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**Official Report
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(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

Main Street Recovery Act, 2020

1st Session
42nd Parliament

Tuesday 10 November 2020

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

Loi de 2020 visant à redonner
vie aux rues commerçantes

1^{re} session
42^e législature

Mardi 10 novembre 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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CONTENTS

Tuesday 10 November 2020

Main Street Recovery Act, 2020, Bill 215, Mr. Sarkaria / Loi de 2020 visant à redonner vie aux rues commerçantes, projet de loi 215, M. Sarkaria	F-2935
Ministry of Economic Development, Job Creation and Trade	F-2935
Hon. Prabmeet Singh Sarkaria	
Retail Council of Canada; Region of Peel.....	F-2944
Mr. Sebastian Prins	
Mr. Nando Iannicca	
Dr. Sabbir Saiyed	
Mississauga Board of Trade; Ontario Convenience Stores Association	F-2952
Mr. David Wojcik	
Mr. Dave Bryans	
Mr. Henry Boyd	
Ottawa Special Events; Ontario Chamber of Commerce; Canadian Federation of Independent Grocers	F-2960
Mr. Michael Wood	
Mr. Rocco Rossi	
Mr. Gary Sands	
Timmins Chamber of Commerce; Pembina Institute; Ottawa Coalition of Business Improvement Areas.....	F-2968
Mr. Cameron Grant	
Ms. Carolyn Kim	
Mr. Mark Kaluski	
Drinks Ontario; Coalition of Concerned Manufacturers and Businesses of Canada.....	F-2976
Mr. Jim Lisser	
Ms. Shalini Sheth	
Ontario Craft Brewers; Brampton Board of Trade.....	F-2982
Mr. Scott Simmons	
Mr. Todd Letts	
Communitech; Ontario Trucking Association	F-2988
Mr. Iain Klugman	
Mr. Stephen Laskowski	

LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Tuesday 10 November 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mardi 10 novembre 2020

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

MAIN STREET RECOVERY ACT, 2020
LOI DE 2020 VISANT À REDONNER VIE
AUX RUES COMMERÇANTES

Consideration of the following bill:

Bill 215, An Act to amend various statutes with respect to the economic recovery of Ontario and to make other amendments / Projet de loi 215, Loi modifiant diverses lois en ce qui concerne la reprise économique de l'Ontario et apportant d'autres modifications.

The Vice-Chair (Mr. Jeremy Roberts): Good morning, everyone. We are meeting today for public hearings on Bill 215, An Act to amend various statutes with respect to the economic recovery of Ontario and to make other amendments. I am the only member present in the room today, but we have the following members participating remotely: MPP Shaw, MPP Kanapathi, MPP Fife, MPP Thanigasalam, MPP Piccini, MPP Mamakwa, MPP Skelly and MPP Oosterhoff.

As a reminder, I ask that everyone speak slowly and clearly, and please wait until I recognize you before you start speaking. Are there any questions or business before we begin?

Interjection.

The Vice-Chair (Mr. Jeremy Roberts): Excellent. We have MPP Hunter joining us.

MPP Hunter, I'd like to do a quick attendance check. Can you confirm that you are with us and you are in Ontario?

Ms. Mitzie Hunter: Good morning. Yes, I am with you, and I am in Toronto.

The Vice-Chair (Mr. Jeremy Roberts): Wonderful.

Any questions or business before we begin? Excellent.

MINISTRY OF ECONOMIC
DEVELOPMENT, JOB CREATION
AND TRADE

The Vice-Chair (Mr. Jeremy Roberts): I will now call on our first witness, the Honourable Prabmeet Singh Sarkaria, Associate Minister of Small Business and Red Tape Reduction.

Minister, you will have 15 minutes for your presentation—

Interjection.

The Vice-Chair (Mr. Jeremy Roberts): Hold on. We're just checking to make sure we've got the minister.

While we wait for the minister, I'll indicate the process for this first round. The minister will have 15 minutes for his presentation, followed by 45 minutes of questions from the members of the committee. The questions will be divided into three different rounds. There will be three rounds of six minutes for the government and the opposition and two rounds of four minutes and 30 seconds for the independent member.

I'm just checking to see if we have the minister. Perfect. Good morning, Minister.

Hon. Prabmeet Singh Sarkaria: Good morning, Chair. How are you?

The Vice-Chair (Mr. Jeremy Roberts): Very good, thanks.

Minister, you have 15 minutes for your presentation. I'll give you a two-minute warning near the end, and then that will be followed by 45 minutes of questions from the committee. The floor is yours.

Hon. Prabmeet Singh Sarkaria: Good morning, everyone. Thank you for the opportunity to speak before you here today. I'm very grateful for the work being done by every member of this committee in support of Ontario's small businesses.

I believe that the Main Street Recovery Act will help establish a solid foundation on which businesses across the province can reliably recover and rebuild. Today, I will outline why.

First, I would like to place this proposed legislation in context. As we are too aware, the COVID-19 pandemic has wrought devastating effects on the health and safety of our people while posing serious threats to our economy. That's why, as we move forward, our government is committed to doing so in a way that supports the viability of Ontario businesses while also safeguarding people's health.

It's why Ontario's landmark budget, the first delivered during a global pandemic, is built on three firm pillars. The first is to protect our health and safety, the second is to support our people and economy, and the third is to recover our economic standing and well-being.

The Main Street Recovery Act rests on these strategic pillars. It's a forward-thinking bill that would help support small businesses through this critical period and protect the people who count on them. At the same time, it would modernize rules to provide a reinforced base for them to

recover and to rebuild. We designed this base to be strong enough to withstand current challenges and flexible enough to support future opportunities.

And while this act is an important element of our main street recovery plan, it's far from the only one. The plan features a suite of support services and policy changes, including \$60 million in PPE funding, brought together from across government to help small businesses in their main areas of need. Consider the plan's \$60-million main street relief grant, which helps protect people's health and supports businesses. This program will provide a one-time grant of up to \$1,000 for businesses with two to nine employees in retail, food and accommodations and portions of other service sectors. This will help them offset the cost of personal protective equipment incurred as a result of the pandemic. For more than 100 consultations I've been involved in since March—I know this grant and the overall plan will be well received by businesses. For many, it would build on the \$2,500 they received through the Digital Main Street program to help move their businesses online. And it would address two key problems identified by nearly every main street small business I've talked to: their liquidity issues and unprecedented costs for PPE.

The main street recovery plan's comprehensive approach reflects the importance of small businesses to our economy and communities and way of life, and it speaks to our government's continued commitment to their renewal, recovery and future growth.

Ontario's small and main street businesses have in many ways borne an unfair share of COVID-19's economic burden. They're facing their greatest challenge in recent history. Physical distancing requirements and temporary closures have overturned their business models, undercut their revenues and threatened their sustainability. Yet, despite unprecedented challenges, small businesses have never stopped serving the people of Ontario. They have closed doors to flatten the curve. They have reconfigured premises to protect customers and employees. And they have moved in-person transactions online. Through it all, they have gone above and beyond to keep Ontario's communities supported, employed and fed. Our government is humbled by their selflessness and inspired by their ingenuity. We want them to know that they are not alone. We are determined to equip Ontario's small businesses to survive this pandemic while preparing them to thrive on the other side. We are exploring everything in our tool box to empower them with what they need to succeed.

Through countless round tables and discussions, I have been in constant contact with small business owners, employees and associations. I have heard their calls to both support their recovery and lay a foundation for future growth. It has resulted in meetings across government to identify innovative legislative options that would help businesses to withstand the current storm and emerge prepared for opportunities on the horizon.

Before the pandemic, our government worked diligently to cut unnecessary red tape so that more Ontario businesses could compete and grow. We are proud to have

taken more than 200 actions to reduce red tape, saving businesses time and money to invest in job creation and expansion. Since then, the demands on people and businesses have become more intense, more time-consuming and costlier than before. That has made our government's work to modernize regulation, ease unnecessary burden and cut costly red tape more important than ever before.

The fact is, the pandemic has reset our way of life and the way we do business. To stay afloat, small businesses need rules that allow them to safely adapt to the current demands while providing them with the flexibility to pursue opportunities for future growth.

Through the Main Street Recovery Act, we would modernize rules to help small businesses stay solvent through the pandemic and rebuild more resilient beyond it. Our proposed legislation contains amendments from three ministries that would lay the foundation for small business recovery and renewal across a variety of sectors, and it would do so while maintaining or improving protections that help keep our communities and people healthy and safe.

0910

The first part of the bill, as contained in schedules 1 and 3, would make 24-7 truck deliveries to retailers, restaurants and distribution centres permanent. This builds on temporary changes made to keep shelves stocked through the first wave of the pandemic this spring. It would also help address small business concerns over low consumer confidence and new safety measures.

Making this change permanent would support economic recovery on our main streets by helping much-needed goods reach businesses as efficiently as possible. It would keep supply chains moving, supporting businesses big and small across a variety of sectors. It would reassure businesses that they could maintain their operations despite future challenges, and it would give consumers great confidence that their local retailer or restaurant, for instance, would have what they need when they need it.

With rising cases and added restrictions in some of Ontario's most populous regions, we need to do everything we can to support our small and main street businesses. By increasing the supply of goods available on Ontario's main streets, we'll bring more shoppers back to their local favourites, and by allowing small businesses to receive deliveries at less busy times, we'll help them maintain physical distance to keep employees and customers safe.

Two previous pilots have shown that 24-7 deliveries could reduce rush-hour traffic, lower fuel costs for business and reduce greenhouse gas and other emissions, so it could also improve our environment and increase safety for people as they go about their daily lives. It's why people are so supportive of this change and why we've been consulting extensively with municipalities to make it happen. We have received support from the region of Peel and the city of Toronto. As discussed earlier, we would make this change permanent through amendments to the legislation.

The amendment would limit municipal authority to regulate noise in connection with the delivery of goods to

retail establishments, restaurants—including cafes and bars—hotels and motels, and distribution facilities, except in sensitive areas.

As discussed earlier, the Main Street Recovery Act is intended to help support small businesses and people throughout this pandemic.

We are mindful that municipalities play a central role in protecting the people of their communities, so through future regulation via the Ministry of Municipal Affairs and Housing, municipalities would be given the authority to determine sensitive areas. This would be subject to criteria, limits and conditions based on consultation.

The proposal before us would modernize outdated rules—ones that predate noise and emissions reductions and the explosive demand for online deliveries. In doing so, it would give small businesses the flexibility they need to stay open while physically distancing, stay stocked to attract more customers and grow, and stay part of the strategic supply chains. It would do this with a high potential upside for everyday Ontarians.

The second part of this bill we're discussing today involves amendments to the Ontario Food Terminal Act, as outlined in schedule 4. Thousands of small businesses, from main street shops to family restaurants, depend on the Ontario Food Terminal for their success. The Main Street Recovery Act's changes would, among other things, expand the terminal's mandate to allow it to promote local food. This would help boost Ontario's agri-food economy, enabling more businesses to compete and succeed in a crowded marketplace. It's a potent differentiator, setting businesses apart in a globalized economy. It would also contribute to a more sustainable recovery province-wide, helping to expand businesses and creating jobs.

Another effect of these Ontario Food Terminal amendments is to increase the range of products sold at the terminal. This change would support the distribution of Ontario food and food products. The result is it that it will be able to offer more products for sale to increase revenues, and buyers would enjoy a wider range of products to purchase and use in their own small business, keeping existing customers coming back, while attracting new ones.

Modernizing Ontario Food Terminal rules would lay the foundation for small businesses to recover faster and rebuild stronger, offering them more opportunities for growth and a new competitive edge.

The final part of the bill that we're highlighting for the House today involves support for Ontario's taxi and limousine industry, as outlined in schedule 2. It's one that has suffered from the rise of ridesharing platforms, increasing amounts of unlicensed activity, and now the global pandemic. Illegal taxi and limousine operators have been an ongoing issue for municipalities across the province and for airport authorities. These drivers affect legal taxi and limousine operator businesses, and without required licences, permits or authorization, they pose a safety risk to passengers.

To act as a strong deterrent to illegal operators, the Ministry of Transportation would amend the Highway

Traffic Act to increase the fine range to \$500 to \$30,000 per offence.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Hon. Prabmeet Singh Sarkaria: Modernizing the Highway Traffic Act would help support the recovery of a regulated industry. It could help increase confidence and bring more traffic to main streets to strengthen local small businesses, helping them rebuild and grow. Most importantly, it would protect people's security when they travel, supporting a safer recovery for everyone.

Through four schedules, the Main Street Recovery Act would modernize significant statutes to support small businesses through this pandemic, and it would set small businesses up for a strong recovery beyond, giving them the flexibility to explore new opportunities and pursue future growth. As the legislative foundation of the main street recovery plan, this act would join new funding support services and a long-term strategy, all designed to give small businesses what they need to rebuild better and reclaim their right to succeed.

Thank you very much for your time, everyone. I'm now happy to take any questions.

The Vice-Chair (Mr. Jeremy Roberts): Thank you very much, Minister.

We'll dive into our three rounds of questions. Again, the government and opposition will have three rounds of six minutes, and the independent member will have two rounds of four and a half minutes.

We'll start with the government. MPP Skelly.

Ms. Donna Skelly: Good morning, Minister. One of the things that we've been doing all summer, as part of SCOFEA, of course, is holding the largest-ever stakeholder engagement in the history of this province. We've spoken to many, many, small business owners throughout the summer and in the early part of the fall. I know that you also hosted an unprecedented amount of round tables, reaching out to small businesses, asking them what they need from us and how they've been adjusting through this unprecedented pandemic.

Can you please tell the committee if your conversations during your consultations fed into the contents of this Main Street Recovery Act and the main street recovery plan?

Hon. Prabmeet Singh Sarkaria: That's a great question. I want to first start off by giving you a big thank you for all the work that you did to help support not only this piece of legislation coming to the Legislature but obviously in our conversations and consultations that you participated in.

One of the main ones that came up was our consultation when we held a round table with the BIAs in Hamilton and the surrounding area. I remember one of the biggest issues at the start of the pandemic was restaurants being able to have access to greater patio space. I remember it was from that round table that we hosted together—it was an immediate change, and not in this piece of legislation. You were able to take that to the Attorney General's office and try to get all the necessary permits, work with municipalities, and give them whatever resources they needed to be able to be able to quickly adapt to new standards of patios,

which often ended up on the sidewalks, because of the restrictions on indoor dining and to keep everybody safe.

0920

That was just one example of a consultation that we held with you. I really appreciate you for all the hard work that you did during all of this to support not only the small businesses, but bringing forward very quick regulatory changes.

Even in this piece of legislation that we have before us, one of the specific asks on the food terminal agencies and the Ontario Food Terminal Act—I believe it was a conversation at a round table with not only the Premier, but with Gary Sands, who represents the independent grocers. This is actually an idea that came up from them. It was a group of independent grocers who pitched this idea to the government and said this could be a great way for us to be able to support not only local produce, local entrepreneurs and local businesses—so we took it back to the team and we started working on it. Here we are debating it in committee, about how a positive change that comes from the ground, that comes from the small businesses that need the support right now—innovative solutions to help them and give them more options and give them more access. This is exactly what those consultations have led to.

We have done about 100 consultations to date so far— at least 100—on how we can better support our small businesses. We have our MPPs and other ministers who continue their consultation, which then feeds into all of our discussions and all of our ideas. I think it's a great opportunity. As you said, there has never been a time when we have seen so much consultation and so much work with all of our teams to get through this pandemic. We want our businesses, whether it's from the regulatory side or whether it's from other elements that this government has put forward—we're very committed to helping support their recovery, helping to support in any way we can, to make sure they get back on their feet.

The Vice-Chair (Mr. Jeremy Roberts): MPP Thanigasalam.

Mr. Vijay Thanigasalam: Good morning, Minister. Thank you for that presentation, and thank you for your hard work on this recovery act and all the other initiatives that you're taking.

Minister, can you expand on how the contents of the Main Street Recovery Act and main street recovery plan will help small businesses improve their supply chain, increase flexibility, and help them reduce costs?

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: I think you raise a good point: How do we better support our supply chains? One of the ways we're doing that is through the 24-7 delivery of goods. That's really going to be focused around giving flexibility.

What we saw during the beginning of the pandemic were shelves that weren't being stocked. And many municipalities and regions had time frames that didn't allow for deliveries during some of the later hours of the night. But we've seen an increase in technology to support truckers

or the trucking industry to be able to deliver these goods in a time frame and a way that doesn't disturb people.

It's just about making sure that people have the confidence that when they go to the store, what they need, whether it's the essentials like milk, eggs or bread, is going to be there. Whether it's your pharmacies that have the supplies they need, this is all—

The Vice-Chair (Mr. Jeremy Roberts): Thank you, Minister. I'll have to cut you off there.

We're now going to move to the opposition. MPP Fife.

Ms. Catherine Fife: Thank you, Minister, for your presentation on Bill 215.

Like many of you, I sat on the finance committee with my colleagues throughout the summer. I'm trying to figure out why there is so little in Bill 215 for businesses, quite honestly.

There are a couple of things: the \$1,000 grant for PPE—of course we support that; it came in early October—also, allowing alcohol to be part of a takeout order. That's totally something we support, to see restaurants get through this challenging time.

But what is so surprising to me is that there is nothing on addressing the need to bring in an eviction ban—which has now expired, as you know. We're hearing from businesses—and I know that all of you are hearing from the same businesses—that businesses are so concerned about making it through this fall.

So I want to know from you, where is the government on reinstating the eviction ban and extending it, just as the CFIB has proposed?

But first, can you just address why Bill 215 does not address the insurance, the evictions and the need for direct financial support for businesses?

Hon. Prabmeet Singh Sarkaria: Thank you very much, MPP Fife, for everything you've been doing from your end.

When we speak to this legislation, it is just one part of the plan, of what this government has been doing from the start, whether we look at the \$60-million investment that we just made right now into PPE or, if we look before that, we did put forward close to a billion dollars with the federal government in a rent support program that helped over 550,000 businesses. We put forward a Digital Main Street program, which was a \$57-million investment, \$2,500 grants that supported it. The federal government put forward the wage subsidy element, as well. So there has been a totality of supports that have been put forward.

As we progressed through the pandemic, we put forward more supports. As you saw in our budget that came out last week, more supports, whether it's industrial or commercial users of energy—16% to 14% decreases there—or property tax relief for businesses all across the province that will save thousands and thousands of dollars, as well.

As we look forward, we continue to understand and know that there is more work to be done. There is a new program that is being put forward on rent subsidy by the federal government. The eviction order continues until that plan is in place. We will continue to work, whether it is with our small businesses or communities across the

province, to see how we can better support the recovery. Everything this government has done has been aimed at focusing towards their recovery and giving them the tools necessary to get the supports they need.

Ms. Catherine Fife: What I'm trying to get to, though, is the urgency of these issues. The winter is coming. We know that the wolf is at the door. They're very concerned about being evicted.

The rent abatement, the federal strategy—there were obviously lots of issues with the first one, Minister, and we're all very aware of those weaknesses. The next one coming forward: I just heard from a restaurant yesterday that they're concerned about how the provincial lockdown strategy—the proposal that the government has come forward with, levels of lockdown—may impact them on a go-forward basis.

What I really want to get to is that there is this conversation happening right now across the province around keeping businesses open, ensuring that they have the PPE and the safety protocols in place. Is that a better place to invest some energy for this committee and for legislation going forward—to prevent people from meeting privately? I know that you have spoken with Mayor Brown in Brampton and he's a huge proponent of this, so I'm trying to get a sense of where the government is.

You put this \$1,000 grant for PPE. We all know, on this committee, that that's not sufficient to really address some of the issues.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: I'd like to get some sense as to what the uptake has been on that grant and where you see us—going forward, how we can better support businesses.

Hon. Prabmeet Singh Sarkaria: Very quickly, because I know we don't have any amount of time, but we can potentially pick it up after—for any zones that are shut down, for example, Peel, Toronto and Ottawa, they have access to a \$300-million program that will cover a restaurant owner's property tax bill and their energy bills to 100%. On top of that, for those zones, from a federal perspective, they're going to be covering up to 90% of their rent during those times. So there will be significant supports for that.

0930

In terms of PPE, it's just one part of the plan. There's the Digital Main Street program. There is the rent relief that was put forward before. There is the wage subsidy. There are the grants that we continue to—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. We'll have to move to the independent member now. MPP Hunter.

Ms. Mitzie Hunter: Thank you, Minister, for your presentation.

I want to pick up along the same lines here, because we also had hundreds and hundreds of hours—heard from hundreds of small businesses, and they were very clear that what they needed most to weather the pandemic and prepare for a second wave is liquidity, and part of that is in response to moratoriums on rents.

I'm just wondering why this bill lacks ambition. It was very surprising to me that, with all the ideas that were

coming out, we just have these few things that we're doing, when the need is so great and when we are facing many small businesses that fear they will not survive the second wave.

Hon. Prabmeet Singh Sarkaria: I appreciate those comments, but I respectfully disagree from that point—and just to reiterate that when we look at this piece of legislation, I think we really need to look at it from what the government's response has been from the start to now. Whether we look at, initially, when we put forward the deferrals of up to \$11 billion to help support businesses with their cash flow, introduced programs like Digital Main Street that were giving businesses the opportunity to pivot digitally, giving them a \$2,500 grant, it has been a resounding success to see—in today's element of businesses have to adapt to an e-commerce model, and how important investments like that were, to go digital.

After that, we saw the programs like the rent support program—we all understand where those issues with that program were coming from. I think we've been able to respond to that by making sure that the next program that is delivered is a tenant-directed program. I think that's the work that we did with consultation—whether it was when we sat down with the Scarborough BIA, or whether it was when we sat down and listened to the members of the committee and some of the concerns that they put forward. We've had conversations with—whether it has been the CFIB, the OCC. And we welcome the opportunity to work with all business leaders, all small businesses.

This committee will also be hearing from many voices who have worked with us to support our broadband—to help small businesses. This is a critical part of that piece. It's one part of it and not the only part of it. There are many more elements—whether it's the \$60 million or other programs that we put forward.

Ms. Mitzie Hunter: Minister, I want to address the deferrals, because that is something that is still a liability on the books of small businesses. It's billions of dollars, but your treasurer said that he plans to collect 100%. How are we going to do that when many businesses won't be able to build the cash flow to repay those deferrals?

And what meaningful support are you providing to businesses to make it through the second wave?

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: As we look at the second wave, I think we put forward some very—whether it was in our budget that we put forward last week or whether it is the emergency measures for areas like Peel, Toronto and Ottawa, or even York, which receive or could access the \$300-million support program which covered 100% of their utility bills or 100% of their property taxes. We just put forward the \$60-million PPE grant that we'll be launching soon so that businesses can help support some of their liquidity pressures.

The budget that we just put forward gives significant relief, from an electricity standpoint, to small businesses and commercial and industrial businesses, as well as giving support from a property tax sense. Significant savings for those—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much, Minister. We'll have to move back to the government now for the next round.

Before we do that, I just want to do a quick attendance check. MPP Smith, can you confirm you're with us and in Ontario?

Mr. Dave Smith: I am MPP Smith, and I am in beautiful God's country, Peterborough.

The Vice-Chair (Mr. Jeremy Roberts): Excellent—and hiding behind that moustache, I see.

We'll go to MPP Kanapathi.

Mr. Logan Kanapathi: Thank you, Minister, for that presentation.

I know of your leadership and your engagement with the small business community throughout the province. You asked me to do some of the things in Markham—Markham is the first municipality, sir, to enter into the main street small business program; we were the first municipality to jump into it when you announced the program. I have thousands of businesses, not hundreds of businesses, in my riding alone, and those are the announcements, those are the initiatives—the small business grant, main street small business PPE grant for \$2 million, Digital Main Street—that make a huge difference for the small businesses, giving them needed tools to grow and sustain their business.

Could you please elaborate on how the program is going to roll out? I asked yesterday at the committee about expanding that program to other categories of business, like medical officers, medical professionals, the financial industry and these kinds of things. Do you have a plan to expand? This is working well in Markham. I want to hear from you how you are going to expand this program beyond your corridor.

Hon. Prabmeet Singh Sarkaria: Thank you very much, MPP Kanapathi. We've had so many conversations, and so much of your work has gone directly into some of the work that we've been able to put forward, whether it's through this piece of legislation or other pieces of legislation.

We talk about Markham and the unique needs of businesses there. One of the things that has really driven this piece of legislation has been the opportunity for all of us to have conversations with a diverse group of businesses from different areas. We recognize that businesses, whether they're in Markham—their needs might be significantly different from businesses that might be in southwestern Ontario, eastern Ontario or northern Ontario. That's why I think it was very important—whether it's the conversations we had or the context that you were able to provide, it's something that we really appreciated.

When we put forward programs, whether it's the main street relief grant—we looked at so much information that we had not only from the round tables that we put forward, but speaking to businesses, looking at data from StatsCan, looking at data from surveys that were done from a PPE lens of what the most significant challenges are that businesses face, what some of the opportunities are that we could be creative on and that would help support the recovery of small business from a regulatory standpoint.

Many times when we look from a regulatory lens, it's something that's very quickly ignored, as not seeming like something that could have significant impacts and changes. But the regulatory mechanisms that we have before us could save businesses millions of dollars, hundreds of millions of dollars, and really support them in their recovery. Whether we look at restaurants that were able to get the commitment to continue delivering alcohol, whether it is the opportunity for businesses to get supplies 24-7 and then at the same time reduce the cost of delivery by being able to be flexible, reducing at the same time greenhouse gas emissions because you're not forcing them to deliver during rush hour or at times when there is a lot of traffic—there are significant elements of support.

I went into these conversations with a variety of business owners trying to provide help to those who really need it.

0940

Mr. Logan Kanapathi: Thank you.

The Vice-Chair (Mr. Jeremy Roberts): We'll now go to MPP Smith.

Mr. Dave Smith: Minister, we've got some regions that have gone back to a modified stage 2. My region is not one of them, but we are still struggling, our small businesses are still struggling. We have to have them reopen safely. We know that when they come back out of stage 2, they're going to have to rehire staff quickly to ramp things back up. One of the bigger challenges that all of them are going to face is that consumer confidence.

Can you expand a little bit for me on the main street relief plan and how that is going to help with this?

Hon. Prabmeet Singh Sarkaria: Thank you for the question, MPP Smith.

One of the key parts and critical elements of this legislation—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: —is really trying to focus on that consumer confidence. We want to make sure that businesses have the tools necessary, even the hardest-hit businesses—especially in retail, food, accommodation, where they do face liquidity pressures—that they have the opportunity to make people feel safe. They've been doing an incredible job to date. They have gone above and beyond. But they do struggle from a financial perspective, and many of these businesses that we've targeted in this phase missed out on other elements of programs, whether it was some of the federal rent relief programs or the federal programs. So this is really trying to target those that have been impacted the most. We think that by ensuring that people know that these businesses have the proper PPE and the government is giving them funding to ensure they have a safe environment, we can encourage more people to support our retail—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. I'm afraid we need to move back to the opposition. MPP Shaw.

Ms. Sandy Shaw: I meet regularly with a small business owner here in Hamilton. He has been in business for many, many years. We have been discussing the bills put forward from your government to support small

business. At some point, we said, “Well, let’s see what’s in the budget when the budget comes out.” I have to say that when we discussed it, he said, “This all doesn’t add up to a hill of beans”—which I thought was a great expression—compared to the challenges that small businesses are facing in this province.

As you know, we also participated in the finance committee hearings. We heard from over 500 deputants. What we heard—and this was before the second wave really hit. What we heard from the opposition, and MPP Hunter has expressed it as well, is that businesses need urgent relief now. And so while you may be offering a grant here and a grant there, deferral on taxes, debt on top of debt, \$1,000 for PPE, is not going to cut it. We talk about the small business owners and the importance of saving them, but we also have to understand how many people they employ. We’re talking about people losing their jobs because your government has not really made substantial moves to support small businesses with direct relief.

It’s widely understood that your government is sitting on \$9 billion worth of money that could be put into the field right now to protect and to save small businesses. Why are you holding that back when the urgency is now and when businesses are closing their doors now, not sometime down the road?

Hon. Prabmeet Singh Sarkaria: Thank you very much, MPP Shaw, for the question.

I’ve had the opportunity to have conversations with small business owners. A significant part of their expenses are through both the energy bills—in respect to your comment on the budget—and their property tax elements. These are going to be significant changes. This is to support these businesses that have suffered from the mistakes of the previous government. When we look to the energy costs, when we look to what these changes are going to have—take, for example, an auto parts manufacturer in Mississauga. With some of the supports that we’ve put forward, the savings will be up to about \$31,000 a month, up to \$380,000 annually, for them. If you take, for example, a small gym that might be in Grimsby, Ontario, the savings are about \$800 a month, or nearly \$10,000 a year, with some of these changes that we are going to be putting forward—significant supports.

If we look at the Main Street Recovery Act, it is just one element of many supports this government has put forward, whether it’s Digital Main Street, which was about \$2,500 for businesses to help them pivot digitally on top of that big *[inaudible]*. Some of them will have access to the \$1,000 PPE grant. And then the budget, as well, combined with the—

Ms. Sandy Shaw: Thank you, Minister. I appreciate that.

Hon. Prabmeet Singh Sarkaria: —a comprehensive approach to the businesses and putting forward—

Ms. Sandy Shaw: We have heard that.

I’m glad, Minister, that you brought up the hydro costs, because people in my community do remember that your government promised to reduce hydro costs by 12%, and instead, for individual families, that cost is going up. We

also know that your government is subsidizing privatized hydro to the tune of \$6 billion a year. That’s a lot of money that, instead of subsidizing hydro for private interests, could actually be going to support main street. So now people get to pay for their hydro bill twice, because now we have subsidized hydro—you’re subsidizing large industries—and they get to pay for it on their increased hydro bills that they see coming in their mail every month.

Mom-and-pop shops aren’t these large industries that need help on their rent relief—they pay for hydro in their businesses, and they pay for hydro at home.

How, in any way, has this government given people who really need a break—small business operators—how has this government given a break to taxpayers subsidizing hydro, and to ratepayers, as well?

The Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: I think one thing that we can all agree on is that Ontario’s hydro system was left in a complete mess by the previous government. When we look at competitiveness for small businesses, any business in Ontario, we had some of the highest electricity rates, energy rates, which drove investment away from this province. That was totally unacceptable. That’s why, in our budget, we proposed measures that businesses could rely on to keep their doors open and maintain jobs, which are so critical right now for them.

Whether it’s a gym, whether it’s a manufacturer, whether it’s a small business, these are supports that are going to help them—whether it’s the property tax savings that many of these businesses are going to benefit from. This is direct money that goes back into their pockets so they can reinvest, so they can keep their doors open, and so they can support their small businesses. But it’s just one element of what we have put forward—

The Chair (Mr. Jeremy Roberts): Thank you. We’ll have to move back to the independent member. MPP Hunter.

Ms. Mitzie Hunter: Minister, the municipalities will have to agree to that property tax savings, will they not?

Hon. Prabmeet Singh Sarkaria: There are two elements in the proposed budget. The first element is that the municipality has the option of creating a special small business tax, and the government would support them in creating that.

The second element, which is the business education tax reduction that this government has put forward, is a measure that is being rolled out across the entire province. That is not something that the municipalities have to agree to. That is something that is going to be given to the municipalities to make sure that businesses get that reduction right to their property tax bill. There are conversations with many municipalities that are very interested in having that second element of the property tax or specific rate to the business, which would be even further relief for small businesses. I know the city of Toronto is very interested in that. Many other mayors have put forward suggestions that they might be very interested in it. The government will support them in that creation and provide some funding for that, as well.

On the other hand, business education taxes will allow—every single business in this province would benefit from that significant tax relief, and that will be given directly back to the business owners so they can put it back into their pockets, reinvest and keep their doors open.

0950

Ms. Mitzie Hunter: I do want to ask you about what you're doing to support those who have been hardest hit by the recession—women, in particular, as well as Black, Indigenous and other small business owners of colour. What is this government doing specifically to help those businesses to survive and to come back?

Hon. Prabmeet Singh Sarkaria: Thank you very much for that question, MPP Hunter.

When we look at the pandemic, it has definitely had impacts. It has impacted communities much differently in different areas of the province.

Look at the area I represent: Peel, one of the hardest-hit, which has a large population, whether it's visible minority or marginalized populations.

We've had significant round tables with minority groups, trying to tackle many of these challenges. When you look at, specifically, whether it's female entrepreneurs—when we look at some of the preliminary data coming from the Digital Main Street program, we're seeing a lot of female-led businesses being able to access that program. We're going to continue to work with them and would be happy to share that information as it comes forward. It's very preliminary and raw right now. But 100%, when we look at whether it's visible minorities, racialized communities—it's also why, in the budget we put forward, we doubled the commitment for the Black youth action plan.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: Even from the youth element—how do we encourage youth to get back into the community? How do we get opportunities for them to be able to really access the supports they need and really put forward commitments?

So there's a lot of work to be done, and I'd be happy to continue meeting with those individuals and those groups to ensure that there is an equitable recovery in this pandemic.

Ms. Mitzie Hunter: I look forward to that and hearing the progress.

What about the non-profit sector and the stabilization fund? Why are we not seeking to assist them, given the vital role that they play in our communities and neighbourhoods?

Hon. Prabmeet Singh Sarkaria: They play a significant role; there's absolutely no doubt about it. We've seen that they have faced unprecedented challenges during this time. The programs that we put forward—I know Minister Smith has been working significantly on supporting their recovery, supporting different elements of ways for us to support.

When I put forward my small business advisory—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. I'm afraid we'll have to go on to our third round.

We're moving back to the government. MPP Piccini.

Mr. David Piccini: Minister, you know that I come from an agricultural riding in rural Ontario. I noted in the changes were a number to the food terminal, to expand the value-added agri-food products—but also expanding what we see at our food terminal. For regions like mine, this is critical, as we get our foods to market.

Can you just speak a bit to some of those changes and a bit to some of the changes we've made to let our supplies get to market, get to stores around the clock here, given the challenges, obviously, of COVID-19? It has been critical to ensuring our agricultural community stays in business and stays feeding our cities and our communities across Ontario. Can you just elaborate a bit more on that, please, Minister?

Hon. Prabmeet Singh Sarkaria: You hit it right on. It's about expanding the terminal's mandate to really promote local food. We know how important it is for our local agricultural community, especially in ridings like yours. Even when this conversation started, it was from independent grocers, and I know the rural communities rely on independent grocers. This was seen as a way to boost Ontario's agri-food economy and establish more businesses to compete and succeed in a really crowded marketplace. I think it's an important differentiator—setting some of these businesses aside as a part in a globalized economy.

It's also going to really give them the opportunity to increase the range of products sold at the terminal. It would also support the distribution of Ontario food and food products, which I think is so critical.

When we look at some of the programs that have been put forward, whether it's Minister Fedeli's Ontario Made program, whether it's the Shop Local! Shop Safe! Shop with Confidence! campaign, these are critical to ensure that we're supporting our own businesses. We're supporting local jobs, local entrepreneurs and the agri-food sectors. So not only is it supporting the businesses from our side, but also the buyers would enjoy a wide range of products to purchase to use in their own small businesses, keeping existing customers coming back and attracting new ones. I think that is why it's so critical to lay this foundation in this piece of legislation.

Mr. David Piccini: You touched on small businesses. In addition, obviously, to our robust agriculture community, it has a lot of small mom-and-pop shops. I know a number of elected members here today from all parties are advocating strongly for our small businesses in our communities.

In our area, as we've bolstered supports for schools, for our front-line workers for hospitals, it's important to note that the government hasn't left behind small businesses, that we're standing shoulder to shoulder with them.

I know for many, they're very eager about the main street recovery grant and the supports for \$1,000. Minister, this can't come soon enough. Can you just speak a little more to the importance of that for really small businesses? This is the backbone of small communities like Port Hope,

Brighton, Newcastle and Campbellford in my riding, and it's really critical that we get the supports for PPE.

And maybe speak to the directory, too, because I probably have a lot of local manufacturers on that Ontario Made directory, as well.

Hon. Prabmeet Singh Sarkaria: Exactly. MPP Piccini, I think you hit it right on again. You've been a great advocate for programs like this to come forward—especially given that we had the opportunity to sit down for one of your pre-budget consultations. You brought together a significant amount of small businesses from your area.

One of the main things that kept coming up is the cost of PPE, which is a significant cost that impacts cash flow, impacts operations. We needed to make sure—you know businesses have gone above and beyond—they keep their operations safe, they keep the people who come into those operations safe, they keep their own employees safe. This is really about instilling that consumer confidence. It's really about ensuring that people, when they go into a store, a retailer, a food store, a restaurant, the hospitality industry, that when they go there and they've been impacted significantly by the pandemic—they have the necessary PPE to be able to keep themselves, their customers and their consumers safe.

I think it's critical that we support these businesses throughout this. This is just one element of the supports that we've put forward on top of what was released in the budget. Significant cost savings from an energy perspective to commercial-industrial users; significant cost savings for businesses in their taxes, in their property taxes—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Hon. Prabmeet Singh Sarkaria: —that could be invested directly back into their communities, back into growing more jobs, more opportunities for not only their own communities but for the people of Ontario. That's really what we want to focus on—giving them the tools necessary to go forward.

The Vice-Chair (Mr. Jeremy Roberts): MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much, Minister, for your presentation this morning. I appreciate all the work you're doing on this important file.

I'm wondering if you could speak a little bit about the importance of the noise exemption. My family has an agricultural background and did many, many deliveries over the years into the GTA and, of course, into Toronto, delivering to restaurants, delivering to many of the local markets and things like that. It's an important piece of legislation that I think will provide flexibility for those who are, like my family, delivering important services.

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid we have run out of time; my apologies.

We'll go back to the opposition. MPP Fife.

Ms. Catherine Fife: Thanks, so far, for some of the feedback on Bill 215.

I have to say that one of the big things that we have heard is about what it will take to actually instill confidence in the economy, getting people back out in a safe manner to restaurants, to bars, to shopping.

One of the things that we have heard—and I'm getting a lot of feedback from Waterloo, in particular, this week—is about the lack of clarity, Minister, on communication that's coming from the government. In fact, the new, proposed colour-coded lockdown scheme has been called scientifically illiterate. So I really want to give you an opportunity to speak to how important it is for businesses to have clarity around what rules are actually being enforced, particularly for restaurants. MPP Oosterhoff was just talking about food deliveries. We have seen restaurants anticipate opening and order a bunch of food, obviously, for sale, and then, of course, the rules of engagement change very quickly. I'm sure I'm not the only one who has been hearing about the lack of clarity around the lockdown scheme. Can you please speak to that?

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Hon. Prabmeet Singh Sarkaria: Thank you for your comments.

Through our conversations with business owners and with, whether it's the medical professionals across the province—and looking at what other jurisdictions are doing, as well—these frameworks have been put in place to really increase certainty. When you look at a framework that we put forward, it gives you the criteria as per each zone, and it gives you an opportunity to assess what zone or—continues to give a transparent way for businesses and others in their community to know what restrictions apply in what codes, in what framework, in what colour, whether it's "control," "restrict" and those measures. So it's actually an opportunity to provide more clarity.

When we look at what has happened in other jurisdictions, whether it's Quebec or even other countries—this is how many of them are operating, to really drive down more of that certainty aspect.

If you look at Peel region right now, that is moving forward into "restrict," there are still 10 people who are allowed to dine in in a restaurant—but it also gives them that clarity, that when they are in this red zone, these are the measures that will be put in place.

It also gives the opportunity, regardless of which region—the medical officer of health does have the ability to put forward additional measures, whether it is through a section 22 order, or if it's another element that they are able to use.

We understand that it's not only from a business perspective that these changes have to be looked at. We have to look at the health of all people. We have to look at what our medical professionals are saying, as well. We are in uncharted territory. We're going through a pandemic, and we're trying to do our best.

We want to make sure that businesses, at the same time, when they're in those restricted areas, get up to 90% in rent relief; get the \$300-million access to programs that cover their utilities, that cover their property taxes to 100%; get \$1,000 for PPE—or even work with the Digital Main Street program.

Ms. Catherine Fife: There is definitely a sense of urgency right now for businesses. When you bring forward a piece of legislation like Bill 215 and it doesn't address the key issues that we heard from businesses, it leaves me wondering—the disparity between the business feedback cannot be that different across the province.

We all heard how businesses are now struggling with the insurance sector. Yesterday, I was talking to a new restaurant that has been trying to open. They cannot get insurance because of COVID-19, which, of course, is ironic, because the whole goal of getting insurance is to maintain safety and then protect yourself from liability. Yes, there is a pandemic, but that's the goal of having insurance.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: What conversations are you currently having with the insurance sector? And will you be bringing forward some legislation to support businesses as they try to reopen? They want to be part of the recovery. They can't get insurance. That's the whole goal of having that sector. Please give us some sense of where you are right now with the insurance sector, because businesses across this province want to know.

Hon. Prabmeet Singh Sarkaria: Specifically, to that: I was pleased that we were able to provide protection for all businesses from liability due to COVID-19 transmission. As you know, that has been going through the Legislature, as well, through the piece of legislation that our government—it provides protection and clarity for the sector, and it will help businesses access the support they need. There are significant issues that we have come across during the start of the pandemic. Insurance has been one of them. We've been continuing to work with and engage with all of our—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid we have to wrap up there, Minister. Thank you very much for taking time to appear before the committee today on this important topic. Have a wonderful day.

We're now going to move on to our witness testimonies.

Before we start, I just want to indicate that there is a change in the agenda for this morning. The Sault Ste. Marie Chamber of Commerce, which was scheduled for 11 a.m., is no longer able to join us, so you can strike them out from the 11 a.m. time slot.

RETAIL COUNCIL OF CANADA

REGION OF PEEL

The Vice-Chair (Mr. Jeremy Roberts): We are now going to hear from three different stakeholder groups: the Retail Council of Canada, the Region of Peel and Leaside Hockey Association. I'll call on you one at a time. You will have seven minutes to present, and I would ask that you start by stating your name for the record. This will then be followed by two rounds of questioning, with seven and a half minutes each for the government and opposition, and four and a half minutes for the independent

member. During your seven-minute presentation, I'll give you a two-minute warning before the end.

We'll start with the Retail Council of Canada.

Mr. Sebastian Prins: I'm just going to take half a second here to share my screen, if that's okay, just so we can all see the presentation.

My name is Sebastian Prins. I'm with the Retail Council of Canada. I'm the director of government relations for the province.

Committee Vice-Chair Roberts, thanks for having us today. Other members of the standing committee, I'm very, very happy to appear here and speak to Bill 215. The Retail Council of Canada is very supportive of this bill.

Prior to getting into some of the details of the legislation, I thought I'd take a moment to highlight who the Retail Council of Canada is and who we represent.

In Canada, retail represents the largest private sector employer. We know from StatsCan data that 11.2% of the workforce in Ontario is employed by retail. That's 814,000 Ontarians. For every job in retail, we know there are significant impacts on other aspects of the private sector: warehousing, transportation and, in particular for today's committee, IT and commercial property. Our data shows that for every job in retail, there are four supporting jobs in adjacent sectors.

At RCC, we proudly represent 45,000 storefronts across Canada. Our combined membership by sales—when you look at StatsCan's retail trade numbers, we represent about 60% of retail trade. In some subsectors, we're even higher, as a percentage—in particular, grocery; we represent over 95% of all grocery sales in Canada.

I thought I'd take a moment in this presentation to, first, applaud the government for this bill and to speak a bit about off-peak delivery. It has already gone through second reading. I'm sure folks are well aware that this would lift some time-of-day restrictions on vehicles. This is something that, through emergency order, is already in place.

Internationally, there are many well-studied situations of off-peak delivery around the world, including in major urban centres like New York. Domestically, we've partnered with the region of Peel—I see Chairman Nando is also here to speak to the bill, so that's great. MTO and Toronto, during the Pan Am Games, also ran a study. Each of these studies has been deemed majorly successful, increasing efficiency of good movements and reducing emissions like greenhouse gases, and each have had no noise complaints whatsoever.

Just to quickly give an example of this: You can see here that I've got the QEW on the screen. Cawthra has a roadway restriction. If you were trying to get to these two malls—one of my members is Longo's. I've got a number of TJX member companies in the Dixie Outlet Mall. If you were trying to get to this location outside of the hours, after 7 p.m. for a 10 p.m. delivery, you'd have to actually take a circuitous route. You'd have to go past and then double back, and that of course is doubling back on rural roads, service roads that you're allowed to drive on next to houses. This adds extra time for delivery, so to speak.

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I want to speak to three pillars, in particular, as we talk through this policy. The first is roadway congestion. I've got an example of Peel here, just because they were the ones that we partnered with, that our members partnered with on the study, so I'll highlight this commuter data in particular.

You can see from StatsCan here that 53% of commuters in Peel spent over an hour commuting to and from their work each day. That's a long time. One of the interesting things about off-peak delivery is that it doesn't replace key infrastructure like ramps, highways or things like that, but what it does is, it allows for that existing infrastructure to be run more efficiently.

I've got a bit of a histogram here with some of the average data. One of the things I might highlight is that Peel staff have shared with us that about 10% to 15% of the roadway regionally is trucks. This pilot managed to move 30.1% of those into off-peak hours. That means they're not driving at peak congestion times, when everyone else is on the road. We've actually managed to shift them just by allowing trucks to drive whenever into other times of the day. That's a key one to recall because that's going to majorly affect your constituents on their drive home.

The other thing that we wanted to note here is business efficiencies. We've seen that movement of goods increased by about 18.1%. These are U of T numbers. They're not Retail Council of Canada numbers. The University of Toronto studied this. So just a quick mock-up here—and this is some simple math just based on litres of fuel. You can see that just one of my retailers would save just shy of a quarter million dollars every single year. That's a lot of money. That doesn't factor in things that would be realized in a full province-wide scale-up, like truck procurement. We can procure fewer vehicles when we can run them longer and more continuously. Staffing patterns will change. These are things that are only realized in a full scale-up mode.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Sebastian Prins: One of the last things I wanted to point out is that this is kind of a silver bullet policy. You'll probably hear from Pembina, Pollution Probe and the Atmospheric Fund at some point today. While we see 10% to 15% of roadway congestion is trucks, about a third of all emissions in Peel come from trucks, vehicle emissions. One of the things that we saw is a 10.6% reduction in greenhouse gas.

You'll see in the legislation today that it hints heavily and strongly at development of the reg under the leg. We've been informed by staff that, if this bill passes, that is the next step. We're really looking forward to that. We know there are extra things that need to be fine-tuned here, like quiet zones, codes of conduct. RCC is proud to be part of the MECP-MTO vehicle emissions stakeholder working group, chaired by Pembina and the Ontario Trucking Association. We also think that this can help, as part of this conversation, and can be an incentive to try to incent businesses to move away from heavy-emitting, pre-2007

commercial diesel, and that's part of the next step and something ongoing.

I just wanted to share our broad support for this bill.

We're looking forward to your questions today and more comments with the committee. Thank you.

The Vice-Chair (Mr. Jeremy Roberts): We have 20 seconds remaining, but if you're done, that's great.

Mr. Sebastian Prins: I'll call it there. I tried to get right to the seven—

The Vice-Chair (Mr. Jeremy Roberts): I appreciate that. We've got a bit of extra time.

Mr. Sebastian Prins: Sometimes you speak a little quicker in front of a committee like this.

The Vice-Chair (Mr. Jeremy Roberts): Just to note for the committee—our last presenter, Leaside Hockey Association, will be unable to join us.

I'll move on to the region of Peel. Again, if you can start by stating your names for the record, that would be great. You can begin now.

Mr. Nando Iannicca: My name is Nando Iannicca. I'm chair of the region of Peel, which, as you know, comprises Mississauga, Brampton and Caledon. Joining me today is Dr. Sabbir Sajyed. Sabbir is the region of Peel's manager of transportation system planning. He is here to help me address any technical questions the committee may have.

First, I would like to thank you very much for the opportunity to provide comments on Bill 215, on behalf of the region of Peel. I want to focus my remarks on the amendment to the Municipal Act in schedule 3 of the bill, which proposes to allow all-day delivery of goods to stores, bars, restaurants, hotels and motels and distribution facilities. This amendment builds on a temporary measure allowing 24-7 delivery that was implemented by the province earlier this year. We supported this measure wholeheartedly when it was introduced in March and are pleased to see efforts are under way to make this change permanent.

Now I'd like to take a moment to explain why this is so important to us here at the region of Peel. One of Peel's major industries is goods movement. Peel is a major freight hub for Canada and a strategic location for national distribution. An estimated \$2 billion worth of goods travels to and from and through Peel every day. The industry is a significant job creator, accounting for 43% of jobs in Peel, and contributes billions to the province's and the country's gross domestic product.

But the sector is facing challenges. Traffic congestion is increasing, and the time and cost that it takes to get goods to market. The average commute time in the greater Toronto and Hamilton area was 82 minutes in 2018, and by 2041 it is forecast to be 123 minutes. In 2018, traffic congestion cost the GTHA \$6 billion, and it's forecast to be \$20 billion by 2041 if no measures are taken. Emissions are also a challenge. The transportation sector is responsible for a third of all the emissions in the province and is the second-largest source of carbon emissions in the GTHA.

The off-peak delivery pilot project: To address these challenges, the region launched an off-peak delivery pilot through the Smart Freight Centre. The Smart Freight

Centre is a partnership established by the region of Peel, McMaster University, the University of Toronto and York University to improve the quality of life and economic vibrancy in the GTHA. The centre conducts evidence-based research to coordinate transportation infrastructure, land development regulations, technology, tools and resources. The University of Toronto led the pilot, which ran from February to August, in 2019. Three companies, the LCBO, Loblaws and Walmart, participated in the pilot. Our local municipalities, Brampton, Caledon and Mississauga, exempted the pilot from their noise bylaw so deliveries could be made in the evening. I should add, the three companies and the region picked 14 stores based on locations with lower potential neighbourhood impacts and expected operational benefits.

Here are our findings: Peel's off-peak delivery pilot was a huge success, and the positive results are proof of that. Moving deliveries to off-peak periods makes for better use of available road capacity and reduces congestion for transit and other road users during peak travel time. The pilot improved average truck speed by 18% and reduced travel time by 15%. Faster average truck speed means lower levels of noxious air pollutants and lower GHG emissions. We saw these emissions reduced by 10.6% and air pollutants decrease between 11% and 15%.

From a business perspective, the improvements in travel speed lower costs, improve fuel efficiency and just make businesses more competitive.

Noise produced by trucks making off-peak deliveries was not intrusive enough to result in any noise-related complaints. Can you imagine? We had no noise-related complaints.

That said, while no complaints were received over the course of the pilot, we don't want to give the impression that noise will not be a factor going forward. It will be important to mitigate noise related to off-peak deliveries that may impact residents and neighbourhoods. It will also be important that municipalities have the authority and the means to mitigate noise related to deliveries so that residential areas and noise-sensitive locations are not negatively impacted. Allowing the Minister of Municipal Affairs and Housing to make regulations authorizing municipalities to prohibit and regulate noise related to deliveries in specified areas is a solid step in the right direction.

As the province moves forward with this change, we also suggest the creation of a code of conduct for business. The city of New York has such a code. Our transportation staff has shared this idea with provincial staff and will continue to pursue it.

Final considerations: Based on the success of our pilot, we support all-day delivery. It's a proven innovative solution to address the challenges faced by the goods-moving industry while minimizing transportation impacts.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Nando Iannicca: We look forward to the passage of this legislation and associated regulations related to all-day deliveries and to working with the province regarding its implementation.

We thank you again for this opportunity and look forward to answering any questions you may have.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. Also finishing early—excellent.

We'll start this round of questioning with the opposition. MPP Fife.

Ms. Catherine Fife: Thanks to both presenters, Sebastian and Nando. Thank you for speaking to Bill 215. **1020**

I wanted to give you both an opportunity, though, to give us a sense of what you're hearing primarily around measures that can be taken in the very quick short term. I'm a Waterloo MPP, and I'm hearing that businesses are struggling with rent abatement and, really, around the Commercial Tenancies Act.

Sebastian, maybe we can start with you. You mentioned that you have 45,000 storefronts. Those storefronts are paying, in some cases, very high levels of rent, and obviously revenue has been a problem.

And then, Nando, maybe you can give us some sense, from a municipal perspective, of what you're hearing from businesses and where we can move, as a committee, from an urgency perspective.

Please go ahead, Sebastian.

Mr. Sebastian Prins: Thanks, MPP Fife. You're actually my local MPP. I live in your riding, so hello from probably across the street, or somewhere in the region.

To take a moment to answer that question—one of the things that I will point to is last week's budget. We were really happy to see, contained in the budget, a couple of things here. The commercial eviction moratorium is being continued and stretched out through the budget, so we know that the Minister of Municipal Affairs and Housing now has a power under that legislation, if it's passed, to extend, continue and drag out into the future commercial eviction moratoriums. He has, basically, a regulatory power to end that, which we see as a very good measure to help support small businesses with respect to the commercial evictions, which, as you correctly identified, was an issue over the summer until we kind of forced the hand. We saw governments forcing the hand of landlords to accept the 75%-of-rent programs that were available to them at that time.

Energy has consistently been one of our top three issues in the retail space. We're a class of ratepayer, for retail stores, the class being non-RPP. We're always the ones passed up by policy opportunities—but not this time around. The budget finally saw some rate relief for retail storefronts. It's 16% off of the energy bill of every single retail store outlet that you would be most commonly familiar with. That was hugely positive news.

On the small business front, I know over the summer we were happy to work with Spotify, and we've had a number of conversations with the Ministry of Finance and the Associate Minister of Small Business, Minister Sarkaria, to talk about the Digital Main Street program. That was something we did a lot of advocacy on, and we're happy to see it happen.

Most recently, of course, as part of the Bill 213 package, the PPE grant is something that—we've heard

from small business that their costs have gone up, and you'll see even the very largest companies have seen decreases in profit as a result of the increased expenses. So that will help cover that.

Ms. Catherine Fife: I want to touch on that a little bit, because the \$1,000 grant that was announced is obviously—I want to get some sense, because I'm hearing from businesses that it cost one store \$4,000 just to get their store cleaned. So I would like to get some sense as to how effective that \$1,000 is. I'm also hearing from a number of retailers on the insurance front. Those are two issues that it's important for the whole community to hear about.

Mr. Sebastian Prins: I had the privilege of being one of the few folks selected to speak to Bill 218 last week, so maybe I'll take a moment to address that. And I had not—the NDP government out in BC, because it was actually the NDP government there that first enacted very similar reforms. We've been working with Ontario to try to send letters of advocacy, and we've had a number of conversations to see something similar enacted.

By giving businesses a good-faith duty of care when it comes to COVID-19, that's going to do two things. For my largest members, it avoids frivolous lawsuits. They kind of directly see this. We've already seen a whole host of class action lawsuits filed over the course of the COVID-19 crisis. The small members don't experience these legal fees directly, but where they indirectly experience it is in insurance rates. The majority of the class actions filed today are against insurance companies, so—

Ms. Catherine Fife: We're here to talk about Bill 215, but unfortunately Bill 218 also lets off those for-profit, long-term-care homes from legal liability, which obviously is problematic for us.

What about the rent abatement? Are you seeing your retail members access that? Have you been tracking that, Sebastian?

Mr. Sebastian Prins: We did, over the summer, and I will say my data is a little dated here. Over the summer, I'm sure you saw a number of industry associations come together to write letters to Premier Ford and a whole string of news conferences where we were encouraging Premier Ford to enact a commercial eviction moratorium, because what we were seeing was a very large number of subsidy programs and not a lot of uptake.

At this point, I can say that we ran some surveying, and the data we were seeing—we were quite happy with where things have trended post-commercial eviction moratorium. I'll flag that we haven't done it in a while, so perhaps that's something I can take back to our team and we can rerun it to get a better snapshot of the landscape of where things are at today.

So far, we've continued to signal to government that the commercial eviction moratorium helps force landlords to accept those rent programs when they're available.

Ms. Catherine Fife: That's good.

Nando, do you want to weigh in specifically on Bill 215 and what you'd like to see on a go-forward basis?

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Nando Iannicca: First of all, with regard to people and the economy—MPP Fife, thank you for your question—the analogy I used when we were talking with the mayors and chairs for the GTA is this: When I declared the emergency on March 13, I don't think—and for all of us, it was uncharted waters. We didn't know where we were going. Well, here we are in November with the worst numbers we've ever seen. My analogy was this: At the start of this, we thought it was marathon; now we've just found out it's a triathlon. As a result, the real challenge that we have, notwithstanding the fatigue—can you imagine somebody finishing a marathon and then saying, “You're not done. Swim across the Atlantic Ocean, and when you get there, we have a bike waiting for you to cycle to China”? That is how people feel.

My point is, people who were on the razor's edge of going under—to your very point—just can't get past this without government help. It's all fine and good that we tell them, “Close your restaurant. Do thus and do so. Don't congregate in churches etc.” But now, more than ever, we need those government supports to get them there from the provincial and federal governments.

The Vice-Chair (Mr. Jeremy Roberts): We're going to have to move on to the independent member now. MPP Hunter.

Ms. Mitzie Hunter: Thanks so much to our two presenters today for speaking to Bill 215.

Nando, I'm going to pick up with you. We've seen the province put out a colour-coded framework, but it just seems to me that in regions like yours—I represent Scarborough–Guildwood, which has been a hot spot ever since March. It has not had any reprieve, even during the summer. The levels of community spread were still very high.

I'm just wondering about what you think is important for consumer confidence and where you believe that those government supports can be best applied, so that your region is safe—my mom is in Brampton, so I'm very interested in that—and you can see your small businesses actually being able to survive and get through the other side of this.

Mr. Nando Iannicca: Mitzie, thank you very much. I'm going to call you Mitzie. It's wonderful to see you again.

So, Mitzie, carrying on with that thought—and thank you for that opportunity—as I said, our small businesses and individuals need us now, more than ever. The challenge that we have—and one of the other hats I wear is, I'm chair of our board of health. I think you all know—I think Dr. Loh is one of the most trended names across Canada now. The challenge we have—I said many, years ago, when I was studying politics, I learned that it's interesting how military people make military decisions, politicians make political decisions, doctors and the medical community, based on science, make proper medical decisions. It's time for them to reign. It's not time for us to politically seize on that somehow.

So when I'm asked, “Chair”—I'm chair of the board of health—“what's your opinion on it?” “If you want my opinion, ask Dr. Loh, because that's what my opinion is.”

We've got to follow the science and understand the numbers aren't pretty right now. They're as bad as they've ever been. So all we can ask of our friends in the Legislature is—there really is a unique context. You've mentioned Brampton. We have certain challenges in Brampton, but those aren't necessarily the challenges in Peterborough. I understand that. That being the case, you really have to allow for our local solutions to understand the temperature closer to home, so that we can have the tools to implement what needs to be done.

We appreciate the government for its leadership, but I like the idea that they're still willing to listen to us and do what needs to be done at the local level to tweak what we have to do in places of religious assembly, for example, restaurants, outdoor dining. It's unfair to lump us all in just one big category, because some people have been harder pressed, some less pressed.

1030

Another point I want to follow up with with regard to Smart Freight Centre and MPP Fife and her question, "What can we do immediately?"—because that's what everybody is asking. Government, you've got to subsidize and help people in need now. They're just getting ready to swim the ocean, and they've still got to do the bike ride. They need our help now to get to the spring.

With regard to the Smart Freight Centre initiative, going back to MPP Fife's question and your point, "What can we do now?"—this is the beauty of our Smart Freight Centre initiative. I don't need you to invest a dollar. It's all regulatory approvals allowing deliveries at night, things of that sort, and being far more—we increased productivity on that front by 15%. We did not spend a dollar. It's the infrastructure I have. It's the road I have. We were just very, very, very creative.

Now, more than ever, we need more of those solutions, because we also know—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Nando Iannicca: —our public coffers are also being challenged.

Ms. Mitzie Hunter: Nando, what's the next priority, then, for you in terms of the solutions for your small businesses to protect your main streets?

Mr. Nando Iannicca: The rent supplement program that was spoken to—this is from my 30 years in government before this—sounds great, but between you and your landlord and tenants, it wasn't easy to get to. It was remarkable the number of people who never took advantage of it because it was cumbersome. I think we have to make that a little bit easier, as well.

I think we also have to understand that, as our friends in the Legislature know, most people work for small businesses, so if they go under, a lot of those jobs aren't coming back. I read that one million people work in the hotel and restaurant business in Canada. The spring doesn't matter; if they don't get past the next month or two, there is no spring for them. We still need government help financially to help people in the short term with subsidies to get them over the hump.

The Vice-Chair (Mr. Jeremy Roberts): Thank you. That is the end of the time, so we'll now move on to the government. MPP Thanigasalam.

Mr. Vijay Thanigasalam: Thank you, Sebastian and Nando, for your presentations.

My question is for the Retail Council of Canada.

RCC has been one of the primary drivers behind off-peak delivery and has previously worked with Peel on a one-year pilot. Also, the Retail Council of Canada has been a great advocate and a great partner in researching the initiative.

Sebastian, can you please elaborate on the history of off-peak delivery and how this change is long overdue?

Mr. Sebastian Prins: I'll first start by thanking the MPP. We work with a lot of municipalities—Nando, of course, included. I heard in the wake of your AMO MOU meeting how well-spoken you were from a lot of different folks. Off-peak delivery, I know, was the topic at that time—and this was pre-COVID-19, so this is a whole world ago, but I remember we were there having a lot of conversations with folks, and yes, we had heard about how impactful and effective you were in that format. So thanks again for all your work on this file, as well.

I almost feel like I'm stealing Nando's thunder here a little by being paired up with him.

But, yes, we worked—it was three of our members. Loblaws, Walmart and the LCBO are all Retail Council of Canada members. They basically put up their hands to test and trial-run this. We had already seen from the MTO Toronto Pan Am Games pilot that there were no noise complaints coming from that study. That study involved a physical decibel gun. So they actually physically went out and recorded decibel sound levels at different locations. I'll briefly chat about that, because the findings of the Toronto study actually found that the base hum of the downtown core is louder than truck deliveries; this was the prior research that was done as a lead-in to this.

In order to extend and continue building on some of that momentum from years ago, Peel basically said, "Hey, this is a great idea. This is a great concept that we've seen work very well in cities like New York and in other locations." Nando mentioned that it utilizes the existing infrastructure already in place, doesn't cost money, which on the transportation file is a key bet, because it's so expensive to add—you can't add a new highway. How many times have I heard Nando say, "There is no extra highway coming for Peel"? We've got to make use of the road system we've got.

When you tell someone you can't drive on Cawthra Road after 7 p.m., that doesn't work. That doesn't work for large businesses. It doesn't work for small businesses either. The time of day that restaurants want to accept goods is in the evening. When I chat with companies like Gordon Food Service or Sysco, these major food delivery companies—they've just built the cost of incurring infractions into their base cost. They experience quarter-million-dollar fines every single year by delivering to restaurants, and they just jack up their price by that much, because that's the way their business model works. That's the only way they can get the goods to restaurants.

So this is a very valuable initiative on a whole host of fronts. I think that noise piece is really the thing that clinches the whole thing together.

Unless the MPP wants to ask more questions, I'll pass it over to Nando. I know he and Sabbir can speak in much more detail to the pilot, as well.

Mr. Nando Iannicca: Sabbir was really the expert on the file, and I'd like to give him a minute or two, on behalf of Peel, to tell you about the very point that was raised.

Sabbir, over to you.

Dr. Sabbir Saiyed: Thank you, Mr. Chair. The region of Peel conducted this pilot project of off-peak delivery with the businesses. As Sebastian mentioned, we tried to recruit many businesses to participate in the pilot. Walmart, LCBO and Loblaws took the lead, and with their help, we conducted this pilot project.

One of the things Mr. Chair mentioned was that we formed a partnership with the Smart Freight Centre, which is a partnership of the region of Peel with three universities: University of Toronto, York University and McMaster University. The entire data of the pilot was going to University of Toronto. We wanted to get that evidence-based data of 40 pilot projects. The entire data from the companies was going to University of Toronto, and they analyzed the data. Based on that data, we got the results of the pilot project. With this pilot project, we got significant reductions in the travel time. As Mr. Chair mentioned, there is \$6 billion of travel congestion on our roads, and we are not able to add more capacity on our roads.

One of the metrics that we did mention to University of Toronto was about the noise complaints. We were very fortunate that we got the blanket approval from the city of Mississauga and the city of Brampton and the town of Caledon, as Mr. Chair mentioned, for this pilot project. We got blanket approval from our municipalities. So we wanted to make sure that we are monitoring those metrics about the noise complaints. We were not surprised that we got zero complaints, because what we did was, when we chose those 14 stores, we tried to avoid the high-density residential areas, areas where we had hospitals and noise-sensitive areas. We were very careful in selecting our stores, so that we can promote our goods movement as well as—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Dr. Sabbir Saiyed: —improve the quality of life of our residents.

The Vice-Chair (Mr. Jeremy Roberts): I believe MPP Piccini had a question.

Mr. David Piccini: I have a quick question for the Retail Council of Canada. When you started veering down a path that the opposition didn't want you to go down vis-à-vis the insurance rates, you were cut off. So I just wanted to give you an opportunity to elaborate a bit more about that piece, with respect to the comments you had on insurance.

Mr. Sebastian Prins: It's our view that Bill 218 will have a lowering effect. I mentioned that about half of the class action lawsuits that we have seen so far are against

insurance companies. The way that affects a small business—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I have to cut you off. You can come back to that in the next round.

Back to the opposition: MPP Shaw.

Ms. Sandy Shaw: I want to direct my questions to Chair Nando. Your region is one of the biggest hot spots right now for COVID-19, and your medical officer of health has recently said that the situation is becoming increasingly dire. While we are discussing this bill before us, it's our estimation, from the opposition side, that it's not addressing the urgent crisis that we are facing—not only as a health crisis, but as an economic crisis.

1040

While the idea of off-peak delivery—everyone has made a good case for that. Would you say that this is the greatest concern for your region right now? Many of these deliveries go to restaurants, and if this continues—that you are now in the red zone—these restaurants will be closed, essentially, and will not be receiving deliveries at all. It's my feeling that this is not the greatest priority; that, in fact, you need to address the health crisis and the urgent economic crisis first.

Mr. Nando Iannicca: Without question. It is the top-of-mind issue. As I said, as chair of our board of health, the mayors and I—Mayor Crombie, Mayor Brown, Mayor Thompson—our senior team—from Friday until yesterday, I think we convened seven Webex meetings, with follow-up communiqués. We had a press conference yesterday. The restaurateurs especially are affected, no question whatsoever. The absence of certainty—when you're going to open; you can't just bring staff in on a dime, and things of that sort. So there's no question it is a challenge.

But on the main question with regard to what we can do in terms of goods and transportation movement to revitalize our economies, yes, saving 15% on deliveries is a big one. It goes without saying.

One of the other thoughts that I would leave you as part of that as well, as we work towards an economic recovery, specific to the bill itself, in the years that I've been around—you wouldn't know; I've been around 30 years. I may be the answer to a trivia question—I think I've approved more development than anybody in the history of Canada, because I was a councilman in the downtown core in Mississauga for years. All those years, we worked with all the governments with regard to that we need passenger infrastructure, can we get a new LRT, can we get things of that sort—and we have. In my 30 years, we've never spent a dime more on moving goods and services.

The fact is, those 30,000 new condos that have come into the downtown of Mississauga—that person needs another tube of toothpaste, they need another pair of socks. We've never spoken to that. So as part of the economic recovery, dealing with the Smart Freight Centre and these initiatives is vital, because it's a part of our economic engine, especially in Peel.

I hope I've covered both facets of it. No question; the COVID-19 challenge is top of mind.

Ms. Sandy Shaw: Yes, you have. Thank you.

Again, to be clear: I think these issues of efficient transportation are important and good public transportation is important, but really, the house is on fire right now and we seem to not be acknowledging that.

I want to take you back briefly to the issue of insurance rates. Brampton has, I believe, the highest insurance rates in the province, if not the country. You can correct me on that. It has been mentioned that Bill 218 will reduce the insurance rates for small businesses, and that's questionable. What we certainly know it does is protect long-term-care homes from any kind of liability, and that's very, very controversial.

I would like you to address the insurance problem for small businesses and individuals in your region. We hear a lot of about transportation and truck drivers and off-peak delivery. It's my understanding that these are individual contractors. I'm hearing all across my riding that individuals—snowplow operators, for example—are not able to get insurance, and if they are able to get it, it's at such an extraordinarily high rate that it makes no sense for them to do this.

Can you talk about what I think was a lack of leadership or a lack of opportunity from this government by not addressing insurance directly in this bill, any bill or the budget that they just tabled?

Mr. Nando Iannicca: No question whatsoever. It has long been known to us, anecdotally and from evidence, that in Peel, through Brampton—I'm told they pay the most insurance of any jurisdiction in Canada, and that's a long-lingering chestnut.

I also have to confirm what you're saying. Many of the businesses, individual entrepreneurs and, believe it or not, large-scale companies with 1,000 employees, are having the same challenge we're all having with insurance, and that is fundamental to your point. How can you open the doors if you have an unlimited liability? I'm sure, in my home—I can't imagine what I'd do if I go to bed tonight and my house isn't insured; it's our biggest asset and if something should—and you don't have insurance. So I do have to acknowledge the point that you made as part and parcel of the bigger COVID-19 challenge. The challenges with affordable, available insurance is something the chair hears about regularly as well, yes.

Ms. Sandy Shaw: Thank you for that response.

How much time is left, Chair?

The Vice-Chair (Mr. Jeremy Roberts): Two and a half minutes.

Ms. Sandy Shaw: Okay, so we have a bit of time.

Chair Nando, I don't know if you were on the line when I said I've been talking to a small business owner who said all of the efforts of this government don't amount to a hill of beans when it's compared to the overwhelming challenges that small businesses are faced with.

For example, small businesses have availed themselves of debt already. Small businesses have taken the loan from the federal government, they have deferred taxes already, and they have spent money on PPE way beyond what

\$1,000 would cover. They have done what they can, but now they have lived and hoped that this government will provide—when we say direct supports, we talk about cash flow; we talk about liquidity. Businesses are saying to me, “We've managed to survive eight months until now, but we could go broke just opening up now in this uncertainty and with a lack of substantial, concrete funding from the government—not deferred taxes, not rents, not more debt.”

Can you talk a little bit about what you would like to have seen—that's a leading question—in this bill or in the budget that would have given the kind of confidence that businesses need—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Sandy Shaw: —and that would signal that this government understands the urgency that's happening right now in your community?

Mr. Nando Iannicca: I'm glad you make the point.

I have to thank the Ford government for what they have done until now, and the federal government as well. Just yesterday, we heard that our request for interim housing for people, for example, who are in a household and might spread the virus to everybody else, who have got nowhere to go when we tell them, “Don't be in contact”—we've just gotten the funding for our interim housing for that, so we're grateful.

I mentioned before that I've been at this for 30 years. When I started as a councillor 30 years ago, the municipal tax bill was 4% of what everybody paid; today, municipal regional taxes are 10%, and we've never been worse off. The fact of the matter is that us municipalities build 70% of all the “stuff”: the roads, the bridges, the water, the sewers. Our system is broken if you folks at the provincial and federal levels get 90% of all the money, when we have to administer all the stuff. But that's a long refrain going back to the days when I sat next to Hazel McCallion for 25 years. We need more help from all—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. I'm afraid we have to move back to the independent member. MPP Hunter.

Ms. Mitzie Hunter: It is very concerning that there is such an urgency to deal with the COVID-19 pandemic and to do things in a proactive way. I would note that our Financial Accountability Officer has looked at the spending on COVID-19 response, and 97% is federal dollars; 3% is provincial dollars. For businesses, particularly small businesses, much of that is in the way of deferrals. Deferrals are coming due, and the cash flow hasn't come back, because, as you said, there is another leg to this journey that still has to be overcome by our small businesses.

I'm seeing along our main streets in downtown Toronto that there are storefronts being boarded up; in my community in Scarborough, I see that. Even some iconic locations just cannot see how they can make it through.

My question is to Sebastian. A lot of your advocacy has centred around commercial rent relief, and I know that you must be pleased to see that the federal government has stepped up to rework the program, to remove the landlord as the deciding factor and to go directly to those businesses that need that urgent relief. We're waiting for the details of that. It is coming but not here today.

I'm wondering about how the delay in our provincial government being able to put a moratorium on evictions is affecting your members, because that gap puts them in vulnerability to losing their business.

Mr. Sebastian Prins: Yes, it certainly is something that we've continued to highlight and point out. I'm happy that we've got a much more clear-cut tool for commercial evictions on a go-forward, because those gaps, those retroactive moments, sometimes create, if nothing else, a lot of pressure on the business owner and some very tense atmospheres.

You mentioned that a lot of the supports—of course, the deferrals, and the 10 provincial businesses taxes—were deferrals. Some of those are starting to come due etc. We do continue to lobby and we are in with government every day to ask for more support programs and additional items, be it writeoffs for PPE, a whole host of other topics as well, to try to continue to support and bring to the forefront those small business owners. Some of the ones that we are seeing are starting to codify and land as permanent programs, which is good news.

1050

The employer health tax is one I will point to. In the world of yesterday, pre-pandemic, it was a \$490,000-a-year exemption level. It doubled during the pandemic as a way to help and support small business owners—a deferral-like program. They also delayed the reassessments on certain property taxes related to that, or certain taxes related to the businesses. But now we have seen that that exemption level for the employer health tax is made permanent. So now it's a \$1-million exemption, from a go-forward.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Sebastian Prins: I know what you mean, and we certainly hear from small business owners all the time. It's something we're still actively pushing for more on, and I think this budget does help move the dial to continue to push things forward, particularly in covering off and making it so that there are no longer those blips and gaps, so to speak, when it comes to eviction moratoriums.

Ms. Mitzie Hunter: I think what we have to do collectively is push the government to take bolder action before those businesses close and they board up, because it's going to be far more difficult to bring them back than it is to bridge them to come through the economic recession that we are in. That's part of the work that we have to do collectively—really focus the government on what is going to make the biggest difference—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. I'm afraid we'll have to go back to the government now. MPP Piccini.

Mr. David Piccini: This question is for Sebastian. I just wanted you to finish a bit on that insurance piece you were speaking about. Also, I know certainly after a decade of failure to address some of these structural changes, I think we're [inaudible] today the same sort of attitude that got us in the fundamentally uncompetitive position we were in as a province heading into the last election, and that attitude hasn't changed from the opposition parties.

I'm wondering if you can speak about the importance of creating a competitive climate, and specifically the electricity rates. What does off-peak delivery achieve for you and your members during this pandemic?

Mr. Sebastian Prins: On insurance, to finish that thought: Class action lawsuits against insurance companies hit them at the bottom line. We understand that a portion of those insurance increases are not associated with COVID-19. We understand that there are environment-related—because the climate is changing and there are issues in that space. But we understand that some of the bill increases that we've been seeing are COVID-19-related as well. What the “best efforts” standard in Bill 218 does is, it makes it much less likely that there are going to be damages, because businesses are not being negligent here. They're trying to follow the best medical advice they can.

The best practice has shifted a dozen times during the pandemic. If we wind back the clock to early in the pandemic, we were being counselled by medical professionals to not wear masks. Now you'd be laughed out of a room if you said that. So as a business owner who was doing exactly what you were supposed to do, based on all the best medical advice in that moment, those folks could have been open—we've heard from even our largest members—to class actions. And those are borne through insurance companies or, if you're a large enough member, borne directly. That's what Bill 218 helps to prevent. Yes, we do believe that that will help alleviate pressure on insurance bill increases, particularly from the COVID-19-related increases. It won't help you if you're on a flood plain and water levels are rising, but it will help you in a world where you were seeing increases because there are future damages expected due to COVID-19.

On this bill—I may take a bit of a wandering path to get to a few things here. I want to mention something that MPP Shaw touched on briefly here with the regional chair. This bill has a recovery portion to it. Your budget echoed a lot of the language and narratives that I think of for this bill. There is a recovery portion for the world of tomorrow. That's the ongoing movement-of-goods piece that's extremely effective post-COVID-19. But there is also a piece.

Regional Chair Nando and Mayor Tory were extremely quick-acting when we were seeing stock-outs in stores. Everyone probably remembers the great toilet paper crisis back in March. Regional Chair Nando passed off-peak delivery region-wide, and so did Toronto, days after we were seeing this, to help alleviate the pressures that we were feeling on our movement-of-goods system, to help us get those goods from our distribution centres, where they were in stock, to storefront. That was a key moment for us in the pandemic, and they were leaders. Very quickly, we saw Ontario follow suit and pass it province-wide, and that helped us catch up. That helped us deal with the fact that our basket-of-goods sales had skyrocketed. People were coming into our stores less frequently and buying more, which basically translated to, we didn't know what was stocking out every single day. It helped us run those overnight truck deliveries. It helped us get the

goods to the shelves where people could buy them. It helped prevent extra panic in the pandemic associated with not seeing goods on store shelves. That's a moment I'll also highlight for this bill, because a lot of our retailers have told us that it had a real impact in that crucial moment, in helping to get goods from distribution centre to store.

Then, the final point, energy rates: We've always kind of been the odd one out in retail, as a class B non-RPP customer, so that global adjustment reduction is massive.

My background is in accounting; I'm a boring accountant. Fixed costs do certain things, and the way you treat and distribute fixed costs has a material impact. The global adjustment is about 70% of your bill. It's an investment-killing tax on our grid and ratepayer system. By alleviating the pressure of that, that really helps my members out immediately in terms of relief.

It also helps us consider new things in the energy market space, because when you have HOEP costs—the hourly Ontario energy price is a variable rate and actually goes negative overnight, but we can't realize those negative marketplace signals because there is an extremely high fixed cost in that global adjustment that's killing it. The budget will help us to be more sensitive to the market indicators for hourly energy prices for HOEP.

The Vice-Chair (Mr. Jeremy Roberts): MPP Oosterhoff.

Mr. Sam Oosterhoff: My question is also to Sebastian. Thank you to all your partners and those who are members, because you've played a critical role.

Chair Nando, as well, your team, I know, has been an incredibly supportive and valued partner, both with the province and also with those on the ground, such as the Retail Council.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Sam Oosterhoff: I'm wondering if you could speak a little bit about the importance of the changes that were made to the off-peak. Have you received any negative feedback from your members?

Mr. Sebastian Prins: None.

Mr. Sam Oosterhoff: So it has all been positive feedback—not one.

Interjection.

Mr. Sebastian Prins: I see that Nando is moving; maybe we should unmute him too.

Mr. Sam Oosterhoff: Yes, that's fantastic. That's important to hear. I think it's good to get both sides, and to hear that there hasn't been negative feedback is really important.

You mentioned, Chair, that the sound was actually lower than the hum of the downtown core—or, sorry, was that Sebastian? My apologies.

Mr. Nando Iannicca: That was Sebastian.

Mr. Sebastian Prins: Yes. From the Toronto study, yes. They actually did decibel testing. The Peel pilot monitored all 311 calls. Toronto did that as well during the Pan Am Games. MTO Toronto monitored all 311 calls, but they also sent researchers out to a number of different locations with decibel guns. So MTO has the data—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much.

I'm afraid that wraps up our time for this group of presentations. I'd like to thank our presenters for taking the time this morning.

Before we move on to the next round, I'm just going to call a quick, three-minute recess while we get a few things in order. Thanks, everyone.

The committee recessed from 1100 to 1103.

MISSISSAUGA BOARD OF TRADE ONTARIO CONVENIENCE STORES ASSOCIATION

The Vice-Chair (Mr. Jeremy Roberts): We will resume now. Our next two presenters are the Mississauga Board of Trade and the Ontario Convenience Stores Association. You will each have seven minutes to present. I will give you a two-minute warning before the end. And then we will move to two rounds of questioning from all of our parties.

We will start with the Mississauga Board of Trade. Please begin by stating your name for Hansard.

Mr. David Wojcik: My name is David Wojcik. I am the president and CEO of the Mississauga Board of Trade. Mr. Chair and members of the committee, on behalf of the Mississauga Board of Trade, I'd like to thank you for the invitation to appear before the committee today on Bill 215, the Main Street Recovery Act.

Since being established in 1961, the Mississauga Board of Trade has played an important leadership role serving and representing the interests of businesses of all sizes and sectors in our community. Mississauga is Canada's sixth-largest city and the third-largest in Ontario, with a population of close to 800,000 residents and over 50,000 businesses employing more than 440,000 people, including 60 Fortune 500 Canadian headquarters.

Mississauga's economy is very diverse. We have businesses in virtually every sector, and Mississauga is a net importer of jobs.

Although COVID-19 has had a tremendous impact on Mississauga, like other parts of the province, we are confident that a rebuild of the local economy is doable and that Mississauga businesses can thrive once again.

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

The government of Ontario should be complimented on initiatives around tax payment deferrals, WSIB premiums, regulatory changes and the recently announced \$300-million program for businesses hardest hit by COVID-19 restrictions to help cover the cost of property taxes and

utilities in regions like Peel. However, this money needs to start flowing now.

With the provincial emergency red-zone restrictions, which have been amplified by Peel region's chief medical officer, sector-specific businesses in Mississauga are hanging on by a thread. While we recognize and support all efforts to plank and control the spread of COVID-19, we need to focus enforcement based on evidence. Targeting a specific sector without this evidence is unfair to those businesses—where their livelihood and the livelihood of their employees depend.

Further, we encourage the government to assist those businesses affected by offering sector-specific support. One size does not fit all. A business in a red zone has a very different challenge than one in a green zone, and we ask the government to take this into account and provide immediate additional financial support to those affected.

The federal programs for rent relief and wage subsidies have languished in the halls of the House of Commons for a month before recently being introduced into the Legislature. Funds that should have been flowing a month ago are still in limbo. Please be different in the province of Ontario. If you must shutter the doors of hard-working Ontario business people, then please provide the needed support so they don't lose their life savings, their homes and their dignity.

To assist all businesses in Mississauga and especially those hardest hit, the Mississauga Board of Trade has launched MERG, the Mississauga Economic Recovery Group, an assembly of presidents, CEOs, principals and business leaders in six sectors, with a mandate of uniting business for a thriving Mississauga.

Today we're here to address Bill 215, the Main Street Recovery Act. Any bill designed to provide help and support, overhaul regulations and reduce red tape is always welcomed by the business community. Specifically, we would like to compliment the government on providing more direct and tailored support to SMEs through a variety of ways, including the Small Business COVID-19 Recovery Network, Digital Main Street squads and Ontario's small business recovery webpage.

In May, the government of Ontario introduced temporary legislation to allow delivery of goods 24 hours a day, seven days a week across Ontario to businesses that include retail stores, restaurants and distribution facilities. Bill 215 seeks to make this temporary measure permanent. Peel region is recognized as a goods-movement significant zone, and this permanent measure will ensure this sector flourishes in the future. Permanently allowing 24-7 delivery of goods will allow for a more efficient movement of goods from warehouses to stores, can reduce rush-hour traffic and lower fuel costs and emissions. This will help ensure that essential items remain on the store shelves and get to consumers.

In March, the government of Ontario introduced temporary legislation to allow restaurants and bars to sell alcohol with food takeout and delivery orders as part of new measures meant to help businesses and residents

weather the COVID-19 pandemic. This legislation commits to explore options to permanently allow restaurants and bars that hold a liquor sales licence to include alcohol with food as part of a takeout delivery order.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. David Wojcik: We are also supportive of the government's proposed changes to improve the Ontario Food Terminal and the Assistive Devices Program, and to support Ontario's taxi and limousine industry by increasing fines for illegal operators.

1110

Bill 215 sets an important tone about support for business in Ontario as we recover from the economic fallout of the COVID-19 pandemic. We encourage the government to continue to support business in Ontario by continually re-looking at its programs and services to ensure they meet the needs of SMEs going forward.

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

The Vice-Chair (Mr. Jeremy Roberts): We will now move on to the Ontario Convenience Stores Association. Please state your name for the record, and you may begin.

Mr. Dave Bryans: Good morning. I'm Dave Bryans, CEO of the Ontario Convenience Stores Association. I appreciate the opportunity to present to this committee on Bill 215, the Main Street Recovery Act.

As many of the OCSA's 6,000 members are small, family-run main street businesses, we take great interest in this and other small business initiatives that have been recently announced. I'm pleased to say the OCSA is fully supportive of this bill, and our hope is that it receives quick passage so that the relief can start being deployed.

As I always do at the outset of presentations to government, I state publicly that the OCSA does not accept any money from tobacco companies. In 2018, our association became tobacco-free, meaning that our association no longer accepts any types of financial or in-kind contributions from tobacco-based interests. We feel it is important to highlight this to everyone in government so that you understand the comments being made by me today are not influenced by any outside forces from the tobacco industry and only represent the interests of small business retailers.

As a reminder, the OCSA is one of the largest small business advocacy groups in the province. We are a 35-plus-year organization that represents the following key facts. The convenience store industry employs 78,000 Ontarians. Our stores serve approximately three million people every day in Ontario. Our channel facilitates \$2.4 billion a year in lottery sales for the government. We collect \$4.7 billion in taxes every year. Our hard-working employees pass government-imposed inspection rates at 96%. And these numbers are sourced from the local Ontario public health units. We proudly employ more new Canadians, seniors and students than any other industry, and our industry gives back to the neighbourhoods we operate in.

COVID-19 has been a difficult time for our members. Since the beginning of the pandemic in March 2020, the

Ontario government has been communicating with our members and the OCSA on the needs of the industry. We have been pleased to work with them, and we feel that our input has helped lead to the drafting and introduction of supportive legislation like Bill 215.

Convenience stores continue to close across the province at an alarming rate. Earlier this year, prior to the pandemic, the number of convenience stores in the province declined below 9,000 for the first time ever. At that time, we were losing one to two stores a week, on average. During this pandemic period, and thanks to a general decline in foot traffic, among other factors, the rate at which stores are closing has more than doubled to five a week. This is saddening, especially when you consider the community-building aspect of the local convenience store and the relationship that these stores have with the neighbourhoods they operate in.

In terms of Bill 215, we're incredibly supportive of the direct financial assistance that it promises to provide to our members. Almost all convenience stores fall into the threshold that makes them eligible for the \$1,000 in support. We urge the government not to adjust this commitment through this committee process and to keep the qualification thresholds the same as they are currently presented.

Some may think \$1,000 is not enough to help our businesses survive, but the truth is, every little bit counts. Our members operate on razor-thin and declining margins. They operate at a distinct competitive disadvantage, particularly when you consider they do not have the advantage of carrying beverage alcohol products as the larger grocery stores do. The future is uncertain for typical convenience store owners, and with this extra \$1,000, at least these businesses will not have to be out of pocket while securing the PPE they need to keep themselves, their clerks and our customers safe.

For the convenience store sector, the overall government investment offered by this bill amounts to \$8.5 million, which is not insignificant. In fact, this would be the very first time that any government has offered a direct financial transfer to our members since I've been CEO for the last 17 years. Perhaps more importantly, it provides a signal to small business retailers that they matter in this economy and that their government is interested in helping them, and we appreciate their support.

I would be remiss if I did not mention that, for several months now, the OCSA has been requesting that the government look for other, perhaps more creative ways to support our sector during the pandemic.

One such proposal is a request that the OLG extend a temporary increase on lottery sales margins to our members. A 2% increase in lottery margins would equate to a \$30-million investment into the convenience store channel, or about \$5,000 per store. It also amounts to a financial impact to the OLG of less than 1%.

It may interest this committee to know that the convenience store channel accounted for 85% of all lottery sales in the province over the last six months.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Dave Bryans: As mentioned earlier, our channel remits \$2.4 billion in revenue to the Ontario government each year for lottery. Despite our importance to the OLG, commissions remain painfully low, at 5% for standard lottery and 8% for scratch tickets. These margins have not increased over the last 30 or 40 years and need to be revisited to accommodate the extreme economic challenges being felt by our convenience store partners. It only makes sense to preserve your number one sales channel through increased investment, and we think a 2% increase in margin is a reasonable ask.

While we look forward to exploring this future with the OLG and the government, for now we are applauding the government for the introduction of Bill 215 and for all the initiatives they have launched in the past several months that signal to us that small businesses are important and deserve support.

Thank you for your time. I look forward to answering your questions.

The Vice-Chair (Mr. Jeremy Roberts): Thank you.

We'll start this round of questioning with the independent member. MPP Hunter.

Ms. Mitzie Hunter: I want to say thank you to both of our participants. I really appreciate the candour with which you brought forward your comments.

The rate at which you see convenience stores failing in this province due to the pandemic, due to the reduced foot traffic, as you've said, is one to two per week, and I certainly see the evidence of the boarding-up. At times that is happening on some of our main streets. I'm just wondering about what you believe these businesses need in an urgent way. Many of them actually stayed open during the first wave and provided that just-in-time food and products that people really needed at that time with the sudden closure and lockdown, and many of those owners and operators were the front line, as well.

At this stage, now that we are in the second wave, Dave, what are you asking for the most that can help to bridge? This is unprecedented, in terms of the pandemic and its effect on the economy. What do we need to do so that convenience stores can survive?

Mr. Dave Bryans: I'm going to refer this to my colleague Henry Boyd, because he has been involved on this file for a long time.

Henry?

Mr. Henry Boyd: Thanks, Dave, and thank you, Mitzie. What we're asking for right now, on behalf of the convenience stores, is that OLG commission increase. A 2% increase across the board would, we think, float the convenience store sector for the next several months. There's an appreciation here that there's only so much financial support that the government can provide any sector, let alone the convenience stores, and we think that this is a creative way to go about it, and it makes sense from the OLG's perspective as well as from the government side.

You're right that at the beginning of this pandemic the convenience store sector was actually identified as one of those important sectors that would be allowed to remain

open. That was incredibly helpful, and I think Dave would corroborate that. But now, as everything else is opened up, we're seeing a dramatic decline in people going to these types of retail outlets, so something does need to happen.

One of the other things that the convenience stores have been pressing for for quite a long time is the ability to sell beverage alcohol products. Having a destination-category product within their stores will drive that foot traffic that's needed to stimulate the other sales. Dave mentioned that the convenience stores were closing at one to two per week, and this was before the pandemic. Now they're closing at five per week. The reason they were closing before is just because they didn't have that destination-category product like the grocery stores did.

So we're encouraging this government to follow through on that commitment, and in short order. That will have a game-changing effect, I think, on this channel.

But in lieu of that, the OLG commission request is something that the OCSA has circled as providing that additional support that will help them get through this uncertain period.

1120

Mr. Dave Bryans: If I could just add to that: Keep in mind, whenever costs of business go up—labour, rent, COVID-19 costs, all of those things—we can increase the cost of goods. But with the OLG products, we have no choice—these are fixed-asset costs. A lottery ticket is \$2, \$3 or \$5. For a retailer, if it had the rights for those lottery tickets, they would be \$3, \$4 and \$6 because it would make up for that 5% commission.

Since we have never reviewed the margins—take into consideration everybody is paying by credit card today instead of cash, so take away 2% to 2.5% of a 5% commission when somebody buys a lottery ticket. We might as well forget selling lottery, even though we're their biggest partner.

So we're saying to everybody, maybe the time has come to just have a business discussion about how best can we help this industry survive when we're 85%—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. We'll have to move now to the government. MPP Kanapathi.

Mr. Logan Kanapathi: Thank you for the presentations by Dave, David and other presenters.

Dave, you mentioned about the Mississauga Board of Trade—and for your leadership. Thank you for your comments in terms of off-peak-time delivery. That would be the great initiative, and you talk about that highly.

Could you tell me what off-peak-time delivery achieves during the pandemic in the Peel region?

Mr. Dave Bryans: Again, that's a difficult one for convenience—because I think it was more mentioned by the Mississauga Board of Trade, not by me. Our stores usually get their deliveries during the daytime because they're family-run stores. So I'm going to defer it over to David at the Mississauga chamber.

Mr. David Wojcik: Thanks, Dave.

We have been part of the Peel region goods movement task force for five years now. What it means to have these

off-peak deliveries: First of all, it gets goods in the hands of restaurants, convenience stores, businesses. It cuts down on pollution. It cuts down on traffic congestion—although during the last seven months, just the pandemic has cut down on traffic congestion all by itself. Making these items permanent, going forward, and being able to make these deliveries 24-7, not have the noise restrictions placed on these deliveries as well, has all kinds of benefits all the way around.

Mr. Logan Kanapathi: Actually, this question is directed to David Wojcik. My apologies.

Could you elaborate on the off-peak deliveries in terms of the environmental perspective? You mentioned how it impacts on the gasoline consumption, taking the cars off the road during the peak time and the quality of life of the people in the Peel region. That would be a very important aspect of the bill.

Mr. David Wojcik: I'd love to elaborate on it. I wish I had more education in the environmental sciences, but I speak to this from a business perspective. Just being able to observe, as I do every day, driving to work and back again and around the community, noting that the elimination of these large trucks off the road and putting them in those off-peak times when they don't need to negotiate around traffic—there are parking issues that are eliminated.

We have had anecdotal comments from environmental agencies that greenhouse gases have been reduced dramatically. Again, while we can't attribute all of that to these off-peak deliveries, certainly, going forward, moving diesel trucks and a lot of trucks into off-peak hours would certainly have a dramatic impact on the environment.

The Vice-Chair (Mr. Jeremy Roberts): Further questions from the government? MPP Skelly.

Ms. Donna Skelly: Good morning, everyone. Thank you all for your presentations this morning.

One of the things that I wanted to talk about is just staying safe as we try to survive this pandemic, this unprecedented time in our lives. Maybe we could begin with Dave Bryans. What measures have your members taken, and are there concerns about dealing with the public as we navigate COVID-19?

Mr. Dave Bryans: I appreciate the question.

We were the first, because we were an essential service, to ensure that everybody started putting safety shields up in their stores. It was first and foremost to protect the customer and the employee.

As soon as the government announced masks, signs went up in every store.

We did ask the lottery and we've asked other groups, "Could you not help us?" And I actually wrote a proposal to Ontario Together to say, "Maybe we should put arrows in every store. Maybe the lotteries should help us with lineups for tickets, when you're selling that much." Nobody came to the table until now, but we thought it would have been great if we could have had some proper, disciplined, sanitized stations in every store, including all of rural Ontario. And we waited. Now we're getting that

funding, but it would have been nice to have it out sooner. The stores do have it, but it's all made by the stores and their decision as to where they buy it and how they get it. But it was a great opportunity, and it still is, to have a totally coordinated, safe convenience environment, when you see three million people a day walk into a convenience store.

And then, keep in mind that we have those back walls that are covered in tobacco and that there's a great opportunity for government to promote healthier lifestyles or COVID-19 lifestyles in 8,500 convenience stores by saying, "Let's participate and communicate." When you have that many people in every community and all over Ontario—instead of putting billboards up and trying to get people to see them at 80 kilometres an hour—they're standing in line at a convenience store, and it's a great opportunity to work with this government and all the different public health units to get messaging out. We're your partner.

Ms. Donna Skelly: Does anybody else want to jump in on the need to acquire PPE? David?

Mr. David Wojcik: I'm sorry; I didn't hear the question.

Ms. Donna Skelly: Did you want to jump in on the need and the process in acquiring PPE during the pandemic to keep members and customers safe?

Mr. David Wojcik: Well, we've been fortunate in the Peel region, and specifically in the city of Mississauga. We've had our own members—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. David Wojcik: Our own members have come to the forefront to supply PPE for businesses—UniFirst was one. They provided 10,000 masks for members. Another company, IPEX, provided plastic shields for anyone who wanted them. Obtaining PPE now has not been an issue. Of course, in the initial stages, everybody had a problem getting it. But PPE is readily available in Mississauga now.

Of course, it's the affordability now—which is why we welcome that \$1,000 from the government in order to offset some of the costs. Canada United put together a program, as well, for businesses to apply for \$5,000 to offset the costs of PPE during the pandemic.

The Vice-Chair (Mr. Jeremy Roberts): We'll move on to the opposition now. MPP Fife.

Ms. Catherine Fife: Thank you very much for the presentation.

David from the Mississauga Board of Trade, I just want to say thank you very much for urging the government to get the money out and put it into play in the province. I think that's a message everyone on the committee needs to hear, especially the government.

Dave from the Ontario Convenience Stores Association, you have been appearing before these committees for years now, so I want to thank you for your resilience.

I want to touch on the OLG cost-sharing idea that both you and Henry touched on. We do know that the government did loan the OLG \$500 million in May of this past year to see them through their financial issues, and that certainly didn't stop OLG from giving their

employees bonuses, as well, in August. So I just want to address the fairness of what's going on here and find out exactly what this 2% cost-sharing idea would look like and what impact that would actually have on holding jobs.

Right now, what we're hearing from businesses is that the wolf is at the door and they need the direct support now—so that urgency around direct financial support, be it rent abatement or insurance or what have you.

1130

Coming to the table with a creative solution is something that I think is worth pursuing, so Dave, do you want to walk us through what that would look like—or perhaps Henry—and what impact it would have on holding jobs and keeping the mom-and-pop family convenience stores open?

Mr. Dave Bryans: Thank you, Catherine, for your consideration and acknowledgement—we enjoy presenting to the government and all the parties—and all the support we've received over the years.

I'm going to defer this to Henry again, because he has been working on the file, and it is an important file. The time has come. The lottery is the littlest income we can make as far as a commission goes; there's no product that makes 2.5% to 3%.

Go ahead, Henry.

Mr. Henry Boyd: Sure. I think David spelled it out in his presentation. A 2% increase in lottery revenues for convenience stores would equate to about \$30 million transferred to the convenience store sector. The convenience store sector is the number one sales agent of the OLG. They sell 85% of all lottery sales in the province, so from the OCSA's perspective, it makes sense. If these stores are closing at a five-stores-per-week clip—this is their main sales distribution channel that's closing, that's reducing. The OLG should be interested in supporting their main sales channel and making their lottery products more accessible to Ontarians, not less accessible. The 2% margin increase, I think, keeps up with—it hasn't been adjusted for inflation since the beginning, and that's over 30 years. It hasn't gone up. This is kind of a signal to the convenience stores that they are important in the sales model—\$30 million, which equates to \$5,000 per store, which, again, doesn't sound like much, but coupled with this \$1,000-per-store bill, it might get them there.

In the convenience store landscape, there are regional chains like Rabba and Hasty Market, but the majority of them are small independents in rural Ontario. You're talking about employees—there's maybe one employee, and the rest is just done by the owner. For all those hours worked, they have to extract a livable wage through their sales on a daily basis, and if their sales are down, \$5,000 is quite a lot of money. Plus, it's lottery—in terms of destination-category products for convenience stores to bring in customers, lottery is kind of it right now. People aren't buying magazines. People are going elsewhere for their milk and their eggs. You can't access beverage alcohol products through the convenience store channel just yet. So lottery is kind of it. If they can sort of support

the convenience store sector, I think that they would make back that money in the medium-to-long term regardless.

So that's the proposal that we've floated to this government. We're working with them on it. For your sake, for this committee's sake, if you want to contemplate, we're happy to share more details and data around it.

Ms. Catherine Fife: We saw during the first wave that the big box stores—Walmart, for instance—were pulling people to their doors because they also opened for non-essential. You'll remember during the first one, it was only essential—but people were going to Walmart because they could still shop for clothing and what have you.

We have heard from many small and medium-size enterprises that if we move into a further lockdown in the second wave—there's no doubt that we are in the second wave. But if things progress and accelerate around the rates of infection, and if we go to a lockdown as well, what do you think of the big box stores being prevented from actually selling clothing, for instance, and fashion items, so that there's no huge draw away from the convenience stores and the small main street stores? That's what Bill 215 is called—it's the economic recovery for main street. There's not too much in there. We're going to be supporting it because we support the alcohol takeout and, of course, the \$1,000 for PPE—but on a go-forward basis,

Henry or Dave or David, how do you feel about having greater control around those big box stores, so that the main street stores can actually have a fighting chance to stay viable?

Mr. Dave Bryans: I'll answer quickly first.

First off, we don't mind competition. That's why we're open seven days a week, 365 days a year. I really don't want to question how people shop or where they shop.

More importantly, there are opportunities to help other small businesses on this whole main street recovery. Just think of the future, if this government was to put Ontario-made craft beer from 300 craft brewers into convenience stores to help them—

The Vice-Chair (Mr. Jeremy Roberts): One minute left.

Mr. Dave Bryans: —and to help craft brewers who cannot find a way to get their products to the market. It's actually small businesses that have the opportunity to help small businesses.

Let me defer to David, because of time, on that question.

Go ahead, David.

Mr. David Wojcik: Thanks, Dave.

We also need to recognize that we might think of some of the big box stores as giant corporates, but they're franchised and they're owned by neighbourhood people, so I wouldn't categorize them as evil in that context.

I think what's more important here is the safety of customers and employees in these stores—that when people go in to shop, they feel safe and the employees feel safe, and they're providing an environment where we can do contact tracing and we know we can get evidence of any spread in COVID-19. I think that more important it's the safety—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. I'm afraid I need to cut you off.

We're going to go back to the independent member. MPP Hunter.

Ms. Mitzie Hunter: Thanks, everyone, for the conversation that we've been having.

Henry and Dave, it's great that you were able to articulate the importance of the government being able to recognize the unique needs of your convenience store members and to stem the five stores a week that are closing across this province in rural and northern communities and in our cities.

Have you submitted your formal proposal for the 2%? Dave, you said that this has been something that you proposed. Has that gone in as part of your pre-budget submissions?

Mr. Dave Bryans: That was our only pre-budget submission—saying that the time has come to work with this government. When you're a valued retailer—8,500 are selling \$2.4 billion in lottery for you, and the casinos are shut, and nobody is helping you—actually, during COVID-19, drugstores didn't want to help the lottery, grocery stores didn't want to help the lottery, but those hard-working families stuck it out.

If you look at the future right now, today in the budget, you see we're going to expand iGaming to the tune of millions of dollars, and we're going to build it online in grocery stores. What is in it for the 8,500 stores that are your biggest partner? I think that's the question we all have to answer and work together on.

Ms. Mitzie Hunter: As you said, those stores, in terms of who comprises that employment base, are really important. Those are family-run stores. The immigrant community, largely, has set up those businesses as well and is providing service to their neighbourhoods.

Your proposal has been restated here today, and the government, hopefully, is listening.

I want to also touch on the Mississauga Board of Trade. David, obviously, you're working hard to represent your business community.

I'm wondering about the fact that the community spread is high in the region of Peel. There's a colour-coded framework, but your public health officer has decided to do more targeted interventions for Peel. How does that affect consumer confidence, in terms of how there's a broader framework, but then there are specific rules for Peel?

Mr. David Wojcik: Of course, I speak for Mississauga businesses. My colleague in Brampton, Todd Letts, has his hands full with the businesses in Brampton.

We really struggle with being lumped in with a region that has rampant spread of COVID-19. Mississauga has been nowhere near the spread in Brampton, and so this is what I hear from my members. They say, "How is it fair that we are painted with the same brush as Brampton?"

When it comes to the actual spread of COVID-19, we keep asking, "Where's the evidence that it's coming from businesses?"

The Vice-Chair (Mr. Jeremy Roberts): One minute.

1140

Mr. David Wojcik: It's coming from social activity. It's coming from crowds. It's coming from people congregating in crowds and spreading it in that fashion. So to close down restaurants or to put tighter restrictions on restaurants, businesses and these small business owners, when the evidence points to somewhere completely different for the spread—this is where businesses are really struggling. They want to keep everybody safe, to protect everybody. We get that—we support it 100%—but let's put the resources into the areas where the spread is really coming from.

Ms. Mitzie Hunter: I'm just wondering—from any of our presenters—in terms of the moratorium on commercial evictions: Would that help your members?

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid we are out of time.

We'll move on to the government side. MPP Skelly.

Ms. Donna Skelly: My question is to Dave Bryans. It's something that we actually haven't spoken about, I think, to many or any convenience store owners and operators at all. I'm curious about the sale of cigarettes. Have they been impacted at all, up or down, with COVID-19?

Mr. Dave Bryans: Let me explain the tobacco business. We rely way too heavily on this product, and I wish there was a way that convenience stores could morph out of it in time and find new destination categories. But we did a study, and the study was very, very clear. We asked 1,200 convenience stores that responded to it: How is your business since the reserves voluntarily stopped selling tobacco all through Ontario because of COVID-19? Our in-store sales went up 30% to 38%. The addicted tobacco smoker was returning to the convenience sector to buy cigarettes.

As an example, the day they closed the Rama reserve outside of Orillia, they needed the OPP and Rama Police to control the traffic for people trying to get \$30 cartons of cigarettes until they ran out. And then they all had to return to the convenience store to buy tobacco over the period of time.

Now that the reserves have opened, we're back to being flat. We've lost 30% of our in-store sales again.

So if we could fix this tobacco issue, we could at least shore up the convenience sector as well—because it is an addictive product, and addicted smokers come into our stores. They buy lottery, they buy chips, and they buy everything else. But when you allow them to divert to the different Aboriginal reserves throughout the province, it's very difficult on the business model.

I've been talking about contraband tobacco and illegal cigarettes for 15 years. Yes, successive governments have tried to fix it, but I think there has to be a conversation about how we minimize it or at least change the direction of it. There's no way to correct it short-term, but it hurts.

Ms. Donna Skelly: My next question is to David from the Mississauga Board of Trade. You do have a number of restaurants, I assume, that are members of your association. The restaurant industry has been hit probably the hardest of any sector—or certainly one of the hardest of

all sectors—in Ontario. There are a couple of things that we did bring in that I've been told have helped, and one is to allow the sale of alcohol with the purchase of food. Can you speak to that and the impact it's having—minimal or even more so—on restaurants in the recovery process?

Mr. David Wojcik: We do recognize that that was an initiative by the government, and we support it. We thank the government for putting that in.

One of the issues that the restaurants are having is that when they go to deliver these goods or these services, they're paying delivery services of up to 30% commission. For anyone who has owned a restaurant—and I put myself in that category; a hundred years ago, I had a restaurant and banquet hall—the margins are razor-thin. Much like my friend Dave Bryans and his association, the margins are razor-thin, so when you have to pay 30% out to a delivery service to get your product into the hands of your consumer, it doesn't leave a lot of money left over to keep the lights on and pay your staff. That's why it's important that we have greater support for these hardest-hit sectors that are not working on great margins to begin with.

Ms. Donna Skelly: One of the other initiatives that our government has introduced is an online mental health service for small business owners. My son has a small business. Like many, they're devastated—especially in the first part of the crisis, when they were shut down and we were in stage 1. It was absolutely devastating.

Can you speak to the mental health implications of this particular pandemic, especially for small businesses?

Mr. David Wojcik: I've done several podcasts with industrial psychologists talking about this very issue, about the isolation that small business people feel, about the isolation of their employees.

In Peel, our medical officer has asked us to restrict the employees coming to the office. So you have people who are in 500-square-foot condominiums who want to get out and go to the office. And then you have others at home who maybe have vulnerable people around them, and employers are asking them to come back to the office, and they're saying, "No, I don't feel safe to come back to the office." So we have this tug-of-war going on right now.

The stress levels that employees are under and the stress levels that employers are under trying to balance this—certainly, our mental health practitioners and professionals have their work cut out for them right now. I think we've only seen the tip of iceberg on this particular condition.

The Vice-Chair (Mr. Jeremy Roberts): We will move on to the opposition. MPP Shaw.

Ms. Sandy Shaw: I'd like to start by directing my questions to Dave Bryans.

When I think about main street, I think about local variety stores. We know the families. I remember Happy Corner Mart. We knew the family. We knew their kids. My kids knew their kids. It was so embedded in our community. Just down the street from my constituency office, there's Blair's Variety, and it's the same thing. These are hard-working families. I see it every single day.

I feel disappointed for these families that this bill that's labelled as a Main Street Recovery Act is so lacking in substance. That's just my opinion.

Given that there are such slim margins, given the horror of you saying that five stores a week are now closing up, could you speak to something that is not in this bill that would be very important to your members? Would it be help with insurance rates? Would it be—any other measure apart from your OLG suggestion, which I think is very creative. What is missing from this as far as your members are concerned?

Mr. Dave Bryans: That's difficult for me to answer—but thank you for the question—only because this is the first time we've ever been recognized under any bill in the last 17 years. This is the first time money has actually been offered to the small diversified convenience sector, and 85% of all of our store owners are new Canadians. Any penny can help.

Sure, I'd love to fix contraband tobacco. Sure, I'd love to get more than \$1,000 for every store. Sure, I'd love everyone to say, "How do we help new Canadians running a small business who are employing their kids and putting them through university?"

I think all of that comes to a bigger discussion. I have spent eight years saying, "Here's an opportunity to get us off the tobacco issue and get us into beverage alcohol." Loblaws proved that the world didn't end when we put beer in there, so what is wrong with a family-run convenience store in rural Ontario selling craft beer for the local craft brewer and helping them? It's time to have the discussion. You can go to Quebec—every store is the number one seller of beer for the government in Quebec. Dépanneurs have been doing it for years with no issues. On every road you take out of Ontario, you can buy beer in a private sector convenience store or grocery store. It's time for everyone to say, "This is an important sector." When you go into small towns, cottage country, they're there—they're the only people there standing [*inaudible*], so why don't we just figure out, how do we continually open this up instead of midging away at it?

I'll let Henry comment quickly on it.

1150

Mr. Henry Boyd: Sure. Dave touched on the beverage alcohol, which has been the OCSA main advocacy point for a number of years now.

In relation to COVID-19, there is the OLG ask, which we're tying directly into the COVID-19 response and, hopefully, we can get an answer on that.

Rent relief came up in conversation. A lot of the OCSA members have landlords, and not all of them participated in the federal rent relief program. They had very little power in that whole situation. Anything that rebalances the power of that rent relief program back into the retailers' hands is a good thing.

Frankly, I can't really comment on it too much more than that. I don't know what the status of it is, but I do know that this government has been interested in hearing from smaller retailers about it, and that could be something that helps in the short term as well.

Ms. Sandy Shaw: I will just say that we put forward a Save Main Street plan early in the pandemic that addressed the failure of both the commercial eviction program and the rent subsidy, so we have been talking about that for a while. We're eight months into a pandemic, fully into a second wave that everybody knew was coming.

Dave, you did say that there's \$1,000 and that it's not much but every little bit counts. From where I stand, it's not fair that your members can only expect a little bit. They've done their jobs. They've kept their employees safe. They've kept the community safe. In my opinion, they deserve much more than what's being offered by this government.

I'm going to ask Dave—and then, David, if you want to jump in after Dave is finished on this. The government has announced \$300 million to support businesses only in the red zone and, in the budget, there's no program associated with that. My question would be, are you surprised that eight months into a pandemic, in the middle of a second wave, there's such a modest amount; that there's absolutely no program associated with it and you have to be in a community that has suffered the worst of a pandemic before you can access this support?

Mr. Dave Bryans: Wow, that's quite a question. It's difficult to answer.

My whole position is very simple and, for 17 years, I've been at the table, as Catherine pointed out, trying to get people to understand that these families are working hard. When something comes up like this, we're there still, 24 hours a day—12 in some communities—alone, trying to serve the community, especially all through rural Ontario. And for those who don't live in rural Ontario, it's a lot bigger than downtown Toronto. There are so many areas that need to be helped, but we're never asking for that.

For us to ask for lottery money—all you have to do is change the business plan at OLG and tell them to bring out a new game that brings in \$30 million. You'll help your partners. It's the same with anything—give us craft beer. If the MFA agreement doesn't work, put craft beer in. Guess how fast that will change the business?

We're not saying give us something—let's just look at the whole business model and say, "How can we allow small business to grow like it does in every community?" In Ontario, we're still held back by some bad agreements that were made in the past, but it's time to move on and say these hard-working families—and I love representing them, because my parents owned a convenience store, so I did all these things that you talked about—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Dave Bryans: My passion is to figure out how to help them and how soon we can help them.

Ms. Sandy Shaw: Saying "soon" is an important key.

David, in whatever time is left—if you want to address the urgency and the fact that we need to be moving now on this.

Mr. David Wojcik: I believe, in times of crisis, great ideas should not have any ego. I do say that Ms. Horvath—I spoke with her way back at the beginning, when she came out with the rent relief program and the design of that. It

was completely mishandled at the federal level, and now they're finally coming around to putting it out there. But it's a matter of getting the speed. We need the speed. The money has to be flowing now. The people who need this money the most, the businesses that need this money the most, do not have deep pockets. They've already dipped into their savings. They've already mortgaged their houses. They're putting payroll on Visa cards, for God's sake—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. I'm afraid that concludes this round of questioning. I would like to thank our presenters for taking the time to speak to us this morning.

We will now recess. We will be back at 1 p.m. Thanks, everyone.

The committee recessed from 1155 to 1303.

The Vice-Chair (Mr. Jeremy Roberts): We are ready to resume. Thank you to everyone for rejoining us this afternoon.

OTTAWA SPECIAL EVENTS
ONTARIO CHAMBER OF COMMERCE
CANADIAN FEDERATION
OF INDEPENDENT GROCERS

The Vice-Chair (Mr. Jeremy Roberts): We have several presenters for our first time slot this afternoon. Each of you will have seven minutes to present. I'll give you a two-minute warning before the end, and then there will be two rounds of questioning from all of the parties present today. I would ask that after you're introduced, please state your name for the Hansard record, and then you may begin.

We have Ottawa Special Events, Ontario Chamber of Commerce and the Canadian Federation of Independent Grocers.

We will start with Ottawa Special Events. Your time starts now.

Mr. Michael Wood: Good afternoon, respected members of the committee. My name is Michael Wood. I own a small business in Ottawa. My business, Ottawa Special Events, has been one of the hardest hit by the pandemic, as I'm down 92% in revenue for 2020. We were the first to close, and we're going to be the last to reopen.

I had two choices: the first was to wallow under the circumstances, and the second was to lead. My choice was simple. I chose to lead, and I quickly have become the voice of small business in Ottawa. In August, I testified before SCOFEA and brought 19 other small business owners from Ottawa with me.

When it comes to Bill 215, two schedules discuss noise in regard to trucking and deliveries in municipalities. This portion of the bill is advantageous when it comes to helping get trucks off the road during peak hours, something municipalities, I'm sure, will support. It will also hopefully keep our roads safer. It also reduces carbon emissions and helps to protect the environment by not having trucks idling in traffic during peak hours.

Secondly, increasing the fines imposed against the illegal limousine and taxi companies will save Ontario's

families, no doubt, a great deal of distress when they realize that they have been taken advantage of by unscrupulous people. Hence, protecting the people of our province and newcomers is something I absolutely support.

By removing the current restrictive definition from the food terminal, where they can only sell fruits and produce, and replacing it with agricultural products, is going to help increase the number of products sold, which in turn will help businesses enter the terminal. Many ethnic and independent grocery stores use the food terminal for their business, and there will be a direct benefit from this change as they will have an increase in products to choose from.

Being asked to appear before this committee regarding Bill 215, the Main Street Recovery Act, is a huge honour. I believe there to be forward momentum in helping small businesses; however, I've heard from a collective group of businesses that much could be added.

I'd like to quote the Associate Minister of Small Business and Red Tape Reduction, Prabmeet Sarkaria, for a moment: "Every day, people in communities across Ontario depend on small businesses. They did their part and closed their doors during the first wave of the pandemic. Now they are depending on all of us. Our government is determined to support them through this pandemic and beyond."

I want you all to imagine for one second you're arbitrarily told you cannot come in to work for the next month, that you no longer have any money going into your retirement savings or your pension. Your benefits would be cancelled as well. Then think, after a month, your boss says, "We're not sure how long this is going to last, but you can come back for four hours a day, obviously at a reduced pay." I'm letting the government know that uncertainty is creating a mental health pandemic.

Every small business is essential to someone—the owners and their families, the staff, the vendors and the suppliers. Moving forward, I'm asking the government to refer to businesses now as higher- or lower-risk, as opposed to non-essential. We all know that words matter.

Many businesses, including mine, are still shuttered after eight months. When listing off industries that have been closed under restrictions, such as restaurants, gyms and more, the government is leaving out many industries that are in desperate need of support right now. The government needs to open up the umbrella when referencing and supporting small businesses. While I understand it's impossible to list all of the businesses that have been severely affected, I believe broader language needs to encapsulate everyone who is struggling. Support should be based not on industry but on a sliding scale of business losses.

I want to touch on the main street recovery plan. While greatly appreciated, the PPE grant has its challenges. The restrictions that come with the policy eliminate the eligibility for so many small business applicants, because it's for those with two to nine staff. Companies such as restaurants had the most to lose, based on razor-thin margins. They took the most amount of precautions, and most will not qualify. This is also tough to navigate when restaurants are shut down with less than 12 hours' notice.

Who is going to contribute and continue to pay money into things like PPE when they could be shut down at the drop of a hat for an extended period of time?

I very much appreciate the province examining energy costs, including electricity and natural gas. I appreciate the funding will cover the entire length of time that regionally targeted public health restrictions are in place.

Many businesses outside of the affected areas are struggling and drowning under bills. Instead of specifying industries and locations, as I just suggested, all support needs to be on a sliding scale regardless of industry and location.

The digital space: a whole new world of opportunities for small business to expand in advance. As the province has said, Digital Main Street squads are going live across the province to help more small businesses go digital. The squads are using technology to help businesses build websites and e-commerce platforms. The main street program, in partnership with the federal government, is helping nearly 23,000 small businesses across Ontario, which is great.

While it is wonderful, there are 417,000-plus small businesses in Ontario. Only 23,000 have taken advantage of the program, equating to just 5.5%. Many businesses in Ontario are just not in a position to be able to offer any services online.

1310

I'm grateful that the Premier keeps pushing the "shop Ontario" message any time he can. The problem is, the messaging from the province and the medical community revolves around fear. This has forced many people to decide not to leave their homes and simply order items from retail giants like Amazon. Many small businesses do not have the infrastructure or the logistics to offer online shopping, even with the free websites that have been offered.

We need a less fear-based messaging approach to COVID-19 to help regain consumer confidence, especially heading into the holiday season, and to encourage our residents to visit these small businesses in our community. While providing businesses a new online presence opportunity does not negate the fact that businesses do not have the same logistics and efficiency to even consider competing against the giants, at the end of the day, I think this will probably be moot.

The Ontario government needs to be working at re-vamping WSIB. Throughout my career, I've ensured that my staff is safe. I've taken every single precaution to ensure their health and wellness—

The Vice-Chair (Mr. Jeremy Roberts): I'm sorry; I'll have to cut you off. That's the end of your time.

We'll move on to our next presenter, the Ontario Chamber of Commerce. Please state your name for Hansard, and you'll have seven minutes.

Mr. Rocco Rossi: [*inaudible*] privilege of being the president and CEO of the Ontario Chamber of Commerce. I'm joined today by our VP of public affairs, Michelle Eaton, so save all the tough questions for her.

I want to congratulate Michael Wood on his fighting spirit. It's exactly that spirit that we see in our 140 chambers and boards of trade and over 60,000 members across the province that are doing their level best to push forward.

We would like thank all parties for the amount of listening, collaboration and attention. We know that governments are designed to move slowly, and COVID-19 has said, "That's just not good enough. You've got to move a lot faster." We appreciate those efforts, as we appreciate last week's budget—lots of important measures for long-term health, in particular of the business community, and some immediate help with hydro rates, but longer-term on the tax front, and key investments in areas like broadband Internet.

Specifically, on the Main Street Recovery Act—because we remain deeply concerned about the health of small and medium-sized enterprises, charities, not-for-profits and their immediate needs: As Michael pointed out, Digital Main Street squads and the recovery network are important. The digital divide needs to be bridged if we're going to give those businesses the opportunities. That's very much welcome. Having all of the resources, supports and programs on one page, as simple as that may seem, is also critical, because small and medium-sized businesses simply don't have the time to be out there hunting. They don't have large staffs, and so capacity is critical, and tailoring and customizing is critical for their future.

We're encouraged to see the government, as Michael also pointed out, making permanent some temporary regulatory improvements, specifically around the 24-7 delivery of goods for all of the good reasons that he pointed out. We'd like to see that move forward, and are pleased that the government is willing to explore how to allow restaurants to permanently include liquor delivery as part of their takeout. This is an important margin that they need. We hope to see similar measures for e-commerce options for legal cannabis retailers and the extension, when the weather permits, of the commercial patio spaces.

We also appreciate that the government of Ontario is committed to that one-time grant of up to \$1,000 for small and main street businesses. Like Michael, we'd love to see the eligibility extended beyond the maximum of 10 to allow more SMEs to participate. We at the OCC, with our partners, are also looking to augment through our Canada United grants in this space.

We are pleased to see the government bring the Assistive Devices Program online to help to create speed and efficiency. This is going to mean lower wait times and faster claims processing, both for people seeking a first or new assistive device as well as for small businesses that sell assistive devices. We hope to see similar modernization to the program with respect to types of devices offered.

Mental health was a problem before COVID-19 in so-called normal times. It is a crisis; it is a pandemic now. So we welcome the expansion of free and virtual mental health services. This is something that we have to continue to monitor and look to extend.

I know you're going to be hearing after from the independent grocers, and I want to give a big shout-out to

them and all of the other unsung essential services essential workers, who have been staying open throughout the crisis and making sure that we can put food on our table and stock our refrigerator. Their efforts are also welcome.

Thank you for this opportunity. We're happy to take questions when the time allows.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much.

We'll move on to our last presenter, the Canadian Federation of Independent Grocers. Please start by stating your name for the record, and you may begin.

Mr. Gary Sands: Good afternoon. My name is Gary Sands. I'm speaking on behalf of the Canadian Federation of Independent Grocers. I would like to thank the committee for the opportunity to participate in your hearings. Also, thank you, Rocco, for those comments about the grocers.

Just a quick synopsis of our association: We represent independent and franchise grocers across Canada and here in Ontario. In Ontario, just under 60% of all retail grocery stores are, in fact, independents. They serve a myriad of communities in the country and the province. What should be of particular note is that many of these stores are located in rural and more remote communities in which independents would be the only source of food for people in those areas.

As such, independent grocers, particularly in a pandemic, are a critical linchpin in ensuring food security for the province. And yet, independent retail grocers compete on a landscape that is overly consolidated and dominated both at the retail and supplier level—so even in Ontario, our retail competitors, Loblaws and Sobeys, are also the two biggest wholesalers.

You would have seen the most recent example of that dominance in our industry in the last few months, when both Walmart and Loblaws demanded that their suppliers help offset their expansion and other costs. Let there be no mistake, those kinds of requests have a direct consequence on the ability of my members and other businesses to compete fairly and to stay on what is an uneven playing field—and we're not talking about trying to level the playing field. It ain't ever going to be level; it's too consolidated. CFG has been joined by a number of producers and processors in denouncing this demand. We've been recently encouraged that one of the chains—Michael Medline, from Sobeys—also came out last week and denounced it as repugnant. We're all calling on governments, provincial and federal, to help us bring forward a grocery code of conduct.

Retail grocery margins, chain and independent, operate on margins of about 1.5%. With those kinds of margins, independents who cannot off-load their costs onto suppliers must differentiate themselves, and they do so by buying local, hiring local, supporting local initiatives and living in the local community they serve. That is why we are very pleased with one of the elements in Bill 215 that allows the Ontario Food Terminal to expand the range of products that can be sold at the terminal. This will benefit

Ontario producers and processors, and it will help facilitate our members being able to offer more of these local products to Ontario consumers.

As well, CFG has long advocated, both to this government and for many years to the previous government, that an independent grocer be put on the board of the Ontario Food Terminal, since they're the ones who use the food terminal. This has recently taken place, so now we will have the experience and perspective of the retail customer who actually uses the board included in board deliberations. Again, we applaud the government and Minister Hardeman for that decision.

Another element of Bill 215 that we wish to express support for, and I believe Michael talked about this earlier, is the provision to allow for the 24-7 delivery of product to our members' stores. Municipal restrictions on delivery have always presented many challenges, operational and cost-wise, for our members, particularly independent grocers, and especially in the last months, during COVID-19.

1320

That being said, there have been issues around supply that our members have encountered over the last few months that will need to be addressed within industry and government, and I'd be remiss if I didn't flag that to this committee. Independent grocers have encountered problems in Ontario getting fair access to some products.

We understand there was panic-buying for a period of time, and we understand that for some products, there has been a huge spike in demand, particularly when some customers were buying enough toilet paper to last them well into 2022. But when our members cannot access certain products, certain foods, then not only is the ability of that independent grocer to stay in business threatened, but it threatens the food security of communities in this province. That should be unacceptable to all three levels of government.

As well, grocery stores that needed to invest significantly in new safety and cleaning protocols in-store, adjust to changes and cut consumer ordering and delivery—some chain grocery stores are off-loading these and many costs onto their suppliers. Again, I have to restate, this puts the independents, those 60%, at a competitive disadvantage and threatens our ability to stay on the playing field. So we were pleased that this issue, last week, was put on the agenda for discussion at the meeting this month of the federal-provincial, FPT, ministers of agriculture and food.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Gary Sands: In closing, our association wishes to thank the Premier of Ontario and his office for support and accessibility to us over the last few months. It has been of immeasurable help to us as we provide guidance to our members. And when we have had issues, questions or concerns, the Premier's office, Minister Sarkaria, Minister Phillips and Minister Hardeman—all three in particular—have been responsive to us, and I can't thank them enough. I would be remiss if I did not express our sincere appreciation for that, on behalf of all independent grocers in this province. They have always made time for listening to our concerns. Along with Bill 215, as Rocco touched on, elements of the budget last week, particularly around hydro

costs for independent grocers, reflect that as far as we are concerned the Ontario government has been listening to our concerns and responding. Again, we appreciate that very much.

Mr. Jeremy Roberts: Thank you so much.

We will start with the first round of questioning. The government and opposition will each get two rounds of seven and a half minutes, and the independent member will get two rounds of four and a half minutes.

We will start with the government. MPP Thanigasalam.

Mr. Vijay Thanigasalam: First of all, I would like to thank Michael Wood, Rocco Rossi and Gary Sands for your presentations and giving those details and perspectives from small businesses.

Thank you for that presentation, Mr. Sands.

The Ontario Food Terminal is a key economic driver in our agricultural sector, and our government is committed to its long-term success to prosper the industry as well. Having said that, the Main Street Recovery Act promotes the distribution of local food and food products by increasing the range of products sold at the Ontario Food Terminal. This will definitely help the recovery and, of course, the growth of agri-food businesses across the province. Mr. Sands, my question is, can you please expand on how this proposed change—for example, enabling sellers to offer more products for sale to increase their revenues—will help your membership? We recognize that your membership covers almost 28-plus percentage of the entirety of Canada's retail food services.

Mr. Gary Sands: It's a great change. It's one we are enthusiastic about. Listen, I'm not blowing smoke at you guys because of who I work for. It is a fact that independent grocers have to differentiate to be able to compete. They have to be able to buy local. So what the terminal offers is an opportunity for them to differentiate. At the same time, it's a great opportunity for Ontario's small and medium-sized producers and processors in particular, to get access to customers. You don't have to pay listing fees; you don't have to go through all the hurdles you go through with a chain. You're right there connecting with the customer. If anybody has the opportunity on this committee to some day go down to the terminal to see what transpires there, it's just amazing.

What the government has done is, they've recognized the opportunity that the terminal provides. They're expanding the products now. I cannot tell you—not just on behalf of our members; we know from dealing with the producers and the processors how much more business we can do when people help, like the government is doing, facilitate more opportunities to connect. I'm telling you that by doing this, you're going to see, in the next year or so, measureable, definite benefits from that expansion.

Mr. Vijay Thanigasalam: Again, thank you, Rocco Rossi, for your presentation and for your advocacy for a very long time.

When it comes to the Main Street Recovery Act, as you mentioned, it would permanently allow 24-7 deliveries of goods across Ontario to businesses, including restaurants,

corner stores, grocery stores and all the distribution facilities. Obviously, this would help support the economic recovery on our main streets and help ensure that the important goods can continue to be delivered to businesses as efficiently as possible.

Since you mentioned that you have 60,000 members you're representing across Canada and, obviously, 140 chambers, could you please explain how this 24-7 delivery of goods would benefit and impact your 60,000 members, and also all the chambers and the businesses they represent? How would this impact your membership, Mr. Rossi?

Mr. Rocco Rossi: Many, if not most, businesses operate virtually on a 24-7 basis, and so being restricted to when they can deliver is an enormous problem, particularly when you run into times during so-called business hours where you're going to get congestion, traffic, more pollution, more noise and uncertain deliveries. As Gary said, he would love to see you at the food terminal. The best time to go is 4 or 5 in the morning. Don't go at noon; all of the business is being done before.

This is really important. It's important for efficiency purposes. It's important for decongestion purposes. And it's important for environmental purposes. You've got trucks idling in traffic. That's not a good thing. I understand that municipal politicians are dealing with criticisms of noise during the night from neighbours. So that is the balance that has to be struck. But quite frankly, the overwhelming pluses of that 24-7 delivery are what we're seeing during the crisis. We should take advantage of a crisis to take what is best out of it and move forward, and this is one of them.

Mr. Vijay Thanigasalam: Next, I would like to ask Mr. Wood.

Mr. Wood, thank you for your presentation. The numbers you mentioned in your presentation were very staggering—92% revenue loss since the pandemic hit. Also, you mentioned an important point: Only 5.5% of small businesses adopted the digital—need digital space funding for building their websites. Thanks for the passionate advocacy on that.

Mr. Wood, we all know that Ontario has never faced a challenge like this, the one we have experienced over the past few months.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Vijay Thanigasalam: There's no playbook to manage and handle the crisis we face. COVID-19 has made one thing abundantly clear, which is that businesses are counting on all levels of government for support and to take strong action to cut red tape and respond to their needs.

Can you please elaborate on how you would categorize the government's response so far with regard to small businesses, including digital?

1330

Mr. Michael Wood: It's a good question. I thank you for your question, sir.

I agree with you; I think it has been a difficult time for everybody. You folks are going through this at the same time I'm going through this. I think that we need more

work, together, between all levels of government—everybody needs to work together on this. We need the feds, the province and the municipalities to work together to ensure that people do not lose their businesses, their homes or their assets.

The Vice-Chair (Mr. Jeremy Roberts): I'm sorry; I'll have to cut you off there.

We're going to move to the opposition. MPP Fife.

Ms. Catherine Fife: Thank you to all the presenters.

I want to start with Gary Sands.

Gary, I want to give you a chance to expand a little bit on the grocery code of conduct. I did receive the original letter that I believe you and eight other organizations representing commercial food and agriculture producers and suppliers—when you wrote to the Canadian government. One example cited the fact that Walmart had increased their supplier fees up to 1.25% and 5% for online, and I think you made the point that this was cutting into any profit that your members might be making. Can you give us some sense as to how important of an issue this is, and the role that the provincial government can play in moving forward?

Mr. Gary Sands: First, I just want to correct what you've explained. The grocery code, which exists in other jurisdictions—Australia, the UK, Ireland. They all have codes of conduct with a less-consolidated industry than we have here in Canada. The code, to us, provides a remedy for small and medium-sized businesses to seek remedies or ensure we can deal with problems in a collaborative way. We have such a structure in place that governs the payments industry in Canada: It's a code of conduct for the debit and credit card industry. That was developed by the federal government. In this case, there's a view that it has to be done provincially, so that's going to cause some problems, and I don't want to get into them, because I know I'm restricted for time. We're just hoping that when the federal, provincial and territorial ministers of agriculture and food talk about this next week, they can come up with some sort of agreement as to how to tackle this.

Again, I want to emphasize that the code has to be balanced between retailers and suppliers. A lot of the traction for this, to be honest with you, has arisen because of the fees and the fines that have been levied on suppliers by Loblaw's and Walmart—but over the occasion of representing small and medium-sized businesses, let me tell you, we've had problems with suppliers over the last few years.

In September, when Loblaw's announced it was fining suppliers if they shorted them on product—you don't have to be an expert in the food industry to know what the results of that will be: Suppliers will do cartwheels to avoid paying those fines, and those cartwheels will involve shorting the independents even further. It's not so much cutting into the profit—and I appreciate what you're trying to say, but what happens is, we all are paying these extra costs. We all pay for expansions of our stores or investing in renovations, or whether it's investing in e-commerce or new health and safety protocols, personal protective equipment—everybody is having to pay for that. The

difference is—and this is where it gets me angry—the chains are saying to the suppliers, “We are not going to pay for those. You're going to pay for those.” So [*inaudible*] the 60% independent grocers in Ontario, but also all the other businesses in this province—we're now put at a competitive disadvantage.

Governments have to step up, including the province, and say, “This is not sustainable for our small and medium-sized business community. It's not fair, and we need to bring fairness back into it.” We're not advocating anything radical; this is main street Ontario who's talking. We're just saying the norms of fair business practice have been distorted and skewered by over-consolidation. It has to stop.

Ms. Catherine Fife: I definitely appreciate that. I just want to let you know that we have officially reached out to the government. This is something that we certainly should be able to work on.

I don't think downloading or increasing fees to pay for—let's be honest, Walmart can pay for their own PPE.

I'm going to move on to Michael.

Michael, you've been a very strong advocate. You've reached out to MPPs from across party lines.

I want to give you an opportunity to address the eligibility around the small grant that's contained in this bill, the \$1,000, and what you are hearing on the ground. You touched on it a little bit.

If we have time, I want to talk about the need for greater clarity around what is going to be open, when it's going to be open and what are the terms and conditions of businesses opening. So please go ahead.

Mr. Michael Wood: Thank you very much, MPP Fife, for your question. Furthermore, thank you very much for your support over the last while. You've been an incredible ally, and I appreciate this very much.

The PPE grant: While it's wonderful that some forward momentum is happening, when we limit it to a staff of two to nine people—to me, this is a microbusiness; this isn't a small business. All of us have been out to a restaurant. All of us go out for dinner. Any busy restaurant, as an example, will have three cooks, a dishwasher, servers, managers. It eliminates more businesses than it helps. I tried to get a statistic yesterday through different organizations as to how many small businesses in Ontario are actually employing nine people or less. Through great effort, we could not get that exact statistic.

I think that if we're going to offer this grant, it can be \$1,000—I think it should be on a sliding scale—I don't think we should close the door to businesses that employ and create more jobs in Ontario than nine people. I think that more people should have access to the grant. It shouldn't be based on this small, micro number of employees.

At the end of the day, small business is the backbone of Ontario, and we must support everybody who is struggling.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: Okay.

Well, think about this for the next segment. I know that your members planned to open and then they haven't been

able to open. There has been inconsistent messaging. I feel it's important for this committee, while it's not really embedded in Bill 215, but on a go-forward basis—the importance of clear and concise clarity around the rules of engagement for businesses.

Mr. Michael Wood: I agree, MPP—and timeliness. We can't close people within 12 hours. We also cannot release the new regulations on the same day as the re-opening. We need more time to be able to prepare.

Ms. Catherine Fife: Yes, very good points.

I'll get you in the next round.

The Vice-Chair (Mr. Jeremy Roberts): We'll move on to our independent member. MPP Hunter.

Ms. Mitzie Hunter: Thanks so much to our presenters for taking the time today.

Mr. Wood, you were in the middle of your sentence in the opening presentation and you were cut off. Did you want to finish what you want to say to this committee?

I know that you are a clear advocate for small businesses and, in particular, restaurants.

Mr. Michael Wood: Thank you very much, MPP Hunter. It's nice to see you again. We met back in August. I appreciate you giving me the time.

One of the things where I think I was cut off was about revamping WSIB. I've done everything within my power in my career to give my staff a safe work environment. We set up stages, and we set up sound and lighting. We took every single safety precaution. With things like this, I have to wonder, if somebody is working from home and they trip over something in their home during work hours—why is the small business owner such as myself going to be responsible for providing this safe work environment? Why are the premiums still being charged when things are out of my control?

The other thing I just want to touch on quickly is, I think the Ontario government needs to meet immediately with the credit unions in Ontario. Cutting lines of credit and calling in loans during this very difficult time just doesn't make sense to me. I understand they're businesses as well; however, to turn around and call in somebody's loan right now is not the right thing to do. I've heard of this happening across Ontario and Canada.

I'll leave it at that. That's pretty much where I was cut off.

Ms. Mitzie Hunter: Can you also speak to the mental health supports that you think are important for small businesses?

Mr. Michael Wood: The uncertainty of the entire pandemic—again, I'm going to put this on the record and say that this is all of our first time going through this. Whether it's the government, me, Gary, Rocco—we're all going through this for the first time. We're all learning as we're going, and I can appreciate that.

1340

The problem is that when we take people's livelihoods and shut them down, and people aren't sure how they're going to pay their hydro bill for their small business, this adds tremendous stress not only for the owner but the

entire family. CHEO here in Ottawa, the Children's Hospital of Eastern Ontario, just received a grant of \$1.5 million for mental health for kids. A lot of kids' mental health, I think, during this pandemic—is coming from the stress they're feeling from their parents, based on how they're going to get through this. I think that many different channels and opportunities for people to access it at low to no cost is only going to benefit all Ontario residents and families.

Ms. Mitzie Hunter: I know you've spoken quite a bit about commercial rent relief. Do you support a moratorium on evictions at this time for small businesses while we all go through this first-in-our-lifetime experience?

Mr. Michael Wood: Absolutely, and I had another MPP mention that to me—the fact that the moratorium did come to an end in October. I think that more landlords now are starting to realize the impact of evictions and the fact that their buildings could sit vacant, so I think more are willing to work with small business. But at this time, Ontario small businesses do need protection from the government.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Mitzie Hunter: Okay. I will go to the other presenters in my next round.

Is there anything more that you want to say while you have the floor for the next 30 seconds?

Mr. Michael Wood: I just want to take the time and say a quick thank you to all parties. I know that everybody is working hard to try to facilitate a solution and try to help, and for that, all small businesses across Ontario are thankful and grateful. Whatever we can do to advocate and to help you get your message out, we're all willing to do, as well.

The Vice-Chair (Mr. Jeremy Roberts): We'll move on to our next round of questions. For the government side: MPP Skelly.

Ms. Donna Skelly: Good afternoon, everyone.

Good afternoon, Gary.

To my old friend Rocco: It's nice to see you again.

I would like to start with Michael Wood. I know your business primarily focuses on events, galas, big events, the music industry, small weddings etc. Of course, COVID-19 has absolutely changed the environment.

Can you share with us where you see your industry going in light of the fact that the numbers are not going down? We've seen an increase, actually, right across Ontario. I'm starting to get alarmed.

In Hamilton, we're seeing an increase. We had an outbreak at a restaurant. Having said that, they weren't following the rules.

How do you see your industry evolving during this pandemic and beyond?

Mr. Michael Wood: That's an excellent question.

We're not event planners; we actually rent physical equipment—so when we're renting stages, sound and lighting like if it was 2019, this is our business. At the time when we laid off our entire staff in March, I had 22 full-time employees. We were coming out of our slow season of the winter and ramping up. During the summer, I would typically employ 50 to 60 people full-time.

To answer your question—and I appreciate the question—I think that we’re going to need some sort of medical intervention. I think we’re going to need to have rapid testing widely available. It’s not just for my business. While I’m speaking to Toronto right now, I do have the Ottawa Senators dear and near to my heart. In order to get people back in to watch hockey and to watch the Raptors and the Maple Leafs, we’re going to have to have some sort of rapid test. We’re going to need some sort of vaccine. As it stands today, I’m left standing on the sidelines wondering exactly how my business and thousands across Ontario—there are many Ottawa Special Events, if you will, across Ontario, and all of us are standing here wondering what’s going to happen next.

Ms. Donna Skelly: My next question is to Rocco.

Regardless of political stripe, I know that many of the people who are participating in today’s committee hearings were also part of our unprecedented number of SCOFEA hearings throughout the summer, and some of the stories from small businesses were really gut-wrenching. These are people who put their blood, sweat and tears, a lifetime of work, into their business, and they are left struggling during this pandemic.

We’re watching the numbers. They’re not going down. As my colleague mentioned, there is no playbook. We don’t know how it’s going to unfold. We don’t know how long this pandemic will last. We know it won’t end tomorrow, but we also know that people need to continue to work and people need to continue to operate their small businesses. But they also have to stay safe.

How do you envision small business in the next few months, and then beyond the pandemic?

Mr. Rocco Rossi: Thank you very much for the incredibly thoughtful question.

Look, absent a vaccine widely available—and as encouraging as the Pfizer announcement is, we’re a long way away to approve and then to manufacture and then to distribute, so we’re going to be living with COVID-19 for a considerable amount of time. There is no zero-risk way to open, but to Michael’s point, where I think we really need to double down, if not triple down, is testing, tracking and tracing. As encouraging as what we’ve heard in the throne speech from the feds and also in the budget is, quite frankly, we need to do more.

As the Premier has said, the rapid testing can be a game-changer, but not if we just have a couple hundred thousand of them. Tests are not vaccines. They have to be redone multiple times, because you can be infected afterwards. That is something we need to do. If we were able to do it on a rapid basis, think of how much we could keep open and stay open.

And then tracking and tracing—there’s also not just a governmental responsibility; there’s an individual responsibility. I can’t tell you how frustrating I find it and my members find it that millions of Ontarians and Canadians are perfectly willing to share incredibly personal data and information on Facebook, Twitter, Instagram, LinkedIn and yet think of COVID Alert as anathema and that somehow government Big Brother is going to be looking at us, with all of the privacy protections that are put into it. We

need to be pushing it and advertising that more to assist our physical tracking and tracing.

If you combine the rapid testing and more extensive testing with tracking and tracing, we’re going to be able to contain outbreaks and keep businesses open wider and longer—and not just businesses. Daycares: Every employee should be tested on a regular basis. Schools—every teacher. Venues—if we could do that, think about tourism and airports and having rapid testing. It’s critical to resurgence and to give people the confidence that they need—consumers and employees—to return to the economy in greater numbers.

Ms. Donna Skelly: I wonder if you could speak to—this was actually announced in our budget, and that’s the push on staycations. We’re going to be talking later about the “made in Ontario,” but just the push on staycations—will that help your members and other members across Ontario?

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Rocco Rossi: Hugely. I walked the talk this weekend and went out to Prince Edward county. It was a beautiful weekend, so we were all outside savouring some of the local wines and foods.

This is absolutely critical. As important as government programs are, until and unless consumers are prepared to help local businesses ring their cash register, we’re not getting out of this. We will have to migrate from an economy of subsidy to an economy of private sector growth. Everything we can do to buy local, dine local, celebrate local, for those who are able—because lots of people have their own financial headwinds, so I don’t take that as a given—but where possible, to do that, to think of things like ordering takeout or delivery from time to time. Gift certificates make an enormous difference in keeping these businesses alive. Small business is not just about selling goods and services—

The Vice-Chair (Mr. Jeremy Roberts): I’m afraid I have to cut you off.

We need to move now to our next round of opposition questions. MPP Fife.

1350

Ms. Catherine Fife: I appreciate that last segment of questioning, because I know that, ultimately, we’re talking about rebuilding confidence in the economy.

We just found out that there was an outbreak in one of the study halls here at the University of Waterloo. Those students are integral to our whole economy here in Waterloo, so it’s going to have a trickle-out effect, which is going to dampen, quite honestly, some of the growth that we have seen. I think our local businesses here have been doing an amazing job of keeping people safe and really pivoting to a new delivery system.

Rocco, I want to touch on some of the work that you have been doing, and then I’m going to go to Michael—and perhaps Michelle might want to weigh in on this.

We need to bring women along on this economic journey. You’ve cited the importance of child care, early learning and care, as, really, a vehicle. We know that for every dollar invested in early learning and care, there’s a \$7 return to the economy. This is not touched on in Bill 215,

and there's not a lot in the budget around this, but can you speak to how important it is to ensure that 51% of the population are part of the economic recovery strategy?

Mr. Rocco Rossi: Great question.

First off, I want to thank you, MPP Fife, and the NDP leader and caucus for your Save Main Street initiative and really important advocacy on that part. It's very much appreciated by our members.

Yes, we recently put out The She-Covery Project, which crunched the data and showed that, unlike prior recessions, this one has hit women disproportionately hard for two fundamental reasons, and women have been very slow in coming back—much slower than men—to the point that we have female participation in the economy at levels we haven't seen since the 1980s.

The two fundamental things are, first, a disproportionate representation in the higher-contact segments of the economy that can't be done from home—so hospitality, tourism. That's just a structural issue. The second, to your point, is efficient and cost-effective daycare. Some of it was simply not available because daycares, because of the pandemic, were shut. Coming up with a process, as public health permits it, to expand that is going to be fundamental to getting participation up.

If you look at productivity increases in Ontario and Canada in the last 20 years, the single biggest contributor has been more women and under-represented communities coming into the economy. We need that going forward—and steps taken are not simply in the hands of the provincial government; this is something that's also federal. If you look at what Quebec has been able to do, a lot of their ability to provide very affordable and widespread daycare is, thankfully for them, because of very significant transfers from the federal government. It would be nice for Ontario, as well, to be able to provide that service.

Ms. Catherine Fife: I appreciate you saying that. We've seen 132 child care centres close in Ontario because there's a mismatch here around what sort of supports are needed, who should be playing a leadership role in that, and, of course, some structural issues that have been long-standing. So thank you, Rocco, and to the chamber for your leadership on the she-covery. We're very committed to it.

Michael, I'm going to go to you now. I want to touch on the new lockdown scheme that the government has rolled out, with their colour-coded “who can open and who cannot.” We're now having local medical officers of health weigh in on that, as well. It has been called “scientifically illiterate.” The epidemiologists who have weighed in outside of the provincial planning table say that it doesn't really make a lot of sense.

You've been very clear about not having a one-size-fits-all economic strategy around reopening. Can you talk a little bit about that? Have you had a chance to review that new lockdown code, and does it make sense to you, as a business owner?

Mr. Michael Wood: I appreciate the question, MPP Fife.

I've definitely had a chance to review it—because on Saturday, when restaurants in Ottawa were reopening, up

until about 9 o'clock or 10 o'clock in the morning there was still no direction as to what could open and what was available. Having said this, I completely agree. I think you know that I'm a big advocate of one size does not fit all. When the first lockdown happened—not the first, but in October—I find it very draconian that we just shut the doors. If we look at Costco as an example—if a restaurant, hypothetically, was the size of Costco, you could not have had a couple sitting in each corner of that restaurant, because it's deemed a restaurant.

Right now, we're in code orange, and we've gone backwards; where patios used to be able to be open until 12, they now have to close at the same time as indoor dining—and it's 50 people inside, regardless of the size of your restaurant.

I don't own a restaurant, and I'm not involved in restaurants, but I will reiterate this: Restaurants had the most to lose. They took the most amount of precautions. They're on razor-thin margins. And they've been hit the hardest in the latest round of lockdowns.

I think we need to come up with something more balanced. I'm a big advocate for balance, and that's what I would like to see.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: Yes. Understandably, I think all of us on this committee know there's a lot of tension around the balance piece. You do have community leaders—for instance, in Brampton, the mayor there has said he feels like keeping restaurants open and having public safety protocols in place actually is better than people just staying at home and having private parties. So there's this real tension. And then you have leaders in hospitals saying to a cancer patient, “The government is prioritizing restaurants over cancer surgery.”

Listen, I have full empathy. There's no clear answer here, but there have to be some guidelines and a framework that businesses can operate within. I take your point around the inconsistencies and trying to plan for reopening as well, which you have articulated very well.

I want to thank you for your time today, Michael. Keep up the good work in Ottawa.

Mr. Michael Wood: Thank you, MPP Fife.

The Vice-Chair (Mr. Jeremy Roberts): We'll move to our final round of questions from the independent. MPP Hunter.

Ms. Mitzie Hunter: Thanks so much to all of our presenters today.

Maybe I can move to the OCC to speak to whether or not you believe, in all the measures that we've taken so far, we have really hit the mark when it comes to support for, particularly, small and medium businesses.

Mr. Rocco Rossi: Thank you for the question.

There's always more that can be done and that needs to be done. But I come back to the point of, there has been an unprecedented level of collaboration across all levels of government, and it's going to take policy at all levels to meet the needs.

The single largest—to borrow a phrase from the Minister of Finance—profit-insensitive cost faced by so many

of our members is commercial rent. After months of pressing the federal government on the issue that off-loading it to landlords to make it was fundamentally flawed and not getting the job done, we were thrilled to hear that now it will be tenant-driven, it will be on a sliding scale and it will be extended to June, recognizing that we're not out of this. That is a critical piece that we need.

1400

I think we need more on testing, tracking and tracing, which is something that both the federal and provincial governments need to come to the table on. Those are big pieces.

One of my biggest fears—what's in the line items of the budget as contingency will end up actually being used, by the fact that many of these deferred expenses, which the province has been using—the federal, as well, with HST and other measures. My big fear with those is that when they come due, one of three things happens. We kick the can down the road in terms of payment. We actually have to write them down—because it's that cash flow that has allowed the average SME that had 20 to 30 days of cash on hand at the beginning of the crisis to last to month 9 of the crisis. They'll have to be written off and/or you're going to see significant bankruptcies in the SME community. So recognizing that those deferred steps are likely going to have to be written off—and then you're talking about meeting the financial challenge that SMEs are facing.

Ms. Mitzie Hunter: I would agree with you, but the provincial Treasurer has said that they plan to collect 100% of those deferrals. It is a big issue because cash flow is such a big issue.

This morning, we heard that small businesses are using up their line of credit. They're now using their—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Mitzie Hunter: —credit card just to pay their overhead and their employees, to keep the hope of a business going.

Coming through this, what do you think is needed to help Ontario's businesses survive?

Mr. Rocco Rossi: Again, I think a more aggressive testing, tracking and tracing protocol would be helpful. At the end of the day, businesses and entrepreneurs don't want to live off the government. They're in business because they love the product and service. They want to participate, and they've always been contributing to the community. They want to be able to open as safely as possible. Those would be hugely helpful.

When you tell me to shut down, to take one for the team, and rightfully so for public health purposes, then you better be there to compensate for—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off at that point.

Thank you so much to our three presenters for this round. We appreciate you taking the time.

TIMMINS CHAMBER OF COMMERCE

PEMBINA INSTITUTE

OTTAWA COALITION OF BUSINESS
IMPROVEMENT AREAS

The Vice-Chair (Mr. Jeremy Roberts): We'll now move on to our next round of presenters. We have the Timmins Chamber of Commerce, the Pembina Institute, and the Ottawa Coalition of Business Improvement Areas. You will each have seven minutes to present. I'll give you a two-minute warning before the end of your time, and then we'll move to rounds of questioning from all three parties. When I introduce you, please take a moment to state your name for the Hansard record.

We'll start with the Timmins Chamber of Commerce. You may begin.

Mr. Cameron Grant: Good afternoon to the Chair and the members of the standing committee. My name is Cameron Grant. I'm policy and engagement lead for the Timmins chamber. Joining me today are our chamber president Melanie Verreault and chamber vice-president Rob Knox.

Every business right across the province is affected by government legislation, whether it deals with policies, 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.

The Timmins chamber has witnessed the hardships brought on by COVID-19 and its lasting impact on small to medium-sized enterprises, and we are pleased to see additional support mechanisms being brought about to support SMEs. We fully support the efforts outlined in the rebuilding main street act, and we are hoping that the proposed amendments and introductions will expedite the restoration of jobs and build a healthier, 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. However, 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 the north. Further, companies in specific sectors have been hard-hit, like those in accommodations, foodservice, arts, entertainment, recreation and retail.

Given the vital role that SMEs play, ensuring the right policies 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.

On top of the restaurants and bars—we are encouraged to see that the government is making permanent some temporary regulatory improvements introduced during the pandemic to support economic growth.

For anyone who has had the pleasure of visiting Timmins in mid-February, minus 40 degrees Celsius can present some challenges when facilitating outdoor dining. While I understand the government has little control over the weather, this does raise the question: How can we begin to address regional weather disparities towards business? Winter is long in the north, and we wonder if our SMEs in this sector will survive.

I digress. The ability to adapt and scale to be ever-present in the digital sphere has been made resoundingly clear in the pandemic. There is no doubt that the chamber welcomes the introduction of tailored services for SMEs through the recovery network and Digital Main Street squads. The tailored services offered through the small business COVID-19 recovery network and Digital Main Street squads will provide support for business owners with critical operational planning and e-commerce opportunities.

I would, however, like to give the following recommendation about the small business recovery webpage. Generating a coordinated single point of contact for small business information might, on the surface, seem to provide a user-friendly experience. Our concern is that it begins to squeeze out northern providers. The question remains, how does the government create a one-stop shop for business while still providing some parochial benefit? There is no doubt that you would want the information to remain robust, but that does not come at the detriment of northern and rural providers. Perhaps consider providing access to a regional database that highlights providers in that region, rather than a broader provincial market. This will allow for more visibility for small, more regional SMEs.

We have already raised concerns with ensuring that provincial procurement policies offer the best value to regional communities. These concerns expressed about the impacts to local small and medium-sized businesses as a result of a centralized purchasing model are of significant concern to northern communities. As northern Ontario is an integral part of the provincial economy, we trust that you'll consider mutual policy goals in a way that best serves all Ontarians.

On the topic of the Ontario Main Street Recovery Plan: Government grants to help SMEs purchase personal protective equipment are much needed, as many are struggling with cash flow challenges and managing debt incurred during the crisis. I believe my colleagues at the OCC have already expressed this, but we do recommend that the employee threshold for eligible businesses be extended beyond the maximum of 10 to allow more SMEs to participate.

We applaud the government and, of course, Associate Minister Sarkaria on their efforts in providing support to the backbone of our economy, SMEs.

I want to utilize the remainder of my time to remind the committee of a conversation that we had last time we spoke. As you continue to implement legislative change to benefit business, identify the cities that have success stories. They exist. In particular, in Timmins, our chamber, with the financial support of Newmont Porcupine, Lake

Shore Gold, Kidd Operations, Full Beard Brewing and Ontario Power Generation, has just wrapped up a business recovery fund in the amount of \$400,000.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Cameron Grant: This was supported locally, administered locally and distributed to local businesses. There are stories in the 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.

I would like to thank the members of the standing committee for your attention and consideration. Best wishes for productive consultations. Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much.

We'll move on now to the Pembina Institute. Please state your name for the record, and you may begin.

Ms. Carolyn Kim: Good afternoon. My name is Carolyn Kim. I am the Ontario regional director for the Pembina Institute, an independent clean energy think tank in Canada. Thank you for the opportunity to speak today on the proposed legislative changes that would allow for goods-movement vehicles to operate during off-peak hours; in other words, off-peak deliveries.

Before I begin, I want to thank you for the hard work of the committee and the Ontario government protecting the health of Ontarians, supporting front-line health care workers and providing immediate relief to people and businesses in response to COVID-19.

During these unprecedented times, we have seen how essential Ontario's trucking sector is to supporting our local economies. Online shopping has grown significantly over the years as businesses shifted toward e-commerce platforms. Between 2016 and 2018, the average number of online purchases made by Canadians grew by 58%. More recently, Statistics Canada shows that e-commerce sales in May 2020 have increased 110.8% in comparison to last year, in May 2019.

1410

As businesses continue to enhance their online presence in order to survive, or to reopen and grow post-pandemic, demand for truck deliveries is expected to grow, putting even greater pressure on municipalities to manage higher freight activities on our streets. At the same time, emissions from the transportation sector are growing, and in Ontario, it was responsible for 35% of emissions in 2018. This is the province's highest-emitting sector, so efforts that help to both move goods as efficiently as possible and drive down emissions and air pollution are incredibly important.

We support the government's current efforts to improve the timely distribution of goods by temporarily lifting noise bylaws to allow for off-peak deliveries. This is vital in reducing congestion, greenhouse gas emissions and air pollution in our cities. As we emerge from this public health crisis and plan for economic recovery, we encourage the government to extend this exemption of delivery vehicles from noise bylaws, with certain limitations, to allow off-peak deliveries permanently.

Addressing delivery challenges is and needs to be part of Ontario's COVID-19 response. Already, the government is supporting small businesses—just to name one example, the \$57-million Digital Main Street program that helps businesses move to an online presence. A permanent off-peak delivery system would complement these investments.

In short, off-peak deliveries can help Ontario municipalities sustainably move people and goods more efficiently, as population and employment in major urban regions is expected to grow rapidly in the future. By spreading out truck deliveries over time, it means roads are less congested, trucks are less likely to idle, and it can reduce fuel consumption during peak periods. In turn, this can reduce harmful greenhouse gas emissions and air pollution.

A pilot project conducted by the region of Peel and the Smart Freight Centre with large retailers in 2019 demonstrated the effectiveness and support for off-peak deliveries. To name a few key results: The average speed of deliveries made during off-peak hours was 18% faster than those during peak hours. Off-peak deliveries also led to greenhouse gas emission reductions by a magnitude of 10.6%, as well as reductions in air pollution emissions—and that includes particulate matter, nitrogen oxide and carbon dioxide—ranging from 10.8% to 18%. In addition, not a single noise complaint was made over the course of the pilot.

To ensure that a permanent off-peak delivery program in Ontario is successful, it is critical that the government work with its municipalities and other relevant stakeholders who would be impacted by the policy proposal to provide input in the development of regulations, guidelines and/or bulletins.

Some considerations that I'd like to flag are—defining “appropriate use.” Businesses operating during off-peak hours, such as retail stores, restaurants, bars, hotels and 24-hour convenience stores, are well-suited for off-peak deliveries. I do want to note that construction and heavy equipment vehicles should not be a part of this permanent off-peak delivery program, as there are important noise implications here.

But when the province can reduce and harmonize the volume of deliveries that need to be made during peak hours, congestion and its associated negative externalities can be reduced.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Ms. Carolyn Kim: Noise mitigation strategies are also critical to the success of off-peak deliveries. To improve successful implementation, the government should provide guidance on noise mitigation strategies. This could include training and education for shippers and those who are receiving shipments, providing low-noise equipment for truck noise mitigation efforts, and noise-absorbing materials.

In conclusion, goods movement plays an essential role in our economy. By extending the exemption of delivery vehicles from noise bylaws and moving towards permanent implementation, we can provide businesses with the tools to shift to a more efficient goods distribution system, thereby offering time savings for businesses, improving on

road congestion and reducing transportation-related greenhouse gas and air pollution emissions.

We welcome the opportunity to work with the government and other relevant stakeholders in the regulatory design of this proposed legislation. Thank you very much.

The Vice-Chair (Mr. Jeremy Roberts): Thank you.

We'll move on to our last presenter, the Ottawa Coalition of Business Improvement Areas. You have seven minutes. Please start by stating your name for the record.

Mr. Mark Kaluski: My name is Mark Kaluski. As you said, I'm the chair of the Ottawa Coalition of Business Improvement Areas, OCOBIA, which represents Ottawa's 19 diverse BIAs.

Business improvement areas are a mosaic. They create vibrant commercial zones in our city. Each BIA is more than its small main street businesses; it's an area that represents heritage, economy, arts, relativism and tourism. Our members include property owners, business owners and tenants, with the majority of our businesses consisting of small main street businesses in the food, retail and service industry. Our organization collectively represents over 6,400 businesses and properties in Ottawa, and contributes over \$250 million in annual commercial property taxes to our municipality.

Main street and small, independent businesses make up the bulk of our members. Making up over 98% of businesses in Ontario, they are some of the hardest-hit. They are the struggling economic victims of this pandemic. The commonalities shared by these businesses is the need to pay rent or mortgages and related fixed expenses, despite restrictions that have affected their ability to generate necessary revenues. The CECRA program failed these business owners due to the need for landlord participation. Other funding programs are simply not yet available, or are inadequate. These small business owners are struggling, many risking losing personal assets, including homes and their retirement savings.

We acknowledge that COVID-19 is uncharted territory: there's no road map for this. We appreciate the steps the province has taken to help our small businesses recover, and we acknowledge that no one wants to see them closed. That said, independent brick-and-mortar businesses are facing dire circumstances, particularly those in the food, entertainment and fitness industry.

There is no certainty as to whether a future closure will occur or whether consumers will return as the restrictions are lifted. The future of business, with the hollowing out of downtown office work, puts many of these industries at risk, as fewer people are around to visit our downtown restaurants and stores. Consumer patterns are changing, and uncertainty as to the future is leaving many business owners frustrated. These businesses need continued and immediate support. The main street recovery plan offers a glimmer of hope.

With respect to Bill 215, the Main Street Recovery Act, the proposed change to liquor sales—to allow businesses to continue to sell alcohol alongside takeout and delivery orders—must be included. We believe our businesses have

been able to demonstrate their commitment to implementing this safely while respecting rules, and we feel that the changes to the Liquor Licence Act of Ontario should be included in Bill 215—and not simply an exploration under the plan. For many businesses, this high-margin product has elevated sales at a time when it is needed most.

Digital Main Street has also benefited small businesses as they increase their digital presence and increase online sales potential. We look forward to having all our eligible businesses have some form of online presence through the partnership with Invest Ottawa here, and FedDev Ontario.

We also appreciate the recognition of the costs of PPE implementation and would like to see this grant program expanded to include businesses with up to 30 employees, to better reach more businesses that truly need the help.

Our concern is that while the aforementioned measures are helpful, there needs to be more direct help for small, independent main street businesses. This bill addresses issues that are simply not beneficial to main street recovery and would be better addressed under a different bill.

Our small retailers currently face unfair competition from large conglomerates, both online and big box stores, that remained fully open, with record profits, at the start of the pandemic, while our retail was locked down. It's important to understand just how unfair their ability to continue sales is—relative to brick-and-mortar businesses. These corporations are a net taker, with very little money flowing back into our local economy. Our members are the job creators, who pay corporate property taxes that fund our municipalities, who contribute to the local book fair, who make our neighbourhoods interesting and livable. If more isn't done to level the playing field, we'll be facing a ruinous situation that dwarfs the current devastating economic climate.

We very much appreciate Premier Ford encouraging people to buy local, including products manufactured in Ontario, but a second layer of that should be to encourage people to purchase products from local, physical businesses. They pay fair commercial property tax, employ people from our community, support the local bake sale and hockey team and choir and school trip. The Premier should be supporting “shopping local” as much as “made in Ontario.”

1420

The Main Street Recovery Act, 2020, proposes regulatory and legislative changes that fail to address issues that will truly allow small businesses to recover. While the actual main street recovery plan suggests a number of useful measures, we are concerned that the legislation falls short in providing meaningful and significant economic relief and recovery. If we don't act to stop the damage, the cost to our municipal budgets, to our economy, to our laid-off employees, to our retirement plans, to our environment and to the livability of our neighbourhoods will be more than we can bear. The government must do all it can to help our businesses survive and thrive while we wait for a return to normal. Thank you very much.

The Vice-Chair (Mr. Jeremy Roberts): Thank you.

We'll now move to questioning—two rounds of seven and a half minutes for the government and the opposition,

and two rounds of four and a half minutes for the independent member.

This round, we will start with the opposition. MPP Fife.

Ms. Catherine Fife: I would like to start with Mark from the Ottawa Coalition of Business Improvement Areas.

Mark, thank you for the straight talk. Many of us were on the committee throughout the summer in June, July, August and September, and we heard the sense of urgency that businesses felt around rent support, direct financial support, access to fair insurance rates, for instance—and a lot of talk around the tax deferrals, including the WSIB component.

Where are your members now with some of those deferred payments that were part of the original strategy that the government brought in? I'm in close contact here with the Waterloo downtown BIA, and businesses have said to me, “I don't have that money to pay back.” I think that's important for the government members of the committee to hear. So please go ahead—if you could touch on any of those issues and the urgent need for action.

Mr. Mark Kaluski: Thank you for asking. You hit the nail on the head.

The deferrals were helpful at the time. The biggest issue was the rent. It's our biggest fixed cost. We were closed down and unable to service those costs, and the CECRA program fell short. That has been addressed a million times. When this started, we were shut down and the federal government said, “We'll loan you money to pay your bills.” That just isn't good enough. We closed down for public health reasons, and instead of being given forgiveness and grants and money, we were offered deferrals and loans. Some of that has changed slightly over time. It has gotten a little bit better. But we would much rather see grants than deferrals.

Ms. Catherine Fife: The insurance piece, as well—I was hearing, for instance, from a restaurant just yesterday that can't get insurance to move forward. We have really been trying to push the government to engage the insurance sector in a fair conversation about moving forward, because businesses can't stay open or reopen if they don't have the insurance piece. Can you speak to that, please?

Mr. Mark Kaluski: Absolutely. “Insurance” has become a bit of a dirty word around main street retail, given that they didn't cover the business interruption insurance, which many people were expecting and hoping for. That would have been a way to address some of the losses on a global scale, instead of trying to find these targeted programs that didn't work.

I've heard many, many of our members saying they're having a hard time getting any sort of insurance to be able to reopen. That's something we're going to need the government to intervene on. As we go month by month, we're seeing more and more people raise this as an issue. Definitely, in the gym industry and the fitness industry and the restaurant industry, people are having a hard time.

Ms. Catherine Fife: You talked about consumer patterns—and I think that this, on a go-forward basis, is an important part of the work of this committee.

We're going to be supporting Bill 215, because why would we not support \$1,000 for PPE and letting restaurants deliver liquor? But this is a small bill in a larger framework that actually has to happen to see businesses through this winter, because I know the patio season is—the angst and the worry that businesses and restaurants, particularly, are feeling is very real.

On a go-forward basis around consumer patterns—how important is it to have this component of consumer confidence in the safety of the restaurants, in the safety of the retail industry, so that people go? People do want to spend their money. We have to get them out of their houses or we have to get them online. Can you speak to a little bit of that—about what your members are speaking to you about?

Mr. Mark Kaluski: To be honest, when Ottawa reverted back to phase 2 at the start of October, more than the economic impact was the concern of the damage to the reputation of restaurants—where you say indoor dining isn't safe or going to a gym isn't safe. The reputational damage is something we're still struggling with, and that's why we were so concerned with it at the start, or when it was announced. We do need to inspire confidence back into consumers to come back. That comes with public messaging.

We pushed this all along—that we need to be telling people, “You need to support local,” and that's what I said in my testimony. Supporting local means going to your physical locations and shopping there. It is safe. We have put in all this PPE. We have followed all the rules. The outbreaks or the spread of the virus really hasn't happened in businesses and restaurants the way that it has been happening with people who are at home, doing parties, and long-term care. So it really is a public messaging piece, and that's what we're hoping that gets amplified and spread all across.

Ms. Catherine Fife: I do appreciate the fact that we are merging public health and the importance of strengthening and ensuring that those resources are there with the reopening of the economy, but there have to be some supports and infrastructure to bridge that divide, I think. I just remember in the summer when the provincial downtown BIAs came to us and said, “Listen, just buy us some time. Help us get through this, and we will help the recovery piece.” So I just want to let you know that that's where our mindset is, especially on saving main street.

Thank you for your presentation today.

The Vice-Chair (Mr. Jeremy Roberts): Are there any further questions from the opposition? There are still two and a half minutes. MPP Fife.

Ms. Catherine Fife: Let me move over to Carolyn. I'm a fan of the work that Pembina does.

I want to talk about—because you touched on it a little bit, Carolyn—the opportunities that the pandemic has provided. It does give us an opportunity to rethink infrastructure investment and the world of work.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: Can you touch on that?

Ms. Carolyn Kim: There have been some significant investments that have been made, as you are currently discussing, to help support businesses.

I think making off-peak deliveries a permanent program can help leverage those investments that have been made in terms of infrastructure and supporting businesses to reopen safely post-pandemic. From our perspective, we see this as a great opportunity to drive down greenhouse gas emissions and air pollution, while also supporting businesses. So I believe this is a win-win situation when you look at the economic opportunities and what we can do to help achieve the environment plan in Ontario.

The Vice-Chair (Mr. Jeremy Roberts): We will have to move on to the independent now. MPP Hunter.

Ms. Mitzie Hunter: Thanks so much to all the presenters. I'm hoping that I can get to all of you.

Carolyn, I know that you support the off-peak delivery, the 24-hour delivery, because the most efficient route can be chosen to get goods delivered.

What do you think we should be doing now, as we look to a recovery, beyond the immediacy of the pandemic, that looks at including climate in that recovery? Do you think we're doing enough? We just tabled a budget. Do you think it addresses the environment enough?

Ms. Carolyn Kim: Thank you for the question.

As the committee makes these decisions about economic recovery, adding a climate lens to that is really fundamental. They go hand in hand, in our view. I think off-peak deliveries help achieve that goal. As I mentioned, the transportation sector is the highest-emitting sector when it comes to greenhouse gas emissions in Ontario. So continuing to look for opportunities to invest in zero-emission technologies, growing our automotive sector in Ontario, and driving towards producing electric vehicles is a really great step in not just economic recovery, but moving towards a global economy that is going electric.

1430

We're really pleased to see the recent announcements that have been made in terms of bolstering the zero-emission vehicle economy in Ontario. I think that's a really great way to pair our economic recovery and help achieve our environmental goals here.

Ms. Mitzie Hunter: I couldn't agree with you more.

I would encourage the government to put back in those charging stations along the 401 so that people have confidence, in purchasing those vehicles, that they can charge them as they commute.

I want to switch over to our BIAs. I'm a huge fan of BIAs. I think that they do tremendous work, together with municipalities, to improve local business areas.

You talked about inspiring confidence, and that's a big, big need right now in the province. When this framework of colour codes came out, I was hopeful that that would give more clarity to people—to understand how the virus is affecting their own communities—but it has proven to cause a lot of tension between the health community and what the government is saying. I think that confusion actually does not inspire confidence.

I'm wondering if you can speak to the needs of what local businesses want to see—because they are trying their best. They are trying to social-distance and to follow public health guidelines, but when they get all these conflicting

messages, it's very, very difficult for them to know where we all stand at any given moment. I'm just wondering if we can talk more about inspiring consumer confidence and what your members are telling you.

Mr. Cameron Grant: The operator has unmuted me, but I believe the question was directed at Mark.

Ms. Mitzie Hunter: Yes.

The Vice-Chair (Mr. Jeremy Roberts): I'll just note that Mr. Kaluski was called away on urgent business, so he has had to leave us, unfortunately.

Perhaps your question would also be relevant for our folks from Timmins.

Mr. Cameron Grant: I'm happy to answer them, MPP Hunter, if that's amenable to you.

Ms. Mitzie Hunter: Yes, of course.

Mr. Cameron Grant: Thank you. I think Mark hit on it perfectly: Consumer confidence does rely on the language in which we speak. It's very easy for physicians to present the facts in black and white, because that is what they do. It is very easy for politicians to speak in the language of government, because that is what they do. Chambers of commerce and BIAs exist to flatten out that language so that it can be easily translated to not only the general public, but to our business owners as well. I often-times don't want to be so prescriptive—but consider the language when sharing the information, who the audience is. If it needs to be softened in a way that still holds its potency, then please do so.

To your question about consumer confidence: Here in the north, it's a little bit different. We're very lucky to have—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off there.

We'll go to the government. MPP Pang.

Mr. Billy Pang: Thank you for all the presentations regarding small businesses.

My first question is for Ms. Kim—a very interesting presentation regarding off-peak delivery. Off-peak delivery has been previously tested during two pilot programs, and the two pilots have shown a reduction of rush hour traffic, low fuel costs for businesses and reduced greenhouse gas and other emissions.

Can you tell us more about your organization's work on creating an off-peak delivery framework and what benefits you see from it?

Ms. Carolyn Kim: Thank you so much for the question.

We would be really pleased to work with the government and relevant stakeholders, including municipalities and those who are a part of the goods-movement system, in providing input in the regulatory design, should this proposed legislation pass, and to develop supporting guidelines or bulletins that can help this off-peak program become as successful as it can be.

Based on best practices from our research, we know that noise mitigation strategies are really important, so we would be really happy to work through some of those issues with the government when it comes to designing and implementing a permanent program, and also defining "appropriate use" and ensuring that construction and

heavy equipment are not part of this program because of the noise implications here.

We at Pembina are an independent think tank. We undertake research to help inform public policy design.

Those are some of the ways in which we see ourselves being useful in this policy development process.

Mr. Billy Pang: As you mentioned, online presence is really important. Our government is investing a lot of money into broadband, so good news will be coming.

The next question will be for Mr. Grant.

Thank you also for your presentation.

This morning, I toured small businesses in my own riding. They have a lot of challenges, and they also have some comments on our government's support.

Ontario has never faced a challenge like this one that we have experienced over the past few months. There's no playbook to handle the crisis we face.

COVID-19 has made one thing abundantly clear: Businesses are counting on all levels of government to take strong action to cut red tape and respond to their needs through this crisis so they can focus on what's critically important—returning to profitability, creating jobs and jump-starting growth to fuel our economic recovery.

How would you categorize the government's response so far in regard to small businesses?

Mr. Cameron Grant: Well, I suppose under the pretext, I would say that you've done quite well considering that, yes, there is no particular playbook. I must admit that your government has done a rather wonderful job at connecting with chambers of commerce—which, at the outbreak, even the WHO claimed to be formidable partners in relating information to business.

As always, more can be done to support businesses. Red tape does lie within the small to medium-sized sectors, but we have large-scale mining operations in which red tape exists at a far greater level.

This bill, in particular, is pointing in the right direction, and again, we in the chamber network do applaud its positions. But consider regional disparities when implementing a very broad-sweeping approach, such as I had mentioned previously.

Mr. Billy Pang: How much time do I have, Mr. Chair?

The Vice-Chair (Mr. Jeremy Roberts): You have three minutes remaining.

Mr. Billy Pang: Okay.

I want to follow up with Mr. Grant. The Main Street Recovery Act promotes the distribution of local food and food products by increasing the range of products sold at the Ontario Food Terminal. This will help support the recovery and growth of agricultural food businesses across Ontario and enables sellers to offer more products for sale to increase their revenues.

Can you expand on how this proposed change will help your members? I didn't hear anything from your presentation on this direction.

Mr. Cameron Grant: Forgive my frankness, MPP Pang, but the Toronto food terminal is rather far away from Timmins. Timmins and further beyond Timmins does serve as the hub to the northern and coastal communities: the James Bay coast, Attawapiskat, Moosonee,

Moose Factory, all the way on to Nunavut. I am very pleased that these new implementations are being done in the south. I just hope that I see those prices reflected when they come north, so that our northern members who provide services in the agriculture and food industry equally get to benefit as well.

1440

Mr. Billy Pang: I think the other member has left, so this question can go to Ms. Kim again.

In the budget, we have a lot of job-creator plans, including for tax relief and hydro. How do you think this new budget can benefit your sector?

Ms. Carolyn Kim: Thank you for the question.

Just to build on my previous point about the opportunity to bolster Ontario's auto sector—greater investments in auto manufacturing, and specifically electric vehicles and zero-emission technologies, would serve the province's economy really well, while also helping to drive down emissions from the transportation sector.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Carolyn Kim: Addressing electricity costs and working to drive down the cost of electrification for business so that that can attract businesses in electrifying their fleets would also be a good way to incentivize zero-emission vehicle use and to take advantage of some of the announcements that were made in the budget.

Mr. Billy Pang: I have no further questions.

The Vice-Chair (Mr. Jeremy Roberts): We'll go back to the opposition now. MPP Fife.

Ms. Catherine Fife: I want to go to Cameron. Sometimes, because we're in southern Ontario, we do see economic development—and the vast majority of us live here. However, we do have a number of northern MPPs who put northern Ontario on the radar.

The need for connectivity and broadband has come up a number of times, Cameron. I want to give you an opportunity to talk about the unique state of affairs that northern businesses are facing with commercial rent, with access to insurance and the connectivity piece, be it virtual and/or infrastructure, just so that we as a committee have that northern perspective on the radar.

Mr. Cameron Grant: I won't say it's all dire straits, MPP Fife, but—I will recognize the efforts of MPPs Vanthof and Bisson. I know that they're active on these files.

Outside of just the sheer amount of infrastructure it would take to provide connectivity for all of northern Ontario—we all know what the geography looks like—I am pleased to see that initially the province had put out some funding mechanisms to support the growth and advancement of those technologies and connectivity within our northern regions. I guess this comes to mind with the federal commitment for the 2030 “connectivity for all.”

There are businesses that exist not three minutes outside of my office that have lost the ability to sell ministry licences because they lack the upload speed to meet the ministry's requirement for selling those licences. This was a large portion of their business and traffic to their business. I could stand here all day and tell you about lack of connectivity.

I know there's only one taxpayer, but if one thing we've seen throughout COVID-19 is the need for digitization, then that should be the heavy focus, especially on northern businesses' ongoing viability.

Ms. Catherine Fife: John Vanthof did a statement on access to broadband in northern and rural Ontario, if you will, and it was very powerful. I don't think he's going to give up until we have connectivity as a piece.

I'm going to move over to Carolyn once again.

Carolyn, we started to talk about this in the previous session—about job opportunities that exist. These are opportunities that I think that the government should be looking at from a complete geographical and demographic perspective. I'm thinking, in particular, as it relates to COVID-19—because I think we all now know, especially with over 1,300 new cases today in Ontario, that it's not going anywhere. So with the latest health research around how COVID-19 is transmitted and the need for air filters and HVAC systems—can you speak to the importance of investing in those areas, not only for health and safety, but around job creation as well?

Ms. Carolyn Kim: Thank you very much for your question.

I do note that we haven't done any research when it comes to the importance of investing in these kinds of air filters to support both the recovery of COVID-19 and the job creation. So I won't be able to speak to any recent research that we have done regarding that.

To your point on the need to create jobs and to stimulate the economy: I think that there are a lot of opportunities here to invest in our auto manufacturing sector in Ontario and to ensure that Ontario remains competitive with the global marketplace in producing electric vehicles.

I think I might defer in answering your specific question, because we haven't done specific research on that.

But just to build off of my point—I think there are a lot of opportunities to see this economic recovery plan and pairing it with a climate lens, so we are looking ahead and also thinking about ways to meet our 2030 goals in Ontario.

Ms. Catherine Fife: We have a Green New Democratic Deal, where we been consulting with think tanks like yours across the province, because we do see the way forward is creating new jobs that benefit the climate and really strengthen the economy. That is the way forward.

I do appreciate your comments.

Chair, I have no further questions.

The Vice-Chair (Mr. Jeremy Roberts): Any other questions from the opposition? No?

We'll move on, then, to the independent. MPP Hunter.

Ms. Mitzie Hunter: I want to go back to Timmins—actually, I have been there in February, so I appreciate all that you do in terms of the resilient north. I said quite a bit while I was there that a strong northern Ontario is a stronger Ontario.

I'm wondering if you can speak from your members' perspective about the measures that have been put forward to support small businesses, and whether or not you believe they go far enough. The biggest line item is commercial rent, and that's going to be addressed by the federal government very shortly. But the moratorium on

evictions—there’s still a gap, because that came to an end at the end of October, and that might put some companies beyond the ability to continue. I’m just wondering, from a northern perspective, if you can talk about what you’re seeing in terms of the economy, the impacts, and what small businesses—and even microbusinesses, because that has also come through in our conversation today, that some of the criteria might not be capturing the efforts of those microbusinesses that are an essential part of the economy as well.

Mr. Cameron Grant: Thank you for that question.

I’ll try to make it in a two-part series. The first, obviously there are two schools of thought—being in a smaller community tends to benefit a business inasmuch as they likely know the landlord very well and/or are related to them, but that doesn’t preclude the fact that there is rent, and rent is due. The moratorium on evictions was extremely helpful. It was a powerful tool for both landlord and business to enact, to ensure that their mutual and ongoing viability remains sound. As Mark had mentioned in his presentation, yes, the CECRA was a thing, and it continues to evolve, hopefully for the better. There’s a lot of uncertainty coming up in the fall, so we’ll have to see how that goes.

The second question you had, of course, was on micro-businesses or small businesses in the economy here in the north. In a gig economy, it’s hard to tell what a traditional business is anymore, because that definition has changed. Timmins is lucky, as our economy is rather insular, much thanks to our natural resources sector that we have up here. But that’s not to say that we’ve been completely shielded from it. Small businesses, as I had mentioned in my presentation, have been to the benefit of the large mines, who have stepped up in support. The mines aren’t looking for a handout in that particular regard. But province-wide celebration of those people who really stood up, those corporations that came to the help and need of those businesses, is just a simple gesture that costs, essentially, on the surface, nothing.

Ms. Mitzie Hunter: Yes, I can appreciate that. The larger industries recognizing that you have to have a community that is there to support is really important.

1450

When we were doing our hearings during the summer, there was a presentation from—I think it was the independent broadcasters who said they wanted to see a program that supported their broadcasters that then supported—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Mitzie Hunter:—their main streets. Because if you hollow out the main streets, it’s going to be very difficult to bring those businesses back. We have to do all that we can now to keep them going and to keep them operating.

Mr. Cameron Grant: Yes, I would totally agree.

Just very quickly on that note: If we are going to encourage digitization and the move to tech, then \$20,000 within the Digital Main Street realm is not enough. If we want to encourage mom-and-pop shops to get online in

any way, shape or form, it might take a little bit more funding than what is currently being provided.

Ms. Mitzie Hunter: And making sure that we do that equitably in the north, with access to broadband as well.

Mr. Cameron Grant: Yes, 100%.

The Vice-Chair (Mr. Jeremy Roberts): We’ll now go to the government for our last round of questions. MPP Piccini.

Mr. David Piccini: Thank you to all the presenters for your presentations today. It’s greatly appreciated.

My first question is for Cameron. It’s good to see you again, Cameron. I know you’ve been very engaged—always a strong voice for the north, when finance committee comes to town and when we do things like this virtually. I so greatly appreciate your advocacy.

Cameron, I recall, just looking back at some old notes, when you last had come and spoken to us a few times in the past, we talked about support for municipalities, transportation—I think it was skills strategies, the fiscal capacity for municipalities and broadband. I know we’ve touched on a bit of that. Can you just speak for municipalities—I’m sure municipalities in the north have received the COVID-19 resiliency funding, and you’re aware of the recent broadband announcement. Can you talk to those two points—government investments to make a more competitive north?

Mr. Cameron Grant: As I recall, I believe that was in January or February as well, so congratulations. You’ve made it.

I would admit that the municipalities, obviously, not having the capacity to go into a deficit—that support was most welcomed. It allowed the municipality to refocus their positions on what was at the forefront: investing in those critical infrastructure projects, shovel-ready projects. In particular, the new broadband one does present some interesting opportunities for partnerships, both private and public, to begin fully realizing what broadband connectivity can be in the north. I would definitely applaud the government on enacting that support mechanism.

Mr. David Piccini: Because I know we touched on manufacturing—I just recently took note of the fact that we’ve got 17,000 more manufacturing jobs today in the province of Ontario than when government first came into office. I think that’s an especially important statistic, given the fact that we are in the depths of the uncertainty of COVID-19. I think it does speak to some of those measures that we just alluded to.

Do you think we’re in a more competitive place in Ontario today than we were two years ago?

Mr. Cameron Grant: Absolutely. The skilled trades is something that Ontario does very well—and Timmins, in particular, as we do service a lot of national resource sectors and their service and supply sectors as well.

I would note that acknowledging those P3 partnerships to create a centre of excellence that doesn’t rely heavily on public education money, but then recognizes partnerships with shops that have the capacity to host this duality between education components and producing highly skilled trade workers deserves a heavy look into.

Mr. David Piccini: I'll look forward to continuing discussions about ways to continue to make the north more competitive and to respond to the needs. It's greatly appreciated.

That's it for me, Chair. Thank you very much.

The Vice-Chair (Mr. Jeremy Roberts): Any further questions from the government? Seeing none, I would like to thank our presenters from this round.

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COALITION OF CONCERNED
MANUFACTURERS AND BUSINESSES
OF CANADA

The Vice-Chair (Mr. Jeremy Roberts): We'll move on to our next round of presenters.

We're running a few minutes ahead of schedule. To all of our committee members: I'm looking at the agenda, and I'll note that for 3 p.m., 4 p.m. and 5 p.m., we only have two presenters per round, as opposed to three. I would like to propose to the committee members that perhaps we cut down our questioning time a little bit to reflect the less witnesses we have. I would propose we do two rounds of six minutes and 30 seconds for the government and opposition, and two rounds of four minutes for the independent member. Are folks good with that, just to keep us efficient? Any objections to that? I'm seeing thumbs up, but I'll just repeat: I'm proposing that we cut down questioning times a bit because we have less witnesses for our last three rounds—so two rounds of six minutes and 30 seconds for the government and opposition, and two rounds of four minutes for the independent. All good? Excellent.

Let me just check: Do we have our folks in for our 3 o'clock round? Okay. This round, we have Drinks Ontario and the Coalition of Concerned Manufacturers and Businesses of Canada.

You will have seven minutes to present, and I'll give you a two-minute warning, followed by rounds of questions from all parties. When I introduce you, please take a moment to state your name for the Hansard record.

We'll begin with Drinks Ontario. You may begin.

Mr. Jim Lisser: I'm Jim Lisser, executive director of Drinks Ontario. Drinks Ontario appreciates the opportunity to participate in public meetings presented by the standing committee in regard to the Ministry of Finance's Bill 215, the main street economic recovery act for Ontario, that the Associate Minister of Small Business and Red Tape Reduction has put forward, so thank you. As mentioned, by way of introduction, I'm the executive director, and we are the leading advocate for businesses in the Ontario beverage alcohol industry, which is a membership-based trade association. We represent manufacturers, agents, marketing groups and trade offices from our industry, supporting over 3,000 jobs. Last year, we probably did about 95% of the \$3 billion in revenue that's generated in the LCBO.

Again, we thank the government for putting together this bill.

The reason we're here today is to talk about the take-away sales in the bill for restaurants. Given our role as key partners in the industry and suppliers to restaurants, our focus is supporting restaurants by hoping that the continuation of take-away and delivery beverage alcohol sales will be implemented as a permanent business activity moving forward. Restaurants are vital to the long-term success of the economy, and support mechanisms for this industry are a top priority. Permanent implementation would enhance the recovery for the industry and our Drinks Ontario members who supply these businesses. The strategy will help create further business opportunities and associated industries to create more entrepreneurship and, again, at the end of the day, more government revenue. Given this, we support Bill 215 and the government's commitment to explore options to permanently allow alcohol to be included with food takeout and delivery orders before the existing regulation ends on December 31, 2020.

Although we would like a couple of things in the exploration phase, we suggest that there be clarity in regard to the description of "food takeout" and also the description of "beverage alcohol"—to include beer, wine, ready-to-drink spirits, cider and mixed cocktails. Also, to make this profitable for the restaurants, a wholesale pricing strategy should complement this action, which is a reduced price offered through the LCBO. Overall, we only see positives in supporting this, and we believe that it will also be beneficial for Ontarians because of additional choice and convenience, which we're all looking for.

In addition, I just want to touch on the other couple of amendments in reference to the beverage alcohol sector that were put forth, and we would like to also agree with and applaud the government on these. The freezing of the beer tax until March 1, 2022, proposing to retroactively cancel the increase in the wine basic tax which was legislated to occur in June, and directing the LCBO not to proceed with the wine markup—we're in support of this. In addition, there were some other amendments to the Liquor Licence Act which we also support.

1500

In conclusion, as Ontario recovers, or continues to, or tries to, we support Bill 215 specifically with regard to the exploration of permanent beverage alcohol take-away for restaurants, the tax freezes for the industry and the continuation of red tape reduction. We look forward to working together with the government and its agencies to develop an even stronger beverage alcohol sector in Ontario, including creating business opportunities for our sector, associated industries, and government revenue. Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much.

Now we'll move to the Coalition of Concerned Manufacturers and Businesses of Canada. Please introduce yourself and state your name for Hansard. You will have seven minutes.

Ms. Shalini Sheth: My name is Shalini Sheth. I'm the director of operations at a company called Surati Sweet Mart here in Toronto. We are a manufacturer of East

Indian snacks and baked goods. I am also a board member for the Coalition of Concerned Manufacturers and Businesses of Canada. Thank you for having us today to give our opinion on the proposed changes.

I'm going to speak more on a general note in terms of red tape reduction anywhere and everywhere possible. We went through the first phase of the COVID-19 pandemic back in March. We saw a lot of our employees not being able to come to work—we include manufacturing particularly and manufacturing as a whole. We saw increases in our demand and, unfortunately, could not keep up with the supply.

Any regulations that will hinder us from being able to continue to manufacture 24 hours a day and/or ship to various locations will stop the progress that we are trying to make in getting through this difficult time. Right now, we are seeing an uptick of manufacturing in food as a whole, especially as people are continuing to work from home. They are snacking more, which is a good thing for us. However, being able to only ship at certain times or receive into certain areas—primarily into retail areas at certain times—is actually hurting the supply chain as a whole.

Not only that, but we are noticing that we are seeing customers who are coming in longer intervals, as they are trying to get as much done as they can possibly do, because they don't want to have to come out as often. Right now, as we are restricting flow into certain areas, we need to make sure that we are accommodating the supply chain, and being able to do that effectively is being able to have no hindrance on any sort of delivery times.

I'm free to take any questions. Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Thank you.

We'll now move to questions. We'll start this round with the independent member. You'll have four minutes. MPP Hunter.

Ms. Mitzie Hunter: Thank you so much for the presentations and for joining us at committee.

I certainly understand the benefits of including beverage alcohol with takeout and your call for parity around the standards for what is the meal that needs to complement that, and the definition of what those beverages are. This is something that the Ontario Liberals, under Steven Del Duca, called for as part of the first wave of the pandemic—just realizing how hard-hit restaurants and takeout facilities were as a result of the pandemic and the shutdown of the economy. I would urge you—if you have not yet written in to the committee with your suggested wording for that, perhaps that's something that you could do so that can be considered, as well.

I was also wondering about the need for a greater response, a bolder response to the needs of our smaller businesses—many are really on the verge of closure; we heard that consistently repeated today by those who are representing as well as those businesses themselves—and what we could do to provide immediate but substantial relief.

Maybe if we can start—Jim, you seem ready to go, because you're unmuted.

Mr. Jim Lisser: Yes. Could you just clarify your exact question?

Ms. Mitzie Hunter: What more could we do? We've seen some incremental measures, but my sense from listening today is that there needs to be bolder action taken to help our small businesses to overcome and to survive beyond the second wave.

Mr. Jim Lisser: I'll just stick to the beverage alcohol industry and the restaurants.

I think what we've started to do, just in general, because we do also have a lot of small businesses, is open things up.

I think Shalini had said about the red tape—the less red tape we can have, the more opportunity we could present for those restaurants, as well, allowing them to have the takeout sales and hopefully giving them some sort of wholesale pricing.

But also opening it up further, where we're enhancing convenience and choice so these other small businesses—I was on a call with an independent grocer today, and they would love extra choice. Our businesses would love to offer them that extra choice. And that would give these businesses an opportunity to service not only the restaurants—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Jim Lisser: —but the groceries etc.—so I think further reducing that red tape and adding that convenience and choice and allowing our members to really better service the beverage alcohol operators.

The Vice-Chair (Mr. Jeremy Roberts): We'll move now to the government. MPP Kanapathi.

Mr. Logan Kanapathi: Thank you to Drinks Ontario and the Coalition of Concerned Manufacturers and Businesses of Canada. Thank you for your presentations, and thank you for the work you do in the business community.

My first question is to Jim Lisser from Drinks Ontario. You passionately talked about supporting 3,000 jobs, and you also commented about the positive changes with beverage alcohol as part of food delivery that is stimulating the industry.

I would like to hear more on how we as a government can help you more, in terms of increasing your sales when it comes to beverage alcohol and food delivery. It is an important piece of legislation. I would like to hear from you about how our government can help you more in this regard.

Mr. Jim Lisser: Thank you for your question.

I'll continue along the lines that I was answering MPP Hunter—more opening it up and allowing some additional innovation and products to come through. We're in discussions with your government—and MPP Cho has been excellent—with products such as the addition of bag-in-a-box, where people are buying a larger package. Right now, that's restricted, so that's something where it could be important for us and our members—again, innovative products—to allow that. Also, to be able to offer other retailers such as groceries various products—it's very limited right now, so that would be a definite help; and then in terms of margin, creating a wholesale pricing structure.

We speak very highly—we actually really enjoy working with the LCBO, and they do provide us lots of opportunities.

There's another step I think we can take in terms of convenience and choice and working with our members to be even more innovative, both locally and from—we have a number of local members and we have imports. The fact is that our companies have a lot of employees and they're looking to hire more people, but they need the margin dollars to be able to do that.

1510

Mr. Logan Kanapathi: I have a follow-up question to pose to you, Jim.

You also mentioned the beer tax. You were very supportive of our government initiative. Could you elaborate on that, please?

Mr. Jim Lisser: We don't work as closely—there are a couple of other beer associations that did more of that lobbying for that, but we also have a number of craft beers. It's just freezing the pricing structure so that they're not paying more. We support that—again, allowing for businesses to recover and reinvest that money into their businesses, whether or not for new products or hiring or additional marketing.

Mr. Logan Kanapathi: The next question is to Shalini Sheth of the Coalition of Concerned Manufacturers and Businesses of Canada.

You passionately talked about red tape reduction and how red tape and bureaucracy are killing manufacturers and industries in Ontario—it's not only Ontario; it's all over Canada.

Through your industries and your advocacy—how do you see the way in which our government is moving in terms of reducing red tape for the manufacturing industry? I'd like to hear more from your perspective, your advocacy and your work—along with the manufacturers' association and coalition.

Ms. Shalini Sheth: I'll start on a positive note, because I always start positive: We have seen a lot of changes through the initiatives through Minister Prabmeet Sarkaria's department in terms of the red tape initiative, and even looking at being able to bring other government agencies together so we have a one-stop shop when we are trying to get businesses going.

Now I'll talk about my actual experience, which has been horrible. I have a small-to-medium-size business. I employ 150 people. I'm a food manufacturer, zoned in an area, and unfortunately, with the regulations related to noise and air emissions, I'm unable to run a third shift in order to meet my demand. That is per the environmental compliance approval procedures. As changes continue to be made—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Shalini Sheth: —they're not being made quick enough that we actually are able to reap the benefits, I would say, from it.

Right now, when I look at red tape as a whole, I think somewhat that decisions need to be made *carte blanche*.

In terms of when I was talking about in manufacturing—we need to support the small retailers. The only way

they can sell is if they have product to sell. If we don't support that supply chain, there won't be anything for them to actually sell. If we can't make it, they can't sell it. So we really need to support the manufacturers through being able to run 24 hours a day, regardless of their zoning bylaw, in this short period of time—including noise regulations—to allow for deliveries and/or operations. That's something that we can do right away.

The Vice-Chair (Mr. Jeremy Roberts): We'll now go to the opposition. MPP Shaw.

Ms. Sandy Shaw: My question will be addressed to Shalini.

Shalini, we spoke when I met you, when you deputed to the finance committee in the summer. At the time, we were right in the midst of this. The pandemic was just breaking—and the understanding of how the impact was going to be on small and medium-sized enterprises. I'm going to say that was six months ago. We knew we were going to be hitting a second wave. That was before the second wave. At the time, you and so many other small and medium-sized enterprises and small businesses were saying, "We need direct supports now from this government. We don't need tax deferrals. We don't need to put debt on top of debt. We need liquidity, and we need to be able to invest in our businesses." I'll tell you how I feel. I feel that this government has failed to do that. They're sitting on \$9 billion worth of funding—it mostly came from the federal government—that they have not put into the field.

So my question to you is: Do you feel, from the time we spoke in the summer until now, that anything has been made easier for you to keep the doors of your business open?

Ms. Shalini Sheth: It's twofold. Right now, I can't speak for the businesses that have actually received any funding or any help, because I have not. So to answer your question, I don't know, because we haven't received it. Any of the programs that were being put out there in terms of wage subsidy and rent relief and all of that—they were put out to the businesses that at that point had a reduction in what they were calling their net sales or—yes, I believe it was their sales or their revenue. Sorry; it was their revenue—while we have seen an uptick in our revenue. However, we have seen our expenses go up just as significantly. So, yes, our revenue has gone up. Our expenses have gone up two- or threefold, in terms of ensuring our employees are kept safe, PPE. A lot of the manufacturers have invested a significant amount of money to keep their employees safe in terms of social distancing, barriers, actual masks—when prices were at a dollar a mask—gloves, and to try to secure it.

Unfortunately, when you just have one rule, "Oh, you need a 30% reduction in revenue to be able to partake in any of these," people like us—yes, our revenue has not decreased, but we have not been able to partake in any of the programs that have been offered. Even as simple as—there is a program I had heard about to help offset some of the costs of the PPE. Well, that was the same kind of rule—you needed to show a reduction.

In food manufacturing—and you’re going to hear it in retail as well, as we have a retail store—the margins are so thin as it is and so limited. So when you add any of these other expenses on—it’s one thing to have revenue, but if your bottom line is continuing to shrink, and you can’t take part in all this funding that’s available—you’re going to see businesses that could possibly be able to grow in situations like this not be able to, and will take from those businesses that are actually trying to keep the doors open.

Ms. Sandy Shaw: Exactly. Like you were saying, I’ve heard from so many people at the finance committee and so many businesses in my constituency, and they’re saying, “We just fall through the cracks. We don’t fit one program or another, and we’re not covered,” so they had to go without.

You talked a lot about—what is the program? I’m just going to say that the government now has a \$300-million program they’re proposing. It’s only for businesses that are in red zones or red alert zones. There’s no program associated. There’s no clear guideline on how this money will be deployed, and it’s not being deployed. Just like the \$9 billion, it’s still sitting on the sidelines. So for those businesses that were able to take advantage of some of these tax deferrals, some of these loans, the employer health tax—they’re going to have to pay that back.

What do you think is going to happen to certain businesses when those bills come due?

Ms. Shalini Sheth: I don’t know.

You did bring up a very good point: the way the information is actually getting out to the businesses. A lot of us are small, medium-sized businesses. I’m lucky because I have a forum through the coalition of concerned manufacturers; not everyone does. So actually getting that information out to the people who need it has not been done effectively.

Also, helping people through the process—I also heard, when related to some of the rent relief and stuff like that, the [inaudible] or what you have to do—how do you navigate through something like that when you don’t necessarily—and especially some of the smaller retailers who don’t have the means to do this. So I think any program that is introduced needs to be able to filter out and get out to the people who need it and at that point help them navigate through it so they can actually partake in the program that’s being offered.

Ms. Sandy Shaw: If it’s even there. That’s the question—whether it’s not there.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Sandy Shaw: You talked about how you’re a part of a supply chain—absolutely. You supply small retailers, and you need to stay open to supply them, but they need to stay open to sell your product. What I’m seeing is, small retailers are boarded up. In cute little towns like I have in Dundas and Ancaster, stores are closing up, and they’re the kinds of stores that would sell your product.

As an example, the government is offering \$1,000 to these businesses for PPE, and one business told me that it cost them \$4,000 for one cleaning alone.

1520

Can you speak to what you think needs to happen for small businesses to keep the door open so the supply chain can remain healthy?

Ms. Shalini Sheth: I think it has to be on a cost-by-cost basis. For example, there can be a max—but to be able to submit your invoices or something to show, “Yes, I paid this; this is what I’ve bought,” and then be reimbursed accordingly. Throwing out a number like \$1,000—like I said, I have 150 employees, versus somebody who might have two employees. So it has to be—

The Vice-Chair (Mr. Jeremy Roberts): I’m afraid we’ll have to go back to the independent member now. MPP Hunter.

Ms. Mitzie Hunter: I want to thank our two presenters today for bringing this different point of view.

Shalini, maybe you can speak to what is needed for your growing business. You had a different lens than most people we’ve heard. What is required for industries and businesses that are growing? We want you to make it through. We want you to contribute to your local economies and the job creation and the supply chain.

Ms. Shalini Sheth: Right now, it’s twofold; there are a couple of ideas that we’ve talked about.

In the new budget that was presented, there were a lot of positive things, I have to say, especially related to the electricity pricing for industry, which will help us take that money and put it back into our—it will pay for some of this PPE and all of these extras that we’re doing.

But it really comes down to supporting our employees. I know with the new CERB or the new benefits that are being presented out there, better vetting has to be done before people can take part in those things. People who need it definitely need it. But, for example, if you have a job to go to and the employer has the onus to ensure that they’re being safe, you have to go to work; you cannot make that choice of, “I don’t feel like going to work, and I’m going to continue to collect some sort of benefit,” because the more disruption we have there—we are unable to support the global supply chain at this point. A lot of the countries are starting to open up, which we are competing directly against. Where we initially had that—we were able to penetrate our market. For example, our biggest threat in terms of competition is India. We were able to take advantage of that, but now that they’ve opened up, their products are starting to flood back into the market. We need to support and maintain our supply chain through our people, so we can’t make it easy for them not to come to work, as long as we are ensuring their safety and they’re following all the proper guidelines.

The second part is the regulations for the actual running of operations. I’ve made some allusion to the environmental compliance approval that a lot of businesses have to follow, where they can only manufacture up until certain times and they can only ship until certain times. Well, if we’re starting to follow social distancing and we only have 30% of our staff in between their shifts, we need to open up a third shift so we can accommodate the extra people who can’t work together.

Those are some of the things where reducing that red tape around it—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Shalini Sheth: —continue to give to the businesses through incentives for growth. For example, open up the programs that we're allowing for technological advances and capital investments for growing businesses.

Ms. Mitzie Hunter: What about the concern about deferrals and being able to pay those delayed bills?

Ms. Shalini Sheth: That's always a concern, just because we really don't know where this—we just heard news of a vaccine possibly. If you asked me when we started in January and we were looking at our projections, not expecting anything to happen as it did in March, to be able to accommodate for some of these things—it's forever changing, and we're seeing price points continuing to go up. So it's just pushing it off. And like I said, who knows what can happen in another six months and what will happen globally? We can control it within Ontario and Canada—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off there.

We're now going to go back to the government. MPP Smith.

Mr. Dave Smith: I'd like to point out that there's a misdirection being put forward by some of the NDP members. Yes, in June, that snapshot in time, we had a \$9-billion contingency fund, but we've used that to purchase emergency PPE, we've used it to pay the provincial portion of the rent relief—it has been for a number of other initiatives that have come out. So to suggest that there's money that has been sitting there that we haven't been using would not be 100% accurate.

My first question is for Mr. Lisser. You were talking about needing clarity around takeout foods, clarity around what beverage alcohol is. I'm not somebody who's really in favour of a lot of regulations, but I'm hesitant to put in legislation specifically what beverage alcohol is, because we've seen growth in a number of different beverage industries. It wasn't that long ago that nobody was talking about craft beer and ciders.

Would you be supportive, then, of putting these kinds of clarity items in regulation, rather than putting them specifically in the legislation, so that at some point in the near future, when there's another beverage that comes out, whatever it may be, it's a quick and easy fix for us and we're not looking at creating another piece of legislation?

Mr. Jim Lisser: I would agree, yes. Thank you for clarifying. It was more in the regulation. Put it in the legislation [*inaudible*] in the regulation phase of monitoring the bill and how it should be implemented—there needs to be, I would suggest, clarity for that.

Mr. Dave Smith: You also mentioned, when we were talking about beverage alcohol being delivered with food, there was another change that was made over the summer, and that was lowering the floor price for mixed drinks. Specifically, how the regulatory change came out was, you were allowed to charge \$2 per serving for it, but you had to have a serving or an unopened serving of it. It meant that mixed drinks, for example, couldn't be sold right

away. We were talking about a 40-ounce bottle of liquor at a minimum of two bucks per serving; now you're talking about \$80.

By lowering that floor, was that something that was helpful, or did it not make a difference?

Mr. Jim Lisser: The feedback seems positive.

Mr. Dave Smith: And you think that we should be continuing down that path with these types of things?

Mr. Jim Lisser: If it's going to allow small businesses or any type of businesses to innovate and make additional margin that they can reinvest, then yes.

Mr. Dave Smith: What would your recommendation be on the definition of "foodservice?" Should there be a minimum amount of food that someone has to order in order to have alcohol delivered with it?

Mr. Jim Lisser: If we're going to make that there will be food, then yes. I think it has to be more black and white. If it's okay to go with, let's say, a bag of chips, then there should be nothing. Or are we going to make it—and maybe this is in the regulation phase—say it has to be something cooked in that restaurant, it has to be perhaps \$10, \$20? I don't know the right amount. We don't want to disincentivize this, because this is an opportunity and we're trying to create opportunity. I think it's just something that has to be studied. That's where people were getting confused on what you needed—because if you only need a bag of chips, does it have to be a restaurant licence? Is there more innovation out of this?

1530

If we're trying to help restaurants, then maybe it should be a little bit more food-oriented. That's what I think should be the objective goal in this. I think by allowing people to have only a little bit of food, it hurts restaurants because they're not encouraged to produce some of their specialties. So we're taking away what people want.

Mr. Dave Smith: I'm not sure I would be supportive of saying that you could order a case of beer with a bag of chips. I think that if you were to put in something that was reasonable for a serving of food, you could have a reasonable amount of alcohol delivered with it. For example, it's not unreasonable to suggest that you would have two glasses of wine with dinner, or you might have a glass of beer and a couple of cocktails, some kind of definition that makes perfect sense. [*Inaudible*] order if you were going into a restaurant.

Mr. Jim Lisser: Yes, I would agree with you. It doesn't have to be \$100, no, because there's a whole variety of people and maybe somebody just wants to buy a nice can of craft beer, as somebody alluded to, or cider. We are with you, MPP Smith, in terms of that line. I don't know the exact amount—but it's not chips and two cases of beer.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Jim Lisser: There would also be clarity whether or not you can sell a mixed cocktail that's closed, was that other—I think you were asking about that too.

Mr. Dave Smith: We have less than a minute, Chair?

The Vice-Chair (Mr. Jeremy Roberts): Yes, you have about 30 seconds.

Mr. Dave Smith: Then I won't throw another question out there. I'll just put in an anecdotal note.

I think that it's not unreasonable to say that you would order a pound of wings and a pitcher of beer. If you were restricted to, say, one bottle when you're ordering a pound of wings—well, again, it's not uncommon for someone to go into a sports bar, order a pound of wings, order a pitcher of beer and enjoy the game.

Mr. Jim Lisser: Correct. I think we're on the same page, with just some reasonable amount.

The Vice-Chair (Mr. Jeremy Roberts): Back to the opposition: MPP Shaw.

Ms. Sandy Shaw: I can't be the only MPP on the line who is hungry now and would like a delicious Ontario craft beer. There may be some not too far from where I sit.

Thank you for your product. I'm a big fan of your product; I'd like to put that in the record.

I want to talk a little bit about the seriousness of the restaurant industry and the challenges that they are facing. Certainly, their ability to have takeout alcohol has been a lifeline for some of these restaurants, and we know that. It has been well received by the community, absolutely. But should we be in this position where this is the thing that restaurants are holding on to? We're at the point where if we took this away, there are some restaurants that say that given their razor-thin margins and the uncertainty, they wouldn't be able to keep their doors open. That certainly would impact you as a source of your ability to sell your product.

I know you're not an expert in the restaurant industry, but can you tell me how restaurants that are now in areas where they've gone into the red zone that they're talking about and those restrictions—how those are going to continue to impact your ability to put your product into the hands of your fans, if I could say.

Mr. Jim Lisser: Thank you for the question. I'm not quite sure what you're asking in terms of, does this help their margins in terms of—so the food part of a restaurant business, the margins are quite tight, absolutely. Where a lot of restaurants can make additional margin is in beverage alcohol sales inside the restaurants. So by allowing them to have that opportunity to sell and make additional margin, it allows them to survive. In the red zones, as you noted, there is only take-away. I think at least this also gives them a chance to survive—so that, hopefully, when, as Shalini said, in terms of the vaccine coming by next summer or even if it's the fall of 2021, they're around. Restaurants are so important, not just to our economy, but to our culture—it's important that we, in our business, support them to what we can.

I'm not sure if that directly answers your question.

Ms. Sandy Shaw: Well, yes, I think we do understand that a restaurant's ability to sell alcohol with takeout is a lifeline. I said that from the very beginning. It's absolutely what allowed many of them to stay afloat and for it to make any sense to be open, even for takeout. For some restaurants in my riding, they've decided that even with the ability to sell takeout alcohol, it wasn't worth their while to open the business. They have difficulty getting insurance now. They have increased hydro costs. They have difficulty even sometimes with employees and also the strenuous—and rightfully so—needs for restaurants to

ensure that places are safe for their employees and their customers, the extensive need that they have for PPE.

My point to you would be, this is an ecosystem that you're a part of. Shalini said that her small retailers need her and she needs them. It's a supply chain.

So many small businesses are saying that this government's budget has failed them, failed to provide the things that they need to keep their doors open. For example, \$1,000 for PPE doesn't even come close to covering the costs for some of these businesses.

Can you think of things that the government could have done to make it easier for restaurants to keep their doors open, to make it easier for you to sell their product and, as you've said, make it easier for the people of Ontario to continue that culture of being able to have beer and wings?

Mr. Jim Lisser: I won't repeat what Shalini said about the PPE—that kind of makes sense.

What I had talked about in our presentation was more about where there's a bit of innovation in terms of pricing and support. I had commented about wholesale pricing or some sort of reduced pricing for the restaurants that then allows them to make that additional margin you're referring to. I think that's one recommendation that we look forward to seeing implemented at some stage. I think that's an important stage.

Some restaurants now have been able—yes, I 100% agree with you; some restaurants have decided to close. But some restaurants have really pivoted into bodegas and grocers. The other day I drove by an Italian restaurant that used to be selling—but they've gone all pizza, because they know it can be more efficient, and maybe safer, too, in terms of how they make it. So I think it has to be a whole combination between—which many have. It's like a government, public and enterprise partnership.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Jim Lisser: I think you make very—

Ms. Sandy Shaw: Jim, honestly, we couldn't agree with you more. The Ontario entrepreneurs, small businesses—what they have been able to do is nothing short of remarkable. It's impressive every single day what people are able to do, how hard they work and the risks they're prepared to take to keep their business open. We commend all small businesses for doing that.

My very specific question is, when you talked about the wholesale pricing proposal, did you make that—it seems to me you made that proposal at the finance committee over the course of the summer.

Mr. Jim Lisser: Yes, that's correct. We have talked about that. It's a complicated—it's not an overnight—

Ms. Sandy Shaw: No, but did you have any discussions, beyond deputing at the finance committee, with the government on this recommendation, which I think is a great idea?

Mr. Jim Lisser: Yes, we have been in discussions.

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid that is all of our time.

Thank you so much to our presenters for this round. We really appreciate you taking the time to share your views with us.

We are running well ahead of schedule here, and we don't yet have our witnesses for the next round, so I will move us into a short recess of 10 minutes, and then we'll get cracking again. Thanks, everyone.

The committee recessed from 1540 to 1551.

The Vice-Chair (Mr. Jeremy Roberts): We will get things going.

ONTARIO CRAFT BREWERS BRAMPTON BOARD OF TRADE

The Vice-Chair (Mr. Jeremy Roberts): Good afternoon to our next round of presenters. This round, we have the Ontario Craft Brewers association and the Brampton Board of Trade. You'll each have seven minutes to present. I'll give you a two-minute warning near the end, and then we'll have two rounds of questions from all three parties. When I introduce you, just take a moment to state your name for the record, and then you may begin.

We will start this round with the Ontario Craft Brewers association. You may begin.

Mr. Scott Simmons: Good afternoon. My name is Scott Simmons. I'm the president of the Ontario Craft Brewers association. I want to begin my remarks by thanking the government for its steadfast support for our industry during these unprecedented times. I am pleased to be here to speak in support of Bill 215; specifically, the action plan that accompanies the legislation.

To provide some context: The OCB represents breweries in 110 communities throughout the province, many of them in rural and northern areas. There are now over 300 craft breweries in Ontario, all small businesses. Prior to the pandemic, these small manufacturers employed over 4,600 workers, which now represents over 80% of all brewing jobs in this province. These small businesses in turn supported over 9,000 indirect jobs in the agricultural, tourism, hospitality and manufacturing sectors, and in many cases have become one of the larger employers in their communities.

All told, Ontario's craft beer industry contributes over \$2 billion to Ontario's economy annually, yet this growth is incredibly fragile. You see, 75% have opened in the last five years. Like any industry, the early years of a business can be the most difficult, and for those in manufacturing, the upfront costs are substantial. Because of this, it is important to have initiatives like Bill 215 enacted to help our sector through these unprecedented times.

Specifically, we support providing \$1,000 to small businesses to assist with the cost of purchasing personal protective equipment. A fund like this is desperately needed, as PPE was something craft brewers rarely thought about before COVID-19, let alone accounted for in their budget, and overnight it became a critical part of their efforts to keep their customers and staff safe. This is going to be a huge help—and it is important that the definition of "retail" be expansive to ensure it includes craft brewers and others who sell their own products.

Direct delivery has become a key sales channel for craft breweries due to the pandemic. In fact, a recent survey

found 97% now offer online ordering, with it now making up an average of 20% of sales. Before COVID-19, this was an add-on for most brewery websites, but it now is critical for surviving the pandemic. That is why we support the creation of Digital Main Street squads to help small businesses grow their online sales, which we anticipate will become a mainstay for craft breweries throughout the second wave and beyond.

Finally, the OCB supports the temporary rule that allows restaurants to sell alcohol with delivery and takeout orders being made permanent. The OCB strongly believes that as part of this, we have the opportunity to further strengthen this policy's ability to help local restaurants and bars, as well as achieve the government's goal of supporting small, locally owned businesses by (1) ensuring a minimum 30% threshold of shelf space for Ontario craft brewers at bars and restaurants and (2) allowing craft breweries to charge delivery fees like bars, restaurants and third-party delivery companies already can do.

With the government evaluating further ways to stimulate Ontario's economy and help its businesses recover, I want to use my remaining time to outline a number of other changes that would be extremely helpful.

The first issue: Most craft breweries are not permitted to serve and sample at temporary locations such as community events. This ability is dependent on the type of licence the brewery holds, and it's restricted to only on-site consumption, not sale for take-away—yet the LCBO and the Beer Store can. It's not a level playing field for our members. Further, no brewery is currently allowed to sample and sell at farmers' markets. This unnecessary and complex licensing structure reduces retail opportunities and should be updated to allow all craft brewers to sample and sell their products for take-away at community events and farmers' markets.

Secondly, today craft beer can only be served in licensed areas of craft breweries, and the process to license additional areas is very time-consuming and cumbersome. Given the likely requirement for ongoing social distancing for the foreseeable future, the government should update this policy and allow brewers to serve, sample and sell their product anywhere on their property.

Third, tax deferrals have been extremely helpful to small brewers. We recommend deferring the payment of the Ontario basic beer tax, as well as the provincial portion of the HST, until March 31. This is going to be a very difficult winter for our members.

Our fourth and final recommendation revolves around the punitive environmental levy, a tax that has existed since the early 1990s, when the NDP government increased an environmental tax on aluminum beer cans. Today, this levy still exists for the alcohol sector—

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Scott Simmons: —and an 8.9-cent-per-can fee is charged to manufacturers by the Ministry of Finance for every can sold in every retail channel. This fee is separate from the fees paid by brewers to be part of the TBS return system and the Ontario deposit return program, and is also separate from the deposit paid on cans by consumers. The Ontario craft beer industry sells 90% of its locally made

retail products exclusively in cans, and the environmental levy disproportionately impacts these local producers. It is urgent that this unfair levy be addressed now, as the further we move away from draft beer towards cans, with bars and licensees closed during COVID-19, it has meant large tax increases on craft brewers at a time when they can least afford it. We recommend that the government eliminate the outdated levy on alcohol aluminum cans for the Ontario craft brewers, as it does nothing to improve recycling efforts and has a large negative impact on craft producers.

Once again, thank you for all the efforts you have taken to date.

We support Bill 215 and believe that by enacting these additional recommendations, you will make the difference between a large number of Ontario's 300 craft breweries being able to remain open or having to shut their doors.

We thank you again for this opportunity and appreciate your attention and consideration of our recommendations.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much.

We'll now move to our second presenter, the Brampton Board of Trade. Please begin by stating your name for the record, and you'll have seven minutes.

Mr. Todd Letts: Good afternoon. My name is Todd Letts. I'm the CEO of the Brampton Board of Trade. The board of trade advocates on behalf of Brampton's business community. It connects and empowers them to capture opportunities and overcome the toughest business challenges. Like in your communities, this pandemic certainly has been one of the toughest challenges our business community has faced.

I'm speaking in support of Bill 215 today and I would like to share with you our business community's perspective on why. Our business community has looked at the COVID-19 disruptions in three parts: immediate response, recovery, and initiatives to thrive.

Let me begin by thanking you, committee colleagues of all parties, for the many measures already passed by the Legislature during the first seven months of the pandemic. Of course, I'm referring to things like the Workplace PPE Supplier Directory, the red tape portal, the temporary changes to regulations to reduce obstacles for business, the Ontario Together procurement portal, the \$50-million Ontario Together Fund that helps companies to retool their operations for production of PPE and, of course, reductions in the small business corporate tax income rate. These immediate response efforts were substantial in easing the burden of operating restrictions and other pandemic impacts this past summer.

We're now squarely in the recovery phase, and the question is, how can Ontario best help small enterprises to recover?

In my submission today, I would like to highlight for you some of the key recovery issues and concerns that Brampton businesses are experiencing—four in particular.

1600

Of course, the costs, the additional operating expenses: This pandemic is very expensive, for additional equipment to keep employees and customers safe.

The uncertainty of operating revenue keeps businesses awake at night. The new colour-coded system of operating restrictions allows more operating flexibility, but the operating ground rules continue to shift beneath the feet of business owners. This is not entirely under the government's control. It's very challenging for businesses to plan ahead when additional measures are added from regional medical officers of health and the case counts continue to increase—very challenging for business right now.

HR resilience: The business owner and employee health are also an issue of concern. Scheduling shifts is challenging, as employee absenteeism, concerns and expectations about work at home, matched with concerns over both respiratory and mental health, make it difficult to maintain staffing capacity to protect staff, and orient and train staff for new procedures in order to best serve the customer.

The fourth big issue is overcoming challenges that help companies to prepare for the future: again, preparing for long-term, permanent expectation changes in customer needs; having the proper inventory in stock; as well as ensuring that delivery can occur. Preparing for the future is one of the major themes that came through in our consultations.

This is why we support Bill 215, because it does address these issues directly. Deferring of operating costs through the one-time grant of \$1,000 for eligible main street businesses between two and nine employees, as well as the small business recovery webpage and the network of Small Business Enterprise Centres providing advice, are very helpful. The mental health supports for both families and front-line workers, with the iCBT, for example, the online cognitive behavioural therapy, and the BounceBack program—both are welcome expenditures.

Specific sector support: This has been a very uneven challenge for businesses, meaning the pandemic impacts businesses and sectors unevenly. In this bill, the clause for Ontario's taxi and limousine industry increasing fines for illegal operators is also welcome.

Of course, reducing delays and outdated regulation and overall operating friction, through exploring permanent ways to allow the inclusion of alcohol takeout in delivery orders, the permanent allowing of 24-7 deliveries to ensure stability in supply chains to retail stores—very, very helpful.

Lastly, in preparing for the future, the Digital Main Street squads are very helpful. Both the Digital Main Street program—we're sponsoring that—as well as the recovery activation program are very helpful. Having Digital Main Street squads, allowing businesses to go through the steps—very, very important.

Of course, enabling community net metering is allowing small businesses to choose sustainable energy solutions as well.

The Vice-Chair (Mr. Jeremy Roberts): Two minutes.

Mr. Todd Letts: Brampton businesses tell me that the core elements of Bill 215 will help in the recovery. However, they want me to share with you additional efforts that will help Ontario small businesses not only survive, but

thrive and come out post-pandemic with a competitive advantage.

There are three infrastructure projects that impact downtown Brampton specifically, and many along the innovation corridor—that's the two-way, all-day GO train service. The business case that Metrolinx has is quite solid. That would have a remarkable direct impact on the provincial economy, creating jobs and bolstering post-pandemic rate recovery.

The GTA west corridor highway is another important project—a billion-dollar return on investment annually for that project. We're happy to see that the province is accelerating the efforts to move that project into the design phase.

Thirdly—it may not be well known by the committee: flood mitigation. The alignment that the province has done with our federal counterparts in solutions for small business is very much appreciated. Please continue that. Getting more federal support for flood mitigation in downtown Brampton so that we're ready for the next natural disaster would also be very helpful. The return on investment of that project would result in about 3.6 million new square feet of residential and commercial space and an impact of about \$1.4 billion to the national economy.

Ladies and gentlemen, thank you so much for allowing me initial comments. In summary, solutions like these and the ones found in Bill 215 that defray costs, provide better operating certainty, protect the health of business owners, employees and customers, help prepare them for the future and—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. I'm afraid I've got to cut you off.

Thank you for your presentations.

We'll now move to two rounds of questioning, and we will start with the government. MPP Piccini.

Mr. David Piccini: I will be asking questions to Todd and Scott, both of you.

Todd, I'm wondering if you could expand a little more on the importance of Digital Main Street and the online role broadband can play. I come from a rural riding. You likely don't have the same sort of broadband challenges there that we share here, but I think the ability for Brampton businesses to succeed in providing goods to folks in my community depends on viable broadband. So can you just speak to the importance of Digital Main Street and some of the steps the government has taken there, and what more you would like to see from a broadband perspective?

Mr. Todd Letts: Thank you for the question, MPP Piccini.

Yes, the expansion of broadband, having reliable broadband, with the advent of 5G right around the corner, is important to the competitive advantage of small and medium enterprises in Ontario.

I do appreciate the commitment to more rural broadband in the budget. It's an issue in the suburbs, as well. We're seeing a lot of industries moving to new technologies, Industry 4.0 technologies—adopting automated systems, artificial intelligence etc.—and having reliable broadband is very, very important. The Digital Main Street program also is very, very important to help businesses

assess their digital needs, both customer-facing—front of office, front of store—and in the back of office—their HR, their tracking systems. We have about a dozen local businesses that are in the program, and their testimonials are really helpful—are really glowing, actually. They're finding it quite helpful, so thank you for that.

Mr. David Piccini: My next question is for Scott.

Scott, I'm wondering if you can touch a bit on off-traditional-hours delivery and what role, if any, that has had for your sector.

Mr. Scott Simmons: During the pandemic, it was a lifesaver. I'm not sure the off-hours apply; I'm just saying direct delivery was a lifesaver during the summer, with bars and restaurants closed down, because 30% of craft beer's business is through bars and restaurants, in draft beer. To try to be able to recoup some of those losses—home delivery filled the void there.

As I mentioned in my comments, it's an area that is relatively new to the vast majority of these small businesses, craft brewers. I agree with what Todd said; having Digital Main Street to help them figure out how to quickly ramp up into this piece of the business—which I think is going to become 20% or more of their business going forward.

The craft beer industry is very unique in that they make a lot of small specialty products that aren't conducive to the big retailers out there now—the Beer Store, the LCBO, grocery. There is a lot of change in our industry, and direct delivery is a great way to get fresh, new, seasonal beer to consumers who really want it and get it directly delivered to their homes. I think it's a huge part of our business going forward.

Mr. David Piccini: Certainly, getting government out of the way and providing enabling legislation is critical.

Secondly, the takeout piece: I think locally to William Street and going to get Canada's best burger at Olympus Burger in Port Hope. Being able to get to William Street off the traditional hours, at 9 o'clock, on my way home from work was an added benefit. Obviously, as elected members we all have the luxury of being employed during these very difficult times. I know it benefited that small business. Can you speak to the role that has played and what more you'd like to see there for our craft breweries? I spoke to George, as a small business owner at Olympus Burger, about the important role it played, and they certainly value that.

1610

Mr. Scott Simmons: Again, I think it will really help these small craft brewers that don't have a provincial footprint and want to create relationships with local independent bars and restaurants. Some of the major chains may have deals with the foreign-owned macro-brewers, but a lot of the independent bars and restaurants will be delighted to have a relationship with their local craft brewery and be able to provide their customers, as I said a moment ago, new and different seasonal beers every time they come in.

The convenience of being able to take a six-pack home or have it sent home with the delivery is going to be a tremendous help to our industry. Given that these are all

Ontario companies employing Ontario people, it's going to help boost the Ontario economy and create more jobs. So we are very supportive.

Mr. David Piccini: So you see this as a way to expand the local economies there and the local footprint.

Mr. Scott Simmons: Yes, I see it as a way to expand local craft beer penetration in Ontario. As I said earlier, it's hard to do that through the traditional retail channels that are out there now.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. David Piccini: Thanks very much, Scott. I appreciate it.

Thank you both.

The Vice-Chair (Mr. Jeremy Roberts): Any further questions from the government in the remaining 40 seconds or so? Okay.

We will move on, then, to the opposition. MPP Fife.

Ms. Catherine Fife: Todd and Scott, it's very good to see you.

I'm going to start with Todd, because you didn't get a chance, really, to address the infrastructure piece, especially around two-way, all-day GO. I'm wondering if your members have had any further consultation around the changing nature of work in Ontario.

We know that with two-way, all-day GO, the financial and economic case is there. It has been there for a long time. We're going to be hearing from Communtech, actually, in the next upcoming session. It's true that ridership has really taken a hit. When you get to Brampton, though, those trains fill up pretty fast.

So I just want to give you a chance to speak about how important that infrastructure investment is, and what it can and may look like on a go-forward basis.

Mr. Todd Letts: Thank you very much for the question, MPP Fife.

I am an active user of the GO train between Waterloo and Brampton, and to downtown Toronto often, as well.

It is reasonable to understand why COVID-19 has had an impact on ridership, but that, I think, should be considered temporary.

The best time for government to invest is during an economic slowdown, where we are right now. The best return on investment, I think, is that two-way, all-day GO investment. We just have to look at McKinsey for, I think, the \$50-billion increase in direct equity value of properties along the line, the \$17.5-billion direct impact annually to GDP, and about 170,000 high-quality jobs. So I'm a strong supporter for that two-way, all-day GO. I think it's a really important initiative to occur soon to help propel us through the pandemic.

The second part of your question was how the changing nature of work—it is even more important to have two-way, all-day GO, so that employers can draw from a larger talent pool. What we're seeing and what we predict we'll see in the changing nature of work is more expansion of contingent workers, some who will work from home part of the week and be in the office part of the week.

Having higher-order transit allows people in Guelph to work in Brampton and those in downtown Toronto to work in Halton Hills. It just broadens the pool and allows, I

think, productivity to occur all along the corridor—not only for employers, but for the academic institutions and research centres along the corridor as well.

Ms. Catherine Fife: You did mention in your presentation, though, that there has been an uneven recovery, and I think this is a really key part for the committee to explore.

Bill 215: We're going to be supporting it. We felt like there should be more in it—I want to tell you that—because we're trying to reflect what we've heard from businesses, especially all through the summer.

This uneven recovery will have a drag on the economy if we don't address it. So I wanted to give you an opportunity to further expand on that, Todd.

Mr. Todd Letts: I appreciate the question.

Yes, we've seen a number of businesses doing quite well, be it home renovations—logical; a lot of people are spending more time in their homes. Anybody who delivers anything is doing much better as well. But on the other end of the scale, the uneven part, we're seeing a heavier burden on small businesses. We're seeing a heavier burden on women—women and the balance between a job and daycare in particular, because traditionally, a lot of women take on a larger role that way.

We're also seeing banks having to make decisions in the context of the economic environment. Those who haven't traditionally been able to access financing are in fact finding that that is a bit more challenging as well.

So it is important that we take on initiatives. We are doing some locally in Brampton through new initiatives for Black empowerment and socio-economic empowerment. We have a new unit there as well. And we are having discussions with and developing networks of women-led businesses to ensure that their needs, both from a personal front and a professional front, a business front, are being addressed.

Ms. Catherine Fife: We have seen 132 child care centres close across the province, but that's going in the opposite direction.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Catherine Fife: I appreciate the point that for every dollar we invest in early learning and care, there's a \$7 return to the economy. Let's not leave that portion of our population behind.

Around delivery—a lot of businesses have pivoted and they've gone online, but there are also some delivery fees through various apps that are problematic. Have you heard any feedback around this?

Mr. Todd Letts: Yes, I have. In fact, your independent restaurants have started, in their messaging, encouragement to order for direct delivery—for those restaurants that have the capability of delivering. Some of the traditional SkipTheDishes, Uber Eats etc. do provide a very valuable service, and it really is a trade-off—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off there. That's the end of your time.

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

Ms. Mitzie Hunter: I want to say thanks very much to all of our presenters.

I would like to start with Brampton. First of all, congratulations. I saw that Minister Hajdu has funded an

isolation centre in Brampton as of today. Hopefully, that will help to reduce the spread and help with your contact tracing efforts.

I was interested in your assessment of the uneven impacts of COVID-19. That's something that I think we have to be really careful of—a K recovery, where one part of the economy bounces back when things get back to normal, but there are certain groups that continue to have persistent unemployment and a disconnection with opportunities.

Can you speak about what you're seeing in terms of that uneven impact, specifically as it relates to women entrepreneurs, to Black, Indigenous and other people of colour? I think those are some of the groups that are most affected.

Mr. Todd Letts: Thank you very much for the question, MPP Hunter.

This is an extraordinary time in history. We're seeing not only a health crisis, an economic crisis, but the advent of a social justice revival. We've got all three of them happening in the context of a technological revolution, and a demographic change that's happening as well.

1620

Despite the best efforts of the business community and governments locally, provincially and nationally to avoid a K or a W recovery, we're in that situation now. We're in a second wave that is severe. It's going to be tough over the next four weeks. The only way that we're going to get through it is together. Being honest and authentic and recognizing up front that some businesses—smaller businesses, some businesses led by women and some businesses led by persons of colour—are experiencing a larger-than-average burden because of this is the first step. The second step is to do something about it, so I'm really happy that efforts locally and federally to support efforts of the Black chamber of commerce federally and locally through our Black economic empowerment unit—we're a very diverse organization, the Brampton Board of Trade, culturally as well as sectorally. Acknowledging and questioning, having conversations like we are about unconscious bias, about zoning that may be required to bring in more daycare—these are important conversations—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Mitzie Hunter: [*Inaudible*] and your awareness of the need for specific supports for Black entrepreneurs and businesses and other groups.

I really appreciated your raising the two-way, all-day GO. It has been a long time since I've heard someone advocate for that, and I think it's an important way to leverage existing transit infrastructure, to get more people utilizing it by having more predictable and reliable service to their communities. So I would support that.

Maybe we'll have to pick this up in the next round, but I did want to ask you about broadband. In my community in Scarborough, our local business association is very concerned about the last-mile issue for certain businesses. The fibre or whatever to connect runs past them, but it's not actually hooked up to their premises, and to do that is cost-prohibitive. Is that an issue that you see in Brampton, and would you like the government to address that now

that, federally and provincially, there is funding for broadband?

The Vice-Chair (Mr. Jeremy Roberts): I'm sorry; I'll have to cut you off at that point.

We will go back to the government. MPP Thanigasalam.

Mr. Vijay Thanigasalam: Thank you, Scott and Todd, for your great presentations.

Scott, can you please expand on what delivery hours would be of the greatest benefit for your membership? I see that you represent almost 80 small Ontario independent brewers. That's a lot of small Ontario brewers. What would be the best or the greatest benefit for your members to receive deliveries—and what delivery hours are you getting feedback from your membership on?

Mr. Scott Simmons: I think just mirroring the hours of operation of the retail stores would be a start. Obviously, most of these deliveries would be coming in the evenings, although we have seen a lot of data that indicates that, especially during COVID-19, with people at home, a lot of deliveries are coming during the day and on weekends as well—so I guess I could say around the clock, but that's probably not possible. As I said earlier, it's becoming, or will become, such a big part of our business that we need to make sure that the brewers can compete on this front.

I did mention in my comments that, right now, craft brewers do not have the ability to charge a delivery fee. It's illegal for them to put a delivery fee on their delivery, yet every other delivery company can charge a delivery fee. We've been advocating to get that changed, as well, so that these companies can profitably ship the product to their customers.

Mr. Vijay Thanigasalam: In addition to the Main Street Recovery Act, the government made a commitment to explore options to permanently allow restaurants and bars that hold a liquor licence to include alcohol with food as part of a takeout or delivery order. Can you please tell us how important it is for your membership to make this change permanent?

Mr. Scott Simmons: I think it will really help the Ontario craft beer industry. As I said earlier, a lot of what makes up the DNA of a craft brewer is seasonal offerings, the things that come and go, whether it's a Halloween pumpkin ale or a seasonal offering in the summer—limited runs. These are the ones that are most conducive to sell either direct through their own brewery store or through local partners in their communities—the bars and restaurants that can help feature them to their customers. Right now, the avenue to sell these products, as I said earlier, is quite limited, with the long lead times required for listings in some of the other retail channels. Planograms don't change often in some of the major grocery chains. Our industry really doesn't have an outlet where these seasonal beers can flourish, and we think that our bar and restaurant partners will really help us in this regard.

Mr. Vijay Thanigasalam: I would like to ask Todd the same question when it comes to Brampton—about this new exploration that our government undertook to have alcohol with food as part of takeout.

On top of that, Todd, what concerns, if any, do you anticipate from communities, especially from Brampton, regarding the noise or other issues related to off-peak delivery?

Mr. Todd Letts: The silver lining, if there is any in COVID-19, is the speed at which regulations that are no longer relevant have been explored and changed on a temporary basis. This new act—we do support strongly the permanent change.

It's important to help the vibrancy of main streets—the small enterprises, restaurants etc.—in any way that we can, through takeout, through curbside pickup, through extended patio licensing and hours during the seasons that allow that. These are all crucial steps that can help add to the vibrancy and the recovery in Ontario.

The issues with respect to deliveries: Again, the supply chain is so fragile. To have artificial restrictions only serves to hinder our economic recovery. If there are legitimate noise issues, they can be controlled through municipal bylaws. But to have a provincial bylaw that restricts the hours—we strongly support what your government has done on a temporary basis, and making that permanent as well.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Vijay Thanigasalam: In terms of Brampton, I want to highlight what government introduced in terms of benefits for small business. One of the benefits is a \$1,000 personal protective equipment grant directed all across the province, including Brampton.

What is the feedback that you are hearing, and how important is it for government to help offset these costs? Are you getting positive feedback? Are there any other innovative ideas that are coming up from these grants so that government can bring forth more—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I've got to cut you off there.

We'll move on to the opposition. MPP Shaw.

Ms. Sandy Shaw: I'm going to direct my questions to Todd. I remarked on your comment that banks are having to, more and more, make decisions, essentially, turning down people for lines of credit, for loans, for access to cash flow. Banks are all about risk. And so these decisions are a reflection of the risk that's out there. It's no surprise to anybody that there is a significant amount of risk out there.

1630

We've been hearing from the finance committee, we've been hearing from people in our constituencies that small businesses, medium-sized businesses, mom-and-pop shops—they all have the same cash-in, cash-out expenses. Really, the balance sheet is basically the same; just the numbers change—but they're all struggling to stay afloat. If they don't happen to have cash reserves or if they don't have an ability to raise capital outside of borrowing—the government has not answered that question to people who have said, "We need these direct supports." We've heard from chambers of commerce that have said they've taken the loans. They've done the tax deferrals. They've maxed out their credit cards. They have lines of credit.

And now, what we've spent this time talking about is how sales of alcohol with takeout orders—which is good—seems to be the lifeline that we're offering restaurants. How are they going to continue to invest in capital upgrades and training when there's absolutely no liquidity, no cash, no money available for them to keep their business afloat?

I don't know how you could answer this; I'll be surprised to hear what you have to say—what will businesses do if they're completely maxed out, they owe money, they owe tax deferrals, and they can't get any extended credit from financial institutions?

Mr. Todd Letts: MPP Shaw, you have just described a very bleak financial situation that is also very realistic for a number of small businesses and restaurants. What do you do when your revenue streams are significantly compromised or eliminated for three, four months a year?

What we've done is had conversations with banks. I encourage you and your colleagues, all of us who have moral suasion capabilities by virtue of our positions, to have conversations with banks. We've actually brought banks and small business people together in interview situations to recognize that in 2020—let's face it—we may see more bankruptcies than we have in the first three quarters of this year, up about 39%. But those bankruptcies should be considered with an asterisk. It's not through the failing of management or a character flaw of the individuals who run the business that they may have failed in 2020, and it should not be compared similarly as 2019 or 2018. Those entrepreneurs will bounce back, and in 2021, 2022, I hope the banks will be there to support them.

Ms. Sandy Shaw: I will say that I am absolutely willing and so interested in talking to financial institutions about what we can do.

I have a background in the credit union sector, and they often come up with very innovative and creative financing solutions in difficult times. That's where credit unions came from.

I was expecting and hoping that this government would help develop some innovative financial opportunities for small businesses. They could have created a pool of money that would provide a loan loss provision for banks or credit unions, a backstop to help credit unions and banks make those decisions that hinge on risk. Just like you said, we all know they're going to come back. But they have a limited parameter at which they can make decisions—regulated, as well. Maybe the government could help them find alternative ways to adjudicate loans, with the asterisk that you're talking about. "We normally wouldn't extend a loan in these circumstances, but these are unusual circumstances."

At the risk of being disrespectful, this is a conversation we should be having—not about time of delivery and not about whether or not we can get a couple of bottles of wine with our takeout delivery—which I'm a big fan of, by the way. I think that we need to be talking about more creative financing.

In other jurisdictions, are you aware of ideas that we could be borrowing?

Mr. Todd Letts: You hit on one. Certainly being able to help banks backstop on loan defaults—I don't know if there's enough government money to really address the full problem.

Another response I'm getting directly from business is, "Don't give us cash. Give us customers."

Whatever we can do to beat this nasty, nasty virus and get into some predictable, certain operating scenarios—that's what's going to help us through the recovery. But your point is well taken.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Sandy Shaw: Yes. Thank you for that.

Banks are in the business of lending money. They want to lend money. It's not like they don't want to lend money. They want to be able—it's that "Help me help you" situation. So I'm a little disappointed by the approach that we've taken. I think we need to be stepping back and taking a bigger picture of what this economy needs and really understanding that it's a health crisis and an economic crisis, and we can't be sidling off in small bills that do small things here and there. We need a big approach.

That really wasn't a question; that was a speech.

Any opportunity to participate in any discussions about ways that we can make financing more available—I'd be happy to participate.

The Vice-Chair (Mr. Jeremy Roberts): We'll move on to our last round of questioning with the independent member, MPP Hunter.

Ms. Mitzie Hunter: Back to you, Todd: Hopefully, you are able to answer my question about any last-mile issues you're hearing from your members in terms of broadband and whether or not the investments that we're making should address some of those concerns as well.

Mr. Todd Letts: Yes, that is a really important issue. You mentioned Scarborough. The narrative is that broadband needs to be expanded to rural. It is a suburban issue, as well. There are small, innovative companies that employ 50 people. They need to make new investments in technology, and the cost is anywhere between \$25,000 to \$50,000 to get the broadband capability to their plant, when it's just south of Queen Street, a major thoroughfare in Brampton.

I do think that the moral suasion that we have, the advocacy that we have with the federal government, the good alignment that the provinces and the feds have had on initiatives should really address that last-mile issue, as well.

Other jurisdictions across North America are making investments that make processes faster, serve customers faster etc., and we may see some Ontario businesses choose to relocate, given the cost of broadband, of that last mile here in Ontario.

Ms. Mitzie Hunter: Back to your issue of equity and how this is not impacting everyone the same: Broadband has that same effect. We've seen workers who normally relied on going into a Tim Hortons or the library and using the WiFi—they don't have the same opportunity to do that right now, if they don't have access to service at home. So paying attention to the equitable distribution of broadband is very important. It's needed for working at home. It's

needed, obviously, for business, to have a presence online, and also even in schools. So it's much more commoditized than it was before.

I want to also recognize the great work, Scott, from you and your team at the Ontario Craft Brewers, and throughout the entire province. You add such dimension to communities. I want to thank you for the work that you're doing and your efforts.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Mitzie Hunter: I'm sure you know that the Ontario Liberals were one of the first to say, "Let's make the takeout complementary with alcohol in a responsible way, with food takeout," and that has happened as well.

We certainly note the concerns that you have brought forward, on behalf of your membership, on where you want to see your distribution increase in the province. So I want to say thank you for that, as well.

I will turn it back over to our Chair.

The Vice-Chair (Mr. Jeremy Roberts): To both of our presenters, thank you very much for appearing this afternoon and sharing your views with us.

Again, we're running ahead of schedule, folks, and our next witnesses haven't yet appeared, so I will recess for 10 minutes, and we'll return at 10 to 5. Thanks, everyone.

The committee recessed from 1640 to 1650.

COMMUNITECH

ONTARIO TRUCKING ASSOCIATION

The Vice-Chair (Mr. Jeremy Roberts): We have two witnesses for our last round: Communitech and the Ontario Trucking Association. You'll each have seven minutes to present. I'll give you a two-minute warning before the end, and then we'll move to two rounds of questions from the different parties. I would ask when I introduce you to please state your name for the Hansard record, and you may begin.

We'll start with Communitech.

Mr. Iain Klugman: My name is Iain Klugman. I'm the president and chief executive officer of Communitech, based in Waterloo region. I want to take an opportunity, first of all, to thank you for allowing me to appear before you today. These are, of course, very challenging times we're all living through, and I think when we say things like that it doesn't have the gravity that it really should, because they're challenging times that we've never experienced, certainly in my lifetime.

What we have seen as far as our governments' response to supporting not only the health and wellness of Ontarians, but also, of course, working to ensure that the economy is supported and companies are helped to bridge to whatever is next, given that runway and that opportunity to get to the other side—we've seen this both with the provincial and with the federal government. So, first of all, thank you for the support for businesses during the pandemic and with the recent provincial budget.

I think that when we look at recovery and small businesses' critical role in this as entrepreneurs—at Communitech, which has been around for about 25 years,

we've worked with well over 5,000 start-ups, growth firms and large corporations over that period of time. Coming out of every economic downturn, coming out of every spike in unemployment, we have seen a wave of entrepreneurs and a wave of entrepreneurialism, and I think that we need to be thinking collectively about how we support entrepreneurs as we come out of this pandemic. How do we help them start and grow their businesses of all shapes and sizes? Many jobs have been lost, many businesses will have been lost by the end of this, and we really do need to make sure we've got a sharp focus on supporting entrepreneurs, because they're coming. In fact, we've seen over 250 net new companies go through our uptake process since April 1, in the midst of the pandemic. So even before this starts to pivot, we're already seeing that.

I also want to highlight the fact that Communtech has evolved from being much more than just a technology-focused business. We pivoted about 12 years ago. We started recognizing the fact that a strong innovation ecosystem strategy can support not just start-and-scale technology companies, but the largest companies in Canada. Now, of course, our customer base includes the likes of Manulife, TD and Thomson Reuters, as well as organizations like the WSIB, the LCBO and the Royal Canadian Air Force.

With the support and leadership of Minister Sarkaria, and Minister Joly at the federal level, we were able to partner and bring to life the Digital Main Street strategy, which has really invested significantly in helping main street businesses and small and medium-sized businesses to get digital, because getting digital is going to be key. Whether you're the largest companies in Canada or you're a main street business, we've seen as part of the pandemic the fact that it is all about being digital in what we're doing, whether it's e-commerce or the delivery and provision of services and products.

The other thing I want to touch on is the role that we can play as partners. We have some of the strongest innovation hubs of our kind anywhere in North America right here in Ontario, and it is the case because of the investments of the province over the last number of years, including under the leadership of this government, into Communtech and other organizations. We really do believe that in many respects, our type of work is more important than it ever has been.

We have been working throughout the pandemic on helping our community source and procure necessary PPE. In fact, we have worked with a partner to establish something called PPE Access, which is a not-for-profit cooperative that does group buys and provides PPE, not only to charities, but also to not-for-profit organizations that are often left on their own to try to procure what they need to keep their people safe.

The final thing that I want to highlight is the fact that, really, with this world we live in, which is now increasingly proximity-optional, as we like to say, we've got the tremendous opportunity of going after top talent around the world and securing them for great Canadian and Ontario-based businesses.

We've launched an H-1B visa campaign in San Francisco and in Times Square to flag the opportunity that exists in Ontario as an alternative to where people are right now in the world. We think that a lot of talent is going to be up for grabs. The faster we can move to secure top talent, first through programs such as our Communtech Outposts program, which allows Canadian companies to employ talent in almost every country in the world, but also through our visa programs that we have in Canada and the capacity for us to bring in high-skilled talent quickly—it really is an opportunity for us both as a province and as a country.

That's the conclusion of my remarks. I look forward to the opportunity of engaging in discussion with the questions.

The Vice-Chair (Mr. Jeremy Roberts): Excellent.

We are still waiting for our next presenter. Perhaps we'll do the first round of questioning, and then get our next presenter to—

Interjection.

The Vice-Chair (Mr. Jeremy Roberts): As long as folks are okay with that, we'll dive into questions, and then we'll get the next presenter between rounds.

The first round of questions will go to the opposition. MPP Fife.

Ms. Catherine Fife: Good evening, Iain. Thank you very much for presenting on Bill 215.

Just to get the Bill 215 part of the conversation over with—we are going to be supporting it, because there is obviously a need to help some small businesses with PPE, and so the \$1,000 grant—and then, also having restaurants be able to sell alcohol with food purchases is actually something that we're supportive of.

I did want to talk, on a go-forward basis, because Communtech has been a huge leader in this region, around advocating for connectivity and infrastructure investment, as well as the talent-retention piece. I wouldn't want to go into the two-way, all-day GO without you prefacing how important it is and what that return on investment is to the overall economy of the province.

Please, go ahead.

Mr. Iain Klugman: One of the things that has emerged from this pandemic is a recognition of the importance of infrastructure and, in some sense, a different kind of infrastructure, in order for us to truly capture the potential. I agree 100%. We're heavily involved in running Digital Main Street, because we recognize the fact that a little bit of innovation can go a long way in helping people not just retain their business but to grow their business in the long term.

We also see this as an opportunity to unlock the economic potential of a lot of cities and communities outside of Toronto. Over the last 10 years, Toronto, the GTA, has accounted for 93% of all GDP growth in Ontario. It's untenable to rely on, again, one city to carry the entire province. Things like ubiquitous broadband across the province and two-way, all-day GO—these kinds of infrastructure, which are about talent connecting to companies in different ways, are critical for us in unlocking the potential. I see so much what is just beginning to be a

glimpse of what might be a reality for us in Ontario, with a recognition of the opportunities for people to stay in their small towns and cities and work for large corporations that didn't exist before, or in the public sector.

Maybe we don't need everybody to drive to downtown Toronto every day or to live in downtown Toronto every day. Think about what that kind of economic impact is going to have on rural Ontario, on small-city Ontario. I really do think if we can get this right, we can have a huge impact, as far as a much broader-based economic recovery.

1700

Ms. Catherine Fife: Thank you for those comments.

Certainly, on a go-forward basis, the world of work is going to change drastically. Governments of all stripes are not necessarily that quick to adapt, and so I wanted to get your comments on the record for the committee.

I also want to say that Communitech has been very key in cyber security and AI development. This is very different than some of the conversations we have had with other sectors—all day, actually; you're the last presenter. We're not talking about physical infrastructure, about rent abatement or insurance; we're talking about, how are we going to secure our economy on a go-forward basis? Obviously, government takes a while to catch up sometimes to the private sector, particularly on the cyber security piece.

I did share an article about Communitech this morning on the role you've played in fostering that innovation and protecting the data that we have, and also securing research and innovation on a go-forward basis. Do you want to weigh in on that, please?

Mr. Iain Klugman: Yes, the opportunity that presents itself for us is really to be focusing much more on the market opportunities and the critical needs that we have as a province and as companies and as organizations. When we look at things like artificial intelligence, we are focused on, how does this help our companies be more competitive? How does this help them drive costs out? It really is about the power of prediction.

The cyber security piece is actually a huge opportunity we have in Waterloo region. There's an article that we just wrote about Bill Tutte, who is, of course, the famous World War II code breaker, who became a professor at the University of Waterloo and really was the anchor who gave us a cyber security industry in Ontario—one person.

This is something that we need to come back to and say, "This is an area that we really need to double down on." COVID-19 has definitely demonstrated the fact that cyber security is more of an issue, not less of an issue, and where we need to be paying attention.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Iain Klugman: The other thing that's interesting about Bill Tutte is that he really does demonstrate the impact that one world leader can have on an entire province in creating an entire industry.

Our opportunity is to go out and recruit those people from around the world and bring them here right now, as the world is, I think, up for grabs, as far as talent.

Ms. Catherine Fife: Perhaps in our next segment we can talk about the commercialization of research, as well, because that is the strength that we have, and Communitech is an anchor for the region in that regard.

I'll end there, and then I'll catch you on the next round.

The Vice-Chair (Mr. Jeremy Roberts): We'll now go to our independent member. MPP Hunter.

Ms. Mitzie Hunter: Thank you to our presenter.

I want to build on your comments around start-ups and the fact that you're seeing 250 that have come on stream. That is something we want to accelerate. What is needed in Ontario to foster that and to really encourage that type of innovation?

Mr. Iain Klugman: Well, I think we need to stay the course as far as the support for the innovation infrastructure that we have in Ontario that does support start-and-scale companies.

The thing that we do need to be thinking, too—and this is something we've been spending a lot of time on in the last seven months—is broadening the definition as to what we mean by innovation-based businesses and making sure that we have a bigger catchment. The distinction around tech, digital innovation—these things are largely falling away as being less important, really, since what I like to call the "Netflixization" of the world, where historic industries digitize, which creates either opportunities for incumbents or new entrants as they engage with Netflix.

But the more we can be doing to support businesses of all shapes and sizes at every stage, the better. Digital Main Street is a great example of a joint federal-provincial strategy to get behind these kinds of companies in a way that we never have. The recognition of their importance is not just in the fact that they employ people and they generate economic wealth for us as a province, but the fact that they are also part of the fabric of our communities. They are what make our communities interesting—interesting restaurants, stores and shops. I would say it's much more of a holistic approach in consideration of small and medium-sized companies and the different kinds of roles they play.

Ms. Mitzie Hunter: Do you see a greater role for the whole ecosystem—the universities, colleges, business? That innovation—it's a spectrum. It starts and it goes through different stages and phases. Do you see that that's an area in which—we're in a pandemic; post-pandemic—we can invest more into, to foster collaboration?

Mr. Iain Klugman: Yes. I think that there has been an evolution in this country over the last 25 years of looking at tech and innovation as being something that was nice to get to when we had time, to becoming central to—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Iain Klugman:—really driving economic growth. So I would say that, absolutely, we need to be doubling down on the kinds of infrastructure we've built in this province, which is the envy of the country and envy of much of the world, in our capacity to be able to support companies in unique ways that have real results, and holding organizations such as ours to account through results and making sure that we're investing at the right

level to support very different kinds of businesses than we might have in the past.

Ms. Mitzie Hunter: I liked your summarizing on infrastructure.

You talked about broadband. In the previous panel, we talked about the last-mile issues that [*inaudible*]. Would you support the inclusion of those last miles in suburban, urban and rural settings, as well?

Mr. Iain Klugman: I've got to say that this pandemic has put a pin in the fact that the real haves and have-nots is—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off. Perhaps we'll come back to you in the next round.

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

Ms. Donna Skelly: Hi, Iain. It's an absolute pleasure to be able to chat with you this afternoon.

I'm with the Ministry of Economic Development, Job Creation and Trade. I know that you were very involved in the main street recovery program, our digital platform. I want you to share with my colleagues the importance of helping small business, and businesses in general, move towards an online presence, and what this initiative will do and can do for small business.

Mr. Iain Klugman: I think that, basically, we just fast-forwarded 10 years as far as e-commerce. I am old; I remember talking about e-commerce in the mid-1990s, and it's here now, which means two things, one of which is that there is a new set of competitors that businesses have to deal with—because in a world where it doesn't matter where you are and you're clicking on a button on a screen, it means that there is a whole new raft of competitors which are coming into your world. That, I think, is probably the biggest impact that it's having on main street businesses. Mostly it was foot traffic that was driving a lot of the revenue associated with main street businesses. Of course now, they're going toe to toe with Wayfair and Amazon and, really, anybody else out there. I think they can compete.

Don't ever underestimate the power of being small, because small can be nimble and quick. The Internet has given us the opportunity for the notion of the long tail, where highly specialized businesses will compete with a capacity to be able to address and access much, much larger markets. So there's lots of room there for small businesses in an e-commerce world, but they do need help, because many of them are mom-and-pop shops, or this is just not a capability that they've ever had to develop.

Ms. Donna Skelly: And this can really go beyond the pandemic. It is a necessary step.

We released our budget last week and, of course, we call it a budget that will protect, support and help businesses recover post-COVID-19—and this is one of the key initiatives, in my opinion.

When I think about the main street recovery program, I think retail. But does it go beyond that? Can it help service industries as well?

1710

Mr. Iain Klugman: Yes, MPP Skelly, it absolutely can and should. It's not just about the economic contribution,

as I said before, that these businesses make to the economy; it's about the importance they have as part of our fabric in our community. We talk about competing for talent. We can't compete for talent if we don't have main street.

That's why we're all in on this, because we recognize the fact that at the end of the day, the countries that are going to win globally are the ones that are able to attract and retain the top talent in the world. It's what America has been able to do for the last 100 years. I think that's up for grabs right now, with everything that's happening in America, and I think that's where we can play a significant role. But it really does mean that we need to be thinking much more strategically about not just big companies in Canada—we should be paying attention to those, but we also need to be paying attention to small and very different kinds of companies than we might have worked with in the past as a government or as organizations, like Communtech, in Ontario.

Ms. Donna Skelly: Mr. Chair, how much time do we have left?

The Vice-Chair (Mr. Jeremy Roberts): You've still got about three minutes.

Ms. Donna Skelly: Okay.

Just to get this on the record—I want to know the implications of not having addressed this, not only in this piece of legislation, but in our action plan. The Digital Main Street initiative is a critical component, not just during the pandemic. In your opinion, as an expert in this sector, how critical was it for a government to recognize this and implement this program?

Mr. Iain Klugman: I had the fortune of interviewing three clients of Digital Main Street as part of True North TV last week—and I will make sure that the committee has access to this episode—three very different kinds of business who all say that they would not be here if not for the support through the Digital Main Street program. This is a specialized boutique dog shop, which now has gone global; this an organizer coach, who helps people organize not just their cupboards but their lives; and this includes a woman in Brampton who imports specialized clothing and jewellery for the Indian community and the Southeast Asian community. All three of their businesses, they thought, were going to be gone. All three of their businesses are now booming because of the support of this program. We really need to keep the pedal on the gas for this one.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Donna Skelly: Of course, that requires broadband, which was something you were pushing on in the last discussion. It's something I'm excited about. My riding is a mix of rural and suburban. There are huge swaths, not just in Flamborough–Glanbrook, but right across Ontario, that don't have proper broadband.

Again, we've allocated close to \$700 million for the expansion of broadband. It's not going to happen tomorrow.

If you could again explain the importance of this—what I understand is the fourth utility.

Mr. Iain Klugman: Yes, the fourth utility. I think that over our history, we've recognized certain types of infrastructure as indeed in the national interest—

Interruption.

Ms. Donna Skelly: That's Louis. He was very upset.

Mr. Iain Klugman: Is he voting?

Anyway, it is critical infrastructure. I applaud the decision your government made and the investments you're going to make in broadband, but I really do think we need to start thinking about—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'm going to have to cut you off there.

We will now hear from our other presenter for this round, and then we'll have our last round of questions.

So we will now hear from the Ontario Trucking Association. You'll have seven minutes. Please start by stating your name for the record.

Mr. Stephen Laskowski: I'm Stephen Laskowski, president of the Ontario Trucking Association. Thank you very much, Mr. Chair and committee members, for having me here today.

The Ontario Trucking Association has been the voice of the Ontario trucking industry since 1926. Our membership is diverse, representing small, medium and large trucking companies from across the province and Canada.

The OTA strongly supports Bill 215 in its quest to streamline and make regulations in this province more effective for all Ontarians.

Bill 215 is yet another example of Minister Sarkaria's commitment to delivering on regulatory adjustments that will make this province more competitive, by introducing a measure that will allow the supply chain servicing the city of Toronto to strongly consider off-peak delivery. Such a measure could divert commercial traffic servicing city of Toronto businesses to service hours when roads are less congested and commuter traffic is lighter. In turn, this could lead to reduced transit times, a reduction in greenhouse gas emissions and the probability of vehicle collisions involving commercial vehicles being reduced.

The Ontario Trucking Association strongly supports the concept and the practice of off-peak deliveries.

There have been two off-peak delivery pilots in Ontario: an MTO-led pilot with the 2015 Pan Am Games, which included 40 municipalities in the greater Toronto area and surrounding regions for six weeks; and a six-month Peel region pilot in 2019, which included Mississauga and Brampton. Both pilots produced positive feedback from both carriers and their customers, and saw a noticeable decrease in average trip times for trucks.

While off-peak delivery poses new considerations for the entire supply chain, including carriers and its customers, which is a private sector challenge between those two, part of the historic impediment to these discussions involving off-peak delivery were noise bylaws preventing these deliveries. The passing of Bill 215 will now allow the supply chain to freely work and explore the opportunities for off-peak delivery within the city of Toronto, free of government regulation, and allowing businesses to make these decisions.

Supply chain partners will now have the opportunity to deliver a more effective delivery system that could not only make Ontario businesses more effective and competitive, but also reduce emissions generated by local Toronto businesses, all while making our roads less congested and potentially safer.

In closing, OTA would like to thank the government of Ontario for its support for our sector throughout the COVID-19 crisis. Minister Mulroney and her staff, along with other ministers, have been fantastic in terms of working with our sector throughout this crisis; our membership has been greatly aided by government policy and leadership throughout. Bill 215 is yet another example of this leadership and support.

If there are any questions, I would be happy to answer them.

The Vice-Chair (Mr. Jeremy Roberts): Thank you.

We will dive back into questions, and we will start with the opposition. MPP Fife.

Ms. Catherine Fife: Thank you, Stephen, for your presentation. I know that you also came before finance and also throughout the summer, and so you have been a strong advocate for your members.

I think that we all agree that it took a long time to get to off-peak delivery. It makes sense on a lot of levels, and so I just want to let you know that of course we're supportive of it. During these times of economic crisis and health crisis, it does seem like there's enough disruption for things to move forward in an accelerated manner. So I want to thank you for your advocacy.

I also want to give you a chance to talk about the safety of your members, of truckers. During the height of the pandemic, your organization was really clear about what safety protocols needed to be in place. Actually, truckers were speaking up about what they were seeing on the road and how things were proceeding. So can you just talk about the health and safety of your members, as well? Obviously, they're out in the community, and they're moving through all of these red, orange, yellow zones.

Mr. Stephen Laskowski: Thank you very much for the opportunity.

As I mentioned earlier, we have had incredible support from all levels of government and obviously—talking today in the virtual Ontario Legislature—incredible support from the government of Ontario, not only with regard to clarifications in early days as to what type of actions are required regarding PPE. “PPE” falls off our lips now. In early March, people were asking, “What are you talking about?”

As a sector, I can tell you, our membership, from the ownership to the drivers themselves, instantly worked together, along with their customers, to work through this issue. Were there challenges? Absolutely.

That's why we've always said that Minister Mulroney and her team have done an outstanding job in working on bathroom access, restaurant access, access across the border, working with the supply chain. The things that we would normally take for granted as normal citizens prior to this crisis no longer could be taken for granted. It has

been a lot of hard work by a lot of people within the government of Ontario.

And obviously, we need to give accolades to the hard-working men and women who are behind that wheel, to the owners who are doing all the right things to make sure our drivers are safe.

The Ontario economy is moving, but part of that equation was definitely the response on the part of the government.

1720

Ms. Catherine Fife: I remember in your last presentation, also, you were talking about talent retention and getting the workforce into the trucking industry. You literally are keeping the economy moving. Is this an on-going issue for you, Stephen? Can you talk about that?

Mr. Stephen Laskowski: Absolutely. There was a driver shortage, a labour shortage. I think all sectors across this economy are having challenges, not just in Ontario, but across Canada, in terms of attracting workers. The trucking industry is one of those sectors. We have the oldest workforce over the age of 55 in terms of percentage, and what has happened during COVID-19 has exacerbated the situation. Obviously, when you have people over the age of 55, they start thinking about retirement, and there's a natural exit rate on an annual basis. What we've seen during COVID-19 is that that exit rate has been accelerated. So we came into the COVID-19 crisis with a driver shortage, and when we leave the COVID-19 crisis, we're going to have a higher degree of driver shortage.

Ms. Catherine Fife: I'm going to pivot over to Iain, also on the same issue around talent attraction and retention.

Iain, I know that Communitech has done extensive outreach into the United States, trying to pull people here—but also hold people here. Do you want to have a few minutes to talk about how important that is for the economy going forward?

Mr. Iain Klugman: I just want to start by thanking Stephen and the truckers of Ontario for keeping our economy going. You saved us. Thank you.

It goes back to this notion of an innovation-based economy. It really is about attracting the world's smartest people to come to our communities. Given what has happened in the world with global supply chains in the pandemic, I really do believe there's an opportunity for us to be playing a much stronger role as far as recruiting people. We did this very well in the late 1960s and early 1970s. We brought a lot of remarkable people to our province, into our outstanding educational and university systems. I really do think that there's an opportunity for us to be recruiting not just talent, but also businesses to Ontario. People, I believe, are looking for a place where they've got more trust in global supply chains and more trust in regulatory frameworks, so I think that's a big opportunity for us.

The retention piece is really about quality of life. Increasingly, we're seeing people who are saying, "I have a much broader view as to what Ontario can offer"—and that it is not just about the very, very cool downtown urban Toronto experience; it's about communities across the

province. If we can get the broadband piece right, which we need to do, and start thinking about broadband as being critical structure for our province—maybe even more important than roads and highways—then we have an opportunity of being able to have a much broader set of options to attract people to the community.

I should also note and be on the record as saying that we are 100% in support of Bill 215. I'm not sure I had an opportunity to say that yet, but I did want to put that on the record.

The Vice-Chair (Mr. Jeremy Roberts): We'll go to the independent member. MPP Hunter.

Ms. Mitzie Hunter: Thank you to our two presenters.

Welcome, Stephen. I want to address some questions to you.

I have a huge amount of respect for truckers. My father owned and drove transport trucks and dump trucks, both in the construction sector as well as the agricultural sector. In fact, I remember on the agricultural side, there's an added carefulness—you have this product that you're moving that has expiration or is livestock, and you have to be so, so careful. For every kilometre of road, your attention has to be 100%.

I wonder about the well-being of your drivers. I remember in the early days of the pandemic—this is way back—we'd forgotten that they had to stop along the way and use washrooms, and everything was shut down, closed, no access at all. Then we had to say, "Oh, no, we have to make sure we keep everyone moving."

I want to join Iain in saying thank you to you and your industry for being brave. You're always brave, and you're 24-7, and we know that—so if you could just talk a little bit about, from a well-being standpoint, a mental health standpoint, how your industry is faring through the pandemic.

Mr. Stephen Laskowski: It's nice to hear that you have the connection to the industry. I'm sure your father enjoyed the industry, like all of us. It's one of those industries that, once you get in, you can't ever leave. It really is a sisterhood and brotherhood, and people really enjoy the career and the job.

With regard to the overall both physical and mental health of truck drivers, they're a very resilient group. Part of this whole process which has invigorated the men and women who are behind that wheel is the public outpouring of support.

As I mentioned earlier, I think that, as a society, we all take things for granted. As we've gone through this pandemic—whether it's sharing a sandwich with each other across the table or walking down a street or going to see a movie, we've all come to understand that we shouldn't take these things for granted, that we're going to have to park them for a bit.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Stephen Laskowski: The outpouring has been towards the recognition—perhaps a long-overlooked recognition—of the men and women behind the wheel. That has been a huge boost to the mental health of these men and women—understanding that their job is being recognized. When they go home to their children, teachers

and students are saying, “Your father or mother is a truck driver. Wow, good for you.”

There has been a lot of suffering, and perhaps more suffering to come through the COVID-19 crisis, but if I can take a silver lining for our industry, it’s the public recognition towards those men and women who work in the industry, specifically behind the wheel. They get up each day and they go into the United States or across Canada and bring the goods, and there are challenges associated with that.

I want to thank everyone on this line, because many of you have been outpouring, and I can tell you, your words fall on their shoulders very well, and it invigorates them. So I’d like to thank you all for your support of our industry. I can assure you that, from a support perspective, health and safety—

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. I’m afraid I’ll have to cut you off there.

We’ll go to the last round of questions from the government. MPP Smith.

Mr. Dave Smith: Stephen, I’m going to start with you.

My family has a long history in the trucking industry. My great-grandfather started Smith & Son Transport in 1892 with a horse and wagon, basically. By 1904, they won the contract for Corby’s distillery and held that contract until 1967, when my grandfather sold the company to Haggarty. It became Haggarty Smith, and later became Canada Transport. We have a very long trucking history in our family.

1730

Where I’m going with this is the off-peak-hours delivery of product. There was a time in Ontario, in Canada, when the workforce was typically 9-to-5 factory work. Even factory work was 9 to 5 or 8 o’clock until 5 o’clock. That really doesn’t exist for the most part now. In a lot of cases, industries are 24 hours a day.

When you look at just-in-time transports, you’re looking at getting the product in basically moments before you would be doing anything with the manufacturing side of it.

Can you expand a little bit on how much you think this is actually going to help not just the trucking industry but manufacturing—by having the product being delivered 24 hours a day?

Mr. Stephen Laskowski: Absolutely.

I invite you to come to our office. You can see behind me—people think this is a virtual wall; I’m not that technologically savvy. This is actually a photo of Canadian soldiers at Vimy Ridge. We have a wonderful archive. Maybe your grandfather or great-grandfather is up on our wall. We have some old horse-and-buggy members; we go back that far.

With regard to the whole issue of off-peak delivery and how it will benefit the industry, I think what it’s going to do is exactly what a red tape bill should do: It’s going to take away a noise bylaw and allow the businesses that purchase our members’ services and our members to work out delivery schedules that make sense for that supply chain. You know there will be B2B issues, because obviously if you’re delivering in a window from, let’s say, 8

a.m. to 6 p.m., and now we decide within that supply chain we’re going to go past 6 p.m. to midnight, when there are less people on the road etc.—well, obviously somebody has to be there to receive it. Obviously, companies need to adjust workers’ schedules from a driving perspective, a loading perspective. That’s why I say it’s a B2B issue.

The reality is, without those noise bylaws being reduced, those conversations can’t happen. So now, in the passing of this bill, the supply chain can engage in those conversations and perhaps shift freight to off-peak. That’s a great opportunity for the supply chain.

Mr. Dave Smith: I’d love to come see your office. I’ve got some Fruehauf toy trailers with Smith & Son Transport trucks. It might be worthwhile putting them—

Mr. Stephen Laskowski: We’re going to be following up with you. We’ll get you out here.

It’s funny; a lot of people come in the office and literally—I’m not exaggerating—they see their grandparents on the wall. We go back that far. The oldest photo we have on the wall goes back to 1860.

Mr. Dave Smith: I would imagine that you’ve got some pictures of either my grandfather or my great-grandfather there, then.

Mr. Stephen Laskowski: By the way, the Haggartys are still great members on our board.

Mr. Dave Smith: Thank you. I’m going to pivot over to Iain for a moment.

Iain, although my family was in trucking, I have been in the IT industry for a very long time. I wrote software for a living prior to getting into politics. One of the concerns I have that I think is downplayed a fair bit is with respect to cyber security.

How would you propose that we communicate and educate the public that it is safe to have those packets bounce off of routers all over the world, when you’re looking at sending a message from one computer that’s sitting on the same desk as another computer? How would you suggest that we communicate that it is safe and that that information is not going to be captured and stolen by a foreign entity?

Mr. Iain Klugman: That’s a whole-evening conversation, but I’ll do my best to do it in 60 seconds.

The whole issue around privacy and security, in a way, has been a narrative that has been managed by others, and I think we really need to take it back. We’ve got people who are afraid to download the COVID-19 app, which is, I believe, arguably the most benign app that has ever been created in the history of humankind. It doesn’t even know who you are.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Iain Klugman: And yet, they will give away their data and their—every website, every app that every single person clicks and says, “Yes, you can know my location. Yes, you can download my data.” We all know what Facebook does. They take the data and they use it to monetize—other big companies don’t do that, but there are a whole bunch of players out there. I think there’s such a misunderstanding as to the security and privacy associated with both personal data and with corporate data.

On the one hand, we are ill-prepared from a business perspective. Mark Sangster has just written a book specifically for small and medium-sized enterprises about what they need to know about the dangers of cyber attacks and cyber security. It's a fantastic read—I highly recommend it—but it's also terrifying, because we are so exposed. So many of our small and mid-sized companies, which don't have the capacity to put in place the kinds of measures they need to protect themselves from bad actors—so many of the bad actors are coming from jurisdictions where there's no consequence and nothing to lose—

The Vice-Chair (Mr. Jeremy Roberts): I'm afraid I'll have to cut you off there. That is all the time that we have.

Thank you so much to our two presenters. That is the last of our presentations for today.

As a reminder, the deadline for written submissions is 7 p.m. on Thursday, November 12, 2020.

Is there any further business before we conclude? MPP Skelly.

Ms. Donna Skelly: I move that the committee enter closed session for the purposes of organizing committee business and that broadcasting staff be permitted to remain

in the closed session meeting for the purposes of operating the electronic meeting technology.

The Vice-Chair (Mr. Jeremy Roberts): MPP Skelly has moved that we move into a closed session. Is there any discussion?

MPP Shaw?

Ms. Sandy Shaw: I'm just curious why there's a requirement to go into closed session.

Ms. Donna Skelly: We normally deal with this in sub-committee—

The Vice-Chair (Mr. Jeremy Roberts): MPP Skelly.

Ms. Donna Skelly: Sorry. We are asking to deal with some housekeeping in closed session.

Ms. Sandy Shaw: Okay. Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Any further discussion? All those in favour? All those opposed? Carried.

We'll now move into closed session.

We'll recess for two minutes as we get everything sorted with the right people.

Thank you, everyone.

The committee recessed at 1738 and later continued in closed session.

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