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(Hansard)**

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des débats
(Hansard)**

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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Friday 19 June 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Vendredi 19 juin 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Friday 19 June 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Vendredi 19 juin 2020

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

COVID-19 STUDY

The Chair (Mr. Amarjot Sandhu): Good morning, everyone. I call this meeting to order now. We're meeting for hearings on the tourism sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy. Today's proceedings will be available on the Legislative Assembly's website and television channel.

We have the following members in the room, present with us: MPP Stan Cho and MPP Sol Mamakwa. The following members are participating remotely: MPP Crawford, MPP Hunter, MPP Schreiner, MPP Skelly, MPP Smith, MPP Blais, MPP Lindo, MPP Rasheed, MPP Sabawy, MPP Cuzzetto, MPP Anand, MPP Miller, MPP Harden. Did I miss any members?

The Clerk of the Committee (Ms. Julia Douglas): No, I think that's everyone.

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

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

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak. Since it could take a little time for your audio and video to come up after I recognize you, please take a brief pause before beginning. As always, all comments by members and witnesses should go through the Chair. Please note that this virtual meeting represents an extension of the Legislative Assembly, and the same standards of decorum will apply.

Are there any questions before we begin? All right, seeing none, for the hearings today, our presenters have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation, and after we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, opposition and the independent members as a group. Are there any questions? Okay.

ONTARIO'S HIGHLANDS
TOURISM ORGANIZATION
ASSOCIATION OF CANADIAN
TRAVEL AGENCIES
METRO TORONTO
CONVENTION CENTRE CORP.

The Chair (Mr. Amarjot Sandhu): Are there any questions? Okay, seeing none, I'll call upon our first witness, from Ontario's Highlands Tourism Organization. If you could please state your name for the record, you will have seven minutes for your presentation.

Ms. Nicole Whiting: Hi there. My name is Nicole Whiting. I'm the executive director for Ontario's Highlands Tourism Organization.

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

Ms. Nicole Whiting: Okay. Good morning, and thank you for this opportunity to speak with you today. As I said, my name is Nicole Whiting, and I'm the executive director for Regional Tourism Organization 11, affectionately known as Ontario's Highlands.

Geographically, our region is situated just below Algonquin park and includes Haliburton county, Renfrew county, Lanark county and portions of Hastings, Lennox and Addington, and Frontenac counties. Aside from northern Ontario, our region is the largest of the 13 regions in the province, with 45 municipalities woven into 28,000 square kilometres of breathtaking agriculture, rivers, lakes, wilderness and the great Canadian Shield. Our region is entirely rural, with our largest towns reaching populations of just over 15,000 people.

Like many rural regions in the province, it was our natural resources that originally brought prosperity to the region, and it's reflected in the vibrant cultural fabric that underpins our communities today. With the disappearance of these industries and our proximity to Toronto and Ottawa, the visitor economy has replaced the resource sector as a key economic driver for our area. In fact, as of 2016, we welcomed six million visitors, who spent \$565 million in our communities. The economic activity supports 3,400 businesses and employs 23% of our workforce. We also welcome a significant seasonal resident population, with some of our communities doubling or tripling in size during the summer months.

We've noticed an upward trajectory since our inception 10 years ago, in spite of two seasons of devastating floods, but March changed our trajectory. I'm sure that by now

you are well versed on the stats related to how the COVID-19 pandemic has devastated the tourism sector and the urgency to get our industry back on its feet. Our region is no exception.

In the interest of brevity, I want to turn your attention from the impact this crisis has had on our region to some recommendations to government that speak to the unique realities of our rural region. In preparation for this address, we recently surveyed our industry and asked them, what are the top three things you believe the provincial government could do to help the industry recover?

The most common response was help with liquidity. Our tourism businesses are largely owner-operated and seasonal. The bulk of their revenues are realized during the spring and summer, and that helps carry them through the winter. Going into the upcoming season, many of them have depleted their bank accounts and operate off of lines of credit. So our businesses are in a situation where they don't have money coming in, they're already in debt, and if they want to reopen they have to incur the additional expenses associated with safety retrofits and PPE, not to mention the additional staff costs associated with more frequent cleaning protocols, and this on top of any planned operational costs that are typically incurred this time of year in preparation for opening the season. According to the CFDCs in the region that deliver the RRRF, many operators are reluctant to take on more debt and are choosing to stay closed and may never reopen.

The second ask of government was assistance with enhancing their presence online. This begins with improving access to reliable and affordable Internet and mobile service. According to the Eastern Ontario Regional Network, which works on behalf of the Eastern Ontario Wardens' Caucus to improve connectivity to eastern Ontario, only 40% of inhabited communities in our region have access to 50/10 megabits per second Internet. EORN is ready to turn that figure into 95% as early as August, but the process to get projects funded and approved through the various levels of government means this realistically cannot be achieved for 10 years. I found that shocking.

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

Ms. Nicole Whiting: Consumer preferences demanded business sophistication online before this crisis, and now it's expected. We simply don't exist if we aren't online.

The third area requested was assistance with communications and promotions to combat the fear of venturing out and exploring what Ontario has to offer. It took no time at all to instill enough fear in the people of Ontario around the dangers of COVID-19, and it has worked. We've stayed home; the numbers are coming down. Unfortunately, it's going to take a lot longer for businesses to feel safe opening, for visitors to feel safe travelling and for residents to open their doors beyond their local population.

In light of this, our recommendations on behalf of our industry in Ontario's Highlands are as follows:

Under the category of liquidity, we need direct financial aid and grants for infrastructure upgrades, retrofits and PPE so businesses can be compliant with new health and safety protocols. We need to work with the federal

jurisdiction to expand the \$40,000 interest-free loan into a completely forgivable grant for tourism and hospitality businesses facing bankruptcy. We need to provide financial aid and grants for transformational innovations that introduce new revenue streams for businesses facing scaled-back customer capacity due to social distancing measures.

Many community support programs in our area are funded by festivals and events. Many are cancelled this year, and as a result, there's less support available for vulnerable populations in our communities. Funding for community events and festivals will be imperative during recovery.

We know our sector is on a long road to recovery, but we will recover. Our operators will be back on their feet again, but we will need long-term support. Tourism businesses are frequently deemed high-risk and have reduced access to small business loans. Make available government-guaranteed small loans for the tourism and hospitality sector for subsequent recovery stages.

Under the category of digital excellence, we need to reduce red tape so timelines can be shortened for projects that will expand the availability of reliable and affordable broadband in eastern Ontario. We need to provide direct support to businesses and/or support existing programs like digital—

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

Ms. Nicole Whiting: —to enable businesses to improve their online presence.

Under the category of promotions and communications, we need a tax credit for incentives for visitors to explore Ontario. That shows a good endorsement from the province that we are open for business.

We work very closely with our county partners to identify the needs of their local populations, as an RTO, and we leverage resources to deliver tourism development initiatives. We're prepared to execute an advertising and communications campaign in a responsible manner so our residents, businesses and visitors feel comfortable to enjoy our region again, but we need the support from the province. The recently announced additional support to RTOs is fantastic, but given the long-term nature of recovery, we would like to ask for consideration to be given to multi-year funding for RTOs. Sustainability of funding will go a long way to reducing uncertainty in this sector.

We're very grateful to the Ministry of Heritage, Sport, Tourism and Culture Industries for the ongoing support of the RTO model, and special thanks to Minister MacLeod for her unwavering support for this sector and her commitment towards ensuring that we will recover from this crisis as quickly as possible. Thank you.

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

Our next presenter is from the Association of Canadian Travel Agencies. If you could please state your name for the record, and you will have seven minutes for your presentation.

0910

Ms. Wendy Paradis: Thank you for giving ACTA, the Association of Canadian Travel Agencies, the opportunity

to address you today. ACTA is a national trade association that represents 24,000 travel agents and 14,000 travel businesses who are located in almost every city and town across Canada. Over 90% are small businesses, and the vast majority of employees and independent contractor entrepreneurs are women. In Canada, the travel, tourism and hospitality industry employs over 1.8 million people with an economic impact of \$102 billion per year.

The COVID-19 health and economic crisis has had a catastrophic impact on our industry. ACTA estimates that the economic loss to travel agencies alone in Canada could be up to \$30 billion in sales and \$3 billion in revenue in 2020.

Approximately 50% of all travel purchases through a travel agency in Canada take place in the province of Ontario. Travel agents sell Canada, leisure and corporate travel and destinations around the world to Canadians. While most other Canadian businesses continued to operate at full capacity through January, February and well into March 2020, the travel industry began feeling the negative economic impact of COVID-19 starting in late January. Escalating government travel advisories telling Canadians to avoid all non-essential travel and the closing of Canada's borders to visitors from other countries dropped travel agency revenues by over 95%.

The current situation: 90% of travel agents are still currently laid off or out of work. With Canadian travel advisories having no end date attached to them for travel within Canada and to and from Canada, we expect the financial impact and employment loss to continue for many, many months ahead.

Our key issues: While other industries begin to open up and start to recover, the travel industry will lag behind due to federal and provincial government travel bans. Projections are that we will not see revenue pick up until late 2020 and possibly into 2021. ACTA urges the Ontario government to consider the burdens that Ontario travel agencies and the travel industry are dealing with at this time and ask that the Ontario government assist us in sustainability and recovery.

Ontario travel industry regulatory fees: Although travel agencies appreciate the deferment of TICO-related fees until later this year, based on the information we have now, we ask that the Ontario government completely waive regulatory fees for travel and tourism businesses for 2020. In a COVID-19 business environment, we hope that travel agencies will not be forced to shut down operations due to the added burden of paying TICO regulatory fees.

Rent: Please modify the Canada Emergency Commercial Rent Assistance program. While the intention behind the program is very much valued, 70% of travel agency landlords are not willing to participate. We recommend that the Ontario government take the lead and amend the rent program and make it available to the tenant directly rather than rely on the participation of the commercial property owner. This will ensure the much-needed liquidity is received by the tenant.

Further amend the Employment Standards Act: ACTA thanks the Ontario government for recognizing the next

critical business crisis our industry is facing by announcing the temporary amendment to the Ontario Employment Standards Act. The extension of the layoff period from the traditional 13 weeks to six additional weeks after the province lifts the declared state of emergency is very much appreciated as Ontario's current employment standards and severance costs will be unsustainable for many travel and tourism businesses. Unfortunately, as long as Canada avoids all non-essential travel outside of Canada and our internal provincial measures ask to avoid all non-essential travel, the Ontario travel industry will not be able to bring back the vast majority of their employees. ACTA encourages the Ontario government to work with the travel and tourism industry to develop win-win solutions for employees and employers while the travel industry slowly begins to recover. A solution may be a one-time COVID-19 notice/severance crisis cost-share program where the employer, employee and the government all participate.

Finally, we strongly urge the Ontario government and the health minister to seriously consider the easing of travel advisories as quickly and safely as possible. We will be living with the COVID-19 pandemic impact well into 2021, and it is important to realistically minimize the spread of the virus.

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

Ms. Wendy Paradis: The Canadian travel and tourism industry has taken significant steps to mitigate the risks at airports, flights, during hotel stays and attractions, with new health and safety measures in place now. We are asking the Ontario government and health authorities across the country and in Ontario to work with our industry to help Canadians, first, to travel around our country; and then, secondly, to carefully ease travel restrictions for travel to and from Canada.

In closing, we appreciate all the hard work being done by the Ontario government to combat the COVID-19 pandemic, and we hope to work together to ensure that the travel and tourism industries are not left behind. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to our next presenter, from the Metro Toronto Convention Centre Corp. If you could please state your name for the record, and you can get right into your presentation. Mr. Hassenstein?

Mr. Lorenz Hassenstein: Good morning. My name is Lorenz Hassenstein. I'm the president and CEO of the Metro Toronto Convention Centre. We're a crown corporation located in downtown Toronto.

We do not require any government funding annually. We also support the industry. We're fortunate in that we earn a small profit annually, which we distribute to the province. This call is not predominantly about the MTCC; rather, our customers and how government and industry is segregated and viewed. Currently, like everyone else, our industry is paused or stopped, employment is at an all-time low and many are suffering.

This call is not a plea for funding or money or any of those other things, but more an opportunity to share with

government the notion that not all businesses and not all events are similar or the same. We service and host a variety of businesses and events, from what I would call consumer shows down to business events. In this conversation, I'd like to focus around business events as being segregated out from the variety of mass gatherings that they're included within. Business events tend to be community-based. In other words, there are events that are about government, there are events that are about banking, there are events that are about finance or health care etc. These events tend to be community-based; most of these executives know each other and have the ability to understand what's going on in the industry and with their peers.

While they can be competitive, typically, they do work together to solve problems. In this particular case, most of these industries would like to meet in order to solve a number of the problems around COVID-19. So this call is merely a conversation or a note to allow these small businesses, who are mostly Canadian-owned and local businesses, to begin operating sooner than, say, mass events, ball games, concerts and things of that nature. They can be run safely; the Canadian expo association, CAEM, has presented guidelines. We'd like to plead with government to please separate them from some of the other mass gatherings that, I think, are going to open later. We believe that the business events should be able to open a bit sooner. That's all I have to say.

0920

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

We'll start with questions now. We'll start the first round with the opposition. MPP Harden?

Mr. Joel Harden: Thank you to the presenters this morning.

Nicole, it's great to see you. As a fellow Ottawa and Ottawa Valley person, I was wondering if you could elaborate a little bit on the specific impacts for—I've been hearing in our office in downtown Ottawa—ecotourism operators and the particular needs they have. As you mentioned, given how tight margins usually are, for them to ramp up, in some cases, to the demand they're facing for folks who want to explore the Ottawa Valley—could you elaborate a little bit about that?

Ms. Nicole Whiting: Yes. In fact, we have a couple of operators that are really in a tough situation in terms of whether or not to open. A lot of it has to do with the additional protocols around safety, the volume of customers that they're going to be able to put through the summer, on top of the things that they'll need to do to ensure that they're meeting those requirements. They're really faced with a difficult decision whether or not to go forward, whether the revenues they are going to see through the summer are going to carry them over for the season, and they are seasonally based, as I mentioned; the revenues they make have to carry them over through the winter.

Again, that just speaks to the support that is required for these businesses in the way of financial aid and grants. Taking out loans when you're really skeptical about the revenues you're going to receive is difficult for them. So

some are skipping this season. They may not return, which is unfortunate, because our natural environment is perfect for social distancing. You can't get COVID-19 from hugging a tree.

Mr. Joel Harden: I think we have to use that remark you just made, Nicole, for Hansard. That is a fantastic expression. "You can't get COVID-19 from hugging a tree."

I've also just heard from a lot of major operators who normally do overnight youth camps working out of Ottawa and up the Ottawa Valley about—understandably, the province made the call they made out of advice they received from public health officials. But most of our Ontario campsites have been completely booked up because there's been a huge renewal of interest in getting outside in these conditions that we have, which I think is great. Again, could you elaborate just a little bit more on what we could specifically do for small tourism operators in the Ottawa Valley? I'm hearing from folks utilizing those services and from some operators who are based here in Ottawa that if we did more of what you talked about—the upfront grants—the upfront liquidity, we could help some of these operators really make a huge contribution.

Ms. Nicole Whiting: Yes, exactly. Again, the demand for those natural experiences is increasing. There are more city dwellers that are looking to our areas that are more sparsely populated and want to be in that natural environment. These operators need that additional liquidity to not only be able to accommodate for the reduced capacity, but also, perhaps in some instances, extend their season. So we've lost a couple of months of the season.

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

Ms. Nicole Whiting: Some operators aren't used to going into the fall, the shoulder season. They're looking to do that, but there will be additional costs incurred for that as well. So if we can extend their season to enable them to accommodate more campers, that would be fantastic. That would be very, very welcome, to them, absolutely.

Mr. Joel Harden: Chair, I would like to offer the remainder of my time to another colleague.

Nicole, I want to thank you for your work, and please let us know if we can be of any help in downtown Ottawa.

Ms. Nicole Whiting: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. Further questions? MPP Lindo?

Ms. Laura Mae Lindo: Thank you all for your presentations. I actually had a question for Wendy. We keep hearing about the need for very good messaging to encourage people to go out, and the importance of that messaging being clear. We've had a little bit of shifting of focus. At first, we were going to open up the entire province—we were hearing that from the government, and then they went with the regional openings. Now, because of that, I'm worried about how that impacts your sector and, for you, how you can—I'd like you to speak a little bit about why it would be important to provide very clear health messaging so that that, in the interim, can assist.

Ms. Wendy Paradis: Thank you for the question.

I think that the travel industry and the tourism industry have worked really hard in the last few weeks making travel as safe as possible. There's lots of protection in place, right from the time that you arrive at an airport, let's say, and move through airlines, with masks, sanitizers etc. So I think that our industry has done a lot of work to make things as safe as possible.

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

Ms. Wendy Paradis: We're trying to get the messaging, and the role of government is so important around safety first and being able to allow Canadians to move. As far as the health officials and the Ontario government, for instance, I think that you have a tremendous impact on when Canadians will feel safe to move, and the travel and tourism industry really needs to count on you, as well, to help us build consumer confidence to move across not only Ontario but our country.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes the time as well.

We'll move to the independent members now. I'll start with MPP Blais.

Mr. Stephen Blais: Thank you, everyone, for your presentations.

I would like to start with Wendy as well. Wendy, I held a consultation with some travel agents in Orléans a few weeks ago, and they mentioned the cash flow issue that agents have, in terms of payments within a certain period of time of the vacation. Because those have been cancelled, they haven't been paid for those bookings.

Also, they mentioned that, because of the way the refund programs are going to work, they're going to be responsible for rebooking vacations a year from now, two years from now, and so effectively they will have worked twice for the same vacation and only got paid once. Is that where that cost-share program might come into play that you were mentioning?

Ms. Wendy Paradis: Typically, the sellers in the travel industry get paid about 42 days after a person travels. So all of the work that has been done by travel agencies, pretty well last fall and into January, February and March of this year—all of that revenue has been lost or is on hold, in that we haven't been paid yet. And yes, we are going to have to do double the amount of work, with no compensation, in the future. So I think that anything that we can do to have liquidity inside travel businesses is very helpful.

I think most important is some of the employment standards cost-shares that I've talked to, knowing that our recovery is going to be long. The second-highest cost in a bricks-and-mortar business is rent, outside of labour, so that rent program is incredibly important. Things like the HST and GST—Q1 was deferred until the end of June. Ourselves and TIAC have asked that the GST be deferred further or waived. We need to keep liquidity inside the businesses.

I think that all of the programs—the CERB program, the help that we're getting with refunds and chargebacks from both the federal and Ontario governments through the regulator—all of that is helpful. To Nicole's point earlier, keeping as much as liquidity in travel and tourism

businesses is really key, and then any kind of concessions that we can get—I'll tell you, the wage subsidy is having a huge, positive impact for businesses. So I think continuing along that line and extending those programs for travel and tourism will be vital. All of it helps.

Mr. Stephen Blais: Perfect. Thank you.

You mentioned the TICO fees. What would a typical TICO fee be for a typical agent or agency?

0930

Ms. Wendy Paradis: For a really small business with, let's say, sales under \$1 million, it might be a few hundred dollars a year. In a zero-based revenue environment or negative revenue environment, everything is helpful.

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

Ms. Wendy Paradis: For some of our larger travel agencies, their TICO fees would be well over \$100,000 a year.

Mr. Stephen Blais: Sure. So for the government it's really a negligible amount of money, but for operators and agencies it's actually substantial, given the lack of revenue.

Ms. Wendy Paradis: Absolutely.

Mr. Stephen Blais: Sure. Thank you very much.

Nicole, thanks for being here. The Ottawa Valley is lovely, especially at this time of the year. I grew up camping in Calabogie.

You mentioned the importance of the RTO funding, and of course, in Ottawa and in Toronto, the government has cut or eliminated RTO funding to the two biggest cities in the province. I'm wondering what the impact of cutting your RTO funding would be for an organization like yours and for the area of the province like yours.

Ms. Nicole Whiting: It's devastating for any RTO to have a reduction in funding. The primary reason is because of our collaborative relationships with our communities. What we do is we go above and beyond promotions and marketing. We also work with our communities to enhance the level of understanding around what it takes to be a premier destination. For example, we had to postpone it, but we're rolling out a destination development plan for Haliburton county as well as the Ottawa Valley. This enables their community to really understand the whole, big picture around attracting the visitor economy that goes beyond promotions. How do they enhance the assets that they have in their community? How do they get their residents and businesses all working in alignment towards that common vision? How do they improve their digital presence, both from a business level as well as a community level?

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

Ms. Nicole Whiting: Without the RTO funding, without our strategic leadership, we basically go back to a fragmented model of municipalities using their meagre budgets that are often competing priorities within a municipality to fund tourism. So yes, absolutely, funding for the RTO model is imperative.

Additionally, we have to wait for our funding on an annual basis, so having a multi-year, rolling funding agreement would allow for us to have a more sustainable

model so we can take on more long-term projects that improve the ability for our communities to really attract that visitor economy.

Mr. Stephen Blais: I appreciate that, and I look forward to getting out to Calabogie sometime before the end of the summer.

I'm not sure if MPP Schreiner or MPP Hunter want to get a question in in 10 seconds.

The Chair (Mr. Amarjot Sandhu): MPP Schreiner? And MPP Hunter after that.

Ms. Mitzie Hunter: Hi. Actually, I just want to ask the Metro Toronto Convention Centre about occupancy levels and the thought of that, going forward, and I appreciate the request that we consider business returning—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll come back to you in the next round. We'll go to the government side now. I'll start with MPP Crawford.

Mr. Stephen Crawford: Hi. Good morning, Chair, and good morning to everyone. I certainly understand where all of you are coming from in your industry and how hard it's been hit.

My question is for Nicole. You may or may not be aware, but earlier this month, Minister Laurie Scott, who's the Minister of Infrastructure for the province, announced a \$100-million infrastructure plan to get some reliable broadband Internet connectivity through rural regions. It will be upwards of over \$500 million when partner funds such as municipalities and telecom companies are included. This is a big, big objective of our government. It's really to connect people. I think we see that now more than ever, going through COVID-19, whether it's students that need connectivity to school, businesses, families etc.

You did touch on broadband and the need for it in rural areas. Obviously, our government feels the same way and we're making positive changes there, and there's still a lot more to be done. But could you explain how that will benefit your businesses specifically, and what sort of economic impact that will have in your communities?

Ms. Nicole Whiting: It will be tremendous. It was Lisa Severson from EORN that I spoke with. From an economic feasibility or forecasting standpoint, that's something that I think that they've been working on—what would be the economic impact.

I can really only say anecdotally—we haven't done research on our own. But a business owner who has to drive to a Tim Hortons to run their business cannot survive through this crisis. They need access to reliable Internet, not just for their own communications with their customers, but also for their ability just to actually run their business.

From an economic impact—there are a couple of things. If you're not online you don't exist, so our businesses aren't going to be able to get out there and get in the face of our audiences. Secondly, we've become a destination of choice for city dwellers to perhaps relocate because now they're working remotely. They're thinking about the lower cost of living in rural destinations, but not having reliable Internet is a deal breaker. We'd love to welcome new residents. We'd love to welcome new

tourism businesses into our region, but if we don't have that Internet availability, we're definitely not as attractive.

I'm very much looking forward to that case study that EORN is going to be rolling out with, in terms of the economic impact. I think we're going to see it's far greater than we even imagined.

On the note of the investment, that's fantastic. The funding that's available is there. I guess for me what I found most shocking is the time frame in which to get these projects going. Ten years is too long. If we have the money, we need these projects moving quickly. That's my only ask of government—our industry's ask of government: If it can be expedited in any way, we'd like to see that happen.

Mr. Stephen Crawford: Yes, we've started on that with that announcement in June, that we are moving in a faster manner.

I don't know if you're aware as well, we announced a Digital Main Street program so businesses can receive up to a \$2,500 grant from a \$57-million pool to help them get better access to the Internet.

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

Mr. Stephen Crawford: It's actually incredible, but we are far behind the United States in terms of digital access. Less than 10% of businesses in Ontario actually have PayPal or Internet payment potential, so there's a long way we can go.

I think you're right. I think there's potentially a lot of residents from the GTA that might want to move to different regions, but they need connectivity. You raise a very good point there, I think, for business as well as for families and schools.

My second question: I know you did touch on red tape reduction. I found that interesting. Ontario has more regulations than any jurisdiction in the world. We've created a ministry of red tape reduction. We want to eliminate those inefficient and burdensome regulations. Are there any examples that you can provide to us right now—we'll take notes and I'll pass them on to the minister myself—examples that can really help spur economic growth and business activity in your region?

Ms. Nicole Whiting: Yes, I have three examples. The first one is around development. For example, I have a developer in the North Hastings region that would like to expand their cottage properties to accommodate more visitors to the area. It's taking him forever to get approvals on that development. I know that has been mentioned in the past. The Premier has even mentioned it in terms of the red tape around development.

The second is around waterway regulations. We've got a premier attraction. We have the Ottawa River. One of our operators does operate a pontoon boat on the Ottawa River and they have found that there have been some limitations around—

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

Ms. Nicole Whiting: —as it relates to having customers on the water.

The third one was around transportation. Access to our region is very limited. Anyone offering rental vehicles or

the ability to get people from the more dense centres to our region—the insurance associated with that is extremely cost-prohibitive. I think we're eight times more expensive, from an insurance standpoint, than other provinces. It's outstanding.

Those are three areas that I know would directly impact our region.

Mr. Stephen Crawford: I think we just have a few seconds left, but I wanted to get a sense because I'm trying to understand how the trends are now, given that we've been going through this for a few months and we have moved into phase 2: Is there any pickup in economic activity in your region? Are you seeing interest in staycations and some business activity in your regions from Ontarians?

Ms. Nicole Whiting: Yes, we are.

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

I'll go back to the independent members now. MPP Schreiner?

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Mr. Mike Schreiner: Thank you, Chair. I want to thank all three groups for presenting today and taking the time.

Nicole, I was going to direct my first question to you. Maybe you could talk a bit about the multiplier effects of ecotourism. I think of every time I travel through Haliburton to go paddling, not only do I stop and buy food and things like that, but I might pick up some art or support other local businesses. Are there ways that we can look at creating a multiplier effect around ecotourism?

Ms. Nicole Whiting: Yes. As I mentioned, those destination development plans that we are supporting, in fact, in Haliburton county as well as the Ottawa Valley—that's exactly what that's about. We've got these wonderful natural resources and assets as anchor attractors to the region. They, of course, don't sell anything, but they sell our ability to attract people to the area.

One of the things that we're working on is just working with the community to position the experience within their community as a way to extend the stay, as well as increase the yield for anyone that comes to the region. We're working in partnership, in a collaborative way, with various businesses, working on itineraries and packages of routes, as well as enhancing the actual experience itself. Things as simple as public washrooms being available in those natural environments is important for people to want to come to an area.

Really, we want to be able to try to create an opportunity where visitors don't have to think about anything. They're leaving their crazy hustle and bustle world in the city to come and relax and unwind and reconnect with their family and loved ones. We need to make that as easy as possible. But that's a collaborative effort. It's not one silver bullet. It's not something a marketing campaign is going to achieve. It's something that we, as a community, have to really work together on and identify all of those hot-button points for the visitor that prevent them from coming to our area.

Mr. Mike Schreiner: And how vital is it to have some sort of program to support businesses being able to afford PPE, in terms of reopening?

Ms. Nicole Whiting: It's extremely important. I just want to reiterate my opening comments: It's cost-prohibitive, and some businesses aren't even opening because of that. It's crazy. Their margins are so small. Many of these business owners—and what people love about our area is that they love what they do. It's the people that attract visitors to our area. The fact that they have dedicated their life to being outdoor outfitters—they are able to send you on your way through a canoeing experience or a hiking experience. But we're not talking big dollars here. They do it because they love it, and things like those expenses kill the dream for these families.

We absolutely need that. Without those enhanced experiences available in our communities, again, without that resource-based industry that's no longer there, tourism is all we have. We need to be able to support these—they're very vulnerable right now.

Yes, there is more demand right now, because we're open and people are chomping at the bit. They've been cooped up for several months. They want to get out into nature. They want to get to these small communities. But that window for revenue is very small. They have a whole winter now to survive and prepare for next season.

Mr. Mike Schreiner: Thank you, Chair. I think MPP Hunter is going to take the rest of the time.

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

Ms. Mitzie Hunter: Thank you, Chair.

Hopefully, Lorenz, you're ready to go, to respond to my question around just what you're seeing in terms of your facilities base and the opportunities and the prospects. I know you really framed the fact that we should be prioritizing a business return first, so go ahead.

Mr. Lorenz Hassenstein: I think the economic input or throughput from the business events community is somewhere around half a billion dollars annually, just out of the operation that I manage and control. These businesses drive activity through the airports, public and private transportation, of course restaurants, hotels and anything in between, including travel agents. So it's a vital business, and it really is the workhorse of the industry that provides a lot of this throughput and activity to the rest of the economy.

Because these buildings are so big—they're millions of square feet—there are plenty of ways where we can operate safely. The business events and the communities that they represent have come up with plans to social distance. We're working in conjunction with them.

But we believe getting this engine started sooner rather than later will help drive people to all of these other businesses that are suffering, and it will help them drive revenue and become more vibrant faster. That's really what I'm here to do. I do believe that the events community is—

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

Mr. Lorenz Hassenstein: —suffering just like every other community. There's no need to go into all those

dynamics, but the sooner we can get them back to work, the sooner they can drive a lot of this throughput through the economy and all of these other folks here that we're talking to today.

Ms. Mitzie Hunter: Yes, and I'm sure—like your organization, I participated in the SARS recovery effort, and there was a strong emphasis on catalytic events, to do exactly what you're saying, to bring attention and vitality, and also confidence that you can operate safely.

Mr. Lorenz Hassenstein: Yes.

Ms. Mitzie Hunter: So thank you. It was important that you speak to this panel in terms of the needs of a business-oriented convention facility. I appreciate that.

Mr. Lorenz Hassenstein: Thank you. It's a fundamental building block.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the government side for their second round now. I'll start with MPP Smith.

Mr. Dave Smith: My first question is actually for Lorenz as well. You've suggested that we should have the business aspect of conferences coming back, and I do appreciate a number of the things that you were saying there with respect to how those types of conferences work slightly differently—actually vastly differently—than going to a hockey arena or a basketball game or the Blue Jays game.

But one of the key things from a conference, as somebody who has attended many conferences, is the networking that goes on as a result of getting together with colleagues and the type of building that comes from it. You can have your meeting rooms socially distanced, but how would you propose having that same effective networking that goes on outside of those meeting rooms? How would you do that in a way that is socially responsible?

Mr. Lorenz Hassenstein: It's a great question, and the industry has done a lot of work on that. I think social distancing and all of us working from home in remote locations has proven that we can get a lot done and be effective as communities or business communities and environments.

The centre, fortunately, and most of the companies that we work with in the industry, are well networked, and we have a number of partners who have the ability to create these virtual environments where we can take what's being done at the convention centre and broadcast it over the Internet via our wireless systems.

The social component of this is typically run by the meeting planner, who has the database of all the executives out there in that particular community. They have the ability to work through our network and theirs to tie these communities together and foster this communication, which is so vital to solving a lot of the problems and moving us forward out of this position.

Mr. Dave Smith: Where I'm struggling with it is—we're doing this type of a meeting right now through Zoom. I have thoroughly enjoyed all of the learning experience, all of the networking experience that I've had from attending different conferences. If we break it up so

that it is a hybrid of virtual, I'm not sure that there's going to be that level of demand, then, for the hotel rooms, which really is what would be driving most of this—getting people to the event, getting people to stay in the hotel, to purchase additional food, to go out and visit the nightlife in the area, to use different types of transportation to get here; maybe they're flying in, whatever. Large conferences have a great way of stimulating a lot of the economy because of all of that. But I'm struggling with how we would have that concept working, then, with the social distancing and having the same collaboration through virtual means like this.

Mr. Lorenz Hassenstein: It's a tricky issue, and I believe the challenge for the industry at large—

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

Mr. Lorenz Hassenstein: —and I sit on several task forces, is that we have to get moving and started. We don't believe that we're going to go from where we are today to fully functioning as we were in February or March. But we do believe that if we move safely up the channel, within a year or two we'll be operating very close to where we were before this pandemic hit.

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I think there is a pent-up demand for people to get out. I think they want to. I think people are scared—I'm a little scared—but I do believe over time, confidence will come back and we'll get over this hump, and we will drive the economy and a lot of this activity that needs to spur the development. But we need to get moving on a hybrid in order to get back to a full capacity, and sooner is better.

Mr. Dave Smith: Thank you. My next question is actually going to be for Nicole. Not only am I the parliamentary assistant to northern development, energy and mines and Indigenous affairs, but I'm also still the special adviser for Ontario parks. In part of my parks review last year, one of the things that was very loud and clear was that we need to have reliable high-speed Internet at each of the Ontario parks where there is camping involved. People want to stay connected to the Internet.

I know that EORN has an RFP out right now for expanded broadband, expanded wireless capacity, and I believe most of it is going to be on the wireless side. Do you think that there would be an advantage for us to be looking at fibre optic, using the existing hydro poles to run the fibre optics, so that we can cut down on the amount of time it takes to put in a project like that?

Ms. Nicole Whiting: If that's a possibility it should definitely be explored. That's a bit beyond my area of expertise. EORN would certainly be able to answer those types of questions.

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

Ms. Nicole Whiting: Elon Musk is putting more and more satellites up in space to allow for universal access to the Internet. Technology is advancing so, so quickly. It's just that our ability to take advantage of those other technology advances is where we really need to focus our attention. That project that you said is RFPed right now started in 2014. It took six years for that to happen. That's

really where I think there is an opportunity to improve our ability to get Internet to our rural areas.

Mr. Dave Smith: One of the things that we see with COVID-19 is the challenge that you have with contactless payment. Anywhere in rural or northern Ontario, it's almost impossible, if you don't have high-speed Internet, to have Interac tap, for example. It's still a cash-based business in a lot of those cases. We're looking at a health inequality if we don't get that high-speed Internet into those rural areas as well.

Ms. Nicole Whiting: Absolutely. I totally agree with you. Yes. There are mobile payment systems that a lot of vendors are using, where they use their cellphone to process credit card payments—

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

We have to move to the opposition side for their second round. I'll start with MPP Taylor.

Miss Monique Taylor: Good morning, and thank you so much, everyone, for your presentations. I didn't really expect to be speaking on this round, but I think there are several things that can be raised regarding your presentations.

Many of you I'm sure will have several vendors that you would have to be able to utilize to continue your very unique businesses. The concerns that your vendors would have would also affect your business. How important is it that the government provide proper funding and stability to ensure that your vendors can survive, so that you also have those products available to your consumers and to your businesses?

Anyone can answer. Maybe Lorenz, this would be a good question for you to start with.

Mr. Lorenz Hassenstein: Thank you very much. It's a great question and a complex question. Solvency is going to be a big issue for a lot of our business partners—not only those who actually produce the shows, but those who service the shows and events. Our goal as the convention centre, being a crown corporation, is to help support that activity. So in our particular case, we would help augment or support those companies to get them back up on their feet again so that they can continue to support the industry. We would take on that ownership, along with the support of Minister MacLeod and the ministry.

I think the challenge is going to be that depending on how long the business continues to be closed, it's going to depend on how many people in the industry from an employment standpoint—they're highly trained people on specific tasks, and they're very unique jobs. Because the hospitality community has been hit so hard with this pandemic, our concern at a leadership level is that a lot of these people are going to leave our industry and are going to go to other industries completely, which is going to make it very hard for us to maybe restart in many cases.

In our particular case we're going to help supplement that activity and support them to get them back up. We will operate the convention centre at a break-even to cover our costs and our employment and our expenses. Then we will

support our industry as best we can in order to get everything running again—but employment is one of our biggest issues and concerns.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Harden. Three minutes.

Mr. Joel Harden: I want to go back to you, Nicole, because I want to pursue this thought that we've been getting a number of queries on, particularly from low-income families in Ottawa, and I can't imagine they're alone in the province of Ontario.

The decision that was made to not go ahead with sleep-away camps this summer in the province of Ontario—again, I totally understand for public health reasons, but for many large organizations like the downtown YMCA in Ottawa that offer those nature opportunities to, particularly, low-income youth, I'm wondering what the liquidity you're proposing could offer for kids in need in particular. We have the Christie Lake Kids camp in Ottawa. We have a number of organizations that really try to broaden the experience of being outside to all kinds of different kids. It would strike me that that's something really important that we want children and outdoor educators to have, but what are your thoughts on that?

Ms. Nicole Whiting: I have a nine-year-old daughter who wasn't able to go to camp this year either. That's devastating to kids. The mental health of our children, I know, is a hot topic, and certainly, I'm sure, with government. But those types of things, especially for lower-income families—that's something they look forward to all year long.

I'm not sure if it was actually in the Muskoka area, but I had read that one of the camps had even offered to cover the costs for testing, to themselves invest \$100,000 to ensure that their camp was able to test all the campers to make that run. Because at the end of the day, yes, subsidies and for those lower-income families would be helpful—but it's the experience that they're missing. That's something that money can't buy—that ability to be with their peers in a natural environment. How that enhances them emotionally, spiritually and mentally is imperative.

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

Ms. Nicole Whiting: I think, more than anything, it's how do we get these camps up and running? If they can demonstrate that they can adhere to those safety protocols, then we need to let them open. The cost to our children is too great compared to the risk associated with this virus, in my opinion.

Mr. Joel Harden: Okay. So just to end, I'm going to throw you a softball again, because we're of like mind on this, Nicole. Last year, Ontario spent \$44 billion on tax expenditures. A lot were really worthwhile. I'm wondering if a powerful case could be made—I'm thinking of my friend MPP Smith, who is a direct liaison for Parks Ontario in this conversation. Can a case be made right now to make sure extra effort is put into ensuring that those camping spaces are open to youth, particularly in this screen-obsessed moment that we're living in, so they can get outside? What do you think?

Ms. Nicole Whiting: Any kind of advocacy around getting kids outside, I think, absolutely needs to be

prioritized, not only, again, for the health of children, but also for the economic viability of many, many business owners in communities here that operate camps for children. Yes, it absolutely needs to be elevated—

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

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CARMEN'S GROUP
GANESH HOSPITALITY INC.
McMICHAEL CANADIAN ART
COLLECTION

The Chair (Mr. Amarjot Sandhu): We'll move to our next presenter: Carmen's Group. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. PJ Mercanti: I'm P.J. Mercanti, CEO of Carmen's Group, and I'm joined by Ammar Balika, who is our general manager of the Hamilton Convention Centre.

I wanted to open by quickly thanking the Standing Committee on Finance and Economic Affairs for offering this forum to share how COVID-19 has affected our industry. As the CEO of a hospitality organization with five locations in southern Ontario, including a hotel and restaurants that employ well over 350 people and provide service to approximately 500,000 guests annually, it has been a devastating and disruptive year. The year 2020 was forecasted to be one of our best and busiest years in our company history, but then COVID-19 came out of the blue, which caused us to take drastic measures, including laying off 85% of our workforce and assuming what will work out to be millions of dollars in new debt just to stay afloat.

Three of our venues are 100% closed, while the other two remain open but are offering reduced services and operating at less than 15% of normal volumes. Carmen's Group, our organization, typically hosts 500 weddings per year, with a supply chain that feeds numerous food suppliers and Ontario farmers, Niagara wineries and breweries, and service providers like photographers, DJs and bands. The millions of dollars we spend annually has come to a halt for all of these suppliers and the thousands of employees they represent.

We do appreciate that the restrictions are slowly being lifted and, to that effect, we have started to offer micro-weddings and events, and have introduced a small gatherings playbook that will ensure that we can still deliver wedding day experiences to couples, even if it's on a smaller scale. As restrictions continue to loosen in the economy, companies like ours will be responding with safety measures that ensure the health and well-being of both our employees and customers with various solutions being put in place to execute events safely.

In closing, as the outgoing chairperson of the Hamilton Tourism Development Investment Group, an organization that provided funding and organizational support to secure

the 2019 Canadian Open and the 2020 Canadian Country Music Awards for Hamilton, and as a tourism ambassador for Hamilton, I wanted to share our organization's support and efforts towards the 2026 Commonwealth Games in Hamilton and the southern Ontario region.

The opportunity to showcase 72 Commonwealth nations that represent 1.5 billion spectators would enable this region to bounce back from COVID-19. The local bid organization that I'm involved with is repositioning a potential Commonwealth Games project as a pandemic recovery project that would stimulate tremendous private sector and institutional investment into southern Ontario, and spark a vast amount of tourism activity. Our group has aligned with McMaster University, Mohawk College, McMaster Innovation Park, as well as dozens of social service institutions and private sector groups in Ontario.

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

Mr. PJ Mercanti: We believe that through the hosting of the games, we could become an even larger sport tourism destination in southern Ontario, and be better positioned than ever before to become a magnet for investment, trade and tourism prosperity.

We look forward to sharing more information with all of you in the coming weeks and months, and thank you for the opportunity to provide this update to you today.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to our next presenter, Ganesh Hospitality Inc. If you could please state your name for the record, you will have seven minutes for your presentation.

Mr. Sandip Patel: Good morning. Thank you all. Thanks for the opportunity. My name is Sandip Patel and I am from Ganesh Hospitality Inc. Unfortunately, I did not have time to prepare a presentation, but I have a couple of questions. So if somebody wants to use my time, I can ask questions later on, if that is okay for you.

The Chair (Mr. Amarjot Sandhu): Mr. Patel, do you have any other comments?

Mr. Sandip Patel: No, I have questions, but I don't have any presentation at this point.

The Chair (Mr. Amarjot Sandhu): Sure. We'll come back to questions after the presentations.

Mr. Sandip Patel: No problem. Thank you.

Interjection.

The Chair (Mr. Amarjot Sandhu): Okay. Yes, maybe you can ask your questions now if you want, and we can respond to those questions when the time for questions and answers comes.

Mr. Patel, can you unmute yourself?

Mr. Sandip Patel: Basically, I'm in the Muskoka area and we own two hotels here. You know that the Muskoka area is always a tourism area and we only survive when the summer tourist business is here.

This year, due to COVID-19, we don't have any summer business. We want to know what the government, provincial and federal, is working on towards bringing more tourists here or lifting some restrictions that allow more tourists to come to this area.

The federal government announced the BCAP, Business Credit Availability Program, to EDC and BDC. Our

concern is, why are nationalized banks and credit unions not authorized to run that program, only BDC and EDC? Due to the fact that only BDC and EDC are allowed, the criteria that they're using are a little bit not right for what I feel—because other banks are accepting different criteria, while they say the criteria are something different. I personally know some things, which are, I think, not right to discuss on this platform.

I think that the criteria should be a little bit normalized in a different way from what other banks are using. That way, all business people can access this fund—because one bank considers the business is inappropriate, while the BDC and EDC say that it's a seasonal loss. I don't know what the reading is, what the accounting numbers are—numbers are numbers, always. So that is my request, and I think we have to remodify the criteria.

The other thing is for the restaurants and businesses that have a lease for rent. The federal government announced the benefits—while in the hotel and motel and tourism industry, the investment is so big, so we should allow more benefits. The other criteria also that are considered as essential businesses—and we can't open to help the communities and the people in this critical time by putting our life at risk, and what extra benefits are we getting for keeping it that way?

That's all my questions.

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

We'll move to our next presenter, McMichael Canadian Art Collection. If you could please state your name for the record, and you can get right into your presentation.

Mr. Ian Dejardin: Hello. My name is Ian Dejardin. I'm the executive director of the McMichael Canadian Art Collection. It's a crown agency of the province of Ontario, situated in Kleinburg, within the booming city of Vaughan, 35 kilometres away or a 40 minutes' drive from downtown Toronto.

The McMichael markets itself as the home of the art of Canada, reflecting not only its collections but the domestic origins and feel of its architecture. It is the only museum in this country with a mandate to champion exclusively Canadian art. Our collection of some 7,000 works, conservatively valued at around \$700 million, is famous for its holdings of the Group of Seven and their contemporaries. It has a rich Indigenous collection, particularly the work of Norval Morrisseau and his school, and extensive Inuit holdings as well.

Our business model is lean, with just 40 full-time staff. Of the total fiscal 2020 budget of \$9.2 million, 37% came from the province, 3% from the federal government, while 60% was self-generated revenue, 27% of that fundraised through sponsorship.

The gallery closed from March 14. Visitor numbers went straight, of course, to zero, with immediate catastrophic impact on revenue generation. Staff were temporarily laid off or worked reduced hours from home. We've made savings wherever possible. Our major summer exhibition has been postponed until next year, and in-house exhibitions have taken its place. Our key annual fundraising gala, our volunteer art sale, other fundraising

events and all public programming have been cancelled. Weddings have been postponed, although there is more interest arriving now for August.

Meanwhile, as a category-A facility, our environmental systems have, of course, necessarily continued, and preparation for reopening will bring its own extra costs—PPE, extra cleaning, signage, so on. Planning for a phased reopening in July and August, we anticipate a loss of at least 50% in our self-generated revenue for fiscal 2021, around \$2.25 million.

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In the months before COVID-19, the McMichael, with ministry support, had been working with one of Canada's leading architects on an urgent survey of what is required to make our 60-year-old museum function to its full potential as a 21st-century gallery. In addressing those findings, there are some aspects of the new normal that may actually make our case for support all the more timely.

COVID-19 has upset, possibly permanently, many of the accepted performance indicators for the fiscal side of the double bottom line. Blockbuster exhibitions are currently off the menu; physical distancing just won't allow it. People are rightly nervous about crowding, but they are now craving the open air as well as the culture that they have been missing. The McMichael can offer iconic art and nature. It's set in an unspoiled forest landscape with miles of trails along the Humber River, the site of the ancient Indigenous Carrying Place Trail. The McMichael looks more than ever like the perfect staycation day out, right on the doorstep of Canada's largest city.

But our annual visitor figures are admittedly pretty modest. We're often compared to the world-renowned Louisiana Museum of Modern Art outside Copenhagen in Denmark. Both are set in beautiful landscapes. Both have great collections arranged in a promenade fashion. Both lie well outside the city.

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

Mr. Ian Dejardin: Yet Louisiana, with three quarters of a million visitors a year, attracts more than six times our annual visitation, even though Copenhagen itself has a tenth of the population of the GTA. There are myriad social and cultural reasons for the disparity, but here's the glaring one: Louisiana is yea easy to get to. The McMichael cannot be reached directly by public transport at all. A tourist must either hire a car and face the horrors of Highway 400, or pay for an expensive cab ride. This simple fact excludes instantly a large swath of potential car-less touristic traffic—young people, the elderly, the financially challenged, the environmentally concerned, increasingly.

The missed opportunity with regard to tourism, though, stems from Canada's seeming lack of confidence in its own artistic heritage. This year, for instance, marks 100 years since the founding of the iconic Group of Seven. These artists are the reason that I am here in Canada, having curated a major exhibition on the group and Tom Thomson in London, England, at Dulwich Picture Gallery

a decade ago, followed by shows on Emily Carr and David Milne. Yet only the McMichael has mounted a major Group of Seven show this centenary year.

Celebrations planned at the gallery for May 7 had to be cancelled due to COVID-19, of course, but we still marked the day with a talk about the group, which I delivered as a Zoom webinar. Normally, I might have expected to address around 150 people crammed into the gallery. To our utter astonishment, over 3,700 people in 18 countries across the world tuned in. My point is, there is a huge untapped audience of potential tourists out there, eager to discover Canada through its art.

The McMichael is hard at work planning the exhibitions to reach them. Our touring exhibitions on artists such as David Milne, LeMoine FitzGerald, Itee Pootoogook and Maud Lewis, to mention just a few, promote not only our own brand, but that of Ontario and Canada as centres for creativity and innovative thinking. We are taking the lead in planning exciting exhibitions to offer to international institutions in the US, the UK and across Europe, building on the groundwork I laid while in England.

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

Mr. Ian Dejardin: The McMichael is very special. It's a uniquely Canadian place, but the last major capital investment in bricks and mortar was made a full 40 years ago. Our mechanical systems are beginning to fail, our exhibition spaces are compromised, and we lack the purpose-designed education and event spaces that are so crucial for revenue generation. Our building is, frankly, tired and out of date. It needs urgent attention.

With some visionary support and a bit of renewed confidence in our artistic heritage, the McMichael could really step up to be a revitalized symbol of regeneration for post-COVID-19 Ontario, and play an even more fundamental role in the revival of tourism locally, nationally, and I really believe, eventually, internationally. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the questions now. I'll start with the government side this time. MPP Skelly.

Ms. Donna Skelly: Hi. Good morning, everyone. PJ, it's lovely to see you. I have questions for you. I just wanted to point out that PJ Mercanti and his family have been such good stewards in the city of Hamilton, and we're so happy for everything you do and grateful for everything you and your family do. Please say hi to your father for me.

I wanted to ask you two questions. One is about weddings. I receive a number of calls from concerned brides, mostly, and they're trying to figure out what they can do. Can you share with me ideas you have that would allow venues such as yours to open and include larger groups, and yet abide by the guidelines we are putting forward in the province of Ontario?

Mr. PJ Mercanti: For sure, and thank you. It's great to see you, MPP Skelly, and I will definitely pass along those thoughts and sentiments to my father.

With regard to weddings, we've had to react quickly. Actually, after this very meeting, at 11:30, I'm huddling

with my executive team, where we're discussing this very topic. A few of the things that we will be introducing as the restrictions continue to loosen are tremendous health and safety measures that are part of our small-gatherings playbook.

A few of the examples of things that we're looking at adopting to ensure the health and well-being of our customers and staff are thermal scanners for when everybody walks in, just to make sure we have a non-invasive pre-screening mechanism, and then, during the events themselves, things like receiving lines that were common for close interactions—we would obviously need to revisit the idea of having receiving lines.

As it relates to bars, where people congregate around a bar, we're looking at either putting Plexiglas in or offering table bar service, where bartenders will go to tables and bring the drinks to guests instead of offering them over a bar.

In terms of table set-ups, where we typically have eight to 10 to 12 guests at a table, we could safely set up tables of four to six that ensure that people are spaced out appropriately. We're fortunate that a few of our venues do have outdoor spaces, so we could very easily have outdoor spaces as part of the experience to ensure that people can social distance and still be a part of that wedding day experience. These are a few examples of initiatives that we're looking at putting forward.

For guests that aren't able to attend, we are looking at adopting various virtual technologies to ensure that people can still hear the speeches from the wedding couple via Facebook Live—

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

Mr. PJ Mercanti: —and other mechanisms like that. So we're looking at ways to make sure that the health and safety of the guests on-site are looked after and that others can still participate in the wedding experience.

Ms. Donna Skelly: My other question is about the Commonwealth Games. We've spoken about this before, but with COVID-19, you have new challenges but also new opportunities. Can you share any of the revised details of the bid moving forward and how you think COVID-19 would play a key role in winning the games and perhaps generating revenue for shuttered businesses in Hamilton?

Mr. PJ Mercanti: One very unique thing that emerged as a result of COVID-19 is the fact that the federation came back to Hamilton, to our bid group, to offer us exclusivity on potentially hosting the games, with a revised games proposal, meaning that the sport program, which is typically 25 to 30 sports—they've offered to reduce the sport program down to, say, the 20 most popular sports. As a result of that, we would be able to reduce the operating budget tremendously without necessarily reducing the impact. We could still make sure that we have the vast impact. So that's one way that we would be able to reduce the operating costs of the games.

1020

Another thing that we're looking at is partnering with a few of the key municipalities that do have sport venues, ones in Niagara Falls, St. Catharines, potentially Brantford. One unique opportunity that the federation has

approved is the idea of hosting lacrosse, for the first time in Commonwealth Games Federation history, at the Six Nations reserve. It would be a great opportunity to look at Indigenous recreation—

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

Mr. PJ Mercanti: This is a way that we would be able to reduce the cost of the games and still stimulate tremendous private sector and institutional investment. We do have a vast private sector and institutional network that is willing to put their money where their mouth is in terms of supporting the games. That would ensure that the municipalities, the province and the government get a tremendous ROI on any investments they make.

This could be a tremendous pandemic recovery project that would stimulate new investment, that would create jobs, that would create tourism activity in the sense that we could perhaps have a few sporting events in advance of the games and after the games as well. This would create a sport tourism destination for the region of southern Ontario that would feed sport—

Ms. Donna Skelly: This is 2026, correct, PJ?

Mr. PJ Mercanti: That's correct.

Ms. Donna Skelly: Quickly—we've only got about 10 seconds—what's the revised budget, then?

Mr. PJ Mercanti: The revised budget would come in to about \$1 billion—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the opposition side now for their time. We'll start with MPP Taylor.

Miss Monique Taylor: Thank you so much. It's fantastic to see you, PJ, and hello, Ammar. Welcome and thank you so much for taking the time to participate in this venue today. I think it's extremely important that your perspective is heard by the government to ensure that your industries can continue to thrive after COVID-19.

I am also very interested to hear more about the Commonwealth Games, so if you could just complete your sentence there, PJ, with regard to the new budget.

Mr. PJ Mercanti: Sure. So we're looking at reducing—where our original budget was \$1.45 billion operating capital and everything in between, we're looking at having it come in closer to the \$1-billion mark. The federation has offered to reduce the sport program, which would reduce the operating budget.

Just to give an example of, say, the PanAm Games versus the Commonwealth Games, the Commonwealth Games are a bit smaller than the PanAm Games. There are fewer athletes and fewer sporting events. It would be less of an investment, but still have the same general impact on the communities that do participate.

A big component of our plan is looking at social impact as a legacy piece and really leaning into the opportunity to use the games as a way of promoting equality, diversity, inclusivity, focusing on Indigenous reconciliation and partnering with social organizations while simultaneously stimulating economic development, job creation, investments and partnerships with key stakeholders in the community. We're looking at this as being a truly collaborative and legacy-fuelled project.

The fact that COVID-19 hit put a new lens on this opportunity, where we're genuinely looking at it as a pandemic recovery project and one that could really stimulate hospitality and tourism activity in southern Ontario. And if games were to come to this region, everywhere from Brantford to wine country to Burlington and Milton, in addition to Hamilton, it would truly feed the entire southern Ontario region.

The Chair (Mr. Amarjot Sandhu): Further questions?

Miss Monique Taylor: Thank you so much for that. It is definitely an exciting perspective, and I hope that we're able to participate in that and that we do get the games to come to Hamilton, exactly where they belong.

We'll move over to the business side of it, PJ. What has your experience been with government support? I'm sure, with your hotels, restaurants, conventions, just the mix of tourism and hospitality that you support here in Hamilton has to have taken a great hit.

What have you been able to use and utilize within government supports, and has it been sufficient to keep you afloat but also to ensure that you survive at the end of this?

Mr. PJ Mercanti: Great question, and thanks for asking. The government support that we've been able to take advantage of thus far—

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

Mr. PJ Mercanti: —the biggest one that helped us has been the wage subsidy. So that one that the federal government introduced has helped us tremendously, in that it allowed us to bring back more staff than we otherwise would have.

One of our venues was able to qualify for one of the \$40,000 loans; however, we've also requested a more substantial loan that would help the vast majority of our business venues. Simply, it was a \$500,000 loan with the BDC. We started the application process in mid-March and we're still going through it. So it's been a three-month exercise—a little bit more onerous than we would have liked or hoped. We've heard from others in the hospitality industry that they've had trouble accessing more substantial loans and capital vehicles from the BDC and EDC. So that's been a bit frustrating for us.

Fortunately, we had some cash reserves and we've been able to manage our cash flow effectively to ensure that we were able to weather the storm. However, other hospitality companies that maybe didn't have the benefit of having customer wedding deposits provided to them up front, like we were able to with some of our businesses—a lot of others wouldn't have had the luxury of three months of waiting for the BDC to kick in. We're grateful that we had that ability, but had we been relying on the BDC, we would have been under already. So that's kind of just one reality that we experienced.

We're still trying to figure out if we could qualify for the rent relief program. There have been a lot of restrictions related to that.

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

Mr. PJ Mercanti: So we're trying to take advantage of everything that we reasonably can. The wage subsidy has

helped, but the BDC loans haven't been as effective as we were hoping they would have been.

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

Before we move to the independents for their time. I need to do an attendance check. MPP Piccini, if you could confirm your attendance and presence in Ontario.

Mr. David Piccini: Yes, it's MPP Piccini, here in my office in Port Hope, Ontario.

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

Mr. Mike Harris: Yes, I'm here as well, in Kitchener, Ontario.

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

We'll move to independent members now. I'll start with MPP Hunter.

Ms. Mitzie Hunter: Thank you, Chair. I want to thank everyone for presenting to committee today and giving us such a broad range of perspectives.

I do want to start my questions with Sandip. If you could tell us about what benefits you see with the marketing efforts that you're asking for today—if you could just talk a little bit about how that would benefit your two hotel establishments in the Muskoka region.

Mr. Sandip Patel: Yes. My question goes to PJ—and the same story again. The problem with us is the same as what PJ is saying, that he started an application back in March, and so did we—the same way, through the BDC and EDC. Initially, for four weeks there was no response at all, and then, after communicating with them a couple of times back and forth—emails—finally the decision comes out: “You are not eligible. The criteria eligibility requirement is not matching.” While the same documents—the credit union does have it, because as part of the year ending, we submitted them. They accepted it as well—business loses profit, while with the BDC, it says “loss.” I don't know what they're reading. I did question them a couple of times. Nobody was able to listen and nobody wanted to listen, I guess. It's the same complaint I made through the Hotel Association of Canada, because I am a member. They're calling me today at 12 o'clock because I raised some concerns.

Again, I'm a little bit open here, because I've come to discuss. I know that one hotel took over their hotel and business 15 years before the lockdown. There is no history for them at all to prove, except their mortgages belong to BDC, and they got access to a \$150,000 fund on a simple Excel spreadsheet. Which at that level—we have a history of seven years, and never saw any loss, the business is running good, we're working hard—

The Chair (Mr. Amarjot Sandhu): MPP Hunter, you have a comment?

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Ms. Mitzie Hunter: Thank you, Sandip, and I hear the challenges that you are having with your applications, there, with the BDC. I hope that you, perhaps, will get the support that you can through your local hotel association, or maybe your local member in your area can help you to navigate resources for that, as well.

I just want to also question the McMichael art gallery, certainly one of the very well-recognized facilities in Ontario. I'm wondering about how you see—because you did talk about, in this moment, that it's a time to renew. What are some of the ideas that you're considering? Are you considering more digital? Online? Indoor is challenging right now, with reopening, so what are you thinking about, in terms of that renewal and using it as an opportunity to do bold and innovative things?

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

Mr. Ian DeJardin: Thank you for the question. We, of course, moved, like all museums, rather seamlessly to digital output, and we have all been working on social media. But our creative learning department certainly moved straight to digital without any problem at all, and they've been fully booked. They are running, for instance, virtual summer camps throughout July and hopefully, we might be able to follow up with on-site camps after that.

The problem with digital, I think, is that not everyone has access to it. Actually we have done a survey of our key stakeholders and of them—bearing in mind that very often our audience is, say, 55- plus, cultured, wealthy, that kind of thing—not very many of them have actually followed us. A decent amount but most of them hadn't, and so the reach of digital is limited. Even in creative learning terms, it's all very well us switching to digital, but there are many, many families that couldn't get access to it. Small children could not get access to the family computer. It doesn't reach very many people. There is a lot of work to be done there if digital is to be a primary platform going forward.

In other ways of renewal, in fact, the design of the gallery—oddly, again, it's something I've been complaining about for years, but now it does rather look as if our sprawling promenade gallery is pretty well sorted for physical distancing. We can manage that relatively well.

Weddings are a problem. We don't have the spaces for that except outdoors, and outdoors we have a magical place for weddings which already we're getting bookings for. It's called Wedding Hill, and we can manage 50 people easily physically spaced there, of course, with the public health restrictions in place.

But going forward the McMichael has many more problems which I just touched on very briefly. Our building is very old. Our services are very, very old.

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

Mr. Ian DeJardin: We need to update, and I sincerely hope we will be able to do it, although I understand the economic situation may make that difficult.

Ms. Mitzie Hunter: Thank you. I appreciate that. And thank you, Sandip, very much.

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

I will start the second round with the opposition. MPP Lindo.

Ms. Laura Mae Lindo: Thank you, Chair. My question is for Ian. When you were providing us with the landscape, one of the things that you said really spoke to why we are all gathered here. You talked about the untapped

audience when you had done the thing online. I'm wondering if you can spend a little bit of time fleshing that out, because part of why we're here is to think about economic recovery and different ways of investing. If you could connect that to why it is important to be investing in spaces like yours as we are moving into whatever this new normal is, that would be fantastic.

Mr. Ian Dejardin: Thank you very much for that question.

We're looking at exhibitions particularly—that's my background; I've been managing exhibition programs for 34 years. The background to my comment was that I was previously in the UK, in London, England, where I was the director of Dulwich Picture Gallery. While there, it turned out that I was the only director outside Canada, and some might say within Canada as well, who was a thoroughgoing enthusiast for Canadian art. I organized three major exhibitions in London, some of which toured to Europe, and each of those shows—particularly the first one, which was to do with the Group of Seven and toured to the Netherlands and to Oslo. In each case, there was a tremendous reaction. I know that the visitors are out there. In England particularly, there was a common chord struck, and nobody—believe me, nobody—in England, apparently apart from me, had ever heard of Tom Thomson and the Group of Seven, but the enthusiasm was remarkable. I know from actually organizing those shows and seeing the visitor reaction that the audience is out there.

The webinar took us all by surprise. Obviously, I have mentioned 18 countries. Of course, in many of those countries there is one Canadian there who tuned in. But nonetheless, there were significant numbers from the US and, I am delighted to say, from the UK. So I think it's a question—I'm an exhibition person, dyed-in-the-wool exhibition person. I know what will appeal, and I know that Canadian art, which I love, would appeal to a much broader audience. And, frankly, the Canadians—please forgive me—have been hiding that light under a bushel for a very long time. It's time to show some confidence. I've been leading the way on that, and we're prime to do it.

The McMichael, as part of that lack of confidence, I think, in Canadian artistic heritage, has not had the support over time that other institutions have. It's because it's thought to be, "Oh, it's only Canadian art. We don't really want to invest in it." No. We really could lead on this. We're prime to do it. We have the team ready to go. We're very excited. We have wonderful plans for the building.

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

Mr. Ian Dejardin: Of course, COVID-19 depressed us all, but nonetheless we could do so much more.

The Chair (Mr. Amarjot Sandhu): Further questions?

Ms. Laura Mae Lindo: Thank you again. I actually wanted to carry on in that same vein. As you're speaking about the enthusiasm from outside of Canada for Canadian art, I know that when you go to art galleries like that and you're exploring the exhibition, one of the big pieces is on your way out, when you're buying little trinkets to take home. Can you speak a little bit about the importance of

investing in the digital so that we can actually access and tap some of the economic potential of being able to sell in that way? Again, we're here for economic recovery and thinking innovatively. If you could speak a little bit to that, that would be fantastic.

Mr. Ian Dejardin: Absolutely. It's slightly outside my bailiwick, but I think, in terms of product, the product that is associated with the Group of Seven particularly, but also artists like Emily Carr and David Milne, is extremely attractive. When I was director of Dulwich Picture Gallery, our shop did exceptionally well during our Canadian shows. It was very notable that you could actually produce product.

There is a problem in finding the right quality, I think, of product within Canada. There's an awful lot of development that could be made in product development in that area—again, something that the McMichael would like to lead on. Funny enough, in terms of the spend per visitor, we have one of the most successful museum shops in the country, and that compares very well with much larger institutions. So we know that there is that. It's good stuff. It would sell. I really think, as a package, all of those elements, in terms of retail and all of the things that go with an exhibition, would be important.

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

Mr. Ian Dejardin: Digital, in particular, is simply the way forward. Painting Canada, which was my big show at Dulwich 10 years ago—I've always thought of that as the first social media show that I put on. Nobody had ever heard of these artists, and yet we had queues down the block, round into the village. It was astonishing, and it was because of social media. Again, we have discovered that all we have to do as a museum is post an image of Tom Thomson and suddenly we're flooded with likes on Facebook and Instagram. I think the opportunities for promoting Canadian art are across the board, both in terms of the imagery but also in terms of retail opportunity.

Ms. Laura Mae Lindo: Thank you for that.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes your time as well.

We'll move to our independent members now. MPP Blais.

Mr. Stephen Blais: Thank you, everyone, for your presentations.

Just to follow up, Mr. Dejardin, how do we get over this humbleness or embarrassment about the quality of Canadian art so that we can tap into those international markets you were talking about?

Mr. Ian Dejardin: Well, I've been a lone voice crying in the wilderness for the last 12 years, and I will say it came as a great shock to me. As I say, I know exhibitions. I know what's going to be a success. I could not believe 11 years ago that I was going to be the first person in England to put on a show about Tom Thomson and the Group of Seven. But when I came over to Canada—I'm not joking—a lot of the time I was going in saying, "Oh, please, will you lend works of art? We would be so grateful," and actually the response I got was, "Are you

sure Europe won't laugh at us?" I'm still reeling from that. It's kind of why I'm here today. I have this absolute faith—my background is in Old Master works. I'm a 17th-century specialist. But, as I say, I'm an exhibition person, too, and so Canada has this huge potential. I just know that.

Mr. Stephen Blais: Before I pass it on to MPP Hunter—you were talking about social media. How can you monetize and the industry monetize those social media experiences that you were talking about so that it has an economic impact domestically and particularly here in Ontario?

Mr. Ian DeJardin: It's very difficult. During the COVID-19 period, of course, museums generally saw their social media output and their free webinars and all the rest of it as a sort of service. It was very much a service to the community. It felt wrong to try and monetize it. But going forward, we're going to have to do that, and it's becoming easier to ask for money on the basis of that.

We are actually looking at a new technology which would allow us to put a QR code on to any page that we put on. If I was putting on a PowerPoint lecture, as I did for the Group of Seven, you would have a QR thing that people could just put their mobile phone to and donate as a result of it. I'm told that this is imminent, and we are looking into that very much and will use that. It seems like a subtle way of asking for money.

But in general, I do feel that we need to get over a sense that donating and philanthropy should be transactional. This is something that feeds into our fundraising at a general level, particularly with corporate sponsorship. There is a very strong request, always, for benefits. We have to provide a list of benefits, and very often, on the smaller scale of corporate sponsorship, that will actually take away more or less from any benefit we would get from a donation. By the time you've offered free tickets and free access and free parties and free everything else, which seem to be absolutely essential, we get very little back.

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

Mr. Ian DeJardin: We really need, I think, to change our philanthropic attitude as well as find other ways of asking for money that is not transactional, that is actually support for the sector. It needs to be altruistic.

Ms. Mitzie Hunter: Just along the lines of that—Chair, if I may?

The Chair (Mr. Amarjot Sandhu): Yes, please. MPP Hunter.

Ms. Mitzie Hunter: Thank you, Chair. Just along the lines of the charitable incentives, do you believe that the amount of charitable credit should be changed in Ontario to match that of other provinces that give a higher amount, and even federally?

Mr. Ian DeJardin: I think anything that the province can do to loosen up the philanthropic side of things would be of tremendous benefit.

There are other ways of possibly liberating more support for the museums, which we will definitely need—all of us as a sector, not just the McMichael. Matching funding is always a good idea because it kind of takes the

place of that transactional element in sponsorship. So I think there are many ways—looking, perhaps, to other countries as well for their means of supporting philanthropy as an altruistic idea rather than transactional.

Ms. Mitzie Hunter: Thank you.

I do have a question for PJ, and it just relates to the attraction of the 2026 Commonwealth Games and the bid, and whether or not you see a role for the province in helping to coordinate—because there are other large international events that are hoping to come to Ontario over the next decade or more. There is the health consideration—

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

Ms. Mitzie Hunter:—and there is also the economic and, of course, just the opportunity for growth and revitalization. Do you believe that the province should have a coordinating role in some of these catalytic events, PJ?

Mr. PJ Mercanti: Thank you for the question.

Absolutely, yes. We've been primarily working through Minister MacLeod's office and teeing up with her staff, specifically Pierçon Knezic. We certainly do intend to engage deeply with the province, and we want to make this set of games a regional games, where various communities in southern Ontario can receive the benefit and the positive impact of the games and where the various sporting facilities that participate could receive tremendous legacy benefit through the games. So we certainly do want the—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side for their second round. I'll start with MPP Miller, Parry Sound–Muskoka.

Mr. Norman Miller: Thank you to all of the presenters.

I wanted to ask Mr. Patel some questions, and I know he had asked some questions as well. MPP Hunter did respond a bit to do with EDC and BDC, which are federal government programs.

In your presentation, Mr. Patel, you talked about lifting restrictions. I wonder if you can tell us a bit about your hotels and which restrictions the province controls that you would like to see taken away.

Mr. Sandip Patel: Okay. Good morning, and thank you. Maybe we know each other; I am not too far from your office here.

With the restrictions, what I am talking about is for the gatherings of more than 10 people. I guess you also have an office in Muskoka and you are aware that at this time of the year, we are having lots of tourists coming in here. And this year, due to COVID-19 and due to the restrictions, we don't have more tourists coming in and are running as low as around 5% to 7% occupancy right now. If we lift the restrictions to gatherings of more than 10 people and some of the other restrictions—which Bracebridge already did for opening the beaches, but still, some more restrictions need to be lifted for the restaurants as well as in gatherings of more than 10, which allows us to bring more people here to Muskoka. That's what I am asking about.

Mr. Norman Miller: Do you have restaurants in your hotels that you own?

Mr. Sandip Patel: No. At the motel, we don't have any restaurants.

Mr. Norman Miller: But it's just that people coming to the area would be looking for restaurants and things to do, so you need those things open so that they're going to book at your spots. I know—

Mr. Sandip Patel: Yes. Sorry to interrupt you, but when we get a call for reservations, they ask so many questions like, "We want to come with four families together. How does that work out?"

1050

Mr. Norman Miller: So the sooner the 10-person restriction can be lifted, the better for your groups and families that want to come up.

I was up at Deerhurst last weekend. They were opening up and testing their protocols. They limited their capacity at 25% last weekend and then quite easily filled that, so that was encouraging.

I think this is probably the most challenging year we've ever seen in tourism in Ontario and certainly in our area. You said summer is going to be gone. Hopefully, that's not the case and if we keep making progress on the health front so that more and more restrictions will be able to be lifted so that you get some businesses—it's definitely going to be a super challenging year.

You would like to see restaurants get opened up as soon as possible and in a safe way so that you can get customers in your door. Do you get much advance booking, or do people show up, just off the road?

Mr. Sandip Patel: Honestly, whatever bookings we have for the month of July and August—90% of them got cancelled, and they're calling us to cancel. So now the only business we have at this point is walk-in business—not over the phone neither online.

Mr. Norman Miller: Do you do any business like conference business, that kind of thing?

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

Mr. Sandip Patel: No, we don't have any conference business because we do not have a conference facility there, at this point.

Mr. Norman Miller: I think MPP Anand wanted to ask you a question as well, so I'll pass it on to him.

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

Mr. Deepak Anand: Mr. Patel, thank you for coming. From a small business perspective, these inputs are extremely important. I just want to say that you actually have MPP Miller as a strong voice you can always reach out to any time.

There are a lot of new Canadians who come here. Considering that we're not expecting tourists from across the globe but we do have a big population of Ontarians out here, in your perspective, is there anything the government can do to promote Ontario tourism within Ontario? For example, if the Minister of Tourism was sitting in front of you, what would you like to suggest to her that will help you going forward in your business?

Mr. Sandip Patel: I think the one suggestion that I am giving is—generally, in summertime, Ontario and all the other regions have tournaments and games. This year, because of COVID-19, all the tournaments are cancelled. If we organize some kind of a sports event or any music events or something like that to promote Ontario and bring locals to every place, that might make more sense. Then local people can travel. This year, most of the people are trying to avoid international travel and holidays. So that might be the benefit, that people can travel within Ontario and take that—outdoor activities and music festivals, music events or something like that.

The Chair (Mr. Amarjot Sandhu): Other questions?

Mr. Deepak Anand: Chair, my next question will be to Mr. Mercanti.

This year, I think the focus should be made-in-Ontario tourism. Is there anything that you can suggest to us, to the minister, with respect to Tourism Ontario? How can we promote Tourism Ontario so that we can have more people coming to your place?

Mr. PJ Mercanti: Good timing on the question, because our director of sales and marketing has recently engaged with Heart of Ontario, our RTO, to talk about the idea of—our hotel on the east Hamilton Mountain is close to a lot of the Hamilton waterfalls, and so we're trying to promote a staycation package and engage with the—

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

LAKE OF BAYS BREWING CO.
INDIGENOUS TOURISM ONTARIO
THE HAZELTON HOTEL

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters now: First, I would like to call upon Lake of Bays Brewing Co. Please state your name for the record, and you will have seven minutes for your presentation. Mr. Smith?

Interjection.

The Chair (Mr. Amarjot Sandhu): We have someone who has joined us over the phone. Can you please confirm who you are?

Mr. Hani Roustom: Hello, sir. My name is Hani Roustom.

The Chair (Mr. Amarjot Sandhu): All right, sir, we can start with you first, then.

Mr. Hani Roustom: You'll start with me?

The Chair (Mr. Amarjot Sandhu): The Hazelton Hotel, yes. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Hani Roustom: Perfect. Sir, am I live right now?

The Chair (Mr. Amarjot Sandhu): Yes, you are.

Mr. Hani Roustom: Okay. By the way, would I be able to receive the committee members? How is that done?

The Chair (Mr. Amarjot Sandhu): You will be able to hear them, but I think in order to see them you have to be online for the video conference.

Mr. Hani Roustom: I'm on the link. Give me one second. I think the link is opening up, yes.

The Chair (Mr. Amarjot Sandhu): There you go, yes. Are you able to see everyone now? Can you unmute yourself on your end?

Mr. Hani Roustom: Okay.

The Chair (Mr. Amarjot Sandhu): There you go. You can start now. State your name for the record, please, and you will have seven minutes.

Mr. Hani Roustom: Perfect.

The Chair (Mr. Amarjot Sandhu): Can you turn your phone off? Log out of your phone and then just log in on the Zoom conference.

In the meantime, unless you figure it out, we'll move to our next presenter: Lake of Bays Brewing Co.

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

Mr. Darren Smith: My name is Darren Smith. I am the president and founder of Lake of Bays Brewing Co. Thank you all very much for the opportunity to speak today. I will tell you a little bit about us and then some ideas that we have here at the brewery for things the government might be able to do to help the tourism sector recover from COVID-19.

We are a craft brewery located in the Muskoka region. We've been in business for about 10 years now. We have a main brewery location in Baysville. We operate a brew pub up in Huntsville, and we're building another brew pub in Bracebridge right now.

COVID-19 has had different impacts on different parts of our business. With our wholesale business, where we sell beer to the LCBO, the Beer Store, grocery stores, and bars and restaurants, we have found that packaged beer sales for retail channels have kept up reasonably well, but obviously draft beer sales through bars have been pretty much non-existent for the past three months. Our brew pub in Huntsville, obviously being a restaurant-type operation, has seen a pretty substantial decline in business, and our retail store in Baysville has been somewhat affected as well. And then, obviously, with our construction project ongoing in Bracebridge, we've seen some delays there just from the construction shutdown that went on for a period of time.

For the brewing, hospitality and tourism industries, which for us and many other operators are all in decline, I really think that there is an opportunity here to help kick-start the recovery, perhaps with some sensible changes or approaches to regulation, as opposed to simply handing out more cash supports to keep everybody alive.

The first big suggestion I would have would just be to really try to ensure that there is some clear and consistent messaging on travel within Ontario. Right now, I would say that there still seems to be a bit of mixed messaging out there. You've got some municipalities or other organizations saying, "Don't come." You've got others saying, "Well, come, but bring everything with you and don't leave your cottage." And then you've got still others saying, "Come and please do shop locally" when you are in tourism regions "but just please follow the same

precautions you do at home." And I think it's that latter message that we really want to get through to people. But in order to do that, the messaging has to be consistent between all levels of government. I certainly have the impression at this point that we still have some municipalities telling people to stay away, while obviously at the provincial level people are being encouraged to travel but just to do so safely. Obviously, this just creates confusion that hurts everybody. We know that during COVID-19 people are forming new habits, and the last thing we want is for one of those new habits to be not travelling to parts of Ontario that depend on tourism for their livelihood.

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The second suggestion would relate to restaurant capacity and really considering taking an outcomes-based approach to that when we get to the point of restaurants being allowed to welcome guests back inside. My thought would be that rather than necessarily imposing a hard limit on capacity of, say, 25% or 50%, it may be worth considering allowing establishments to work out their own safe capacity while maintaining physical distancing requirements. Every establishment is different in terms of its layout, and if you pick a number like 50%, that may turn out to be actually unsafe in some instances, while in others it may unduly restrict people from being able to safely seat guests in their establishments.

The third suggestion I would make would be to consider making off-sales permanent. To clarify, what I'm talking about here is the temporary order that permits bars and restaurants to sell alcohol for take-home consumption. These types of regimes are sometimes referred to as off-licence regimes and are operated successfully in many jurisdictions around the world, including several in North America. The volume that moves through this channel for take-home consumption, I would say, is unlikely to compete significantly with the established retail channels, primarily because of pricing. Hospitality and restaurant operators buy their beverage alcohol products at prices that are equal to, or pretty close to equal to, regular retail, so obviously in order to make any money selling those products, they have to mark it up beyond the regular retail price, which is likely to keep a pretty tight lid on volume. That being said, it is a convenience for some customers who would like to be able to do this, and for certain operators, this measure could be crucially important for them to recover. And particularly for operators within tourism-dependent regions, we could be talking about a recovery that takes years here. If there is concern about an overabundance of locations selling alcohol for take-home consumption, one further thought would be that this doesn't necessarily have to be a situation of everyone or not at all. Over time, this could be transitioned to a system where an off-sales licence is actually something that you would apply for if you really feel you want it, as opposed to something that just comes automatically with every liquor licence that's issued. Again, if there's concern about the system being abused, essentially, you could consider taking an outcomes-based approach in dealing with that.

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

Mr. Darren Smith: I think the intent with this measure is for it to be a complement to takeout food sales. But rather than stipulating that every single receipt from a restaurant must have a food item on it—because people can and will find ways around that, unfortunately—it could be worth considering just having a broad statement in the regulations that you can't run an alcohol retail store off a regular liquor sales licence and then empower the inspectors who are out there in the field to enforce the law.

The last suggestion would be to raise or eliminate restrictions on brewery direct retail sales. The governing legislation here says that beer manufacturers can open stores for the sale of their beer to the public. But then, at the regulatory limit, we're only allowed two in the entire province, and those only at manufacturing sites. To give an example: We're investing over \$1.3 million to build our new facility in Bracebridge, and we've incurred about \$100,000 in cost overruns as a result of the disruption that's occurred over the past few months. But because we already have retail licences for our Baysville and Huntsville locations, we can't get one for Bracebridge. We know that when we open, we won't be able to operate at full capacity for the foreseeable future, so this incremental revenue stream is going to be critical in order to keep that operation viable. The off-sales provision that I was just talking about may help to some degree, but I think really what we're looking for and what many breweries in this province are looking for is a long-term solution to what seems a bit like an arbitrary constraint on growth.

To sum up, like I said at the beginning, I think there is a real opportunity here for some good policy and some good approaches to help kick-start the recovery somewhat naturally and to work harder than simply just handing out cash. I think consistent messaging on internal travel and tourism is key. Allowing hospitality operators to safely maximize their capacity while still respecting physical distancing guidelines, making off-sales permanent, and then reducing or eliminating these constraints on direct retailing for breweries and perhaps other beverage alcohol manufacturers—

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

Mr. Darren Smith: —these would be hugely helpful measures for businesses like ours that are located in tourism-dependent regions of the province. Thank you.

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

We'll move to our next presenter, Indigenous Tourism Ontario. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Kevin Eshkawkogan: *Remarks in Ojibway.*

Hello, my name is The Man who Speaks for the People. My home is Spirit Island. Some may know it as Manitoulin Island. I'm of the Pike Clan and I'm Anishinabek. For the purposes of today, please refer to me as Kevin Eshkawkogan, or simply just Kevin. I'm the president and chief executive officer for Indigenous Tourism Ontario. I'm coming to you today from the Aundeck Omni Kaning First Nation in the Robinson-Huron Treaty territory. Before we begin, I

want to acknowledge today as Juneteenth, and this weekend is a big weekend with the summer solstice, Father's Day, and National Indigenous Peoples Day. I wish everybody a happy Father's Day for those who are out there.

For those unfamiliar with Indigenous Tourism Ontario, or ITO, we are the first and only Ontario-wide voice for Indigenous tourism in Ontario, with the purpose of helping improve the socio-economic conditions of Indigenous people by facilitating respectful inclusion in the larger tourism sector. Although Indigenous people have been involved in tourism for thousands of years, we are fairly young when it comes to the current model of tourism, and Indigenous tourism businesses are incredibly vulnerable in these unprecedented times.

You should know, up until the announcement of the global pandemic, Indigenous tourism was seeing unprecedented demand for its varied experiences. To further elaborate, as many as one in three international visitors wanted an Indigenous experience when visiting Canada. As identified by the Indigenous Tourism Association of Canada, or ITAC, Canada is home to over 1,900 Indigenous tourism businesses that employ almost 40,000 people while contributing \$1.9 billion to the GDP. Ontario is home to Canada's largest Indigenous tourism sector, with over 550 businesses employing almost 13,000 people while contributing \$622 million to the GDP.

On March 16 of this year, ITO identified that due to COVID-19, the Ontario Indigenous tourism industry would lose approximately 140 businesses, 4,000 jobs and \$330 million in contributions to the GDP. These estimates were based on data collected and a report released at the national level by ITAC. On April 27, Indigenous Tourism Ontario identified that due to COVID-19, the Ontario Indigenous tourism industry would now lose approximately 330 businesses, 4,000 jobs, and \$330 million in contributions to the GDP. These estimates were, again, based on national reports: first an updated report released by ITAC, and a new report prepared by Destination Canada. As you can see, our initial estimates, although conservative, were reasonable estimations at the time. Today, June 19, as we lead up to summer solstice, we are anticipating the temporary or permanent closure of approximately 350 businesses, while losing 7,500 jobs and \$370 million in contributions to the GDP.

Our hard-working friends at the Manitoulin Hotel and Conference Centre know this first-hand, and they're anticipating losing \$2 million in revenue this year. As a young business just hitting its stride, this is a huge hit to their business progress and growth. The long-standing Great Spirit Circle Trail, once a leader internationally for Indigenous tourism, currently has no home. Wikwemikong Tourism has lost all of its cruise ship business and has limited staff available to move forward this summer. Island Sunrise Cottages has cancelled all bookings this summer, as they operate on the M'Chigeeng First Nation and are doing what they can to be respectful of the local health and safety protocol put forward by the First Nation leadership. Once a leader on the Canadian Indigenous culinary scene, Nishdish Marketeria and Catering, based

in Toronto, has had to close its doors. In northwestern Ontario, Indigenous-owned lodges and resorts are struggling without access to US markets. These stories are, sadly, seemingly endless.

Indigenous businesses are different, but no different at the same time from non-Indigenous businesses. They're hurting, and with extremely vulnerable people in First Nations, additional concerns, protocol and resources are needed to help Indigenous tourism businesses survive.

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

Mr. Kevin Eshkawkogan: They need protection and support. ITO is one vehicle to help with that protection. To date, in partnership with the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries, we have been able to protect businesses in the first few months. Those resources have now run out. We are working closely with them for the next phases and know our friends at the Ontario Indigenous affairs ministry are strategizing, as we speak, to further help Indigenous businesses. Indigenous Services Canada made an announcement last Thursday, and we are working with the regional lead to further help Ontario tourism businesses.

Collaboration is key and we need everyone working together on this. We are in this because of a virus, and will come through this together as people. As we like to say in the tourism industry, rising tides raise all boats. ITO is just that: a *jiiman*, a boat. And now that we have a boat for Indigenous tourism in Ontario, we need paddles—paddles to propel us through these turbulent waters.

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As we and our provincial and federal partners further align, we know that more support is coming. Although we appreciate the support that has been provided to date, it's simply not enough. With adequate resources and additional support through collaboration and partnerships, we can implement the ITO The Path Forward and help Indigenous tourism businesses restart and recover. Through innovative thinking, ITO will do its part to rejuvenate Indigenous businesses and the Ontario Indigenous tourism industry by continuing its support program and developing more high-quality virtual experiences like the Summer Solstice Indigenous Festival.

That, by the way, has been running for three weeks now and is wrapping up this weekend. You can find it online and be witness to the world's largest virtual competition *powwow*, among many other exciting activities. Please excuse my plug for my friends in Ottawa, who are coordinating this amazing and historic event. They are working so hard on this, and my daughter Saraya was so proud—to be quite honest, we all were—when we opened the “Manitou” or “great spirit” boxes last night and saw our Indigenous culture presented in such a respectful, modern manner.

In addition to these amazing initiatives, we believe that inducing the development of new virtual reality experiences and business models will also further the development of our international trail-blazing work around Indigenous culinary experiences and initiatives—

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

Mr. Kevin Eshkawkogan: —would change the innovative landscape for Indigenous tourism in Ontario and beyond.

By implementing our Path Forward plan, Indigenous tourism will grow sustainability in Ontario once again. We pride ourselves on our ability to collaborate with all partners and we are confident we will grow the tourism industry for both Indigenous and non-Indigenous businesses moving forward. When we do so hand in hand, we as Ontarians will find ourselves in the most socially, culturally and economically prosperous region in the world. Meegwetch.

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

Our next presenter is the Hazelton Hotel. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Hani Roustom: Sure. Good morning, everyone. My name is Hani Roustom and I'm the managing director of the Hazelton Hotel, located on Yorkville Avenue in Toronto.

Before I start my deputation today, allow me to take a moment to thank, on behalf of my team at the Hazelton, the members of this committee who facilitated this deputation despite these extraordinary times. To their great credit as well, and with our industry's everlasting thanks, I also want to thank our political leadership—city, provincial and federal—who are listening and responding with appropriate measures and policies to help the industry in this current crisis. However, the situation is dire, and our industry needs more help.

Also, I wanted to thank our provincial minister, Lisa MacLeod, for her leadership. Having participated on the ministerial advisory panel for hotels and hoteliers, I was able to see first-hand how committed she is to ensuring that our industry will have the support needed as we navigate this changing environment.

Allow me to begin by sharing with you a brief summary about the Hazelton Hotel. The Hazelton is a Toronto-born boutique luxury hotel located in the fashionable neighbourhood of Yorkville. The hotel offers 77 luxurious suites, showcasing a sensational art collection, a private screening room, a luxury spa and world-class cuisine at our signature ONE Restaurant. Being a favourite address to stars from Lady Gaga to Justin Bieber, the hotel has become one of our city's most iconic hospitality landmarks.

At the Hazelton, hospitality is about genuine care not only for our guests but also for our community. During the ongoing COVID-19 crisis, despite how our doors were shuttered, our amazing team found purpose in launching the #HazeltonCares food initiative, cooking hundreds of healthy and nutritious meals to feed and support our front-line workers, our first responders, and also citizens in need. What we had originally envisioned to be a neighbourhood initiative ended up being a larger undertaking, supporting different community shelters and other centres around the city.

However, the Hazelton today is not welcoming guests. On March 17, and considering the well-being of our team members and our guests, we decided to suspend our operation. Like many other hotels, our doors remain closed,

including our spa, restaurant and bar. To put things in perspective, Mr. Chair and committee members, June is normally considered one of the busiest months of the year—the beginning of a very busy summer. During June 2019, our hotel operated at close to 90% occupancy and at an average rate of \$590 per room. Our bar was extremely busy. Our popular patio was bustling. We would have close to 250 team members, the majority of them full-timers working in all different areas of the hotel.

Fast-forward to June 2020: This year unfortunately is a completely different type of reality. Our operations remain suspended. Few team members are at work as we try to maintain our building and prepare the hotel for reopening. In our effort to contribute, to elevate service and hospitality in our city, we have invested close to \$5 million in the full renovation of all our areas, including our restaurant and bar. Our ownership continues to fund extensive variable and fixed costs in both the hotel and restaurant, with zero revenue. Today, our hotel remains closed and empty. Some 90% of our team members are on temporary layoff and leave and without an earning job. This has been the same for the last few months.

Our other colleagues from the industry have spoken to you before. The pandemic declaration of March 11, 2020, has been catastrophic for our industry; we all know that.

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

Mr. Hani Roustom: Despite being declared an essential service, our operating revenues are down a staggering 94%. Oxford research and CBRE forecast that the industry will not experience demand recovery in the sector for 24 to 30 months. Economic recovery of the hotel industry will not be experienced until 2025 or later.

As an independent, local and boutique hotel operator, allow me to share with you some suggestions that we thought would be helpful to help mitigate the effects of the COVID-19 crisis now and as the industry tries to recover.

(1) The Canadian wage subsidy program: I cannot emphasize enough the critical importance of CEWS and its extension beyond its current expiry period till the industry has recovered to its pre-crisis occupancy and, importantly, employment level. While I understand that it is beyond the jurisdiction of this committee, I could not but refer to it. Without it, today, many hotels would not be able to survive nor would they be able to do so in future—including ourselves.

(2) Property tax: Currently, boutique and large hotels in general are struggling to maintain cash flow and hopefully waiting for better circumstances. A significant factor affecting the cash flow position of hotels is the payment of property taxes. The Ontario Municipal Act prohibits municipalities from operating deficits, which forces them to take a hard line on collecting taxes at the end of each fiscal year. This is exacerbated by MPAC, which sets the taxation value of Ontario businesses based on their building and land value, plus an assessment based largely on revenue. While mindful of municipal constraints and to support short-term liquidity of our hotels, we suggest that six months of the 2020 property taxes are forgiven. Further, we suggest that MPAC is asked to consider

depressed 2020 business revenues when determining municipal taxation valuation for the remaining months and the foreseeable year ahead.

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

Mr. Hani Roustom: Initiating conversation with the GTHA will be helpful in that effect.

(3) Meetings, events and patios: It is our sincere request that committee and government permit hotels to host meetings and operate patios in our safe and controlled environments as soon as possible.

(4) Restoring public confidence, destination marketing and incentive programs: Once we have provided a clear path forward for the full operation of our hotels, dedicated funding for local marketing efforts and organizations will be necessary.

(5) And finally: Supporting our employees as part of the recovery effort is vitally important. We suggest that the government provides the Greater Toronto Hotel Association with funding to be used toward this end.

The hotel industry cannot recover without government and your support. My team and I are ready and willing to continue to serve our community and do whatever it takes to bring Toronto, our province and our industry back to what it used to be before.

Thank you for your leadership and for helping us pave the way forward.

I look forward to answering your questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now, and I'll start with independent members this time. MPP Hunter.

Ms. Mitzie Hunter: Thank you so much, everyone, for your presentations.

I wanted to start with Kevin from Indigenous Tourism Ontario. We have heard from other Indigenous presenters through our time here, and I wondered what you thought about the idea of creating an Ontario tourism map of various communities that can be charted and connected maybe through driving routes and particular destinations, and if you thought that that would be something that is helpful as a marketing tool—and how it could also work in different areas, such as urban areas where maybe it's done on a walking or cycling path, to get more specific in terms of the sites and areas that are of important note in the province.

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Mr. Kevin Eshkawkogan: Thanks for that question. It's very timely. We actually put out a press release yesterday because we're revamping and launching our Indigenous Experience Ontario website. As of this Sunday, it will be live with some updates, which we'll of course continually update. But yes, definitely itineraries and travel routes are going to be a part of that and a map will be a part of that, clearly mapping out the Indigenous business operators.

With that, we're also working with our friends at Mississaugas of the Credit First Nation, who have a wonderful program called the moccasin educational identifier program. We are looking at incorporating that as well. It's more of an educational route and tool for not just

international visitors but all Canadians and all Ontarians to learn about Indigenous culture.

Your question is on exactly what we are doing right now. The short answer is, obviously I do agree with that. That's a great tool to use, and we are working on that literally as we speak.

Ms. Mitzie Hunter: Meegwetch, and I'm really happy and can't wait to see that.

If you could perhaps talk about some of the aspects that you're seeing—because this is an opportunity for us to talk broadly. We have heard from northern communities, specific communities—and this is more the overall. So what are the things that you are asking for in terms of the province so that not only in this year but in future years you can see your community thriving from a tourism perspective?

Mr. Kevin Eshkawkogan: We have been in close communication with both the province and the government of Canada for literally years. With some friends, we wrote the first province-wide grassroots Indigenous tourism strategy. We have what are called the “four directions” that we work within. That's the Indigenous tourism operators. We need their support to be mandated to do this. Without them, we don't have an industry.

We then also need Indigenous leadership support. We historically work with the Chiefs of Ontario, who serve as a blanket organization of all First Nations groups. But we're also reaching out to, and we have reached out to, Métis organizations and Inuit groups.

The other key partners in those four directions are the province and the Canadian government. When we're asking for things—one of the reports we put out with our jurisdictional scan a few years ago was basically for an Indigenous tourism sector to sustain itself. An organization like ours is 1% of our contribution to the GDP. If we've got those budgets allocated—and they don't necessarily have to come allocated to a specific organization like ITO; they can come in other ways, like partnerships. For example, we partner and we have an MOU signed with Destination Ontario.

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

Mr. Kevin Eshkawkogan: They do the marketing. They're the experts in that. We're just the facilitators and the conduit to help Indigenous partners participate in these things. That being said, yes, we need do need some resources on our end to implement some of these plans at the ground level. But that's it in a nutshell.

Ms. Mitzie Hunter: I really look forward to seeing your site. And congratulations on the—I think you said there was a “great spirit” box that was brought about, and your daughter was very proud of that. So congratulations and meegwetch.

I am going to yield the remainder of the time to MPP Blais, if that's okay, Chair.

The Chair (Mr. Amarjot Sandhu): Yes. MPP Blais?

Mr. Stephen Blais: To everyone, thank you very much for your presentations.

Kevin, you mentioned that about one third of international visitors would like to have an Indigenous experience when they're in Canada. Obviously, international

travel is going to be affected for a while, so how do we encourage more domestic tourists to want to have that same Indigenous experience?

Mr. Kevin Eshkawkogan: That's a great question. We're aligning ourselves very closely with our partners at Destination Ontario, the province of Ontario, Destination Canada and the Indigenous Tourism Association of Canada in how we open up in terms of our industry nationally and regionally. And with that, we are ideally suited, to be quite honest, to first take those initial visitors and that initial hyper-local or hyper-domestic or backyard tourism model that's going to have to be implemented until international borders open up. We're ideally suited for that, because we usually typically engage in smaller group sizes, which is going to be one of the standards and protocols that are there, but with that, we also—

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

Mr. Kevin Eshkawkogan: —invariably work with the businesses too, and with that unprecedented demand, we just simply don't have the supply. So that's a great way to dovetail right into what's needed to grow this up to eventually get it to provincial travel, interprovincial travel, and then national travel and international travel. So we'll naturally progress up.

Mr. Stephen Blais: Are there ways in which the government can help you create that supply to encourage more Indigenous entrepreneurs within the tourism sector or the hospitality sector?

Mr. Kevin Eshkawkogan: Yes, definitely. Supporting the strategy that Ontario has helped create, the Indigenous Tourism Ontario strategy, which we're updating right now, will go a long way in helping us facilitate more collaboration within our industry. We do a lot already, but when we look at the domestic market and the backyard tourism markets—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the government side now. I'll start with MPP Miller, Parry Sound–Muskoka.

Mr. Norman Miller: Thank you, Mr. Chair, and thank you to all the presenters for excellent presentations.

I would like to ask questions of Darren Smith of Lake of Bays brewery. Darren, you're a true entrepreneur. You started your business 10 years ago, and it's been very successful. You make great beer, which I've sampled a bit from time to time. You've gone on and opened a brew pub in Huntsville and, in the midst of COVID-19, you are spending substantial dollars opening a brew pub in Bracebridge.

You came to this committee, basically, with no ask for money but really more red tape and policy changes, all of which you stated very clearly—to be allowing off-sales to be permanent, and restaurant capacity to be determined by the individual restaurants.

I wanted to focus on the restrictions on retail sales, because that seems very arbitrary and it affects many people with your success and how many people you employ. And because you brew in Lake of Bays, you have a brew pub in Huntsville, and then a third location—we have this arbitrary rule that only allows you to sell from

two locations. Can you talk about that and what a difference just making a change in policy would make for you and your employment, please?

Mr. Darren Smith: For sure. Thank you for the question. Yes, that's right. Right now, the regulations state that brewers in Ontario can only have a maximum of two retail stores where they can sell beer for take-home consumption and that they have to be located at a place where they are actually manufacturing beer. Because we've got our main brewery in Baysville and then our brew pub location in Huntsville, both of which are already licensed—we're going and building a fundamentally similar establishment in Bracebridge, but we basically had to X out that whole aspect of the business plan related to take-home beer sales because, as you say, we simply won't be able to secure a licence for it.

Specifically with the Bracebridge location, I can tell you, if we can get clarity on that and know that we would be able to sell beer for take-home consumption at that location on a long-term basis, there's an adjacent unit we would immediately take and likely end up employing at least five or six more people to staff that portion of the operation. That's about a third more total employment out of that one operation than we'll generate just out of operating it as a restaurant. And that's just us—because there are literally hundreds of breweries across the province and I think there have got to be many more that would be in a similar position where there's a logical bolt-on to some component of their business that they're totally prepared to do and are just unable to right now.

Mr. Norman Miller: Well, I hope we can get that change made for you so that you're able to expand your business and be successful. Both your brew pubs are restaurants as well. Obviously, I'm assuming you'd like to see them open. Are you confident you can operate them safely indoors if you're allowed to?

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Mr. Darren Smith: I believe so, yes. We already know what we're going to be doing from a protocols perspective in terms of PPE, sanitizer at each table, managing traffic flow within the restaurants.

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

Mr. Darren Smith: So for example, we direct customers—are we out of time?

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

Mr. Darren Smith: Okay—so directing customers one way to the washrooms and one way back from the washrooms. We've even talked about the idea that if the restrictions on physical distancing persist for longer, we could even end up constructing temporary barricades inside the restaurant in order to allow a little bit more seating but where people are physically separated from one another; for example, by Plexiglas barriers or things like that.

To the point I made in the presentation, I think there's lots of ways that restaurateurs can be creative in ensuring guest safety, beyond just saying, "Well, your rated capacity is 100, and that means you can only have 50 people," full stop.

Mr. Norman Miller: Thank you. And I note that you would like to see off-sales permanent.

I will pass it on to my colleagues, who want to ask questions. MPP Cho?

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

Mr. Stan Cho: Thanks for your presentation, Darren. I almost enjoyed it as much as your Flight Plan IPA. I look forward to having that in person soon.

A lot of the suggestions you made, obviously, we've heard at the Ministry of Finance and, given the complexity of the alcohol landscape, are in process. But I appreciate that you came here with some tangible regulatory asks.

For those watching, here's evidence of those asks actually being actioned. Your cousins in the wine sector asked for a bag-in-box regulatory change to allow for more competitors in that sector; the Minister of Finance yesterday announced that change. Your colleagues in the alcohol sector asked to allow LCBO to provide more shelf space, and yesterday the Minister of Finance announced that the LCBO will be permitted to use their discretionary shelf space to better showcase local Ontario product. And that's going to be a permanent case when it comes to LCBO publications, the LCBO website and social media. So we appreciate when you come here with those tangible regulatory asks that actually can make a difference.

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

Mr. Stan Cho: You might not get to all of your other suggestions here, so that's maybe food for thought for the next round. But other than the ones that we've heard from your sector, from the craft brewers' association, on those particular asks—and one of them you've brought up today—are there any local considerations or a lens you can use to see if there are any other regulatory changes we can do—low-hanging fruit, if you will.

Mr. Darren Smith: In a local sense, like up here in the Muskoka region, you mean?

Mr. Stan Cho: Sure, for your particular brewery or in general. I know we've got the asks from the craft brewers' association, but if there are any other ones that you can think of, we are always willing to listen to those ideas we can implement quickly.

Mr. Darren Smith: Honestly, I really think the biggest one is just the direct retailing piece, and I know I'm repeating that comment from earlier, but that, to us, is the biggest hurdle sitting right in front of us.

Mr. Stan Cho: So maybe food for thought for the next round—how the off-site licence, the licence for takeout alcohol, how that's impacted your bottom line as well.

Interjection.

Mr. Stan Cho: For the next round.

Mr. Darren Smith: Okay.

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

We'll have to move to the opposition side now. MPP Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentations. Those were very good presentations, Darren, Kevin, and Hani.

My name is Sol Mamakwa. I'm the MPP for the Kiiwetinoong riding, which is in northwestern Ontario.

I think when we talk about the impacts of tourism across Ontario during this pandemic—I really appreciated Kevin just acknowledging an important day, National Indigenous Peoples Day. Of course, that's who we are. I recognize that, but also Father's Day.

I'm just going to have a quick question for Kevin with respect to some of the First Nations businesses. That's what I've been hearing—First Nations businesses, whether it's provincial and federal support programs for First Nations businesses, fall through the cracks. Sometimes it's limited partnerships that are in place. So from what you understand and know from the groups that you represent, what are some of the factors that can help in going back out of this zone of COVID-19? What are the plans?

Mr. Kevin Eshkawkogan: There have been many different issues, and it changes regularly. We've been trying to address as many of the issues as possible, from any regulation issues that we have—with federal programming or provincial programming.

[Inaudible] Tourism Industry Association of Ontario. That particular group covers all sectors and different groups. Although we're called a sector organization, we're kind of a demographic sector organization, where changes in the—there are Indigenous brewers. There are Indigenous hoteliers. There are Indigenous fishing and lodge operators. Changes to those sectors affect us, as well, and they're usually the same problems. So there are other people doing that work. My focus is on the Indigenous operators and seeing what we can do to help them.

Although we appreciate all the help that has been done so far, like reducing red tape—TIAO is doing a great job of reducing that—at the same time, Indigenous operators are so young, and they're falling through the cracks because they don't have the balance sheets to back them to go to certain loan programs. I know there are new announcements being made regularly, but the biggest issue with Indigenous operators is liquidity at this point. So trying to help them navigate those systems—systems that they're not used to—is really important.

When we talk about our business support broker network—we are simply there trying to help businesses navigate through the craziness of COVID-19, and help them identify which programs work best for their particular needs. One of the things we'll be launching within the next 10 days, for 141 businesses, is independent snapshots of where they stand and where they need to go as individual business operators. It's customized to them so that they can figure out their own path to help save themselves—because we only have so many resources here as ITO, as the province, as Canada, and we can only do what we can do to help.

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

Mr. Kevin Eshkawkogan: There are many things that we need to work on, and we find those out, and then we help each business individually and in a customized manner, if that makes sense.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Sol Mamakwa: You talked about some of the research and how you're going to best assist your organizations in getting into the post-pandemic recovery plan. What resources or tools do you have in place—whether it's federal or provincial funding?

Mr. Kevin Eshkawkogan: On the funding front, we've identified a plan. We're fine-tuning the details right now. We should have it completed by June 30.

With limited resources, we've been conditioned over the last decade to do things as efficiently as possible. I'm very much of a mindset of collaboration, as the president and CEO of ITO. So we try to do things in partnership with as many groups as possible.

Our framework document, The Path Forward, identifies \$1.25 million that is required to help with this fiscal and then next fiscal. This is a problem that's going to last for what we anticipate to be at least three to five years—to build up the tourism industry.

So we're working with all the partners and trying to spread this out. We're trying to collaborate to meet the needs of that plan.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Lindo.

Ms. Laura Mae Lindo: How much time do we have in this round, Chair?

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

Ms. Laura Mae Lindo: Thank you. I have a question for Darren.

You spoke very clearly about the need to address some of the red tape, and that makes perfect sense. We're also talking about economic recovery and forward-thinking.

Another piece that you brought up that's really important is the need for clear and consistent messaging for travelling across the province. We've been hearing this from a number of people throughout the hearings.

You also talked about clear requirements for physical distancing when restaurants are in a place to open, and the idea of having the restaurants that know their establishment best—if they had clarity on what the physical distancing requirements are, they can make better decisions and have the best judgment. Could you speak a bit more about that?

Mr. Darren Smith: I'd be happy to. Thank you for the question.

In terms of physical distancing requirements within restaurants, both ours and others—like I said before, every establishment is different in terms of its interior layout, customer flow and everything like that. So the crux of the ask is just to not put a hard ceiling—

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

We will have to move to the government side now for their second round. I'll start with MPP Smith.

1140

Mr. Dave Smith: My question is actually for Mr. Roustom, if you don't mind. Earlier today, we had a presentation from the Metro Toronto Convention Centre, and they made a suggestion that to kick-start the entire

hospitality industry, we should be doing something specifically for businesses to have conventions. They felt that they would be able to do social distancing at a convention and they would be able to do social distancing in the breakout rooms, and that this would really spur on hotel room rentals.

Do you mind weighing in on that concept at all? I know I'm giving you very short notice on it, but do you mind weighing in on that?

Mr. Hani Roustom: Absolutely. Thank you for your question, MPP Smith.

I'll speak to you about the Hazelton Hotel and then we'll move to the convention centre. The corporate business makes 33% of what we do, or the total overall number of guests that we welcome in our hotel. It's obviously such an important sector sub-segment for the entire city as well. So it is very, very important that in whatever efforts we're working on, this segment is really being looked at with a lot of focus and importance because the trickle effects of the dollars spent just really goes down anywhere from the local business or economy.

I do believe that the industry today is very solid, and that goes back to the question that MPP Lindo had asked. We have established very clear operating protocols for our areas, whether they are restaurants, bars or hotels as well. You know really well that the hotel industry has been considered as part of essential services. So we were very meticulous and very focused on making sure that those operating protocols are being respected within our areas.

So, yes, we want that corporate businesses to come in, knowing that we know those protocols. We were very committed and focused on making sure that they are very well respected in our areas, and I think that is going to really help us manage that sub-segment of the business.

I don't know if I answered your question well, MPP Smith.

Mr. Dave Smith: Yes, thank you.

Chair, how much time is left?

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

Mr. Dave Smith: I'm going to turn it over to my colleague MPP Sabawy.

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

Mr. Sheref Sabawy: Thank you very much, Mr. Chair, and thanks to the colleagues and opposition, who did put really very helpful questions.

My question is to Mr. Hani Roustom in regard to the hospitality industry. Are you aware of the government's tourism economic development and recovery fund, TEDRF? Are you part of the consultation on this fund on which the Ministry of Tourism has been working to help the hospitality sector?

Mr. Hani Roustom: Great question, MPP Sabawy. Thank you so much for addressing this point. Yes, I am aware of the fund itself. I am not personally involved in the consultation. However, I know that the Greater Toronto Hotel Association is really playing a leadership role in that, in addition to the team at Destination Toronto. So I know that the engagement is happening at that level.

Mr. Sheref Sabawy: Thank you very much for the reply. I wanted to make sure that you are aware of that. Maybe you can also help the ministry to understand more about the challenges. There are big buckets in your losses: the employment cost, the real estate cost and the rent or mortgage costs. There are big costs in there. You can definitely, as one of the experts, can make sure that we can tailor this fund to help the hospitality sector specifically on the major costs. We understand that there is a hit in the revenues. We all understand that. The problem is: How can we help you survive the first, let's say, three months of going back to business?

Mr. Hani Roustom: MPP Sabawy, I think this is an excellent question and an excellent point that you raise. I do believe that this recovery effort that we're going through is going to be and has to be a collective effort. We all need to really work together. Humbly, I do participate and am a member of a number of committees working towards that end, whether it's Destination Toronto, whether it's the GTHA, my organization as well—

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

Mr. Hani Roustom: Again, I clearly mentioned in my presentation why the marketing efforts to really kick-start the economy and the points by the Canadian hospitality round table are very critical. I think it's very, very important for this committee to really understand the importance of CEWS and the tax abatement that we need. This is what we need today in order to stay alive. The CEWS was very important to stop the hemorrhage, if I may use that analogy. Today, in order for us to continue standing on our feet as employers and engage our employees and not lay off permanently our colleagues, we need that cash flow—

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

We'll have to move to the opposition side now. MPP Lindo?

Ms. Laura Mae Lindo: Thank you, Chair. I'm going to throw it back over to Darren.

Again, just as a recap, you've been speaking very clearly about the need for clarity in the directions around public health and ensuring that people feel confident to actually start to come out to your establishments. If you can talk to me a bit more about why that is so important, that would be fantastic.

Mr. Darren Smith: Absolutely. Thank you. It's critically important for us, both as a wholesale brewery, in which 20% to 25% of our business comes from selling beer to bars, restaurants and hospitality establishments, but then also as a direct operator of pub locations, where our business is down roughly 80% at the present time. We're doing what we can with takeout business, but it's simply no substitute for having the volume of people that we would normally have inside the restaurant.

I think we're quite clear in terms of the requirements for keeping people distant from one another and keeping groups together but then having adequate separation around them. I guess my hope really is that we'll be able to work to find creative solutions within our establishments to try and safely maximize the amount of people

we're able to serve. That's going to be critical to us starting to return back to levels of business that are sustainable for those pub locations in the long term, and I'm sure that that will be true for restaurant operators more broadly. I've seen photos from Taiwan where they've gotten really creative inside restaurants and actually set up individual shield units for each seat inside the restaurant so that people can be physically close to one another but there's no air exchange or interaction between people who are seated quite close together.

As time goes on—and I think we are realistically looking at months, if not years, before some of these physical distancing requirements in congregate settings are going to be lifted—it will make sense for operators to start to think about and invest in these types of creative solutions. They just don't want to run up against a hard limit that says, "Well, you could safely fit more people in your restaurant, but we're at 50% capacity, so game over." That's essentially it.

The Chair (Mr. Amarjot Sandhu): Further questions?

Ms. Laura Mae Lindo: Yes, thank you. What I'm also hearing from a lot of folks within this industry is, because they have been trying to bridge the gap, they've accessed credit lines, finances—they don't want to take on more debt. So would you be in agreement then that, in order for us to think in that way, we have to invest in innovations, which means we need to ensure that folks like you have access to direct funding to be able to do some of that creative rethinking of your spaces? Would that make sense?

Mr. Darren Smith: I think it would. That would be extremely helpful. It would be sharing the knowledge and the ideas and strategies for how to do these things. Some direct funding to help purchase the items themselves would be helpful, but then even just getting access to the actual materials themselves, because there's still supply shortages on a lot of different types of PPE and Plexiglas material and things like that—

The Chair (Mr. Amarjot Sandhu): Three minutes.
1150

Mr. Darren Smith: —that are needed in order to implement these strategies.

Ms. Laura Mae Lindo: Thank you so much, Darren.

I actually want to flip over to Kevin. There was something that you were saying when you were speaking to us around the virtual reality work that you folks have been doing and, again, that innovation piece. There has been a lot of talk about the need to think creatively about the post-COVID-19 future, and I think this a perfect opportunity for the government to hear the importance of investments and innovation so that we can start to bring more international monies into our economy. I'm wondering if you can speak a little bit more about some of that and the importance of that investment.

Mr. Kevin Eshkawkogan: The virtual reality components, what we're looking at—it seems like it's new technology to some of us, including myself; I'm definitely not an expert, by any means. But with that being said, I'm

helping guide the framework that we're working within. We're looking at creating models that benefit Indigenous operators, which, again, can be used virtually for anybody.

But where we're finding this needs to start is, simply enough, with infrastructure—the infrastructure to get connected. On a call before this I was briefly caught up on an announcement for Up to Speed, which is about rural broadband—which is typically where most First Nations lie. It's one thing to have the infrastructure on the end product for virtual reality offerings, which will bring in some of those revenues from other parts of the world—anywhere in the world, really. But you have to be able to connect to that at the grassroots level with Indigenous operators or cultural entrepreneurs. We're working on a model that will benefit them in perpetuity, that will show them the benefits in the long run without having to commit. It also helps address some of the—

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

Mr. Kevin Eshkawkogan: —supply issues that we have, where we can't just meet the demand.

This will be things that are recorded. You can subscribe to them. I can't get into too many more details because we are still working on it, but it's going to really help on a lot of fronts and help with a new model for Indigenous tourism.

Ms. Laura Mae Lindo: Fantastic. Thank you.

I'm wondering if I can just flip over to Hani very quickly. You had spoken about employees that are currently laid off, and we know that there was no choice in us having to make that decision. Can you speak about any concerns that they may be relaying about the reopening, what they would also need to also feel safe? I know that you've done a lot of renovating in the space, but anything that they're relaying to you would be really important for us to hear as well.

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

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

Mr. Mike Schreiner: Thanks to all three presenters for the excellent information you've provided.

I'm going to open my questioning towards Kevin from Indigenous Tourism Ontario. Kevin, you talked about needing \$1.2 million in funding to help, as part of the funding for your The Path Forward plan. Is that funding request to the federal government or the provincial government or both?

Mr. Kevin Eshkawkogan: It's both. On that, we're looking at about a 50-50 split on about \$1 million of that. The other \$250,000—we've got some of our own mechanisms to generate revenue, so about \$250,000 from other places. That's it, basically, in a nutshell.

Mr. Mike Schreiner: Great. I appreciate you giving us the details on that.

In response to another question, I believe from MPP Hunter, when she asked you, "How can we make the plan successful?", you said: "Support for Indigenous tourism." I'm assuming a big part of that support is the funding support, but are there other specific items that are needed

to support Indigenous tourism, in addition to the financial support?

Mr. Kevin Eshkawkogan: Because we pride ourselves on collaboration, there's relationship-building that can occur right now, and that doesn't cost us anything. We've released and published a document called Being a Good Neighbour—which basically means: Let's work together on things. We don't have to come to each other with set plans and projects. Let's just get to know each other first, and as we build that relationship and trust, then the projects will come and our creative juices will start flowing and we'll see some benefits in that regard. So introducing groups together and helping facilitate that relationship-building is a big part of what we could do right now. I know that's happening with the different regional tourism organizations. They reach out to me all the time to say, "Hey, can you introduce me to some Indigenous people because we want to help and we want to support?"; and we do. I put it out there all the time—if you don't know somebody who's Indigenous, reach out to somebody who you do know who knows someone and we'll start connecting. We're all in this together at the end of the day, and that's a big thing that can help right now, and it can help all the time. Let's just get to know each other better and work together on something to make Ontario a better place.

Mr. Mike Schreiner: Great. No, that sounds fantastic. I look forward to reading your plan. I haven't read it at this point, but I'm looking forward to that.

I'm going to now just shift over really quick to Darren. Darren, it's good to see you. It has been a while since I toured the brewery, but the business has grown a lot since I was first there. I think I was there when you were first getting started.

I've talked to other brewers, and not only have they talked about the two-store limit, but also the limitation on the retail store having to be connected to the brewery itself, especially for those who are in locations that are not as attractive for retail customers to go to. I'm just curious what you think of the idea of allowing craft brewers to open retail locations—what role that could play in supporting craft brewers but also in economic recovery in general.

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

Mr. Darren Smith: Yes, thank you for the question.

I think it can't but help. Right now, the requirement to have manufacturing directly where your retail operation is does impose a constraint, both from a cost perspective and also there may just be certain locations that aren't suitable to locate a manufacturing operation. That would be another helpful change that would just—it would give breweries more flexibility to select, perhaps, the optimal location for their manufacturing site and then a different location that might be more optimal for retailing their products directly to the consumer.

What we do know is that craft breweries in general employ many, many people per incremental hectolitre of beer made, particularly at the really small scale, and a lot of small-scale operators are very focused on selling beer

out their front door. The more you can do to permit that type of activity to occur, you're going to really bolster employment within the sector. I just saw a report that came out this week that indicated that over 80% of the direct brewery jobs in Ontario are now within the craft sector. There has been a lot of growth, and I think we could boost that even more.

Mr. Mike Schreiner: That's a pretty amazing statistic, because your market share is still relatively low in Ontario. There's a lot of potential for growth. Especially given those job numbers, that would be very helpful, I think.

Mr. Darren Smith: Yes. We like to say that we're gloriously inefficient.

Mr. Mike Schreiner: Maybe just a labour of love; how's that?

Mr. Darren Smith: That's great.

Mr. Mike Schreiner: Thank you, Chair. That's all the questions I have with my time.

The Chair (Mr. Amarjot Sandhu): Any further questions? Seeing none, that concludes our time for presentations. Thank you to all three presenters for your time and for your presentations.

Looking at the time on the clock, this committee stands in recess until 1 p.m. Thank you.

The committee recessed from 1159 to 1301.

The Chair (Mr. Amarjot Sandhu): Good afternoon and welcome back. We're meeting for hearings of the tourism sector, as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

Just to let the members know: For our 1 p.m. time slot, we have only two witnesses. One of the witnesses has cancelled, so we'll have only two witnesses for the 1 p.m. slot and two witnesses for the 4 p.m. slot as well.

Before I call upon our next presenter, I will need to do an attendance check for MPP Bailey. If you could please confirm your attendance and if you're present in Ontario.

Mr. Robert Bailey: Present.

The Chair (Mr. Amarjot Sandhu): Are you present and in Ontario?

Mr. Robert Bailey: Yes, sir.

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

CORPORATION OF MASSEY HALL
AND ROY THOMSON HALL
CITY OF STRATFORD

The Chair (Mr. Amarjot Sandhu): Our first presenter for the 1 p.m. time slot is the Corporation of Massey Hall and Roy Thomson Hall. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jesse Kumagai: Yes, my name is Jesse Kumagai. I'm the president and CEO for the Corporation of Massey Hall and Roy Thomson Hall.

The Chair (Mr. Amarjot Sandhu): Please go ahead.

Mr. Jesse Kumagai: Thank you very much, first of all, for convening this incredibly important conversation and for providing me with the opportunity to contribute to the discussion.

The Corporation of Massey Hall and Roy Thomson Hall is a charitable, non-profit organization. We are entirely independent and we do not receive ongoing operational support from any level of government. We own and operate two of the world's most iconic concert halls, presenting music and entertainment from around the world with a strong focus on Canadian artists, especially those from right here in Ontario.

In a typical year with both of our halls up and running, we'd have an operating budget of nearly \$30 million, though it's lower this year as our beloved Massey Hall is currently undergoing the most significant renovation and expansion in its 126-year history. The project has been generously supported by both the province of Ontario and the federal government, largely because both orders of government recognize the contribution that we make to what Minister MacLeod refers to as the double bottom line, both economic and cultural.

The economic impact from live music in Ontario greatly exceeds \$1 billion annually. An economic impact study for our revitalized Massey Hall alone shows that every year we will drive over \$40 million in economic impacts and contribute over \$5 million in provincial taxes.

We also create jobs. The live music sector employs over 10,000 people in Ontario while our organization directly employs well over 200 people and engages many more, including artists, technicians and all kinds of others who contribute to the staging of events in our venues.

With the Massey Hall revitalization in progress, I liken our organization to a twin-engine airplane getting by on one engine. It requires us to be very alert and exercise extreme caution, but we expect it to be able to cross the ocean safely. But then we fast-forward to the arrival of COVID-19.

The arrival of this pandemic saw revenues from our core business drop overnight to zero. We cancelled and postponed hundreds of scheduled events, laid off nearly 150 of our people, many of them themselves artists augmenting their income that they would otherwise be receiving from performance. Our sector was clearly the first to get hit and we will be the last to recover.

The three-phased provincial framework for reopening the province references concerts in phase 3 but only to indicate that our sector will continue to be restricted for the foreseeable future. We absolutely understand why this is the case and we're all on the same page in that the health of Ontarians must take precedence over everything else. But it does not change the fact that while the rest of the province returns to normal, our crisis will continue to deepen. Even after the restrictions have lifted, we will face significant challenges as we battle the economic fallout. As we try to sell tickets, we'll face low consumer confidence and the overall stigma attached to mass gatherings. The impact of COVID-19 on our organization is likely to be in the order of magnitude of around \$10 million, not

something that we, as a charitable organization that does not receive operating support from government, is able to sustain.

Beyond our organization, the ripple effect on artists and all of the additional people involved in our work is exponential. The overall impact to our sector will be irreversible without additional support. We are already seeing small venues and music businesses failing, and we know more are imminent. The artists who rely on live performance as their primary source of income are facing financial devastation. The entire ecosystem is very much at risk. So my plea to you today is this: Please recognize and understand that the cultural infrastructure that drives over \$1 billion in economic activity for Ontario is at risk, solely because the nature of our business is bringing Ontarians together in celebration.

While I know there are great conversations taking place about how to kick-start the tourism sector following the pandemic, those conversations will only be meaningful if the cultural infrastructure and the companies and people behind them survive to attract and welcome those visitors. Every dollar invested in live music reaches artists, independent contractors and small businesses, drives the province's cultural economy, and makes Ontario a better place to live and work.

It's imperative that additional investment be made to ensure the sustainability of our cultural infrastructure and ensure that Ontario can truly be open for business when the pandemic passes. Our organization now has both engines out and we're looking for a safe place to land.

I thank you so very much for your time and attention today.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to our next presenter, from the city of Stratford. If you could please state your name for the record, you can get right into your presentation.

Mr. Dan Mathieson: Good afternoon. I'm Dan Mathieson, the mayor of the city of Stratford, and I'm joined by Joani Gerber, our chief executive officer of investStratford. Stratford enjoys a very thriving downtown tourist economy, which is home to, of course, the top-ranked dining and eating establishments in southwestern Ontario and the world-class Stratford Festival. We are working very hard as a group to come together in an effort to address the fallout, and we thank the province and Premier Ford and all the members of the Legislature for their support to date.

To give you a sense of the tourism economy for Stratford, we have over 325 businesses in our heritage downtown core, and 75% of those downtown businesses rely on a strong seven-to-eight-month festival season to sustain their businesses. There are 700-plus full- and part-time jobs that are working within our downtown core. The statistic is that for every one job in the Stratford Festival, there are four jobs in the broader economy that support the Stratford Festival. So those 800 jobs at the Stratford Festival are responsible for another 3,200 in the broader Stratford region.

If there is no festival season, we will see that many, many challenges will be upon us: 75% to 80% of the

businesses will be closed if they can't find ways through it. We've had a great economic recovery task force finding ways to open up our market square behind the city hall to make it a tourist destination through al fresco dining packages. We thank the province for the alcohol and gaming commission regulation changes that are on for patios. We're looking at sidewalk sales. We're opening up our parks system to try to give people an opportunity to dine in the parks area as well.

But we're concerned that 30% of our hospitality businesses will not make it, at the end of this year, because they won't have that strong seven-to-eight-month economic factor. With that, we look to different programs and initiatives that we think need to be in place to support it.

I'll let Joani carry on from here.

Ms. Joani Gerber: Thank you very much, Mayor Mathieson, and to the Legislature, as well, for this opportunity. As the mayor mentioned, COVID-19 has had a devastating impact on our downtown and our tourism, but I wanted to let you know that we are a 12-month sector of tourism in Stratford. Certainly our summer season is important, and we've seen the cancellation of many summer festivals.

I do also want to point out that there are three other areas where we are seeing devastating impacts. The University of Waterloo's Stratford School of Interaction Design and Business will be delivering their classes online in the fall, which will significantly impact our downtown economic activity in the off-season. Those students go into our retail stores. They use our coffee shops. They are a part of our vibrant community that will not be located on the campus this season.

Our tourism and sporting events are cancelled, including minor sports. Sports tourism revenue is a significant loss for us. We have four ice pads and many more recreation facilities normally booked more than two years out, well in advance. Those organizations have cancelled much of their programming and are very unsure about what their future looks like.

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Corporate tourism is also something we've worked incredibly hard to build. We have two large events that take place in both May and November: the Canadian Dairy XPO and the Canadian Poultry XPO, bringing together agriculture, technology and tourism dollars spent in our communities when those events happen in those shoulder seasons.

Moving along: Of course our Stratford Festival is, without question, one of the most important components of our business and tourism in Stratford. For every ticket purchased, \$278 is spent in our local economy. That's spent in retail, spent in restaurants or spent on accommodation. That's \$135 million per year.

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

Ms. Joani Gerber: I'll turn back over to Mayor Mathieson to close.

Mr. Dan Mathieson: Some 80% of our hospitality industry exists because of community futures development corporation loans. About \$2 million of that money is at

play here and will be lost if we can't stimulate the economy. We are concerned that there needs to be a broad-based strategy over a 24-month to 36-month period for tourism to come back.

We have applied for a major investment within our infrastructure within the downtown core of our Grand Trunk Community Hub, which will allow us to also bring more people into the downtown core in coming years by putting a YMCA, our youth services and the expansion of the university in place. We believe that the province has the opportunity to use infrastructure funding projects that they already have on the books to help stimulate the economy of communities by building infrastructure, which will help as a stopgap and, of course, build a broader economic base, so when the tourism economy recovers, we have the opportunity to move forward.

We thank the Legislature for the opportunity to make this presentation and we look forward to your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start the questioning with the opposition side this time. MPP Lindo.

Ms. Laura Mae Lindo: Thank you for both presentations. I'd like to start with Jesse from Massey Hall and Roy Thomson Hall.

I understand how important it is for us to really take seriously the notion of the double bottom line, the economic and the cultural. I just want to give you a little bit more time to talk specifically about the importance of the cultural investments and what you see as imperative to be able to hold you through. We keep hearing, especially for these larger event spaces, that it's going to take such a long time for you to get back to where you were, much less to thrive, after this. I give it over to you.

Mr. Jesse Kumagai: Thank you very much. It's a great, great question. We really view this as a short-, medium- and long-term situation. In the short term, we're really not able to engage in any of our programming in normal ways. We're trying to find every avenue we can to replace what we were doing previously in terms of having community impact and being able to engage artists. We're living in what is now an online digital realm, and we are rapidly adapting to take advantage of that opportunity, but the bottom line is that the revenue opportunities simply aren't there. As I described earlier, without operating support from government, it means that our organization relies entirely on earned revenues, and they just don't really exist to compensate. So that's the short term.

The medium term is when we get to the point where we're able to reopen and we are able to welcome some people back into our facilities. If the expectation is that physical distancing be maintained, it means that we're all going to be operating on profoundly reduced capacities in our venues, which means that even if we can start driving ticketing revenues back into our operations, it will only be 20% of what we would normally be able to enjoy. That has a ripple effect on the entire community.

Especially in the medium term, when we expect that the borders won't be as free-flowing and international artists

won't be coming around, it presents an incredible opportunity for Ontario artists to be front and centre in this recovery. But again, without the ticket revenue there to support all the different people who have to contribute to putting on a show, those opportunities are not going to be realized the way that they could be. And the longer we go without artists being employed, the more vulnerable they become. It's a very symbiotic relationship and a very delicate ecosystem, top to bottom, in the music space.

I think I said earlier that most musicians are earning the majority of their living these days from live performance, and with that out of play, there are a lot of people who are, without exaggeration, reconsidering their career choices at this point.

Ms. Laura Mae Lindo: Thank you so much for that. It's interesting, too—I used to be a musician once upon a time. My sister was a musician. She sung at Massey Hall. It's a beautiful space, and I'm happy to see all of the stuff that's happening there. But one of the things that keeps cropping up, because I was a musician, is that people are particularly worried about choirs, about singing. There have been a lot of questions about whether or not investments in technology that will allow live performances to happen but from different spaces can actually be something that we invest in now, so that we save the cultural and art spaces and think about them differently—

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

Ms. Laura Mae Lindo: —because, again, we're here for economic recovery and trying to think innovatively about how we save this industry. Was there anything around those lines that you've been hearing, anything that you want us to be considering as key investments on the cultural side of this so that we can save this economy?

Mr. Jesse Kumagai: We've certainly seen a variety of different approaches internationally. We're paying a lot of attention to different regions and their strategies, everything from orchestras conducting scientific studies on the dispersion of droplets based on the type of instruments they perform, and what radius is appropriate in those circumstances. All I would say is that any solutions that are proposed or pursued need to be—timing is the absolute essence of it.

My concern about some of the technological approaches is that the time required to research and develop those interventions and actually put them into practice will put them so far down the road that a lot of the organizations that are in crisis right now may not survive to be able to take advantage of it. So once again, I think there are short-, medium- and long-term approaches. Longer-term solutions like that, depending on what the future holds for us with this pandemic, may well be part of the answer, but honestly, our focus right now is really more on the short to medium term.

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

Ms. Laura Mae Lindo: Thank you very much for that. One more question for you as well: Thinking now of the short term, we keep hearing not just from the arts industry but also from restaurants and people that are doing some of the background legwork around keeping some of these

cultural spaces open that there's a fear that folks are going to move on to different careers. What is that going to mean for these art spaces? I know you touched on that, but if you could spend the rest of this minute talking about that, that would be great.

Mr. Jesse Kumagai: The vulnerability in the sector is so profound. I can tell you that a lot of the conversations that I've had with people who work—they're my peers at other venues; they're my peers who present concerts; the booking agents who represent artists; the artists themselves; their managers. Consistent across the entire ecosystem, there are serious doubts about the viability of the future of the sector, and so we are seeing people contemplating departures.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Before I move to independent members for questioning, I need to do an attendance check. MPP Ke, if you can confirm your attendance, please.

Mr. Vincent Ke: Yes.

The Chair (Mr. Amarjot Sandhu): Present in Ontario?

Mr. Vincent Ke: Yes.

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

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

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

Interjection.

The Chair (Mr. Amarjot Sandhu): All right, we'll come back to him.

Independent members now, for questioning: MPP Schreiner.

Mr. Mike Schreiner: Thank you, Chair, and thanks, both presenters. I've had a lot of memorable experiences at Massey Hall, Roy Thomson Hall and at the Stratford Festival. Being in Guelph, I can easily get to Toronto or Stratford. So I appreciate you taking the time to come here today.

I just want to pick up where MPP Lindo left off a bit, and maybe Jesse, you could take this question. I've talked to a lot of artists who—in many respects, the business model for artists was broken pre-COVID-19, and now COVID-19 has just blown it apart, to some extent. I know people are trying to go digital for performances. In the immediate short term, are there things government can do to assist with this digital transition? But then maybe medium term is—I don't even know if the digital model really is viable financially. What are some alternative ways of thinking about how we support artists?

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Mr. Jesse Kumagai: It's a very good point. The traditional model was that artists would tour to promote their new records, and it inverted to the point where artists were releasing records to promote their tours. That was very much the basis of their income for certainly the last decade and more. The reality for a lot of musicians is that they have a limited number of sources of revenue, so performance is critical.

As our industry tries to adapt and adjust to a digital reality, we're trying all kinds of different models. You're seeing some where people are ticketing online for the virtual experience. You're seeing a lot of environments where people are trying to leverage corporate partnerships and find other sources of investment to help fuel it. But, again, these are all falling a little bit short or, in some cases, a lot short.

There are incredible resources in place for other sectors of the music industry to support digital initiatives, very much so in the recorded world, but the number of programs that exist to support that sort of thing for the live music sector—they're virtually non-existent. If you take a look at organizations like FACTOR, the Foundation Assisting Canadian Talent on Recordings, they have a wealth of different programs that are available to support other types of organizations, but very little for the live music sector.

It's entirely possible that some changing criteria for existing programs could be very helpful. Certainly, collaboration with the federal government on—they're in the process of modernizing the Canada Music Fund. There are opportunities there, we believe. But once again, the vast majority of the live music sector are not clients of many of these existing programs. It's just the nature of the business and years and years of the recording industry having a great relationship with both orders of government—but not so much with the live sector. We've been advocating for years moving in that direction, anyway.

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

Mr. Mike Schreiner: I want to just shift to our friends from Stratford really quickly. Joani, you brought up a point that is very relevant to my community and that affects the tourism and hospitality industry in a way a lot of people don't anticipate: Not having university students in the community affects hotels, restaurants—like so many of the people we're examining here. So I think university and college communities may need some additional supports or consideration.

I'm just wondering about thoughts of how Stratford is responding to not having students in the community and how you're going to deal with that. I don't know, if the mayor or either one of you—yes.

Ms. Joani Gerber: Thank you very much for that question.

In a tourism town, to have a robust shoulder and winter season is critical to the success in a 12-month calendar year, so that university online structure is a huge impact for us. We see anywhere, depending on the day, while the school semesters are in, between 500 and 1,500 students in our community, which is a lot for a city of just under 35,000 people. Our restaurants and our retailers are getting creative, certainly, and I give them a lot of credit for that. We're not yet sure what's going to happen when that influx of students doesn't come.

The university itself, the campus itself, has done an awful lot of programming with their students to help them

with internships. They're willing to share that programming with our businesses, which hopefully will—like attracts like a little bit, where those businesses can take advantage of some of those marketing and Web-based programs that the campus has offered to its students to promote themselves.

It's going to have a huge impact. It's going to limit accommodation providers, and certainly some larger industries in our community have built residence-type accommodations for those students.

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

Ms. Joani Gerber: So I don't have a secret sauce. We haven't quite come up with it yet. But it is a huge impact for us that we're thinking about.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Mike Schreiner: Thanks for that. I'm also just wondering if the Stratford Festival—have you thought about how you can reopen, given physical distancing guidelines?

Mr. Dan Mathieson: The Stratford Festival is, of course, appearing at 2 p.m. before the committee today. I can tell you that they have been working on strategies—the number of productions, how they could social distance in some of the theatres. As you know or may not know, the theatre has four venues, the largest being about 1,800 seats. That can easily accommodate any public health—

The Chair (Mr. Amarjot Sandhu): Thank you. Your time has come up now, so we'll move to the government side now. I'll start with MPP Skelly.

Ms. Donna Skelly: Dan, if you could continue with what you were talking about, with the theatre.

Mr. Dan Mathieson: The theatre has been actively looking at what venues they could host. In a typical season, they would have 12 to 13 productions, totalling 982 shows, across the seven- and eight-month seasons. Conceivably, they would have to look at having a playbill of probably half that, and the number of productions, of course, would be substantially down. That's why I think a 24- to 36-month strategy around some of this tourism recovery will be important, because even though they would normally sell half a million tickets a year, in a good year, they could conceivably be looking at selling only 150,000 to 200,000 seats. With the infrastructure they have in place, 94% of it is through corporate donations and ticket sales, so they do quite well financially, but it would still impact them dramatically.

Ms. Donna Skelly: And I understand they've been working closely with the restaurant industry. I assume all of the tourism sector and stakeholders are working, collaborating, to come up with some outside-the-box solution, or at least a temporary band-aid to help them get through the next year.

I believe we had a couple of stakeholders in the last couple of weeks who were talking about perhaps an intermission meal, that type of thing: served at the restaurant, go back—that type of an outside-the-box approach.

Mr. Dan Mathieson: We have. We have an economic recovery task force led by Joani and her staff, made up of

our tourism organization and our chamber of commerce and our downtown business association. We are looking at different items and ideas to bridge theatre and, of course, live music in Stratford, such as what they do at Thomson or Massey, to find a way to bring other draws in to substantiate it. One of the challenges we're finding, I think, will be that a number of the restaurants need to have that seven- or eight-month season.

We've had great response from manufacturers. A number of our large manufacturers are sponsoring lunches for their employees and taking them from different restaurants, and then they're trying to give them enough business to do so.

We have been very innovative. Over 50 volunteers sit on our economic recovery task force, representing five different sectors of the economy and skills development in human services.

Ms. Donna Skelly: Jesse, my next question is for you. You mentioned modernizing, first of all. You said some of the funds—I think it was the federal fund, however—that you would hope was a little bit more user-friendly, I'm assuming. Is there anything in terms of the Ontario programs, Ontario grants, where you can point us to what we can do to update, to modernize, the application process?

Mr. Jesse Kumagai: Ontario Creates is actually just going through a process of updating what was the Ontario Music Fund and is now the Ontario Music Investment Fund. In many ways, I think they're very well connected to our community and understand the needs, but a lot of that modernization was detailed and plotted out pre-COVID-19.

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

Mr. Jesse Kumagai: I will commend Minister MacLeod and the entire team at Ontario Creates for having a lot of flexibility and adaptability, given the circumstances. They've been very responsive. But the scale of the fund, as it sits right now, compared to the need that has been created in the community by the pandemic—there's just such a complete mismatch. It will be helpful on a very small scale for a number of organizations, but it's certainly not going to be enough to prevent this widening crisis that our sector is facing. To a certain extent, it's just a question of sheer dollars that are involved, as opposed to their approach, which has been good.

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Ms. Donna Skelly: I'm just going to leave the rest of the time to my colleagues.

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

Mr. Stephen Crawford: Good afternoon. Chair, how much time do we have left?

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

Mr. Stephen Crawford: Okay. I want to thank all the speakers for coming in today—Stratford and Massey Hall. I'm not here just as an MPP, but I've been a customer, or a visitor, in Stratford many times, and of course Massey and Roy Thomson Hall.

I did want to start out with my first question and then we can carry on in the second section of questions. I

wanted to ask Dan, in terms of Stratford—you did mention infrastructure. We haven't really talked a lot about that, but I work as the parliamentary assistant to the minister. As you may know, we've got the largest-ever infrastructure build in the history of Ontario over the next decade, with a \$30-billion investment. We're currently involved in infrastructure streams, including the cultural and recreational stream, which I presume you've probably put some proposals in for. Could you just touch a little bit more on how you could see infrastructure playing a role in economic recovery and what your needs are in Stratford?

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

Mr. Dan Mathieson: I think a lot of the jobs could be repurposed, and we did apply to your current stream that is open. We believe that it will allow us to build a larger infrastructure in the downtown core, bringing together our YMCA, our university and city facilities into one. We can share them. We think it will also allow us the opportunity, in doing so, to spark other investments on private property in the region in that part of the downtown core.

So as a softening to the lack of tourism jobs possibly, there would be an influx of construction jobs, trained labourers' jobs that we could also see, and then that would of course flow back into the service sector—restaurants and the downtown core retail—which would actually have some disposable income by the employees to spend in those sectors. So we do think there is an opportunity to use current government money and programs to help stimulate outside of tourism as well.

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

Mr. Stephen Crawford: Okay, thank you. I'll carry on my questions, I guess, when we go to the second round.

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

Mr. Stephen Blais: Jesse, you had spoken about the ecosystem that comes with facilities like yours, your supports of facilities like yours. I was hoping you could expand upon that a little bit. Also, has Massey and Roy Thomson—have you ever done an analysis of the economic impact of that ecosystem surrounding your sites?

Mr. Jesse Kumagai: Yes. It takes a village to put on a concert. I mentioned that our organization employs well over 200 people, but with the number of people engaged for any particular event, that easily doubles. And then the ripple effect to the surrounding economy is pretty significant as well. You have artists and all of their entourage; the technicians; you have the people selling merchandise; you have the people selling dinner at the restaurant across the street. It's really quite a significant impact that a live music event has and a significant tourism draw as well.

When you turned off the tap of ticket revenue coming in and these live events being able to engage all of these people, all of a sudden they've all been sent to go collect their CERB and take advantage of other programs that are out there. But the entire ecosystem is very, very vulnerable right now. As I've said, there are a lot of businesses that are at risk of imminent closure, and we expect to see that happening very, very soon.

Mr. Stephen Blais: Thank you for that. I'm wondering—perhaps I missed this as part of your presentation or when answering other questions. Have you explored digital presentations—and I don't mean for free, but in a way that you could monetize that so that some of that activity could continue?

Mr. Jesse Kumagai: Yes, very much so. In fact, we installed some record-and-broadcast facilities at Roy Thomson Hall very recently, so we're set to take advantage of those now that we've gone through a process of getting clearances with a few authorities. We're ready to start in on it. Again, we do see pathways forward that involve some revenue, but again, piling in comparison to what we were accustomed to with ticketing revenue.

And to answer the other half of your earlier question, we have conducted economic impact studies related to the Massey Hall revitalization specifically, not for the entire operation itself. But that economic impact study—I'd be happy to follow up and share, but it's rather profound, the impact that we have in the community.

Mr. Stephen Blais: Thank you. I would welcome having a chance to take a look at that analysis, if you could share that later.

You mentioned that you had been budgeting for flying on one engine, as you described it, and I think you said you have a \$10-million problem, give or take, as a result of COVID-19. If I got that wrong, please correct me. Is the best way to support you through that a loan, or are there other mechanisms you think could work to bridge you to whenever we return to some kind of normal?

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

Mr. Jesse Kumagai: One of the challenges for us is that our inventory is days on the calendar. So, what's happened is that we've lost those, and we will never get those back. We have a hole that we are now in, and we have to figure out how to get out of it.

Certainly loans are one way of managing it, but our situation is very unique in that we're also navigating this massive capital project at the same time. We know that we have the financial burden of managing any residual debt load from that coming out of this pandemic. One of our deepest concerns is that we end up in a place where we've had to finance our way through the situation but then we're not in a position to be able to manage that debt after the fact. It becomes sort of a trap that we can't get out of.

What I would say is that the first solution, obviously, is an infusion of cash. That makes a huge difference.

Beyond that, the federal-provincial infrastructure program that was referenced is a really good example of a program where a lot of applications are in right now. They are all applications that were submitted pre-COVID-19. Because they require the investment of the applicant in addition to the funding, one wonders how many of those projects are still shovel-ready. So we take a look at programs like that and think to ourselves that there may be a good opportunity there to invest in existing cultural infrastructure, or perhaps in a case like ours, with a project that's under way, there could be a good solution to be found in programs like that.

Mr. Stephen Blais: Thank you. Mr. Chair, I think MPP Hunter would like to take the rest of the time.

The Chair (Mr. Amarjot Sandhu): MPP Hunter, one minute.

Ms. Mitzie Hunter: Thanks to all the presenters.

Mayor Mathieson, it's good to see you. I know you're looking at expansion in your downtown in terms of space utilization and working with universities. Are you working with school boards and child care as well to create some activity? Particularly, they need more space in terms of the new standards.

Mr. Dan Mathieson: The community hub that we have applied for the funding for is actually going to have a number of child care spaces within it, and the space that is being used is covered under what we call a collective partnership agreement between the two school boards, Huron Perth Catholic and Avon Maitland District School Board, and the YMCA and the city. Any of the spaces we currently have in build, we actually program between all of us. So the school boards have access to the YMCA facilities and city facilities and we have access to gymnasiums and playgrounds.

The Chair (Mr. Amarjot Sandhu): We'll have to move to the government side for their second round. I'll go back to MPP Crawford.

Mr. Stephen Crawford: My first question will be to Stratford again, and then after I'll have a question for both participants today.

Our government recently announced a Digital Main Street program where we're providing up to \$57 million in investment to small businesses that are digitizing. Digital businesses—it's amazing. Ontario is still quite behind the US, actually. We're considered about two years behind the United States in terms of the level of digitization. Only 10% of SMEs have pay options, for example, on their websites. So we're giving up to \$2,500 to businesses that qualify.

Are there any other programs or things that you think could help small businesses in your community?

Ms. Joani Gerber: Thank you for that question.

I can tell you that in Stratford, the Ministry of Economic Development, Job Creation and Trade funds the Small Business Enterprise Centre. With that, we were able to transition some of our funding to do a digital accelerator program, which came just slightly before Digital Main Street.

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We invested \$1,500 of provincial money into 30 downtown businesses to help bring them online. We had three times that many applicants. Those 60 businesses have been transitioned directly into Digital Main Street. Through a partnership with the city of Toronto, we were able to get in a little bit earlier, about a week before the larger provincial and federal announcements, so we had at least 10 of our businesses participating with the city of Toronto and Google ahead of time.

It is a huge opportunity for our businesses, even just to your point about—we're not trying to remove the brick and mortar or the facade of downtown, but online pay

systems, e-commerce. We were able to partner with the Rogers Cybersecure Catalyst so our businesses could understand what they need to have available to them if they're going to accept credit cards.

There are some who are quite good and some who need a lot of help. So we've used that program, we continue to use that program, and I applaud the government for bringing that to the forefront, for sure.

Mr. Stephen Crawford: Yes, thanks. I think more and more transactions are going to be cashless. Maybe we'll get to a cashless society at one point down the road; who knows? Businesses need to be ahead of that curve.

My second question is for both participants. I guess we could start out with Jesse. In terms of regulations—I know we've talked about some investments that the province can make in conjunction with business to stimulate business activity, but sometimes there are things right in front of us, regulations and whatnot, that are staring right at us in the face and it's just an easy change and we can help artists and businesses be able to participate and grow in a better fashion economically. Are there any examples of red tape or regulations that we here can make a note of and pass on to the committee?

Mr. Jesse Kumagai: I think there are probably two categories for that. It's a great question. I think when we talk about the direct impacts of COVID-19 and reopening protocols and everything that we're going to be facing just from a physical challenge at our venues as we try to welcome people back in, one of the things for us is really hoping to ensure that we're not going to be held to a different standard than the rest of society. We know that there are going to be environments, whether it's on public transit or elevators in office buildings, where physical distancing may not be entirely possible but other mitigating strategies, from wearing face masks through to all kinds of different things, are in play. We're concerned that, just because of the nature of our work, we're going to be somewhat stigmatized and held to a different standard.

So first off is just making sure that there's a very even playing field and making sure that a lot of the restrictions that are in place are actually feasible for us. As we've been evaluating even just the capital spend that we're going to have to put in place to convert to touchless faucets or whatever it may be in our facilities, the numbers start adding up very, very quickly. It's going to become a very significant financial pressure on us to be able to get to a point where we're even allowed to open the doors in a physical distancing environment.

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

Mr. Jesse Kumagai: I think in the short term, just making sure that we're not being held to any kind of different standard there is very critical. And then, longer term, there are some things that would be very helpful that we could be looking at. Honestly, those are things that help us drive revenue or maximize the revenue that we can't realize from those situations. Perhaps there are some different approaches to taxation on tickets, access to different programs. There are a number of things. I think, as a sector, we'd be happy to give that some thought and come back with some recommendations.

Mr. Stephen Crawford: That would be great, if you could, as a sector. I'd appreciate that.

And then to Stratford as well.

Mr. Dan Mathieson: I would say that I'll echo much of what Jesse has said. Succinctly, if we could have a standard operating procedure put in place that we can actually guide our restaurants on—I think, of course, we do excellent work in our regional health units, but I think each one has a different standard which they operate to and different interpretations of the work of the Chief Medical Officer of Health for the province.

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

Mr. Dan Mathieson: It would be great if we had a standardized procedure across the entire province that we could start to communicate on effectively. It would help us streamline the opening.

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

Mr. Stan Cho: Thanks very much for those responses.

In just the time remaining, more of a challenge than a question, because we won't have time: To our friends from Roy Thomson Hall and Massey, I'm very interested to hear you share some of that data. Obviously, there is a lot of modelling going on at the Ministry of Finance and looking at other jurisdictions. Droplets from instruments—we haven't looked at that one. Maybe if there's any information you can share along those lines to help form decisions, that would be great.

To the mayor: Of course, we're working with AMO and through Minister Clark and Minister Phillips, speaking to our municipalities. We know this is a challenging time. We appreciate the work you've done and we will lean on you, moving forward, as you are the front lines in our municipalities. So if you have any ideas for revenue generation or tools that will help you outside of AMO, feel free to contact the committee.

It's very valuable feedback. Thank you.

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

Ms. Suze Morrison: I'll address my questions to Massey Hall and Roy Thomson Hall. Thank you for being here today. We love having you in the community, at Yonge and Shuter. And I'm sorry; I missed the first part of your presentation. I was late getting here from another committee meeting.

I'm wondering if you could share with us the challenges that you face with the redevelopment as a result of COVID-19 and how that has impacted the redevelopment at Massey Hall specifically.

Mr. Jesse Kumagai: Certainly, and thank you for asking, because it's very near and dear to our hearts.

Obviously, our project was subject to one of the construction shutdowns, so for approximately six weeks we had to cease operations entirely. Leading into that, as COVID-19 was starting to take hold, we saw a decrease in productivity on the work site with just the realities of construction environments and needing to be incredibly careful.

Now that we're back up and running, we're experiencing the same. It's early days, so we have some estimates on what we think the overall impact is going to be. We've been working with all the appropriate people on making sure that we're getting ready to update everybody as we learn more and as things start to resolve themselves.

But the big issue is, it's still very open-ended, so it's hard to really quantify exactly what the impact is going to be. But there is no question that it is having an impact on both schedule and budget for the project.

Ms. Suze Morrison: And do you have a sense of how much time it will add to the construction timelines at all, or are you still figuring that out?

Mr. Jesse Kumagai: I'd say that we're still very much figuring it out. Obviously there's a lot of speculation here, but we anticipate it's probably a two- to four-month impact on the reopening date.

Ms. Suze Morrison: Okay. Thank you. I'd like to share my time with MPP Lindo, please.

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

Ms. Laura Mae Lindo: Thank you, Chair, and thank you, MPP Morrison.

I have a question very quickly for the city of Stratford, to the mayor and to Joani. I noted that you said that you have this partnership with UW. I'm the MPP for Kitchener Centre, so my ears all perked up. One of the things that I've been hearing in my neck of the woods is that the post-secondary sector is struggling because they're moving everything online, so they've been asking for support and investment as they are navigating these treacherous waters.

One of the things I was wondering is if you could speak a little bit about the importance of that investment and how it impacts you folks over in Stratford. So if you could spend a little bit more time talking about what the UW partnership has been able to add—and then thinking about why that investment is so important—that would be awesome.

Mr. Dan Mathieson: Back in 2010, the city of Stratford partnered with the university to bring their digital media school to Stratford. In 2012, it opened with 16 students; this past year, it had 800 students, full- and part-time. It is exponential growth. It is a digital media school, so it's at the forefront of much of what we've talked about: getting online technology, integrating user experience, retail, all those pieces.

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

Mr. Dan Mathieson: The other thing about it is that we actually put \$10 million into that project to get that campus in downtown Stratford, and it was matched by the province and had private donations of \$10 million. So we made the investments.

Having those students was part of a strategy for us to diversify our winter economy, through the shoulder season of the winter, having those students in our community. It was also done because we felt that the co-op program and the opportunity to have those students integrated into our community, into our businesses, would help us grow a

more broad-based approach to our business and give Ms. Gerber at investStratford a great chance on an accelerator and business development tool.

Not having those students in Stratford has put back a strategy that's 10 years old and was starting to blossom, as you'll hear from the number of students that are in place. So the sooner we can get them back into classrooms, the better off we'll be.

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The Chair (Mr. Amarjot Sandhu): Further questions?

Ms. Laura Mae Lindo: Thank you for that. I wasn't sure, Joani, if you wanted to add anything to that. I think it's really, really important for us to think about the added value of providing this support to the students and what they're bringing back into the community, so I can pass it over to you to add.

Ms. Joani Gerber: Sure. Just following on Mayor Mathieson's comments: The campus has completely changed the makeup of our community and our economic development. There is no question that that investment a number of years ago spurred entrepreneurship and it provided growth in our companies. It provided for marketing, creativity and user experience design that our businesses just did not have access to prior to that investment. Those students that come into Stratford love it. They see themselves, I believe, raising their families in our community. So it is a four-year undergraduate degree, but it's also a long-term investment. I want those students to see what Stratford has to offer and to look to us in the future for employment and for raising their families there. On the digital side—

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

Ms. Joani Gerber: —we can absolutely learn from everywhere. We know that geography is no longer a limiting factor, but there is no question that post-secondary education in a community provides for the next step for our high school students so they don't have to leave. It allows us to retain youth in our smaller and rural communities. It has an exponential opportunity for us to grow in the future.

The Chair (Mr. Amarjot Sandhu): Further questions?

Ms. Laura Mae Lindo: How much time do we have, Chair?

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

Ms. Laura Mae Lindo: Thirty seconds? Then I'm just going to say thank you to everybody, because this has been extremely important. I keep hearing of the importance of investing in innovation in order for us to get through to the other side—not just thinking in the short term but also in the long term, because we're coming to this post-COVID-19 new normal—and the importance of investing in our youth and providing them with the steps they can take to be able to stay and thrive in communities. So thank you so much for all that you folks have brought to the table. I truly appreciate it.

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

CANADIAN POLAR BEAR HABITAT
NIAGARA FALLS CANADA
HOTEL ASSOCIATION
STRATFORD FESTIVAL

The Chair (Mr. Amarjot Sandhu): Our next presenter is Canadian Polar Bear Habitat. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. JP Bradette: JP Bradette. I'm the chair of the board of directors of the Canadian Polar Bear Habitat.

The Chair (Mr. Amarjot Sandhu): Please go ahead.

Mr. JP Bradette: Good afternoon, and thank you for the opportunity to address the Standing Committee on Finance and Economic Affairs regarding the impact of COVID-19 on the tourism sector. Polar Bear Habitat is located in Cochrane, Ontario, approximately one-hour's drive north of Timmins. It is the only human-care animal facility in the world dedicated solely to polar bears. The facility boasts over 24 acres of subarctic terrain, including a natural lake that completely ices over in the winter, providing our four resident bears with an environment that closely resembles what they would experience in the wild.

Through exceptional animal care standards, we are a registered member of Canada's Accredited Zoos and Aquariums. Through a variety of educational programs and research partnerships, the Canadian Polar Bear Habitat is already a well-respected centre for polar bears. Tourism is a fundamental economic driver for many communities in Ontario, and Polar Bear Habitat has been a well-known destination for tourists over the years. In fact, along with Science North in Sudbury, a facility that receives provincial support, the habitat is one of the few remaining tourism facilities in northeastern Ontario. Its unique qualities attract a number of visitors each year, and, based on the latest available report generated by the Ontario Ministry of Tourism, Culture and Sport, in 2016 the economic impact that the habitat had on Ontario's economy was \$2.3 million annually. The habitat provides six well-paid jobs in Cochrane, and with the addition of new programs, we will not only maintain these jobs, but we intend to create three new permanent jobs and to continue employing up to four part-time resources, for a total of 11 full- and part-time well-paid jobs in Cochrane over the next three years.

In November 2019, the corporation of the town of Cochrane, the current operator of the habitat, threatened to permanently cut funding to the facility. As a result, the board of directors undertook negotiations to transfer the operations and financial responsibilities from the town to the Canadian Polar Bear Habitat, the registered charity, a not-for-profit organization. This transfer is expected to occur in the fourth quarter of this year.

The shortfall resulting from reduced municipal funding, however, will need to be made up by generating additional revenues through the launch of new and innovative tourism, educational and research programs. This will require support from all three levels of government.

In 2019, the board completed an independent feasibility study that demonstrated that a rebranded habitat with expanded programming can become financially sustainable. The board used this study as the basis for a new business plan that includes the development of new innovative tourism and educational products, including the Volunteer Immersion Program, or VIP. It's a program designed to host educational tourists from across Ontario, Canada and, eventually, as travel restrictions ease, from around the world. They will come to stay at the habitat to learn about polar bear research and conservation, climate change and its impact on polar bears, and the importance of the polar bear to Indigenous communities. This program was successfully piloted at the habitat in 2019, and we believe that it can be successfully scaled up.

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

Mr. J.P. Bradette: The plan also includes updating the existing facilities with a state-of-the-art technology-based learning centre to create both in-person and at-distance learning opportunities, as well as expanding our research facilities. Together, these new programs will create significant new revenues, and at the end of this three-year transition plan, we expect to achieve a sustainable financial position for the polar bear habitat.

COVID-19 hit at a particularly sensitive time as we are in the midst of this critical transition. The shutdown of tourism and travel has impacted our revenues and challenges the implementation of our three-year plan. However, we also believe that the pandemic may transform a number of consumer trends that may have a positive impact on the habitat. According to a recent study by RBC, we can expect that travel will become more local, with people looking for ways to get outside, closer to home. By offering a high-quality educational tourism experience to Ontarians and to Canadians, the habitat will benefit from this trend, leveraging northern Ontario as a desirable tourist destination.

We also expect that there will be an increased demand for remote learning opportunities. With a state-of-the-art virtual learning centre, the habitat will again leverage this trend to deliver virtual and in-person conferences as well as high-quality educational programs.

The board of directors of the Canadian Polar Bear Habitat is actively seeking public sector support to ensure the long-term sustainability of this world-class facility. Implementing our business plan will complete the transition of the habitat to a sustainable, high-value, job-creating organization in northeastern Ontario.

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

Mr. J.P. Bradette: I would like to conclude by saying that we are currently in negotiations with the town of Cochrane to secure ongoing funding. We are also in discussions with the federal Ministry of Economic Develop-

ment, and we have received encouraging early-stage support for our plan. I am here today to ask for your support. A strong provincial partner is fundamental to implementing our plan and to achieving our vision of a strong, vibrant and sustainable Polar Bear Habitat, a facility that the people and the province of Ontario can be proud of. Thank you.

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The Chair (Mr. Amarjot Sandhu): Thank you so much. Before we move to our next presenter, I need to do an attendance check. MPP Vanthof, please confirm your attendance.

Mr. John Vanthof: Yes, I'm here. I am in Ontario.

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

Mr. Wayne Gates: Yes, I'm here. I'm in Niagara Falls. Thank you.

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

Sorry, and MPP Miller, Hamilton East–Stoney Creek, as well?

Mr. Paul Miller: I'm here, in Stoney Creek.

The Chair (Mr. Amarjot Sandhu): Thank you. There is a bit of a change in our next presenter. Chris Mason will not be presenting, so we'll only have Doug Birrell from Niagara Falls Canada Hotel Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Doug Birrell: Thank you. My name is Doug Birrell. I am the executive director of the Niagara Falls Canada Hotel Association and the CEO of Niagara Hospitality Hotels. We are the hundredth and something presenter to speak to you, and by now I am sure you've heard it all from across the province, so I've actually shortened my presentation to cut to the chase. You already know that we are in crisis mode with the impact of COVID-19.

I would also like to thank the minister of tourism, Lisa MacLeod, for visiting Niagara today to personally see that we are ready for business in a safe environment.

Most of you know that Niagara Falls, Canada, has one industry, and it's tourism. We are the international tourist icon for the province and the tourism gateway for the country. Unlike any other hotel market in the country, we have one market segment and it's leisure tourism. COVID-19 has knocked us out of business. Today, our hotels are under 5% occupancy—last year at this time, we were at 90% occupancy—and our average rate is much less than half of what it was last year.

Also, unlike other areas of the province, the profile of a hotel owner in Niagara is “family entrepreneur,” not big corporations or real estate investment trusts with lots of financial depth. Our owner profile has generations of their family life savings invested solely in their businesses here, all Niagara-centric. Even prior to COVID-19, Niagara is well-known to be one of the toughest markets in the country to operate hotels, with its acute seasonality. We are used to having to weather through and take losses in the off-season and carry those big typical hotel industry fixed costs right through, but this time it's different. We've

been hit harder than any other market in the country, and we will have the longest recovery period.

With the borders closed and international long-haul leisure tourism at a standstill, we have one market left to sustain us, and it's Ontarians. In short, we are on life support and you, the Ontario government, are holding the antidote. But what can the province do to help us? The number one, at this stage, and the biggest thing you can do to help us—and it won't cost the province anything—is to let us fully open now. Open everything now. We are making some slight progress this weekend with the opening of some restaurant patios and some smaller attraction openings, and it all helps. However, we need to open restaurant dining rooms and the other big-draw attractions, including the casinos, with all of the appropriate social distancing and safety protocols and reduced capacities.

Timing is critical, as we have a 10-week summer season to make our money to sustain us in the off season. That's the way Niagara has always survived. The summer and a little bit of the fall season sustain us through the year. The long-haul markets which typically make up our fall season will not be here this year, so at this point we need to open and salvage what we can of summer. The long-haul markets, typically the Asian markets—Japan, Korea, you know it—they love Niagara and they're a big factor, but we probably won't enjoy that business for the next several years.

As an industry, we have the necessary safety protocols in place for each of our businesses, and we're ready to go. We need the province to open the rest of the city as soon as possible, and we need you to communicate throughout the province the confidence to travel again, especially to Niagara: Come by your own car; spend a night or two in our fine hotels; enjoy the unique attractions and great dining that only Niagara has to offer. Let's open responsibly now. Let people enjoy and be entertained and give them a reason to smile again and put people back to work. Ease the burden on social programs. Get the Niagara economy open, all on a planned and responsibly executed basis.

Niagara has done the due diligence and put together a plan to keep people safe in attractions, dining and hotels, called “Safe to Play. Safe to Stay.” Today, with the COVID-19 mitigation strategies in place, hotels are disinfected like never before—rooms and public spaces. They're safer than most homes. Many hotels have express check-in and checkout and, of course, social distancing protocols throughout.

The attractions in Niagara have sophisticated procedures in place, from disinfecting practices and equipment to safe, timed people movement, and many offer ticket-timed reservation options. They are operating at less capacity for everyone's safety. The water parks are ready to open. All attractions are ready. And the casinos have a very sophisticated plan in place. They should open on a controlled basis. They brought in a nationally acclaimed infectious disease expert to lead them through their plan to ensure staff and guest safety. Niagara is ready. There is no reason to be waiting another month or longer.

The second thing that the province can do to help us is forgiveness of property taxes. This is a large expense that hoteliers are carrying through this crisis, and rent subsidies and other government programs don't help in this regard. We're looking not just for a delay in payments when there is no cash, but for an actual reduction or forgiveness of property taxes altogether this year. This would give some real relief to the industry in Niagara, to make sure we have a sustainable business that we will be able to operate in 2021.

Number three is liquidity assistance. Help us with Ontario government-secured short-term loans through local lenders—loans that are easy to access—or any other type of liquidity that the government can help us with. I think by now you've heard that we generate 40,000 direct jobs. We provide hundreds of millions of dollars in taxes directly to the province.

So the solution recap: Let us open everything responsibly now, and it won't cost the government any money.

The Chair (Mr. Amarjot Sandhu): Thank you. Your time has come up now.

We'll have to move to our next presenter, from the Stratford Festival. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Carol Stephenson: My name is Carol Stephenson and I'm the chair of the board of governors for the Stratford Festival. Thank you again for inviting us to your committee hearing today. I'm here with Anita Gaffney. She is the festival's director.

We expect that the government's current needs are focused on public health, long-term-care homes, social services and economic survival across a number of sectors, and that you are developing a longer-term strategy—a strategy that is going to help the economic recovery of Ontario. We know that an economic recovery includes jobs.

In southwestern Ontario, the Stratford Festival needs to be a vital part of your recovery strategy. It can generate millions of dollars in economic activity and taxes, and it can create jobs in the thousands. But in order to play an essential role, it must survive this unprecedented moment in history. For that, we need your help.

The extended business shutdown necessitated by the pandemic is devastating the Stratford Festival. Over the past three months, we have taken every step possible to help stabilize the organization. We have launched a ticket donation campaign. We have reduced staff and overhead expenses. We have instituted a 50% salary reduction for the executive and artistic directors. We have drawn from our endowment. We have accessed the wage subsidy program. We have accessed the \$6-million line of credit from our bank. And we have launched a fundraising campaign to support our recovery.

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To ensure that we contribute substantially to southwestern Ontario's recovery from this pandemic, it is essential that we remain connected to our massive audience base.

We're doing this digitally through our social media platforms and through the province's Ontario Live initiative. More than 100,000 people from around the world have watched our digital programming since late April. We've expanded our international profile and we have attracted thousands of new followers. Engagement on some of our platforms is up 1,200%.

But despite the popularity of our digital programming, we must face the fact that it brings absolutely no money into our community at this time of need. It does nothing to stimulate Ontario's tourism industry at this time of pandemic.

The Stratford Festival was founded in 1952, the original destination theatre in a developing Ontario tourism market. Its mandate was to save the town from economic disaster when it lost its major industry. It worked. The Stratford Festival has grown to become the marquee tourism event in the multi-million dollar tourism industry of southwestern Ontario. Unlike many other theatres, the Stratford Festival is the main tourist attraction in its region and an essential economic stimulus. It's also differentiated by the fact that it has the highest level of earned revenues and the lowest level of government support in the not-for-profit performing arts industry. It earns 94% of its budget, and it receives 6% from the provincial and federal governments combined.

But because of this pandemic, a business model that has worked for decades has been turned on its head. Without ticket sales, the festival's unique ability to be 94% self-funding becomes a unique vulnerability, forcing us to turn to government for our very survival.

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

Ms. Carol Stephenson: The Stratford Festival is a major tourist attraction. It's the largest not-for-profit theatre in North America. It operates year-round. It presents more than 700 performances of 15 productions in four theatres. In terms of its importance to the tourism economy, it attracts 500,000 people a year; 25% of those from the United States. People return year after year, generation after generation. It employs 1,000 people, creates 2,400 more full-time-equivalent jobs, and supports hundreds of small businesses in the region, as you heard from Stratford mayor Dan Mathieson earlier today. It drives \$56 million in taxes to the three levels of government annually.

Because of this pandemic, all of this has ground to a halt. But with your help, we can become everything we have been and more. When our 2020 season was cancelled by the pandemic, we had already spent more than \$15 million building our sets, rehearsing our productions and marketing them. Our year-round operating costs, though significantly reduced, will continue despite the loss of all revenue sources. This will result in an estimated shortfall of \$20 million this year. We look to you for a portion of this. We are committed to raising \$12 million in private sector donations, but we ask that the government contribute \$8 million through a combination of grant and loan. In exchange, we promise a tremendous return on investment, both culturally and economically. After all, \$8

million is just 15% of the \$56 million in taxes that we generate annually.

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

Ms. Carol Stephenson: Granting this urgent request will protect 3,400 jobs, stimulate the regional economy by at least \$135 million annually and into the future, and also it will preserve the international prestige of this world-renowned Canadian theatre.

The Stratford Festival is essential to the economic recovery of southwestern Ontario, and I would go so far as to say that you can't fully rejuvenate the area without it. As Minister MacLeod said earlier this month, tourism will be the last sector to recover, and a destination theatre like ours faces a great challenge, as we require large groups to gather indoors in close quarters.

I'll just quote Minister MacLeod. She called the tourism industry a "powerhouse that fuels a spectacular double bottom line." Well, the festival is the engine that drives the tourism economy of southwestern Ontario and is a cultural crown jewel for the province and the country.

Thank you, and we look forward to your questions.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start the questions with the government side this time. MPP Skelly.

Ms. Donna Skelly: I wanted to speak to the gentleman from the polar bear facility, Mr. Bradette. I had to go online; I'd never heard about it before, to be honest with you, the sanctuary. I wanted you to tell me, first of all, what is your business model? How are you keeping—not the doors open, but certainly keeping the animals healthy and fed?

Mr. JP Bradette: I think, similar to what Ms. Stephenson had indicated, we, as well, have been minimizing expenses. We've had to furlough two of our employees—on a much smaller scale, of course.

The board has been very active in launching virtual fundraising efforts. We've launched Polar Bear Break, which is educational videos that schools have picked up and, of course, that students at home have enjoyed. We've launched an online store to try to supplement some of the lost merchandise sales. We have a gift store at the site, which, obviously, isn't operational.

We've been trying to mitigate as much as possible the impact, but we will be clearly seeing a deficit through 2020.

Ms. Donna Skelly: What's the history of this facility? How did it come about?

Mr. JP Bradette: There was a point in time when there was an effort to expand tourism investment in the province, and there was some federal and province funding made available. A number of facilities were built. Some of those have shut down, unfortunately. I think of the Shania Twain Centre, for example. I think of the Kirkland Lake hockey hall of fame, which has just been put up for sale.

We really are one of the last remaining viable tourism facilities—at least, we think it could become viable. We see ourselves very much, to use the words of my follow

presenter, as a crown jewel in the crown of tourism in northeastern Ontario.

Ms. Donna Skelly: In ecotourism, who is interested—the demographic that you appeal to?

Mr. JP Bradette: That's a great question. Last year, as I mentioned, we piloted this program. We had young people from the US [*inaudible*] come to Cochrane and spend a week and learn and work alongside our polar bear and animal care specialist and learn about the animals and conservation. We want to expand the program now to really target edu-tourists from around the world, but starting with Ontario, clearly.

We see a demographic that could be a little bit older, a little bit more retired—perhaps someone like myself—who is looking to come to Canada and learn about conservation and polar bears. We think that that's a very, very lucrative market segment that can be tapped into.

Ms. Donna Skelly: You have four bears, five bears? How many bears do you have on-site?

Mr. JP Bradette: We have four bears.

Ms. Donna Skelly: And some were born in captivity; others were not. How do you end up acquiring these animals?

Mr. JP Bradette: I mentioned earlier, we're a member of CAZA, Canada's Accredited Zoos and Aquariums. We work in collaboration with—for example, two of our bears came to us from the Toronto Zoo. We have one bear who actually came to us from Australia. Sea World Australia judged that it was a better home, if you will, for Henry, who is now a long-term resident.

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

Mr. JP Bradette: We focus on bears in captivity that are looking for a home, where we can provide a better home because of the environment. But we also look at rescuing wild bear cubs, if that opportunity were to come up. We work with Indigenous communities to try to manage the human-bear interaction up the James Bay coast, for example.

Ms. Donna Skelly: You have four. Are they solitary, or do they like to be in groups?

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Mr. JP Bradette: That's is an excellent question. There is interaction. They are together, if you will, through parts of the day. We have over 24 acres, as I mentioned in my presentation, so there is lots of room to roam. They sleep in different rooms, though, I must admit. I'm not a bear psychologist, but we have some very highly skilled animal care folks who work for us and make sure that these bears are getting world-class care, if you will.

Ms. Donna Skelly: I know there's not much time left. I'm assuming that my colleague would like to maybe start the second round—or did you want to take it from here? Dave? Second round? Okay.

The Chair (Mr. Amarjot Sandhu): A minute and a half. Any further questions?

Ms. Donna Skelly: Dave, do you want to take it, then?

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

Mr. Dave Smith: My first round of questions are going to go to the Stratford Festival, so both Anita and Carol.

How many out-of-town visitors would you say you have on a yearly basis come to the Stratford Festival?

Ms. Anita Gaffney: As Carol said, we have about 500,000 people who come to the festival each year. About 90% of those visitors are considered tourists who come from further than 40 kilometres away; 25% come from the United States. These are visitors who come specifically to the Stratford Festival. It's something that they can't get in their home markets in Chicago, New York, Michigan or Ohio. These are people we're staying very close to. Although I know tourism is very focused on Ontario right now, and we absolutely should be thinking about domestic tourism, I think Stratford has an opportunity to bring its US visitors back. They're bringing new money into the country and spending money within the community. On average, people who visit the festival spend \$280 per person, but a US visitor will spend three or four times that amount when they're visiting the community.

Mr. Dave Smith: How much time is left, Chair?

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

We'll go to the opposition side now: MPP Miller, Hamilton East–Stoney Creek.

Mr. Paul Miller: Thank you, Mr. Chair. This is for Carol and Anita from the Stratford Festival.

As you know, the Stratford Festival only runs from April to October, and people from around the world can come to the town of just over 31,000 people and spend over \$135 million, with over 3,000 jobs resulting from that economic activity. I'm also sure that many did not qualify for the federal relief program due to the seasonal nature of the event.

Without these jobs and without proper income replacement subsidies from either the federal or provincial governments, how many people have turned to social assistance such as Ontario Works? I can imagine the stress and mental anxiety felt by many people, and it's suggested that some of the most affected are looking to apply for the Ontario Disability Support Program as well, to not only bring in much-needed income but also cover the costs of anxiety medication and therapy costs.

I'm sure your organization has spent countless hours on the phone with members of the cast and crew of the many productions. Is there any talk of these types of desperate measures taking place at this point in time, and can you suggest any remedies that the government may help you with?

Ms. Anita Gaffney: Thanks, MPP Miller. That's a great question. I can't speak to how many people are accessing Ontario Works, but I can tell you about the mood at the festival. We abruptly ended our labours as we were getting ready to present one of our biggest seasons in our history. We were about to present 15 plays. There were 500 of us working shoulder to shoulder to put that season up. We were about to open a brand new theatre, the new Tom Patterson Theatre. There was so much hope and aspiration associated with this season.

At first, there has been understanding and patience. But I think as people's livelihoods—it's becoming very, very

clear that performers are not going to be getting back into a theatre any time soon, and they are independent contractors who are able to access the emergency response benefit, but that has a certain timeline. I think there's an enormous amount of stress for our artists and about what the prospects for the future are for those individuals.

I'm terribly worried about them. I feel terribly responsible for those people who worked with the festival, for these artists who had this amazing expectation—and not just our artists, but all of the small business owners in Stratford, who also invested in their business in anticipation that this was going to be an exceedingly wonderful season. I think there is a lot of strain.

We've extended our mental health services to our artists and to those individuals who have been laid off. We've been connecting them with the resources in the community, and I think investment in this is really important. We are all in our homes; we are not seeing each other. I think that we need to be caring for the mental health of all of these people whose lives have been turned upside down.

It's a great question. I don't have the silver bullet that's going to solve that, but it's certainly on our radar.

Mr. Paul Miller: Have you been getting any support from your friends at ACTRA? I'm sure they're very on top of this. I've had a lot of dealings with ACTRA over the years, and they're great people, a great organization. I'm sure they're there trying to do the best they can to help you.

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

Mr. Paul Miller: Also, I just want to say that the Stratford theatre has been a crown jewel in Ontario for many, many decades, and we hope you bounce back even stronger, for sure.

Ms. Anita Gaffney: Thank you. Yes, we have the support of our unions. You're going to hear from IATSE in the next hour. That's the stage crew union. But ACTRA and all the unions that work with the festival have written letters of support. It's amazing to think these people have been laid off from their jobs, they don't know what their future prospects are, and they're putting their shoulder to the wheel to say, "I care about the Stratford Festival."

Actually, just yesterday, I got a donation from—our facilities staff did a kind of pass-the-hat, and I got several hundred dollars of, how can we help the Stratford Festival recover? That's how meaningful the organization is to people. But it's meaningful in a big way to the province as far as economic development and jobs.

Mr. Paul Miller: Thank you.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Vanthof.

Mr. John Vanthof: I would like to give a question to JP on the Polar Bear Habitat. It is a once-in-a-lifetime facility, and I'd just like to thank the town of Cochrane for building that facility and maintaining it for all these years.

One thing I think you should expand on is how the Polar Bear Habitat is an anchor facility for—most of our tourism in northeastern Ontario has lots of hunting and fishing, and this is something totally different that brings a totally

different demographic to the region. Could you expand on that, JP?

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

Mr. JP Bradette: Thank you, John. I appreciate the opportunity. Absolutely. In northern Ontario generally, a lot of the tourism is based around the wonderful natural resources, so hunting and fishing—many lodges up there. I won't name them all, but there is quite a bit of tourism. The Polar Bear Express, of course, which has been a stalwart of the Ontario Northland, continues to operate in a different format. There's talk that that might re-emerge as well.

The Polar Bear Habitat is really, as John said, an anchor that a tourism strategy can be built around. Snowmobiling in wintertime—we are open 365 days a year, so we can be a complementary attraction to all of the snowmobile tourism that goes up to Cochrane.

We are members of the Cochrane Tourism Association, I might add. We have a seat on their board. We are a committed local partner in partnership with the town, and we see ourselves as being really integral to the tourism industry.

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

We'll have to move to the independent members now. I'll start with MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three of the presenters for coming out today and sharing the information with us. It's very valuable.

I'm going to direct my first question to the Stratford Festival. I'm a big fan. My family makes at least one show a year, and I'm going to remind my wife that \$280 is the average spend, because we seem to exceed that every time we go to Stratford.

I wanted to ask about the \$8-million grant/loan to help keep you alive. Is that an ask of the provincial government and the federal government? How have you broken down that ask?

Ms. Carol Stephenson: Well, let me answer that one. Yes, we've been to the federal government and today to you. I think we'll leave it to you to figure out how to break it down. I don't think I want to become the negotiator on that.

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But I do want to talk a little bit just about this ask, because, for us, this is very unusual. I spent my career in business and I would say that it pains me, in a way, to make this request because we're not used to coming cap in hand. We're very fiscally responsible at the festival. But we do see it as a one-time need to get us through this period until we can get our business model, which has worked so well for so long, back in place. So I hope you take the request in that vein: that it's really a one-time to get us through this unusual circumstance. I can commit to you and assure you that we will get back on our feet as soon as possible, continue to do all the things that we can do to help ourselves, but also to contribute enormously to the economic recovery in southwestern Ontario.

Mr. Mike Schreiner: Great. Thanks for that. And you're right: It's not only a huge cultural treasure but also an economic generator as well.

I'm going to just shift really quick to the Niagara hotels association. Over the last few weeks of these committee hearings—we know Niagara has been devastated, and I know MPP Gates has reminded us many times. So I want to ask you something about consumer confidence. One of the things that is being done in the Guelph region is that the medical officer of health has put in a mandatory mask rule, with some exceptions for a variety of reasons. It's been very controversial, I'll have you know. My office has gotten a lot of emails about it. I'm just wondering if you've thought of some things like that that might restore consumer confidence so that people are going to want to go back and visit Niagara.

Mr. Doug Birrell: Thank you very much for the question.

I think I focused most of my presentation on the amount of diligence that has been done to keep the attractions and hotels and restaurants safe. I know that on the mask issue, the major attractions are providing masks. So to go on the Hornblower cruise, you get a mask. You are distanced. The attractions are amazing at how they can control people this way. I know that we encourage the use of masks; we ask all of our guests. We send them a confirmation and say, "Please wear a mask."

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

Mr. Doug Birrell: We're all wearing masks. We're wearing gloves. We encourage you to do the same. So we would welcome that—that the more safe travel you can have, keeping people safe is going to encourage more travel.

Mr. Mike Schreiner: Thanks for that. I just want to quickly ask you on the property taxes—because obviously the municipality is going to need to fund their services as well. But I certainly understand the situation you are in as a business owner. I guess one of the things you would be asking the province for is some sort of fiscal package to support municipalities so they can either defer or cancel or reduce property taxes to help you get through this crisis.

Mr. Doug Birrell: Yes, thank you for that question also.

The ask is for the province to consider providing the municipalities some type of funding that would be in place or in lieu of our property taxes, and then the large businesses, hoteliers in our case, would get that relief for one year. For anybody who is not aware, one hotel room pays more tax than most homes. Property tax is a big-ticket item in our industry.

Mr. Mike Schreiner: Thanks for that. I think I'm almost out of time, so I'm just going to say that the next time I'm up north, I really want to visit the Polar Bear Habitat. So if there are some things that we can do to help you—

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

Mr. Mike Schreiner: Oh, I still have a minute. Okay, good.

I just wanted to ask you a bit more about the kinds of support you would need to get you through this crisis, especially given how early you are in your business planning.

Mr. JP Bradette: As I think I mentioned, the not-for-profit organization—we are in the process of transitioning the ownership, if you will, from the town of Cochrane, which has done a wonderful job over the years managing the facility. We're in the process of transitioning over. Our plan was relying significantly on corporate partnership to make up the shortfall. Of course, that is going to be a challenge in our estimation. So we've been proactively engaging, as I mentioned, with the federal government. We are in discussions with them on potential support. We are also—

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

Mr. Mike Schreiner: Sorry about that. We were out of time.

The Chair (Mr. Amarjot Sandhu): We have to move to the opposition side for their second round now. Who wants to go first? MPP Gates.

Mr. Wayne Gates: Thank you. I appreciate it.

I'm just going to make a quick statement for the Stratford Festival. Obviously, the Shaw is actually in my riding as well, and one of the asks was to increase the tax writeoff from 11% to 21%, which is very similar to what they have in other provinces. So I just wanted to let you know that has been raised. I think that would help Stratford and the Shaw.

I will direct my questions to the hotel association. We heard today from the government that they will be loaning \$25 million to Niagara Parks to assist them in updating the Canadian Niagara Power Generating Station. Do you believe it would be helpful for your business to have access to government-backed low-interest-rate loans with loan lenders like credit unions to help with liquidity so businesses have the ability to cover immediate and short-term debt and their obligations?

Mr. Doug Birrell: Thank you very much for the question.

That would fit the bill. That is bang on the bull's eye what our industry needs—and it's short-term, we believe. It's a one-year, two-year government-backed loan. Hotels are tough to finance. It's a cumbersome process to go through the refinancing stage and appraisals and whatnot. But that would fit the bill. What they've done with the Niagara Parks Commission to allow the building of that new attraction would certainly help our industry. That would save our industry.

Mr. Wayne Gates: Just so you know, Doug, in talking to the parks today this morning on the announcement, the rate of the loan is between 1% and 2%. The 2% doesn't kick in until after three years. So it's a very low-interest rate. I think it would hit it right on the nail on what we need in Niagara.

Business owners in Niagara Falls are telling me that a big expense for their closed businesses are the ongoing property taxes. Municipalities are probably not even going

to fund this because they can't run a deficit. Do you think there is a role for the province to play here, and do you think it would be helpful for tourist operators and owners to halt payments, not defer them? It's a two-part question: One is on taxes to the municipalities, and the other is the deferrals.

Mr. Doug Birrell: Well, you've hit the nail on the head. At first, we were asking for a deferral, not knowing how long this crisis was going to last. Now we know that it's going to be here for a long time, and the impact is going to be here for a long time. At this stage, we are actually asking for a one-year forgiveness. When you defer something—we don't have cash now; we're not going to have more cash in 60 to 90 days from now, enough to pay built-up taxes. That is really the ask. You've hit the nail on the head again.

Mr. Wayne Gates: I just want to explain it again so people understand it. In Niagara Falls, we've been closed, 40,000 people have lost their jobs and 90% are laid off. If you have a deferral, if you have no money coming in, you're not going to have any money three months later, and that's why it's such an important issue. I don't think people realize that we have basically shut down for the last three months, and we just started opening this morning.

With the cost for businesses like providing the necessary PPE and infrastructure to keep their employees and their customers safe, which is the number one goal in Niagara Falls, do you believe that there is a role for government to play to offset some of the costs for businesses like yours that you represent in Niagara?

1440

Mr. Doug Birrell: That's a brilliant question. The answer is clearly yes. All of us have had to invest in equipment that we had never heard of before. There's one small attraction, a well-run company on Clifton Hill in Niagara Falls, that spent \$650,000 on PPE they never thought they'd have to do. They can't afford it, but they have to do it if they wanted to open. The casino—God knows what they have spent. An average hotel—

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

Mr. Doug Birrell: —has spent around \$420 per room in costs to change how they operate, to disinfect, and all of the protocols and equipment they had to buy and put in place in order to do business during COVID-19.

Mr. Wayne Gates: This is another one for some of your members as well. I know that we have heard from many small and medium-sized restaurants and owners in Niagara about how crushing their rent payments are without any, or minimal, business coming in. How beneficial would it be to help Niagara Falls tourist operators have commercial rent relief?

Mr. Doug Birrell: Thank you for that question, also.

Especially for the small operators—it's the small operators who are going to benefit from that. The small operators may need whatever assistance they can get, in any form, so that's a very big deal for the small restaurants, the small attractions, the retail industry—and some small hotels, also. That would really be a huge benefit to let them weather the next 18 months. Yes, that's a very important

point. If we could have the government consider that, that would certainly save a lot of businesses in Niagara.

Mr. Wayne Gates: Yes, and certainly in Niagara-on-the-Lake as well. They have lots of issues on that issue. Would you be in favour, Doug—or your organization—of the continuation of the current wage subsidy program until you are fully on your feet again? With so many people on layoff, we really didn't get to use that.

Mr. Doug Birrell: You are right. It was a well-intentioned program. Some industries got benefit from it. We're not one of them. Yes, the longer we could extend that—we're very slowly starting to bring people back. We still have 95% of our workforce, today, on layoff. We're slowly bringing people back, and yes, that would be a very big benefit to extend—

The Chair (Mr. Amarjot Sandhu): Thank you. Your time has come up now.

We'll have to move to the independent members again. MPP Schreiner.

Mr. Mike Schreiner: Thank you, Chair. I just wanted to follow up with the Stratford Festival again. You talked about the grant/loan program. I'm curious what kind of strategies you've come up with in order to make people feel confident that they can come back to a performance, and what that is going to look like in this new normal that is emerging.

Ms. Anita Gaffney: I'll go ahead, MPP Schreiner. There are two things. One thing is, we have suspended our season this year. We would normally be running performances from April to October. We're now looking at performances in 2021. But until we get there, we're doing a lot to stay in touch with our patrons just to remain on their radar. We have instituted a free film festival that happens every Thursday night where our patrons gather around their TVs and computer screens and they watch a play from Stratford, and we have all kinds of bonus content. That has been a part of the strategy, to stay connected and to continue to communicate with those folks about what reopening looks like in Ontario, in Stratford.

We are putting our minds to what "capacity" looks like—what sort of precautions we need to take. But we're in somewhat of a fortunate position in that we can look at what is happening in other countries as they reopen their larger entertainment spaces, to learn what works and what makes patrons comfortable, and we will be copying some of those strategies.

The other thing that we've done is that we've supported some research among arts-goers to get a sense of: When will they be ready to get back into the theatre? What kinds of things do they need to know that will make them feel confident? A vaccine is the one thing that's going to make people feel really confident.

Aside from that, we see that about a quarter of the people surveyed would be ready to come back if there was social distancing, if there is ramped-up hygiene and cleanliness, temperature checks, timed periods when you arrive at the theatre. So there are lots of things that we're looking at to implement in 2021 to help people feel comfortable in returning.

Mr. Mike Schreiner: And related to that, as you've moved some, I guess, customer connection online—

Ms. Anita Gaffney: Yes.

Mr. Mike Schreiner: —you're doing some digital work there. I'm assuming, though—is there any way to monetize any of that, or is that mostly just around maintaining relationships for the future?

Ms. Anita Gaffney: Well, it's first of all about maintaining relationships. We were very lucky that we had a catalogue of 15 films that we were able to do, which is amazing. But now we're shifting to how we monetize this, because I'm sure you've heard from other people speaking to you that this time of public health crisis has accelerated the digital engagement. So we can foresee that even as people come back—

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

Ms. Anita Gaffney: —to the theatre, that digital and a connection online is going to be a part of the relationship and the experience of cultural organizations. So we're, again, looking to institutions around the world to see how they're monetizing their digital content and putting a plan together to do that.

Mr. Mike Schreiner: Just a final question along those lines, because we've had a number of organizations, festivals and what have you talk about the challenge to move to digital: Is there anything that the province can be doing to assist in that transition?

Ms. Anita Gaffney: I think supporting retraining some employees. We had to lay off several hundred people back at the beginning of this public health crisis. We've been able to bring back some people and retrain them to work in the digital realm. So people that were close to the realm—they might have been technical directors, they might have been people that did some digital marketing for us—we were able to provide them with some training to become really competent in creating digital content and disseminating it; if there was some kind of support for that. Right now, we get support from the wage subsidy that kind of makes it work, but it would be great to have support to see some retraining, because I think a lot of these jobs are shifting to digital.

Mr. Mike Schreiner: Yes, and I'm assuming you would love it if we could get the federal government to extend the wage subsidy program.

Ms. Anita Gaffney: Yes. We're a seasonal business, and so, as Doug said, this is not quite the moment that we need the wage subsidy. It would be great for us. It would be great to have it six months from now as we're ramping up towards the 2021 season. But for now, it's supporting several hundred staffers at the festival, and they're supporting some of our digital work and some of the work to maintain the organization.

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

Mr. Mike Schreiner: Great, thank you. That's good, Chair.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Hunter, do you have something in one minute?

Ms. Mitzi Hunter: I wanted to just say, for the Polar Bear Habitat, I visited the area, actually, within the last

year. I met with the mayor, Mayor Clement. All I could hear about was the great work happening there and how important it was to northeast Ontario, and also, the contributions from an environmental education and continuation of the habitat in our northern communities. So I just want to say that we've heard you in terms of your proposal and the need and the ask, particularly with the complications with COVID-19 and the economic recovery.

Mr. JP Bradette: Thank you for those comments.

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

Mr. Dave Smith: I have a few questions. I'm going to start, though, with Doug. We had a presentation earlier this morning from the Toronto convention centre talking about businesses, the commercial side of it and conventions in general, and how that if we could start with that, then it would be a great help for the hotel industry as well. Niagara Falls, I completely recognize, is vastly different from a lot of other areas. If we were to head down a path where you could have virtual conventions in buildings, is that something where there would be a benefit to your hotel industry, or do you rely so much on regular consumers and not so much on the business consumers?

1450

Mr. Doug Birrell: Thank you very much for the question.

I think Niagara is generally broken up into Niagara for families and Niagara for couples. It's really about visitation. Our market is the leisure tourist market. They're paying their own money and coming here to do things on the bucket list, or they come back because they enjoyed it before.

We might not be one of the biggest beneficiaries of that. I think that where we see our future is making as safe as possible a visit in some way, shape or form so that people can visit us. Right now, we're focusing on Ontario travel until we can reach farther, and on what we do to make it safe.

I think there's a market for virtual meetings for sure. It's just that Niagara is trying to grow itself as a small-market convention city. We have a fairly new convention centre and meeting centre, and some of my members have beautiful meeting space. It's something that I'm sure they're looking at, but it's not the priority today.

Mr. Dave Smith: Thank you very much for that. Mr. Chair, how much time do I have left?

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

Mr. Dave Smith: Four minutes? I'm going to switch back over to the Stratford Festival, then, if I could have Anita and Carol in on this one.

I did a little bit of number crunching on some of the stuff you said. You get roughly 125,000 visitors from the US. It's about \$800 per person on a visit. Do you have any statistics on how many of those are multi-day visits?

Ms. Anita Gaffney: Yes. Of our whole universe of 500,000, about half of them are multi-day visits and half of them are overnights. With the US visitors, they're staying, on average, two or three nights. Most of the US visitors stay overnight because they're coming from at

least three hours away. Detroit and Buffalo are the two closest entry points, and those people are generally staying overnight.

Mr. Dave Smith: So it would be safe to assume that it's about 300,000 day visits when you count that many people for whatever length of time they're there for. I apologize, because I really don't know very much about your industry, and I'm trying to flesh out some of these numbers.

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

Mr. Dave Smith: With respect to your theatrical stage employees, I suspect that the vast majority of them are from Ontario or at least from Canada. Is that a safe—

Ms. Anita Gaffney: That's right, yes.

Mr. Dave Smith: With respect to the actors, then, because of the nature of the type of shows that you put on, how many of them are native to Ontario, so to speak, versus coming from someplace else?

Ms. Anita Gaffney: Almost everyone who works at the festival is native to Ontario or Canada. It's a fairly small proportion that comes from out of province or out of the country. Just to get a picture, we employ 1,000 people. Actors are the people you see on stage, and they're the obvious people you connect with; but we train and employ wig-makers, people who make costumes and people who make sets. It's a whole manufacturing facility that supports all the productions that happen on the stage.

These are great trades. Some of the people who work at the festival work with us half a year and then might work at the Canadian Opera Company for the other half of the year—

Mr. Dave Smith: I'm going to interrupt because I have one last question. I'm sure I don't have much time left, Mr. Chair.

The Chair (Mr. Amarjot Sandhu): A minute and a half.

Mr. Dave Smith: You've tried to digitize some of your stuff. Are there any regulations that we're going to need to change, then? My understanding is that there are differences between the types of broadcasts for the different types of actors. If you digitize too much of your content, are we getting into an area, then, where it would be infringing upon other types of broadcasts with different actors' guilds? Is that something that we would have to take a look at to allow you to expand your offerings so that you could have more digital content?

Ms. Anita Gaffney: Yes. It's a negotiation with ACTRA and with Equity. Those are the two unions that prevail on online content. We currently have a deal with them with regard to sharing online content—

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

Ms. Anita Gaffney: —but if we want to do more, and there is some monetizing that could happen, I think it could be a benefit for everybody.

Mr. Dave Smith: Do you see much of a challenge in getting the unions to agree with us on that one?

Ms. Anita Gaffney: I don't think so. Like all of us, they want to see what can be done and what the possibility is for the audience and what kind of revenue is associated

with it. We're learning that, and I think they're very open to learning it as well.

Mr. Dave Smith: Thank you very much. I appreciate that.

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

IATSE LOCAL 58

NIAGARA WEST TOURISM ASSOCIATION

TORONTO OUTDOOR PICTURE SHOW

The Chair (Mr. Amarjot Sandhu): We'll start with our next presenter, International Alliance of Theatrical Stage Employees Local 58. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Justin Antheunis: Thank you for the opportunity to speak today. I am Justin Antheunis, president of the International Alliance of Theatrical Stage Employees Local 58 in Toronto. The International Alliance of Theatrical Stage Employees—better known as IATSE—represents 7,500 workers in the entertainment sector in Ontario. IATSE Local 58 has proudly represented stagecraft technicians in Toronto for more than 120 years, providing skilled labour to employers such as TIFF, Mirvish Productions, the National Ballet of Canada and Soulpepper, just to name a few.

We are proud to say the work IATSE members do behind the scenes as carpenters, electricians, box office personnel, wardrobe attendants and more creates the magic that has made Ontario one of the top three live performance destinations in North America. From Toronto to Stratford, Niagara-on-the-Lake and Ottawa, live performance and live events drive local economies. The arts and culture sector employs more than 250,000 workers in the province and contributes more than \$25 billion to the Ontario economy.

But now, due to the COVID-19 pandemic, the stages, concert halls and movie theatres have all gone dark, and the economic impact on the workers in the arts and culture sector is devastating. There is no work-from-home option for us. Every month that the industry is shut down sees IATSE Local 58 members losing almost \$3 million in wages, while provincially, IATSE members are down \$5.7 million in wages per month in the live performance sector alone, with the likelihood that these losses will continue for the rest of the year.

We are a resilient workforce. We have survived SARS, 9/11, recessions and more, but our industry is in trouble. While Minister MacLeod was in Niagara Falls today touting the reopening of one of Ontario's greatest tourist attractions, a few kilometres away the stages at Shaw Festival remain dark. Canada Day celebrations in Ottawa are shelved for this year. In Toronto, the set for the musical Hamilton remains stranded on the stage of the Ed Mirvish Theatre, while over at the Royal Alexandra Theatre, *Come From Away* waits patiently to welcome audiences back to tell its story once again. These are just a few examples of

live performance and events that drive tourism in this province.

Some 9.5 million overnight tourists participate in arts and culture activities while visiting Ontario, and these visitors spend twice as much and stay for a day longer than other tourists to Ontario. This alone generates \$3.7 billion in GDP province-wide. The Stratford Festival, as you just heard, is the tourism sector for this city. The Shaw Festival is the tourism sector for Niagara-on-the-Lake. People flock to Toronto every year to see the great new show by Mirvish Productions or to come to the Toronto International Film Festival.

The tourism industry relies on the arts and culture sector to thrive. Live performance companies require multiple revenue streams to stay afloat. Private philanthropy, funding from multiple levels of government and ticket sales are the three main revenue streams that these companies rely on. Due to the pandemic, private philanthropy dollars are spread thinner due to the loss of investment income. Meanwhile, the Toronto Alliance for the Performing Arts, TAPA, reports that in Toronto alone, \$500 million in ticket sales have already been lost, and those losses are only going to grow.

Even when the province allows these types of events to start up again, they may not be able to without the arts tourists I mentioned before. How do you use live performance and the arts and culture sector to bring tourism back when that tourism money is needed to bring live performance back? Because of these factors, government funding has never been more important to the industry's survival.

1500

The Ministry of Heritage, Sport, Tourism and Culture Industries contributes \$60 million a year to the sector through the Ontario Arts Council. Grants from the OAC represent 7% to 10% of most organizations' overall budgets. While integral to the survival of many cultural organizations, this funding level will not be sufficient to overcome the deficits that are being created by the pandemic. That is why, on behalf of all workers in the live performance sector, we at IATSE Local 58 are requesting that the ministry temporarily double the Ontario Arts Council budget, providing the OAC an additional \$60 million in funding that can be distributed as operating grants to recipients in the live performance sector. This funding will allow organizations, large and small, to survive as they rebuild their audience base, and allow workers across the sector to return to work and contribute to the province's economic recovery.

Arts funding is more than simply supporting cultural institutions; it's about job creation. Cultural sector jobs are an oft-forgotten part of the Ontario economy. A single performance of the National Ballet of Canada's *Nutcracker* every winter employs 50 dancers, 65 musicians, 20 singers and 63 crew members working backstage, not to mention box office attendants, ushers and bartenders before you even take your seats. And even before setting foot in the theatre, these 2,000 patrons parked, went for dinner in a local restaurant, and many stayed the night at a hotel. This happens eight times a week. Now add the other

theatres in Toronto, Stratford, Niagara and the rest of Ontario, and you can see how many jobs are dependent on a vibrant sector.

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

Mr. Justin Antheunis: Workers in live performance need jobs to return to. Ontario tourism needs the live performance sector to kick-start so many local economies across the province. Without additional temporary support, the live performance sector may never fully recover, and that will have a lasting impact on the jobs of many Ontarians from many sectors.

It is going to take a team effort to bring the live performance sector back from this crisis. IATSE Local 58 and its members invite the Ontario government to join our team and champion a triumphant comeback for the sector together.

Thank you very much. I look forward to answering any questions you may have.

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

We'll move to our next presenter, the Niagara West Tourism Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Brian Purdy: Mr. Chairman, committee members, good afternoon. I am Brian Purdy and I am president of the Niagara West Tourism Association. I want to thank you for this time to tell you of our unique Niagara tourism facility, the Niagara Gateway Information Centre.

The Niagara West Tourism Association was established in 2004 with a mandate to promote all of Niagara Peninsula along with their slogan: "Authentic Experiences." Our board of directors took over the Niagara West corporation in 2015 to restart and manage the Niagara Gateway Information Centre on the QEW in Grimsby. The new branding is serving 12 municipalities and all four corners of Niagara.

I would like to take you right into our kiosk with a video of our Niagara Tourism Hub.

Audio-visual presentation.

Mr. Brian Purdy: Thank you. Last October, I was a 2019 Tourism Champion of the Year finalist with the Tourism Industry Association of Ontario, TIAO, for my work with the development and growth of the Gateway centre. The Niagara Gateway Information Centre is the only independent tourism service of its kind in Ontario.

The Niagara region supports our rent—an excellent example of public-private partnership. Our operation is supported by advertising revenues from an A-list of clients in the Niagara region and Niagara Falls. We have the advertising rights in the large welcome-centre food court, and installed five state-of-the-art TV screens for advertisers who were attracted to our 2.7 million visitors. We have another six TV screens housed in our kiosk for Niagara events, activities and promotions.

In 2019, we were given a Canada Summer Jobs grant for six students from Niagara. They hosted visitors in our kiosk over a 15-week period. In 2019, our volunteers logged 1,141 hours on a seven-days-a-week schedule.

We are standing by for a doors-open event to jump-start the recovery period for the Niagara region at the Gateway

centre, assisting all of Niagara's operations, highlights and ticket sales. We are planning to play a key role working with the 2021 Canada Summer Games organization, showing weekly pre-game playoffs and their event advertising on our food court TV screens. The Niagara Gateway Information Centre wants to be known as the gateway to the 2021 summer games. I invite you to visit our website, niagarainformation.ca, and have a look at the media kit page. That's niagarainformation.ca.

We are asking for a one-time grant of \$36,000 to support our operation through to 2021 while we rebuild the success we have had to date.

Thank you all for your time and interest.

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

We'll move to our next presenter, from Toronto Outdoor Picture Show.

Ms. Emily Reid: Hello, I'm Emily Reid with Toronto Outdoor Picture Show. We were informed we would go last, and Emily Atherton is not on the screen yet. Would you like me to go ahead in her stead?

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

Ms. Emily Reid: Oh, Emily is here. Emily, we're ready for you.

The Chair (Mr. Amarjot Sandhu): Please go ahead.

Ms. Emily Atherton: Hello. My name is Emily Atherton and I'm the chair of Toronto Outdoor Picture Show. I am joined today by Emily Reid, our artistic and executive director.

First, I want to thank you all for taking the time to hear from organizations impacted by the pandemic. We are aware that many industries are struggling currently, and we appreciate the emphasis you are putting on tourism and economic recovery and the time you are taking to hear about our challenges and concerns and to discuss possible solutions.

Toronto Outdoor Picture Show, which I'll refer to as TOPS, is a local not-for-profit organization dedicated to bringing high-quality, diverse, engaging and affordable outdoor film programming to communities across the GTA. The summer-long annual festival's carefully curated program includes a combination of popular and critically acclaimed feature films, alongside [*inaudible*] and Canadian short and feature films that allow us to celebrate excellent homegrown talent.

TOPS's signature project, the Christie Pits Film Festival, which I'll refer to as CPFF, was founded 10 years ago by local resident and emerging cultural programmer Emily Reid, who is here alongside me, when she was in the early stage of her professional career in arts and culture. CPFF began as a two-night event in 2011 and grew rapidly, becoming a cornerstone of west-end Toronto's summer event calendar.

In January 2015, following four successful seasons and the measurable growth of CPFF to a summer-long weekly festival, the organization incorporated as the non-profit Toronto Outdoor Picture Show to grow its mandate and serve residents, tourists, artists and businesses across the GTA.

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We presented excellent film programming in a total of eight parks and public spaces in all reaches of the city over our history. We welcome over 12,000 audience members each summer from the greater Toronto area, southern Ontario and even internationally to our outdoor program cinema events free of charge. A lot of attendees discover new neighbourhoods and new local businesses when they visit our events, and we partner with local businesses as our food vendors and sponsors for the festival.

This year, 2020, was scheduled to be a big year for TOPS, with celebrations for the 10th anniversary of our west-end Christie Pits Film Festival and the fifth anniversary of our events at Corktown Common on Toronto's east side. To commemorate this milestone, we curated a program specifically intended to evoke feelings of celebration, to invite our audiences to share in the joyous special occasion.

The most exciting initiative from our anniversary edition was our commitment to help fund nine original short films made by Canadian indie professional filmmakers that would premiere over the course of the summer season. These nine film teams are now stalled at some stage in their productions given the challenges posed in the film industry right now. Obviously, these big plans meant we had big financial commitments to local artists in addition to our usual annual festival commitments.

Our first COVID-19-related blow came just days after we launched an Indiegogo crowdfunding campaign to raise \$30,000 towards the cost of our special anniversary season. Our launch date was Tuesday, March 10, 2020, and in the first days we already raised 10% of our goal. That momentum quickly came to a halt when the COVID-19 restrictions hit the economy on Friday, March 13. We extended our campaign by an additional 30 days and were able to raise 30% of our goal by the end, but there is no question that our fundraising efforts were deeply impacted by a loss of media coverage and a financially stretched supporter base, all impacted by the pandemic in an immediate and drastic way.

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

Ms. Emily Atherton: Furthermore, we began the process of charitable registration in April 2019, a designation that we were counting on to help us source large private sector donations. Since the start of COVID-19, our application has been in its final stage, waiting to be processed by CRA, causing further organizational uncertainty this year.

Our most significant budget shortfall this year is due to a shortage in sponsorship dollars. In the week of March 9, three major partnerships disappeared amid tanking markets and fear of the financial uncertainty due to COVID-19. Not a single corporate sponsorship has been confirmed since mid-February, leaving our budget at a loss of \$63,000 for the year so far. If the loss in private sector funding weren't enough, we learned two weeks ago that we are receiving half of what we anticipated from the province's Celebrate Ontario grant, leaving us at a further shortfall of \$18,825 to solve somehow.

From the early days of the pandemic, arts and culture organizations were assured by Minister MacLeod that "the money will flow," and that organizations could rest assured that the province would support us through this year of great financial need, be sure we could weather this storm and remain in business for a strong 2021. We are disheartened and disappointed that the ministry has cut funding to this grant and at a point solely in the calendar year that many festivals like us will have already disbursed the eligible expenses.

That brings us to our final point. Like all organizations, we have worked harder than ever these past few months to attempt to troubleshoot, amend our plans and finally, change our plans entirely to adapt to the pandemic and do everything we can to produce safe programming this year. If we are able to move forward with our festival in a very different format later this summer and all goes well, our organization will still likely face at least a \$15,883 deficit. In the worst-case scenario, in which we are unable to deliver any programming, our deficit may be three times that amount, which is far too much to bear for an organization our size.

We know that we are not the only organization that will come out of this pandemic with a deficit, and we are disheartened that some organizations may not survive this year. We are desperate to know what the province of Ontario will do to help these organizations survive this year and survive next year. What emergency funding will be made available to arts and culture organizations, which are so vital to the tourism industry and provincial economy? Some are now under way. How quickly will the province act to authorize the reopening of open-air cultural events aside from drive-ins?

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

Ms. Emily Atherton: We look forward to presenting accessible outdoor cinema in a safe and welcoming environment, with the support of established protocols and guidance from the province.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now. I'll start with the independent members. MPP Hunter.

Ms. Mitzie Hunter: I want to say thank you to all of the presenters. I do hear a bit of a consistent theme.

If I could just start with Justin from the Local 58, in terms of the recommendation that you've put forward to us today to double the Ontario Arts Council budget—I just want you to talk a little bit about what that would do for the sector.

Prior to you coming on to speak with us, we had the benefit as a panel of hearing from the Stratford Festival, from the executive director and the chair of the board and others, who were talking about how it's not just the actors on the stage, it's not just the final product that we see as audiences; there's so much happening behind in terms of employment and skills that are being brought to this space. Can you talk a little bit about how you see that more as an investment, really, than bailing out the sector?

Mr. Justin Antheunis: Like I said before, it's an investment in job creation. All of these performing arts

companies in the sector employ hundreds and thousands of people in this province. Local 58 members are employed under 35 different collective agreements just in the city of Toronto alone. This kind of funding is vital to ensure that we have jobs to go back to.

The people who work in our industry, especially behind the scenes, like members of Local 58 do, work in a very precarious industry. Often, you need to have 12 to 15 employers a year just to make your living. If one—just one—company fails, it can be like pulling a card out of a house of cards, and the whole house can start tumbling. That's why we want to make sure we find some security amongst the entire sector, large and small, because the ripple effect of just any one company not being able to mount a season in the coming years or folding up completely will have a devastating impact on everyone employed in the sector.

Ms. Mitzie Hunter: I agree with you. I think that the sector is very much connected in terms of the jobs and the skill sets, and they do definitely relate to each other.

Maybe Emily you can talk—I definitely heard the passion that you have for what you're doing and the audiences that you attract and the people who work for your organization. I'm very sorry that for some reason Celebrate Ontario didn't come through as you had hoped for. Perhaps there are members here who are listening who could maybe take that back—because it's not just about preserving this year, but it's about future years as well.

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

Ms. Mitzie Hunter: Just as Justin has said, we don't want this to be where you pull out one element and then the whole thing falls apart in the sector.

Maybe you could just talk a little bit about your model and how you see it surviving beyond COVID-19. You've put out a call to open up the open-air cultural events, with guidelines, of course, to doing that safely. Can you speak to that?

Ms. Emily Atherton: I'll actually let my chair, Emily Reid, speak to that, because—

Ms. Mitzie Hunter: The other Emily.

Ms. Emily Atherton: Yes, exactly.

Ms. Emily Reid: I'm the founder, artistic director and executive director of the Toronto Outdoor Picture Show, so I'll take the question.

There are a number of impacts on us, as Emily spoke to earlier. We also have great commitments that we want to retain so that we can be stronger than ever next year. As an organization, our mandate is to serve as many people across the city Toronto—and that is not only residents, but also businesses, tourists and artists—with free and public programming, for which we only accept donations. So the costs of operating a festival of that size that has a three-month production season are quite significant, and we always really depend on government funding, along with private sector funding, to be able to make programming of that size possible.

1520

This year, as Emily said, this is our 10th anniversary year and we made our greatest commitment ever to fund

artists in our community, with \$90,000 in cash from our own fundraising initiatives and from grants to make original short films. Short films are the stepping stone to making feature films and being a prominent member of the film industry in Canada and abroad. So this was a really significant—

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

Ms. Emily Reid:—decision we had made as an organization, and we will not remove our commitments from those artists. We have already spent 80% of that commitment, so we can't ask for it back and we wouldn't ask for it back. We want to continue our commitment, and furthermore, our commitment to audiences.

So we will do our very, very best to deliver scaled-back programming this year, with new parameters, in a gated space, still free for the community, but we want to make sure those who arrive are only going to be the number that's allowable and that they will have safe protocols in place for staff, artists, audiences, everyone involved. Then next year, we hope that we will be able to deliver the best festival we ever have.

Ms. Mitzie Hunter: That's really great. Thank you so much. I can see the passion as the founder—and now the whole organization, and bringing this offering forward in a newly imagined way. So thank you for doing that.

The Chair (Mr. Amarjot Sandhu): We'll move to the government side now. I'll start with MPP Skelly.

Ms. Donna Skelly: My question is for Justin. Justin, you asked for—what was the ask? Was it \$60 million, that you wanted the fund doubled? Is that accurate?

Mr. Justin Antheunis: That's correct, yes.

Ms. Donna Skelly: How would you use that money? Where would it go?

Mr. Justin Antheunis: What we want to see and why we're asking for that money as a temporary measure is because, when theatre gets back, audiences are still going to be hesitant of actually attending the theatre. So that's why these organizations require extra funding to come from the government. What we're proposing is that this money gets made available to the Ontario Arts Council, and then the Ontario Arts Council, which most of these organizations already have a relationship with, will be able to double the distribution to each of these companies. As opposed to just the 7% to 10% effect on their overall budgets, the Ontario government could help fund up to 20% of each of these organizations' budgets during the time being to try to make up for some of the lack of ticket sales that are happening at this time.

Ms. Donna Skelly: I guess my concern is we don't know where that \$60 million would go. Are you talking about a wage subsidy? A wage replacement? Perhaps an innovative way of looking at providing alternative means to showcase some of the productions? I was just looking at some of the sites on TOPS, for example. It's a park setting. Could you not make that a virtual experience?

We're going to have to think outside the box once we go beyond COVID-19. I remember years ago when I was a journalist, and Spotify came on track. I think it was around 2008. Musicians were horrified about how it was

going to impact them and their revenue streams, but somehow things adapted and then we moved beyond. Is there not a way of saying if you're going to get funding, you have to come up with some sort of a revenue stream to generate some money? As I said with Emily's organization, perhaps it's a virtual space, and the show goes on in that setting. But \$60 million to act as a—I'm interpreting this as a wage subsidy.

Mr. Justin Antheunis: Not necessarily a wage subsidy. To answer your question regarding moving to the virtual space, my issue with the virtual space is that it is not in any way job creation. I'll use the example of Hamilton, the musical. Everyone wanted to see Hamilton, the musical. The tickets were sold out in the city of Toronto for the four-month run that it was supposed to be. It is now shut down. In July, Disney+ will be showing Hamilton, the musical, virtually, online. When Hamilton, the musical, returns, that four-month commitment—is it going to still be a four-month commitment? Is it now going to be only a three-month commitment because many people have seen that show online?

If it is only a three-month commitment at that point, then stagehands, wardrobe attendants, box office personnel and all the other businesses that rely on those audience members to come see that show have lost a month's worth of revenue that is derived from that four-month show that has turned into a three-month show. So I think there needs to be a way for these companies to be able to start bringing the arts back to people. The effect of the arts is not just for emotional reasons, but there's a large mental health aspect to the arts, and I think it can help in the recovery. But we need to have it there for people to go to so that people can return when they feel safe.

Ms. Donna Skelly: Again, coming from the world of broadcasting, we always talked about this 500-channel universe. What ended up happening—and I appeared before the CRTC more times than you can imagine, arguing that we needed dollars invested—tax dollars directed towards broadcasters. But in the end, they figured it out, and what they figured out was specialty channels and Netflix and Hulu and all of these other means of production being broadcast to the general public. What was a problem ended up creating opportunities because we're seeing Canadian productions actually be viewed and have a financial model behind them because of these new opportunities that evolved out of necessity.

All I'm suggesting is, if the government is going to be providing or doubling this particular fund, it would be really interesting to see if we could look at how to survive when something like this happens. It could happen again. It has happened in other media, and it has happened—historically, we saw SARS. I would hate to see this used—not “hate,” but I think it's an opportunity lost if it's simply a subsidy to cover wages—

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

Ms. Donna Skelly: —as opposed to an opportunity to keep people [*inaudible*] and looking for alternative ways to survive something like a COVID-19 pandemic. I just wanted to get your comments on that.

Mr. Justin Antheunis: I do think that the great thing about the live performance sector is its ability to evolve over the years. There has always been something that has come up that people have said is going to kill the sector, and the sector comes back even stronger every single time. I think, coming out of COVID-19, you will see a renaissance back to the arts and back to live performance. I think that is what we need to triumph about. That is what we need to actually focus on—making it a more robust sector for the entertainment, not just to see how we adapt it, but how we can make it stronger and even more resilient for these kinds of industries.

The Chair (Mr. Amarjot Sandhu): Thank you. Your time has come up as well.

Now we'll move to the opposition side for their time. Opposition? MPP Tabuns.

Mr. Peter Tabuns: Thank you, Justin, for appearing here today. I really appreciate what you've brought to us. I'm going to be sharing my time with my other two colleagues, so I'll be quick.

If this investment isn't made, I am fearful that many of the tourist attractions and theatres in places like Niagara-on-the-Lake and Stratford will be deeply wounded, and may ultimately recover, but it could take a long time. What do you see as fallout if in fact the investment isn't made at this point?

Mr. Justin Antheunis: Well, there are multiple layers of fallout that may come from this. The people who work behind the scenes in live entertainment have very transferable skills. Often, if there are no jobs for these people to come back to in the short term, they may leave to join other sectors, and so then when the recovery does happen two or three years from now, we won't be able to get the sector back up to where it was because we don't have the skill sets that are available to people right now. That's one problem.

1530

The second problem, like I said before, is that the small failure of even a smaller theatre company has a ripple effect over the employment of people across the sector. Those are extra jobs, be it actors, stage managers, musicians or technicians that will not have that two-week, three-week, however-long employment to fill up their calendar to let them survive in this industry.

Mr. Peter Tabuns: Thank you very much. I'll turn it over to my colleagues.

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

Mrs. Jennifer (Jennie) Stevens: Thank you for coming, to all three presenters.

I'm going to direct my question to Mr. Purdy. Niagara region has always been a hub of the tourism industry. The Niagara Gateway highlights many of the attractions, events and core programming-types of entertainment, similar to our fine performing arts in downtown St. Catharines. You mentioned the dollar figure that would actually help you and get you through the COVID-19 pandemic that we're in right now, coming into phase 2. Can you tell us or express how important immediate investments to the Niagara Gateway will be to your continuing to be able to highlight the Niagara region?

Mr. Brian Purdy: Thanks for the question.

Yes, we exist only from advertising dollars—which is a tough way to run a business, of course. We are now into our third year.

In February, we had some major contracts of probably over \$42,000 waiting to get going, which would carry us through the summer, and they just disappeared—sort of went into a hiatus. We're now in a downtime when we open. We'd like to project to open on August 1 again.

We are really a key hub in making things happen in Niagara. Last year, we had about \$76,000 worth of ticket sales, for instance, for all kinds of events. Our major clients are parks, Skylon, Ripley's—we service them all and we work closely with them. We really need to have this to keep us going for a few months while we get back to our advertisers, who may say, "Hey, we'll see you in January because you don't have the numbers you did last year." So we need to get going with a major doors-open event, which will encompass all of Niagara's businesses and activities. We have major clients, as I mentioned, in Niagara Falls. We will really be the kick-start to help everybody get off the ground.

I know that there's going to be a lot of run-up to get going again, especially with the 2021 games, which have sort of been put on hold for all these months. They're going to need to get going. We have these five huge TV sets in the food court where people come in and sit down for 20 minutes or so. We can put up their weekly events as the playoffs happen—I think we're doing softball in Grimsby, for instance—but the rowing and so forth is going to be a huge buildup for the 2021 games coming up, until they do open. We can boost that and we can have the banner up there: We are the gateway to the 2021 games.

The funds we're looking for will cover us for a four- or five-month period. We've got to gear up. We have to get the plastic in. We've got to revise a couple of our TVs, and also we've got to pay to keep going.

It's really a grant we're looking for. I'm trying to not burden our board with a loan. That's certainly available, but the kinds of things we do—we're in a unique position being right on the highway. The department of transport last year showed that we had 44 million cars go by us. They come in—hot dogs, hamburgers and washrooms. So we really need that to keep us going to be a service, and we are totally dedicated to being a service to all of the Niagara industries. That's what we're there for.

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

Mrs. Jennifer (Jennie) Stevens: I'll pass it on to Marit.

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

Ms. Marit Stiles: I'm going to run out of time, but I'll start my questions for the outdoor picture show folks. Thank you so much for coming. I just want to start off by saying how deeply disappointed I was to learn that you received nowhere near the funding that you had anticipated for this year—very disappointed, especially given that in the early stage of this pandemic and the conversations that we had, it was pretty clear that the minister had given every indication that the funding shouldn't have

been affected this year, so I'm sure that was very surprising to you.

When we come back around, I'm hoping what I can ask you is to talk a bit more about what the difference of that reduction in funding is going to mean to the future of this festival.

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

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

Mr. Dave Smith: I'm going to start with the TOPS organization. What's your total budget?

Ms. Emily Reid: Our total budget for this year was supposed to be \$302,000, and we've had to scale back.

Mr. Dave Smith: If I recall correctly, you did about \$60,000 in fundraising yourself?

Ms. Emily Reid: We've done far more fundraising than that.

Mr. Dave Smith: How much?

Ms. Emily Reid: Sorry, which kind of fundraising are you speaking of? Individual donations or sponsorship?

Mr. Dave Smith: Sponsorship, donation—anything aside from a government grant.

Ms. Emily Reid: Sure. Our target for this year, to reach that \$302,000, was \$95,000 in sponsorship. That was in keeping with last year, so it was a totally consistent number. We have \$31,000 confirmed. Many fell away in that second week of March. For individual donations, our target was \$35,000 this year, and we are currently at \$11,000.

Mr. Dave Smith: And that sponsorship you'll likely have to give back if you don't have any kind of an event?

Ms. Emily Reid: Those are conversations we're going to have—very serious conversations to have. We hope, even if we have a different event, that they will be supportive and will support a different event. But that's exactly correct: If we have nothing, we can't count on any dollars this year.

Mr. Dave Smith: Have you looked at the ontario.live website?

Ms. Emily Reid: I have, yes.

Mr. Dave Smith: And do you think that's something that you would be able to take advantage of?

Ms. Emily Reid: No, unfortunately not—not for us. This is in response to MPP Skelly's question earlier as well for me. We are unfortunately not a model that can move online. We are, by definition, an organization that presents events and programming in public spaces. So our community is in public spaces. It's not about the content that we give them; it is about that experience of unification of cultural appreciation. It's completely antithetical for us to put something on someone's screen.

Anyone who's following film festivals knows that even major international film festivals are really struggling to compete in that model. It's very oversaturated right now. That's not our platform. Our platform is these big, beautiful audiences. To move online would take a ton of our resources and we would not do it very well. Anything related to the online sphere—we are in a public space, and

luckily we benefit from being outdoors. That's a huge advantage over indoor theatres. We recognize that.

Mr. Dave Smith: Big, beautiful audiences are not something we're going to be able to do this summer.

Ms. Emily Reid: No, we know that. We're yanking those big photos, and so this year we're hoping to have very small audiences and the opportunity for people, even within their condos or their towers perhaps, to participate with an audio feed. So we are adapting very, very fast, but we hope to be able to do something this year.

Mr. Dave Smith: The 12,000 visitors that you said: Is that 12,000 per show or is that 12,000 over the entire—

Ms. Emily Reid: No, I don't think there's any film screening that could accommodate 12,000. At our biggest event, we normally have about 1,000 per night. At our smallest events in smaller neighbourhoods, which we also serve with just as great importance, it's more like 300 or 400 people per event—so 12,000 over the summer.

Mr. Dave Smith: I'm asking this because I really know nothing about your industry.

Ms. Emily Reid: No, that's okay.

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

Mr. Dave Smith: The only comparison I have is Peterborough Musicfest, which puts on 22 shows, free concerts. They have about 600,000 people in total who come to all of them, and their budget is about \$450,000 to do it.

Mr. Chair, how much—

Ms. Emily Reid: I'm sure they also charge admission.

Mr. Dave Smith: They don't; it's free.

Ms. Emily Reid: Oh, they don't? Oh, that's great.

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

Mr. Dave Smith: Two minutes? MPP Piccini, did you want a question?

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

Mr. David Piccini: Just to build on MPP Smith and then we can pivot back: I was just wondering, just for the measures—I've seen your website. We have something on a much smaller scale out in Port Hope, where I'm from—much smaller—in rural Ontario. But I visited your website in advance of this.

I understand the challenges we're all facing. I think, from the Celebrate Ontario fund, I want to just preface this by saying that the notion of cuts—we've had a number of people come forward. I know there a number of organizations that aren't offering what they would have offered. Celebrate Ontario funding was never a guarantee for everyone in perpetuity. I know that the idea of getting it has benefited small organizations in my riding because we can extend the value of the dollar through many more applicants and help them weather the storm.

1540

I'm just wondering: Have you taken any measures in place to mitigate your losses internally that you can share?

Ms. Emily Reid: Yes, we have taken a number of things. But I have to say that, because this was our 10th-anniversary season, we were supposed to open this week-end. Those costs were incurred far before March 9. This was a big production.

We are very, very grateful for the federal wage subsidy, and that's keeping our lights on. If we didn't have that, we would have had to have stopped all operations by now, and we would have to have stopped our commitments to artists as well. But luckily, it's keeping our lights on, and we're just moving ahead slowly.

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

Mr. David Piccini: Sorry, just to clarify, because I'm just trying to get a sense here, as we look at different—I deal with local organizations too. So you have taken no actual concrete measures internally to mitigate expenditures, or you have?

Ms. Emily Reid: We have, but as I said, most of the expenses were already made. We did cancel things like a bike valet. We scaled back on the number of events. We have reduced our projected budget for this year to \$250,000 from the original \$302,000, with close to \$200,000 of that already spent by the time we got to March, so we're really lean right now.

Mr. David Piccini: Thank you. Dave, anything in wrapping up?

Mr. Dave Smith: How much time is left, Mr. Chair?

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

Mr. Dave Smith: We're okay, then. Thanks.

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

We'll go back to our opposition side again. I'll start with MPP Stiles.

Ms. Marit Stiles: Actually, I was going to ask you about the nature of your virtual—because I heard MPP Skelly's question and realized that maybe she didn't understand exactly the nature of the kind of event that you hold and how difficult it would be to go virtual.

I listened carefully to the questions of the members of the government caucus. When you're talking about an organization of your size, the impact that even these relatively small—what seems like a small amount—you only asked for \$37,000, and then you lose half of that, but the impact isn't really felt. I wondered if you could just expand a little bit more on what this means in terms of what the costs are that you've already spent on and why, and just expand on that a little bit.

Ms. Emily Reid: There are 20 filmmakers whom we have given direct grants to produce original artworks this year. Of course, each of them creates a short film production, and they employ a whole bunch of people. They have other sources of funding that complement that, and they work with unions. So the impact of even this small move that we made by giving \$90,000 to nine groups of artists is very, very big. It's a very big ripple effect, as Justin said earlier. What we have committed was substantial, but they feel, on the back end—and these are people who are not employees of organizations so they can't benefit from a wage subsidy, for example, and we can't help them with a wage subsidy. It is significant to artists and arts workers.

Was that the question that you asked, or was there—

Ms. Marit Stiles: Yes. That's very helpful, and I appreciate you talking a little bit about the impact on the arts workers outside of people who are employed by your

organization. That's very important. Thank you. Many of them live in my riding, and I certainly appreciate all that you do to try to provide opportunities for those workers.

I'm going to pass the questions back to my colleagues now. Thank you very much again to everybody for being here.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Stevens.

Mrs. Jennifer (Jennie) Stevens: Again, I'm going to ask Brian—Mr. Purdy, if you wouldn't mind highlighting how many job opportunities are at the gateway. I know that you've highlighted how important it is to have it on the highway in Grimsby and how many people come in your doors. I just want you to highlight as well how important the Niagara west tourism, or the gateway, is to highlight the wineries that we have here in Niagara region as well as the downtown areas like St. Catharines, which have been impacted so desperately. It's absolutely devastating here in St. Catharines for our downtown, which is one of our main wine routes, heading off to Niagara-on-the-Lake and then Niagara Falls. If you could highlight how important it is to keep you in, what you had said, the gateway or the way to show tourists coming down the highway to come into Niagara region.

Mr. Brian Purdy: Thank you for the question. As I mentioned in the video, we gave out—

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

Mr. Brian Purdy: —243,000 brochures to people that came in to see us. That's our big thing: the take-away. They come in there, they make the decisions usually then, when they're on the spot, where they're going to go. "Want to see Niagara Falls?" "Yes, great. What do we do afterward?" We're there to market that and we become your salesperson on the spot.

We have one permanent lady who runs the kiosk. Last year, we had a grant from Canada jobs for \$36,000 for six students for 15 weeks. This year, we have a grant for \$22,000 for five students, and because of the flexibility, we can hire them part-time and spread it over a few months.

We are a seven-day operation so that we're right there for people coming through. And really, with that number of people, this is the place they come to to get the information for St. Catharines and for the other kinds of things that are happening. If those things are provided to us by St. Catharines, we will feature them. We have 15 very large, state-of-the-art backlit posters around. They're in our poster wall you saw in the video. They're also in the food court. They're sitting there advertising. Ripley's has bought three of them for their different events. Those are right there, staring them right in the face. So we are there as your salesperson as well. We're not just a blank place to come into.

For the start of this year, we will probably prepackage brochures in envelopes and hand them to people when they come in. If they want something specific on St. Catharines, we'll hand that to them as well.

Mrs. Jennifer (Jennie) Stevens: Thank you, Brian. I just want you to highlight again, because you mentioned

your Web page—if you could highlight the Web page address for everybody that's here in this meeting. It's very, very important that we highlight you.

Mr. Brian Purdy: It's niagarainformation.ca—really easy. It's a really up-to-date website.

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

Mr. Brian Purdy: I suggest you go to the media kit page. That tells you all of our advertising, shows you what we do and what we're up to. While you're there, you can go to the page "About us," find out about us, who our management is, and we display the numbers and so forth. We're very proud of our website. We get a lot of activity from social media, and we are the place to go.

Mrs. Jennifer (Jennie) Stevens: Thank you, Brian. Thank you to all presenters.

Mr. Brian Purdy: Thank you.

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

Mr. Peter Tabuns: Justin, what you were saying earlier was that if we don't make the investment, we could lose all the human capital that's necessary to actually make these tourist attractions bring people in. Fair statement?

Mr. Justin Antheunis: That's correct. That's 100% accurate.

Mr. Peter Tabuns: And rebuilding them, those teams and those institutions, is going to take an awfully long time, which will undermine tourism in all these areas.

Mr. Justin Antheunis: The industries in Toronto were built over 120 years. That's how long IATSE Local 58—

The Chair (Mr. Amarjot Sandhu): Thank you. We will move to the independent members now. I'll start with MPP Hunter.

Ms. Mitzie Hunter: I, too, want to thank all of the presenters.

I want to recognize the Toronto Outdoor Picture Show and the original content that you enable to happen and how important that is not only for the consumption of audiences and all of the benefits that you're creating from that experience, but also for the pipeline of artists and production people and giving them an opportunity to grow in the industry and in the business. I know that Ontario has one of the top three global arts and culture and post-production industries in the world, and it's all of these activities that are collectively helping to feed that and drive that, so I really want to thank you for your work. Don't ever give up. This is your 10th year, and keep pressing on, despite the fact that COVID-19 has interrupted your celebration year. Hopefully you will reapply or work with the ministry to correct the error in cutting your budget in half, at a time when you really need it the most.

1550

I do want to quickly ask Justin to just give a comment on the fact that so many artists are out of work because of the pandemic and nothing is happening. Where are they getting income?

Mr. Justin Antheunis: Like I said, around March 15, 95% of people employed in live entertainment became unemployed suddenly. Many of our members are lucky that we are employees. Some of our employers have been

able to take advantage of the wage subsidy, so that they have been able to regain some income through that. But the majority of people who are working in this industry, especially people who are not represented—artists, independent contractors—they don't qualify for any kind of wage subsidy. So the emergency relief benefit that the federal government announced has been a lifeline for the industry right now. The industry would not be around post-COVID-19 if there wasn't at least those kinds of backstops that were put there.

We were happy to see the extension for another eight weeks. It's not going to be enough. The entertainment sector, especially live performance, is going to take longer to come back. We were the first to be shut down; we are going to be the last ones to get back up on our feet. Those people, whether they're technicians, artists, dancers or musicians, are going to need some sort of support so that they are there to bring the industry back together. Otherwise, they will find other work.

Ms. Mitzie Hunter: And we need them to do that. I remember SARS, and one of the biggest things that showed the world that people could come back to Toronto was the Stones concert at Downsview Park. It was the confidence that bringing people together created. This is a different experience on a different scale, but there has to be a role for our artists and our storytellers.

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

Ms. Mitzie Hunter: As a government and as people who are thinking about the recovery, I think what all of you have offered to us here today is really important.

I want to pass on to MPP Blais, who has further questions.

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

Mr. Stephen Blais: Thank you for the presentations today.

Emily, being from Ottawa, I've never, in fairness, heard of TOPS, so it was excellent to hear your presentation. I was surfing the website a little bit as you were answering some other questions. I really appreciate the message you have on your home page and your support for Black and Indigenous filmmakers and support for the community. Obviously, with everything that is going on right now, that's exceptionally important. I'm hoping that you can have an event this year, or some form of it. I'm wondering if you can maybe give us a small preview of what we could expect if you were able to pull something off.

Ms. Emily Reid: Thanks very much for the question.

I'm currently sitting in my mother's house in Ottawa, so I'm from this area. What we are trying to move towards is, unfortunately, a cancellation of all of our events in open public spaces and open parks. As someone pointed out earlier, our greatest asset—which used to be these big, beautiful audiences—are now a thing we can't control, and that's a risk. This year, it's not possible. So we have to remove ourselves from everywhere where we can't ensure distancing.

We want to put our programming on in a much more scaled-back way. Not our anniversary project—that will all have to move to next year because the films are also on

hiatus. We will move into a gated space. We will still ensure that our programming is free and accessible to everyone. We will make sure it's ticketed ahead of time so that even for those who arrive, we don't create a bottleneck of several hundred people who wish to show up. We want to make sure that that gated space is away from the street so that we don't—

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

Ms. Emily Reid:—create unsafe parameters outside of it. And then we will make sure that within that space, we follow whatever numbers are recommended, are advised and in place by the province, whether that's 75 people or 100 people or 200 people, with ample spacing. At the moment, drive-ins are open, and that could be up to 400 or 500 people, with ample spacing. I went last weekend, outside of Ottawa, and it was wonderful.

So that is kind of what we're hoping to do, and then furthermore, ideally, aim our screen towards condo buildings and high-rise towers so that they can be our secondary audience. We'll give them an audio feed so that they too can participate and we actually can deliver to 1,000 people every night again, but in a very different way.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes our time.

Mr. Stephen Blais: Thank you very much. I appreciate it.

The Chair (Mr. Amarjot Sandhu): Thank you to all three presenters for appearing before the committee and for your presentation.

ART GALLERY OF HAMILTON

AIRPORT TAXI ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, we'll start with the Art Gallery of Hamilton. If you could please state your name for the record, you will have seven minutes for your presentation.

Ms. Shelley Falconer: Thank you very much. My name is Shelley Falconer, and I am the president and CEO of the Art Gallery of Hamilton. I'm here with my colleague Cindy Carson, who is one of the art gallery's directors.

Thank you for this opportunity to present today, members of the committee. I also want to thank you for the enormous flexibility that you've shown. My father passed last week, and you were kind enough to reschedule me into this week. I appreciate that. Thank you very much.

At 106 years old, the Art Gallery of Hamilton is one of the largest and oldest museums in Ontario, with a repository of over 10,000 works by regional, national and international artists. We sit in a facility of 88,000 square feet in the downtown core of Hamilton. We're unique in this province, as one of the very few major collections in the country that sits outside of a major urban centre. So we're not a Montreal, a Toronto or a Vancouver; we sit in a smaller urban town.

The AGH has really grown, from a small civic art gallery created in 1914 to Ontario's third-largest art

collection, one of the 10 most important collections in Canada, and one of the region's most important contributors to tourism and culture for the province and the country. From our iconic permanent collection of Canadian art—which is how it started—to our international collection and exhibitions and, of course, the annual film festival—again, one of the largest in Ontario—the gallery is a leading economic driver for cultural tourism within the Niagara-to-Toronto corridor.

As I mentioned earlier, we're located in the downtown core of the city of Hamilton. This is one of Ontario's fastest-growing cities. We have a burgeoning and thriving arts culture and music scene. We are a tourism magnet for both local and provincial, national and international visitors. Our attendance, in fact, rivals some of our sister institutions in the GTA. We do about 250,000 to 300,000 visitors a year, and with some of our international exhibitions, like the Vivian Maier that we had, a photographer from the United States—we brought in close to 10,000 visitors from the United States with that exhibition last year.

Southwestern Ontario is home to four million people, representing 31% of Ontario's population. The art gallery is at the core of this region. We are a mere 45-minute drive to the American border, which positions the gallery, along with our neighbours and partners such as the Royal Botanical Gardens, as the strongest tourist destinations in this stop for southwestern Ontario.

My submission today will illustrate for you the vital role that museums and culture play in shaping the region's tourism economy. Any discussion of culture and the arts is inevitably intertwined with the economy, particularly given the contribution of culture and arts to the tourism sector. We represent \$33 billion, or about 4%, of the province's GDP and about 400,000 jobs. In fact, arts and culture tourists spend more. They stay longer than any other sector. They engage in the other sectors of the economy, generating almost \$4 billion in GDP and supporting about 61,000 jobs.

Cultural industries, and museums in particular, also stimulate a wide range of economic benefits, including the rejuvenation of urban areas—we're seeing that in Hamilton—and the attraction of an increased number of tourists, as we have here.

The AGH directly contributes to the economic impact of this province and region to the tune of \$25 million for the provincial economy. Any examination of the evolution of today's leading economic powers clearly shows that cultural forces play a major role in fostering and promoting economic expansion. Wherever we find international economic success stories, we find a strong cultural component—

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

Ms. Shelley Falconer: —intertwined with basic commercial activity. I mention these not to justify just on economic terms, but also to underscore the importance of culture.

Today, like so many other institutions, we rely on private support. We are different than many other museums

because our private support earned revenue is double the average of Canada, which is 33%. We did 70% last year. COVID-19 has been devastating. It has wiped out most of our earned revenues, especially in our hospitality area, to the tune of \$900,000. We did \$2.7 million in earned revenues last year, and we are seeing most of that wiped out this year.

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We are deeply grateful to the provincial and federal partners who have worked hard to give us support to get through this year, but of course our concern is how we're going to continue to move through the next two to three years.

Thank you very much for allowing us to present today.

The Chair (Mr. Amarjot Sandhu): Thank you. Before we move to our next presenter, I need to do an attendance check. MPP Kusendova, if you could confirm your attendance and your presence in Ontario? MPP Kusendova?

I also see MPP Singh. Can you confirm your attendance, please?

Mr. Gurratan Singh: Yes, Gurratan Singh here, the member for Brampton East.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Kusendova, can you hear me? Natalia Kusendova? Okay, we'll come back to her.

We'll move to our next presenter, from the Airport Taxi Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Vijay Sobti: My name is Vijay Sobti. I'm one of the executive directors of Pearson Airport Taxi Association.

The Chair (Mr. Amarjot Sandhu): Please go ahead.

Mr. Vijay Sobti: On behalf of the Airport Taxi Association, I thank you all for giving us an opportunity to present our views and concerns to this committee.

On the recommendation of the Ministry of Transportation, the Airport Taxi Association was established in 1978. There are 360 taxicabs and more than 800 taxi operators working at Toronto Pearson International Airport. As per the comments and endorsements of the travelling public, the Toronto airport taxicab service has been one of the world's best professional uniformed taxicab services.

The majority of travellers—domestic or international—use the airport taxi service. We are a kind of front-line worker, the first to interact with the travelling public. Communicating with the customer is an important part of our service. No matter how much information tourists have when they arrive, they always discuss it with our drivers. Sometimes our customers do not have hotel reservations. Our knowledgeable and professional drivers help them to find accommodations according to their needs.

Clearly, I can say that the airport taxi service is one of the integral parts of Ontario's tourism industry. In my 36 years of working as an airport taxi driver, I can probably say that the tourists always speak very highly of Canada, Canadians, and about our safe and clean cities.

This unprecedented COVID-19 pandemic has brought in very extraordinary circumstances. The airport taxi business is almost zero. The economy is in a downturn. It is very unpredictable how long this situation will persist. To provide the confidence of the travelling public, health and safety must be assured. All the airports, hotels, general businesses and public transportation must apply intensive protective measures. Maintaining all the precautionary measures together, we can help to end the lockdown and bring the COVID-19 cases to zero.

Domestic tourism must be encouraged. All the taxis must secure the health and safety of the travelling public—like keeping the cabs sanitized. Plexiglas should be installed in all the cabs, and other appropriate precautionary measures be maintained. Of course, this would be an additional cost to the airport taxis, which are already suffering from very high operational costs.

As required by the airport conditional permits, the airport taxis must have an airport permit and a municipal taxi plate to operate at the airport. Currently, in the airport taxi fleet, there are taxis from nine different municipalities of Ontario operating at the airport. Therefore, airport taxis must comply with the airport and municipal bylaws—as a result, more expenses.

At the moment, our principal concern is the unjust huge commercial insurance annual premium. As required by the provincial-municipal bylaw, all taxicabs must have commercial insurance. For years, the airport taxis have already been paying an unreasonably high insurance premium. For example, in the period ending April 2019, the airport taxi yearly insurance premium was \$7,600.

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

Mr. Vijay Sobti: For the period starting May 2019, without any unusual yearly claim issues, the airport taxis are placed into the facility insurance and are compelled to pay yearly premiums of \$16,000 and above. The ridiculous increase from \$7,600 to \$16,000 and above is an increase of 125% in a year—absolutely unjustifiable.

God wishing, even though in the near future the taxi business becomes normal, this massive amount of commercial insurance premium will never let our industry survive. We did file our concern to this regard with a few honourable MPPs, but I'm glad that today I have an opportunity to request the honourable members of this committee to please find some ways to pull us out from this—

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

Mr. Vijay Sobti: —facility insurance and save the livelihood of the taxi drivers.

As is already in some provinces, the government of Ontario can make arrangements to have provincial commercial insurance for the taxis in this province too. The taxi industry of all Ontario is a very essential part of our tourism. I'm very hopeful that this taxi commercial insurance issue will soon be looked after by the honourable members of this committee.

Thank you for your time.

The Chair (Mr. Amarjot Sandhu): Thank you. Before we go to questions, I need to confirm the attendance of MPP Kusendova again.

Ms. Natalia Kusendova: Good afternoon. This is MPP Kusendova for Mississauga Centre. I'm calling in today from Burlington.

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

We'll start with the questions, and we will start with the opposition this time. MPP Miller.

Mr. Paul Miller: My questions are for the delegates from the Art Gallery of Hamilton. As one of the most popular institutions in Hamilton, a lot can be said about the cultural and historical value of the AGH to our community. One element that is not discussed as often is the educational value of the AGH. With our children having been out of the classroom since mid-March and with new announcements being made about the upcoming school year, rules and distancing policies, it may be some time before the AGH is able to offer its educational experiences to our youth.

The AGH website clearly states that, "Visits to the AGH are an excellent complement to classroom study that can engage students in creative activity, critical thinking and experiential learning."

Can you highlight some of the ways in which the AGH is working around these challenges and suggest ways in which the government can assist you in these areas?

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Ms. Shelley Falconer: Thank you for the question, MPP Miller.

One of the things that we did—in fact, we were one of the first art galleries and museums in the province to do so. The staff are very resourceful and innovative, and we pivoted quickly to online resources within a week from the closure that occurred in mid-March. Because education has been one of my priorities since my arrival here, we immediately started our educational programming online. I'm pleased to say, we are one of the first galleries and museums in the province that was approached by the school boards with contracts to purchase our curriculum-based resources—first by the Hamilton-Wentworth District School Board, and we're now in discussions with the separate school board. So we are continuing to provide those much-needed online resources that fulfill all areas of the curriculum, because, of course, the arts support all areas of our curriculum.

Mr. Paul Miller: Good. Continuing with the second question, on the subject of the public good, the Art Gallery of Hamilton also offers unique and wonderful programs that bring in groups that normally are not exposed to the world of art and culture. The Artful Moments program offered by the AGH is an arts-based experience for persons with dementia and their caregivers. Their team facilitates art discussions and art making that is designed to promote engagement and self-expression while improving the quality of life for both the individual and the caregiver. This is an incredible program that means a lot to the people who were able to take part before the closure of the museum.

Can you speak to the impact programs like this have had on the community? It's being reported that due to the COVID-19 lockdown, there is an increase in mental health

problems across all demographics. Could programs like Artful Moments be adapted to help mitigate some of the stress and anxiety being felt by so many during this difficult time? If this is potentially the case, could the government assist with programs addressing these concerns if they were run by the AGH?

Ms. Shelley Falconer: Absolutely. We've developed these programs under the umbrella of health and well-being. The research is very clear about the importance of the arts in supporting health and well-being all over the world. We began a few years ago, and I'm pleased to say that Artful Moments is a program for people with dementia and their caregivers. In fact, it won a provincial award last year for best in the province.

We are continuing to invest in those programs. As we all know, our elderly population has been so horribly impacted in this province, so we are looking for ways to reach out to them, and we've actually been asked by them to do so online.

One of our problems is that we are the least-government-funded art gallery and museum in the province and in the country. That is one of the reasons our base funding—

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

Ms. Shelley Falconer: —is only 17%, whereas the average in Canada is 33% to 52%. So we operate under enormously financially challenging circumstances.

Mr. Paul Miller: We need to change that, and you certainly are doing good work. Keep up the good work. Thank you for your efforts.

Ms. Shelley Falconer: Thank you, MPP Miller.

The Chair (Mr. Amarjot Sandhu): Thank you. I'll move to MPP Singh.

Mr. Gurratan Singh: Hello. Thank you so much, Vijay. My question is for Vijay and the airport association. We really are thankful for your amazing work in these incredibly tough times. It's truly, truly tough for everyone, but I know folks in the airport industry are getting really, really negatively impacted.

I want to talk to you about auto insurance right now. I pulled up some stats and I found out that across Ontario, we're seeing a huge reduction in accidents on the roads. Have you noticed a big reduction in traffic, Vijay?

Mr. Vijay Sobti: Yes, a lot of reduction in traffic.

Mr. Gurratan Singh: Looking specifically at some stats—I pulled it up by calling Peel police. We looked at March 15 to May 15, 2019, and compared it to March 15 to May 15, 2020. In 2019, we had 1,184 motor vehicle collisions; in 2020, in that same time period, it went down to 278.

Mr. Vijay Sobti: Yes.

Mr. Gurratan Singh: A huge reduction. You would agree with that, correct?

Mr. Vijay Sobti: Yes.

Mr. Gurratan Singh: Auto insurance companies make—a lot of their expenses happen when they pay out claims. But now we're seeing the facts, and the facts show that auto insurance companies are experiencing less

claims. So naturally, they're saving money. Is that fair to say?

Mr. Vijay Sobti: Correct.

Mr. Gurratan Singh: So would you support the position that right now, more than ever, people in Ontario, especially taxi drivers, deserve, at minimum, a 50% reduction to car insurance rates?

Mr. Vijay Sobti: Very correct. But you see, our situation, especially the airport cars—I don't know for what reason, as I mentioned in my submission also. Working so long, I know, when I started, how the insurance was. Comparatively, much more miles are reported on our cars than normal cars. But what I see is, there is no unusual increase in claims there, but this particular year—this is what I'm really concerned about: from \$7,600 to \$16,000 and above, although many drivers are paying \$17,000 to \$18,000. That's just so confusing, and no insurance company—

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

Now I have to go to the independent members for their time of questioning. MPP Schreiner.

Mr. Mike Schreiner: Thank you, Chair, and thanks to both presenters for taking the time.

Vijay, I'll let you finish your thought there. You were in mid-sentence. The insurance situation certainly isn't a good one. So why don't you finish your thought, and then I'll ask my next question.

Mr. Vijay Sobti: You mean on the insurance, right?

Mr. Mike Schreiner: Yes.

Mr. Vijay Sobti: See, this was very confusing. Every year the insurance is renewed, but this jump was really confusing for the whole taxi industry. We have been very, very panicked. Even before this pandemic came in, there was already a problem in the industry there—from \$7,600 to \$16,000 and above. So it was very unaffordable. Even though the normal—Mr. Singh mentioned that there's a reduction in traffic. Traffic will come back and our situation will be the same.

So my concern is putting us in facility insurance, without any grounds. That is our main concern, that we will still be there. There are not too many companies that are doing commercial insurance. This limited number of companies—that's where the monopoly is going on, and we're in trouble there because of this. This is what my request is to the province, which has a requirement on us for commercial insurance. I request from them—even a range, at least for us—to make it feasible for us to have proper, affordable commercial insurance to survive.

Mr. Mike Schreiner: Yes, I agree, especially given the fact that I'm sure your business is way down as well, given the whole COVID-19 situation. To have your costs go up like that—no business can survive that. So we definitely hear you.

I just wanted to shift a second to the Art Gallery of Hamilton. I just want to say sorry, and my condolences on your loss as well. It's hard. I lost my dad way too early. It's not easy. So thank you for coming today.

You've made this pivot to digital, and I'm assuming that has created costs and challenges and things like that as well. You have fewer patrons, obviously, coming because of COVID-19 and the lockdown. So I'm just wondering how you've managed to afford that pivot, and if there are some things that the government could do that could help even enhance the online work that you are doing.

Ms. Shelley Falconer: Sure. Thank you so much for your thoughts of condolence. I appreciate that.

Yes, I think when your base funding is as low as we are—we've always had to be very entrepreneurial. That's how we've managed to survive. So the staff were really resourceful and innovative. We are content providers. That's what we do. So pivoting to digital, while it presented, certainly, challenges, whether it was everything from equipment to being able to—there was a very high learning curve. I'm sure, if we had been open and I had asked the staff to do this, I would have had a lot of pushback. But the desire and the motivation was there to keep providing the content. In the first few weeks, there were some bumps, but I took—

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

Ms. Shelley Falconer: —whatever pennies I had and invested in the technology to give it to my staff at home. Everybody chipped in, and we did it. We started to do it. Everything from storytime to those curriculum resources to studios—and really well attended. So there was obviously a desperate thirst for substantive online content that wasn't Disney movies for their kids anymore.

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Mr. Mike Schreiner: Vijay talked a bit about the additional costs that taxi drivers are facing with Plexiglas and PPE and things like that. I'm assuming that you're going to incur costs like that to reopen and to make the experience safe for patrons. Do you have the resources to cover those costs? Would you need assistance in covering those costs?

Ms. Shelley Falconer: I want to thank our local MPPs, like MPP Miller and MPP Skelly, who are aware of our situation and working with us. We have such low government base funding that we have these supportive donors in the community that have really been helping us out.

But this is a collection that's owned by very much the province and the region. It's a collection worth close to \$1 billion; it's really important art. Creating a safe environment is an investment I am having to make—right now, actually, as we speak—in order to open soon, because the Hamilton region can now open.

So, yes, we're going to certainly need continued ongoing support and we are working on that in conversations with your government.

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

Mr. Mike Schreiner: Great. Vijay, I'll give a similar question to you in terms of supports that you may need for public safety measures.

Mr. Vijay Sobti: Definitely this would help us because these are additional costs and already we have very high

operating costs here. But still, our request—I'm coming back to the commercial insurance thing, because that will still haunt us in the future. When everything is normal, these costs might go away; fortunately, the COVID-19 impact will go away, and we may not need these costs in the future. But we do need the help right now for all these additional expenses that are coming in, with Plexiglas. That would be really helpful in this kind of a situation.

The Chair (Mr. Amarjot Sandhu): Thank you. Before I move to the government side, I also recognize MPP Kaleed Rasheed, who has joined us in the committee room.

MPP Skelly from the government side.

Ms. Donna Skelly: My question is for Shelley. Shelley, it's wonderful to see you here today. I'm glad you were able to share your story with us.

I want you to talk about the art gallery, because it truly is a jewel for the city of Hamilton. I'm not sure if many of my colleagues understand the value of this phenomenal collection that we have in Hamilton—almost \$1 billion—and also the fact that we have such strong leadership under your direction. You have been an incredible addition to the art gallery, and we're blessed to have you on board. So can you just expand a little on this collection? Because it really is remarkable.

Ms. Shelley Falconer: Certainly. It's a collection that, as I said earlier, was started in 1914. We're the second-oldest civic gallery in the country. And the collection—many people are not aware of its significance because it has never had the funding to permanently put it on display. When you go to a collection like the Art Gallery of Ontario or the McMichael or the National Gallery of Canada, you know about it because those works are on display. Again, because the government base funding is so low for this gallery, it has been living on grants, and so it's constantly doing temporary exhibitions and a lot of the collection is sitting in the vaults.

One of the projects we're working on—and so many of you, like MPP Skelly, have been so helpful in trying to help us with this—is to get the collection out, because it doesn't belong to me; it does not belong to my staff; it belongs to the people, and they have a right to see it. Whether it's the Group of Seven—really important works of the Group of Seven. We have arguably the second-most important Thomson in the country here, very important Lawren Harrises, very important international art that was donated by the Tanenbaums many years ago, over 12 years ago now. So our plan is to put that on display and to start to make this collection more known, which it should be, as I said, because it belongs to the people.

Ms. Donna Skelly: It's an incredible collection, and as you said, so much of it is in the vault, which is unfortunate.

Shelley, as MPP Miller mentioned, you also think outside the box. Shortly after we had to govern under the COVID-19 restrictions, you immediately put your collection, or much of it, online. I want you to share that, because there is a little bit of pushback these days about what you can do in a virtual world. But you took the reins, you took control of the situation, you were forward-

thinking and you got this collection online. What does that mean for the gallery and what does that mean for people who want to see it? And how did you do it so quickly?

Ms. Shelley Falconer: First of all, I have an amazing team. So, thank you, MPP Skelly, but it really is a team effort here. It's not me. It's not one person. We have a phenomenally talented team. I think it's true for all businesses—I think we all know this—whether it's government or private business. I'm not a staff of 300 or 400 like the ROM or the AGO, and we have to be resourceful because we have so much less to work with. We were just more nimble, I think. Also, we just didn't have the cushion. We had no choice. So we had to pivot and move very quickly to online. We have worked so hard to deepen that community engagement over the last five years, since I've come here. We really didn't want to lose that. We've had such deep engagement with them, so we wanted to continue it, and we knew people were hungry for the content.

Ms. Donna Skelly: You touched on it briefly, and it's about your funding model. Your revenue is very high, compared to revenue in other museums. Why is that? Explain what you need this government to do, because this is a phenomenal collection.

Ms. Shelley Falconer: Our earned revenue, as I said earlier, is more than double the average in Canada. That's earned revenue, and that comes from everything from what we make from renting out the space, what we make at the shop, what we make in sponsorship and donation. In fact, I bring in more than quite a few of the galleries in the GTA. The problem is—we're not a dog food company. The cost of a collection, even when I'm closed to the public, is almost \$2 million, just to protect the collection and to keep the lights on, because the facility and the collection demand that security. So the base funding is only 17% of my budget, and that's what has to be fixed. I need to move it up to 33% to 52%. Even if we got to in between, we would be much further ahead. Because of this, we have a structural financial issue that, until it is fixed, we'll continue to have. So when we have a pandemic like we did and our earned revenues are wiped out, we are feeling the hit much more so than any other art gallery or museum in the province.

Ms. Donna Skelly: One of the things that MPP Miller touched on is the fact that you have made this a very inclusive gallery. You reach out to all ages, all socio-economic backgrounds, and you have developed a strong relationship with the boards of education.

Ms. Shelley Falconer: Yes, correct. I'm a person of mixed heritage, and I very much am in this business because I believe in the educational value of museums and galleries and what they bring a community. So, no, this is no longer an ivory tower. We're not a Kunsthalle.

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

Ms. Shelley Falconer: And the collection, I always say to my staff, belongs to the people. So what we do here is for the community and it is for everyone.

Ms. Donna Skelly: Okay. Thanks, Shelley. Those were my questions.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Kusendova.

Ms. Natalia Kusendova: Thank you so much for your presentation. My question is also to Shelley and Cindy. The riding that I represent is Mississauga Centre. I'm very fortunate; we also have the Art Gallery of Mississauga. It's such a great asset to our community. I'm glad that MPP Miller touched upon the mental health aspect and how art can truly make a big difference for people who are suffering, going through mental health challenges.

Can you tell us a little bit about how you've partnered up with some local organizations? I know here our Mississauga Arts Council has been working on grant applications through the OTF specific to mental health.

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

Ms. Natalia Kusendova: Are we out of time?

The Chair (Mr. Amarjot Sandhu): Yes. We'll get back to that in the second round. We'll continue with you.

I have to move to the independent members now. MPP Hunter?

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

I had the pleasure, when I was Minister of Education, to visit the Art Gallery of Hamilton—and how stunning it is, the facilities and the place that it holds in the community. So it's great to hear your story and to see the resilience and the creativity. I'm very much impressed with your proactiveness to go online, and frankly, to involve the education sector. I actually think that's brilliant. Hopefully, there is a flourishing opportunity there beyond the Hamilton boards in terms of your content.

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I think you've made your case in terms of the need for the government to recognize that, when all of your opportunity to earn revenue has vanished, there needs to be some recognition of that. One of the presenters before you had given a suggestion of doubling the Ontario Arts Council grants so that that gap can be made up, and to sustain operations for future years. I just want to acknowledge that off the top.

I do want to switch my questions to Vijay. I'd like to hear just a little bit more about how the drivers are doing—not just the owners, but those who interact with the public. COVID-19 has been very, very hard. I just wanted to see how everyone was doing.

Mr. Vijay Sobti: Well, a few drivers are still on ventilators. There is an atmosphere of fear and panic. They're very, very scared to come back to work because the GTAA didn't do the proper work before. I don't know if it's the federal government or whose responsibility was there. I was working regularly there. We were talking to the customers, and nobody was screened and nobody was checked. We have a lot of international travellers. They were checked at other airports of the world—some people, three or four times. But here? Nobody. There are thousands of taxi drivers in the municipal areas—not a

single thing I see any deaths there. But 10 people at the airport died.

So I would request that these protective measures should be assured to the drivers so that they would have the courage to come back.

Ms. Mitzie Hunter: We actually did hear from one of the senior leaders at the GTAA. I know that they are moving to different standards: matching international standards, for temperature checks, and really almost sealing the inside space for only those on shift and only those with a ticket—but perhaps looking at expanding that to your services because it's ancillary to the effective operations of the airport.

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

Ms. Mitzie Hunter: That's really something we can move along and share, and make sure everybody is protected, especially when you're essential and you're right there on the front line—and making sure that we have continuous operations.

I take this as an opportunity to extend condolences to the families of those 10 individual drivers who passed away due to COVID-19, and to the entire industry and sector.

You talked about—actually, both presenters talked about—structural issues that you want to see fixed. For you, specifically, it was on commercial insurance, Vijay. Maybe you could just restate clearly, so that the committee understands the request and why it's important that we take this opportunity to address the issue structurally.

Mr. Vijay Sobti: Firstly, this is a provincial requirement. Then, through municipalities, we are subject to all this commercial insurance, which is a really big amount every year. We have to work very hard on this.

Province-wise, if they find ways with the commercial insurance providers—what is the modification in the coverage or other ways that sometimes maybe you can sue, how does any accident happen and how people sue—they may make some changes in that. So whatever way, this is very big expense there—as I explained, from \$7,600 to \$16,000. This is the first time in my 36 years of working that I don't think this would be really a tolerable thing. And it's not only \$16,000; some drivers are paying even \$20,000.

Ms. Mitzie Hunter: So it's moved from \$7,600 to \$16,000—over what period?

Mr. Vijay Sobti: And above. This is for one year.

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

Ms. Mitzie Hunter: One year?

Mr. Vijay Sobti: As I mentioned, the previous period was ending in April 2019, so all the time of our insurance being renewed in May, and from May—because they never, ever tell us on time. They give us only 10 or 15 days to decide about that: “This is the insurance; take it or leave it.” Our cars would be standing there, so we had to accept it. Then, we really filed our concerns with different MPPs to save us from that—and then this pandemic is there. It's a worse position. We're not making a single penny. Cars are standing there, and still there are fixed expenses people are paying.

Ms. Mitzie Hunter: So maybe it's a bit of price gouging going on there. Thank you for bringing that forward today.

Also, I want to extend condolences on the loss of your father—and the fact that you're here today on behalf of your organization, the Art Gallery of Hamilton.

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

We'll move back to the government side, and I'll go back to MPP Kusendova. You can start from where you left off, and then I'll go to MPP Ke. He will be next.

Ms. Natalia Kusendova: My question was for Shelley and Cindy. I was talking about mental health. With the COVID-19 pandemic, we have seen a lot of people suffering from mental health challenges due to the isolation. Our government, right away, responded with a \$12-million investment to allow some of the mental health providers to move onto virtual platforms.

Have you thought about partnering up with some of your local mental health associations to provide some kind of art programs on the topic of mental health? We do know that art can have a great impact on a person's mental health—and in fact a lot of psychiatrists and psychologists are using social prescribing and art therapy as one of the means for people to cope.

Ms. Shelley Falconer: Thank you for the question, MPP Kusendova.

In fact, that is how we started all of our health and wellness programs, by partnering. We have a very robust health network in the Hamilton area. We have partnered with the local hospitals, with the agencies—and I've had some wonderful conversations with Minister Tibollo in your government about what can be done—over the last few years. It's how we started a lot of our programs. It's how we intend to continue, including the social prescriptions which we already—we did start that before the closure. Our intent will be to deepen those activities as long as, of course, the funding exists.

Ms. Natalia Kusendova: Can you give us any specific examples of some kind of virtual online classes that you may be hosting with partners in the community?

Ms. Shelley Falconer: Certainly. We offer studio classes every week online. If you go to our website, you can see them. With the local hospital network here, the David Braley centre, Dr. David Price, we've developed actual hands-on studios that are—our incredible staff in that—led by one of our very talented studio artist educators, where he is actually conducting those classes for everybody from the groups that we assist with, whether it's through the dementia program or other groups around art therapy. For example, sometimes with youth, sometimes with troubled youth, sometimes with some of the programs for some of the schools that have had and been through quite a bit of distress that we've had in Hamilton—we've done some of those programs as well.

Ms. Natalia Kusendova: Wonderful. Thank you so much. I think you will get to see that you have partners in our government, especially with Minister Michael Tibollo. He is very passionate about art therapy and mental health

in general. I think organizations like yours have a great role to play as we move forward and as we resume life to help Ontarians cope and move forward.

Thank you very much for your presentation today. Those are all the questions from me.

The Chair (Mr. Amarjot Sandhu): I'll go to MPP Ke.

Mr. Vincent Ke: My first question is to Vijay. Thank you so much for your presentation and your time, and thank you as well for your great work, welcoming all visitors to Toronto. I'm confident that after the pandemic, you will play a vital role in providing an excellent travel experience to visitors and contribute so much to the reopening of the economy.

1640

I know a lot of our MPPs have already asked the question; I want to just ask it again because the insurance increase is really sharp, from \$700-something to \$1,600. Was there any particular reason provided by the insurance company on why they increased it so much?

Mr. Vijay Sobti: We had no reason. The one thing they said is, "Your cars are expensive." If I say mostly—anybody can guess. There are a number of accidents or other claims are more—compared to other years, there is nothing unusual. Compared to the huge increase they are asking us or they already imposed on us—no reason at all.

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

Mr. Vincent Ke: Are you looking at the possibility to do any online training at this moment to equip your drivers about the tourism industries in amazing Ontario so that they can better serve the visitors in the future?

Mr. Vijay Sobti: Say it again; I didn't understand that.

Mr. Vincent Ke: Are you looking at the possibility to do any online training at this moment to equip your drivers?

Mr. Vijay Sobti: Still, I'm a little confused by your question. Telling the drivers?

Mr. Vincent Ke: No, to do online training.

Mr. Vijay Sobti: Oh, training them. No, I don't think we need any particular training for this particular challenge.

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

Mr. Vijay Sobti: All we need, with my experience or what this bad experience we have at the airport—if intensive protective measures are taken inside at the airport, what the drivers have to be careful—at the very least, maybe 10% have been taken; 90% work would have been done if the travelling public were screened and checked before they leave the airport towards the taxis.

Drivers are already well-trained. They're already providing excellent service. All they need is to find out that every place is protected now.

Mr. Vincent Ke: Thank you.

My next question is to Shelley at the Art Gallery of Hamilton. Thank you so much for your wonderful presentation. The art gallery is so important to our tourism industry and contributes significantly to our economy. We recognize the difficulties you are encountering. I know many galleries have been working to introduce—

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

Mr. Vincent Ke: Time's over?

The Chair (Mr. Amarjot Sandhu): Yes, the time is over. Sorry.

We'll move to the opposition side now: MPP Miller and then MPP Singh. MPP Miller.

Mr. Paul Miller: This is back to Shelley and Cindy. You mentioned that the Hamilton art gallery is the most underfunded in the country and yet it is clearly one of the most innovative and locally impactful in this province, with over \$1 billion worth of art and excellent staff who know what is needed in the community. It's hard to hear that the supports needed to keep these things going—especially with the many online programs not being offered—are coming out of the AGH's pockets.

You mentioned earlier that the Hamilton school boards are working with you on curriculum resources. Have there been any conversations with the Ministry of Education or the Ministry of Health and Long-Term Care for additional supports for this content? What has been said about the programs—and you mentioned earlier—would be good to know.

I think it's about time that we set up a meeting with all the MPPs in that catchment area to sit down and talk with your executive to see if we could come up with innovative ideas to create some more resources for the art gallery, which is of high calibre and recognized throughout the world. I'm sure MPP Skelly would agree to meet with you also.

Ms. Shelley Falconer: Thank you. That's a wonderful question. It's something I was quite shocked by when I came here five years ago. For those of you who don't know me, I spent almost 15 years at the McMichael Canadian Art Collection, and I worked as a management consultant all over the country and worked internationally.

The problem with the collection—the reason this occurred was that it grew over the last 20 years, especially with the very important Tanenbaum donation that happened, which shot it into giving it international status in terms of what it has and the kinds of exhibitions it can bring in. So it went from a small city gallery, funded a certain way—and it never changed that funding model—to a grown-up gallery, a major museum like an AGO or a McMichael, but it doesn't have agency status like those institutions or the National Gallery of Canada. It's largely funded by independent people and a few grants that it can apply for, whether it's at the OAC or the Canada Council for the Arts. The OAC is lovely and wonderful, but what we are able to get from applying for a grant is about 3% of our budget. It's a \$6-million budget to run it, and the grants, as I said, are a very small percentage—and that's all that's allowed. It truly has to get proper status with the provincial and federal levels of government so that it is taken care of like other big, important collections in the country.

Certainly, we've had really good discussions with this government. I know MP Tassi is also very supportive, as are other ones at the federal—

Interjection.

Ms. Shelley Falconer: Rodriguez, as well; that's right.

Mr. Paul Miller: It's a shame that you have to struggle like you do, with all that heritage and that wonderful collection that's sitting in vaults. Federally and provincially, politicians are always going on about how important heritage is and how much our history and everything that goes along with culture is important to our society. It's a shame that this collection cannot get what it deserves and be where it should be. Anything we can do to help you move it in that direction, I'm 150% behind you.

Ms. Shelley Falconer: Thank you, MPP Miller. I appreciate it. As my board of directors knows, it's my plan to—

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

We'll go to MPP Singh for the next question. Three minutes.

Mr. Gurratan Singh: Back to Vijay: You were describing how taxi drivers are suffering from high auto insurance rates. I just wanted to clarify one thing for you: The increases to rates are only approved and only come forward when the government approves them. We're seeing increases to auto insurance rates—during COVID-19 and beforehand—that are being approved by the current government.

How bad is it right now for taxi drivers economically?

Mr. Vijay Sobti: As I mentioned before, the insurance rates are totally unbearable, unaffordable. This is the biggest overhead that taxis are facing right now. As you mentioned before, the 15% cut is there, and I would be rather requesting more than 15% to survive. It's not only this—for the airport taxis, there are huge overheads. The GTA fee—every municipality will have to pay. We never paid much attention to these things, but it's a massive amount of expense that we're facing right now. So if that particular insurance reduction is there, we'll be really thankful for that.

Mr. Gurratan Singh: Would you agree, especially in the current context, that the current Conservative government should not allow for increases to car insurance?

Mr. Vijay Sobti: Definitely.

Mr. Gurratan Singh: I also want to give my condolences for all of the lives that have been lost as a result of COVID-19 in the taxi industry.

What are other health challenges that taxi drivers and airport limousine drivers are facing right now?

Mr. Vijay Sobti: They're going to be sanitizing the cars, and there should be a Plexiglas shield—all of those expenses. If the province can help at all, that would really help—at the beginning, at least, to start up the business.

Again, inside the terminals, there should be very careful protections that should be taken care of. I think we will be much protected if the inside story is being monitored. All the travelling public should be—which wasn't done before there. That's the main concern. The other protection measures—they should provide a mask or other things. The drivers cannot afford it.

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

CITY OF ST. CATHARINES
PATTERSON KAYE RESORT
CANADIAN GAMING ASSOCIATION

The Chair (Mr. Amarjot Sandhu): In the meantime, we'll go to our next presenter, from the Corporation of the City of St. Catharines. If you could please state your name for the record, and you will have seven minutes for your presentation. Ms. Doyle?

Ms. Karen Doyle: My name is Karen Doyle, and I'm the tourism marketing officer for the city of St. Catharines.

First, we'd like to thank the provincial government for the outstanding leadership that has been demonstrated during the pandemic. The government's swift reaction and measures to ensure the health and safety of Ontarians have been incredible. A number of people in St. Catharines have benefited from these new programs and measures. We also appreciate that the Standing Committee on Finance and Economic Affairs has provided us with this opportunity to speak.

The global COVID-19 pandemic has had a profound impact on the economic engines of our community and has created a new economic reality. With businesses closed, events cancelled and the movement of people and goods significantly slowed, the pandemic has widened social and economic divisions, further deepening the consequences of inequality.

The reopening of Niagara this morning was very exciting. Phase 2 is an important path forward, allowing more businesses to reopen, with life returning to public space. The ability to move more freely and visit neighbouring communities will play a big role in the revitalization of our tourism economy.

Situated just a short drive from Niagara Falls, Canada's most identifiable tourism destination, St. Catharines is naturally aligned with their tourism activity. The St. Catharines economic development and tourism services department has begun the process of recovery through the development of its pandemic recovery strategy. The plan identifies 17 key outcomes, 25 initiatives and 79 action items to assist in recovery as St. Catharines prepares for a period of adjustment and explores areas of this new economic reality.

With regional unemployment rates peaking at over 13%, coupled with a youth unemployment rate of 32%, the city's tourism ambassadors and stakeholders fully recognize that consumer trust must be the new currency to rebuild visitor and resident confidence. A recent survey from the Niagara economic rapid recovery team showed that while all sectors are experiencing loss, industry sectors that rely on direct customer interaction ultimately rely on physical locations to conduct business. Those that rely on events and other forms of people gathering have experienced the most abrupt fallout of COVID-19 in regard to lost revenue and staff layoffs. This includes aspects of the tourism industry such as arts, entertainment, recreation, accommodation, foodservice and retail trade.

Prior to the pandemic, St. Catharines and Niagara were experiencing high volumes of tourism business and

expenditures. With more than \$300 million in public and private investment over the past decade, the creative clustering within the downtown core has resulted in a new 5,000-seat spectator facility, a performing arts centre and a university campus, along with an interdependent set of urban entrepreneurs, stable business investors, an attractive built and natural environment, and a growing and diverse population. Together, we have created a destination in Niagara that focuses on culture, entertainment, festivals and events.

With tourism being one of the hardest-hit sectors, the closure of our hotel and accommodation partners and entertainment facilities and the cancellation of our world-renowned festivals has had a devastating impact on our tourism and cultural landscape. With a combined audience loss of more than 300,000 as well as more than 9,000 room nights, the estimated impacts of the pandemic have resulted in over \$10 million in lost revenue, and that continues to grow daily. Winery tourism was halted as wineries had to close down or cancel on-site tastings, dining and tourism events. While wineries have seen their revenues go down, their costs remain the same from an agricultural and production standpoint. Some have seen additional costs to ensure that seasonal workers are housed properly, provided with PPE and able to social distance. The ability to offer outdoor dining and tastings is the first step forward in the long path to recovery.

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

Ms. Karen Doyle: We have seen the cancellation of more than 80 events, a number that rises daily as more organizers make decisions based on the safety and health of our community. These annual and highly anticipated events occur predominantly in our downtown core and include the Foster Festival's 2020 season, In the Soil: A Multi [p]Arts Festival, International Cool Climate Chardonnay Celebration, and Niagara Wine Festival. Many more events have been cancelled, postponed or are otherwise in jeopardy. The festival and events sector will likely not return this summer, and more assistance will be needed immediately and in the future.

COVID-19 has forced our accommodation partners to close properties and lay off staff. Those that remain open are operating on a skeletal staff with 95% vacancy. Our partners have estimated that 380 meetings and events have been cancelled and 9,000 room nights have been cancelled, resulting in over \$4.7 million in lost revenue. As visitors return to Niagara, we will put the focus on marketing and supporting our accommodation partners as they reopen and work with the new normal of operations.

Seasonal tour operators may miss the season altogether, especially those who work with tour groups, due to safety measures such as no gatherings and social distancing. Like a lot of businesses, the cost to operate may be more than what they can generate in revenue while operating at lower capacity, and this year they may miss the window entirely.

In closing, I would like to thank you for the opportunity to share a snapshot of what the business community and workers are facing in St. Catharines. Again, we would like to thank the government for their swift action during the

pandemic to assist the economic recovery. However, the situation that tourism-related businesses are facing is severe.

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

We'll move to our next presenter, from Patterson Kaye Resort. If you could state your name for the record, and you will have seven minutes for your presentation.

Mr. Julio Ramirez: Good afternoon. My name is Julio Ramirez, and I'm the executive director of Patterson Kaye Resort in Bracebridge. First off, I wish to thank the committee for allowing me the opportunity to offer my opinion and plead the case for support for my resort and other tourist destinations in Muskoka.

I've listened to these hearings on a number of occasions over the past couple of weeks, and there is no surprise that the challenges my resort faces are not unique. There are a number of other resorts in Muskoka that face the same challenges. A lot what I have to say, I'm sure, has already been gone over by this committee, and I'm asking for your indulgence for any repetition.

While I fully support the province's decision to shut down tourism in Muskoka as part of the strategy to limit the spread of the pandemic in cottage country—a decision that clearly achieved the desired result—the cost to the resort industry and operators is nothing short of disaster. I think to date we only have had one known case of COVID-19 in Bracebridge, and right now it's COVID-19-free.

Before I give an overall view of the situation as it affects me and certainly other operators, I'd like to give a brief introduction to my resort and its importance to the Bracebridge community. Patterson Kaye is considered an iconic resort in Muskoka. It has been in existence for 84 years. It's a resort that got started in the middle of the depression of the 1930s by two very intrepid women, Mrs. Patterson and Mrs. Kaye, and their husbands. This resort, as I said, survived just about every economic cycle we have seen in the last 84 years. It's located at the estuary of the Muskoka River and Lake Muskoka.

Tourism in Muskoka, as you probably know and has probably been stated before, is 40% of the local economy. As a year-round resort, Patterson Kaye has a greater risk of exposure to this disaster. Our situation is even more dire given that in 2019, Bracebridge experienced what is considered a once-in-100-year flood. Patterson Kaye is located on the river's edge, and ended up as a small resort in the middle of a small lake. We managed to survive—albeit with a significant drop of revenue—the disaster of the flood of last year. I believe this to be true of other resorts in Muskoka.

1700

While the province gives us the green light to open next Wednesday, the protocol required to operate will see my resort inventory essentially reduced by approximately 50%. This includes the restaurant as well. Today, all my June reservations, and all reservations right up until March of this year, have all been cancelled, and I'm starting to see an effect in July. I'm hoping to have a decent August and September to see us through. As a year-round resort,

we depend on deposits for the following summer to see us through the shoulder season, the late fall and winter. All those deposits have been refunded.

In the height of the summer season, we hire as much as 25 employees, and herein lies the crunch for us. With reduced capacity, we have to hire more staff to keep the resort and its amenities properly sanitized. Anyone who is familiar with the labour market in Muskoka knows that it's pretty thin. With COVID-19 and the benefits of COVID-19 going to the local community, the labour market has become downright skinny. If I'm able to hire five or six individuals for the rest of the season, I should consider myself extremely lucky.

The losses for myself and other operators will only grow exponentially. At least two resorts in Muskoka have decided to remain shut for the season, one being the equally iconic Clevelands House, and I'm willing to bet they are closing for the same reason. This is a classic case of damned if you do and damned if you don't. I will lose less money by staying closed than I would if I opened up.

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

Mr. Julio Ramirez: [*Inaudible*] Bracebridge as a popular location for private events for the local community. Our restaurant seats 120 people, and we host weddings and celebrations of life in our restaurant. As it is right now, we've lost four weddings and that, for us, is hugely significant in terms of revenue. What I am pleading for on behalf of the resorts—obviously, I'm seeing the dilemma myself in Muskoka. Simply put, I believe the federal government and the provincial government must put forward a program of significant economic support for the resort industry to allow us to make it to May 2021. Without such support, this industry and the economy that depends on it will suffer irreparable damage. May 24 past was the first time in living memory in this resort that not a single guest was registered on the property. It would be tragic if my resort becomes a casualty of COVID-19.

I strongly suggest a program of financial support along the lines of guaranteed lines of credit, loans and possible grants be made available so we can make it to May 24, 2021. This is something that I believe is vital for us to survive.

Last year, Porter Airlines opened a service into Muskoka, a regularly scheduled summer program, with connections to Philadelphia, New York, Boston and Chicago. That gave us a tremendous opportunity to expand tourism in Muskoka. If I'm not here next year or Clevelands House is not here next year, I doubt very much whether Porter will be here. It would be a tragic loss to the community up here, and I'm appealing to this committee to recommend to the government that a significant infusion of financial support be made to this industry.

dThank you very much for the time.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to our next presenter, from the Canadian Gaming Association. If you could please state your name for the record, and you can get right into your presentation.

Mr. Paul Burns: Thank you. My name is Paul Burns, and I'm president and CEO of the Canadian Gaming

Association. Thank you for the opportunity to appear today in front of the committee, and thank you to the MPPs and all members of the Ontario Legislature for your leadership during this time.

The Canadian Gaming Association represents the leading and private sector gaming operators and suppliers in Canada's \$17-billion gaming industry. Our membership in Ontario includes Caesars Entertainment in Windsor, Fallsview Casino Resort in Niagara, Hard Rock Ottawa and Gateway Casinos, which currently operates 12 properties across the province from Sarnia to Sudbury, Sault Ste. Marie and Thunder Bay. These casino operations, in addition to their gaming floors, include multiple food and beverage venues, hotels, media and convention space and live entertainment centres.

Ontario's gaming industry is a significant part of Ontario's hospitality and tourism sector, contributing almost \$7 billion in value-added GDP each year. We are substantial employers, supporting over 66,000 jobs in Ontario with over \$4 billion in annual labour income in the province. We are an important part of the communities in which we operate in Ontario, with annual purchases of over \$5.6 billion in goods and services, much of it at local level. As you're aware, we are a significant provider of revenue from important government services.

With the OLG modernization project, which saw the private sector gaming operators take over the operations of Ontario casinos and assume more of the financial risk, we have seen that the net proceeds to the province have grown by over \$400 million. Even last year, we saw a 5% year-over-year increase in visitation, with almost 40 million visits annually to Ontario's gaming properties.

Ontario's private sector casino operators are in the midst of a significant capital investment program. Close to \$1 billion has been invested over the past two years, with an additional \$1.5 billion projected and on tap for the next two. We've seen new facilities built and opened in Chatham, Peterborough, Hanover and Belleville, with additional projects under way or almost completed in Pickering, Toronto, North Bay and London. Future new facilities are slated for Ottawa, Sudbury, Wasaga Beach and Kenora. And major renovations occurred at virtually every other facility in the province. It would be critical to the success of the OLG's modernization program that these projects are completed, as the economic impact of these projects will lead to thousands of construction jobs and hundreds of new gaming jobs across the province.

As a result of the mandatory closures due to COVID-19, we currently have over 17,000 front-line employees who cannot come to work. This has impacted communities and families throughout the province, and this loss of business has affected our local suppliers. With no revenue now for 14 weeks and several more weeks ahead, the sooner we're able to reopen, the sooner we can begin what we believe will be at least an 18- to 24-month path to restore business to previous levels.

It's critically important that Ontario's gaming industry is able to bounce back from this crisis in an economically viable and sustainable way to ensure that the industry gets

its employees safely back to work and restores an important revenue stream to government, charities and the citizens of Ontario.

During this period, we've called upon the federal government to provide certainty to the hospitality and tourism sector by guaranteeing that the Canada employment wage subsidy program be available for the first 24 weeks upon reopening for businesses. This will give certainty to employers as they're planning to reopen and will allow for more employees to return to work sooner than if the program ends, as it is scheduled to, in August of this year.

We further request that the province of Ontario continue waiving associated payroll taxes for the same period as long as the wage subsidy program is available. We've also sought relief on hydro rates. We would like to consider that the wholesale purchasing price of spirits, wine and beer—and additional measures which would assist the hospitality sector in our recovery.

We very much support taking whatever steps are necessary to slow the spread of COVID-19 and keep our employees, customers and communities safe and healthy. In that spirit—

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

Mr. Paul Burns:—Ontario's casino and charitable gaming industries have come together and created a comprehensive health and safety framework for reopening the gaming sector. It was completed three weeks ago and has been shared with the appropriate ministries and the health table for their review. Ontario's gaming industry reopening plan is detailed, multi-faceted and includes industry-wide health and safety guidelines that will form the framework that every operator will follow to ensure commonality and continuity between properties.

Based on the guidelines, each operator will create a detailed, specific plan for each gaming site in Ontario on how the guidelines will be implemented. Independent third-party review will be conducted on each site-specific plan by a qualified subject matter expert prior to being submitted to the AGCO, and the AGCO, through their COVID-19 standard, will have regular compliance monitoring. The guidelines include enhanced cleaning procedures, reduced capacity at facilities, required face coverings for front-line employees, physical distancing measures with reduced playing positions, 100% fresh air in facilities, and customers will be welcome to wear face coverings. Operators will also be able to assist in contact tracing due to our sophisticated surveillance capabilities.

Gaming operators are uniquely qualified to implement these health and safety measures, as we're one of the most highly regulated industries in the hospitality sector. Ontario's gaming industry gaming sites implement operating standards that cover all facets of our operation on a daily basis. We follow regular health and safety standards and have strong cultural compliance, as required by the provincial regulatory framework set out by the AGCO.

We will continue to work with our partners through this period, and the AGCO will continue to provide compliance oversight of sites and have an on-site presence. The OLG will continue to oversee, conduct—manage responsibilities but work co-operatively with operators.

We're an industry that complements and supports the horse racing industry. We provide important tourism attractions in border communities such as Windsor and Niagara Falls, Sarnia, Point Edward, Sault Ste. Marie, as well as attractions in tourism destinations such as the Orillia and Rama area, Peterborough and the Kawartha Lakes, Belleville, Kingston, Gananoque and the Thousand Islands and the city of Ottawa.

We are a unique industry unlike any other in the entertainment, hospitality and tourism sectors of Ontario, as we contribute to the economy locally, as a major employer, a purchaser of goods and services—and in a larger context, the municipal governments, where we operate, with hosting fees, and for the province of Ontario with revenues that we provide to give the government programs.

1710

Thank you again for the opportunity. I look forward to your questions.

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

Before we start with the questions, I will do an attendance check on MPP Hatfield.

Mr. Percy Hatfield: I am in Windsor, Ontario, listening intently to Mr. Burns.

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

We'll start with the government side. I'll go to MPP Smith.

Mr. Dave Smith: I'd like to start with Mr. Ramirez, if I could, please. I've taken a look at your resort. It's an interesting layout because you've got bunches of cottages that are close together and other types of cottages that are further apart. And the occupancy in each of them is vastly different. If we were to do something slightly different with resorts than we do with hotels, based around the capacity that you can have in each of those individual cottages as opposed to in a number of hotel rooms that are side by side, do you think the layout of a resort like yours would still allow for enough social distancing for people that there isn't going to be a risk?

Mr. Julio Ramirez: You're right. We are an unusual resort. We're a strip of cottages of varying sizes. The social distancing is easy if you're outside the cottage, but inside each cottage—obviously, these are rented by families, so they will be responsible for social distancing.

The problem we have with that in our situation is that after each guest leaves, whether they remain on the property for a day or a week, it takes anywhere from four to six hours for my staff to go inside and completely sanitize the entire unit. Some of these units are as large as 2,500 square feet and house as many as 13 people. By the time you finish sanitizing that—as a precaution, we're leaving it empty for at least 24 hours after that to make sure any COVID-19 viruses in the unit are gone. So whether we open for one day or we open for a week, we're still going to have to take that unit out of inventory for two days.

In terms of practising social distancing, yes, you can social distance on our property, but my inventory is going to be significantly reduced both there and in the restaurant.

We have a 120-seat restaurant which we may slash in half. I have a patio of 90 that will be slashed in half.

As I said, I'm going to have to hire at least 10 new individuals to come in to keep the property properly sanitized. It's a major challenge for us. As I said in my presentation, we're likely to lose more money by opening than by staying closed.

Mr. Dave Smith: What we're trying to find out here is—because this is an industry that you're an expert in: How can we do something that's going to be successful for you so that you can have a season? Coming from Peterborough and the Kawarthas, I have a lot of resort-type locations as well. I'm looking for whatever we can do that is going to allow you to be successful.

With respect to the cleaning side of it: I know that you clean and disinfect, and you decided, because of the guidelines that we've put out, that you need to leave it open for 24 hours. If the medical officers of health come forward and say that it doesn't need to be left empty for 24 hours, if a deep cleansing is enough for you, is that something that would be beneficial to you, or are you looking at it and saying, "Purely with the loss in rentability that I have, it isn't going to make much of a difference for us"?

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

Mr. Julio Ramirez: I take your point. If they say a deep cleaning is fine, it still means I'll have to take that unit out of operation for one day. Would that help? Absolutely it would help, but the problem I have right now in the face of critical issues is, of course, the season is pretty much done. Right now, I'm getting more cancellations than I'm getting reservations.

So, for me right now, and for a number of other resorts in Muskoka, the big challenge is: How do you make it to 2021? I need to survive this. I'm hoping for a strong July, August and September to get me there because, as I pointed out, I'm bleeding cash big time because of all the deposits that I've had to refund.

Yes, we can clean, and we can be shut down for one day if the health department says so. But if somebody should come here and suddenly develop COVID-19, whether here or someplace else, and point the finger at my resort, what is likely to be the result? Is it possible that might shut my resort down? I'm not certain what liabilities I'm taking on as a result. But I know one thing for certain: That particular unit would be shut down for at least one day.

Mr. Dave Smith: Thank you. I'm going to turn it over to my colleague MPP Crawford.

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

Mr. Stephen Crawford: Thank you very much, Chair. My question is to Mr. Burns.

First, before I ask the question, I certainly want to thank all the speakers here today. You've all had some great information.

I know you touched a little bit on the economic impact of the gaming industry in Ontario, and it's obviously quite significant. We want to see it up and running, obviously. I wanted to see if you had a sense as to what jurisdictions,

perhaps, in Asia, or outside of Ontario and Canada, have done, how they're operating right now and how things are going. You mentioned you had a plan; that's great. But how is it, from what you've seen, working outside right now? Do people want to come back to gaming? Would they wear masks? In the social distancing world—it's not going to be like this forever, but for now we're in this world. So how can you operate and how do you see operating safely?

Mr. Paul Burns: What we see is that, obviously, to achieve physical distancing, we need to reduce capacity. The talk is about 50% capacity as a tool to ensure that we can meet physical distancing requirements, because that is first and foremost what the operators are trying to do.

What we've learned from other jurisdictions is—well, there has been good and there has been bad. I think that we've had the opportunity to see in Canada—Alberta was the first jurisdiction to open, again with a similar reduced capacity. Nova Scotia and British Columbia may not be far behind, as well as Manitoba. So we'll have some Canadian learnings probably in the next few weeks.

What we've seen from customer surveys that I've seen from my members is that people do want to come back. A lot of them say they know that the facilities are clean. They know that there is ability, if they wish to, to wear masks, which they will be free to do. Staff have said that they want to come back to work, but they want to know that there are enhanced cleaning procedures. Their willingness to wear masks, to understand that there is a reduced capacity in the property, all of those things—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the opposition side for their time now. MPP Stevens.

Mrs. Jennifer (Jennie) Stevens: Thank you, Chair, and good afternoon to all of our delegates today.

I want to direct my comments specifically to Karen. Ms. Doyle, thank you for coming and presenting today.

The Niagara region, as well as St. Catharines, has always been the hub of the tourism industry. As the largest municipality within the region, St. Catharines has—which you highlighted in your wonderful words. You highlighted that we have lots of attractions, events, important programming and types of entertainment that make our city the most vibrant and that garner millions of dollars in revenue each year.

I want you to, if you could, tell us what percentage of revenue loss accounts specifically for our tourism industry in St. Catharines. What do you need from this provincial government to alleviate that financial burden?

Before I let you answer that, I just want to thank you, as well as Mayor Sendzik and his wonderful EDS team, for working and looking proactively into developing your rapid response team.

Ms. Karen Doyle: Thank you, MPP Stevens. I don't have a percentage for you, but I can tell you that in conversation with our partners over the last 12 to 13 weeks, we've kept a very good tracking of loss in the accommodations sector, as far as revenue, room nights, audience, ticket sales and things like that. We're well over \$10

million in tourism revenue loss, between our wineries and our downtown facilities.

It's really something that is going to continue on, as it will in other communities. We haven't only cancelled things that are happening now; we've got cancellations for the rest of the season in some of our facilities, because there is no guarantee that they're going to be open and those companies can't take that risk that they're going to hang on and hope that by August that they come around. It has really been a challenge for our partners.

1720

The one thing that has come out of this that has been really great is the collaboration between everybody. The collaboration has really been able to open up some really great discussions about what we would need as a community to move forward.

The things that stand out would be dollars for destination marketing, for the ability to market our community as a safe community, as a place that people would want to come to, and there are things to do, not just from a local perspective but from neighbouring communities. Of course, if we could get our facilities to a point where we could have the doors open again with capacity restrictions—and perhaps it's only available to season's ticket holders—and a way to manage the amount of people in the building, but be able to move those facilities forward. Then testing and things like that are important too. There are a lot of workplaces that have employees that need to go to get testing, and it's two or three days before there's any type of feedback, or more than that—that's one employee who can't come to work for those days. Those are just a few things that we've discovered in our communication with our partners that would be helpful.

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

Mrs. Jennifer (Jennie) Stevens: I'm just going to take one more minute, if my other colleagues don't mind. I want to ask one more question, because I think it's very important that we get Karen to highlight St. Catharines and highlight all the wonderful festivals that have been cancelled, and our downtown businesses, and how we are the wine route that goes right through St. Catharines, throughout the region, and how downtown St. Catharines is the hub of the busiest part of the wine route. So I'm just wondering about our local businesses and how that tourism business brings and flourishes our downtown, and what an impact it's going to have and how devastating it could be if we don't see any dollars from the province.

Ms. Karen Doyle: Absolutely. As you mentioned, the Ontario wine route goes directly through our downtown, and St. Catharines is the urban hub of Niagara as it's the biggest municipality. We've had a lot of investment, \$300 million over the last 10 years, to open multiple facilities which then have brought in terrific culinary partners, more retail.

There's really a great vibe downtown. We have an evening life downtown. We have a big park downtown that's host to many events. Some of you may be familiar with the Niagara Wine Festival—those are the events that are being cancelled—In the Soil, which is an arts and

culture festival which really highlights the fabric of who we are and that sector of tourism. Without those events, we aren't bringing community together, we aren't showcasing what really are the drivers of our community. With downtown being the hub, we really need to find a way to breathe life back into that.

Our restaurant partners have been great—lots of curbside pickup and delivery, but they can't survive on that alone. We need to be able to bring people back to the downtown core, give them a reason to stay, and make sure that they feel safe and that it's a place there's confidence in.

Mrs. Jennifer (Jennie) Stevens: Thank you again, Karen.

Ms. Karen Doyle: You're welcome.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Hatfield, and one minute.

Mr. Percy Hatfield: Thank you for the 50 seconds or whatever it is I have.

Paul, single-sports betting—we're trying to get there. I think Canadians spend \$150 million illegally on the Super Bowl alone. What can the province do to help you get the feds to finally allow single-sports betting in Canada?

Mr. Paul Burns: Well, we're grateful—for the committee: People cannot bet on the outcome of a single sporting event, and so through choosing illegal means or offshore online books, Canadians are spending about \$15 billion a year illegally on sports wagering. We've been asking for a decade now. It would be an important product.

We've been having conversations. I know the government of Ontario and other provincial governments have been asking the federal government to move on this now so that we come out of our lockdown period, the closure period, with a new product. We patriate a lot of that money from—

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

Now I'll go to the independent members, and MPP Hunter.

Ms. Mitzie Hunter: Thank you, everyone, for your presentations and for the conversation that we are having. I do want to say that the aim here is for us to reopen Ontario's economy safely, and that we try to avoid or minimize as much as possible any resurgence of the virus. I can see that everyone is really thinking through how that should be done.

My question is for Mr. Ramirez. The way that you framed it, whether you reopen or whether you remain closed—you're really struggling with that decision right now. It's almost like you can't win, and that's not a good position to be in. I wonder if you can tell this committee what you would like to see the province do to help.

Mr. Julio Ramirez: Well, thanks for the question.

As I said, it's a “damned if you do, damned if you don't” situation. But even in spite of that, we decided to open simply because we've had very loyal clients over the years who have come here every year on their vacation, and we're prepared to accept them. For me to open, I will definitely lose more money because of all the cancellations and all the refunds I've made. I'm going to have to

seek some kind of credit relief or some loans to try and get me through until next May, when the season picks back up again.

I'm hoping that I can make a case to this committee to take to the provincial government and the federal government, that they need to put funds into the tourism industry in Muskoka, because I'm telling you right now, there are a lot of small resorts up here that will disappear. Fifty years ago, there were 130 small resorts in Muskoka. We're down to 30. Most of these resorts have gone into the hands of private owners who built their estates on it. This particular property, which is unique in Muskoka, is something that—the town of Bracebridge has given strong support on-site for us to keep it going because it provides a useful service and a facility for the community.

The only solution I can put forward, as I've made in my presentation and I'll repeat, is that there needs to be financial support from both levels of government. We do not want to lose something like the Porter Airlines initiative, which gives us an opportunity to expand our market into the United States. That is basically what I'm looking at. But if there's no government support, I'm going to have to find some means of private financing, which would put me even deeper in debt, to keep this property going.

Ms. Mitzie Hunter: Thanks, Mr. Ramirez. Would you say that that type of support that you need, in the form of a deferral of taxes or premiums and obligations that will come due in the fall, is not helpful to the goal of keeping you operating until next season, hopefully when you can return to full bookings?

Mr. Julio Ramirez: All of that is very helpful. Anything that allows me to reduce my losses, I'm all in favour of. But in order to make my position survivable, it's going to require significant input of access to some financial resources. Whether it's a line of credit or a loan or a grant or any combination of that over a period of time, that's fine. The banks are not particularly helpful right now. So we require government intervention in supporting loans through banks for me to survive. It's as simple as that.

Ms. Mitzie Hunter: Thank you very much.

I do want to just ask the city of St. Catharines—that's Karen. Because you're connected to a wider industry—agriculture as well—have you heard concerns just with regard to supply chain or labour shortages as a result of the situation that we're facing with COVID-19?

Ms. Karen Doyle: I have heard some discussion about that. To be honest with you, I'm not as deeply entrenched in those conversations. But I know that when I speak to our winery partners, there is an issue with wholesale, as they're obviously not selling to restaurants as they had been selling before. Online sales are up, but for anything on-site—the cost of production has remained the same for them—and then the added expense of making sure that anybody that comes to work on their property is safe and able to social distance and be properly housed and all of the things that are required to keep their workforce going.

1730

Ms. Mitzie Hunter: That's good. Thank you.

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

Ms. Mitzie Hunter: I was actually quite impressed with the preparation, Paul, that you described in gaming—even as much as facial recognition and that type of readiness. We heard in this committee that there are a lot of elements to the gaming industry, with currency and things like that. What measures are you putting in place from a PPE perspective, a safety perspective, maybe even changing wholesale processes?

Mr. Paul Burns: It has been rather extensive as the operators look at their operations. Yes, PPE is available to all staff, from gloves and masks to shields; it depends on where they work in the facility and their interactions with customers. Where possible, we distance, reducing the number of people at tables. We even—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the opposition side again for their second round. I'll go back to MPP Hatfield.

Mr. Percy Hatfield: I'll go back to Mr. Burns. One of the things you mentioned was better rates on hydro and spirits, wine and beer. I actually spoke to the finance minister this week after I got a letter from a bar owner saying that they should be allowed for the next 18 months or 24 months, until we recover, to bring alcohol into their premises at the same prices that you and I pay at the LCBO, as opposed to the grossly inflated rates that they have to pay right now. I pointed out that in British Columbia, that's exactly what they're doing out there. If you could tell the government members of the committee the value to your industry if the government of Ontario would follow BC's example.

Mr. Paul Burns: It would be significant for our sector. Putting a price tag on it is something we're working on, because BC was more recent. The discount could be up to 20% in British Columbia. British Columbia and Quebec have also waived payroll taxes for those under the CEWS program, so payroll by a health employer, health tax or WSIB—any of those types of contributions, while under the CEWS program, have been waived in those jurisdictions. So there are additional tools that would be very, very helpful, because it ensures that more money can go to rehiring people and more certainty that those programs are going to be there.

Mr. Percy Hatfield: I know that after we had 9/11 and after we brought in smoking, the people, at least, at Caesars in Windsor—the number of Americans coming in went down. If we're going to a 50% capacity, I know that the private operators who are running our casinos for the government—would you expect that they're going to have to renegotiate a contract of money back to the government based on a smaller pool of gamblers?

Mr. Paul Burns: Well, they've been operating with about 50% of their positions, so even they don't have full access to their inventory—and to quickly say that, yes, there is a need. Ontario works under a guarantee model. The operators have guaranteed revenue to the province. Well, we don't even have access to a full inventory of property, of gaming positions, anymore. That guarantee needs to be looked at, and we've expressed to the Minister of Finance that there needs to be a more sustainable, long-

term process, so we can get the capital projects finished and we can ensure that the people can come back to work. That's going to be the key: ensuring that there's a long-term, sustainable program in place right now. That's where the operators have asked the government and OLG to look at the model, so that there can be long-term support, to ensure that the economic development benefits that come with gaming can be fulfilled.

Mr. Percy Hatfield: Thank you. Jennie, I think I ate up most of the time there, but Casino Niagara will benefit from what we were just talking about as well.

Is there any time left, sir?

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

Mr. Percy Hatfield: Oh, we've got lots of time. Jennie, you're on.

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

Mrs. Jennifer (Jennie) Stevens: Thank you very much, Percy. I always enjoy sharing time with you.

Karen, back to you: Thank you again. I just want to say that since the COVID-19 pandemic hit our whole country, and countries abroad—but most of all in St. Catharines, we've seen local businesses shut down, staff laid off, and entire industries suddenly come to a halt. The impact of COVID-19 in St. Catharines has been catastrophic.

I know that right at the beginning, at the get-go, when we shut down the businesses, you, Mayor Sendzik and your EDTS team sat down with me and other regional representatives, and we came up with a development recovery strategy. This strategy showed that most of our businesses within St. Catharines rely almost solely on tourism revenue. During the summer months, they survive through the—they survive the rest of the year through their financial times. Can you highlight how important it is that tourism is highlighted in St. Catharines as well as helped, and what St. Catharines possibly needs to be able to rebound and open the doors and be as vibrant as we have been in the past?

Ms. Karen Doyle: Thank you very much. What I should have touched on maybe a little earlier with your question about festivals and events—that's such a large component of the tourism side of what we do in St. Catharines. It's not only the cancellation of events, but all of those events touch food and beverage and they touch entertainment; they have all of these connections to other businesses within Niagara and within St. Catharines. When a festival and event doesn't happen, then those businesses lose out as well. It's a really thick trickle-down effect. Because our cultural and arts and entertainment scene is so robust, it would be—

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

Ms. Karen Doyle: —really advantageous for us to have some focus put on supporting those festivals and events. I know that there have been some dollars through Celebrate Ontario—but to really be able to make sure that those festivals and events are able to make it through this year and happen next year, because they are so crucial to the tourism story in St. Catharines and such a large part of the economic industry that we have within St. Catharines.

Mrs. Jennifer (Jennie) Stevens: Also, if you could highlight how important it is that this provincial government works together with St. Catharines, being the largest city within the region—because we are working so closely with the Niagara region, how important it is that we get some financial assistance, or how we can get it and make sure that after COVID-19, post-COVID-19, St. Catharines is robust and we can continue our Niagara spirit down here in southern Ontario.

Ms. Karen Doyle: It's very important that we receive support, not just financially but as far as—

The Chair (Mr. Amarjot Sandhu): Thank you. I'm sorry to cut you off.

We'll have to move to the independent members now for their second round. MPP Blais?

Mr. Stephen Blais: I have a question for Mr. Burns. You mentioned the expansion in Ottawa: the Rideau Carleton Raceway and the Hard Rock casino. It's going to be amazing for the community and especially rural Ottawa, and I'm a big supporter.

I do have a question, though, about the health measures that can be put in place in a casino environment—because it's not just about space and the number of people; it's a very tactile thing when you're in a casino. You've got chips; you've got the slot machines. I went and bought something at Canadian Tire and I used the automatic cashier, and there was someone cleaning it after every person used it. How do you actually keep the surfaces in the casino clean, given how tactile that environment is?

Mr. Paul Burns: It requires a dedicated team to do that. There will be visible people on the floor, cleaning machines after use. There are a number of tools that have been put in place in different jurisdictions so people—do you know if a machine has been cleaned or not? Sometimes they put a tape over where you insert your funds or your player's card, so it's kind of a seal on it so you know that it has been done. By limiting, obviously, the options, you're creating opportunities for staff to be able to keep on top of that.

On chips and cards: Cards can be disposed of, and chips regularly cleaned. There is lots of great technology available, from UV chip cleaners that can be put at the tables, to—there are microbial sprays that last for 28 days and kill viruses on hard surfaces. There are lots of great products out there, and technology. The industry has been actively exploring them.

Ensuring employees keep social distancing: Most of them are turning a lot of their ballroom and convention spaces into employee lounges so they can spread people out, and all of those measures combined are what we're trying to do to ensure—it's very clear they've been contacting their staff, asking their opinions on things. There is a lot of staff training that's going to be required for a new workplace. Cash handling—it will probably be gloves for most cases. So they are limiting the interactions. We're looking at cashless wagering standards, but that's a little more way off because the technology is still new. I'll stop there.

1740

Mr. Stephen Blais: I appreciate all that. Thank you. It's very comprehensive.

We heard from Mr. Ramirez about the challenges in opening and how he might actually lose money. I've heard that from some restaurant operators and other small business operators as well. Given the reduction in volume you're going to see and the extent of the measures you've just described, can casinos open and still turn the kind of profit they need to?

Mr. Paul Burns: That will be the question, and nobody is certain at this point in time. That's why there have been a lot of surveys of customers, who say they want to come back. They want to know that the health and safety measures are there. Even with 50% less gaming positions, you're bringing back more staff because of the enhanced cleaning measures, just like Mr. Ramirez talked about. You need more staff to do those things and to be sure that they're on top of it.

So it's going to be an interesting time. That's why, working with OLG, we're asking the government to look at the compensation model, because it is the only place in the world where—Ontario has a guaranteed upfront model, that their operators are guaranteeing revenue, but we don't have the ability to access all our property or all our facilities. So that guarantee—we looked for another revenue-sharing model that's sustainable in the long term as we grow back through this period.

Mr. Stephen Blais: Thank you. I don't have any other questions. I'm not sure if MPP Hunter does.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Hunter?

Ms. Mitzie Hunter: Mr. Ramirez, I know that you've asked for some sort of financial assistance, liquidity. Is that the only thing that you're requesting from a resort management point of view so that you can get through to 2021? One of the things that you said was, "How can I survive and get to 2021?" You're persistently asking yourself the question. You're hiring 10 additional staff. You're doing the cleaning, sticking to the guidelines. I just think the standard in which you are operating is trying to do everything right—and even when you've done that, what else is there?

Mr. Julio Ramirez: Well, you've outlined my dilemma perfectly, and that is that, for me—and I've focused almost entirely on my resort because, frankly, a lot of resorts don't have my particular problem. It is as simple as I said to you: How do I get to 2021? If I can get to 2021, as stated before, our resort will survive.

There are a number of factors that I've looked at to keep us going. I've worked with one of the local groups here for my reservations for September etc., but I have no guarantee of this. For me, it's strictly, do I end up borrowing from a private source with enormous interest, or do I ask for a loan guarantee that I can keep going until 2021?

Ms. Mitzie Hunter: Right.

To all presenters, I want to say thank you. This committee would have done its job if we get to see all of you operating in full force in 2021. Thank you so much for

the value you've brought to us here today and for sharing, and just for your first-hand knowledge. It has been extremely, extremely valuable.

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

Mr. Stephen Crawford: Just a quick comment, then I have a quick question.

To what Mr. Ramirez was saying: What I'm hearing and what I'm seeing and what I'm sensing, although this is a very difficult time and we need to get through this right now, obviously—I want to leave on a good note, in that I really believe that Ontarians are going to get reacquainted with their province. Although we're going through a really tough time, I think that over the next number of years, it's going to be intra-Ontario tourism and travel, and discovering our own province is going to boom. So I think there are good times ahead.

Having said that, I did want to ask Mr. Burns one question. I just want to get a sense from his industry—and where he is on whether there are some regulatory barriers or red tape that he feels are fairly easy for a government to remove that would help businesses in his industry.

Mr. Paul Burns: Actually, the Alcohol and Gaming Commission started that process about 10 days ago. We released a draft standard to the industry—it's called a red tape reduction standard—for ending some of the duplication between OLG and AGCO, in terms of duplication of reporting and oversight. That will have a tremendous impact. Those will take effect upon opening. We're grateful that AGCO had the foresight to bring those forward. Minister Downey and Minister Phillips supported the release of those, so we're grateful for that. That will have a huge impact. So we have had some action already.

Even going through shutdown, the AGCO amended a lot of the regulations to be able to allow properties to reduce costs—about monitoring properties and so on. It's been a great relationship with the AGCO through this period.

Mr. Stephen Crawford: That's great to hear and let's continue that dialogue, if there are any further changes.

With that, I'll pass it over to MPP Piccini.

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

Mr. David Piccini: My question is for Paul. I brought up on your website the economic impact that the gaming industry has on Ontario, and I read a number of the different reports with great interest. One of the specific elements you touch on there is Internet gaming. I'm wondering if you can, in two to three recommendations, provide us with two to three concrete steps you would like to see the government take to improve Internet gaming.

Again, I thank you for all that you do. I would love to see single-game betting myself.

Mr. Paul Burns: The government, in their budget just over a year ago now, said that they would bring in a regulatory framework for online gaming. Through this period, we've seen a huge growth in online gaming. Unfortunately, most of that—some has been with OLG, but a

lot has been with offshore sites. We need that regulatory regime to start as soon as possible, bringing that forward as quickly as possible to get the regulated marketplace—especially in sports betting, which is the biggest part, about 40%, of the online business—into where it can be taxed and regulated, and putting in the consumer protection measures for responsible gaming. I've had a lot of complaints from people who have dealt with offshore sites, who have had problems getting their money through this period.

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

Mr. Paul Burns: That's why we need to regulate it. We need that opportunity as soon as the government can. That would be great.

Mr. David Piccini: I hope that my good, enthusiastic friend, Percy—I hope we get that same enthusiasm for alcohol and gaming reform among his GTA NDP colleagues. That's what I certainly hope we get.

Paul, what money are we losing offshore?

Mr. Paul Burns: Right now, in profits in Canada, there's about \$1 billion in profits being removed by offshore online companies, so roughly somewhere—I mean gross. If Ontario went to tax at, say, 20% about \$500 million worth of revenue, that's about \$100 million, maybe. There's a lot of money there for the province.

There is a huge economic development benefit for this in the technology sector, because Ontario would be one of the first jurisdictions in North America to do a widespread regulatory regime. There are a lot of technology companies that are happy to come to Ontario too. We've hosted events in the UK for the last two years. We've had between 50 and 100 companies in a room interested in coming to Canada because of our huge talent of technology professionals in this space. Combined with the provincial digital tax credits, it makes Ontario an amazing place to do business.

Mr. David Piccini: Thanks very much, Paul; I appreciate that.

Thanks to all the presenters.

The Chair (Mr. Amarjot Sandhu): Further questions?

Thank you to all three presenters for your time and for your presentations.

Also, thank you to all the committee members and the committee staff for your time. As a reminder, the deadline to send in a written submission will be 5 p.m. on June 22.

The committee is now adjourned until 9 a.m. on June 22, when we'll meet to continue the hearings on the tourism sector.

The committee adjourned at 1751.

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