then on top of it, we haven't recovered yet. The rent, of course, is a big piece.

Ms. Donna Skelly: Toni, I just wanted to also share with you—you mentioned that you're going to be establishing a list of like-minded businesses, Black businesses, in Ottawa. That networking is so important. I'm with economic development, and our ministry works with a number of groups: Black-community-based groups, South Asian, Asian, women.

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

Ms. Donna Skelly: Please make sure that we are able to get access to that list, because I think it will help us address some of the challenges that you've raised today.

On that note, I'm just going to say thank you. I wish you well with your business, moving forward, and everybody to stay safe.

Ms. Toni Jacob: Thank you.

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

Mr. Joel Harden: I want to begin by thanking all of the folks who have testified here and deputed to us today. I absolutely appreciate what you've had to say.

Toni, I want to go back to you for a moment. What a story you've told us. I appreciate the fact that you're willing to put emotion into it, to give us some insight into what it's been like for you to build your business.

One of the things we've asked the government to consider is to extend the current moratorium on commercial evictions past the August 31 deadline, which is coming really soon. I was wondering if you agree with that.

Ms. Toni Jacob: I think it should actually be extended until December, because we cannot just recover after one month. It's impossible, especially if your rent is \$4,200. In my space where I am, on St. Laurent Boulevard, not only do I have rent to pay, I also have the other expenses that come along with it.

On top of it, where are the clients? The clients are just slowly—first of all, they want to know that they're going to be safe to come here. They're scared. If I had 100 clients coming through the door before COVID hit, now I'm probably down to maybe 30. So now I have to find other ways to catch back up, to get the clients to come back in and to understand that, you know what, we have procedures put in place to make sure that you are safe. But 30 clients, with rent and all the other expenses, is not going to cut it.

If they're able to help us out until the end of the year and let us catch back up with our clients—that way, in the new year, we're able to have caught back up. We're able to start again fresh. But to have this big expense of rent and not having enough clients coming through the door, we're doomed to fail.

I'm also an ACB woman in business. The support—if it was supposed to be 100% there, it was actually only 25% there in the beginning. Now I'm down to 5%, or even less, so I'm doomed to fail if I don't do something within the next six months to keep afloat, especially if another wave of the pandemic hits. In January, I won't be able to survive. I wouldn't be able to.

Mr. Joel Harden: Understood. Thank you very much.

I want to turn to you, Mr. Cottrelle. Nice to see you here this afternoon from Bayshore. I want to carry on as MPP Armstrong did, with our conversations we were having at committee for the Legislature on another piece of legislation around home care. A lot of people have been debating that COVID-19 recovery is really going to be premised upon the province being ready in certain critical areas. One of those is the capacity for employees to draw upon sick days. I'm wondering if you have a percentage at the ready as to how many sick days workers working for Bayshore currently have?

Mr. Stuart Cottrelle: Under the new federal guidelines that are waiting for approval, there will be two weeks for those people. Those are the guidelines that will be—

Mr. Joel Harden: Under the new federal guidelines, but previous to that, sir—because I know the federal government is going to mandate 10—how many sick days do workers get at Bayshore?

Mr. Stuart Cottrelle: It depended on the area how many sick days they got. They were not getting 15 in a row without medical—the new guidelines are 15 days; without any medical certificate, they weren't getting that. They had to produce a medical certificate, and they were getting, depending on the area, approximately 10. We do have some sick days available to people.

Mr. Joel Harden: What I would impress upon you: We're embarking on this experiment as a country, to get ready for a COVID-19 recovery and hopefully not a second wave. Everywhere, particularly in the caring sectors, we have to make sure people aren't going to work sick, and that's on all of us. That's on us as legislators; I would say it's on you as an employer. We need to figure out a way in which we follow the example of other countries—

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

Mr. Joel Harden: —where sick days are able to be available for all workers.

I find it very disturbing that in your particular sector, many folks—and I take your point that there were no fatalities in home care; you're right. But many workers are going into work with some of our most marginalized, immunocompromised people, and they don't have paid sick days until this recent federal announcement.

I want to pass the mike to my friend MPP Chris Glover.

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

Mr. Chris Glover: Thank you for being here. This is the final day of deputations that have been going on for months, and I just—how much time do I have left?

The Chair (Mr. Amarjot Sandhu): A minute and 30 seconds.

Mr. Chris Glover: Oof. Okay, so very quickly, then: Thank you both, Stuart and Toni. Toni, I've got "Toni" written down here, but at the beginning of the session, you said your first name, and I don't think that was it.

Ms. Toni Jacob: My nickname is Toni. My real name is Anthonette Jacob, but they call me Toni—you know, like Toni Braxton.

Mr. Chris Glover: Okay. I wanted to make sure I was calling you by the right name.

Ms. Toni Jacob: Toni is fine.

Mr. Chris Glover: Okay. We've probably got a minute left. Toni, can you take 30 seconds and just say what message you want this government to hear from you? And then, Stuart, you take the final 30 seconds. Toni?

Ms. Toni Jacob: What I would want them to hear is that we, as the ACB community, are just as much contributors to this country. We spend probably more money than any other community. A lot of other communities have figured it out in terms of selling to our community, but they do not contribute back to our community. We are also looking for that dream. We need your help, and we need your support. You cannot forget us. We are out there, supporting you when you want to be in office. We are out there. You can come and you can knock on our door. We volunteer. We will go the extra mile for you, but you are not going it for us.

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

Mr. Chris Glover: I think we're out of time, but thank you so—

The Chair (Mr. Amarjot Sandhu): I apologize to cut you off. That concludes our time, and that concludes our business for today. Thank you to all the presenters for presenting today. This was the longest sector of hearings, so I want to thank all the committee members for their participation and the committee staff for all their hard work in running these virtual meetings very smoothly.

As a reminder, the deadline for written submissions on the small and medium enterprises sector is 6 p.m., eastern daylight time, today.

The committee is now adjourned until 9 a.m. on September 9, when we'll meet for report writing. Thank you, and have a good weekend.

The committee adjourned at 1704.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Amarjot Sandhu (Brampton West / Brampton-Ouest PC)

Vice-Chair / Vice-Président

Mr. Jeremy Roberts (Ottawa West–Nepean / Ottawa-Ouest–Nepean PC)

Mr. Ian Arthur (Kingston and the Islands / Kingston et les Îles ND)

Mr. Stan Cho (Willowdale PC)

Mr. Stephen Crawford (Oakville PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Sol Mamakwa (Kiiwetinoong ND)

Mr. David Piccini (Northumberland–Peterborough South / Northumberland–Peterborough-Sud PC)

Mr. Jeremy Roberts (Ottawa West–Nepean / Ottawa-Ouest–Nepean PC)

Mr. Amarjot Sandhu (Brampton West / Brampton-Ouest PC)

Mr. Mike Schreiner (Guelph G)

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Ms. Donna Skelly (Flamborough–Glanbrook PC)

Mr. Dave Smith (Peterborough–Kawartha PC)

Non-voting members / Membres sans droit de vote

Mr. Stephen Blais (Orléans L)

Ms. Catherine Fife (Waterloo ND)

Mr. Randy Hillier (Lanark–Frontenac–Kingston IND)

Ms. Andrea Khanjin (Barrie–Innisfil PC)

Ms. Laura Mae Lindo (Kitchener Centre / Kitchener-Centre ND)

Mr. Kaleed Rasheed (Mississauga East–Cooksville / Mississauga-Est–Cooksville PC)

Mr. John Vanthof (Timiskaming–Cochrane ND)

Substitutions / Membres remplaçants

Mr. Roman Baber (York Centre / York-Centre PC)

Mr. Robert Bailey (Sarnia–Lambton PC)

Hon. Paul Calandra (Markham–Stouffville PC)

Mr. Michael Coteau (Don Valley East / Don Valley-Est L)

Mr. Sheref Sabawy (Mississauga–Erin Mills PC)

Also taking part / Autres participants et participantes

Ms. Teresa J. Armstrong (London–Fanshawe ND)

Ms. Jennifer K. French (Oshawa ND)

Mr. Chris Glover (Spadina–Fort York ND)

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

Mr. Terence Kernaghan (London North Centre / London-Centre-Nord ND)

Ms. Sara Singh (Brampton Centre / Brampton-Centre ND)

Mr. Peter Tabuns (Toronto–Danforth ND)

Clerk pro tem / Greffière par intérim

Ms. Thushitha Kobikrishna

Staff / Personnel

Ms. Heather Conklin, research officer,
Research Services

Ms. Monica Cop, research officer,
Research Services