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**Official Report
of Debates
(Hansard)**

F-30A

**Journal
des débats
(Hansard)**

F-30A

**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Thursday 4 June 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Jeudi 4 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

Thursday 4 June 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 4 juin 2020

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

The Chair (Mr. Amarjot Sandhu): Good morning, everyone, I call this meeting to order now. We are 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: MPP Stan Cho and MPP Sandy Shaw; and the following members participating remotely: We have MPP Crawford, MPP Hunter, MPP Piccini, MPP Roberts, MPP Schreiner, MPP Skelly, MPP Smith, MPP Blais, MPP Fife, MPP Khanjin, MPP Lindo and MPP Rasheed.

We are 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.

SUBCOMMITTEE REPORT

The Chair (Mr. Amarjot Sandhu): I have one other item to mention before we begin. As mentioned previously, the order of the House dated May 12, 2020, gives the subcommittee the authority to determine how to proceed with the study. We will not need to vote on this report, but I will read it into the record to make sure all members are aware of the contents.

Your subcommittee on committee business met on June 1, 2020, to consider the method of proceeding on the orders of the House dated March 25 and May 12, 2020, relating to 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, and determined the following:

(1) That the committee continue to meet for hearings on the tourism sector from 6:30 p.m. to 9:30 p.m. on June 4, 2020.

(2) That the committee meet for report writing on the recommendations relating to the Economic and Fiscal Update Act, 2020 on June 11, 2020, from 9 a.m. to 12 p.m.

(3) That the committee meet for further hearings on the tourism sector from 1 p.m. to 6 p.m. on June 11, 2020; from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m. on June 18, 2020; from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m. on June 19, 2020; and from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m. on June 22, 2020.

(4) That for hearings on June 11, June 18, June 19 and June 22, 2020, interested presenters also be scheduled in groups of three for each one-hour time slot, with seven minutes each for their presentations and 39 minutes for questioning for all three witnesses, divided into two rounds of six and a half minutes for each of the government, the official opposition, and the independent members as a group.

(5) That interested presenters be arranged into groups of three chronologically, based on the order that their requests to appear were submitted instead of being arranged into groups based on lists from the government, the official opposition, and the independent members as a group.

Are there any questions before we begin?

Interjection.

The Chair (Mr. Amarjot Sandhu): I apologize; I missed two members. We also have MPP Paul Miller and MPP Jennie Stevens. They are also present, joining virtually. And also, MPP Norm Miller; sorry about that.

COVID-19 STUDY

MINISTRY OF HERITAGE, SPORT,
TOURISM AND CULTURE INDUSTRIES

The Chair (Mr. Amarjot Sandhu): Are there any questions? Seeing none, I will now call on the Honourable Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries, to please come forward. You will have 15 minutes for your presentation, followed by 15 minutes of questions from each of the government, the official opposition, and the independent members as a group. I will give the members reminders of the time remaining during the questions.

Minister, the floor is yours.

Hon. Lisa MacLeod: Thank you very much, Chair. Colleagues, thank you for the opportunity to present today. Before I begin, I would like to personally thank the staff at my ministry and all those who have engaged with us over the past several months during these difficult days. If

pressure makes diamonds, then my ministry and our sectors are full of gems.

I'll take a few moments to speak broadly on the impacts of COVID-19 on our sectors and then speak more specifically about the tourism, hospitality and foodservice sectors. Given that we will be dealing with the sector analysis on culture, heritage and sport later, I'll reserve a more detailed accounting for you on them later.

Because these are not normal times, I will not be sugar-coating what we're dealing with. While COVID-19 has hit everybody hard, my ministry oversees sectors that have been shattered. Let me begin with a benchmark.

Prior to COVID-19, the ministry's partners delivered a spectacular double bottom line: an economic bottom line and a social one. The economic bottom line included \$75 billion in economic activity and employed hundreds of thousands of people in every single community across our province. To put this into perspective, \$75 billion is larger than the forestry, mining and agricultural sectors put together and larger than the GDP of Manitoba. We were leading in growth and creativity at that time, prior to COVID-19.

We also witnessed the social bottom line in heritage sectors that connected us to our storied past. We witnessed it in thriving arts communities that enriched our quality of life. We witnessed them in organized sport, whether as fans of a professional sports team that brought us together or in amateur sports. Whether you're talking about a big Hollywood film or a local community theatre, the people who work and volunteer in our cultural, heritage, arts and sports industries are the people who have always made Ontario a better place to live, to work and to visit.

Today, these people are hurting. I'm determined to do everything I can to get them back on their feet.

Going into this crisis, let me tell you where we stood. Overall, the ministry budget is \$1.6 billion, up \$200 million from last year. It supports and has oversight over 18 agencies, including the Toronto and Ottawa convention centres; the Art Gallery of Ontario; the Royal Ontario Museum; the science centres in Toronto and in the north; the McMichael gallery; the Royal Botanical Gardens; Ontario Place; library south; library north; two park commissions, one on the St. Lawrence, the other in Niagara; and our granting agencies Destination Ontario, who is joining me today, Ontario Creates, the Ontario Arts Council, the Ontario Trillium Foundation and the Ontario Heritage Trust.

We fund 250 festivals a year, 176 heritage organizations, 376 public libraries, 166 community museums and 12 heritage organizations. We also include support for the Ontario Cultural Attractions Fund, the new Tourism Development and Recovery Fund, the Ontario Music Investment Fund, and a multitude of sport organizations, including 68 provincial sport organizations, 117 different after-school programs, Indigenous sport and wellness, and the Special Olympics.

This ministry also runs the Honours and Awards Secretariat, which includes the Volunteer Service Awards, the

prestigious Order of Ontario and many other recognitions. And we are building the Afghanistan War Memorial.

As you can see, the ministry supports the pride of people and the pride of place in Ontario, while at the same time growing the economy. This dual mandate is what guides our work and helps us measure our success. This double bottom line should be a source of pride for every MPP, but it is a bottom line that is fragile right now.

Due to COVID-19, bars and restaurants find themselves shuttered for everything but takeout and delivery. Our libraries are restricted to curbside pickup. Sports, from our Timbits Hockey to our Toronto Raptors, find themselves on the sidelines. Our airlines are grounded. Attractions, from walking tours to Wonderland, are closed. Musicians and theatre employees who depend on live performances have lost their income. All of the small businesses and suppliers who directly and indirectly depend on these industries to stay open are also on the ropes. The very people who drive our economy and our visitor rates have been driven out of their livelihoods by COVID-19.

Our government stands by the decision to put in place restrictions so that we could save lives. We're prepared to act immediately to reopen even more of the economy based on the advice of medical experts who are carefully assessing the risks. But none of us should be naive to the fact that there will be lasting damage, that many customers are rethinking their old habits, that restaurant and music venues will not be filled any time soon, and that with international travel restricted, we cannot expect a return to previous levels of foreign or domestic tourism any time soon.

0910

Consider a Music Canada study that found that 43% of Canadians "said it would take six months or more before they would feel comfortable going to a music festival or a concert in a large venue. Another quarter said that they may never feel comfortable going to those types of events again." This is the challenge that keeps me up at night, but it is also what gets me up in the morning, because we have a real opportunity together in the recovery and rebuilding. But it's going to take a lot of hard work and a lot of smart ideas, because the urgency is real. The ministry deals with the ultimate small business sector, who will need help with liquidity, with regulatory changes and with commercial rent relaxation.

With COVID-19, we are tracking \$20 billion at least in economic losses within these sectors. According to the C.D. Howe Institute, four of the seven hardest-hit sectors were aligned with this ministry. They are transportation and sightseeing tours, air transportation, accommodations and food services, and arts, recreation and entertainment. Consider this figure alone: In the month of March, this province lost 400,000 jobs, and we estimate that 350,000 of them came from our tourism and hospitality sectors and our cultural industries. We were hit first and we were hit hardest, and it's going to take the longest for our sectors to recover.

Make no mistake; we are the canary in the coal mine of COVID-19 in what I refer to as a triple threat: the public

health crisis, the economic crisis that followed, and the social crisis—a social crisis that will impact our recovery due to the reality of social distancing, the inability to mass gather, and the likelihood of fear and stigma of a social return to dining in, attending a festival or watching your favourite hockey team in the near and medium term. This triple threat was both my worst nightmare and my focal point in early January, as I first began to turn the ministry's attention to COVID-19 as it ravaged countries a world away. I'm pleased that my deputy minister, Nancy Matthews, is here. That work began with her and me.

Some examples of how this triple threat has impacted tourism and hospitality include:

Hotel occupancy in April was at 13.8%, down from 62.5% a year earlier.

Restaurants Canada estimates that we have lost 300,000 jobs in that sector, just in this province.

The Conference Board of Canada reports airlines losing 13 million seats—11 million just in May and April.

Indigenous Tourism Ontario projects \$330 million in losses.

Tourism Toronto estimates a \$5.6-billion loss, while my hometown of Ottawa projects at least \$1 billion in economic loss.

The Tourism Industry Association of Ontario, who you'll hear from later today, estimates that more than 65% of tourism industry operators are closed right now, hopefully only temporarily.

And still the continuing impact of the COVID-19 triple threat has yet to be fully experienced. The pandemic has struck on the cusp of a busy summer season which accounts for 40% of visitor spending in the province of Ontario. The depth and the length of this crisis far exceeds previous downturns, and current estimates suggest it may be 2024 before tourism spending will recover to 2019 levels. This is devastating and it will require all hands on deck for us to collectively navigate the storm and turn this ship around.

As I'm reminded by Tony, one of our ministry staff from Sault Ste. Marie, on a recent visit to his community, tourism is the one industry that keeps going in every community regardless of where other industries are, but right now tourism is the one that needs help. We will need the government, we will need other industries and we will need Ontarians to help this sector out in what will likely be a very long road to recovery by overcoming health challenges, dealing with a new economic reality and adapting to social restrictions which will inhibit consumer confidence.

First let me explain the concrete steps the ministry has taken in the immediate crisis, before discussing our longer-term strategies. Work started in January, when I requested the ministry review the SARS recovery model.

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

Hon. Lisa MacLeod: At that time, I reached out to former culture and tourism ministers from the SARS crisis, David Tsubouchi and Brian Coburn, seeking their guidance and advice. By mid-February, our ministry began to assemble informal tables with these ministry

sectors to understand real-time data from their international partners in what we thought would be a SARS-like crisis. Even with this planning, however, there is no guidebook. As one of my ministerial advisory panellists in the airline industry said, it is like flying a plane as you build it.

COVID-19's public health crisis became an economic crisis for this province on March 12. Its impact and the social crisis will endure likely long after the disease has been eradicated. That said, we are leaving no stone unturned within the ministry.

Since that time, the ministry has held five different telephone town halls with over 1,000 stakeholders. We established 14 ministerial advisory committees for everything from airlines and hotels to tourism leaders. I've done town halls virtually with 13 regional tourism areas. I appointed MPP Norm Miller to undertake a consultation throughout the province. And as importantly, I've taken the advice of Niagara Falls mayor Jim Diodati, who said to me that this is a time to plan, not to panic.

Over the past three months, these are the specific steps that we have taken: We tripled the Tourism Development and Recovery Fund, from \$500,000 to \$1.5 million. Destination Ontario is developing a marketing plan with TIAO and our 13 RTOs. Our funding will flow. We will continue to fund more. We supported our foodservice sector by allowing licensed restaurants to sell and deliver unopened alcohol. We earmarked \$341 million to support hotels that are assisting overcapacity in our hospitals. The Ontario Cultural Attractions Fund, Destination Ontario, Ontario Creates, the Ontario Trillium Foundation and the Ontario Arts Council continue to flow money despite cancellations. We're continuing investments in Celebrate Ontario and sport hosting. We developed ontario.live, an online marketplace for tourism and arts. We engaged the Ministry of Labour to build rigorous protocols for a return to work in our sectors, and we continue to work on adapting new and creative opportunities. We have flowed over \$210 million in the last two months to our sectors.

We recognize that there is more to do, and we know that we are only at the beginning of what will be a long-time recovery, but there is a path forward. I've instructed the ministry to develop and build out a five-year plan that will help us recover, rebuild and then re-emerge as a premier visitor destination in the world. To do this, in the immediate term, we will recover by encouraging "support local" campaigns, like we have seen in Ottawa, Blue Mountain and other parts of the province. We will also promote digital tourism, as we've seen with Science North and the tulip festival, and drive-in and drive-through experiences like we've seen at the Toronto Zoo and our existing 16 drive-ins. This phase will be important as we gradually reopen the economy and begin to address the impacts.

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

Hon. Lisa MacLeod: Thank you. In the medium term, we will focus rebuilding with staycations and domestic travel, encouraging Ontarians and other Canadians to visit our destinations. We are working with Destination Canada to build that strategy. And there's already excitement for

2021. We have the 50th anniversary of Ontario Place, the 50th anniversary of the Junos, the 54th Canada Games and the 109th Grey Cup coming. I can't wait to hear from every member of this committee about how we can support your communities in this pivotal year.

Finally, in the longer term, as confidence builds and as we re-emerge as a top destination for international visitors and our airline capacity reaches pre-COVID-19 levels, we're going to be ready. I've always said that we are the world in one province, and we will be ready when Ontario is ready to welcome them back. But colleagues, we do not have a silver bullet to fix the tourism industry overnight.

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

Hon. Lisa MacLeod: No one does, I assure you. Together, on all sides of the aisle, and working with the best minds in their collective fields within these sectors, we will have a gold-standard plan to deal with the triple threat of COVID-19.

I welcome your questions and concerns, but more importantly, I welcome your ideas on how we can get through this together.

Thank you, Chair.

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

We'll start this round of questions with the official opposition. MPP Shaw.

Ms. Sandy Shaw: Thank you very much, Minister, for your presentation. Deputy Minister, I appreciate you being here. It is a shocking picture, and we understand the scope and the scale of this tsunami of economic damage.

I just want to start by saying that I raised my children in the home of an artist in Hamilton. In fact, in Hamilton, we have a huge, vibrant artist community, a music community—there's my ex-husband, Tom Wilson, a Juno winner—and they are innovating. They're coming up with ways to continue to have music events and to have arts events, despite what we're facing. They're going online.

What I want to focus on is that the tourism industry and the arts industry—there are organizations small and large, and they're entrepreneurs, but they're individuals. I appreciate all the supports that you're putting in place, and the five-year plan sounds fantastic, but right now we have individuals who are struggling to pay the rent, to keep the doors open, to stay in this industry. As you know and I know, it's not easy to raise a family in the arts industry.

0920

So my question to you is: What direct supports is this government prepared to provide to individuals and businesses—direct supports—that can put money in their pockets to feed their families, to keep open? We've heard a lot from the minister about deferred payments and deferred taxes, but what we need to know is what the Premier was famous for saying: "We're going to put money in the pockets of the little guy." That little guy could use some money in their pockets right now.

Hon. Lisa MacLeod: Actually, MPP Shaw, that's a great question. I think the culture industries certainly do play an important role within the tourism sector as well. If you look at, for example, Canadian live music, it's an

area—Erin Benjamin I work with quite a bit—to talk not only about the cultural side of it but the actual business aspect. Graham Henderson of Music Canada often likes to say that every artist employs about three people, and I think that's really important.

So let me tell you what we're doing. I hope you'll check out—and we'll be launching it live, but I'm going to bigfoot my own announcement—Ontario.live. When you go to Ontario.live, we're providing an online, digital space for content, for creators such as your ex-husband and for others, and then we will also provide them with the ability to do online concerts.

The ministry has partnered with a group called MusicTogether. We invested \$150,000 directly into that organization to match funds that were raised through the music community in order to put on live concerts. Each person who is successful in their application—I want to call it Arts and Crafts who's running this.

Interjection: Yes.

Hon. Lisa MacLeod: Arts and Crafts. Each person who's successful will receive \$1,000 to be able to perform a concert from the safety of their own home. I've watched a few. I watched Maestro Fresh Wes, by the way—1990s kid. We're able to provide them with that \$1,000, but we're also allowing them the ability to sell merchandise and take donations to get money into their pocket that way.

The other part of that, MPP Shaw, is that we instructed our agencies the Ontario Arts Council and Ontario Creates to get money out the door now so that we can preserve and protect those artists who are working and need some support. We recognize that there has been a great deal of federal support through the wage subsidy and through the CERB and others, but we think it's important to continue to foster that creativity right now, because I think you and I would both agree that we'll need something when we get through this. We need cultural institutions and tourism attractions to be left when we get through this. That's really important.

The final point on that is we changed the Ontario Music Fund to be called the Ontario Music Investment Fund so that we would get matching dollars in there so that we could leverage our music fund to not only be a \$7-million fund but to be a \$14-million fund. Those applications have started this month—actually, last month, in May.

Ms. Sandy Shaw: Thanks, Minister. I appreciate it, because we want to have the arts industry left standing after this. We're three months in and some of these businesses are folding, so I appreciate that investment.

I want to talk about—one of the largest calls we're hearing is that people are looking for rent relief. Really, essentially, they're looking for a moratorium on commercial evictions. There are a number of letters I have here, and you've received them.

There's a letter from the Ontario Chamber of Commerce that says that they would like to see a halt on residential evictions to commercial tenants.

There's a letter here, signed by a number of folks, to the Premier. It's the Canadian Federation of Independent Business, Restaurants Canada and the Retail Council of

Canada, who are saying that the number one concern is rent payments. They have in bold here, “Put in place temporary commercial eviction protection for tenants.”

And then you have a letter here signed by the Ontario BIA Association, the economic developers association and the Tourism Industry Association of Ontario, which you’ve mentioned, and they’re also saying, “Freeze rent evictions by passing legislation for a moratorium on commercial evictions.”

Finally, our own MPP Catherine Fife has called on this government to legislate eviction protection for eligible businesses. Really, we’re strongly urging you, on this side of the government, to legislate eviction protections for Ontario businesses, because this is going to be key to the economic renewal and the plans that you’ve just described.

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

Hon. Lisa MacLeod: Yes, thank you very much, MPP Shaw. This is something, obviously, that hit us immediately in March. I always think of my friend Glen Shackleton of the Haunted Walk in Ottawa being the first to raise it, I think on our first telephone town hall. He is actually the reason we changed the Tourism Development Fund to the Tourism Development and Recovery Fund and tripled it, because some of these guys were losing their shirts as early as March.

I can say, in working with the tourism industry, working with live music, working with the business improvement areas and our restaurateurs, this is something we have heard loud and clear, which is why our finance minister, Minister Phillips, was working very hard with the federal government over the new program. Our Minister of Municipal Affairs and Housing, Minister Clark, has been working with us on this as well.

I think the Premier was pretty clear yesterday that he is not going to see a collapse in these industries because landlords aren’t playing ball. So if he has to take action, he has indicated that he will, and—

Ms. Sandy Shaw: Thank you, Minister. I’m going to interrupt you, and I’m so sorry for that, because time is short.

Hon. Lisa MacLeod: Sure.

Ms. Sandy Shaw: But we look forward to seeing not just tough talk, but actual legislation to protect residential tenants and commercial tenants.

I’m going to pass this to MPP Miller right now. Time runs so quickly.

Hon. Lisa MacLeod: Uh-oh. One of my favourite people—where are you?

The Chair (Mr. Amarjot Sandhu): All right, we’ll go to MPP Miller.

Hon. Lisa MacLeod: I think you’re on mute.

The Chair (Mr. Amarjot Sandhu): MPP Miller, you’re still muted, actually. Can you unmute, please?

Mr. Paul Miller: Yes, good morning. Good morning, Minister.

Minister, my first question: We are currently at the beginning of the festival season here in Ontario. As it stands, many, if not most, of these events have been cancelled or postponed. It does not need to be spelled out to you how

important these events are for our local communities and our shared cultural experiences. From Thunder Bay’s Wake the Giant Music Festival to the Canadian National Exhibition to the Winona Peach Festival, the value of festivals and events in Ontario is immeasurable.

A perfect example of the impact a festival can have within a community would be in Hamilton: Ontario’s own Supercrawl. Beginning as a one-day musical event, it became a week-long celebration that encompasses a large part of the city’s downtown core. With over 250,000 attendees, last year’s Supercrawl has become not just the talk of the town, but a key element of Hamilton’s identity. Just last year, Supercrawl was put in an awkward position of not receiving funding through the Celebrate Ontario grant. While the government eventually decided it was an oversight and the event was granted the funding, there was still some cause for concern that things may not have worked out.

I’ve reached out to one of the organizers, Tim Potocic, and he indicated that “the live music sector will likely be one of the last to reopen partially, and certainly will be the last to reopen fully. This will have a long-term effect on our overall business, revenues and growth. We believe, within the current timelines, that we will likely not be back to 2019 levels of business for approximately two years as we rebuild our organizations and the confidence needed in the marketplace to justify small and large gatherings.”

Hearing that response leads me to a two-part question:

(1) What is the government’s response to aid event organizers so they can hang on until the storm is fully passed?

(2) What is the government’s plan to ensure that when people are again able to congregate in large numbers, it will be done safely?

From Tim’s comments, it is clear that public confidence is just as important as any other element of our recovery plans.

Hon. Lisa MacLeod: Thanks very much, MPP Miller. It’s great to see you. I’m glad you brought up Supercrawl, because if you hadn’t, I would have. We have decided to continue to flow money through Celebrate Ontario. We released \$10 million last month, of which \$100,000 did go to Supercrawl. You rightfully pointed out that last year, there was an oversight. When I assumed the ministry, I recognized the value of Supercrawl and invested \$250,000 into Supercrawl last year. Of course, I’ve kept in touch with them.

I think you raise an important point. This is, I think, something to the point that MPP Shaw brought up, which is, at the end of the day, we need to make sure that these cultural events and attractions that drive tourism are there when we recover. As I mentioned, 2021 is going to be a marquee year. I think Hamilton and Niagara region—I see Jennie Stevens up there as well—you guys have a lot of things going on. You’ve got the Grey Cup coming, and you’re going to have the Canada Games coming, on top of all of these existing events. It’s going to be an exciting time for you, and we want to make sure we support that.

In normal times, for every dollar this ministry invests into a festival—

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

Hon. Lisa MacLeod:—we get \$21 back, so it is a good investment for us.

Just to finalize your point, MPP Miller, because it's very important and I know you've been on the forefront leading workplace safety measures for some time: I'm working with Minister McNaughton on a daily basis so that when we come forward with these protocols, they will be the best in the country. I had a call earlier today with Beth Potter, the president of the Tourism Industry Association of Ontario, about the world safety standards that we're going to start employing here. So I think that's a really important question, because the behavioural changes, as I mentioned, as result of this triple threat are going to be the hardest for live music and our festivals as we move forward, and they are huge drivers of tourism in the province.

0930

The Chair (Mr. Amarjot Sandhu): Any further questions?

Mr. Paul Miller: Minister, this is a perfect segue into my next question. As you may know, the 2020 Ontario Summer Games, with over 3,500 participants, is scheduled to begin on July 30, 2020. The event's website states, "Currently, there is no recommendation to cancel or postpone the games as planned to begin on July 30 in London, Ontario." The website also states, "The games organizing committee is closely monitoring the developments related to COVID-19. The safety and well-being of all participants, volunteers and event staff is the utmost priority to the games organizing committee." Since they still have not been cancelled, can we assume that these games will continue? If so, how is the government going to ensure that safety measures are in place? And the follow-up to that is, if they are cancelled, are there any plans to redirect the funds allocated for those games and other cancelled events, such as the Ontario Cultural Attractions Fund, to support local events that can move forward?

Hon. Lisa MacLeod: It would be tough to assume that they're going on, given that we cancelled them. The money will continue to flow. They will take place in 2021 in London.

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

Mr. Paul Miller: This next question for the minister: The federal government of \$30 million for the Ontario—where is the province on this? We've got a question.

The Ontario tourism industry has historically contributed about \$5.1 billion in provincial tax revenue and roughly \$1.4 billion in municipal tax revenues to our economy. Furthermore, tourism overall in Ontario represents \$34.1 billion in annual receipts, which represents roughly 4.3% of our province's GDP. From the labour perspective, Statistics Canada reports that in 2018 1,890,990 people in the province of Ontario worked overall in the tourism industry, in sectors ranging from food and beverage to arts, entertainment and recreation.

The federal government recently announced that the Tourism Industry Association of Ontario, TIAO, will

receive \$30 million in FedDev Ontario RRRF funding to provide financial relief to destination marketing organizations, DMOs, across southern Ontario that have experienced significant revenue shortfalls. Here in Ontario, the most recent assistance program for workers who have lost their jobs is an online portal offering laid-off and unemployed workers online counselling, stress management and mental health resources, immediate health and safety training and technical skills training. Many of the people who work in the tourism and hospitality industries live and work in remote parts of this province, where opportunities are not in abundance. In many cases, tourism is the only game in town.

The federal government clearly recognizes the importance of tourism in our province, and the numbers bear out what is at stake if more is not done. What is the government of Ontario willing to contribute to this vital industry—

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

Mr. Paul Miller:—beyond deferring costs for businesses and offering online assistance to those who have already had their livelihoods taken away from them, potentially forever? Who will cover the cost of living for people who are being retrained for uncharted new career paths? What are these people supposed to do for income? Government loans? OSAP? What do they do, Minister?

Hon. Lisa MacLeod: Thanks very much. There's a lot to unpack there. Let me just start with: We are a \$36-billion suite of sectors. We were set to announce that on the 12th of March with Beth Potter and talk about the impact it has had on our revenues within the province.

We have flowed \$200 million through a variety of those agencies that you just mentioned. In addition, we've flowed \$32.9 million to Destination Ontario, which is significantly more than what the federal government is—and we will be making further announcements as well. In addition, we fund the 13 regional tourism organizations across the province. We provide, I believe—how much will we provide to the regional tourism organizations?

Interjection.

Hon. Lisa MacLeod: We're just getting that figure, Mr. Miller. We'll provide that to you.

I think you raised another very important and valuable point with respect to rural communities—

The Chair (Mr. Amarjot Sandhu): I apologize to cut you off, Minister. The time is up. We have to move to the independents now.

Interjection.

The Chair (Mr. Amarjot Sandhu): Before we do that, we have MPP Paul Calandra, who has joined us virtually.

MPP Calandra, if you can confirm your attendance and if you're in Ontario.

Hon. Paul Calandra: Yes, I'm in Ontario, in the Legislative Building.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the independent members now for their time of questioning. Who's going first? Please raise your hand, whoever wants to go first. MPP Hunter, yes.

Ms. Mitzie Hunter: Thank you very much, Minister, for your presentation. My question is around the budget that your ministry has. From the 2019-20 and the 2020-21 budget, there was a 2.1% decline of \$35 million. Do you have plans to have these cuts to the tourism sector reversed, given the picture that you've just painted of the sector, which was already hurting in some areas with some operators that need that focus and that boost, whether regionally or in specific sectors that affect tourism?

Hon. Lisa MacLeod: Thanks very much for the question. The ministry budget last year was \$1.4 billion. It has seen a \$200-million increase this year. It is at \$1.6 billion. As I indicated, we will be making future funding announcements, given that we're dealing with COVID-19, and they will be done at the appropriate time. Obviously, we want to see what this committee comes out with, with respect to its study.

We will continue to work with our federal and municipal counterparts to see how we can best support these sectors, not just with financial issues but, as I said earlier, there may be regulatory initiatives that we can bring forward and there may be some other challenges that we can help them overcome. One in particular that I was about to mention—it doesn't come from my ministry, but it does come from infrastructure—is the \$150 million to expand broadband throughout the province of Ontario, which is critically important for us as we move to a more digital environment, particularly in the near term, as most of our cultural attractions, whether that's the Toronto symphony, whether that's the National Arts Centre in Ottawa or whether that is Science North in Sudbury, are moving to a digital platform in order to provide that content and provide virtual tourism.

But we're going to continue to support it. Destination Ontario has a \$32.9-million budget. They are continuing to work on marketing and research, and they have, as importantly—which I don't think you can put a monetary figure on—maintained their business-to-business relationships in some of our critical markets.

At this time, we have been blessed as well to be able to work with some of the best minds in the country with respect to our airline industry, our hotel industries, our restaurant industries, tourism leaders, and film and television production to provide us with the most up-to-date, real-time information that they have internationally on how we are about to do this.

We remain committed to utilizing our allocation in the best possible way. As I did say, however, this crisis has cut deeper than any other economic downturn in our lifetime, and it seems to be lasting longer, so we want to make sure that the investments that we have are targeted and successful. It's also why I've asked the ministry to turn their attention to three phases as we look toward economic recovery in this sector, which is the immediate term to support our local campaigns, our local businesses and our local attractions; then, in the more medium term, to look at destinations in the province where we could build staycations with domestic travellers; and then eventually, in 2023 to 2024, when we expect airline capacity to be

back up and running—hopefully a vaccine and a treatment—that we will be able to welcome visitors back to this province.

That was a great question, so thank you for it.

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

Ms. Mitzie Hunter: Yes, and Chair, if you could just keep me unmuted, please.

I appreciate that, but I'm a bit surprised that we have to wait for a vaccine. I'm wondering about what type of expert advice you are providing to the sector around infectious control and new standards based on what is the present-day reality, because operators are going to be asked to open in uncertain times. Will you be providing them with resources, programs and support so that they can follow through on any new standards?

Hon. Lisa MacLeod: Thanks for the question. Just a couple of points on that that I think would be helpful for you: If you go to covid-19.ontario.ca, you will see that the Ministry of Labour has done these for over 100 different sectors. Many of the sectors that they started with were in hotel and hospitality and restaurants, as well as we're working with the airlines. We do have a panel with our airlines and airports that are based out of Ontario. They are developing and letting us know what those protocols are.

We go to a command centre with the health care workers, the Ministry of Health and the Ministry of Labour.

0940

In addition, you're going to hear after me from Beth Potter, who is the president of the Tourism Industry Association of Ontario. She is working directly with the World Tourism Association, and they have provided guidelines just yesterday that Ontario is reviewing. We're absolutely committed—

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

Hon. Lisa MacLeod: —to making sure that that happens, and that we can provide our operators when it's safe to do so.

But let me be perfectly clear—I think you may have misheard me. With the travel restrictions right now at our borders and airline capacity losing 13 million seats in just these last few months, there are going to be some severe issues we're going to deal with, with the social impact on this. And so, it would be naive to say that when we have seen a diminished number of cases in Ontario, we will automatically see pre-COVID-19 levels of attendance at events. I think you have to really reflect on that, because right now, judging from the data that I've shared with you, particularly from Music Canada—the Canadian Live Music Association will also show you information, and I know Abacus has also come out with a significant amount of data—just to say that the social impact will take a long time to recover, which is why we're setting out three phases, which is why we're creating measurable timelines, and we will be nimble enough to deal with the reality.

But make no mistake: I'm from Ottawa. I used to fly twice a week, back and forth, from the nation's capital to the provincial capital. Porter Airlines is shuttered. It's

going to take a while for our airlines to get back up and running. Our hotels right now—if they were at 13.5% capacity last month, I bet you they're probably at 3% or 4% capacity right now, and you'll hear from Terry Mundell and Colin Morrison, the co-chairs of our hoteliers' committee, who will tell you the dire straits that they are in. So it's going to take some time, once we get these protocols in place, to (1) make sure that these areas are safe to attend; and (2) I think it's going to require a significant marketing campaign on behalf of us and the industries to let people know that it's safe.

I'll give you one example, as I had the opportunity—

Ms. Mitzie Hunter: Minister, I think that you're certainly in recognition—the Canadian hotel association has said that 250,000 workers are now laid off, with a 90% drop in revenue, and my real concern is the specifics around plans and funding to boost a sector that had already needed that boost. The number that I gave you about the 2.1% decline in the budget for your ministry was taken from the FAO report, the economic forecast.

I do want to just close my time—I'm going to be passing it on to my colleague MPP Blais—with a question about girls in sport. We know how important it is that we boost girls' participation in sport. Are you considering recognizing cheerleading as a sport in Ontario? I know that my niece participated in cheering as a young girl, and it helped boost confidence and overall team participation. Is that something that you're looking at?

Hon. Lisa MacLeod: Not at the moment. We're right now focusing on COVID-19 and the health care crisis and the economic disaster that has befallen this sector. As I mentioned, \$20 billion in economic activity has been lost, and 350,000 to 400,000 jobs were decimated in the month of March alone.

Right now, in terms of looking at sport, I was about to say before you interjected that I had just been out two days ago to the Canadian Sport Institute. We're the first jurisdiction in the country to bring back our Olympic athletes, but let me be perfectly clear: They are socially distanced. They are heavily medically sanitized. There are medical professionals on site, and we had the opportunity to see that. But again, it was one individual athlete—a female, actually—who will represent Canada at the Olympics. So we are continuing to work on that, and a safe return to sport. We don't know when that will be. We will take our guidance from the Chief Medical Officer of Health. But I think that, moving forward—

Ms. Mitzie Hunter: Thank you, Minister. Can I just—

Hon. Lisa MacLeod: I think that, moving forward, it's really important to continue—

Ms. Mitzie Hunter: Can I just—

The Chair (Mr. Amarjot Sandhu): Can I request that the members speak one at a time, please?

Hon. Lisa MacLeod: Sorry—I think we have to deal with the COVID-19 crisis that's in front of us.

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

Ms. Mitzie Hunter: Yes, Stephen Blais is going to ask a question.

The Chair (Mr. Amarjot Sandhu): All right. MPP Stephen Blais. Five minutes.

Mr. Stephen Blais: Thank you, Minister, for your presentation this morning. I recently did a round table with about a dozen travel agents from Orléans who are suffering greatly as a result of the travel restrictions and obviously the other elements of the COVID-19 crisis. In addition to an urgent need for rent relief to lower their overhead costs, they're wondering what supports the government might be able to provide for them.

As you may know, travel agents account for 80% to 85% of all airline bookings. I'm sure you would agree that a strong airline industry will be critical to our tourism recovery. So I'm wondering if you can articulate what the provincial government may do to support travel agents.

Hon. Lisa MacLeod: Yes, thanks. I'm happy to speak to you offline about the findings that you had at your round table. It sounds very interesting. I think they're consistent with the frustration about the rental issue in the province and obviously with landlords who, right now, are not compassionate or empathetic with the situation. Again, the Premier will have more to say on that.

But I think it's important as well that this is an area of regulatory oversight of the Ministry of Government and Consumer Services. I spoke with Minister Thompson yesterday on a number of issues, including economic growth within the tourism sector. She is committed to making sure that we work with those agents. We recognize how valuable they are for inbound and outbound airline customers.

Our focus, however, at the moment has been working with our airline and airport ministerial advisory committee so that we can best assess how we can start to change those behaviours. I know, having spoken with Air Canada last week, they're working hard to increase their standards, but I think if I look at what I'm being told, whether it's from them, Sunwing, Air Transat or Porter—

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

Hon. Lisa MacLeod:—the challenge for them in the long run is consumer behaviour and whether or not people will want to get onto an airplane. As it was said to me by our co-chair, Lorrie McKee from Toronto Pearson International Airport, it's really hard to socially distance on an airplane and in an airport. That's not how they were built.

I'd be happy to have this conversation with you, MPP Blais. I also want to just say congratulations again. I know this is probably one of your first committee hearings as a new member of provincial Parliament, coming from our city of Ottawa, so welcome aboard.

The Chair (Mr. Amarjot Sandhu): Thank you. I also see MPP Schreiner, please, for the next question.

Mr. Mike Schreiner: Thank you, Minister, for joining us. Time is limited, so I'm going to try to be very quick. I've had a number of large music festivals ask if there could be some sort of cancellation order for large summer events, because they are in contracts that subject them to significant penalties if they cancel these events without a government order requiring them to.

I wrote you a letter about this on April 23, and I'm just wondering if the government would consider putting forward some type of order along those lines to save these festivals from those large financial penalties.

Hon. Lisa MacLeod: Thanks very much. Obviously, live music and those festivals contribute to a great part of our double bottom line in the ministry, where they both drive our cultural identity but, at the same time, drive an economic bottom line. As I said, for every dollar we invest into a festival, the economy gets \$21 back and of course lots of jobs.

I will say this: In terms of cancellations, that has been done municipality by municipality. I'll just give you two examples, MPP Schreiner: The city of Ottawa and the city of Toronto, our two largest cities, have issued a bylaw that suggests that there will not be any festivals large-scale until August 31. They may change that. We'll leave that to the municipalities to make those locally based decisions.

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

Hon. Lisa MacLeod: I can tell you that on a day-to-day basis, we are making our decisions with the best medical advice possible from the Chief Medical Officer of Health, as well as the best labour and health and safety standards through the Ministry of Labour, and that's how we're proceeding.

As I said, I'm really hopeful that 2021 will be a marquee year for the province of Ontario with festivals and events that will really bring us back together when it's safe to do so.

Mr. Mike Schreiner: Thank you, Minister. I just want to say that BC and Quebec have issued those kinds of orders to protect festivals, so it would be great if Ontario would consider it.

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I just want to quickly encourage you—I know a lot of restaurants and festivals are looking at expanding into patios, maybe parking lots, things like that, and if there are any—I know that a lot of municipalities are working on that in terms of their municipal bylaws—

The Chair (Mr. Amarjot Sandhu): I'm sorry to cut you off, MPP Schreiner.

Mr. Mike Schreiner: Okay. Thank you.

The Chair (Mr. Amarjot Sandhu): I apologize to cut you off. We have to move to the government side for their time of questioning now. MPP Piccini?

Mr. David Piccini: Minister, thank you very much for speaking to us today. I have just two quick questions and a comment.

My first question is, can you speak to some of the measures that you've been taking? You mentioned a number of the committees and subcommittees that you've established, so I'm just wondering if you can elaborate a bit on that: What has been done to date, how it has informed your response to date.

My second question is just on filming. Port Hope, where my office is, is home today to *It and Murdoch Mysteries*, filming, of course, throughout my riding of Northumberland–Peterborough South. I'm wondering if

you can talk on measures the film sector said to me—on how we can build up our studio capacity in Ontario.

Finally, more of a comment, and I've long been saying this: For our public pools—I just want to differentiate between the roles for our spas in Northumberland–Peterborough South and the extreme health and safety measures that they go through for the pools, and the role our spa sector will play in health and wellness in a post-COVID recovery, so just differentiating between public pools and those in spas.

Again, thank you very much for the work you're doing, Minister.

Hon. Lisa MacLeod: Thank you very much, MPP Piccini. It's good to see you.

Let's start with the 14 ministerial advisory committees that we appointed. We started informally meeting in February. By March 12, I needed to formalize those tables because, simply put, we needed these experts around the table to help us fully understand what we were dealing with, given their vast international experience. I'll give you a few that are with respect to this sector, in particular the tourism and hospitality and restaurant and foodservice sector. We have a table set up on hotels, accommodations and foodservice. We have one on tourism leaders, which is all the 13 regional tourism organizations across the province, so every region is represented. We have the Toronto Big 8, which is the eight largest cultural attractions in the province. It is led by Cameron Bailey, who is the co-head and artistic director of the Toronto International Film Festival. We also have the airlines and airports. And we have a number of others that have been—sorry, festivals and attractions, as well as the agencies and attractions that I have within our ministry. They're all focused right now on building out their plans for their own sectors, but I've taken it one step further and I've asked all of the co-chairs to join me on a multi-sectoral table. They've had the opportunity to meet with our Premier, with our President of the Treasury Board, with our conservation and environment minister, our municipal affairs minister and our natural resources ministry. We've been able to get them to have the full scale of what a government is. So rather than deal in isolation or in silos, we've been very comprehensive in bringing our leaders together in that sense.

With respect to film and television: Film and television is a great success story in the province of Ontario. It was a \$1.9-billion industry last year, and our new numbers through Ontario Creates that we're tracking show that we grew that industry by \$200 million, from \$1.9 billion to \$2.16 billion. The great news in that too is, that is domestic content; it's not the service industry coming in from the States. So I've made a commitment to the industry, and I have a film and television panel. I think our tourism strategy should also include communities like yours, where people will want to come and see the community where their favourite film was made. We have made the commitment that we will streamline their tax credits. We've started that work already, and that's a great success story for our film and television industry.

We are going to continue to invest in Canadian content, which is why we've invested over a million dollars—\$3 million, I believe, into the Canadian Film Centre. We are committed to working with our unions, like IATSE and NABET and ACTRA and others, in order to ensure that we're developing above- and below-the-line talent, which is something Ontario is known for when we deal with movie executives in New York and Los Angeles. And finally, we are building our capacity. Right now, we have hundreds of film-friendly locations, and we're starting to build capacity; for example, Stratagem in Scarborough or the TriBro brothers in Nepean. That's happening now, and I can tell you, having met with the Motion Picture Association in the United States a couple of weeks ago, it's something they're very excited about.

And then just with respect—I know you've been a passionate advocate about the spas and the pools. I'll just say this: As I mentioned earlier, I had the opportunity to go out to the Canadian Sport Institute Ontario just the other day to make sure we could green-light our Olympic athletes to go back to training. Unfortunately for Penny Oleksiak, we have not been able to get the pool open.

These are health care considerations that are being led by Dr. David Williams, our Chief Medical Officer of Health, in conjunction with the Ministry of Labour and with our ministry on a case-by-case basis, where these arise. There will be more to say about that, and it will obviously be something we focus on both in cabinet—

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

Hon. Lisa MacLeod:—but also at our Jobs and Recovery Committee, when the time is right.

Mr. David Piccini: Thanks very much, Minister.

The Chair (Mr. Amarjot Sandhu): MPP Roberts for the next question.

Mr. Jeremy Roberts: Good morning, Minister. Thanks so much for your presentation.

Obviously, over the past couple of years, we've seen some great marketing of our home town of Ottawa as a really fantastic tourist destination. A lot of the work that came out of Canada 150, bringing La Machine, having so many great festivals, Bluesfest and all of our wonderful cultural festivals—it's obviously going to be a very different summer for us in Ottawa this year than perhaps we had imagined.

I'm just wondering what role you think the ministry can play in helping on the marketing side. Once we're able to start reopening slowly and safely and in a health-conscious way, how can we help to best market some of our amazing tourist destinations, obviously in Ottawa, where we're from, and right across the province?

Hon. Lisa MacLeod: Thank you, Jeremy. That's great. We have a number of people from Ottawa on our ministerial advisory committees, including Michael Crockatt, who is the president and CEO of Ottawa Tourism. We know that our community is hard-hit right now, losing \$1 billion in revenues for our festivals, events and tourism attractions. I'm delighted that Nina Kressler, who is president of our convention centre; Mark Goudie, who is the president and CEO of the OSEG group; Carole Ann

Piccinin, who is the president of our festivals network; Erin Benjamin, who's the president of Canadian Live Music; and Colin Morrison, who is the head of the greater Ottawa Gatineau Hotel Association, are all helping to inform the ministry.

We've done a couple of challenges. One, obviously, we're continuing to work with Destination Ontario, who is here with me today, on a strategy with our regional tourism organizations, like the city of Ottawa, to build out that strategy. We will be contributing significant marketing dollars on a go-forward basis to make sure that they are adequately supported. We have continued to flow money to them, so that money will start to flow very shortly. We're excited that the new ideas—and some of the most exciting proposals are coming from our creators on how to rebuild tourism, like Bluesfest in Ottawa, for example, talking about a drive-in concert. How do we support them on a go-forward basis?

Then you raised, I think, one of the biggest points—and I think MPP Shaw raised it earlier too, and MPP Hunter—which is: How do you deal with the safety issue? I was referring to this triple threat. We have the public health crisis ongoing right now, we're in an economic crisis, but the social crisis that we're going to have to deal with is, after four months of telling everyone to social-distance, that when it's safe to do so, we're going to have to encourage them to come back out and go to the farmers' market. We're going to have to encourage them back out and go to a concert when it's safe to do so.

The marketing strategy I see is probably going to be twofold: one, when it's safe to do so, communicating how to do it safely; and then the second part is to actually talk about and extol the virtues of going to the nation's capital, or going back to Niagara Falls, or going to Muskoka, or going to Blue Mountain, or going to Kenora, or coming to Toronto. That's going to be a twofold plan that we're going to have to engage in.

I'd be interested in hearing from all of you from different parts of Ontario on how we can best support you in that endeavour. Again, I'll just say that right now, if you can go to ontario.live and have your local communities fill in some content and support this ability for us to showcase the best of Ontario across Ontario, I think that's going to be very critical as well.

The Chair (Mr. Amarjot Sandhu): We'll move to MPP Crawford for the next question.

Mr. Stephen Crawford: Thank you, Minister, for your presentation. It was a very interesting presentation. I know you have a great job in the sense that your job is really to promote Ontario and the beauty of our province, both internally and externally, to people outside of the province and, in fact, outside of the country. Obviously, it's a very tough job now, given that the province and the world have been so affected by COVID-19.

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What kind of trajectory was the tourism sector on before COVID-19 hit? What do you think it will take to get back on track? And do you have confidence that the

province of Ontario will surpass the 2019 tourism numbers in the future?

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

Hon. Lisa MacLeod: MPP Crawford, thank you for chairing one of my regional round tables. I'm grateful to you for that.

Where were we? On the 12th of March, Beth Potter and Lisa LaVecchia—president and CEO of Destination Ontario, one of our agencies—and I were set to go to Ripley's Aquarium. We were going to announce that a \$34-billion sector in the province of Ontario had grown to \$36 billion. It's very bittersweet when you think about the numbers we were about to announce that morning, and the fact that that day we were cancelling the Raptors and we were cancelling my daughter's hockey team—we were going to be the ultimate tourists coming to Toronto. All those hotels that we were working at, almost overnight, collapsed. Can you imagine the irony, the bittersweetness of having that great number to announce and then, on that very day, that happening? That was a turning point for me.

I mentioned it in my remarks: It is going to take a while to get Ontario back. We have a three-pronged approach we're going to have to take. One is to start getting people, when it's safe to do so, back to their farmers' markets, going to smaller events.

Then we go into the more medium term, which I hope is not too long down the road, when we're going to see the staycations and domestic travel. And I'll leave that to Destination Ontario, Destination Canada and our RTOs to really flesh out.

Then it's the longer term. If I read correctly, what I'm hearing from our airline partners, what I'm hearing from the hotel industry is that it's going to be a few years out before consumer changes, that social crisis I'm talking about that is going to inhibit some of this travel, will subside.

We're projecting within the ministry—of course, this can change, because the situation is very fluid—2023-24 being a time when we may get back to that \$36 billion.

I want to leave you with this, MPP Crawford—and I mentioned it in my remarks, but it's so important.

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

Hon. Lisa MacLeod: My friend Tony, who works in the ministry, said to me, "When all other industries failed, we always had tourism." Right now, the hardest-hit, the one that's going to take the longest to recover, is going to be tourism. So it's going to be very important across the province—by the way, we're in every single town, village and city—to support these industries. It's going to take a massive push from government, but it's also going to take a massive push from everyday Ontarians.

The Chair (Mr. Amarjot Sandhu): We'll go to MPP Skelly for the next question.

Ms. Donna Skelly: Good morning, Minister. Thank you for your presentation.

I have one question for you. For the restaurant owners, all of those small business entrepreneurs who have worked so hard to build up a business and are now facing this devastation through COVID-19, what are you doing, what

is our government doing, and what can they do to somehow survive through COVID-19?

Hon. Lisa MacLeod: Great idea.

The first thing that we did, obviously, was to liberalize some alcohol laws so that they would have a fighting chance in the early days—to deliver unopened alcohol.

I would encourage all members of this committee to look at other regulatory changes we may be able to make that would further allow these businesses to prosper—or, I should say, in the immediate term, to survive and then to prosper.

I think that MPP Schreiner made a good point about patios. This is something I know that MPP Gila Martow has been talking about. We are certainly ready to entertain that type of idea. I think that we're going to have to continue to put pressure on landlords.

They're also doing something different in my constituency, in Nepean, where I live, in my neighbourhood—I live about two kilometres away; I walk to work sometimes. My buddy Fitzroy has a little restaurant called Fitz's, and he does wings and ribs. He actually had a little festival. He brought out the truck and we all went to his restaurant, and he had a good weekend.

As long as we can start encouraging innovation, I think the way we did things on the 11th of March, if they ever come back—it won't be any time soon. So I would challenge all members here just to tell me what would work in your community in terms of not just the commercial rent issue—

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

Hon. Lisa MacLeod:—and not just some liberalization of some alcohol rules, but how else we can help. We're all ears. I do not have a monopoly on all the ideas. I know certainly with this Legislature and over 100 of us together, I'm sure we can come up with some fairly good ideas that will support these sectors.

The Chair (Mr. Amarjot Sandhu): Thank you, Minister. Further questions? MPP Rasheed?

Mr. Kaled Rasheed: Thank you, Chair, and thank you so much, Minister, for your presentation. Because I only have 45 seconds left, I just wanted to know about the airline industry. I know you had several conversations with the executives of the airline industry—the impact on the tourism as well—if you just want to elaborate on your conversation with the airline industry.

Hon. Lisa MacLeod: Yes, thank you very much. It's important, obviously. We have the largest airport in the country right outside—

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

Hon. Lisa MacLeod: You seem to enjoy it, though.

The Chair (Mr. Amarjot Sandhu): Thank you so much for appearing before the committee, and thank you for your presentation.

Hon. Lisa MacLeod: Thank you very much.

The Chair (Mr. Amarjot Sandhu): The remainder of our presenters today have been grouped in three for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three

presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government side, the opposition, and the independent members as a group.

GRAPE GROWERS OF ONTARIO
TOURISM ONTARIO
TOURISM INDUSTRY ASSOCIATION
OF ONTARIO

The Chair (Mr. Amarjot Sandhu): Are there any questions before we begin? All right. Seeing none, now I would like to call on the first presenter, from Grape Growers of Ontario. If you can please state your name for the record, you will have seven minutes for your presentation.

Ms. Debbie Zimmerman: Good morning, everyone. My name is Debbie Zimmerman. I hope you can hear me.

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

Ms. Debbie Zimmerman: Very good. I'm the CEO of the Grape Growers of Ontario. We are the organization that is under the authority of the Farm Products Marketing Act. We represent all 500 processing grape growers in the province, including 180 wineries.

I think, as most of you know, Ontario is the largest grape-growing province in Canada. Our industry, as a collective, employs 18,000 people in the province, with approximately \$4.4 billion in economic value.

I really appreciate the opportunity to be here this morning. I want to begin, first of all, by thanking the government of Ontario for being accessible and responsive to our needs and for pivoting quickly in these unprecedented times. I think the minister just had mentioned some of the supports that we have been given so that our wine is going to be available to people in the province of Ontario.

I did want to also mention: We are an organization of 500 farm families, as I mentioned, and we did accept the Premier's challenge to support our front-line workers and direct funds to essential equipment and, I'm proud to say, to be part of an organization that donated a \$66,000 ventilator to our Niagara Health System. So we also appreciate and challenged our industry partners to do the same throughout the province of Ontario. We think it's important to continue to supply and invest in those resources in our Ontario communities.

As most of Ontario's businesses have been severely impacted by COVID-19, so have we as grape growers. Our growers' contracts have been negatively impacted, with many of our larger processors reducing or cutting our contracts. Yet we still face—and I've been before this committee many times before, advising you that we compete with 39,000 tonnes of grapes imported as bulk wine into this province and blended into a product that contains 75% imported and 25% domestic and is given a tax break.

Ontario grapes are at risk this year, and growers are facing a crisis in the fall. COVID-19 has shuttered retail

winery stores, as you know, and all but eliminated hospitality sales—bars, restaurants and many events. These represent 38% of VQA wine sales in the province. VQA wine, as everyone knows, is made with 100% Ontario-grown grapes. Although some Ontario wineries have had some improvement with online sales, small and mid-sized wineries rely heavily on the 2.4 million tours that normally visit our wineries each year.

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The effects of COVID-19 are felt throughout the grape and wine industry, and we are facing severe grape reduction purchases and a very uncertain future. Now is the time, more than ever, for the Ontario government to support its domestic wine sector, including Ontario growers, and small businesses and local economies.

COVID-19 reinforces why supporting local farmers is important. We need sustainable farm practices and we need to be sustainable. We're farmers in Ontario, and without farmers we don't have food. It would be clear that we are not looking for a hand-out; we're looking for a hand up. It's just good government policy.

The current system that allows for foreign markets to take significant priority over our local grape industry is—

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

Ms. Debbie Zimmerman: Pardon me?

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

Ms. Debbie Zimmerman: Thank you.

Based on wine sales, the LCBO, as we know, sells the majority of our VQA wine. VQA wine represents 20,000 tonnes and the value is \$47 million, as compared to an international domestic blend where they use 16,000 tonnes but the value is only \$12 million—a significant difference in terms of value to our growers.

As you know, we're also under a World Trade Organization challenge from Australia, and if we cannot succeed in this trade challenge, we will be asking the government of Ontario to make up what we've lost. We're a small industry, but we're mighty in terms of our impact on the economy. Australia wants greater access to our market and we need the commitment from the Ontario government to replace those WTO challenge issues.

The LCBO is also a key partner. I think you're asking us for ways in which we can improve and find ways to survive through this COVID-19. We have worked with the LCBO, and we are asking the LCBO to ensure that Ontario has a leg up and that when people are using the LCBO, they're picking Ontario. The government has the policies to do that.

For example, there are two players that use bag-in-box, one of the large formats that is at the LCBO, and currently those two players and imports are enjoying a 46% increase in sales. We're asking the LCBO to let Ontario play in that bag-in-box field. I know the government is considering this. This is critical for our future.

Some of our recommendations: We wouldn't be here asking you for support if we had access to the domestic market. We need that opportunity for Ontario grapes.

We want you to do some things that will eliminate basic tax at the winery door, which will increase more sales for our VQA wineries.

We want you to recognize and adopt a principle of a three-tiered distribution model at the LCBO that doesn't treat Ontario wine as an import. This is critical for our future.

We agree with our Premier that we cannot be at the mercy of other countries and we need to remain focused on Ontario—

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

Ms. Debbie Zimmerman: —and supporting local business. We appreciate how collaborative the government has been throughout this process, but we find ourselves in extremely difficult times. We're always open to further discussion and consultation, and we thank you for what you have done to date, but we need more. We want you to be cautious that the fall is going to be upon us soon enough, and we'll be dealing with a surplus of grapes unless we get your help. Thank you.

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

Moving along to our next presentation, from Tourism Toronto: If you can please state your name for the record, you will have seven minutes for your presentation.

Mr. Scott Beck: Scott Beck. I am the president and CEO of Tourism Toronto. Can you hear me fine?

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

Mr. Scott Beck: First, thank you for your time and showing such interest in all of the people and businesses that make up the tourism industry in Ontario, especially during this difficult time.

Again, I'm Scott Beck, president and CEO of Tourism Toronto. We are the destination, sales and marketing organization for the city of Toronto. On behalf of our board of directors and the over 600 businesses and service providers that make up our membership, it is my privilege to be here today and to speak to you about the impact of COVID-19 on our local, regional and national economies.

Your efforts on behalf of the citizens and businesses of Ontario—and, from my specific perspective, of Toronto—continue to be some of the most important actions taken to sustain our industry during this difficult time. You will hear the enormity in scope and scale of the situation stated in terms of job losses, revenue losses and, most importantly, in terms of the loss of community. Our industry directly reflects the people and businesses that make up our local communities and experiences that make each and every one of those unique communities a great place to live, work and play.

There is a term that is being used a lot right now: "the new normal." I can assure you, there is nothing normal about empty hotels. Nothing feels normal with no visitors lined up to go up the CN Tower or to visit the ROM, the AGO or the Toronto Zoo. There's nothing normal about the loss of vibrancy of the local restaurants and food scenes and the lack of human interaction lost due to the

cancellation of so many festivals, events and local celebrations. This will never be normal.

There is also nothing normal about the loss of life. We are all aware of the necessity to adapt to our new routines and to protect the most vulnerable members of our communities, and to ensure that the impact of the virus on human lives can be as small as possible. Our collective resolve to accept and implement the guidance provided by the government from all these levels is the same resolve that is driving our actions to begin to look to the recovery and the re-imagining of our industry in the communities we represent.

The impact of the COVID-19 pandemic is projected to have a devastating effect on Toronto's economy, the businesses and the people connected to it, and the government and citizens that benefit from the spending by visitors in Toronto. The projected loss to Toronto's economy from direct and indirect visitor spend could reach over \$5.9 billion over the next 12 to 14 months. The biggest impact is projected to be initially felt over the next several months, with potential losses of nearly 90% of historical visitor spending in the second quarter alone.

The businesses projected to be hit the hardest by the decreases are the accommodation sector, retail, food and beverage, transportation, attractions and, of course, arts and entertainment. At a minimum, wage losses are projected to exceed \$500 million and could be as high as \$1 billion. The reduction of visitor spend could also result in an estimated 15,000 to 30,000 jobs lost. Both impacts depend on the length and severity of the current crisis. These numbers represent the impact of leisure travel, tour groups, visiting family and friends, business travel, and the impact of meetings and events.

Meetings and events are a part of the Ontario economy that both relies on a strong tourism economy and drives it. As you know well, Toronto is home to the country's largest convention and exhibition infrastructure. Business tourism truly is the front door to economic development. Business travellers act as an incubator. Visitors here for a meeting return as leisure tourists or as a future member of Ontario's workforce, and business travel leads to future investment, to the relocation or the building of a business in the community visited. Ontario's robust pre-COVID-19 economy has proven this concept, and business travel will be at the heart of the economic recovery of our province.

Alongside each of you, our colleagues from the Tourism Industry Association of Ontario are supporting and working on defining a program to assist our industry in finding new and creative ways to engage our employees and businesses, to help ensure that each and every one of them can bridge to the recovery. I want to lend our emphasis to a few of those programs.

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

Mr. Scott Beck: Many tourism workers include newcomers, women and youth who have been laid off and are facing permanent dislocation from the workforce. We need a strategy to help them. We support the provincial contribution to the federal Canadian Emergency Wage Subsidy. We need direct emergency funds delivered to

Destination Ontario to ensure a strong marketing arm. We need a strong and well-executed plan from the provincial government to ensure that we have advanced testing and contact tracing in place. Lastly, our sector needs clear and credible information about the reopening process, not only for the businesses in the sector but also for future visitors.

The nature of the impact to the local DMO can vary. In Toronto, the economic impact of the visitor economy last year was \$6.5 billion. While an impact of this magnitude is clearly important to the city and region of Toronto, there are many smaller communities where the impact of the DMO on a local economy is even more substantive. Many rural economies have economies based solely on the travel industry; in these areas, the DMO is the lifeblood of the small local businesses.

My ask of you today is simple. Just as you have done by investing in the people and businesses of Ontario, invest in the local DMOs across the province. In Toronto, the investment of the municipal accommodations tax generates \$203 of visitor spending for every \$1 invested. This equates to \$56 in taxes per \$1 invested. This is a wise investment by the province.

I know you all are aware of the enthusiasm and passion for our industry, as demonstrated by our minister, the Honourable Lisa MacLeod. Her relentless championing of our industry has made me question my own passion and enthusiasm, so I want to step it up and leave you with this idea: We have a momentous opportunity ahead of us. The way that you, as provincial and national and municipal leaders, have worked tirelessly on behalf of the residents and businesses of Ontario has shown the world what true leadership looks like and what a focused and caring government can accomplish on behalf of the people and industries they serve. With the right resources and the same determination and focus that has been the hallmark of your continuing efforts to manage and mitigate the health and economic realities of COVID-19, we can strengthen our position as a world community and help our economy recover faster and stronger than our peers, and enhance all of our lives by going back to the visitor economy stronger than before.

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Thank you for the time to address you, and thank you for all that you are doing. It means a lot to our community and our partners, and I want you to know how much it means to me and my family. My appreciation is also very personal.

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

Our next presenter is from the Tourism Industry Association of Ontario. Please state your name for the record, and you will have seven minutes for your presentation.

Mrs. Beth Potter: Good morning. My name is Beth Potter. I'm the president and CEO of the Tourism Industry Association of Ontario.

I would first like to thank you for the opportunity to present today. I'm going to briefly discuss the economic impact COVID-19 has had on the tourism industry, why the impact is twofold—the local economies have used

tourism revenues to replace lost industries—and TIAO's recommendations for rebuilding the tourism industry so that it can be a part of our economic recovery.

I am here today with my director of policy and research, Alexandra Rodgers. We are happy to field questions from the committee.

Before I delve into the details of the numbers, I want to say that what we are really describing here is the near complete shutdown of a \$36-billion industry that generated \$5 billion in provincial tax revenues.

With that said, the impact of the virus on jobs and revenue has, and will continue to be, nothing short of severe. A projected 4.3% contraction in GDP in the second quarter in Ontario equates to a loss of \$18.3 billion in revenue and more than 129,000 jobs. These numbers tell the story of an industry that a few months ago was leading economic growth in every region of the province, but is now reeling and fighting off permanent closures, historic layoffs and bankruptcy.

Tourism has helped fill the void of where traditional manufacturing jobs have been lost. Municipalities across Ontario have embraced tourism to grow jobs, businesses and community infrastructure. When tourism businesses close, many communities lose key infrastructure and vibrant attractions and are left unable to attract resident and commercial ventures, let alone the broader visitor economy.

Tourism revenues aren't simply a nice added extra. They, and the small and medium-sized businesses that create them, are the backbone of many rural economies across the province. They bring in new money to the province that helps cover costs like education and health care. We shouldn't be under any illusion about the consequences if these revenues are lost.

For our industry to recover, we need to equip businesses with the tools, clarity and confidence to reopen safely, and liquidity support to make sure that they not only survive the current state of emergency, but that they are in a position to thrive on the other side of this. We urgently need the ability to reopen. Our industry is committed to meeting both key health and safety guidelines as the welfare of our staff and guests is, and has always been, paramount.

As an industry, we have banded together with our colleagues across the country and around the world to ensure that we get ready to turn the welcome sign back on, and are providing a seamless experience for the traveller.

Tourism businesses are in every region of the province, and many operate on crown land or reserves. We have a responsibility to ensure that all support delivered reflects the geographical specific needs of the region.

We need a strong and well-executed plan to ensure that we have advanced testing and contact tracing in place in Ontario and that it meets global standards, because without that we will be unable to fully reopen our businesses to the global visitor economy.

Many tourism workers, including newcomers, women and youth, have been laid off or are facing permanent dislocation from the workforce. We require a focus on

engaging and supporting the most vulnerable laid-off workers at every stage of recovery and reopening.

COVID-19 has been the single largest destruction to interactive service work we have ever experienced. We are in the midst of historic layoffs and are at risk of permanently losing our workforce, as our industry will take longer to recover.

We commend the government for the swift passing of Bill 186 and recent amendments to the ESA, but there is more work to be done.

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

Mrs. Beth Potter: To ensure the viability of our industry and workforce, we recommend flexibility for EI qualifications for seasonal workers, provincial contributions to the federal Canada Emergency Wage Subsidy so that it can be scaled and continued in the recovery phases, and continued and expanded investment into recovery and re-skilling for laid-off tourism workers, in particular continued support for Tourism SkillsNet Ontario, the Future Skills Centre, and the nine Indigenous education institutions to help re-entry and re-skilling of workers.

Almost 40% of tourism businesses are unlikely to survive this pandemic. This forever changes our landscape. For those that do, the threat of bankruptcy, eviction and further drops in revenue means that survival post the pandemic isn't guaranteed. Surviving businesses won't rebuild quickly if they are carrying a huge debt load, so we ask that you work with the federal government to expand the \$40,000 interest-free loan into a forgivable grant and look for financial aids and grants for businesses that require infrastructure upgrades and PPE to safely reopen; that the provincial government guarantees small business loans for the tourism and hospitality sectors during the recovery stages, with perhaps a tax cut for tourism SMEs to support the high cost of reopening and recovering; and enhanced provincial support for Canada Emergency Commercial Rent Assistance, as many businesses will be operating at reduced capacity and will require protection from eviction. And we ask that you direct emergency funds to Destination Ontario to ensure that there is a strong marketing arm ready to promote all regions of our industry; and rescaling the taxable income in 2021 by removing 5.05% on the first \$43,906 of taxable income to create a stimulus to direct consumer spending.

We recognize that tax breaks and deferrals available to non-Indigenous businesses are not effective policy tools—

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

Mrs. Beth Potter: —for First Nations businesses, and so therefore we ask for direct investment and support for the seven Aboriginal financial institutions.

Infrastructure is also a key piece of the recovery effort. Our industry requires advanced building and communications infrastructure, such as immediate and enhanced broadband connectivity, including all rural, northern and Indigenous communities; grants for tourism businesses to complete capital infrastructure projects, which can be rolled out through the Regional Opportunities Investment Tax Credit; and support to repeal the Planning Act that the Ministry of Municipal Affairs and Housing recently

passed. These changes place limits on inclusionary zoning for affordable housing, and our workers need that housing.

The recommendations that we've put forward together are rooted in the extensive knowledge of, and consultation with, our industry. COVID-19 is a health crisis, but the health of our economy is at risk too. Tourism can be at the forefront of our economic recovery, but to do so we need to act urgently and sensibly. I hope the committee will recognize and understand the importance of tourism being an integral part of the government's economic response, and I look forward to any questions you may have.

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

Mr. Mike Schreiner: Thank you, Chair, and thanks to all three of you for presenting. My first question will be for Ms. Potter and Mr. Beck. Both of you talked about the importance of guidelines, and I've heard that from a number of businesses. In particular, I've heard of the importance of giving proper notice of reopening. A restaurant, for example, needs time to order food, and some businesses in the tourism sector need time to make sure their facilities are ready to re-welcome guests. Do you have a sense of what length of lead time businesses need in order to be ready to reopen?

Mr. Scott Beck: Beth?

Mrs. Beth Potter: Thanks, Scott. We are asking for a lead time of anywhere from one to three weeks. Most businesses will require that. A lot of work has gone into the development of protocols and guidelines so that we can establish what needs to be done in order to reopen, and so then it's actually physically doing it. But there is a cost associated with it as well, and that's something that is going to be considerable across all businesses.

Scott?

Mr. Scott Beck: I think the only additional information I would lend is that the meetings and events industry has a long lead time. An event producer doesn't just start to gather 6,000 people in one to three weeks. So I think that for the convention industry, the expo industry, they need to know what's going to be happening in September and October. They need 90 days to get activated and get all of the logistics around the meetings and events industry activated. So that would be the only additional time frame that I would add.

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Mr. Mike Schreiner: Great, thank you. Probably a similar question to any one of the three of you, actually, because you all represent business owners: I've heard of the need for some sort of provincial program to financially support businesses with PPE and/or renovations to meet public health measures. Do you have a sense of what type of financial support businesses need to safely reopen?

Mrs. Beth Potter: If I might, I'll just use one example to highlight the kind of need that we're looking at. One of our members operates an indoor mini-putt type of attraction. It's 15,000 square feet. In order to meet just basic PPE requirements, including physical distancing requirements, it will cost him about \$3,000. If we have

200,000 businesses in the province and we take that as a minimum baseline, we're talking about \$600 million of costs that will be incurred by businesses just to meet the basic health and safety standards.

Ms. Debbie Zimmerman: Can I add a comment? Sorry, thank you.

One of the challenges we face in the fall when we're harvesting grapes is a potential outbreak at our processing plants. That is the major concern for us. Especially if you have a load of grapes, which is a perishable product, and you're finding that your plant is completely shut down, we don't have any options. That is a major concern on protocols—

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

Ms. Debbie Zimmerman: What's important is that we have those protocols and we know that there will be support in case we are facing an outbreak or a second surge in the fall. I think it's a good question, and thank you for asking.

Mr. Scott Beck: I would only add that there seems to be a moving target. It's hard for people to understand exactly what they will need as the regulations are not necessarily as clear and concise as they're looking for.

Mr. Mike Schreiner: Great, thank you.

Chair, I'm going to share the rest of my time with MPP Hunter, but first, I just want to say to Ms. Zimmerman—which needs to be on the record—I supported tax fairness for our wineries pre-COVID and definitely post-COVID. I'm hoping that's something the committee does move on.

I'll turn the rest of my time to MPP Hunter.

Ms. Debbie Zimmerman: Thank you.

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

Ms. Mitzie Hunter: Thank you so much for your presentations and for giving us the pulse of what is happening within your sectors, as well as in the tourism industry overall in Ontario.

As we look toward recovery, I wonder if each of you, in the order in which you presented, could tell the committee what the one thing is that you would most want to see happen in order for your industry to make it through this health crisis and rebound.

Ms. Debbie Zimmerman: Thank you. I think the one thing we need from our government is simply to put the focus on Ontario products. They have the regulatory ability to do that. They've been doing a good job, pivoting toward making sure that there is access available, but we are competing with a blended product that gets a tax benefit that gives the advantage to a foreign treasury. We can't have that continue. This is a long-standing problem, and we're really hoping that Ontario is first and foremost in domestic policy in Ontario.

Mr. Scott Beck: Thank you, Debbie. Mine is fairly simple: It's resources. Our industry is the industry that generates demand. We're the sales and marketing arm of our local communities. We have a long-term strategic relationship with the accommodation sector, the way our industry is funded. It's a very important, very strategic relationship that I think creates a wonderful partnership for

our communities. In order for us to be leading and be a major catalyst for the recovery of our local communities, we need resources to do sales and marketing.

The devastation of the accommodation sector revenue rolls right into us. Without those additional resources, we won't be there to be part of the recovery of our local communities.

Mrs. Beth Potter: Thank you, MPP Hunter, for the question as well. It's really hard for me to say just one thing—

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

Mrs. Beth Potter: —because I'm coming at this from a number of fronts, but if I did, I would say now that the industry is looking for clear and concise information on how to reopen, when they can reopen and who has the authority over reopening policies, whether it's the province, the municipality or the local public health unit. They need consistency—

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

Mrs. Beth Potter: Okay, thank you.

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

Mr. Stan Cho: Thank you very much, Chair, and thanks, everybody, for coming in this morning. I guess, Debbie, I'm going to lead with you, because I haven't spoken to you in just about 12 hours, so I need to ask you a few more questions. But I appreciate you presenting to the committee today.

Ms. Debbie Zimmerman: Yes, thank you.

Mr. Stan Cho: There has been some mention of some regulatory changes. Specifically, you mentioned something about bag-in-a-box. For the sake of people watching at home and maybe some the members who aren't as familiar with this particular ask, do you mind expanding on what exactly that is and why that's important to your sector?

Ms. Debbie Zimmerman: Sure. I think everybody knows that people are not spending a lot of time in grocery or LCBOs. It's come in, what they call "pantry load" and leave. One of the products that they're buying is bag-in-the-box. That is a limited format. So that's a large package of wine. It's in a box. You stick it in your fridge and you have wine for a week. It's limited to a couple of large players, being our larger wineries. It's not open to the rest of Ontario wineries.

We're asking that the government, through the LCBO, direct the LCBO to have a product call so that more Ontario wineries can access that format. Again, these are some structural issues that have been long-standing. It's not new to this government. It's long-past history that needs to change. But it's one way in which—we have grapes that can go into that product call. We have grapes in oversupply that wineries aren't buying that could go into that product call.

It's a problem that doesn't cost any money. It will antagonize some of those who would maybe not like the

competition, but it's an Ontario product people are asking for and they're familiar with. So, a simple ask of the LCBO is to open up that product call for us.

Mr. Stan Cho: Okay, thank you, Debbie. I have one more question before I turn it over to MPP Khanjin. Are there other regulatory changes we can do? I know that you, in our past conversations, there has been some mention of maybe some shelf space issues, or if there's anything else that you can mention now.

Ms. Debbie Zimmerman: I think, again, these are unprecedented times. Every country is looking inward to be able to re-establish their domestic market. You can hear it through the tourism side, which we're so connected with, as wineries, because of tourism.

The problems are that we need more shelf space for Ontario. When I say "Ontario," it's 100%. It's not a portion of that bottle that is 25% and the rest of it is an imported product. There are lots of things the government can do to take a look at where the supports are. We want the supports for a 100% Ontario product. It is a re-shifting of your focus, and that's what we're asking.

Mr. Stan Cho: Okay, thank you very much, Debbie—

Ms. Debbie Zimmerman: Thank you. Nice to see you again.

The Chair (Mr. Amarjot Sandhu): Thank you. Who is next this time?

Mr. Stan Cho: Andrea.

The Chair (Mr. Amarjot Sandhu): MPP Khanjin, yes?

Ms. Andrea Khanjin: Thank you. I want to thank all the guests for their presentation. In my riding of Barrie–Innisfil, agricultural tourism obviously plays a big role, so I can sympathize with all your comments, Debbie. It makes me think that we're going into cuvée in that region this summer, which has now been cancelled. So I wanted to ask you about the impacts of things like that—

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

Ms. Andrea Khanjin: —on people in the hospitality industry, our students and how that impacts your sector and what can help.

Ms. Debbie Zimmerman: Again, we have cancelled our festival—our grape and wine festival—all of our events this summer. So it's a huge impact. As you've pointed out, the agri-tourism side is also part of the regional economy here. It has a huge—for the region of Niagara and any other region. We represent all of the growers and wineries across the province, whether it's in Pelee Island or it's in southwestern Ontario.

We're in the same—we really think the shift, though, in focusing on growing Ontario, where the province can, without dusting up with the rest of the world. Every country is looking inward to try to establish those domestic policies. That's the ask: focusing on where we can open wineries responsibly—that's the first ask—where we can do that with public health. We're willing to work with public health on that as well.

So really it is, I think, a hand-in-hand approach with the rest of tourism on how we can slowly open and access our markets again, because that's important to us.

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Ms. Andrea Khanjin: Thank you. And can you just comment on the labour side of this and how it impacts people who are looking to go into that industry?

Ms. Debbie Zimmerman: Yes. I didn't touch on that at all because it has been quite a problem for us. Obviously our temporary foreign workers coming into the vineyards—that put us back a number of months. Getting PPE has been a problem, obviously. We're trying to access that to keep the social distancing, and as you can read in the news currently, there have been some challenges.

We're doing okay on the grape side, meaning that we have workers. There are some, I know, in the rest of the industry—

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

Ms. Debbie Zimmerman: —the ag industry does not. So it has been a challenge; there's no doubt about it. But we're thankful there has been funding to help support getting our workers in sooner than later.

Ms. Andrea Khanjin: Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Smith, you have 45 seconds.

Mr. Dave Smith: Thank you very much for that. My question, actually, is for Beth Potter. I'll try and be very, very quick. I have Stoney Lake Cruises. I have Liftlock cruises. I have a Westwind resort. I have fishing charters. They only operate during the summer. What can we do to help these operators get past this summer session if we're not able to open until June, July, August?

Mrs. Beth Potter: First of all, there is some liquidity support that they're going to need. They're losing a good chunk of their revenue for this year. When you make your yearly income in a four- to five-month period and you lose the first couple—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to move to the opposition side now. MPP Shaw?

Ms. Sandy Shaw: I'd like to start by apologizing to all three of you. I would like to ask you all questions, but this new three-panel format of the government doesn't really give us adequate time, so I'd like just to say that I'm going to focus my questioning on the Tourism Industry Association of Ontario.

Beth, you have said some really stunning things, like 40% of businesses are unlikely to survive this crisis. We have the government; they have lots of planning tables, which is excellent. But we're in this crisis now, and you have been proposing some very immediate and direct supports.

I noticed that there was a letter that was written to the Minister of Finance that very specifically says that one of the recommendations that you would say is to freeze rent evictions by passing legislation, which I think is critical because that's what people are struggling with right now. We know that small businesses, commercial businesses, are being evicted, and we want some businesses to be left standing when we try to rebuild this economy.

You also talked about getting money into the hands of individuals by having the province enhance the CERB. I

believe that Ontario is one of the few provinces that has not enhanced the CERB for individual money.

Can you talk a little bit more about some of those very direct supports that you would like to see the government make?

Mrs. Beth Potter: Absolutely. First of all, a moratorium on commercial rent evictions is absolutely imperative. We did not see the pickup by landlords of the rent assistance program the way that we had hoped it would be, and so we are still looking at many thousands of businesses that won't be able to continue paying their rent. Not only that, but as we go forward and they do start to reopen, they will be reopening in a reduced capacity at the beginning and so will not have the opportunity to generate the same kind of revenue and meet the same kind of rent needs. So a moratorium on commercial rent evictions is imperative.

As for enhancing the CERB, if you just take Toronto as an example, and you have somebody who is laid off and they're getting \$2,000, that entire \$2,000 is going to paying their residential rent, and they're digging into their savings in order to pay for anything else, whether it's cell service, Internet, food etc. We are diminishing the capacity of our consumer spending by not supporting the CERB.

Ms. Sandy Shaw: Yes, thank you for that. I would just like to reiterate your comment that small and medium-sized enterprises are the backbone of our economy, and most of those are run by women and run by newcomers and people in our racialized community. This is impacting them hard and it's impacting them now, and we need relief right now. So I thank you for all of your suggestions. The minister said that she's looking for suggestions. Here are some concrete things, and I think that I would like to see this government pick up on those.

What I'm going to do now, though—thank you, Beth—is that I'm going to pass it over to MPP Stevens, who has some questions as well.

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

Mrs. Jennifer (Jennie) Stevens: I'm going to direct my questions to Debbie Zimmerman this morning

Good morning. Thank you to all three presenters.

As we know, the world is facing an unprecedented global health, social and economic emergency with the COVID-19 pandemic. We have 180 wineries here in Ontario, and most of them are family operated, with fewer than 20 employees.

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

Mrs. Jennifer (Jennie) Stevens: Debbie, due to physical distancing measures keeping people at home and preventing tours and tastings at wineries, it's slowing the business at restaurants featuring Ontario VQA wines.

Can you talk about some of the gaps that you might see are present from the current COVID-19 business program supports that the federal and the provincial governments have put in place and what supports have been created in your industry during the pandemic?

Ms. Debbie Zimmerman: Thank you, Jennie. It's nice to see you.

The shuttering of wineries—the challenge is reopening and how we manage to comply with public health rulings on that social distancing as well as tasting. That's our business. People want to come in and taste wine. They want to be able to congregate. So those are the challenges.

Are the supports there? Yes, but I think government policy that can direct the LCBO to have a focus on our domestic product—and that's front-loading the front ends of the LCBO with Ontario products. People want to get in and get out—the bag-in-the-box that I was explaining earlier. We're trying to do our part, like all small businesses. We represent 500 farm families, as part of the 180 wineries that are small businesses in this province. Have the supports been there? Yes. But I would say that there are many more we can apply that are in government policy today that we can—if we redirect that focus to domestic, that's where it will best help our industry in the long term to be sustainable. As you know, a bottle of wine—

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

Ms. Debbie Zimmerman: The economic impact of \$4.4 billion—like my other colleagues on this call today—has a huge impact on our region. So I think you have to look inward to the levers that you already have.

Mrs. Jennifer (Jennie) Stevens: Adopting three-tier distribution through the LCBO—can you expand on that a little bit and how that would help with the \$850 million per year that winery tourism alone generates?

Ms. Debbie Zimmerman: The sale of a VQA wine is treated like an import through the LCBO. It's adopting a model that has been adopted in BC and adopted in the United States—is to treat a domestic product as a different sale as it goes through the LCBO. Don't treat it as an import—

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. We have to move to the second rotation now. We'll go to the government side this time.

MPP Smith.

Mr. Dave Smith: I'm going to go back to the tourism side of this. My question is for Scott Beck at Tourism Toronto. But I'd like to point out that because we have two rounds, we're actually able to ask more than one individual a question.

For Tourism Toronto, specifically: How do we get people to come back to Toronto? How do we get them to have that sense of safety and re-promote it so that people feel they can come back and travel into these areas?

Mr. Scott Beck: I think there's a great road map with how the SARS recovery was handled. I think, first and foremost, it's showing the re-engagement of the local residents with all of those same, exact products and services that visitors are intrigued with. We're going to be back in restaurants. We're going to be back at our favourite music venues. We're going to be back at festivals. We need to capture that and share that and show them that local residents are feeling safe in their community. Then I think it's a very important and very strategic communication program that is done through earned media that starts very local, again, and regional and then expands out as regulations ease for cross-provincial and cross-border

travel. But MPP, I think it's going to be based on the experience our locals are having in re-engaging with their community. That's where it's going to start. We can show the world all the things that we're doing that made us a safe and incredible place to visit.

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Mr. Dave Smith: Thank you very much for that. My next question is actually for Ms. Zimmerman. Buckhorn winery is just south of my riding, and they have an agri-tourism business that's involved with growing grapes and with the winery. What can we do to help them on the tourism side? What they have said to me is that the crop growing itself breaks even, but it's the tourism where they generate their profit. What types of things can we do that are non-financial, like a regulatory change, that would help them on the tourism side?

Ms. Debbie Zimmerman: That's a good question. Again, I think it will be applicable to their tasting room—the things that they can do to extend having a glass of wine outside the perimeter of their winery. Those regulations are very Prohibition-like. I think if you look inward, some of the regulations that are currently existing are Prohibition-like in terms of allowing people to drink a glass of wine outside of the current circumstances.

I think the focus on Ontario will give you that breadth of opportunity to do more things for our domestic industry. There's a support program called the VQA Wine Support Program. It needs to be uncapped. It's a capped program, but if you look at how our tax structure is built in this province, it is giving an international/domestic blend product an advantage over our Ontario products. You have the money to help us in our alcoholic beverage industry; it's just going to the wrong product. It needs to be reshaped so it focuses on Ontario. In there, you'll see that if we start focusing on our domestic side, I don't think we'll have any problem on our tourism side. That's part of the problem.

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

Mr. Dave Smith: Thank you very much for that. Since I've been able to ask questions of all three of you, I'll pass it on to my colleague Ms. Skelly.

Ms. Donna Skelly: Thank you, David. My question once again is to Debbie Zimmerman. Thank you for your presentation. We do have a lot of draconian measures in place, I would suggest, that prevent people such as yourself and your industry from being able to grow its market. Can you give us more examples of things that we can do that you were just sharing with my colleague MPP Smith?

Ms. Debbie Zimmerman: Yes, thank you. I appreciate the question. The VQA Wine Support Program is one of them. There are taxes at the cellar door that are not applied anywhere else. When I'm saying "at the cellar door," the on-site winery—it's called 6.1%. You'll hear that from my colleague Richard Linley from OCW, the Ontario Craft Wineries association, this afternoon.

I think the better box that we need to build—let's not be so afraid that adults aren't responsible. I think that's how we've come at alcohol. I appreciate that we need to be responsible when it comes to our young adults. But we need not be so worried that having a glass of wine after 9

o'clock at a winery is going to impugn us, or buying wine at the LCBO after 9 o'clock—

Ms. Donna Skelly: Debbie, may I just jump in on that?

Ms. Debbie Zimmerman: Yes.

Ms. Donna Skelly: There was an initiative that I know that we've brought in, and it allows—

Ms. Debbie Zimmerman: Yes, you did.

Ms. Donna Skelly: Just speak to that. I think that was one example of these types of initiatives that we should be leaning towards.

Ms. Debbie Zimmerman: Exactly. As long as you recognize that the focus should be on our domestic product—every other country in the world has supports for their domestic product at home first, before they're exported.

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

Ms. Debbie Zimmerman: We need the same thought process. I think that if you come at it from that lens—I agree with you—we can open up so many more opportunities. Taking a bottle of wine into a park is not something that we do in Ontario. Is there an opportunity to reshape and rethink how we might approach that?

Ms. Donna Skelly: Of course, we have to do all of these. Supporting our domestic market and our domestic producers is clearly important, but then as you mentioned earlier in your presentation, we have to worry about trade challenges as well.

Ms. Debbie Zimmerman: Yes, I think you do that with the same lens every country does. They take care of their own first at home. They have a buy-Canadian policy just like the US, which is called Buy American. We don't have the same kind of exposure to the US market or the Australian market as they do ours.

Ms. Donna Skelly: Thank you.

Ms. Debbie Zimmerman: Thank you.

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

Ms. Sandy Shaw: I just want to make sure that none of my colleagues online are interested in asking a question. It's difficult. So if there's any of the opposition side who's ready to ask a question—

The Chair (Mr. Amarjot Sandhu): Opposition side, if you can raise your hand if you—

Ms. Sandy Shaw: There we go.

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

Ms. Laura Mae Lindo: Sorry. I didn't realize how that was going to happen. I want to thank everybody for their comments and all of these amazing ideas of ways that we can move forward.

I had a question, actually, for Beth. One of the pieces that you brought up was around seasonal workers. We know that just this past Saturday, we had a worker from Mexico—I believe his name is Bonifacio Eugenio-Romero, who passed from COVID. I'm actually the citizenship and immigration critic and so I've been receiving quite a few messages about the need for better protection for temporary workers across the province. These workers want to contribute to our economy. They're coming here specifically for that, and there's a sense of pride in it, but

oftentimes what we hear from the province is that it's up to the federal government to provide supports.

I'm wondering if you could speak a little bit about what kinds of supports or why there's a benefit to providing these kinds of supports from the province and working more closely with the federal government around that.

Mrs. Beth Potter: Thank you for the question. I'll absolutely speak to that, but just as a point of clarification: When I was mentioning seasonal workers before, I meant domestic workers. Regardless, we do bring in, in different subsectors of the industry, temporary foreign workers. We want those workers to have a safe and healthy environment in which to work. We need them, especially in the agricultural industry, because they fill a very important role in the food production chain.

It's really important that we do work with the federal government to make sure that when we are bringing temporary foreign workers in, there is a streamlined process that is easy to navigate for the employer so that the employer can focus more time on making use of those workers when they're here and providing them a safe and healthy environment in which to work.

Ms. Laura Mae Lindo: Thank you so much for that. I wasn't sure, Debbie, if you wanted to speak to that. I know that I sort of saw your body language look like—but it's on Zoom, so I could be wrong. But if you wanted to speak to that as well, I just think it's important for us to get information to the committee so that we can make sure to have some safeguards in place.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Miller for the next question. MPP Paul Miller?

Mr. Paul Miller: Thank you. My question is for Scott. Scott, my staff has been doing a global perspective and we see that Japan welcomed only 2,900 foreign tourists, a decrease of 99.9% from last year, according to Japanese government data. The Japan Tourism Agency plans to boost the industry by offering to subsidize a portion of domestic travellers' expenses once the pandemic is under control. Though details of the program are evolving, sources say that while there are reportedly costs of \$12.5 billion, this program will apply only to domestic travellers, and may eventually to international visitors when travel restrictions are lifted. What is Tourism Toronto's thoughts on these types of consumer incentives? And how could the government help in this area?

Mr. Scott Beck: Thank you. We support these types of initiatives. Clearly, the recovery is going to be, again, local and regional. Welcoming people from provinces outside of our own is a very key strategy, and anything the government can do to encourage that—as Debbie has said, "Buy local." Those programs are going to be very important, and we think the leadership of other countries could be emulated by Canada and be very, very important to our industry.

Mr. Paul Miller: Thank you.

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

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

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

Mrs. Jennifer (Jennie) Stevens: Thank you, Chair. This is through you to Debbie.

Debbie, again, back to you: I just wanted to say that the province saw that the wine and grape industry generates more than \$4 billion, as you have stated, and winery tourism alone generates \$850 million per year. I know that our grape and wine festival in the city of St. Catharines has been, as of now, put on hold until 2021, I believe. What detrimental effects would that have on our small businesses just in St. Catharines?

I was a city councillor previous to being an MPP. We take great pride in being on the wine route that goes through our downtown, which is taking an economic blow—and now losing our grape and wine festival. Can you please elaborate for me on what that means to the \$850 million per year that your industry brings to all of Ontario?

Ms. Debbie Zimmerman: Well, as I said earlier, that's a huge economic impact to the region. It's a festival that I know St. Catharines is very proud of. We have people from the United States who come every single year. There is a huge impact.

It is small businesses again. You'll hear this afternoon from my colleagues that those small wineries are laying off people. They will probably not bring them back—because there's a restaurant component; there's a wine-tasting component. And then, when you lose the festival where you get to showcase your product—there's a lot of wine sold during the grape and wine festival over two weeks. It's a two-week festival—

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

Interjection.

Ms. Debbie Zimmerman: Go ahead.

Mrs. Jennifer (Jennie) Stevens: Oh, sorry—and that's where we showcase our VQA wines.

I'm just wondering if there's anything that this government can do to help you promote that tourism alone—maybe a strategic plan that you can touch on.

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

Ms. Debbie Zimmerman: I think that's exactly the point—

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

Ms. Debbie Zimmerman: Sorry.

The Chair (Mr. Amarjot Sandhu): We have to move to the independent members now for their time of questioning. MPP Hunter?

Ms. Mitzie Hunter: Thank you so much. Thanks for the welcome information that you've all brought forward to the committee today and the work that you're doing across the province.

I want to focus a little bit on my riding of Scarborough—Guildwood. One of the huge tourism attractions that happens in Toronto every year is the Caribbean Carnival; it used to be Caribana. The masquerade camps were actually an important economic generator as part of this enormous festival. They were often run by family-owned

businesses that made those costumes, bead by bead, feather by feather. I know that 11 of them were in Scarborough.

I guess I'm asking you, Scott, about the economic impact on tourism and, really, cancelling all these festivals that would normally sweep in from the end of May through to August, even into September. That activity is gone, and it's mostly the spinoff industries that are affected. I just want you to talk about what that overall impact is on economies like Toronto's.

Mr. Scott Beck: Denise from the festival is a dear friend. She was actually on the search committee when I interviewed for this job. I've gotten to know her very well.

Those festivals are the fabric of our communities. They are what distinguish one community from the next, and they are what create such an incredible sense of pride. I also think they are very reflective of the nature of our industry, which is made up of small businesses. The vast majority of our industry is small business. They're devastated. They're devastated economically, as you have pointed out, but they're also devastated in terms of how they affect our community, our sense of place and who we are as a community. We define ourselves by those things.

Again, a great place to live makes a great place to visit. Those things go hand in hand. I think the one thing I would add is that they are perishable commodities. You can't recoup the monies that were lost by not having the festival. That was a perishable commodity; it is now gone. So those impacts are devastating, and I think it's one of the reasons it makes the recovery for our industry so fluid. You really do recognize the impact of this at the very, very hyper-local level, and then it scales up to the reason why someone from Detroit would travel up and experience Toronto during that time. We've lost those opportunities, but we can recover. We can reimagine and refocus and look to the future as to how we want to come back.

Ms. Mitzie Hunter: I know that there are other communities in Ontario that have that very soul of those festivals. There's the swan festival in Stratford, for instance, that prepares for their theatre season, but that festival drew a lot of tourists and people into our smaller and rural towns.

My question—I believe it's Beth who could answer this, from an overall perspective on the sequence that we have to focus on here. It seems from this conversation that workers and their protection, the industry itself, and the confidence that you give to the public that there are appropriate procedures in place—and then, finally, it's about bringing back public confidence. I'm just wondering about the sequence.

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

Mrs. Beth Potter: Thank you for that question.

We have been working at the global level with the World Travel and Tourism Council on the development of global standard protocols for the different segments of the travel and tourism industry. Because I've been on those working groups, I've been able to bring that work back to the province and work with our local sectors here to develop those protocols, in conjunction with the health and

safety organization, so that we are ensuring that we are lining up with the global standard and meeting the needs outlined by the province. Then, we'll be communicating that out not only to employees, but also to people who will travel the province. One such way of doing that is by denoting something on their business. The World Travel and Tourism Council has developed what they call a Safe Travels stamp, and we are committed to bringing that here, first to Ontario, and hopefully to the rest of Canada—we've been meeting with Minister MacLeod about this, and she's very enthusiastic about this program—so that we can say to the traveller, "This is a safe and trusted business for you to visit, for you to spend some time here." It's a seamless experience, once our borders are open—that we're not doing something different in Canada or in Ontario than what they're doing in other parts of the world.

Ms. Mitzie Hunter: That's really terrific.

This question is back to Debbie. I was very keen to hear what you had to say around workers and worker protection. Certainly, the agri-industry—

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

Ms. Mitzie Hunter: —is really important. Can you talk a little bit more about what you want to see there?

Ms. Debbie Zimmerman: I appreciate the question.

The Temporary Foreign Worker Program is very important to us. It is the backbone of many of our small businesses in agriculture. We have a responsibility on both sides, though—the organizations that work to bring the temporary foreign workers into the province, and the growers and farmers who are working to meet these new conditions. Where there is support and access to PPE—that's what we need. We need to reinforce those, and where there are problems, where they're not meeting those conditions, the growers, or farmers, in most cases, need to recognize that, too. So it's a symbiotic process right now. What we need—

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

Thank you to all three presenters for your time, and thank you for your presentation.

CORKTOWN RESIDENTS
AND BUSINESS ASSOCIATION
SUNWING AIRLINES INC.
ONTARIO RESTAURANT HOTEL
AND MOTEL ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters: The first presenter is from the Corktown Residents and Business Association.

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

Mr. Aaron Binder: Hi, everyone. My name is Aaron Binder. I am the president of the Corktown Residents and Business Association and chief experience officer at Go Tours Canada. And I definitely call my grandparents at least once a week. I just wanted to make sure you know

that. I want to thank the committee for inviting me to speak today.

I think we all understand the importance of small business to Canada's economy and the fabric of our communities. Over 70% of Canadians own or are employed by a small business, and many of those, in one way or another, are related to our province's tourism industry.

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I'm here on behalf of the tourism industry and also to represent the business of Corktown in downtown Toronto. There are many overlapping interests between both groups, and a high percentage of our coffee shops, yoga studios, artists and other businesses generate revenue from tourists and visitors from across the globe. This is one of our biggest export industries in Canada.

You're going to hear a lot of stats today so I'm not going to do that to you. But I will mention something right off the bat: Ontario's tourism industry is pretty white bread, and our industry leaders have been driving hard to become more inclusive to a greater range of Canadians in recent years, whether that's women, people of colour or our queer communities. These are the people most at risk in the job market—we all know that—even more so in the high-risk tourism sector. When I do talk to our increasingly diverse tourism workforce, though, these folks are so proud to represent Ontario and Canada to the world. I hope our government in Ontario can help protect these folks so they can continue in their careers exporting Canada to the rest of the globe.

Your guidance on the issues facing your committee will impact the business climate in our province and country for years to come. In the last five years, Canada, and especially Ontario, has been one of the world's hottest tourism destinations, even amidst incredible competition. But already we're seeing some destinations like Japan, Spain and Italy position themselves as the post-COVID destinations by offering incentives. They've been working with, and preparing, their businesses and tourism organizations for reopening while we're now just starting to talk about this in Canada. We really do need to act quickly here.

I know that my colleagues from the Tourism Industry Association of Ontario just spoke so I'm not going to rehash too much of they said, but I do want to reiterate four of the recommendations that they did make.

Number one is that, while we're happy to see the federal government supporting destination marketing organizations, this a longer-term investment. I urge the provincial government and the committee to make the recommendation to help actual businesses in our sector reopen in a clear and confident way by developing a comprehensive health and safety plan for reopening that includes contact tracing.

My second recommendation is that we need to continue and expand investment into recovery and rescaling work for laid-off tourism workers. In particular, this is continued support for the OTEC's Tourism SkillsNet Ontario and Future Skills Centre.

The third recommendation is that we need the Ontario government to work with the federal government to

expand the \$40,000 interest-free loan into a completely forgivable grant for tourism and hospitality businesses.

And the fourth point I'd like to reiterate is that I also want to urge the provincial government to contribute to the federal Canada Emergency Wage Subsidy so that this can be scaled and continued into the recovery phases.

It really is imperative that we get Ontario's reopening right, and the recommendations you're all hearing today can help us get there.

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

Mr. Aaron Binder: Pardon?

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

Mr. Aaron Binder: Oh, thank you. Our province can't afford to lose this robust export industry to other markets or we will be playing catch-up for decades.

There is one immediate action the government can take, and that's what I've come here today directly to advocate for. It's what I've spent the last three months of my life advocating for, along with tens of thousands of other business owners in Ontario and across Canada, and that has been commercial rent relief.

I actually wasn't joking earlier. I do call my grandparents at least once a week. I come from a long line of entrepreneurs. When Mike and Mary Binder came to Canada after World War II, they started a business, and I now rely on them for advice. But they, like myself and thousands of other entrepreneurs, are worried that we're seeing the death of main streets across the province.

The CECRA program has performed poorly, and aggressive practices like evictions and outright refusal by landlords to participate in the program are affecting many areas of the province.

Our Premier's constant tough words aren't enough. In fact, this may have had the unintended consequence of emboldening bad landlords to boot businesses without consequence. If the province and Premier are serious, real action does need to be taken. I know that many opposition members on this committee have been speaking out for this, and I hope the members in government also understand the need for a freeze.

Certainly, a percentage of businesses would have failed regardless of CECRA, the pandemic or any type of funding program, but now, three months into the shutdown, many businesses like mine with 15 years of great balance sheets are at risk of shutting down forever. With businesses like mine going, also go many more unemployed Canadians and Ontarians into the worst job market in modern history.

As you all are likely aware, many other provinces, states and G20 countries have already enacted a commercial eviction freeze. Ontario can do it, literally, for the cost a few pen strokes. Our business owners and employees want to get back to work where they were before. They just need a little more time to work out financing and deals with their landlords.

This is my top recommendation for the committee: Enact a temporary commercial rent freeze today—sorry, a commercial eviction freeze. We would love the rent freeze

too, though. Listen, guys, it might not be your lifelong goal to make Mike and Mary Binder proud; it is mine. You really, really could help me here by doing this and making it the recommendation of your committee as well. Thank you for the time.

The Chair (Mr. Amarjot Sandhu): Our next presenter is from Sunwing Airlines Inc.

If you could please state your name for the record, and you will have seven minutes for your presentation. Mr. Williams, can you unmute yourself, please?

Mr. Mark Williams: Is that better?

The Chair (Mr. Amarjot Sandhu): Yes, that's right.

Mr. Mark Williams: Okay. I'm Mark Williams; I'm the president of Sunwing Airlines. Thank you for allowing me to present to the committee. Before I talk about issues that COVID has had on my company and the industry, I do want to thank the government of Ontario for all the steps that you've taken to keep Ontarians safe. There's no question that mandating business closures and social distancing is the right things to do to control the pandemic and reduce deaths in the province, but they are difficult decisions that impact many. The cost of not doing so is much worse, so thank you for showing leadership by taking strong actions and doing the right thing.

Sunwing is a \$3-billion privately held company based in Toronto. Sunwing employs over 3,000 people across Canada, with over 1,800 in Ontario—or at least we did. I'm here representing Sunwing, but I'm also here to talk about issues affecting the entire aviation industry that is experiencing unprecedented issues because of COVID and government-mandated closure of airspace around the world.

I'm not sure if you're aware, but there are 22 commercial airlines based in Ontario: carriers servicing the northern regions of Canada, regional carriers, cargo operators, float plane operators flying passengers into fishing camps, airlines flying business and leisure travellers from Toronto Island, and Sunwing Airlines, which takes Ontarians and Canadians on much-needed vacations to the south. The industry employs over 600,000 Canadians and contributes more than \$65 billion in GDP. Toronto Pearson airport alone facilitates 6% of Ontario's gross domestic product.

Right now, over 80% of the world's commercial aircraft are parked. The largest carriers in Canada, Air Canada and WestJet, are flying less than 10% of previous levels. Others, like Sunwing, Porter and Air Transat, have temporarily suspended all flights. Without a crystal ball—which I wish we had—we don't know when we will start back up or how much smaller we will need to be when we do.

The first issue is liquidity. It's hard to imagine any airline suspending operations for four months, and now longer, with no revenues coming in, not needing liquidity at some point. As federally regulated businesses, this liquidity support is rightly the responsibility of the federal government. But we ask and need the Ontario government to push the feds for more support for the 22 airlines based here in Ontario. The federal government has done a lot,

but they have not provided an industry-specific support package for airlines, and they should.

After we address the initial liquidity issues, we focus on how we start flying again and what differences there'll be. It's clear that we won't return to 2019 levels of flying for many years. All businesses involved in flying people have a large amount of fixed costs. Airports, Nav Canada, security, customs will all be operating at 50% capacity or less. Without government support the cost of flying will increase dramatically at a time when we need to stimulate demand, so we need help.

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Ontario should lead the way as the safest and most cost-competitive region in Canada for travel and tourism. Unfortunately, right now, we are not. As an example, Ontario's tax on aviation fuel of 6.7 cents per litre is more than double the tax of any other province. We're asking the province to eliminate these taxes, even if it's temporary, to help stimulate travel demand.

We're also asking the province to assist municipalities in lowering property taxes on airports, which are amongst the highest in Canada, and creating other tax incentives for travel and tourism.

The other major area where Ontario can lead is on health and safety issues. We ask you, the province, to strongly advocate for national health standards for travel that align with global best practices. People will only start to travel again once they feel it's safe to do so. A patchwork of different practices at various airports and airlines will not give people that comfort, and the cost of these additional measures cannot be carried by travellers alone, so we ask the province to shoulder some of these costs.

I've been involved in aviation for over 30 years. Airlines are adaptable. We've weathered many storms: economic downturns, swings in fuel prices, foreign exchange rates, and grounding of aircraft. The issues created by the COVID virus are far worse than any of these, but with support from Ontario and the federal government, the industry will come out of this more ready than ever to drive a strong economic recovery.

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

Mr. Mark Williams: Thank you. That's all I have to say.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the Ontario Restaurant Hotel and Motel Association. If you can please state your name for the record, and you will have seven minutes for your presentation.

Mr. Elenis, can you unmute yourself, please?

Mr. Tony Elenis: Good morning. My name is Tony Elenis. I'm the president and CEO of the Ontario Restaurant Hotel and Motel Association, ORHMA. We recognize and appreciate this committee's work in managing this process through these tough times.

The hospitality sector has been devastated during this crisis. It has been labelled a health and economic crisis and, of course, a social crisis. The social characteristics of hospitality are its strengths. We're about socializing, engaging and meeting with people.

We have been hit directly in the heart of what makes hospitality successful. Over 300,000 hospitality employees are laid off or not working any hours. Some 50% of Ontario's hotels have been closed, and those staying open operate with skeleton staff largely accommodating essential service needs. We are seeing 94% year-on-year revenue declines. Nearly half of all single-unit restaurants are temporarily closed. Ontario's foodservice industry is on track to lose around \$7 billion in sales just this second quarter.

As Ontario has entered the reopening stage, it is of paramount importance that hospitality opens and opens now. We are ready. We are ready to open by following safety protocols and guidelines which have been completed and released. I cannot emphasize the frustration I hear every single day: "Why are other businesses open? Why are white circles painted in parks to accommodate small group gatherings when we will have more control in our restaurant?"

Under the Emergencies Act, restaurants were the first to be mandated to close, and many volunteered to close even before the act was proclaimed. Regretfully, COVID-19 is here to stay for another two years or so. We need to operate and will operate under safety rules. It's time to open.

We also need to have a clear sense of a schedule for opening meetings and groups that are reserved for the remainder of the year, or there will be further economic implications in cancellation fees for hotels for meeting and social planners. We need to be reminded that as the opening stages are ahead of us, many hospitality operations will not be opening their doors, primarily due to liquidity and rent payment issues. The recent rent program announced is not working for many landlords or tenants. We are urgently asking you to protect small and medium-sized businesses from evictions by putting in place temporary commercial eviction protection for tenants. Another lifeline will be deferring this year's property tax to be remitted over a longer-year timespan through a change of the Ontario Municipal Act allowing cities to go into deficits. The MPAC assessment formula must also change relating to our dismal business performance.

As hotels and restaurants reopen, there will be start-up costs in payroll, in food, in supplies, in addition to paying off government deferral and loan payments. New expenses will be added to deal with sanitization and distancing practices. The issue becomes more dramatic as most businesses will be emerging out of a period without revenues and entering a painfully slow recovery road. Where is the cash coming from? A robust plan is needed—

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

Mr. Tony Elenis: —in order to prepare the industry for success and to enable the rehiring of an unparalleled number of laid-off workers while supporting the huge supply chain.

These are extraordinary times that call for extraordinary actions. The traditional hospitality cost model needs support. Many would argue that the restaurant model was broken even before the virus came along. It's not hard to

figure out. In the 1990s, restaurant profit margins performed much higher: in the 6% to 10% range. Over the years, laws and regulations, labour hikes, food pricing, utilities, rents and leases have decreased Ontario's restaurant profits down to 3.2%—more like under 2%—for full-service, independent restaurants. For over 15 years, Ontario continues to perform lower in profit margins than any other province in Canada. We believe our recommendations will directly provide much-needed support.

High on the list is the beverage alcohol wholesale price. Close to 18,000 licensees can benefit from this. In a capitalist society, volume purchasing of goods and services should favourably impact the base unit price. Why not in beverage alcohol? It is a sticking point when one compares Ontario's restaurant performance to those in the US. That's the reason we don't see many US full-service brands invest and survive here. We recommend that the licensees pay a minimum of a 20% reduction from consumer prices. We also recommend to make the temporary amendment of selling beverage alcohol with food for takeout and delivery permanent. There is no rationale as to why not.

We recommend expanding the qualification of criteria for the existing Ontario energy rebate to ensure that any hospitality business that currently doesn't qualify will receive credit. Furthermore, support positive changes to the municipal accommodation tax, including reimbursing hotels for credit card processing fees that are paid on the tax.

Building consumer trust and confidence will be critical to the economy and to hospitality operations. We all want success in this, thus incentivizing business to dine in hotels and restaurants or boost travel and on-premise visitation. To this, we recommend Ontario work with the federal government to allow business to expense restaurant meals at 100%, from the current 50%. At one time, Canada was at 100%, though when the reduction occurred, I recall back in my hotel management days that it was a key contributor in killing lunch business in many operations.

Make no mistake about it: Hospitality needs forgiveness in loans and deferrals. It needs government-infused funding to survive. ORHMA, as a pan-hospitality provincial association, is capable of facilitating and delivering—

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

Mr. Tony Elenis: Thank you. I'm finished.

The Chair (Mr. Amarjot Sandhu): We have to go to questions now. We'll start this round of questions with the official opposition. MPP Fife? Can you hear me, MPP Fife?

Ms. Catherine Fife: Can you hear me?

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

Ms. Catherine Fife: Thank you very much. My question is actually, very quickly, just for Mr. Binder. Thank you for your presentation, Aaron. I have to say, we do share your concerns around the viability of main street small businesses. We have seen very aggressive landlords try to push their tenants out.

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I was curious to hear you comment about some of the language that the Premier has used around his tough talk on landlords. I'm not sure if you know what BC has done. They have issued a ban on commercial evictions if the landlord refuses to apply for CECRA. Would that be useful, do you think, for the province of Ontario?

Mr. Aaron Binder: Thanks for the question, MPP Fife. I agree it is. I think a lot of folks in Ontario, community leaders and policy analysts, are saying that it's a good way to go. I understand the situation that the Premier is in. I don't want to say that all landlords are bad landlords; the majority are great. But this is such a difficult situation for everyone involved. Any type of policy advancement like what they've done in BC is incredibly helpful to businesses.

Ms. Catherine Fife: It certainly has incentivized landlords to apply for the federal plan. I think that the low uptake on that federal program is indicative of a problem. Thank you very much for your feedback today.

Mr. Aaron Binder: Thank you.

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

Ms. Sandy Shaw: Thank you. My question this morning is for Mr. Elenis—

Interjection.

The Chair (Mr. Amarjot Sandhu): Next is MPP Morrison, after that.

Ms. Sandy Shaw: Pardon me?

The Chair (Mr. Amarjot Sandhu): After you, it will be MPP Morrison.

Ms. Sandy Shaw: I have a letter that was written to the Premier from the Canadian Federation of Independent Business, the Ontario Chamber of Commerce, the Ontario Restaurant Hotel and Motel Association, Restaurants Canada, and the Retail Council of Canada saying that this is urgent, what MPP Fife is talking about, which is the moratorium on evictions. That is urgent. This is one of the urgent measures that small businesses need in the province of Ontario.

I also noticed that you mentioned other emergency relief that's required. You mentioned municipalities and the deferral of property taxes. Municipalities are struggling. The city of Hamilton is looking at a \$125-million deficit at the very least.

Can you talk a little bit more about how you see the province should support municipalities, who are in many ways the underpinnings of the tourism industry?

Mr. Aaron Binder: Is that question for me?

Ms. Sandy Shaw: Mr. Elenis.

Mr. Aaron Binder: Okay.

Ms. Sandy Shaw: The format the government has devised doesn't give us enough time to ask all of the witnesses. I would certainly like to ask all of your questions, but this is what we have.

Thank you very much. My question is for Mr. Elenis.

Mr. Tony Elenis: I believe the change that can be done in the Municipal Act to ensure that it's legal for municipalities to have a deficit will help our municipalities to support the various industry needs that are there. We feel

that, both at the federal government and the provincial government, there needs to be more of a forgiving type of loan to industry than continually building up debt with deferrals and loans.

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

Mr. Tony Elenis: That's my answer.

Ms. Sandy Shaw: Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to MPP Morrison.

Ms. Suze Morrison: My question is to Mr. Binder. I know that in Corktown, you folks recently did a survey of your small businesses to better understand the impacts of COVID-19 on the business community there. I think it would be really important to get some of those data points on the record, and I'm wondering if you could share some of the most compelling findings that you got from that survey of the small businesses in Corktown.

Mr. Aaron Binder: Thanks for the question, MPP Morrison. We did complete a survey. It was fairly in line with a number of other surveys across the country. Over 70% of the respondents to our survey said that without any type of rent relief, they would close permanently. Thankfully, the CECRA program has reduced that number, but our straw polling since then has indicated that we're still in the 30% to 40% range of permanent closures in our neighbourhood, and that includes the Distillery District.

One of the important numbers that I want to mention is that nine out of 10 businesses shifted to an online digital model; however, they only recovered 30% to 40% of revenue. By my estimation, you can't pay the rent on 30%. That is why I think a commercial eviction freeze is necessary until the landlords and businesses can work out some sort of a deal. Real estate prices are high in urban areas and suburban areas across Ontario, and even in some rural areas. This is bringing up a totally different topic, but for right now, the easy way—

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

Mr. Aaron Binder: —to make these conversations happen is a commercial eviction freeze.

Ms. Suze Morrison: I know that you've briefly mentioned the additional pressures that we see for the cost of commercial real estate, particularly here in downtown Toronto, where we have some of the highest commercial real estate costs anywhere in Canada. Can you give, for the committee, an example of some of the costs of rent that commercial tenants are paying in downtown Toronto? I think it's important for folks to recognize the immense pressures that our downtown small businesses are facing.

Mr. Aaron Binder: Yes, I can. One of our Corktown board members owns a café, and he has been really outspoken about how much—he's fine with mentioning how much rent he's paying. He pays \$12,000—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to move to the independent members now for their time of questioning.

MPP Schreiner.

Mr. Mike Schreiner: Thank you to all three of the presenters for taking the time to come today.

The Globe and Mail had an article just the other day saying that across the country, less than 2% of landlords are participating in the rent relief program, which I think is one of the reasons we've heard two of the three presenters here talk about the need for a temporary ban on commercial evictions. It's one of the reasons I've been calling for it. I know that other opposition members have been calling for a temporary ban, as well. BC has brought one in for those who won't participate in the rent relief program.

As a long-time small business owner myself, I wanted you to have the opportunity to add another angle to this. I know that a lot of small business owners make significant investments in leasehold improvements and also have personal covenants that guarantee their commercial rent agreements. Can you talk about the financial stake that's at risk for so many small business owners if they lose their investments in those leasehold improvements if they are evicted for not being able to pay rent due to something that's completely out of their control? That would be for Mr. Binder or Mr. Elenis.

Mr. Aaron Binder: I can speak to that, MPP Schreiner. Thanks for the question.

I spoke with a business owner in Kensington Market recently, and her take is that now she's \$30,000 in the hole, personally, and it's increasing every day because the government programs for her employees don't give enough money for them to pay rent. So we're facing this huge issue where some business owners are going into the hole just to make sure that their employees can pay their rent.

The leasehold improvement cost is something that my business is facing. Thankfully, our landlord is one of the few that has taken up CECRA, but I know of so many across the city that have not, and these business owners are just going to lose that money that they've invested into their properties. I can't say enough just how much business owners are losing because of the inaction of governments in Canada.

Mr. Mike Schreiner: Mr. Elenis, would you like to comment on that as well?

Mr. Tony Elenis: From an industry survey that was taken about a month ago, 76% of restaurants state that rent is the biggest factor contributing to their business debt. We are forecasting about 50% of independent restaurants closing due to rent. That is severe and will have an impact in many communities, in many neighbourhoods. Restaurants are a service that actually creates vibrancy and brings others to shop at the nearby retail businesses.

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

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Mr. Tony Elenis: All retail businesses will be hurt by this.

Mr. Mike Schreiner: Yes, I appreciate that. I have a business in my riding that's actually doing a GoFundMe campaign right now to avoid being locked out by their landlord—a very successful local business that has been in business for a long time. So I certainly appreciate you bringing those voices to the table.

At this point, I will pass the baton along to MPP Hunter to resume questions.

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

Ms. Mitzie Hunter: Thanks, everyone, for the presentations today and the real, concrete examples that you're providing to the committee on your industries and how COVID-19 has affected them now, but also in terms of their prospects for recovery.

I do want to stay with the issue of commercial rent relief because the minister, in her presentation this morning, did touch on the importance of doing that. But we lack anything legislatively in Ontario that actually gives any teeth or authority to prevent and to prohibit commercial landlords from doing evictions, at a time when so many industries are really, really hurting. Tourism is at the forefront of that. I really appreciate the sensitivities in the restaurant industry that were presented as well, which represents many, many jobs and touches every part of this province.

BC has moved to prohibit evictions for landlords who do not participate in the subsidy program that the federal government and the provinces together have provided. They've sort of said that you've got to participate in that; otherwise you can't do—

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

Ms. Mitzie Hunter: I'm just wondering, Mr. Binder, if maybe you can give the examples that you had started around what the cost is of those rents that our small businesses—café owners—are paying.

Mr. Aaron Binder: Yes, thank you for letting me highlight that. As I was saying, one of our Corktown board members has a café in a high-traffic area of Corktown, which is low-traffic for the rest of the city. We're a quiet neighbourhood. He's paying \$12,000 a month, on a transit line, for, I think, 800 square feet. I don't know about anyone else here, but that is pretty ludicrous to me. He was making it work before, but now he's making about \$4,000 a month with pick-up and delivery. He's been floating this business and his employees out of his own savings. Without any type of eviction moratorium on commercial properties, we're going to see businesses like his disappear.

My business—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side now for their time. MPP Roberts?

Mr. Jeremy Roberts: My question is for Mr. Elenis. Tony, thanks for your presentation. Along with being the MPP for Ottawa West–Nepean, I'm also the parliamentary assistant at the social services ministry. I know that a lot of hotels and motels, over the pandemic, have stepped up to provide support, providing rooms to a lot of—whether they're refugees, or folks fleeing gender-based violence etc. I'm wondering if, in the short term and in the next little while as we're still easing up some of the health restrictions, you see a continued role and a continued ability for us to collaborate between government, social services agencies, and the hotel and motel industry so that we're able to provide you guys with some business to keep your

rooms full, while at the same time helping fill some of the gaps in our social services sector.

Mr. Tony Elenis: We're very proud of the hotel industry in Ontario. They have stepped up to the plate. And the only reason most are open—I would say 99.9%—is to help necessitate hotel rooms for our heroes, our health workers, and the temporary foreign workers in some of the rural areas.

We and a couple of other organizations work directly with the ministry to be able to facilitate and coordinate that, and we'll continue to do that. This is necessary for the well-being of society, absolutely.

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

Mr. Kaleed Rasheed: My question is actually for Mark from Sunwing. Mark, thank you so much for your presentation this afternoon. Mark, help me understand: What precautionary measures are you planning to take for your guests, who will be travelling to destinations and then returning back as soon as the operation starts and things are back to normal? But also, the most important thing or the key thing here is the health and the safety of Ontarians once your guests are returning back to Ontario. What sort of conversations are you having with other airlines, as well, but also especially Sunwing, since you do fly your guests to destinations and then bring them back, based on this pandemic?

Mr. Mark Williams: MPP Rasheed, thank you for the question. Obviously it's difficult for people right now to see how they would safely return to travelling, but there are many things that we can do to help manage through that. Obviously social distancing in an airplane is not really possible, so it's a matter of making people feel comfortable in closer proximity to each other—

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

Mr. Mark Williams: —so that's really a PPE issue. We're requiring all customers to wear masks on board the aircraft at all times. Our crew are provided with PPE, so they're wearing masks any time they're not able to social-distance.

But we also need to educate people around the safety of an airplane. We're changing our grooming standards. We're doing a more thorough clean after every trip. People aren't aware that most commercial aircraft have HEPA filters that are recirculating the air that are as good as in an operating room. It's a matter, then, of educating people, as well, as to what we're doing behind the scenes that they may not even see to make them safe.

But it's also important, in the destinations we serve, that the standards of care there are the same as here. It's good if Pearson airport has great procedures, but if we're flying into Cancún or Varadero, people are expecting to see the same or similar procedures or protocols in place there, and the International Air Transport Association has been working with countries around the world, trying to globalize and harmonize these standards so that we can ensure that everyone's safe, not only in Ontario or Canada, but around the world.

Mr. Kaleed Rasheed: Awesome. We were just looking at a similar process for other airlines, as well, since what

you are saying is that eventually it will be safe to travel, once things get back to normal.

Mr. Mark Williams: Correct. We're speaking with all the airlines, and Transport Canada is actually facilitating a lot of this. Again, I think it's important that we have global standards and airlines don't go out and all do their own thing, because that's just going to create confusion if there's one standard at Sunwing and a different one at WestJet. We need to make sure that everything is harmonized.

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

Mr. Kaleed Rasheed: Thank you so much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Piccini for the next question. Can you unmute yourself?

Mr. David Piccini: Yes, I did. Thank you very much, Mr. Chair. Thanks for this opportunity.

Thank you to all three of you. I appreciate the opportunity to have everybody involved in this discussion. A quick note for the opposition format: Under the opposition recommendations, we would only have had a month to deal with everybody from all sectors. I know it's a record number of tourism applicants. The format, having three people here, I think, gives us a great analysis. In an ideal setting, we would go one by one, but to ensure everybody's input here, this certainly is a format that I appreciate, so that everybody has a say in Ontario—and, as I said, a format the NDP agreed to.

My quick question is: What can the government do from a marketing perspective to ensure that people get back to flying when it is safe to do so?

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off, MPP Piccini. We have to move to independents for the next round of questions.

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Interjections.

The Chair (Mr. Amarjot Sandhu): Order. Order. Independent members? MPP Blais.

Mr. Stephen Blais: Mr. Elenis, I know you mentioned that there are some fundamental problems with the business model that pre-existed COVID-19. I'm wondering if you could articulate how those problems are exacerbated by the current situation and talk a little bit more about the impact that rent has on the hospitality industry.

Mr. Tony Elenis: First of all, most restaurants are closed, so there's no issue with the costs. But those expenses that are influenced by government that I outlined in my presentation have been chronic. They've been running for ever and ever. Really, various governments have not looked at it to the degree the industry is looking at it. That's the reason I pinned down specific expenses that need to be realigned with reality and to support the industry to move those profit percentages up, especially the small businesses. I talked about wholesale pricing and I talked about electricity because those are high costs to specific foodservice operations and hotels. That's where the area needs to be.

As far as promoting—absolutely, we will need help to promote. This is different than SARS. This is going to take

billions of dollars, because SARS only impacted one area in the western hemisphere: That's the GTA and Toronto. Now we're competing with everyone else.

But what the industry really needs is direct help to their P&L statement. That's how I can put it. I cannot emphasize that more—and the rent being one of them. We have the highest leases, the highest rents in the country here in Ontario.

Mr. Stephen Blais: Thank you. You mentioned that it's already difficult with a reduction of volume in customers to 50% without a commercial rent eviction prohibition. What is your estimate on the number of restaurants that simply won't be able to reopen?

Mr. Tony Elenis: We're estimating, regretfully, around 50% of independent restaurants closing if we don't have a solution to the rent problem and have it fast. This is something that needs to be done. Government needs to act fast. We talked about patios expanding two and half weeks ago. We still don't have the approval to move ahead with it.

Mr. Stephen Blais: Finally, Mr. Elenis, what kind of lead time do you think most restaurants need in order to be able to reopen effectively, both to get their business operations in place but also to take into account the measures that government is going to put in place to maintain physical distancing and protect customers?

Mr. Tony Elenis: That's a very good question. I can tell you, as an association across the province, we'll help industry get along with safety rules. We have implemented a guide that follows the World Health Organization rules that were talked about earlier. They already have the guide. They downloaded it. Many are in practice already.

But we also have to look at the supply chain. They need time to transform themselves from just serving grocery stores to go back to restaurants. But we're ready now. Let's open gradually and build trust for the consumers. Whoever is ready, let's open now, and the others will come along.

Mr. Stephen Blais: I appreciate that. I'll give my time to Mitzie Hunter.

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

Ms. Mitzie Hunter: Mr. Elenis, let's keep going on this, in terms of some of your ideas for the gradual reopening. What do you feel about opening the patios and outdoor aspects for seating? Do you think that we're ready for that?

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

Mr. Tony Elenis: We are ready. Municipalities working with the BIAs and operators have already realigned themselves with areas that will ensure that distancing takes place. I talked to municipal licensing in Toronto. I've been in touch with Ottawa, London, other communities, and they're all ready. They have plans in place and they've actually cut down the red tape so you don't need to see four different inspectors come in. As long as you have the licence and you're able to ensure distancing is there and work with whatever your capacity is now under the existing licence, they're ready to open, and those health inspectors and everyone else can go in and inspect as the

summer moves on. But summer is short. We're in Canada, folks. September is around the corner.

Ms. Mitzie Hunter: I think your number of 50% independents lost is one which we really need to pay attention to. The Hoito in Thunder Bay, the Wexford in Scarborough—these are landmark places that are deciding to close. Some of them are already doing that.

I want to shift a little bit of time to Mr. Williams from Sunwing. I want to say thank you for your leadership in the destination airlines sector. I know that in the beginning of the—

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

Ms. Mitzie Hunter:—you in fact opened seats to non-customers, to stranded travellers. I think the work that you are doing is really exemplary.

I just want to affirm that we hear you with respect to having global standards for airlines, and that the province needs to impress upon the federal government about the 22 commercial airlines in Ontario.

Mr. Williams, thank you for the leadership and the work you are doing and your corporate responsibility at Sunwing Airlines.

Mr. Mark Williams: Thank you, MPP Hunter. I appreciate that. I think it's important to do the right thing. It's actually easier to do it when everyone is watching. I think it's in Sunwing's DNA. We try to do that all the time, not just when—

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

We'll have to move to the government side now for their time. MPP Piccini.

Mr. David Piccini: Mr. Williams, I just wanted to give you an opportunity. I know that when the minister spoke—we spoke about signalling to the public when we do gradually reopen the economy and, as we're doing, maintaining health, safety and well-being. What measures, from a marketing perspective—what discussions are you having? What role can government play in ensuring that we can get folks back on our airlines? From a marketing perspective, what role do you see government playing?

Mr. Mark Williams: In general, I think Ontario has done a great job of promoting tourism, and it needs to continue to do so to get people back.

The focus of tourism now will change somewhat to safety. People are looking for different things than they did before. Enforcing standards and reminding people what a great province this is, and everything that's being done to make people feel comfortable when they come to this province, so that they're going to feel safe going to the shops, going to restaurants—so enforcing standards that allow people to open their businesses properly, but still give people the comfort that they can do things safely.

From an airline perspective, although many of those things are federally regulated, I think it's important for Ontario to take the lead to promote that these standards are done in a harmonious way across the country and around the world.

Mr. David Piccini: Thanks very much, Mr. Williams, for the work you're doing. I appreciate that.

No further questions, Chair.

The Chair (Mr. Amarjot Sandhu): We'll go to MPP Crawford.

Mr. Stephen Crawford: Thank you to all three presenters for coming here today. I know our time is very limited.

I want to ask a question of Mr. Elenis. In terms of the restaurant industry, I know it has been very, very hard-hit. Like everyone here, I'm trying to support our industry where I can. You've given some suggestions for both the federal and provincial governments. I just want to get an idea from you in terms of how you feel your association can work collaboratively with the government and industry to ensure we have health and safety standards in the restaurant and hotel industry here in Ontario.

Mr. Tony Elenis: First of all, our organization has a history of working with government with many aspects of programs, from sexual harassment, human trafficking and many others, and I believe our record speaks for itself.

Recently, we brought in a collaboration of operators and experts, from lawyers to designers to technology experts. We completed and developed protocols for the safe opening of restaurants and food service operations. It's being downloaded by most tourism and other organizations in Ontario.

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Those protocols start from the time the customer enters the door of a restaurant to sitting down to going to the washroom—everything.

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

Mr. Tony Elenis: It talks about a touchless and a distancing type of operation. So we're already doing it, and we welcome doing more.

Mr. Stephen Crawford: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Skelly for the next question.

Ms. Donna Skelly: My question is to Mr. Williams. We have a very limited amount of time right now.

You mentioned global standards. My first question: Do you know if any work is being done right now to ensure that these global standards or measures are being taken to ensure that we will have some sort of a global standard in the aerospace industry?

Also, with all of the measures that you're going to have to implement, the changes ensuring people are safe within an airplane, what will that do to the price of a ticket?

Mr. Mark Williams: MPP Skelly, thank you for the questions.

Transport Canada has been leading a drive to try and standardize procedures across the country. IATA, the International Air Transport Association, is also doing that.

Unfortunately, it's not that easy. Sometimes certain airports or carriers jump the gun and start putting procedures in place that aren't being followed everywhere else. It's just important that we continue to put pressure on everyone to pause a little bit first and make sure that they're doing things in line with what everyone else is doing.

Without support from all levels of government, the costs of airline tickets are going to, unfortunately, start to

get increasingly more expensive. NAV Canada just announced a 30% increase in overflight charges because they've got a fixed amount of costs they now have to manage, and the airports are increasing their airport improvement fees. Winnipeg airport just announced a 35% increase in those fees.

Without support from the government to help—

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

Mr. Mark Williams:—all parts of the industry, the airports, the airlines and everywhere else, we're unfortunately going to see a fairly significant increase in the cost of flying.

Ms. Donna Skelly: Are you going to see a limited number of passengers per flight?

Mr. Mark Williams: We're looking at everything. I think it's difficult. While it sounds good to socially distance in an airplane, the width of an airplane seat is 18 inches, and so not selling the middle seat isn't really that helpful if the person on the inside needs to get up to go to the lavatory in the middle of the flight. We need other things—PPE that people can wear on an airplane—so that we can stay within a closer distance and still keep people safe.

Ms. Donna Skelly: Thank you.

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

Mr. Paul Miller: My question would be for Mark. It kind of coincides with some of Tony's concerns too.

Actually, my staff did a global analysis of the situations in other countries, Mark. According to Italy's national hotel federation, occupancy rates have dropped by 99% for foreign travellers and 96% for domestic travellers. Starting May 18, 2020, hotels, bars, restaurants, beach resorts and other commercial activities were permitted, with strict public health measures mandated to prevent the spread of the contagion.

Areas reliant on tourism revenue, such as the Italian island of Sicily, have begun to announce travel deals such as paying a portion of the traveller's cost by covering half of their airline ticket and one out of three hotel nights.

There are also plans to stimulate the economy by encouraging domestic tourism through vouchers offered to lower-income families to spend in Italian hotels, campgrounds and other establishments.

Would these types of incentives help the airlines' recovery?

Mr. Mark Williams: Thank you, MPP Miller.

There's no question that the start-up of the airlines again is going to be extremely challenging. With the kind of reduction in demand that you've seen, it's going to be extremely difficult for us to do that. So, absolutely, anything that the government could do, any incentives that could be put in place—even if people could have a tax write-off on their travel, or if there are other things that can be done to support this, it will go a long way, not just for the airline industry but for the hotels and bars and restaurants and everyone else too that are going to be facing

these increased costs. I think it will be important to get as much support as we can to kick-start the industry again.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Miller, do you have any further questions?

Mr. Paul Miller: Just a follow-up, yes: I'd ask Mark also: You know that Hamilton International Airport is one of the busiest airports in Canada for cargo as well as domestic flights. What incentives do you think the government could put in place to attract more volume and traffic for the Hamilton airport, due to the situation?

Mr. Mark Williams: Thank you for the follow-up question. The Hamilton airport is fantastic. If you look at the catchment area around the airport, I'm surprised that it doesn't have more demand for flying. Hamilton airport is already a lower-cost operation than Pearson, but there should be other incentives put in place to lower the cost of operations there. It would be very helpful to increase passenger traffic—because, as you said, the cargo operations are one of the busiest in Canada, but there's no reason that that airport shouldn't have a bigger portion of passenger traffic as well.

Mr. Paul Miller: Thanks, Mark.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Morrison, and then MPP Lindo will be next.

Ms. Suze Morrison: Thank you so much. My question is back to Aaron. I know that in our last round, you had mentioned that some of the businesses in Corktown were paying as much as \$12,000 a month in rent, and that many landlords weren't taking advantage of CECRA.

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

Ms. Suze Morrison: I'm wondering if you can explain to the committee some of the barriers that small businesses are facing with accessing CECRA, and again your recommended changes to that program.

Mr. Aaron Binder: Thanks for the question. There are been a lot of debate on the CECRA. One of the recommendations that we've heard from business owners as well as landlords is to make it mandatory. That would probably be the biggest recommendation. The way that BC has led with their recent program I think is a great model for Ontario to emulate. It's easy to do.

One of the other recommendations that we've been hearing is to basically look at ways to cool off the rental market in general. I don't have the answers there; I'm not a real estate expert. But I know that some of our board members who are more in tune with the real estate market have been exploring these opportunities. So if you ask me two weeks from now, I might have an answer for you, and I'd be happy to provide it. But right now, it's still an area that we're exploring, so I can't really answer that as well as I'd like to.

Ms. Suze Morrison: I know that as the official opposition, we've put forward a proposal to the government members that would see a 75% rent subsidy flow to small businesses to ease them during COVID-19. We've also echoed the community's calls for a ban on commercial evictions. In your opinion, are these measures that would help the businesses in Corktown, and are there any

additional actions that you'd like to see the current government take to support small businesses?

Mr. Aaron Binder: Yes, I read those two recommendations. I thought they were good. As for as further measures the government could take, I think some changes to the way that we consider real estate in Ontario.

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

Mr. Aaron Binder: Like one of my colleagues said, we have the most expensive real estate in Canada here. We really need to find a way to cool off the market and make urban areas in the province sustainable for businesses and residents.

But once again, I don't have a clear answer for you there. It's still a topic that we're exploring. I think that the pandemic has really blown this issue open for a lot of folks and a lot of business owners who are now going into debt because they have to take this loan to pay the rent. Like I told our federal finance minister's office, it doesn't take a finance minister to know that you don't pay the rent with a loan. Like I said earlier, a fully forgivable loan at the provincial level, if the provincial government advocated for that, would really help with the recovery for two reasons—

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

Thank you to all three presenters for your time and for your presentation.

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

The committee recessed from 1209 to 1300.

The Chair (Mr. Amarjot Sandhu): Good afternoon, everyone. Welcome back. Before we move to our next presenters, I just want to recognize MPP Joel Harden.

MPP Harden, can you confirm your attendance and if you're in Ontario?

Mr. Joel Harden: I am in Ontario.

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

BOATING ONTARIO ASSOCIATION

SPECIAL OLYMPICS ONTARIO

ATTRACTIONS ONTARIO

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter: The first one is the Boating Ontario Association. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Rick Layzell: Good afternoon. My name is Rick Layzell. I'm the CEO of the Boating Ontario Association, a non-profit serving over 500 member companies spanning all shorelines and communities in our province. My colleague Andy Blenkarn and I are here today on behalf of the marinas, the boat dealerships and the service sector that support our \$4-billion recreational boating industry in the province.

As many of you know, recreational boating creates over 30,000 jobs, paying wages of over \$1.1 billion and taxes of \$378 million. Ontario's boaters are middle-class

families, with the majority having an average household income of under \$100,000. These families buy pontoon boats, personal watercraft, small runabouts and fishing boats, and these are the boats that ply Ontario's 250,000 lakes and rivers.

Our surveys in partnership with Parks Canada show that 53% of the boaters on the Trent-Severn and Rideau Canal systems are day boaters enjoying family time on small boats.

MPP Smith is well aware of the positive economic contribution that recreational boating makes in his own riding.

With over 43% of Canadians actively participating in our sport, recreational boating truly is a part of our Canadian identity.

Mr. Andy Blenkarn: I'm Andy Blenkarn. I'm the owner of Demasdon's Boat Works.

We'd like to thank the Premier, all ministers and all MPPs from all parties, and offer a huge shout-out to Minister MacLeod and my local MPP, Norm Miller. All of your tireless efforts are sincerely appreciated, not only by our industry but by the thousands of Ontario families who are out there actively and safely boating today. We are grateful that recreational boating was recognized as a safe social distancing activity, and we are proud to say that with your approval and support, we have safely launched over 80% of the boats in our care in the last four short weeks.

As Rick said, we are proud of the \$4-billion contribution that boating represents within the Ministry of Heritage, Sport, Tourism and Culture Industries, and we believe that there's an opportunity to quickly and effectively expand that contribution even further with no financial support from the government.

Mr. Rick Layzell: There exists an opportunity to quickly clarify the actions and elements of marinas that can versus cannot be made accessible to the boating public. Our members quickly adopted our social distancing protocols and have enhanced the safety of all aspects of marina operations.

Many marinas create a path to the water with a broad array of boat rental options. Rental boats are a very cost-effective way for new boating families to discover our waterways. The essentials order includes boat rentals, and yet earlier this week a bylaw officer fined and shut down a rental operation on Lake Erie. This operator had invested in PPE, staff training and all social distancing protocols. He had also been pre-approved by another bylaw officer and his local health unit before opening. This morning, we have found out that the fines have now been dropped, and after three incredibly stressful days, he has been granted approval to reopen.

Additionally, our protocols stand firm on a maximum of five members of the same household in any one boat, and yet, earlier this week another bylaw officer has written to a consumer to say that they are absolutely welcome to go boating with four friends. We ask that the province create standard rules for operations across the industry.

Mr. Andy Blenkarn: The Toronto International Boat Show is the premier event for boat shows across Canada.

As North America's largest indoor boat show, this event creates an economic impact of \$384 million. Boaters and industry professionals from across Ontario—

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

Mr. Andy Blenkarn: —actively engage in this sport. This 10-day event showcases over 1,200 boats ranging from six to 60 feet, plus thousands of marine accessories and services. With 550 exhibiting companies, the event directly and indirectly employs over 7,000 people.

We've had the pleasure of welcoming a number of MPPs to the 2020 event, including Mr. Cho—Mr. Miller has often been there as well—and we invite all of you to join us in the future.

For many Ontario boat retailers, this show represents in excess of 45% of their annual retail sales.

January timing sets the stage for our industry's technicians to begin preparations on these newly purchased watercraft over the winter months. It's a critical step in our desire to stimulate year-round work for our skilled trades sector.

The show ownership group is actively working on a plan to create a safe environment for showgoers and industry personnel. Spanning one million square feet with ticketed-controlled entry, the Toronto boat show can add additional protocols to maximize safety measures while maintaining an exceptional customer experience for our guests.

We ask that the Toronto boat show be granted the opportunity to present their plan to safely open and that, hence, trade and consumer exhibitions be separated from the current criteria of general events.

Mr. Rick Layzell: Finally, we ask that American families whose vessels are their summer home, and those whose land-based properties are in Ontario, be granted the opportunity to access our waters in a phased approach before a full reopening of our border at a later stage. We ask that you take this phased reopening approach to your discussions with the federal government.

There is no cost to government in any of our asks, and each of these will quickly generate and support the desired economic recovery of our province—

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

Mr. Rick Layzell: —while providing meaningful taxation dollars. Thank you again.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Before we go to our next presenter, I need to recognize MPP Darryl Kramp, if you could please confirm your attendance and that you're in Ontario. MPP Kramp?

Mr. Darryl Kramp: Yes, I'm here. Thank you.

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

Okay our next presenter is Special Olympics Ontario. If you can please state your name for the record, and you will have seven minutes for your presentation.

Mr. Glenn MacDonell: Thank you. My name is Glenn MacDonell. I'm the president and CEO of Special Olympics Ontario. I'd like to thank you for allowing me to speak to you today.

Special Olympics Ontario has used of the transformative power and joy of sport to reveal the full potential of

athletes with intellectual disabilities. Special Olympics Ontario is a provincial sports organization and a registered charity. It delivers world-class sport programs daily in local communities across this province.

I'd like to touch on three key areas that I believe have an impact on our economy: the emotional and financial effects of Special Olympics on this sector; the incentivizing of collaboration and broad outcomes; and the protection of our most vulnerable in our society.

For Special Olympics Ontario, we're in a unique position to report on the financial impact on the affairs of our entire organization. From our children and youth in school programs to our community programs like Ottawa or North Bay Special Olympics, our integrated banking system gives us a complete picture of the entire organization.

To the moment, we've lost \$4 million, and expect that we will be down a minimum of at least 40% this year. It will affect us as an employer and certainly as a community agency. We fundraise 87% of this total.

The impacts on health, both short- and long-term, the financial effect and dependency that we have on local business and associated industries, especially municipalities, will be devastating. Financial effects to tourism, both big and small tourism, will be on hold for some time.

Social isolation, the effect on parents and caregivers, and the overall impact on a person's life, is absolute. As one parent put it, "Everyone's routine has been disrupted. For Darryl, routine is how he navigates life, and Special Olympics is like a beacon that guides, motivates and brings happiness to him and our family."

Incentivizing collaboration and broad outcomes is why I'd like to think that Special Olympics sees ourselves as part of the solution, not part of the problem. Early on, creative programming and virtual platforms were created, which we shared openly in somewhat of an agnostic way, without branding, so that other organizations could use them. We were somewhat surprised and pleased that organizations like CAMH, Queen's University, the Down Syndrome Association and many other organizations that service people with disabilities participated willingly, and in that time collaboration grew. The collaborative approach, obviously, creates a lot of co-operation, avoids a lot of duplication and makes the dollar go further. Out of our \$9-million budget, 88% of our funds are spent in the province. Research has shown that \$1 invested in Special Olympics brings about \$7 in financial return.

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The biggest and most pronounced strategy that we're employing is a moratorium on what we're known for best, and that's our big games. This focus from large games to more Hometown Games will be a core identifier as something that will be recognized both as one unit and marketable province-wide. The focus will be inclusiveness, access to all, and to re-engage athletes, families, coaches, volunteers, sponsors, communities and local programs everywhere.

Hometown Games aren't meant to be everything we do, but they do provide a broader platform for collaboration

with partners at the local level and a pathway for being able to sustain what we do by connecting to the grassroots and, in turn, the broader movement.

To take athletes, volunteers, sponsors and supporters on this journey we need to build a bridge that takes us from where we stand to where we need to be. We're providing a connection back to the transformed competition level that we all long for. On average, the provincial games—

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

Mr. Glenn MacDonell: —provide a \$2-million to \$5-million tangible benefit and impact to a community. Hometown Games are designed to service more athletes and spread the financial impact across the larger footprint. For government, we propose that programs such as Hometown Games can be used as an approach that aligns with stimulating the local economy while maintaining integrity and overall sport and recreation links to society.

Protecting our most vulnerable is something that we all embrace wholeheartedly in this province, representing not just Special Olympics but organizations like the YMCA, Boys and Girls Clubs and countless municipal agencies who run programs for people with disabilities. This needs to be seen as a priority and not a luxury.

As Gandhi once said, "The true measure of any society can be found on how it treats its most vulnerable members, especially in its most trying times."

Special Olympics wants to thank the government for the support that we receive, but we also encourage that we see sport and recreation as a key motivator and a key GPA financier for the province moving forward.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is from Attractions Ontario. If you can please state your name for the record, you will have seven minutes for your presentation.

Mr. Troy Young: Thank you. Dear committee members, my name is Troy Young, and I've been the CEO of Attractions Ontario for 16 years. Attractions Ontario is an not-for-profit organization that started in 1983 and represents over 550 members from Brockville to Windsor to Thunder Bay and all points in between.

Let me begin by sharing the words of one of our members, Oh Canada Eh? Dinner Show in Niagara Falls:

"June 3, 2020

"Canadiana Productions Inc., producers of the award-winning Oh Canada Eh? Dinner Show, are sad to announce that due to the economic impact of the COVID-19 pandemic, we are closing operations after 26 years.

"On March 14, a final musical performance was enjoyed by an enthusiastic crowd and then our doors were closed due to the pandemic. At the time, there was anticipation of a re-opening in a couple of weeks. Those weeks turned into months. Without revenue or any idea of when re-opening might be possible, the financial situation became dire, with expenses and mounting refund requests.

"The company applied for various government loans, but it was not enough to keep the production company from financial distress. With no certainty of a re-opening timeline or if the formerly successful dinner show business model would be feasible under new public health

requirements, the owners made this heartbreaking and difficult decision.

“July 1 would have been the 5,000th performance of this show.”

This is not the only tale of financial distress from our members. Haunted Walk, a successful business with 25 years’ experience, no debts and five locations, was forced to close three of them due to landlords being unwilling to participate in the Canada Emergency Commercial Rent Assistance program. This shows how current government aid programs have been failing the tourism industry.

The Canada Emergency Wage Subsidy does little to help a business ordered closed by government fiat—and rightly so, under the current health crisis. Even as we start to look towards reopening, the CEWS is failing our seasonal businesses by being based on salaries from January through March, when they were not open to the public. I understand that these are federal programs, but I am highlighting them so you know that our sector needs more from government. Otherwise, we will see more failures like Oh Canada Eh.

I could tell you how we are an industry found in every riding in Ontario, a \$34-billion industry that has shrunk to \$17 billion due to the crisis, backed up with facts and figures and percentages, but you are going to hear that in depth from a variety of sources. I’m going to talk instead about the actions that we need you to consider.

First is an immediate moratorium on commercial evictions. The CECRA is not working as intended. Who was it intended to help? Not the business community. If it was, the money would have flowed to the businesses. I can only surmise that the intent was to assist the banks and lenders who would be in a difficult position if property owners began to default on their mortgages.

Other jurisdictions like Nova Scotia, New Brunswick and British Columbia have banned commercial evictions, so why hasn’t Ontario? It seems we hear daily in the press about another restaurant closing its doors permanently due to being unable to pay their rent. How are they, and my attractions, expected to continue to pay their rent without revenues? If the government does not want to ban evictions, I believe they need to tell us why they won’t.

Most pressing for our industry is we need to start reopening. Abandon this sector-by-sector reopening plan. In many cases, I have businesses, like the aforementioned Haunted Walk, who could offer a safer environment and maintain social distancing better than a retail store could. Still, they are not on the government’s schedule for reopening.

The Premier told our industry to prepare reopening guidelines. We have developed several plans and are backed by a variety of international associations that have created best-practice approaches to dealing with COVID-19. If main street retail can open, why can’t our sector if they can meet the same guidelines? We’ve had some of our businesses reopen—

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

Mr. Troy Young: —but it has been a patchwork approach. We were excited that the Toronto Zoo was able

to reopen in a reimagined drive-through experience, but the African Lion Safari, who pioneered this experience in Ontario, was not allowed to do so. They are now reopening on June 8. Haunted Walk has been allowed to reopen in Kingston, but not in Toronto or Ottawa. Drive-in theatres were given the green light to open, yet Bingemans, a family business in operation for over 80 years who were working on converting their amphitheatre to a drive-in, is not allowed because it wasn’t pre-existing.

We need the province to show some leadership here to communicate guidelines to the local public health units and municipalities. Many municipalities are not allowing places to reopen, citing no direction from the province.

Our primary season is summer, and many of our attractions need weeks to prepare their sites for the public. As we dither, we are wasting valuable time. Our attractions need to get open to try to start generating any revenue. We’ve given you the plans. We need consistency in approach and messaging if we are going to be able to start contributing to the economic recovery of the province. To sum this up, allow attractions to open immediately based on their ability to demonstrate they are operating following the guidelines set out by WSPS.

Lastly, our businesses need direct financial help. After being closed the last three months and with an uncertain summer ahead of them, they need financial assistance that recognizes the contribution they make to the economy. We are asking for a grant equal to the last two quarters of HST remitted in 2019. This grant is based on their specific contribution, is easily verifiable by the government and reflects their overall value to the economy.

Even more than the economic contribution of attractions, which is substantial, is their contribution to their community. We are part of the double bottom line, the economic and cultural vibrancy of our communities. We need our attractions. They are also the base of the entire industry. Our attractions are why people choose a destination to visit. They help fill our hotels and bring people to the communities, restaurants and stores.

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

Mr. Troy Young: Without these attractions, the ripple effect on our economy will be huge. Right now, many may not reopen, and many that do will still fail. The loss will be immeasurable to our economy and communities. I thank you for allowing me the time to speak today, and I look forward to any questions you may have for me.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We’ll start with the government side for questions this time. MPP Norm Miller?

Mr. Norman Miller: Thank you to all of you for your excellent presentations. I have a couple of questions. First of all, for Rick and Andy, I’m glad that you’re open and I think it’s great that you put in the protocols that allowed you to open safely.

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It sounds like you’d like more clarity on a few issues like boat rentals and a couple of other points.

You stressed how important the Toronto boat show is, which I’m certainly familiar with. What and when do you need to know to be able to operate that show?

Mr. Rick Layzell: Andy, do you want to take that one?

Mr. Andy Blenkarn: Sure. There are various dates. Fortunately, unexpectedly, retail in the United States and Canada for boating, since things have been loosened in both countries, has actually done remarkably well, beyond all of our expectations, which is certainly a good sign for the economy and government coffers.

The challenge for people is, it takes a lot of work. We have to order our inventory, and the lead time on that inventory is becoming three to six months out. Effectively, the sooner that—we have some manufacturers that are asking us in the next two weeks to commit to inventory for the January show. From that perspective, the time is short.

From the perspective of actually having to be able to manage and put a plan in place, both housing of staff and to deal with the consumers, I would suggest that we would need to have really good clarity before the end of the summer—I would say, sometime in August.

Rick, you can correct me if I'm wrong.

Mr. Rick Layzell: I would support that comment. The show, which our association is a significant partner in—and certainly, it helps to fund our association's activities—would normally be issuing renewal notices somewhere in the second half of June, into the first part of July. I did speak with the president of Canadian Boat Shows yesterday. She has indicated that they feel they can hold on till the early part of August, perhaps the tail end of August. I think we get dire if we get past Labour Day, MPP Miller, to answer your question. If we get past Labour Day, it gets very hard to coordinate the logistics of putting on an event that spans a million square feet and houses 1,200 boats. It gets very challenging. As Andy said, the issue of availability of pipeline inventory becomes more and more of a challenge the closer we get.

Mr. Norman Miller: Thank you for that. I know how important that show is.

Troy, I have Santa's Village in my riding. It's a really important family amusement park. It has been around for many, many years, and I want to see it operate. Obviously, I want to see it be successful. How do you see them operating this summer? It's totally seasonal as well—

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

Mr. Norman Miller: —so July and August are absolutely important.

Mr. Troy Young: Actually, I was speaking with Jamie Hopkins from Santa's Village on a regular basis. Like many other family amusement parks that are seasonal, they need to know now what that season is going to look like. It's going to take them weeks just to prepare the site, and they haven't even been able to bring staff on-site to start the process. We cannot wait to find out, say, on June 27 that the Premier is going to announce that they can open on July 1. It's just not feasible. Our members need time to get ready to go. A place like Santa's Village is going to realize most of their revenue for the year in July and August. If we keep dithering and taking time to figure this out, we keep pushing back that already relatively small season for our members, to the point that in some cases it will make sense for them not to open at all. That means the

jobs they would have provided this summer are just not there.

Wet 'n' Wild in Toronto employs 500 people. It costs them \$50,000 just to fill a pool. When are they going to be able to start, if at all? They need to know so they can make plans.

I think that's our biggest issue right now for our businesses—nobody knows. There is no way for a business to make plans in uncertainty. We're asking for clarification to just give us some of that certainty, and we will judge accordingly.

Mr. Norman Miller: Thanks—good point. I'll pass it on to my colleagues, who I know have questions.

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

Mr. Jeremy Roberts: Thank you so much, Mr. Chair. My question is for Glenn.

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

Mr. Jeremy Roberts: Glenn, great to have you here. I've always been a big supporter of the Special Olympics, and I know that my former boss, the late Jim Flaherty, was a big champion of yours as well.

I've done a lot of virtual round tables with families with children and adults with special needs. They are all talking about the break in routine that has really been difficult for those individuals with special needs. You mentioned allowing Hometown Games. I'm wondering if you have any other thoughts on other things that we can do to help those individuals who have been part of the Special Olympics family here in Canada, to allow them to get a bit more normalcy back into their lives.

Mr. Glenn MacDonell: Thanks very much for the question, Jeremy. Two things, probably: One of the things that I mentioned is the virtual platforms. They're a poor substitute for the type of social interaction that our folks enjoy. But we really learned a lot in nine weeks in terms of how to—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the opposition side now for their time of questioning. MPP Harden?

Can you unmute yourself, please?

Mr. Joel Harden: Thank you very much, Chair. MPP Roberts, I think I'll pick up where you left off, as a fan of the Special Olympics myself.

Thank you, Mr. MacDonell, for that presentation. I'm very intrigued by this model of Hometown Games. I'm wondering if you could just help this committee understand a little bit, from your perspective, your organization's perspective, how that is going to roll out, and if in fact you need help in the promotion of this really important work. I know a number of Paralympic athletes here in Ottawa, both amateur and professional, who would love to avail themselves of that sort of thing.

Mr. Glenn MacDonell: Thanks, Mr. Harden. At this stage, there are sort of two parts to it. One is this whole ability to try to normalize the program for our athletes and volunteers. The people who really run the program are the 15,000 volunteers, so getting them comfortable—which they're on a routine in terms of any sport organization

that's been broken. Where we came to the notion of Hometown Games was basically all on the health boat. We can't foresee being able to bring 1,000 people or 2,000 people together really quickly, but what we can do is bring, hopefully, starting with the virtual platforms of 10 and 15—so as an example, in Kingston next week, we're running a school championship for all those athletes who would have been part of our school championships. We already have 400 registrants. They're all on an online platform. They're all doing their practising at home. They're all competing and putting their scores in. We were going to have an opening ceremony with the Kingston Police as part of it, doing all the kinds of things that we would normally do.

For that very focused group, it seems to have given them—at least what we're hearing back from their teachers and their parents—a goal, something to aim for. So we believe we can do the same thing in Stratford and North Bay and in communities by avoiding the fact that, maybe when we can get 50 and 100 people together, it is a little bit like the minor hockey tournaments and the minor lacrosse tournaments. You bring people together, but you put the focus on it with maybe a little broader of a lens than you normally would, and put the resources toward that, which we think has an economic impact on restaurants and spending on referees and the kinds of officiating you would do with any community. So it should be able to affect Owen Sound and North Bay and Ottawa in a similar way.

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

Interjection.

The Chair (Mr. Amarjot Sandhu): Sorry, MPP Harden. Yes?

Mr. Joel Harden: Thank you, Chair. Just to follow up on that, Mr. MacDonell, I've been in touch with a number of disability rights organizations during this pandemic period, including some Paralympic athletes. What they've been telling me—and I'm wondering if you could reflect on this for our committee—is that it has been challenging. Obviously, they lack access to many of the centres and the resources. The Assistive Devices Program was very scaled back for a while. It's gradually reopening now.

But in particular, so many athletes subsist on the Ontario Disability Support Program. I know that the government has put in place a one-time top-up of \$100 a month. What we have been encouraging our friends in government to consider is making that \$100 permanent across the whole caseload, because many people with disabilities and their families are having a particularly difficult time surviving, and we would like them to be able to focus on their training and their preparation for when we can gradually roll into these Hometown Games you were talking about. I'm just wondering if you have any reflections on that.

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Mr. Glenn MacDonell: I think it's a great idea. As I mentioned in my presentation, when I've been dealing with the YMCA—

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

Mr. Glenn MacDonell: —an organization of that nature, they run programs—it's like bridging recreation and sport together, which used to be somewhat strange bedfellows. They've become much, much closer in the last 10 weeks. That's the approach that needs to happen, because we're going to crawl back into larger sport gatherings. To do that, we've got to kind of go to the abyss, have a look into it and walk back from it.

Mr. Joel Harden: Thank you for that.

Then, Mr. Young, over to you briefly in the time I have left: I've been approached by many, many attraction organizers here in our city, and there is a lot of trepidation. I noted with particular interest your mention of other provinces where commercial evictions have been frozen. I'm wondering if you can reflect on that further.

We've heard the Premier in the past—and I personally would welcome this idea, of personal eviction moratoriums for tenants. But there's not a lot of detail as to how that would actually roll out in a policy perspective.

From the perspective of a commercial tenant, how would you foresee this happening for your members to make sure, as you say, it's protected?

And just to add a little corollary, because I think you're going to get the last word here, do businesses not only need a moratorium on commercial evictions—do they actually need support? What we've been proposing is a 75% commercial rent subsidy, up to \$10,000 a month, thinking about what other provinces are doing. If we just forestall that huge debt load until when it comes later—I'm wondering if you can reflect on that for us. Thanks.

Mr. Troy Young: We started advocating for rental assistance back in March, before the April 1 deadline. So many of our members managed to scrape together rent for April, wondering, "Okay, we'll be able to open soon"; scraped together their rents for May, thinking, "We'll be able to open soon." And now they're going on to a third month. They've already exhausted their resources to pay the first two and are having trouble coming up with the third one.

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

Mr. Troy Young: So, yes, we do need help. Ideally, we would have had a better plan than the CECRA. Having said that, that is mainly a federal government program and we understand the limitations here with what the province can do. But one thing the province can do to help end that is the commercial moratorium. We feel that, just like what BC has argued, it will have people, landlords who are currently hesitant, take up on the program. Getting 75% is better than getting nothing. If they've lost the lever of being able to throw people out of their space, they will be much more inclined to engage and take that federal money.

Does that answer your question, MPP Harden?

Mr. Joel Harden: It does. Chair, do I have any time left?

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

Mr. Joel Harden: I'll just thank all the presenters. I'm sorry I didn't get to my friends in the boating industry. Thank you very much, all, for presenting today.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now. I will start with MPP Blais.

Mr. Stephen Blais: Mr. Young, I'd like to continue along with the rent line of questioning. Of course, I think it's very easy, and I agree, to stop commercial evictions. It's a good carrot to incentivize landlords to participate in the program. I'm wondering, though: For how long do you think that kind of prohibition should exist? If the emergency were to lift, say, on Canada Day, I imagine the financial implications to your sector continue.

For what period of time do you think a restriction on commercial rent evictions should continue?

The Chair (Mr. Amarjot Sandhu): Mr. Young, can you unmute yourself, please?

Mr. Troy Young: I keep getting muted by the hub. Thank you.

We would like to see those restrictions pushed back until at least the end of September. That would give us an opportunity through the summer months, the busiest months for our attractions, to be able to start to make some of that revenue back and be in a position to be able to continue to pay what they owe to their landlords.

For most attractions, 36% of their revenue—this is for a year-round attraction—comes in July and August. We are very unsure what the public appetite for getting back to attractions will be like. We assume, with all of the different guidelines people are putting in place, like social distancing bubbles, limiting it to only five people per household, that we will see, obviously, a lot less revenue than we would normally see during those summer months.

To be able to continue those programs through the summer will give our members the ability to try to recover. But even that may not be enough. We've already been down three months of revenue—zero revenue. We're looking at a summer season, which would normally have generated most of the revenue for our members, being very, very weak—and then going forward into our soft and shoulder seasons to have this continue. We need that extra assistance. We'll need assistance based on the grants that I mentioned, but the extension of the rental program for at least three months—with a proper re-evaluation at that time to see if it needs to be extended beyond, but at least those three months.

Mr. Stephen Blais: I believe you touched on this either in your presentation or in response to a question: How much lead time do most attractions need to get back up and running? Let's say Canada Day was the lifting of the limit. I imagine you need to know next week so that you can properly—

Mr. Troy Young: Ideally, we would get away from arbitrarily putting dates down. Why say, "We'll open up on July 1," when I've got some businesses that will be able to open in three days' time? Why should they have to wait, if they can open successfully now? Some of my members could literally be ready to go tomorrow, if you told them this afternoon that they can open their doors. We've got other ones that, even if you told them tomorrow they could open their doors, won't open for another month and a half. Why are we putting artificial deadlines and dates? These

are not based on anything; these are just dates pulled out of the air because they sound good.

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

Mr. Troy Young: Let's get away from that. Let's get this program opening. We advocate opening immediately.

Mr. Stephen Blais: Thank you. I'm not sure if MPP Hunter or MPP Schreiner has any questions.

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

Ms. Mitzie Hunter: Thank you so much to all three presenters. We really value your perspective.

I'm just wondering, Mr. Young: You had said that you submitted opening plan guidelines. Is that something that you would be able to share with us, so that we can just get a sense of what the industry is looking for in terms of a safe opening? I also wanted to ask: Is there anything that you need from government to be able to implement those opening plans, in terms of your operators as they're considering opening?

Mr. Troy Young: Some of my operators are saying that it's going to cost them up to \$50,000 just to bring in proper safeguards, whether its Plexiglas shields or allowing PPE to be available on-site. So, yes, we could use that additional help, which is why ask for that HST grant based on those final two quarters of 2019.

The reason why we're asking for it based on that is that it speaks directly to the overall value of the organization. Larger organizations will get more; smaller organizations will get less. It speaks to what their needs are. They will need help to get up and running.

Having said that, as for the guidelines, there is a variety of guidelines that have been out there. The one that Attractions Ontario is using is coming from the International Association of Amusement Parks and Attractions. It's an international organization based out of Orlando, and they're the ones that are looking at everything on how it's been rolling out, both down in the Orlando area, China, everywhere.

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

Mr. Troy Young: That's our guideline. We have submitted that directly to the province. I could very easily make it available to the committee, but it is available from their website, just to download.

Ms. Mitzie Hunter: Fantastic. I really appreciate that. I know we're going to have another round of opportunity to ask questions, because I was really interested in the overall coordination that you're looking for and the patchwork that you're seeing. I'm even seeing it today, with Toronto restaurants and cafés being open on patios, and the city of London—I see a lot of people saying, "Hey, why aren't we doing that?" The need for better coordination and consistent standards across like industries seems to be something that would be important and helpful as we're looking at our COVID recovery response and opening up.

The Chair (Mr. Amarjot Sandhu): Our next round will start with the opposition: MPP Shaw and then MPP Miller, Hamilton East–Stoney Creek, will be next. MPP Shaw first?

Ms. Sandy Shaw: Thank you very much, Chair. I'd like to address my questions to the boating association. You can determine who you would like to answer this. My questions come from the point of view of a fair-weather sailor. I have rickety old boat at Macassa Bay Yacht Club right now, so I'm fairly familiar with the boating industry.

I have two questions for you. One is, we heard some of the organizations saying that they are going to have to spend a lot of money, capital, to prepare for reopening safely—PPE, Plexiglas, the kinds of things that they'll need to meet the guidelines. Would this be a fund that your organization could use to help you open and begin to operate in a safe manner?

1340

Mr. Rick Layzell: I'll take this one, Andy.

The marinas were allowed to begin the process of launch on the 4th of May. At that time, that did not include the sailing clubs. Our association does work very closely with Ontario Sailing, which tends to represent most of the smaller boating clubs or the yacht clubs, as it were, across the province. They in turn were allowed to open with some member support in the process of launch around the 12th of May. They've continued to get vessels in the water.

No industry should sit here and say they don't want any support or funding, but quite frankly, I'd have a hard time telling you that I firmly believe the recreational boating community really needs government funding right now. Most of the clubs, as I've said, have opened. Certainly, on our side, our membership has been very quick and responsive in implementing all of the protocols, training staff on PPE. We've done webinars with our membership to train them and help—not only our full-time, 12-month staff, but even the summer staff who are coming in—around the protocols and expectations around the facility.

Ms. Sandy Shaw: My second question is around supports from the municipalities. Many marinas, many boating businesses, operate in municipalities. As you will know, municipalities across the province are struggling, as we all are, financially. The city of Hamilton, for example, is looking at a minimum of a \$125-million deficit just this year alone. They do underpin some of the work—in some instances, they are operating, shared with the boating organizations, the facilities, the property.

Can you speak a little bit to how you think that municipalities, who are asking this government for immediate relief, if they don't receive that immediate relief—how that could impact the boating industry across Ontario?

Mr. Rick Layzell: I appreciate the question.

We do have many municipal marinas. Harbour West in Hamilton would be one that is a very active and engaged member of our association. We've seen a slower uptake on the municipally managed marinas in the province than we have on the private and entrepreneurial marinas. I think anything that slows those facilities down from encouraging boaters to get moving and get spending—anything like that is obviously going to have a spinoff into the municipal coffers.

Mr. Andy Blenkarn: I would just add that with high water levels and that sort of thing, access to the water and

boating infrastructure, which municipal marinas play a critical role—there could be some support for them, especially up here in Georgian Bay, where we're dealing with incredibly high waters. It's very costly. That would be an area, perhaps, where the marinas—Rick and I are just reluctant, because we know there's a lot of suffering out there. We're all in this together. There are limited dollars, so we want to see those dollars go where they can be most effective.

Ms. Sandy Shaw: That's very thoughtful of you.

I appreciate that suggestion, because it is true that with global warming, we are seeing rising water levels and we are seeing that a lot of boating infrastructure is in peril.

I'm going to pass it to my colleague, please.

The Chair (Mr. Amarjot Sandhu): We'll go to MPP Miller, Hamilton East—Stoney Creek.

Mr. Paul Miller: Good afternoon, gentlemen.

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

Mr. Paul Miller: After listening to the three presenters, it's obvious that everyone in the tourism industry could use some clear guidance from the government on how the reopening process will be conducted. It sounds like you are all looking for some clear direction and leadership on how and when this will occur. At this point, some businesses and attractions are opening before others. It's also clear that some people will be hesitant to go to the attractions if the protocols are not in place.

Mandating masks has proven to be a simple and effective way of reducing the spread of COVID-19 in other jurisdictions. Have the people in your industry discussed the potential of mandating that each and every staff member, customer or visitor wear a face covering in order to convince both the government and the people of this province that a safe reopening is possible? Also, what would the costs look like to your industry? If the costs of PPE were to fall on your shoulders, if there was no government subsidy, what would that look like?

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

Mr. Troy Young: As for the masks, yes. In some of the plans that I have seen from my members that they have developed for themselves, their staff are required to wear masks. They would encourage that their guests wear masks. If the government wanted to mandate that, that would be even better, simply because then they wouldn't have to argue with guests at the front door about whether or not it's their policy. Anything that we can get from the government on clarity, whether it's what masks they have to wear or things of that nature—I would suspect that if we started to make it mandatory for people to be out in public at these things with masks, they would quickly get their own and we wouldn't need to be providing it for them at the locations. But even still, my members, I know, have expressed a willingness to do that, if required.

Mr. Paul Miller: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the independent members again for their second round. I will start with MPP Schreiner this time.

Mr. Mike Schreiner: I want to thank all three of you for excellent presentations. My question, really, is directed at any one of the three of you or all three of you, whether it's hometown Olympics, marinas or attractions. What you've said in your presentations is what I'm hearing from a lot of business owners, saying, "Hey, I can meet public health measures and physical distancing better, and my business is closed, than some businesses that are open."

So I'm just wondering if you can maybe give some detailed examples of how businesses that are currently closed can meet public health measures so we could facilitate a reopening, rather than having it be the Premier's office determining what's open and what's not open, doing it more based on guidelines. I don't know if any of you want to elaborate on that in any more detail.

Mr. Troy Young: Yes, I mentioned in my presentation a company called the Haunted Walk. The proposal that they've put forward is that they're talking about a group of five maximum. That includes the guide and four guests. They would operate in a bubble, so you could have a maximum of two households within that bubble. This is obviously not strangers paired up; this is people booking together as an entity.

Most of our places are going to be offering timed ticketing, pre-booked, so that you have to book as a group to come on in, and they can limit the numbers of people together. If an outdoor walking tour that is limited to four guests, that doesn't go inside, that is 100% contactless and will make sure that there are social distancing guidelines happening on the tour—that's a far safer environment than going into a retail store where I'm touching everything that the previous person who was in was touching. Main street retail is allowed to open; our outdoor walking experience can't. It doesn't make any sense to me.

The only reason I can think of is that it's arbitrary, what has been decided, what these different phases will look like. The people who are making up the phases are trying very hard—I don't want to detract from that—but they don't understand the multi-levels of businesses out there. Our members understand their business. They know what they can do, so let's get away from this multi-sector rollout and say, "These are the guidelines. If your business can meet it, do it." We've got some very, very creative entrepreneurs out there who will find ways, and they're going to make sure that their guests are having a very safe experience, because if they don't, the word will get around very, very quickly that you're not feeling safe at these organizations, and that will actually finish their business off way quicker than not being allowed to open ever will. So just let us open.

Mr. Mike Schreiner: Do any of the other presenters want a go on this one? Yes, go ahead, Mr. MacDonell.

Mr. Glenn MacDonell: [*inaudible*] I think it reflects on one of the other questions. Greater symmetry from the province to the municipalities is key, because while we can open regionally, we know there are lots of places in the province that aren't being affected as heavily as, let's say, Toronto is—

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

Mr. Glenn MacDonell: —but it's really key that you get the symmetry, especially in an organization like Special Olympics. It would be chaos. We're going to have to have symmetry from Windsor right through to Ottawa, because some sports can open quite easily, as we know: golf, track etc. Team sports etc. are very, very difficult, and in the discussions I'm having in the sporting industry, everybody is struggling with that.

1350

Mr. Mike Schreiner: Great. Thank you.

I think I'm at the remainder of the independent time. I'll go to MPP Hunter.

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

Ms. Mitzie Hunter: Thanks, everyone, for the insights that you're bringing to our table today, with the experience that you had.

I can tell you, as a local MPP—my riding sits on Lake Ontario, with the Scarborough Bluffs and the Bluffers Park Marina—we received many, many, many letters in terms of the need for consistency in the reopening.

I was wondering, in the small amount of time that we have, if each of you could just talk about what is most important to your industry, even if it's just one thing that can be done. We can start in the order that you presented.

Mr. Rick Layzell: Thank you very much for the question, MPP Hunter. I think clarity. I really think that so much of industry's ability to move forward—I believe our collective goal is to stimulate the economic recovery of the province. Without clarity—I'll go back to my example of the rental boat operator that had bylaw and health unit approval to open and then, three days later, got shut down and, three days after that, got told, "You're okay. We're going to drop the fines, and you can open."

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

Mr. Rick Layzell: Nothing changed in his process. So clarity is so, so important, from my perspective.

Ms. Mitzie Hunter: Thank you.

The Chair (Mr. Amarjot Sandhu): Any further questions?

Ms. Mitzie Hunter: Can we hear from our Special Olympics group? Mr. MacDonell?

The Chair (Mr. Amarjot Sandhu): Mr. MacDonell, can you unmute yourself, please?

Mr. Glenn MacDonell: I'd echo the same thing. I'd say clarity, for sure. And if we can coordinate across ministries, especially for an organization like ours, between health, community and social services, sport and recreation, I think we really could do better in terms of not duplicating the effort in some areas.

Ms. Mitzie Hunter: Great. And Mr. Young?

The Chair (Mr. Amarjot Sandhu): All right. Thank you. We have to move to the government side now for their next round of questions. I will start with MPP Smith this time.

Mr. Dave Smith: Thank you very much, Chair. Through you to Glenn MacDonell: Special Olympics is a member of the advisory committee on amateur sport recovery in the province. Can you explain why you think

it's valuable for the province to be considering all accessibility issues when we look at reopening the province, and not looking at doing it as a retrofit after the fact?

Mr. Glenn MacDonell: Thanks for the question. It's absolutely key. If we push that as being a non-priority, it will get lost—not in months but in years. If we can make that as part of the objective going into it, I think people will adjust, and we'll do much better.

Mr. Dave Smith: Thank you very much for that.

My second question is to the gentlemen from Boating Ontario. With respect to the Toronto boat show, how much of your clientele coming to that is coming from the United States, and what kind of an impact do you think it will have if we can't have the borders open to the US?

Mr. Rick Layzell: Great question, MPP Smith. Thank you for that. I can certainly get you a factual number. I know that our partner in the show tracks very carefully the demographic of attendance. But if I had to take a guess—and this past year was my 31st Toronto boat show; I've been there for a long time—it's not 10%. So we don't rely on the Americans to make that event, that exhibition, work. It is very much an Ontario event. We draw from Ottawa. We draw from Windsor. We draw from Sudbury and North Bay. We don't rely on the Americans. The reality is, American consumers buy from American marinas and boat dealerships. It is more the trades that really come up. It's the boat manufacturer reps and so on and so forth. I can tell you, that sector of the industry is already looking at alternative solutions.

So to lose the American side, from our perspective, will change perhaps the feeling for those of us in the industry a little bit, but it will not harm the event or the impact that that show has on the city of Toronto.

Mr. Andy Blenkarn: The border has a bigger impact on our industry in-season—i.e., property owners who are American, or people who have a boat that is their cottage who come across. That is about 30% of a lot of our business, and that would actually have a much larger impact.

As to Rick's point earlier, there may be a roadmap here for a phased approach of reopening the border, maybe allowing property owners rather than a general opening and see how that goes. The only other thing I'd say is, we do have people coming from BC and Newfoundland, but it's primarily an Ontarian show.

Mr. Rick Layzell: It's very much an Ontario show, for sure.

Mr. Andy Blenkarn: Yes.

Mr. Dave Smith: Thank you very much for that. I'll pass it over to MPP Skelly.

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

Ms. Donna Skelly: Thank you, MPP Smith and Mr. Chair. My question is for both Mr. Young and Mr. MacDonell. How would you reopen, in the case of Mr. Young, something as busy as an amusement park? For Mr. MacDonell, how would you reintroduce team sports and still maintain safety amongst the athletes, participants and visitors to these parks?

Mr. Troy Young: The amusement parks are going to open up under a restricted number of people allowed on site. Based on the guidelines—

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

Mr. Troy Young:—most of them are anticipating a 30% capacity from what they're normally able to handle. There is going to be, in some cases, time ticketing, virtual queuing where you basically—rather than waiting in a line to get on a rollercoaster, say, you log in when you get there with an app that picks the time when you're available to go on the rollercoaster. So you're not clustering up in these great big queue lines. But they will also have people on site, with markings on the ground that show distancing, making sure that people are abiding by the distancing. You could get thrown out of the park if you're not following the rules.

They are ready to go. There are a number of ways to do it. We always look to a place like Disney, right? Disney is the—

Ms. Donna Skelly: But Mr. Young, what about contact of sitting on a ride, and you have that physical contact? Are you going to be wiping down every seat of every ride after—

Mr. Troy Young: They will—sorry. Every one of the organizations has developed their own plan on what they would do. I know that Canada's Wonderland is actually going to be coming forward with their specific guidelines. I don't want to get into the specific guidelines of specific businesses, of what that one business may or may not do. That is up to them to show that they can meet these restrictions.

If the public health guidelines are talking about exactly that, asking the question of how you are going to maintain the ride, that is up to the individual organizations, for them to come forward and do that. I can't advocate or say exactly what an individual business is going to do.

Ms. Donna Skelly: Mr. MacDonell, could you comment on group sports and whether you think that's even a possibility?

Mr. Glenn MacDonell: We're working with all of the sport organizations. We don't see team sports in its traditional form as a possibility or objective right now.

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

Mr. Glenn MacDonell: Our objective is to use the individual sports, like track and field or golf, to get people out of their houses. As we begin to congregate, we'll deal with team sports. That doesn't mean we can't do soccer skills; it just doesn't mean we'll have soccer games.

Ms. Donna Skelly: Those are my questions. Thank you.

The Chair (Mr. Amarjot Sandhu): Any further questions? MPP Kramp, do you have any questions?

Mr. Darryl Kramp: Yes, I do. I just have a quick one, if I may.

Mr. Young, we all recognize a lot of the problems. The challenge, of course, will be to try to find our solutions going through. Certainly, we've seen a number of the programs that have not met the standard that we wish to be able to have for help, a classic example being, as you said, the landlord-tenant allocations, etc.

The solutions: You made an interesting proposal that sort of grabbed my attention, though. You mentioned a

possible remittance of the HST or a portion of the HST. I'm certainly intrigued, because of course it is—

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

Thank you to all three presenters for your time and for your presentation. Thank you so much.

FAIRMONT ROYAL YORK
ONTARIO CRAFT WINERIES
CENTRAL COUNTIES TOURISM

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from Fairmont Royal York: Can you please state your name for the record? You will have seven minutes for your presentation. Mr. Frizzell?

Mr. Edwin Frizzell: Hi. Good afternoon, everyone. My name is Edwin Frizzell. As you mentioned, I'm the regional vice-president and general manager at Fairmont Royal York.

1400

I'd like to begin by recognizing the members of this committee and all levels of our government, who have been working tirelessly to support our city during this unprecedented time. On behalf of my entire team, thank you for all that you're doing for Toronto, Ontario, and its residents.

For over 90 years, the Fairmont Royal York has been the place of occasion in Toronto. Opened in 1929, she survived the Great Depression, served as a hospital for soldiers during the war, and has been home to royalty, heads of state and millions of visitors throughout her history. Certainly, she's the grande dame of our city.

For the past three months, she has once again served the Toronto community by housing thousands of front-line health care workers who are at the forefront of the battle against COVID-19—as of last evening, providing over 8,000 complimentary rooms to this cause. Placing themselves at risk, the now skeleton Fairmont Royal York team has come to work every day to welcome, house and feed these vital members of our community, to ensure that we have the continuity of health care our residents expect, and to continue to fulfill the role hospitality is expected to play in our city.

The COVID-19 pandemic has had a dramatic effect on the Fairmont Royal York. Revenue declines of over \$100 million have already been experienced. Some 95% of our workforce—that's over 1,100 hospitality professionals—are on open-ended leave without income. Social events, meetings, conventions and business travel have all been cancelled through the balance of 2020. Being open as an essential service for accommodations is simply not enough to sustain business viability. Food and beverage venues and meeting and event spaces compose over 50% of the revenue of our operation, and they currently sit dark and empty.

Under these current restrictions, and without a clear timeline for these facilities to reopen, we have no clarity

on when we may be able to become viable once again. Without swift action to provide customer insight and our path to financial viability, our pipeline of future business is eroding well into 2021 and beyond.

The pandemic declaration of March 11 has been catastrophic for our industry. Oxford research and CBRE forecast that the tourism industry will not experience demand recovery for 24 to 36 months. Economic recovery for the hotel sector may not be experienced until 2025 or beyond. These are sobering statistics, and they underscore the need for immediate action by government. Restoring public confidence in the tourism sector is vitally important if people are to stay at hotels, attend meetings and events, visit attractions and partake in all that Toronto has to offer.

Certainly, other sectors have been provided the opportunity to move forward, such as retail and professional services.

Hotels have embraced all protocols and guidelines issued by the province and have further complemented these measures by preparing enhanced safety protocols. These additional protocols are in place today and demonstrate the readiness of hotels to accommodate guests, host events, welcome travellers and support businesses that rely on hotels each day.

It is my sincere request to this committee and, indeed, government that you help to recommend that we permit hotels to host meetings and operate restaurant and lounge venues in our safe and controlled environments, with clear protocols to do so. This will enable hotels to begin restoring financial viability while driving local and provincial economic recovery and, most importantly, supporting a return to work for the many hotel employees affected. Moreover, supporting hotels in this way will allow for us to continue to service and support Ontario's health care system.

Once we have provided a clear path forward for the full operation of our hotels, dedicated funding for local marketing efforts that will bolster consumer confidence in our city is critical to Toronto.

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

Mr. Edwin Frizzell: Thank you very much for all of your support. My team and I are ready and willing to continue to serve our community and do whatever it takes to bring Toronto back to that status once again. Thank you for helping us pave the way forward.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to the next presenter, from Ontario Craft Wineries. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Richard Linley: Thank you very much. My name is Richard Linley. I'm the president of Ontario Craft Wineries. I'm here today with Len Pennachetti, who is the chair of Ontario Craft Wineries. We will be dividing our time through the slide presentation over the next seven minutes.

We had the opportunity to first present to the committee back in January in Niagara Falls. A lot of the issues and challenges that face our members today are no different and, if anything, have been further exacerbated by the current pandemic and the current health emergency.

Just a little bit about Ontario Craft Wineries: We represent over 100 farm family wineries across the province. The vast majority of our members are small to medium family enterprises. We're a significant driver of the Ontario rural economy, and unlike other beverage alcohol sectors, we are 100% Ontario-grown and produced.

We support over 18,000 direct and indirect jobs across the province, most of which are in rural Ontario. In terms of the value chain and supply chain, the industry is very impactful. This translates into \$98.20 being returned to the provincial economy with the sale of each bottle of Ontario VQA wine.

Prior to COVID—and I can imagine the committee members would be well aware—the Ontario wine industry attracted over 2.4 million visitors a year to their front doors and to their cellar doors. As a result of COVID, they have been heavily impacted, retail stores and restaurants having shuttered.

So that committee members have a sense of the impacts, we did assess the impact on our membership between April 1 and April 21, 2020, just after the pandemic hit. We were able to survey close to 80 wineries in the province from Niagara, Prince Edward County, Lake Erie North Shore, and then the emerging regions all the way down to Port Dover, and also up to Collingwood.

In terms of the responses we got from most of our membership, 96% of the respondents have lost sales to restaurants and other licensed establishments, which we expected. They've also lost sales at their tourism doors because most wineries have decided to close to ensure that public health is their key priority. Almost three quarters have lost business such as weddings and other special events, which are an important source of revenue for wineries. For wineries, these represent close to 30% of VQA wine sales in the province, so that's a sizable and significant chunk of individual wineries' current revenue.

In terms of needed support, wineries were almost unanimous that they view government assistance as essential. They've called for a one-year waiver of taxes, dues and other government fees. They've spoken in favour of wage subsidies, interest-free loans, and they have responded that they could use more help from the LCBO.

Looking ahead over the next three months, the biggest threat is more employee layoffs. Two thirds of wineries feel they will be stuck with bad debts from restaurants and licensees. Half believe they may have to close temporarily, and close to 20% have said that they may go out of business altogether, which is close to 30 to 40 wineries in the province.

In addition to the challenges we face—and I'm sure the Grape Growers spoke about this this morning—we're currently faced with an Australian trade challenge that erases a number of advantages that our industry currently has in-market, whether it's with respect to grocery and also the tax rate differential for 100% Ontario-grown wine and the off-site winery retail stories. There are other issues at play. We continue to engage with the Ministry of Finance and also Global Affairs Canada on trying to find a resolution to that issue, but if there is no fix to this, there

could be serious and adverse impacts for the Ontario wine industry.

I'll now hand it over to Len Pennachetti, who will take us through COVID recovery for the industry.

Mr. Len Pennachetti: Thank you, Richard. To start, I'd like to point out—and many of the members of the Legislature already know—that we had a pre-existing condition prior to COVID. There are many structural problems that we face as VQA wineries that we've been trying to address through the Ministry of Finance for the last two years. We're hopeful that when we come through this, there will be some structural changes.

Our immediate request in the near term is, first of all, the 6.1% basic tax. Again, many members are familiar with this. This is a tax that's charged only on Ontario wine. No other product in the province pays this tax.

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

Mr. Len Pennachetti: We think it's unfair and punitive, so we request that that tax be eliminated.

Secondly, we feel that we are forced—because of the distribution system currently in place through the liquor boards, we are essentially treated like imports in our own market. We describe that as an import tax that we don't think we should have to pay, which would put us on a level playing field with all of our international competitors who do not pay the sort of tax that we're forced to pay because of our distribution system.

1410

Finally, as an immediate help—and you heard from the Grape Growers this morning—we have a harvest coming soon in the fall, and we're fearful that with the decline in sales, the demand for grapes will be reduced, and so we're urging the LCBO to expand the bag-in-box program. Almost 44% of domestic wine has been sold through that format, and we'd like to see an expansion of it for VQA and 100% Ontario-grown fruit.

The LCBO has been a good partner of ours for a long time, but we're fearful of the surplus wine from around the world that will soon be coming our way. We're already seeing reports in the international press about foreign governments, especially in Europe, creating programs to support exports, because like for us, wine supplies are building up because of the lack of sales. We're fearful that our own government and our own liquor board will welcome those products in here and flood our market. We don't think that that would be a good thing.

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

Mr. Len Pennachetti: We're also mindful of the fact that with the deficits that we're incurring at the moment, it's small businesses like our members who will be paying the future taxes that will address those deficits, not foreign suppliers. So we're hoping that the government will use its asset, the LCBO, to put Ontario wines first in their programs going forward.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll move to the next presenter, from Central Counties Tourism. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Chuck Thibeault: Thank you. Good afternoon. I'd like to thank you for providing me the opportunity to speak in front of you today. My name is Chuck Thibeault and I'm the executive director of Central Counties Tourism, the provincially funded not-for-profit that's dedicated to developing, supporting and promoting the tourism assets of Durham region, York region and the Headwaters tourism region, which is made up of Dufferin county, Caledon and Erin.

For years, the word "tourism" has been a barrier for success in the province of Ontario. I think the reason for that is because it conjures this image of a group of people wearing Tilley hats, Hawaiian shirts, and shorts with socks and sandals getting off a tour bus with cameras at the ready. The truth is that the vast majority of tourists are Ontarians who have travelled to a community where they don't live or work to spend some of their hard-earned disposable income. They don't regard themselves as tourists any more than the communities they visit recognize them as such. But that community is benefiting from the money that is being left in their cash registers.

Since taking the post of Minister of Heritage, Sport, Tourism and Culture Industries, the Honourable Lisa MacLeod has spoken of the double bottom line, referring to the contribution that businesses that make up her portfolio have on the province. The effects of COVID-19 have shone a spotlight on this truth.

Tourism is a by-product of a vibrant community. The art, culture, heritage, attractions, sports, public spaces and hospitality that make a community a wonderful place to live and work in are also the same reasons that people choose to visit. We often speak of the economic impact of tourism in Ontario, but that's only telling a fraction of the story. Tourism businesses, from community museums to Canada's Wonderland, rely on locals for their bread and butter. Because of this, the revenue numbers and staffing numbers for tourism are only a percentage of the revenues and staff of each business as a whole. That's why the province recognizes 200,000 tourism-related businesses but only 400,000 staff attributed to tourism. But the impact of each of those businesses, the impact they have on their communities, is 100%. When a business closes, the community loses 100% of the revenue it brought to the community and 100% of the staff and the wages they were able to spend within that community. The economic impact of tourism on the economy may be \$36 billion, but the economic impact of the businesses that make up the tourism sector is exponentially higher than that, and spreads to every corner of the province.

The first tourism business to close within a community is like a crack in the dam that protects the vibrancy, both social and economic, of that town, and every business that closes afterwards places the community in a deficit position of being able to attract residents and new businesses, not to mention visitors. The issue is that if other provinces do a better job of maintaining the vibrancy of their communities, Ontario will lose its competitive advantage of being the best place to live, work and visit.

When it comes to the current support measures for businesses, many are falling flat for the businesses that

make up the tourism industry, and that's because the vast majority of their revenues are perishable. If you need a new car and you can't afford one right now because of COVID-19 and the position you're in, you still need a new car and eventually you're going to go buy that car. But if you visit your favourite attraction or restaurant three, four, five times a year, you're not going to double up your visits once they reopen to catch up. You're going to go back to your normal routine of visitation.

This means that the tourism-related businesses forced closed by the pandemic have lost 100% of the revenue they would normally have made during their closure, with no chance to recover it. Loans for these businesses—

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

Mr. Chuck Thibeault: —are not the solution because it is just layering on debt, which may delay the inevitable.

So how does the province help? Well, on a call several weeks ago, Premier Ford challenged the sectors that make up Minister MacLeod's portfolio to come up with re-opening processes and protocols that meet the provincial guidelines, like social distancing. Well, they've met that challenge. In the Tourism Industry Association of Ontario's written submission, they are recommending—and I am endorsing here—that businesses that demonstrate they can meet the current provincial safety guidelines be permitted to open now rather than lumped together in a phased approach.

For many businesses, even with a reduced capacity and social distancing in place, it could mean the difference between survival or insolvency. And don't worry about how long it will take some of them to reopen. Give the green light, and the businesses will open as soon as they can.

Insurance companies have not been honouring business interruption claims that protect the revenues lost by these mandated closures. It would be great if government could talk with the insurers about creating a relief pool of funds, much like they did in New York after 9/11. Business may only get pennies on the dollar compared to what full coverage was supposed to do, but at this point some is better than none.

Fix and extend the commercial rent relief program to at least the end of the summer, and, as Troy was just saying, maybe to the end of September. This would be a benefit to many of the businesses in the industry, because when they even do get to open, it will be at a fraction of their normal capacity.

Finally, it would be great if a fund was created to assist businesses with the new, unbudgeted expenses they'll have to incur to prepare themselves for reopening. Things like Plexiglas shields, touchless faucets, handwashing stations and PPE can cost thousands of dollars, even for the smallest business. These businesses have seen no revenue—

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

Mr. Chuck Thibeault: —for three months, and many will find it difficult to find the resources to pay for these additional costs. A similar program was just announced in PEI.

What I hope you've taken from this brief presentation is the importance of keeping Ontario communities vibrant so that people choose to move here, or stay here; companies choose to lay down roots here; and visitors from across the world look to us as a destination of choice when it's safe to travel. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now. We'll go to the independent members for questioning this time. MPP Schreiner?

Mr. Mike Schreiner: Thank you, Chair, and I want to thank all three of the presenters for being here today.

I just wanted to go to Mr. Thibeault just a bit on the commercial rent program. We've been calling for a ban on commercial evictions. I know that other provinces have done that. Also, other provinces have looked at making participation mandatory for businesses that qualify, rather than leaving it up to the landlord. Would you agree with those changes to the program, and would you offer any other suggestions on how we can improve this program, before we lose businesses?

Mr. Chuck Thibeault: If they came out quickly—I think the government has moved extremely quickly on a lot of these initiatives, which is phenomenal. I think it's done with good intentions; it's just that some of the ideas are falling flat. Making it so that the landlords can't kick the people out is certainly a good incentive to get them to apply, because they will at least get 75% of their rent versus the 0% they're getting while this pandemic is going on.

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I do understand that there could be issues because some of the big landlords, are pension funds. You're asking them to give up 25%, which then goes to pensioners. There has to be a happy medium. I think that going to the landlords made sense, because there are less of them than the actual individual businesses. But putting those resources into the individual businesses' hands would have made it a lot more streamlined and everyone would have benefited from it.

Mr. Mike Schreiner: Yes, and my next question will be for anyone, or all three of you. We know businesses are going to experience significant costs for reopening to meet public health measures—Plexiglas, PPE, whatever it's going to be. Do you have any suggestions on the ways in which government can assist businesses in managing those costs?

To any one of you.

Mr. Chuck Thibeault: I'll go. Sorry, I don't want to monopolize.

Any type of fund put in place that people could draw down from—I think PEI is offering \$2,000 per business to help out. I just saw that yesterday as I was putting my remarks together. I think it goes a long way. There are a couple of smaller businesses within Central Counties that are telling us that it's going to cost between \$3,000 and \$5,000 just for them to get reopened, with the new procedures in place that they want to put in place to make their customers feel safe.

At the end of the day, it doesn't matter what anyone else thinks about it, except for the customer. If a customer comes in and says, "You haven't done enough," that is going to be devastating to that business. They are going to go out of their way to make sure that they have done everything they can. Whether it's a fund, whether it's a tax rebate—they need the money up front. That's the issue: they have no money. Money up front is what's going to help.

Mr. Mike Schreiner: Yes, go ahead, Mr. Frizzell. I think Mr. Frizzell wanted to speak. Yes, go ahead.

Mr. Edwin Frizzell: Yes, I think one of the most important ways for us to—you know, cost is cost in business. But the challenge right now and, really, the solution, is driving revenue.

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

Mr. Edwin Frizzell: The best way for us to be able to find ways to cover these additional safety protocols is to clear the path for us to be able to bring more people into our businesses.

Right now, we're in a situation where, both on the food service side as well as on the meeting-and-events side, I really must say, that's a much longer-term problem. I can't tell a bride and groom right now if they can host their wedding in September or October or November because we don't have clarity on whether or not I can have five people in a ballroom that normally fits 500. So the cost of those things is not really so much the barrier at the moment. Really, the path, the timeline and the clarity to be able to tell people what they can expect is a critical piece of the puzzle right now.

Mr. Mike Schreiner: Great, thank you. To my friends at the craft wineries, I'm going to pass my time on to MPP Hunter, but I wanted you to know that I support tax fairness for Ontario wine, and I hope this committee will support it as well.

I'll pass it on to MPP Hunter.

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

Ms. Mitzie Hunter: Thank you so much for the presentation and for giving us such a very broad, regional perspective. I'm wondering about the workers. If you could talk a little bit about—we can start with Mr. Frizzell—what you're doing so that workers feel safe and protected.

Mr. Edwin Frizzell: Absolutely. Because we've been deemed an essential service and we've been in business supporting the front-line health care workers, very early on in the pandemic we recognized that we needed to create additional training and we needed to provide all the necessary equipment. We created a number of processes at the Fairmont to make sure that that scenario is safe for all of our workers.

Additionally, the biggest thing we want to do is support those that are at home. We've been fundraising on their behalf. We've been providing food and meals to our staff when they're not here and, of course, making sure that they're fully aware of all the great programs that the government has provided—CERB, EI and, course, CEWS. I think that's a critically important part of the puzzle.

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

Mr. Edwin Frizzell: [*Inaudible*] of our company is taking care of people.

Ms. Mitzie Hunter: Is there anything else you want to add? I know we have less than a minute, but I would allow you to expand.

Mr. Edwin Frizzell: Absolutely. Plexiglas shielding, contact surface cleanliness, resting periods for rooms after guests check out, gloves, masks, restricted entry, temperature checks for staff as well as patrons: All of these circumstances are in place today.

My real challenge, to be honest with you, is that that doesn't extend into my foodservice environments, my ability to host events, and I've got a great deal of people looking to me to give guidance in the future, both for their livelihood on the part of the staff as well as for the many people who rely on the hotel to support the community moving forward.

We have the protocols in place. The equipment is there. The building is safe. We've been operating for 12 weeks in the middle of a pandemic with no issues. We just need to be able to continue to move this process forward.

Ms. Mitzie Hunter: Thank you.

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

Mr. Stan Cho: Thank you, everybody, for appearing today. I've got a question for Richard and Len. We heard from the Ontario grape growers this morning about some of the lower-hanging fruits in terms of regulatory changes that the government could introduce to help the sector.

This morning, many of your issues came up, including the bag-in-the-box issue. We understand how that would help local growers and move local product. Are there others that maybe weren't presented? I know that this morning the issue of shelf space came up. Is that something that would help your sector as well?

Mr. Richard Linley: Yes. I can jump on it, Len, and then you can jump in as well.

Shelf space is critically important. There are a lot of small wineries right now that, because they have been forced to close their cellar doors and, if they're not in the LCBO, really don't have market access right now. So anything the LCBO can do right now to help not just large wineries, medium-size wineries but wineries of all sizes so that they access to the Ontario customer would help.

We've had discussions, as of last week, with the president and CEO of the LCBO on how we can make that happen. That's a work in progress.

There's a number of red tape initiatives, too, that will help as we come out of the pandemic or we move into phase 2 and phase 3. That would certainly help our sector as we move to a new normal, but the challenges right now—and I know that a few have alluded to it—really is margin, and that was an issue that was prior to COVID and remains an issue now.

Our big focus is how we help sustain our smallest wineries through the current situation and then also bring structural reform for the industry, which has been a long-standing issue over the last two to three decades.

Len, do you want add to that?

Mr. Len Pennachetti: Well, I said earlier that we had a pre-existing condition prior to COVID, and what that means now in these circumstances is that the wineries that were disadvantaged under the current system going into COVID are even more disadvantaged now. We're an industry of haves and have-nots, and the have-nots are getting punished far more than those who, for example, have their own private retail network to sell through. If you've lost your cellar door and you've lost all of your restaurant customers and you don't have a private retail network, your only alternative is the LCBO. So just to reinforce what Richard said: Shelf space—any help we can get through the LCBO is critically important, especially for craft wineries.

Mr. Stan Cho: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to MPP Khanjin for the next question.

Interjection.

The Chair (Mr. Amarjot Sandhu): Can you unmute yourself?

Ms. Andrea Khanjin: Okay.

The Chair (Mr. Amarjot Sandhu): There you go.

Ms. Andrea Khanjin: We're good. My first question is for Richard and Len. We had this come up with a previous witness, but just thinking of ideas of how you can expand your ability to get to more customers.

Locally, we have Heritage Estate Winery and Cidery, and they rely on—

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

Ms. Andrea Khanjin:—coming and picking up different ciders and whatnot. But with us having drive-throughs, Ontario Parks, and park space opened—a previous witness had mentioned the possibility of maybe making that open for consumption of alcohol, obviously doing it safely, and of course our government released a tailgating policy months or years ago. So if you can just comment on what your industry is thinking along those lines and how you would do that safely.

Mr. Len Pennachetti: Richard, do you want to try this? Do you want me to go?

We of course welcome any relaxation of—we're talking about AGCO rules. Essentially the service of beverage alcohol is regulated, as we all know. Other jurisdictions of course have relaxed those regulations. I just read about a change that has occurred today in New York state that is helping wineries.

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One of the things that we do have as—we're all farmers too. We all grow the grapes that we turn into wine, so we all have a lot of room to spread out. So there are opportunities in wine country to do the sorts of things you're talking about. We're certainly working with the AGCO to facilitate that sort of thing. We're working through right now, literally today, how we reopen our tasting rooms. That is governed by, as you know, local health authorities in addition to the provincial restrictions. So we're trying to get that going as fast as we can because the Cellar Door, as Richard pointed out, is a critical channel for most small wineries in the province.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to MPP Kramp for the next question. One minute left.

Mr. Darryl Kramp: Thank you. Mr. Thibeault, as we know, in the tourism and hospitality sector in particular, a lot of the operators hire students. I've had a number of operators tell me that they are expecting to have a real problem hiring students even when they're able to come back, due to the basically unconditional guaranteed income that they would be receiving. Are you experiencing any conversation with your members on that issue?

Mr. Len Pennachetti: I'll speak for myself, our business and our members. Frankly, all of our—when you take students into the wine business, typically that would be in the hospitality side of the—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to go to the opposition side for questioning. I'll start with MPP Fife.

MPP Fife, can you hear me? All right. We're experiencing some technical difficulties. We'll start with MPP Stevens instead.

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

The Chair (Mr. Amarjot Sandhu): Yes.

Mrs. Jennifer (Jennie) Stevens: Great. I'm going to be directing my questions to Richard and Len. Thank you to all the presenters today.

Most of all, my first question is going to be about the St. Catharines area and the Niagara wine industry for the craft wine. As you know, the city of St. Catharines did a beautiful job creating a vibrant wine route through our downtown. The craft wineries and spirits have become the fabric of it, actually. It's also a big part of a strategy to bring tourism to our area. We, in the fall, have the grape and wine festival. Our city predominantly hosts it at Montebello Park. This is kind of a twofold question: Can you expand on how important the events are to wine and spirits for Ontario in terms of revenue and financial benefit and what will it mean for the industry now that the grape and wine festival has been cancelled? We know that Niagara College has been a participant in that. As well, many, many of our craft wineries have been participating in that over the years.

Mr. Len Pennachetti: I'll take that, Richard.

Thanks for mentioning that important festival. The grape and wine festival in St. Catharines, as you point out, is really a key event in the calendar for all of our members in Niagara. I can tell you that wine sales at Cellar Door in Niagara, historically, have always been the highest—the highest weekends of the year for sales occur then during the wine festival. That's one example. We have many festivals, as you know, throughout wine country, across the province and certainly here in Niagara. So, yes, it will hurt sales—no question about it—especially the smallest wineries that are more reliant on those Cellar Door sales. People visit wine country when there's a reason, like a festival. That's what drives traffic to our doors, and if that festival isn't happening, then we're losing probably the most important sales of the year.

Mrs. Jennifer (Jennie) Stevens: Great. Just to piggy-back on that, wedding season is upon us right now. What

better ways to have a venue than to be at one of the craft wineries down here in Niagara? I know that a lot of the wineries are struggling right now because they're going to be taking a financial blow, not only because weddings are cancelling because of the gathering spaces and practising social distancing—

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

Mrs. Jennifer (Jennie) Stevens: Can you highlight to the government how important it will be to have a concrete strategic plan with an economic recovery cost for not only the wineries, but also for the wineries and venues to get back to the young couples that had to cancel?

Mr. Len Pennachetti: Well, you've already heard from the Royal York. Weddings are a huge part of their business, and they are also a huge part of our business. A lot of wineries host not only ceremonies but also receptions. We've had multiple cancellations at our vineyard. It's happening across wine country.

I would just echo what Mr. Frizzell said earlier. The sooner we can get back into business, create some certainty for those brides and grooms that they'll want to book a wedding—because right now, there's so much fear. They're holding back. So more than anything, we need the government to try to instill confidence in our customers so that they can make those decisions with confidence and we get the bookings and we get back [*inaudible*].

Mrs. Jennifer (Jennie) Stevens: Okay. In saying that, the federal and the provincial government have created broad business support programs that certainly have left some gaps. Obviously, that's why we're all here today now. Can you talk a small bit about what some of the gaps that might see that the present from the current COVID-19 business program—supports that have been created in your industry, the wine industry or the craft wine industry, during the COVID pandemic?

Mr. Len Pennachetti: Well, we're certainly grateful for the wage—

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

Mr. Len Pennachetti: —support program. We're grateful for the CERB program. They've been a help in the short term. I made this point yesterday with the Minister of Finance: The LCBO has precluded our representatives, our sales reps, from working in stores. There are a lot of jobs there. We can't bring people back to work if they have nothing to do. Every sales rep in the province has to go into an LCBO store. But if the store is forbidding them from darkening their doorway, then that job is gone. The sooner we can get things back to normal in that channel, which the government controls, obviously, the better and the more jobs that will result immediately.

Mrs. Jennifer (Jennie) Stevens: Thank you. I just want to thank you on that. I want to thank, also, the craft wineries, as well as all the VQAs, just to let everybody know how important it is to continue our VQAs to be top-front on the shelves.

I'll pass it on to MPP Fife.

The Chair (Mr. Amarjot Sandhu): All right. Thank you so much. We'll go to the government side now. Her time is up. Unfortunately for the opposition, we have to go

to the government side. MPP Kramp? Can you hear me, MPP Kramp? All right, we'll go to MPP Crawford. Next will be MPP Khanjin.

Ms. Andrea Khanjin: Hi. One question I wanted to ask Edwin and Chuck. Myself, and I know my colleague MPP Cho, had weddings scheduled this summer. I know, Edwin, that the Royal York has been trying to do something with weddings and smaller crowds. How does that number, in terms of government policy, impact your industry? What would that right number be to reach the balance of safely running weddings, but also social distancing measures? Do you do two sittings, two dinners at 50 or 100? Because obviously 500—I don't know when we might be there, but maybe you have some comments on that.

1440

I know with Chuck, the wedding was supposed to be at Cambium Farms near Erin, where my in-laws will live. Also, Millcroft Inn and Spa would be impacted. They obviously run their spa there, and that could be a tourism [inaudible]. From the tourism aspect, obviously weddings are a big part of that, because people are staying [inaudible]. If you could just comment on some ideas that you have.

The Chair (Mr. Amarjot Sandhu): Can you wait for a second?

Mr. Chuck Thibeault: I was going to let Edwin go first on that one, but I can. That's fine.

You're right. The Millcroft Inn, the Alton Mill, all those areas: That is a big tourism draw, and weddings are a huge part of it. There is a set of reopening guidelines that have been submitted to the government by all the different associations—Resorts of Ontario, Festivals and Events Ontario, Attractions Ontario; they were all there. Then what happens is that the Millcroft then looks at the guidelines and says, "How do I open? How can I open? What is that opening going to look like for me?" They would reach back to you and say, "Well, this is what we can do for you. Let's hope that it works."

There is a call taking place right this second with a festival organizer in Vaughan called Pizzafest who has found a private property and has completely laid out a social-distancing event where there are private screened patios, a Port-O-Let per family group, a stage—it's all set up, and we want to talk to them as an RTO about the concept. Can this work? And if it can work, can we help them keep it up all summer long so all the other festivals or weddings or whatever—how can they then utilize that space, and how can we duplicate that as a social-distance experiment for festivals right across our region and hopefully the rest of the province?

It's doable. As Troy said in the last hour, the people who run this industry are entrepreneurs and will always come up with a fix, and the whole purpose of their being is to make people like you happy.

The Chair (Mr. Amarjot Sandhu): All right. We'll go to MPP Crawford. Three minutes.

Mr. Stephen Crawford: Yes, thank you, Chair. Hopefully you can hear me now.

My question is for Mr. Frizzell. I can't imagine what you're going through. Your industry, the hospitality industry, tourism and hotels have been absolutely devastated. This is probably the worst devastation, I'm sure, that you've seen in your career, perhaps since the Royal York's beginning back 90 years ago.

Obviously it's in all of our interest—we really want to see your hotel and the hotel industry get back on track. My question to you is, there are some jurisdictions around the world that are further ahead than Ontario in terms of battling the coronavirus, COVID-19, and some hotels have opened up. Is there anything we can learn from those jurisdictions? Is there anything you can give us in terms of initial data, in terms of what kinds of flows, in terms of if people are staying there, where government maybe did something that helped get things back on track or set proper policies and procedures? Can you give us a sense as to how that's going in jurisdictions—I know that in China, obviously, it's further up and up. It's not apples to apples—it's a totally different market—but at least we can get a sense on perhaps where things might be going and what we can do to get you back on the right track.

Mr. Edwin Frizzell: Absolutely. Thank you, MPP Crawford and MPP Khanjin.

The reality is that the hospitality industry is such a dynamic environment, but it really is about our ability to plan. Our business is being affected for such a long way in the future. We all understood when the pandemic hit that we would have a short-term impact, and we were willing and able to manage that. We still managed to stay open and operational and implemented new procedures to fight a virus that we'd never heard of prior to 2020.

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

Mr. Edwin Frizzell: But we are seeing improvements in other jurisdictions. There is a light at the end of the tunnel. I can tell you, even closer to home, as an example, that at our Fairmont property in Scottsdale, Arizona, which opened just this past Memorial Day weekend, they had thought that maybe they would have a trickle of business, and they literally had over 4,000 occupied rooms in the month of May, where they expected to have very little.

It isn't so much about a fear of people to travel. Consumer confidence is important. We know that we have to be a safe environment. We believe that we are; we have the protocols in place.

The problem we have today in Ontario, and in Toronto particularly, is that there's just not clarity around what we can do. I could host a wedding for 100 people in a ballroom that normally fits 500. I can meet social distancing. I can accommodate the fact that we need to have masks. I can take temperatures of the attendees. I can create any environment that I'm asked to. We have the most creative team in Toronto.

The challenge I have today is, my hands are tied. I can't have more than five people. I can't serve food.

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

Mr. Edwin Frizzell: For us, it's really about being able to say what can we do and in what time frame—

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

We'll have to move to the opposition side. But before I do that, I need to do an attendance check on MPP Gates, if you can confirm that you're present and in Ontario. Can you unmute yourself, please?

Mr. Wayne Gates: I did. Hello.

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. Wayne Gates: How are you?

The Chair (Mr. Amarjot Sandhu): I'm good. How are you?

Mr. Wayne Gates: I'm great, thank you. I've been watching you all day. You're doing a great job.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Can you confirm that you're in Ontario?

Mr. Wayne Gates: I'm in Niagara Falls.

The Chair (Mr. Amarjot Sandhu): Thank you. All right, we'll go to the opposition side now for their time of questioning. We'll start with—

Ms. Sandy Shaw: Wayne, did you want to go?

The Chair (Mr. Amarjot Sandhu): Can you raise your hand if you want to start? MPP Gates?

Mr. Wayne Gates: No, I'm good.

The Chair (Mr. Amarjot Sandhu): Okay.

Ms. Sandy Shaw: And that's it for us? Because I can't see Fife so—

The Chair (Mr. Amarjot Sandhu): She left, actually.

Ms. Sandy Shaw: Oh, she left? Okay, sure, I'll start.

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

Ms. Sandy Shaw: My question would be, again to Mr. Frizzell, around the Fairmont Royal York. I do love the term that it is a "grande dame." It's a beautiful hotel. I love all of those old CP Hotels. They bring a lot of charm to all of our communities, all the cities across Canada.

I also would like to commend you for running an organization with such incredible staff. What I would actually like to give you a chance to focus on is your staff. I would like to give you a chance to talk about how hard-working they are, how diverse they are, because my guess is that the people who work in this industry are some of the most hard-hit by the cuts to their hours, by loss of income. If you could just talk a little bit, as an employer whose business relies on such great staff, about how this has impacted their daily lives.

Mr. Edwin Frizzell: Thank you. Absolutely. At the heart of our hotels at Fairmont are our people. It is the core of our DNA. They are the heart and pulse of this building—of any building at Fairmont, if you will. Quite frankly, the most difficult part of the last 12 weeks has been the impact that we've seen on our staff. Having our staff drive up to do pick-ups of food baskets on Easter weekend that we created for them because we knew how difficult it was for them at home without work, frankly, was one of the most emotional days of my life.

My role as the leader of this hotel and a curator of such an iconic, historic building is to look after the livelihood of the people who bring her to life. I'm here today because

I really am in a position of wanting to bring more of them back to work. I want to be able to open our lounges and venues. I want to have our meeting spaces available—whatever is safe and appropriate to do so. But today we are so restricted in what we can do. We don't have a clear path. There's not a timeline. I'm watching our business seep away like the water from a bathtub. That breaks my heart.

When I stand on these types of calls with my staff, they ask me, "When can we come back to work? When can we get back to the business of turning moments into memories for the guests who want to come to Toronto?" My answer to them is, "We're working tirelessly to do that." I'm not a politician. This is very out of my comfort zone to be here today, but I really do feel that it's important for our voice in this industry to be heard.

If there's a confidence in the other sectors like retail, if there is a confidence to open other food venues like food trucks and outside patios, I can't imagine that there is not a confidence in the Fairmont Royal York to be able to take care of the people of Toronto.

Ms. Sandy Shaw: Thank you for that. Honestly, those were such compassionate words that you have for your employees and for people who are struggling.

I would just like to ask you—I don't know if you heard the recent announcement that the provincial government has lifted restrictions on short-term rentals. I'm wondering how you see that, how that is happening before opening up your business, which, as you have said, has opened your doors to provide accommodations for our front-line service workers, for our heroes the front-line workers. If you wanted to comment on that, that would be great.

In general, what we've been hearing all morning is that there is so much uncertainty. People are trying to do the right thing. They're trying to get their businesses up and running, but the communications from the government are not clear and not direct, and so people find out about things in press releases. Do you want to comment a little bit about how you're finding out about this in the news, but you still have the uncertainty with your business as to when you're going to be able to open?

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Mr. Edwin Frizzell: I recognize that all levels of government are working hard to react in a very dynamic situation, as we all are.

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

Mr. Edwin Frizzell: On the Airbnb side, it's certainly a competitive landscape. It's something that we're comfortable with in our industry. For us, it's about making sure that all the regulations and safety protocols are in place to allow all businesses to operate. And today, really, it's about making sure that we have the clarity around access, opening, social distancing requirements, whatever it is, the capacities that we need to put in place to be able to be successful. For me, that's all businesses that relate to the hospitality sector, not just the Royal York. We'll manage our business and we'll manage our competitive spirit when we are able to do so.

On the communication side, it is critically important. Again, that's why we're here today, to make sure that not

only are we able to continue to move forward today, but our business is dramatically being impacted well into 2021 and beyond. We need the support of all levels of government to be able to make sure that we can, in fact, say to a business or a convention that's booked to be with us in September or November or Q1 of next year that we'll be here, we'll be able to operate, we'll be safe and we'll be able to welcome their guests to Toronto.

Ms. Sandy Shaw: Chair, how much time do we have?

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

Interjection.

The Chair (Mr. Amarjot Sandhu): A minute and a half, sorry.

Ms. Sandy Shaw: A minute and a half—so in the minute that I have left: First of all, before we run out of time, I just want to thank you very much for your presentations here.

I just wanted to talk a little bit to the Central Counties Tourism board. We've been hearing all morning, and you mentioned it again, that people do not understand why the province of Ontario is not stepping up to put a ban on commercial evictions. They're saying that that is the number one request. The Ontario Chamber of Commerce has written a letter. All kinds of associations are saying, "That is our number one request." There are concerns that 40% of businesses will be unlikely to survive—and to listen to them say what they need is a ban on commercial evictions. Can you comment on that in the short time that we have left? Would that be something that would be important for your industry in your area?

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

Interjection.

The Chair (Mr. Amarjot Sandhu): Can you unmute yourself, please?

Ms. Sandy Shaw: It's for Chuck—

The Chair (Mr. Amarjot Sandhu): Mr. Chuck Thibeault.

Ms. Sandy Shaw: It's for—yes.

Interjections.

The Chair (Mr. Amarjot Sandhu): Sorry, we're having some technical problems.

Mr. Chuck Thibeault: There we go.

The Chair (Mr. Amarjot Sandhu): Yes, all right. Go ahead, please.

Mr. Chuck Thibeault: My comment is, anything that can take a burden away from the businesses that represent tourism is helpful, including a rent moratorium. We worked side by side with the Tourism Industry Association of Ontario to help craft their submission. I really think that if you take a look at that, everything is outlined from that pan-provincial perspective in terms of what is needed. Rent is certainly right at the top of that list, right after being able to reopen.

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

Before I move to the government side, I see MPP Effie Triantafilopoulos. If you can please confirm your attendance and that you're in Ontario.

Ms. Effie J. Triantafilopoulos: Thank you. I am confirming my attendance.

The Chair (Mr. Amarjot Sandhu): And if you are in Ontario; can you please confirm that as well?

Ms. Effie J. Triantafilopoulos: In Ontario?

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

Ms. Effie J. Triantafilopoulos: Yes. I'm in my constituency of Oakville–North Burlington, in Ontario.

The Chair (Mr. Amarjot Sandhu): Great, thank you.

All right, so we'll go to the independent members now. MPP Hunter?

Ms. Mitzie Hunter: I want to just thank all of the presenters, once again. I want to continue the dialogue around what is needed. I'd like to hear from each of you, because you represent different areas in Ontario, about what you think about a regional nature of reopening.

Can we start with Mr. Thibeault, because I know that you represent a very, very large area in the 905s and can speak to the rural aspects as well as some of the more densely populated areas? And then if we can go to maybe Mr. Linley and then, finally, Mr. Frizzell.

Mr. Chuck Thibeault: Okay. That sounds good.

I do think that a regional approach is going to be necessary—more importantly, as a consistent approach. What's happening right now is—and I'm hearing it from a lot of our stakeholders: They're ready to reopen. We've been saying, "All right. Go to your regional public health unit and submit your plan. Go to the province and submit your plan, and let's work on getting you open." No one is saying no, but no one wants to say yes. The regional health unit says, "Yes, this looks great, but it's the province's decision." They go to the province, and the province says, "Yes, this looks fantastic, but it's at the discretion of the regional unit." The clarity has to be there—someone to say, "I'm the person. I'm the one who's saying yes or no" to people being able to reopen.

I've heard in some cases that—one of the businesses got to open because the Durham police said it was okay. I don't know how they got involved, but I guess it was, "Hey, we're not going to come ticket you, so you can reopen." We have to really just set that clear guideline of who is going to say yes, and how a business shows that person or that organization that they're ready to go to get the green light.

It's the same issue that people have with reopening and not being ready and the consumers being upset. They also will get their hands slapped if they reopen and it turns out that they haven't been given permission. The backlash from their consumers could be huge. So someone needs to say yes, and then we move forward.

The Chair (Mr. Amarjot Sandhu): Mr. Linley, do you have something to add?

Mr. Richard Linley: Yes, I would just add to that: Certainty, clarity and businesses predictability—all of that—is really important right now.

I can understand, from a provincial government's standpoint, there may be challenges with opening the economy by region. I appreciate that that may lead to un-

intended consequences. But right now, from my membership perspective, obviously, the impact of COVID is different by region. We're seeing issues play out even by region within the wine industry, where some regions have been allowed to start conducting tastings in a controlled manner, with social distancing rules in place, and then we've got other regions where there's a clear no from their local health units. The fragmentation is already playing itself out.

The sooner we have certainty or some understanding of what's allowed and what's not allowed will make our lives easier. Even for me, as the central linchpin for trying to interpret policy right now for my members, it's difficult to tell one winery they're allowed to do something in Niagara-on-the-Lake or in Beamsville versus a winery up near Belleville. So the sooner we can get clarity around regional approvals, the better, if that's the direction you're going in. "Certainty" is certainly the key word.

Ms. Mitzie Hunter: Thank you. Mr. Frizzell?

The Chair (Mr. Amarjot Sandhu): Any further questions?

Ms. Mitzie Hunter: I'd like Mr. Frizzell to answer the same question, given that he is representing a very dense urban area.

Mr. Edwin Frizzell: I'm not uncomfortable with a regional approach. I also oversee our Fairmont Château Laurier hotel in Ottawa, and we don't take the same approach to both hotels, to be honest. The reality is, it is about clarity. It is about getting a road map to success and getting back to business. If a regional approach, due to the size and the complexity of our province, is what it takes, then we certainly are supportive of that. We just really want to get at it.

Ms. Mitzie Hunter: Okay. I want to get back to the worker issue, with the time that I have remaining. Maybe Mr. Linley can start, because I would imagine that workforce issues are really important to the agricultural nature and production nature of the work that you do as well. Can you talk about where things are at with workers and anything that you believe is important there to allow them to feel safe?

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

Mr. Richard Linley: Debbie Zimmerman probably alluded to it or spoke about it this morning during her hearing, but we are behind. Because of COVID, we are delayed with bringing workers into the country and into the province to support this year's harvest. We're currently behind, which impacts, of course, vineyard production and the harvest for the fall.

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The federal government has moved on a number of measures, and we've also had advocacy from Minister Hardeman too to support us in that regard, to allow for some funding support to support these workers so that when they do enter the country, they are able to self-quarantine for up to two weeks and then, subject to them coming into the vineyard and into the agricultural workforce, that we do have the necessary personal protection equipment to support the workers. That's been particularly

important, but I would say that for this committee, we'll need that support going through the summer and into the fall. So I would just ask that the federal government—

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

Before I move to the next presenter, I would like to let the members know that one of our presenters for 5 p.m., Muskoka Woods, has cancelled, so if you can mark it on your agenda.

DESTINATION NORTHERN ONTARIO
TOURISM PARTNERSHIP OF NIAGARA
GREATER TORONTO HOTEL
ASSOCIATION

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

Mr. David MacLachlan: All right. My name is David MacLachlan, and I'm the executive director with Destination Northern Ontario. We are one of 13 regional tourism organizations that are funded through the Ministry of Heritage, Sport, Tourism and Culture Industries. Thank you for allowing me to present on behalf of northern Ontario's tourism industry today. I also want to thank Minister Lisa MacLeod for her invitation.

My family has been in the tourism business and has operated tourism businesses in northern Ontario for over 60 years. I've spent my whole life working in the tourism industry, so I'm really pleased to be able to come to you today and tell you a little bit about what's happening in our industry, the impacts from COVID and kind of where we're going and some of the assistance that we're going to need over the next few months.

I realize that it's very difficult to sum up an industry as large and diverse as northern Ontario in just a few minutes, but I know many of my colleagues will be speaking to you over the next few days and can help fill in the gaps.

Just a little bit of a background about our tourism industry and the fact of how important tourism is to the economy of Ontario—our access to those overseas, trans-border and domestic markets affecting our balance of trade; but also, again, the double bottom line, where the tourism assets in our communities, those assets and experiences, how they impact the quality of life for our communities and everyday residents.

In a normal year, our region would see about 8.7 million visits as well as \$1.7 billion in visitor spending. One in four businesses in northern Ontario is tourism-related, and one in three workers is somehow connected to the service sector. Tourism is the largest employer of young workers, and tourism in northern Ontario generates \$500 million in taxes for three levels of government.

Ontario is a powerhouse when it comes to tourism, and certainly our—

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Sorry. We're having some technical difficulties here.

David, are you still there? I think it looks like he's disconnected. David, can you hear us? It looks like he's disconnected.

All right. For now, we'll put a pause on him and we'll go to our next presenter, the Niagara tourism partnership. If you could please state your name for the record, you will have seven minutes for your presentation.

Niagara tourism partnership, can you hear me?

Mr. Anthony Annunziata: Oh, unmuted. There we go.

The Chair (Mr. Amarjot Sandhu): Can you please state your name?

Mr. Anthony Annunziata: Yes, good afternoon. My name is Anthony Annunziata, and I am the president of Niagara tourism partnership. The primary role of our organization is to engage with the tourism sector in Niagara on issues as they relate to economic development, capacity building, labour force development and, of course, marketing; and shaping the narrative and affirming the attributes that define the Niagara brand.

I thought a lot about what and how much I'd like to say today, and there is a lot to say. The fact that I'm addressing you through a computer screen 100 kilometres away seems to say a lot about the state of where we are. Today, the tourism sector is paralyzed as a result of the emergency lockdown requirements caused by the global pandemic of COVID-19.

Prior to the COVID-19 pandemic, the tourism industry of Ontario held the position of one of the province's major economic players, with more than \$36 billion in GDP, \$5 billion in annual tax revenue, and representing 200,000 businesses with over 400,000 employees. In Niagara, tourism is a \$2.5-billion industry that employs over 40,000 people.

I know you're going to hear a lot of numbers and statistics today and throughout these hearings, numbers that will appear to be staggering and won't appear to be real. But I can assure you, they are real, and I understand the blur that these numbers and statistics can create. However, today, I'd like to focus my comments on four main themes: people and community, the visitor economy, technology and scale.

Tourism is truly the front door of economic development in Niagara. The narrative and attributes that we use in our communications to attract leisure travellers are the exact same motivations for people wanting to live and work in Niagara and why developers want to invest in Niagara. Our geography and demography are the embodiment of this reference. The world has heard of Niagara, and when the time is appropriate, the world is welcome to come back again. We are a vast, open region with large public and private spaces. Niagara is also the number one leisure destination in Canada and sits in close proximity to the second-busiest airport in North America for international arrivals: Pearson International Airport.

The tourism industry in Niagara, like many rural communities across our province, is defined by its charm and the character of its 13 municipalities. Community festivals

and activations play a critical role in the expression of these charms and, in many ways, define the fabric of these communities. The true charm and character of our region is expressed in these people: the artisans, the brewers, the distillers, the farmers, the wine makers and the front-line hospitality professions who take pride in showcasing their communities. The growth of the tourism industry in Niagara and the rural communities across this province has been a crucial bridge in the shift from industrial and manufacturing dependence.

The economic shutdown that has been imposed places not only businesses and economic interests at risk but the very communities in which these people and businesses reside. Should these businesses be allowed to erode and disappear, so will the fabric and makeup of these communities erode and disappear.

Let me say that here in Niagara, we all agree that the number one priority is public health. The public health and safety for the visitor, the workers and their families remain the number one consideration here in Niagara. To that end, Niagara has made a tremendous sacrifice, along with other communities across our province, to prevent the spread of COVID-19. The result has been that Niagara is one of the least affected tourist destinations in the world in terms of COVID-19 cases, and we're positioned to say that when the time is appropriate to welcome—

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

Mr. Anthony Annunziata: In that context of an active global pandemic, tourism is currently considered to be a risky activity to be avoided until public safety can be restored. The road to recovery begins with the public health and tourism sectors working collaboratively to shift the perception of tourism back to a positive experience by creating a safer environment, where protocols are clearly communicated to make visitors more comfortable in travelling.

In the immediate term, the tourism sector will need to prioritize the economic recovery of local communities. For these communities to become must-see destinations, they will mainly rely on revenue from locals and nearby visitors. This new focus will change how the industry engages and communicates with its stakeholders at a local, regional and provincial level.

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First and foremost, the industry will need to be equipped with the tools, guidelines and communication strategies to make visitors feel safe as they travel. Capacity builders and supporters like destination marketing organizations and regional tourism organizations are best positioned to help these tourism businesses and operators by sharing best practices in helping with this implementation.

As the tourism sector begins to rebuild and emerge, the following changes will need to be considered: Additional research will be needed to be undertaken to adapt to consumer sentiments of expectations and behaviour; the tourism workforce will require health and safety retraining and personal protective equipment to ensure the mutual protection of workers and visitors; health and safety guidelines and protocols around social distancing and hygiene

will need to be communicated clearly; and changes will need to be made in the way in which services are offered, experiences are managed, and products are sold.

The visitor experience will need to be carefully reimagined and adapted to these new realities. Festivals, events and attractions will need critical attention to remain viable and relevant. As I mentioned earlier, these big revenue-generators are integral to community health and sustainability.

Close coordination with other jurisdictions will also be necessary so that Ontario businesses are not placed at a disadvantage. As an example, if Ontario has stricter capacity limitations in facilities than other provinces, Ontario will be placed in an unsuccessful and unenviable position for business.

We ask that you consider providing support for businesses and operators to help mitigate the costs of health and safety items, Plexiglas and personal protective equipment. Implement in Ontario a visitor pledge initiative to encourage visitors and travellers to—

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

Mr. Anthony Annunziata: I'd like to talk about the visitor economy and gateways. We understand that the interdependency of vibrant communities and visitor attractions is a close-knit and cohesive network. The Toronto, Ottawa and Niagara regions are home to Niagara's three largest airports and the largest convention centres, including the vast majority of domestic, trans-border and international visitor arrivals. Niagara represents the busiest land border crossings in North America. In fact, many of the province's visitors—

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

Mr. Anthony Annunziata: Okay.

The Chair (Mr. Amarjot Sandhu): Your time is up now. Before I go back to Mr. MacLachlan, I would like to do an attendance check. MPP Vanthof, if you could please confirm your attendance and if you are in Ontario.

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

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

We'll go back to Mr. MacLachlan. You have four minutes left for your presentation. You can start where you left off. Can you hear me?

Mr. David MacLachlan: Here. I'm unmuted now. Sorry about that. So you got to see that one of the issues in northern Ontario is around connectivity. We lost our connection there for a few minutes.

I'm just going to move right along. I don't think anyone needs any more insight into the doom and gloom of what is tourism at the moment. We know tourism has been very negatively impacted, and continues to be. Even the announcement today with the green light for the industry, it's really going to be impossible for an industry in the north that's dependent on the US and overseas visitors to make up those number of visitors and margins from the domestic Ontario market.

Our operators in the short term right now, the ones that have been open, are operating at 5% to 20% of current revenues. Our seasonal operators, who are very dependent

on the US trade—even with the announcement today, they are still looking at virtually a 50% loss to the end of June on their revenues for the season. Economic hardship for our operators and for our workers, and then tracking through to our destination marketing organization, is the reality that we're facing. So our operators do need assistance with liquidity. A lot of the programs right now are based on—

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

Mr. David MacLachlan: [*inaudible*] as well as the wage subsidy. Operators are going to have a hard time this year, with the reduced revenues, paying land taxes and MNR land use permits and other MNR fees, so they're going to need help with that. Workers need assistance, whether it's an extension of EI claims or shortened qualification periods. We are asking that existing government programs, and in particular the NOHFC, the Northern Ontario Heritage Fund Corp.—that some of those programs could be repurposed to assist northern Ontario's tourism industry get through this pandemic. Also, assistance with capital projects for our operators will keep people working but also ensure our industry is competitive, moving forward.

The announcement today was clear. We are ready to open with the protocols that we've been working on with our sectors and communicating to our industry, but we also need some clarity and help around maintaining open interprovincial borders, so whether you're on the Highway 11 corridor in the northeast, North Bay to Hearst, or in the northwest, both need access to the Quebec and Manitoba market. Especially for the northwest, with travel time from southern Ontario, it's a very long time. They need access to that \$1-billion travel market in Manitoba for the Lake of the Woods region.

We appreciate the all-hands-on-deck, all-of-government approach.

Another aspect is that much of our tourism takes place on crown lands. Certainly, just like mining and forestry, we need a voice for tourism in crown land use planning through legislation.

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

Mr. David MacLachlan: Looking forward to the recovery, I don't think anyone expected the protracted closures and border closure that we expect to see, but certainly we're not designed for that so, again, assistance with liquidity—Destination Ontario. There's going to be increased pressure in our markets. Maintaining that funding for overseas visitors, those investments today are for next year and the year beyond. Again, repurposing the funding programs through the next little while, as well as funding to regional tourism organizations such as ours so we can continue to work with industry, and support for new investments and infrastructure, whether it's broadband information technologies, or even old technologies like bathrooms along our highways—these are things that we need.

I just wanted to say that northern Ontario, our outfitters, our operators, our industry—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the next presenter now,

the Greater Toronto Hotel Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Terry Mundell: Good afternoon. My name is Terry Mundell. I'm the president and CEO of the Greater Toronto Hotel Association. Let me begin by offering congratulations to members of the committee who have facilitated this deputation despite these extraordinary circumstances. I also offer my thanks to Minister Lisa MacLeod and Premier Doug Ford for their support thus far.

Given the limitations on our time today, I'm going to offer a brief snapshot of the current situation facing the hotel industry and offer recommendations on how Ontario must assist with an immediate infusion of direct funding and through the removal of regulatory barriers that impede moving forward.

For context, in 2019, the Ontario hotel industry enjoyed revenue of \$8.54 billion from operations, comprised of \$5.54 billion in guestroom sales and \$3.3 billion in ancillary revenue from food and beverage, meetings and other services. The industry directly employed 200,000-plus individuals and supported businesses in many sectors through the purchase of supplies and services essential to their operation.

It is often said that at times of global uncertainty, be it pandemics or recessions, the first industry to experience hardship is the hospitality industry, and it's always the last to recover. The pandemic declaration of March 11, 2020, has been catastrophic for our industry, just devastating. Half of Ontario's hotels are closed due to lack of business—65 closures in our own GTA membership area alone—impacting about 80% of our employees.

Despite being declared an essential service, operating revenues are down a staggering 94%. Hotels that are operating are doing so at a loss in order to provide shelter for health care professionals, first responders and other essential service workers who require self-isolation in order to avoid exposing their family to risk. I'm very proud of our sector for doing their small part to support those front-line heroes.

Oxford Research and CBRE forecast that the industry will not experience demand recovery in this sector for 24 to 30 months, or until the end of 2022. Economic recovery for the hotel industry will not be experienced until 2025 or later. These sobering statistics underscore the need for immediate action by government. Restoring public confidence in the tourism sector will be vitally important if people are to stay at hotels, attend meetings and events, visit attractions and partake in all that Ontario has to offer.

Hotels have embraced all protocols and guidelines issued by the province and have complemented these measures by preparing enhanced safety procedures. These additional controls will demonstrate the readiness of the hotels to accommodate guests, host events, welcome international and domestic travellers, and support businesses that rely on hotels each day. However, these enhanced safety measures will take additional resources to implement.

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An infusion of government resources is essential to support this undertaking. We recommend that the government immediately permit hotels to host meetings in our safe and controlled environments, enabling hotels to begin restoring financial viability while driving local and provincial economic recovery and support a return to work for many hotel employees. Moreover, supporting hotels in this way allows for their continued service and support of Ontario's health care system.

A significant barrier for recovery of the hotel industry is the payment of property taxes. The Ontario Municipal Act prohibits municipalities from operating deficits—

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

Mr. Terry Mundell:—which forces them to take a hard line on collecting taxes by the end of each fiscal year. This is compounded 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, government action to support the short-term liquidity of hotels is requested. Therefore, we recommend that 2020 property tax obligations be deferred and remitted over a number of years. To offset this action, we understand the support for the municipal sector will be required. Further, we request that MPAC be required to consider depressed 2020 business revenues when determining municipal taxation valuations and that discussions commence immediately with the GTHA about future valuations to help level the playing field following the pandemic.

Supporting our employees as part of the recovery effort is vitally important. Until such time as the industry fully recovers, we anticipate a period of transition and disruption. To support those returning to vastly changed workplaces with enhanced safety protocols, and to support those employees who may be seeking employment elsewhere, a consistent approach would be required. We request that the government provide the GTHA with funding to be used towards delivery of programs that both upgrade the skills of returning employees and support the transitions of others.

The hotel industry cannot recover without government funding. Hotels are not and will not be in a position to attract domestic and international events, which in turn drive hotel stays. It's not unusual for customers to request that hotels offer incentives to secure their business. If we are to distinguish Ontario and Toronto from every other jurisdiction that competes for the exact same business, incentives will be required if we are to drive hotel demand.

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

Mr. Terry Mundell: To be clear, this cannot be addressed through a marketing campaign alone. The time is now to create a hotel-specific recovery plan that restores public confidence and drives economic recovery. We will fall further behind our competing marketplaces if we fail to act immediately.

The GTHA stands ready to provide advice to the government. I thank you for your time, and I look forward to answering your questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to questions now, and we'll start with the official opposition. I see MPP Miller wants to speak first—MPP Miller, Hamilton East–Stoney Creek. Can you unmute yourself, please?

Mr. Paul Miller: You've got me now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Paul Miller: Okay. Thank you. I'll direct this question to Terry. I asked a question like this to an earlier panel and wanted to follow up with the hotel association as well. My staff prepared a report that took international jurisdictions into consideration, particularly in regard to their response to COVID-19 and how it has negatively affected their tourism and hospitality industries. Some countries have been very creative when it comes to encouraging more spending in the domestic travel and tourism sector. With international travel at a basic standstill, people are not going to be able to spend their money at a Caribbean resort and will look to Ontario for a place to unwind.

In Italy, for example, the realization that this is a new reality has already led to concrete actions by their tourism industry. Areas reliant on tourism revenue, such as the Italian island of Sicily, have begun to announce travel deals such as paying for portions of travellers' costs by covering half of the airline ticket and one out of three hotel nights free. There are also plans to stimulate the economy by encouraging domestic tourism through vouchers offered to lower-income families to spend in Italian hotels, campgrounds and other establishments.

In Japan, the Japan Tourism Agency has boosted industry supports by subsidizing a portion of domestic travellers' expenses once the pandemic is under control, to the tune of at least \$12.5 billion.

Has there been any talk in the hotel industry of working with our government to offer subsidized consumer price-saving packages like in Italy or Japan to get our economy on the go again?

Mr. Terry Mundell: Thanks very much for the question, MPP Miller. I appreciate it, and it's clearly an issue that we've had discussion on.

In our business right now, we need to generate revenue. There's a myriad of ways to do that, but we can all look at the expense side of the equation. The bottom line is, we've lost 94% of our revenue. So specifically to your question, do we support those types of initiatives? Absolutely.

We think, obviously, we're going to have to start with a domestic campaign. We're going to have to start driving business in Ontario first and foremost, and then across the balance of Canada. In due course, when borders open, then we can start to take more of a look at the international travel market.

But we clearly do need incentives. We clearly need incentives for hotels, to help incent people into their business, as well as all of the other restaurants and attractions and groups that work so hard in the tourism industry. The short answer is yes.

Mr. Paul Miller: Thank you.

The Chair (Mr. Amarjot Sandhu): We'll go to MPP Gates, I believe, for our next question.

Mr. Wayne Gates: Can you hear me okay?

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. Wayne Gates: Okay. My question is to the Niagara tourism partnership, to Anthony. Given the dramatic downturn in tourism in Niagara, with over 40,000 employees being laid off, how vital is it that the government create a made-in-Niagara tourism support plan to get our sector up and running again safely?

Mr. Anthony Annunziata: Thanks for the question, member Gates.

I think it's absolutely necessary. I was saying earlier in my presentation—I didn't get to finish it—how important the gateways of Toronto, Ottawa and Niagara are in terms of driving their recovery. In the absence of investment or incentives around those gateways, which include the airports, include the busiest international border crossings in North America that are in Niagara, we aren't going to drive the economic recovery. It's necessary to do that. It's absolutely essential for the 40,000 people who work in this industry to reaffirm Niagara's position and its opportunity to drive the economic recovery.

Mr. Wayne Gates: Thank you. I've got another one. I want to ask this question, again to Anthony, for Niagara-on-the-Lake: The Shaw setback caused by the pandemic has put the season in jeopardy. What will happen if the Shaw Festival does not receive help from the government? What will the result of that decision be if there's not [inaudible] funding to the Shaw Festival?

Mr. Anthony Annunziata: I think the Shaw Festival—

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

Mr. Anthony Annunziata: Sorry. The Shaw Festival has a terrific position: It's a heritage piece here in Niagara, and it's world-renowned in terms of its capabilities.

Yesterday, I was notified that Celebrate Ontario granted the Shaw Festival \$100,000. I know that doesn't nearly cover the costs in terms of what they're looking at, but it's imperative that places like Shaw Festival—and yesterday, Oh Canada Eh? announced its permanent closure here in Niagara. It's the loss of those things, as I said earlier, that erode the fabric that defines us here in Niagara. I think it's absolutely critical that cultural institutions like the Shaw be supported.

Mr. Wayne Gates: Thanks, Anthony. My question is still going back to Anthony—and yes, it was very disheartening to hear about Oh Canada Eh? yesterday. The owner sent me over a message yesterday.

Do you believe that the government's wage policy has been enough to keep our local tourist operators in business and has kept their workers able to provide for their families without a massive debt?

Mr. Anthony Annunziata: The issue—and it's related on the hotel side. In the absence of being able to have gatherings of greater than five people—I think earlier in the presentations, it had been represented. With the lack of demand, it's hard to keep people employed.

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

Mr. Anthony Annunziata: It's a difficult scenario to manage. I think at the end of the day, it's really around demand. I was going to say in my presentation about scale that it's important the government be able to recognize the fact that if businesses aren't able to reach a certain capacity, they won't be able to be successful. They won't be able to employ people. It doesn't matter how many resources they have; there's just simply no demand to keep those businesses in operation.

1530

Mr. Wayne Gates: And I'll go real quick: How important is it that we turn to promoting travel within Canada—or local; certainly Toronto and back—given the state of international airlines today, to promote tourism in Niagara?

Mr. Anthony Annunziata: It goes without saying: There is not an international market that's going to exist until there's a cure for COVID. So I think we're going to look to the domestic market; we're going to look at Canada. Again, community readiness is important in order to be able to allow people to come to the communities—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the independent members now for their time of questioning. I'll go to MPP Hunter for the first question.

Ms. Mitzie Hunter: I want to thank all of our presenters for the insights that you've brought to the committee today. My first question is for Mr. Mundell. I'm wondering if you have looked at other jurisdictions and how they have handled the reopening as it relates to their tourism, and anything there that you're learning that you can share.

Mr. Terry Mundell: Thank you very much for the question. I appreciate it. Absolutely, we have looked at other jurisdictions. Many of our hotel companies, as you know, are international brands, so they have experience, whether it's from Canada, of course, the United States or elsewhere internationally.

I think the reality is that everybody is in the same challenge here: generating revenue and liquidity. The thing that we know is that at the end of the day, the challenge isn't on the expense side of the equation; it's really on driving revenue. If you look at all of those other jurisdictions, they're all struggling to find: How do they reopen? How do they get having meetings and events? How do they get some of their attractions, their restaurants open so that people can start to see themselves in a destination again? That's essentially what is happening, and that's essentially what we need to do as well.

We need to get our hotels fully open, not just as an essential service, so that we can host some of those meetings, we can open our restaurants in our hotels. If we get some of those attractions, people will see themselves in our destinations. If you look at other jurisdictions, you're seeing them shop locally to start with and then start to expand outside of that. It's a good lesson and it's something we're looking very seriously at.

Ms. Mitzie Hunter: Thank you. I appreciate that. I'm wondering about that as well in terms of the confidence that is needed. A lot of the presenters today talked about

operators—you don't want to do anything that would turn your customers away.

Perhaps we can hear maybe from our northern group. I'd like to hear about your unique challenges that you're facing and how you build back up, first, the confidence of those businesses that will operate again, and then to bring the customer north.

Mr. David MacLachlan: Well, I think we have the natural environment, first of all, that people are looking for right now. When it comes to getting away and potentially a destination with smaller crowds and wide-open spaces, we've really been working with the sectors, and in particular with Nature and Outdoor Tourism Ontario, NOTO, in terms of protocols for our angling and hunting sector, so that we can open safely and people can rest assured that we have those protocols in place. I think all the sectors have done a great job in terms of that.

We've also been working closely with Destination Ontario in terms of how to communicate that to industry, so it's not only a matter of communicating that we are open and that we have these incredible holiday experiences for people, but also showing them what we're doing to make sure that their holidays are safe. We're working with visitor information centres right now in terms of what they need to do—

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

Mr. David MacLachlan: —so it has really been a group project of everyone coming together and working through and, again, looking to other jurisdictions for those best practices, to be able to share those with industry here in the north.

Ms. Mitzie Hunter: Mr. MacLachlan, have you thought about the airline industry and how it will affect the growth in the north as it relates to tourism?

Mr. David MacLachlan: Yes, and certainly that's one of the impacts, the transportation networks that have been impacted and broken. When it comes to rail service, we have one rail line with one train a week right now. We have another rail line that services remote communities that is closed until November. Certainly, a lot of northern communities have lost their service, with potential resumption in June, and now with Porter looking at the end of July, those transportation networks are huge for us in the north.

You know, 96% of our visitors generally come by car, but it's huge for us, not only in terms of people being able to move around. Just think of remote operators who have to send water samples out. They cannot get those to the labs in Thunder Bay and Sudbury right now because there is no courier service that can get them there in time. It's almost impossible for some people to get groceries, so they're going to be opening up in terms of just house-keeping cottages. There are definitely supply chain issues in northern Ontario that we're all working on to address.

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

Ms. Mitzie Hunter: Wow, I appreciate that perspective.

In my last bit of time, if Mr. Annunziata could talk about how much funding you would like to receive, because you talked about that earlier.

Mr. Anthony Annunziata: Thank you for the question. I think from our perspective, there are a number of issues to deal with on the PPE side and the ability to reopen. Quantifying what that number is is difficult in terms of moving forward, but certainly support from government at the rate that would allow for these businesses to open and provide the protective measures, so that we can engage the visitor pledge—Ontario, its executive and its cabinet need to adopt this visitor pledge and commitment to support businesses so that we can open. In the absence of that, we won't hit scale. If we don't hit scale, unfortunately, businesses can't open and the economy gets stalled. You can't half-open a business, and as Terry referred to earlier, you compromise the visitor experience if you can't open the restaurants, the spas and the other components that make overnight stays—

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

We'll have to move to the government side now. I'll start with MPP Smith.

Mr. Dave Smith: I'm going to start with David MacLachlan. First off, thank you very much for being on the advisory committee for us for northern development and job recovery. I greatly appreciate the input that you have given to us on that.

I've had to turn my video off a couple of times because the Internet feed has not been strong enough for me to do it. I'm in rural Ontario but not in northern Ontario. How much of an impediment is it that the federal government hasn't opened up the ICIP program for high-speed broadband in rural and northern Ontario? Do you see that as an impediment for you as we come out of COVID-19?

Mr. David MacLachlan: Oh, 100%. That's huge, especially as we're looking for touchless check-ins and touchpoints for consumers and not being able to as we move through this pandemic.

We know along our highways, there are vast stretches where there's no connectivity at all. For example, I'm at a fly-in fishing lodge today, so I'm connected to you by XploreNet. If a big cloud comes over—or the last time it was a float plane that flew over and disrupted the signal and we lost our connection. Today is a presentation, but just imagine a business that's trying to submit an order for groceries or process credit card payments with a plane at the dock waiting to take a couple out. It's huge, especially as businesses move to do more and more online, to be able to have that connectivity across the north. It's really holding us back.

Mr. Dave Smith: Thank you for that. One other question for you along the NOHFC funding: If we were to look at a stream specifically for COVID-19, what would you recommend that we focus on? Should it be a stream specifically for PPE, for capital expenditures that companies are going to need to invest in to make sure that they can operate safely, or should it be something else?

Mr. David MacLachlan: I think for a lot of operators, certainly the added cost of PPE is something where they're going to need some help. But I think the big issue for operators in northern Ontario is just the fact that with the

loss of that US market, even being able to replace those with Ontario consumers or people from Quebec and Manitoba, the price point is going to be different, so they're really working on reduced margins. Anything that would help operators with their liquidity and meet their obligations would be of tremendous benefit.

1540

It may be that there's not necessarily one solution that fits all, that the need may be different by sector and by individual business. So maybe some flexibility would be helpful, but certainly anything that could be done to assist the operators on the ground, because by assisting them, we're now assisting workers and ensuring that this particular segment is around in the future to bring in those revenues and pay those taxes.

Mr. Dave Smith: Thank you very much. My next question, actually, goes to Mr. Mundell. I don't have statistics—I'm hoping that you do—on the number of US and international visitors that you have. What can we do to try and offset that if we're not able to open up the borders. How do we—

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

Mr. Dave Smith: —make it so that the staycation in Ontario becomes that much more attractive to people in Ontario?

Mr. Terry Mundell: Yes, and thanks very much for the question. Again, I don't have particular statistics with me. I'm glad to get them. I think you heard from the head of Tourism Toronto, Scott Beck, earlier. He probably provided you some info on that.

Realistically, here, the situation is that we have to drive business from Ontario, first and foremost. We will not be in the international market, I don't think, for some time yet—clearly until the borders get open, and clearly, I think, until the health situation has been sorted out on both sides of the border, for that matter. So it is a domestic marketplace. But if you think back to not too long ago when Canada had this wonderful anniversary, all of the Canadians stood up proud for their country and they got out and visited all parts of Canada. That was a very, very successful campaign.

Those are the types of things that we do as Canadians, as Ontarians, as Torontonians. We support those that support us. We're proud of our country. We're proud of everything the health care workers have done for us. We've got hotels out there providing them packages and opportunities. It's a great feeling and a great emotion to have that much pride in your country. So we can go back, we can market domestically, we can sell domestically, and that will get us started. That's all we want: a start.

If you think about it, we, in our business, have been through 12 weeks of a pandemic. We've actually been open. We've been hosting health care workers. We've been hosting people for shelters. We've been doing a variety of these things across Ontario, with support from our friends in Niagara and Ottawa and ORHMA. We've done an enormous amount of work on that.

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

Mr. Terry Mundell: Now, for us to continue to be viable, we need to get our business space, our event space,

our restaurants open so we can continue to stay open to continue to be able to support that health care system if we get a second wave.

Mr. Dave Smith: Thank you very much. I'll turn it over to my colleague Donna Skelly.

The Chair (Mr. Amarjot Sandhu): MPP Skelly, you have something to add in 40 seconds?

Ms. Donna Skelly: I don't think I'm going to have much time, but I will ask this question to you and then perhaps I'll be able to ask it to the next group of presenters. Prior to COVID-19, when this committee travelled across Ontario, one of the most common complaints raised surrounded and dealt with the layers of red tape that was choking economic growth. We have an opportunity—yes, we're facing some significant challenges right now—as a government to address those issues, speaking to representatives from all sectors. Very quickly, if you can't tell us now, can you write them to us after today—

Mr. Amarjot Sandhu: Thank you. Sorry to cut you off. We'll have to move to the independent members for the next round. I will start with MPP Schreiner this time.

Mr. Mike Schreiner: Thank you, Chair. I want to thank all three presenters for being here today and taking the time. I have a question, actually, I think that's relevant to all of you, but I think I'll start with Mr. Mundell to answer first.

There has been a lot of talk about a regional reopening strategy. We have three people from three regions, and I think very distinct, with the north, Toronto and then Niagara being the greater Golden Horseshoe, let's say. Do you have any thoughts on a regional approach? Maybe Mr. Mundell, I'll start with you, because it would probably most affect Toronto.

Mr. Terry Mundell: Well, I think these are interesting conversations to have, understanding the concerns around the public health issue. I would just reiterate from our perspective—and to make it clear, we have been open. Our hotels have been open through the days of the pandemic. We've hosted health care workers. We've hosted people who have been in a variety of other situations. All have been in our properties. We have not had a problem. There haven't been any issues with us hosting people in our hotels. We know what we're doing. We've got new, advanced protocols. As well, for health and safety, we will meet all of the government's regulations.

We need to generate revenue now, and that's about opening up our businesses, that's about opening up our restaurants and that's about opening up our event space. If we can generate more dollars, we can help with an economic recovery. But again, when you talk about a regional approach, when you want to talk about a sector approach, you want to talk about how hotels have stood up and managed it and not had problems. We're not your problem; we're your solution.

Mr. Mike Schreiner: Great, thank you.

Mr. Annunziata, do you want to chime in on this issue?

Mr. Anthony Annunziata: Oh, I'd love to. At the end of the day, when the determinations have been made by public health that we're in a situation where we can open

the economy, I don't think we should distinguish by region. At the end of the day, if you demonstrate that you meet the current safety guidelines, rather than approach this with a phased-in approach, you allow people to open and you allow businesses to succeed. I think that this whole picking and choosing what sectors or what regions can open has a little bit of a flaw in it. Notionally, people think it perhaps represents some interests—but if there are cases that are active, they confine themselves. But as an economy, once we hit that tipping point where there's some comfort in opening the economy, if you meet your safety needs, you should be allowed to open.

Mr. Mike Schreiner: Thank you. Mr. MacLachlan?

Mr. David MacLachlan: Yes, I would agree with the comments made. Certainly as sectors can demonstrate that ability to open, to allow them to open is paramount.

I also understand that I come from a region where—when we look at the population or the COVID cases, northern Ontario counts for about 1%. So certainly, the idea of being able to open regionally is attractive to us and to our operators.

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

Mr. David MacLachlan: While it won't replace the market and the numbers of people that we would traditionally see, it would at least allow our industry to start generating some funds and help them with their liquidity and solvency issues.

Mr. Mike Schreiner: Yes, it's interesting. The way all three of you answered that question actually parallels what a number of businesses have been saying: "Instead of doing it sector by sector or even region by region, if we meet safety guidelines, we meet safety guidelines, and let's base it on public health and safety." So it's interesting that we're hearing that theme a lot today.

We're also hearing a theme around liquidity concerns for small businesses, which I completely understand. One of the cash crunches is going to be public safety measures: PPE, Plexiglas, extra cleaning protocols etc. Do you want to elaborate—I know that some of you have touched on this—on some specific ways the government can support businesses in our reopening and in addressing those particular concerns?

Go ahead, Mr. Mundell.

Mr. Terry Mundell: Thank you very much. I think there are going to be a lot of new expenses coming our way—for PPE, for example. Those things are important for us to have access to, as they are for all of the other sectors. So if government actually had a great program and plan to make sure there's access and distribution for that type of product, it would make things so much easier for our businesses, for sure.

Mr. Mike Schreiner: Any of the others? Yes, go ahead, Mr. MacLachlan.

Mr. David MacLachlan: Yes, for sure, that's really important, and not only for businesses but for visitor information services.

One of the issues is going to be around—for example, at a fly-fishing lodge, where normally people would come in on an aircraft and they would take the people out there

into cabins. There are going to be issues around people being able to have the time to clean, and actually shutting inventory down for a number of days. That's really where some of the liquidity issues are going to come in.

1550

People are not going to be operating at 100% capacity, because when you're busy, you make mistakes and you're going to need the time to do the cleaning. Then in the case that there is a COVID situation and you need to do a deep clean, what does that look like, and perhaps some help around those expenses. That's going to be major to a small business and especially to a remote business.

Mr. Mike Schreiner: I'm probably almost out of time, but Mr. Annunziata, if you want to add the last word on this.

Mr. Anthony Annunziata: Hopefully, I'll have a little bit of time. The PPE issue is an important issue for small businesses, which makes up a good chunk of the sector. I think that assistance is important. But let's all be aware that from—

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

Ms. Donna Skelly: Thank you, Mr. Chair, and I will expand a little bit. Actually on this particular area you're asking the government to provide financial support to help cover these additional costs related to ensuring safety of clients and customers. How difficult would it be to simply absorb those costs through increased prices? We know that, for example, in the airline industry, we will see an increase in ticket prices. Could you not simply pass that on to the consumer?

I'd like to hear from all three of you, if I may. Terry?

Mr. Terry Mundell: Thank you for the question. Based on the amount of unemployment, based on the amount of people who have pushed their mortgages ahead, based on the amount of people who are suffering in a variety of different debts and based on those who are just trying to hold onto their dollars, I cannot see a price increase as the way to drive business. It just doesn't happen in ours.

In fact, our history—if you were to look back to 9/11, if you were to look back to 2003 SARS, if you were to look back in the financial crisis of 2007-08, these are all the same. We didn't increase our prices, and we couldn't. People would not pay it, albeit it'd be great if it will happen. The bottom line is, the liquidity out there for all of those people laid off and the liquidity for businesses that are going to come and support our sector—I just don't see that being a viable option. I think we'll grow prices over years, but it will take us a decade probably to get back there.

Ms. Donna Skelly: Anthony?

Mr. Anthony Annunziata: I think those are good points and good observations, but I think at the end of the day, Terry is right. You have to understand that people have been out of work or not working for almost 80 days. Will employers be granting vacation time to those employees, potentially? Do people have the disposable income to

travel? To simply pass on price increases, in a condition or market that is shrinking, disposable income is shrinking time for a vacation, may not be a recipe for success.

Again, as we get down to that visitor pledge, I hate to see people take the out that they can't afford it as to why they can't support the visitor pledge and why we'd put the market and the recovery at risk. If we're going to commit to it, I think we have to commit. We're not saying totally supported by government, but I think there needs to be some support by government so that we can create a standard.

Ms. Donna Skelly: David, did you want to speak to that as well?

Mr. David MacLachlan: Sure. I understand the question and the sentiment. Certainly, small business owners want to be able to pay their own way. I think the difference for us here in the north is that with the loss of that American market, that's half a billion dollars to our area and lodges and resorts. The average US visitor spends about \$2,600 for a six-day vacation. We found out yesterday from the research that Destination Canada has done, that it's roughly about \$1,100 for a domestic visitor. That's where the challenge is and also the challenge in the north is, where we typically have an avid crowd, so whether it's a snowmobiler or a fisherman—

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

Mr. David MacLachlan: —that's someone who is participating in what we would call an avid activity. We're at the point of having to retrain not only our operators in terms of new products and experiences to offer to a new market and encourage that market—and even though there is a pent-up demand for that travel, the margins just aren't going to be the same as what they were previous to COVID for our industry.

Ms. Donna Skelly: Mr. Chair, how much time do we have?

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

Ms. Donna Skelly: I'm going to throw out my last question then. Prior to the end of the first round of questioning I asked: Is there any red tape that we can at least eliminate that while we're moving through COVID? Maybe I will start with you, David, if you've got any suggestions of things that we can do as a government now.

Mr. David MacLachlan: Well, I think everybody wants to operate safely. One thing that comes to mind for a lot of our remote properties—and you have to remember that the only way in and out of them is by float plane. There are issues around septic issues—not that the septic tanks that are there are unsafe; water samples are sent in and come back approved and in good shape. But certainly, when we have broad, sweeping legislation around septic systems, we sometimes have to find local solutions to that, with the understanding that people want to be safe. But in some cases, at a remote setting you cannot get a backhoe in and dig a new septic bed. The tools that you have at hand are a shovel and a pickaxe. It's about finding those local solutions that keep people safe as opposed to the broad, sweeping guidelines, I guess.

Ms. Donna Skelly: In case we run out of time, I want you to please send in any suggestions that you have. It's imperative that we hear what you have to say.

Maybe, Anthony, do you have any ideas off the top of your head?

Mr. Anthony Annunziata: Yes. I'd ask you to consider land use strategies that allow rural jurisdictions to be a little bit more competitive in terms of land use. I'd also ask that you consider municipalities—

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

Mr. Anthony Annunziata:—providing some additional planning and land use authorities to support community readiness and facilitate the implementation of new outdoor opportunities or spaces—non-traditional dining spaces, redirecting traffic to create new spaces, pedestrian-only spaces, and using large, unused meeting places for revenue-generating purposes. I think those authorities would go a long way to give municipalities some tools to allow and eliminate some of this red tape.

Ms. Donna Skelly: Great. And finally, Terry, I think you've got a few seconds.

Mr. Terry Mundell: In respect to both the comments they made, I support them both. I think the bottom line here is that there's a variety of pieces of red tape. A lot of them are municipal, not necessarily provincial. Some of the provincial ones—we've had good movements with the Alcohol and Gaming Commission, talking about abilities to use adjacent land to expand some of our businesses, our patios. There are some issues that we have challenges at—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to go to the opposition side now for their time of questioning. I see MPP Vanthof wants to go first.

Mr. John Vanthof: Yes. Can you hear me?

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. John Vanthof: I'd like to thank everyone for coming. It's a very worthwhile exercise. My wife is from Holland. I spend a lot of time in Toronto and Niagara Falls doing the tourist thing. I really appreciate it. But although I live in northern Ontario, I very rarely do anything touristy in northern Ontario.

David, you said a few things in your presentation—because it's a vast difference and I think a lot of people don't understand that. I've heard a lot of operators too talking about something the government could do right away, which is waive MNR fees, like on management areas. It's a small ask in the big picture, but it's something that would help an individual operator right away. Could you expand on that a bit?

Mr. David MacLachlan: Sure. A lot of tourism activities in northern Ontario take place on crown lands, with operators paying crown land use fees, whether it's for a cabin location through a land use permit or for a bear management area, bait fees, as well as provincial land tax. Certainly, again, when you look at, say, an air service that might have 20 outpost cabins or more, those fees can add up to \$30,000, \$40,000 or \$50,000 for an individual business that's operating at reduced capacity. Then you take into account that maybe they're paying \$100,000 for

aircraft insurance out of the gate or, for a marine operator, \$50,000. And working on these reduced margins this summer, they just don't have the money to pay those fees. So certainly we are asking for some form of stay on those fees for this season.

Mr. John Vanthof: And that's something the government could do, like, right away.

Another one: I also suffer, in northern Ontario and rural Ontario, like Dave said, from bad broadband service because of our distances. So I have one camp who are working to get better broadband. They need a tower that has to go on MNR land, and the cost of the right to put that tower on MNR land is prohibitive in itself. That's also something I think the government could address right away. What do you think?

1600

Mr. David MacLachlan: Oh, 100%. We hear from businesses and even private residents who are trying to tap into those networks where the line is running right by them on the road, but to get it extended to the building they want \$10,000, \$12,000 or \$15,000 to do that work. In the case of where I am today, there's a cellphone tower about 15 miles away that we could have access to that would eliminate this Xplornet connection that works on and off.

Mr. John Vanthof: Yes, I have Xplornet too, and I don't know how long I'll be on here.

One thing I heard from all three of you was regarding the need for PPE—

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

Mr. John Vanthof:—but I think you're a really good example, all three areas. I think it's going to be important for the government to allow groups to identify themselves what the issues are and how to address them, that they just can't—you know, "We will give PPE, but we're not going to do this." Could you, all three of you, expand on how important it is to have some self-direction?

Mr. David MacLachlan: We've worked in the north, with NOTO and others, for those protocols, and again, situations are different. I think industry, as well, adapted to ensure safety and allowing the 34 health waits across the province to not come up with a lot of regulations. I think industry knows how to keep everybody safe.

Mr. John Vanthof: Terry, would you like to—

Mr. Terry Mundell: Yes, and thanks for the question. You're absolutely right on point. The reality is that the hotel business is one of the most regulated businesses in Ontario, with a lot of standards that we have to meet. Quite frankly, it's the business we're in, and we take health and safety seriously. It's our reputations that are at risk; if we make a mistake, everybody knows about it, and it's clearly not good for business.

That's why we went out and we worked on these events protocols. That's why we train and train and train again, and that's why we've asked for some support for training, as well, to make sure that we're ahead of the curve—

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

Mr. Terry Mundell:—and are doing the things that, quite frankly, Ontarians and our visitors and our staff expect us to do.

Mr. John Vanthof: Anthony?

Mr. Anthony Annunziata: Yes, to the point, I agree with the other two comments, but I think that when you talked about some of the components—we were talking a little about technology investments and some of the things before. I think that this group, this panel might want to consider some of the collaborations with the universities and colleges to advance some of our technological capabilities.

You mentioned accelerating the broadband capabilities in the province. I think those are all solutions that are necessary, and I think those collaborations—tax credits on technologies; consider enhancing the provincial tax incentives for technology, capital investments, reducing the equity threshold requirements for the tourism sector—are all key components and suggestions that I would pass on and suggest to this group to consider as we move forward.

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

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The Chair (Mr. Amarjot Sandhu): All right. Moving along to our next presenter, from Resorts of Ontario: If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jerry Feltis: Thank you. Jerry Feltis, president, Resorts of Ontario. Thank you for the opportunity to provide a deputation today, with recognition of the leadership provided by the Honourable Lisa MacLeod in navigating the challenges of the COVID-19 threat. I would like to introduce our Resorts of Ontario representatives present today: executive director Grace Sammut, past president Mark Downing, and myself, Jerry Feltis, the current president.

We are a leading trade association formed in 1942 to serve the diverse SME sector, comprised of resort hotels, lodges, cottages and inns. These businesses offer an incredible range of memorable experiences for our customers, ranging from full to modified services. COVID-19 has profoundly impacted the resort industry across all three dimensions: economic, social and health. We recognize the government's assistance and support in responding to the devastation to the industry, and we appreciated the opportunity to submit recommendations through the hotelier and hospitality panel. We are in a unique position to move forward by opening up the resort sector, offering a safe solution to Ontarians. As rural resort businesses, we would be able to rescue these enterprises.

There are a few key messages we wish to deliver today: communicate the impact to our industry; the vital importance of operating in the summer season to save our businesses; the ability to deliver authentic made-in-Ontario

experiences; and the need for clear direction in the reopening plan on other service and experiential levels.

At this time, I would like to introduce Grace Sammut to speak to the impact on our industry sector. Grace?

Ms. Grace Sammut: Thank you, Jerry. Good afternoon. My name is Grace Sammut. I am the executive director, as Jerry identified earlier.

From an economic perspective, our sector has been devastated, with our businesses sustaining losses of up to 100%. These losses are in both group and leisure business; losses in meetings, conferences and weddings; and domestic, US and internationally. With massive layoffs, we have had up to a 100% reduction in employment levels. Our sector will not regain 55% of these lost revenues this year.

On the situation going forward, the summer season is the industry's prime business period, which is the opportunity to save our businesses and save jobs. As destination experiences in rural Ontario, we offer safe vacation travel. The delays, uncertainty, confusion and lack of clarity have, up to now, perpetuated our inability to restart our business operations. These businesses have to maintain and operate multi-faceted operations and are therefore challenged with disproportionate levels of expenditure. So cash flow is the difference between success and failure.

Resorts have incurred additional expenses to prepare their businesses for guests and employees. The resort association shifted its operations to support the sector through this crisis. We developed a comprehensive risk-mitigation plan for business continuity purposes, with reviews by the WSPS, OTEC, the housekeeping association, and professional suppliers. The protocols and standards in this document are being used by resort businesses, who developed their own manuals with safety and prevention for their guests and employees.

The most recent study conducted by CBRE, a consultant, identifies the resort sector's contributions as representing 3.6% of the province's GDP in tax revenues alone—often the primary employer in the resorts' rural communities. These businesses account for significant socio-economic benefits, with the coronavirus putting our businesses at risk.

As it relates to social and health concerns, the nature of tourism and hospitality is the provision of memorable resort experiences for families and groups. The rich experiences provided to these consumers are an integral part of Ontario's lifestyle, built over the last century.

From a pure health and safety perspective, we can provide safe experiences and get large numbers of employees working.

I think we should turn it over, Mark, to you, because we're running out of time. Sorry about that. I'd like to introduce Mark.

Mr. Mark Downing: This is Mark Downing, past president.

Resorts of Ontario are ready to welcome Ontarians, which reap benefits socially and economically, offering guests the assurance of, "You will be safe in our hands."

Our resorts are located throughout the province in magnificent open spaces in rural communities and where resorts are primary employers. Resorts across Ontario have retooled their procedures and processes, offering safe experiences to host our guests in this new environment and to re-engage the workforce to get people working.

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Now that resorts can open, we need clear direction on what restrictions will be lifted, and when. We have facilities, supply chains and employees to manage. We have advance bookings from guests expecting a certain product. Without forward-looking dates, it is impossible to formulate our experience. Having resorts open will rebuild businesses and strengthen our economy, and will instill confidence in the Ontario market to travel safely in the province. We need the information now for the industry to be open as soon as possible and ready for the pivotal months of June through August.

I'd like to pass it back to Jerry Feltis, our president. Jerry?

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Mr. Feltis? All right, so unfortunately the time is up. We have to move to the next presenter now: Architectural Conservancy Ontario. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Kae Elgie: My name is Kae Elgie and I'm from the Architectural Conservancy Ontario. I guess I'll continue with my presentation?

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

Ms. Kae Elgie: Okay. I have some pictures to show you today, so it's a bit of a change of pace from listening to talking heads all day. Let me just do that. We're here today to say that we appreciate the devastation that you've been hearing about all afternoon. But we do see a light glimmering at the end of the tunnel. It's not the blindingly bright fireworks at the reopening of a major tourist festival or gigantic park venue in one of our big cities, but instead it's a soft, steady glow of light slowly rising from every town, city and village in Ontario as we embrace the power of cultural heritage tourism to bring our economy, and our mental and physical health, slowly, steadily, securely back to life.

The solution we see is cultural heritage tourism, and that's tourism in which arts, culture and heritage form a key attraction for visitors, and a focus for their activities. For at least 20 years, researchers have been noticing that there's an increasing number of tourists who want something a bit different. They want safe destinations. They want meaningful, authentic experiences; the ability to participate rather than simply observe; a chance to meet locals; and opportunities to support good environmental and social responsibility practices—sustainable tourism, in other words.

Not only do these sorts of tourists want a specialized experience, they're prepared to create and pay for it. A 2012 study commissioned by the Ontario Arts Council found that arts and culture tourists were more likely to add other activities on top of their original destination, and,

very important for COVID-19 days when physical distancing is crucial, they like outdoor experiences. They were twice as likely as other tourists to add on culinary experiences and shopping experiences. Not surprisingly, they spend more, about twice as much as the average Ontario tourist.

Historically, Ontario has focused more on cultural tourism, which is slightly but very importantly different from the cultural heritage tourism that ACO is recommending today. In its 2009 study on cultural heritage tourism, the report focused mostly on large cultural venues and festivals like Caribana, Buskerfest and the Shaw and Stratford festivals, where attendance exceeded 500,000. Indeed, the funding announced in 2019 focused on festivals.

But as we've seen, these sorts of cultural attractions are problematic during a pandemic, so ACO suggests that the solution is to focus on the "heritage" in the cultural heritage solution. To help us understand what I mean by that, I'm borrowing this graphic from a UK report. It's not 100% transferrable to Ontario because we don't have a lot of castles, but it can help you to see the multitude of heritage tourism venues that we have in our province: smaller-scale sites, historic parks and gardens, historic main streets, heritage neighbourhoods, that sort of thing.

We think these are a perfect starting point for the tourism recovery post COVID-19 because they deal with the challenges facing tourism in Ontario. Number one, which you've heard many times, is the travel problem. We can't expect international tourists for at least a year, and initially, anyone who travels as a tourist will start one to two hours from their home base and then travel five hours from their home base. So what we have locally is what we need to promote, and what we have locally is heritage.

Then there's the infection challenge. Last month, the New York Times published a summary of a study done by four health—

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

Ms. Kae Elgie: —and behavioural scientists at the University of Chicago. Using cellphone ping data coupled with phone owner interviews, they mapped out which venues had the highest and lowest risk of coronavirus and concluded that historic sites and museums are low-risk venues. And certainly, outdoor venues are very safe too in these times of physical distancing.

At this stage of physical isolation, many of us are in a well-known grumpy stage. Much more serious, though, are the well-documented mental health impacts of the pandemic: anxiety; panic; fear; hypervigilance, which results in post-traumatic stress disorder; depression; and sleep-related disorders. In 2019, a team of British researchers combed through 3,500 reports and found that there were very sound mental and physical health reasons to spend time in historic places. Twelve studies concluded that visiting museums, historic houses and other heritage sites had a positive impact on life satisfaction and happiness. That's why we feel that promoting cultural heritage tourism, with an emphasis on heritage tourism, is a way to slowly regain people's trust.

It will bring money into the economy because, as was mentioned before, the people who like to explore and find new experiences are better spenders than the other sorts of tourists that we can't see just yet. They typically spend 12 times as much in the community as what they spend in the historic sites that attracted them to it.

As my next few slides will show, there are hundreds and hundreds of possibilities, already researched, practised, ready to go. Couple this with the provision of safe public washroom facilities and safe eating and drinking options, and we're ready to start.

Cultural heritage tourism is a great way to slowly start tourism and Ontario's economic recovery. At the same time, it can improve Ontarians' sense of identity and well-being. These slides show Uncle Tom's Cabin in Chatham-Kent and the cultural tours of the ByWard Market. There's lots that we can do, and I think that this is a way forward.

My next slide is just a little introduction, very late, of who we are. So thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. I will go to our next presenter, from the Niagara Parks Commission. If you could please state your name for the record, you will have seven minutes for your presentation.

Mr. David Adames: Thank you, Chair, and to the committee. I very much appreciate the opportunity to present today. I'm David Adames, the chief executive officer of the Niagara Parks Commission. I'm just going to share my screen with you, so I'll take you through a presentation today. Hopefully, everyone can see that presentation.

I'll just give some background on the Niagara Parks Commission. We were founded back in 1885. We operate under the Niagara Parks Act. Two interesting founding principles that we still live by today are that Niagara Parks would never be a financial burden to the taxpayers of Ontario, and that, as much as possible, we would be free to enjoy. So our park spaces—

The Chair (Mr. Amarjot Sandhu): Sorry to interrupt. If you'd put your screen on slideshow, we'll be able to see the full screen.

Mr. David Adames: Oh, sorry about that. Yes.

The Chair (Mr. Amarjot Sandhu): Yes, it's good.

Mr. David Adames: There we go. Okay. How's that, Chair?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. David Adames: Okay, great.

We are a board-governed operational agency under Minister MacLeod's ministry. Our mandate is to be the environmental and cultural stewards of the Niagara River corridor, with a vision to be one of the most spectacular parks in the world.

The map that you see on this slide depicts the land that Niagara Parks stewards. The 56-kilometre Niagara River corridor is in a very important binational zone. We are a key demand generator, driving visitation not just to Niagara, but right across Ontario.

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Here, it gives a sense of the revenue-producing operations that we offer: six attractions, five restaurants, eight

quick-service outlets, and the list goes on. We've opened our two golf courses for the season. We'll have our marina opening on June 12. Of course, we have iconic tenants, like Hornblower Niagara Cruises. We support the destination with an awful lot of cultural activations, like the New Year's Eve celebration.

Prior to COVID-19, we were having a record year. For our fiscal year, April 1 to March 31, our revenue was at \$127.3 million and our surplus before interest and depreciation was \$24.7 million. Our visitation levels to our six attractions: We had two million visitors. Our transportation system, which is the WEGO Green line along the parkway—1.3 million trips. Our partners: Hornblower Niagara Cruises welcomed 2.2 million passengers last year, and WildPlay Niagara Falls, operating the zip line adventure course, 130,000.

The economic impact study we did formally at Niagara Parks about two years ago, based on our 2017 data: We welcomed 8.2 million visitors in the previous year, and 3.8 million of those were unique. Again, those 3.8 million would have had roughly two and a half to three transactions with us. They might have visited an attraction, dined with us or used our WEGO system. The economic impact on that visitor spend was \$1.2 billion, generating 15,900 jobs in Ontario.

Other key stats from last year: Our peak staff level at Niagara Parks in 2019 was 1,802. We had a \$57-million payroll, and our capital budget was \$25.5 million.

The impact of COVID-19 on Niagara Parks: On March 14, with the advice of Ontario's Chief Medical Officer of Health, we closed our public-facing facilities, so that meant all of our revenue stopped. Our parks remained open for walkthrough access only. There's also the cancellation of key sales contracts right from travel, trade, corporate, weddings, events etc. Workforce management plan number 3: We had to go right into essential-service staffing levels. We worked very closely with our unions on that plan. The financial impact was, again, going from a record to closure overnight.

This slide here shows the first-quarter impact. I'll take you right to the bottom line. Our net annual surplus before interest and depreciation is on slide number 10.

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

Mr. David Adames: Last year, just quarter 1, on June 30 we surplussed \$5.6 million; we will end June 30 in the hole \$7.6 million, so a negative variance of \$11.6 million. Again, on the next slide, you can see the old budget. It would have been \$131 million in revenue this year. Our new budget, which we just took to our finance committee yesterday—\$54 million. We peaked last year at 1,800 staff; 750 this year—so dramatic impacts.

The plan to move forward: We will be ready to welcome guests back to Niagara Parks. We'll have a full health and safety plan. We have great guest experiences for this year: opening phase 2 of our Table Rock flagship location right next to the Horseshoe Falls. We're moving forward with the adaptive reuse of a decommissioned Canadian Niagara Power plant to open phase 1 in 2021, and to be a key host partner in the 2021 Canada Summer

Games. We are contributing to the minister's sector panel for jobs recovery, and we'll balance great guest experiences, keep as many staff working as possible and support supply chains. It's a plan to move forward in terms of key opportunities.

We want to make sure that we're all collectively providing great guest experiences. It drives demand. The point I put here, because we are a provincial agency, is to please invest in provincial assets. Of course others have talked about other investments today.

Number two: Leverage new and renewed interest. The speaker just prior to me, ACO, talked about the interest in parks, trails and open spaces. That's been my observation over the last two and a half months as we've seen a renewed interest in nature.

The "made and enjoyed in Ontario"—the third bullet point—to link tourism operators with Ontario suppliers, producers and purveyors: The example that we have here is the Feast ON program. Five years ago, Niagara Parks, working with the Culinary Tourism Alliance, certified all five of our full-service restaurants. Just last year, we bought \$2.6 million of food from 75 farmers and purveyors in Ontario.

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

Mr. David Adames: We supported 58 wineries in Ontario, 27 breweries, 14 cideries and seven distillers. We're very proud of supporting local, and particularly Niagara and Ontario.

They use the scale of Ontario's major tourism operators, including our provincial agencies, to work with key digital providers—I put "big tech" in brackets there—to position Ontario experiences. The number one search engine is Google. So what are guests searching for and how can we position our Ontario experiences, including through avenues like with Google reserve, as they take online reservations through that? How do we incentivize Ontarians to travel in Ontario, like a tax credit? I know you've talked with other speakers today as well. That could be, again, using fiscal policy to drive and incentivize Ontarians.

Last, but not least, a well-resourced marketing campaign to support tourism experiences and travel within and to Ontario, certainly supporting Destination Ontario and the organizations—

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

Mr. David Adames: That's perfect.

The Chair (Mr. Amarjot Sandhu): We'll have to go to questions now. I'll start with the government side this time. We'll go to MPP Norm Miller for the first question. Mr. Norm Miller, can you hear me? Can you unmute yourself, please?

Mr. Norman Miller: Okay, good.

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

Mr. Norman Miller: Thanks to all three groups for their presentations.

My couple of questions will be to Resorts of Ontario. Thank you, Grace, Jerry and Mark, for your presentation.

Certainly, it's one that hits home close for me, as my former life before being a politician was 30 years of running a lodge resort. I'm happy to say that in that 30 years—we faced some challenging years, but nothing like COVID-19. From that perspective, I'm glad I'm not in the business this year. But certainly, from in my current job, I want to do everything I can to help you survive this challenge.

I know that the resort experience—I know you can rent rooms now, but it's more than just rooms. It's a dining experience; it's activities. First of all, how do you plan on operating under the current rules? I'll start with that, whoever of the three Resorts of Ontario people would like to respond—certainly things like meals, for example.

The Chair (Mr. Amarjot Sandhu): Mr. Feltis?

Mr. Jerry Feltis: Sorry, my closing earlier was cut off. Nobody would unmute me. It was really just a thank you for allowing us to talk. I'll close that off with that, to start with.

To answer that question—you and I have spoken on the phone a number of times—I think the business continuity plan that we've put together from Resorts of Ontario, and supplied to all of the resorts in our sector throughout the province, deals with ensuring that all employees and all of our guests are safe at every interaction, ensuring that everything from social distancing to cleaning and sanitization is done safely, no matter what the activity.

As you're well aware, resorts are kind of like four to 10 businesses all in one. When you ask the question about a restaurant, right now restaurants are allowed to serve takeout. So as we welcome guests into our hotel, our restaurants will follow the rules of a restaurant and serve takeout. When patios are introduced at some point along the road to recovery, we will then instill those values in that particular business unit.

We were happy, the Tuesday of Labour Day, with individual sports such as canoeing or kayaking, to make sure that potentially a guest could safely get on a stand-up paddleboard and go for a paddle on a cleaned and sanitized unit.

Swimming pools we don't expect will be open until sometime in level 3 of the opening. Again, I think every step of the way we're just going to follow the policy of the Ontario government. As you release those restrictions, we will adapt our business. As you well know, resorts are very used to adapting to restrictions and being flexible with our operations.

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

Mr. Norman Miller: So, if I was still in business, I'd just be concerned about surviving this year, more than anything else. If you were able to be fully open now, could you do it safely? Is that the biggest ask, "Just let us open"? And beyond that, what other government support would you like to see so that your businesses are around next year?

Mr. Jerry Feltis: The answer is yes. As we stated, the most important time frame is June to September for the

resort industry. If I had to ask for one thing: to have the government speak with one voice.

I'll use an example—great news today on short-term rentals, but we had a resort today call the resort that I run and say that the OPP and a number of different municipal—all of that—said, “Yes, go ahead and open,” and then the health unit called and said, “No, you're not allowed to open.” Now, that will change with today's message, but I think having that one unified voice that puts it out and makes it very clear, and then helping us with the consumer, the ability to make them comfortable to be able to come up and visit us, as well—because we can provide a safe experience. We believe that we can provide a very safe and very socially distanced experience, and continue and save these businesses by being able to open in the summer.

Mr. Norman Miller: So that's the biggest thing: being allowed to open. Secondly, is there any other ask of the government, in terms of survivability for resorts?

Mr. Jerry Feltis: Yeah, we recognize the wage subsidy and all of the other things that the federal and provincial governments have put in. We're very appreciative of it. At the end of the day—

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

Mr. Jerry Feltis: —we need to get open and do our best to survive ourselves, as well.

Mr. Norman Miller: Thanks. I know my colleagues have questions, so I'll pass it on to them.

Mr. Jerry Feltis: Thank you.

The Chair (Mr. Amarjot Sandhu): I will go to MPP Piccini, if you have something in 40 seconds.

Mr. David Piccini: Yes, thanks very much. My question is for Kae. I'll dispense with all the niceties. Kae, quick question: Are there guidelines out there to determine what should and should not be designated “heritage”? It's very important to my riding—beautiful heritage communities.

Ms. Kae Elgie: Hello. Yes, there are guidelines out there. They're in the Ontario Heritage Act. They are administered by the province and also delegated to the municipalities to do that.

Mr. David Piccini: That's for designated heritage. I meant when you shouldn't designate, when a building has gone too far.

Ms. Kae Elgie: Well, I think that most buildings can be rehabilitated if you have people who understand heritage buildings. In fact, the ACO has a program called PreservationWorks!, which offers advice on just those kinds of things.

Mr. David Piccini: Thank you.

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

Ms. Kae Elgie: Okay.

The Chair (Mr. Amarjot Sandhu): We have to go to the opposition side for their time now. I'll start with MPP Miller, Hamilton East–Stoney Creek.

Sorry, MPP Miller, can you unmute yourself, please?

Mr. Paul Miller: Unmute? Okay, you got me now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Paul Miller: I'd just like to give a shout-out to David. We go back to the Stoney Creek days. How are you doing, David?

My question is for the delegation from Resorts of Ontario. Though there are now several aid packages available for businesses struggling due to COVID-19 and the subsequent economic shutdown, the Tourism Industry Association of Ontario reports that many tourism industries do not qualify for much of the current COVID-19 relief. For example, many businesses in the tourism industry are finding it difficult to calculate the 30% loss in their revenue for the 75% wage subsidy, when their sales do not begin until mid-May. This is especially concerning, given most of the tourism businesses in Ontario are small operations with fewer than 20 staff. Like other industries affected, tourism industries are also in dire need of relief.

My question is about the percentage of resorts that have qualified for the wage subsidy for their workers. Does Resorts of Ontario have an idea as to what percentage of the industry has been left in the cold on that particular federal program, as I'm sure the number is higher than most other industries?

Ms. Grace Sammut: I'll take that question. Thank you very much for asking that. One of the challenges in the industry, of course, is the nature of seasonality, and those are businesses that have been particularly challenged by the inability to access things like the 75% wage subsidy. They are normally scheduled to open their operations for Victoria Day long weekend, and so there were certain requirements in place that precluded them from accessing those funds.

I do believe, about a month ago, some programs were made available in southern Ontario and northern Ontario, and tourism was one of the industries that could actually access that money. But it was not only tourism; it was manufacturing and a host of other industries.

So you're quite correct: There are definitely some businesses that have had some financial duress under this particular problem, and cancellations have exacerbated the situation. So it's all about cash flow and needing to ensure that they can keep operating. At this point, we are so appreciative of the fact that we can actually open and start to win back some of that business. But aside from that, there are some of these businesses that are definitely affected.

Mr. Paul Miller: Great segue—thank you, Grace.

The Chair (Mr. Amarjot Sandhu): Any further questions? MPP Gates, do you have a question?

Mr. Wayne Gates: Can you hear me now?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Wayne Gates: Thank you. Hi, David. How are you? This is for the Niagara Parks Commission: Obviously, it should come as no surprise to anyone that tourism is vital for Niagara and Niagara Falls, Fort Erie and Niagara-on-the-Lake. The tourist industry is one of our greatest generators of jobs, and the parks commission itself hires and employs around 1,700 people during the tourist season in Niagara. COVID-19 has obviously meant an incredible

amount of economic hardship for Niagara Parks employees, who are not working right now. Does the park feel that the government of Ontario can be doing more to support its employees to help them through this time?

Mr. David Adames: Thank you, MPP Gates, for the question. Today, Niagara Parks as a public agency does not qualify for the CEWS federal program. I can assure committee members that if we were able to access and use that program, we'd have more staff back working.

When we went to essential services levels in March and April, we dipped to about 232 working staff. Traditionally, at that time of year, we'd have about 900 or 950 people working—and certainly, at peak in summer last year, 1,802. Our payroll will be \$20 million less this year. We had budgeted it to be around \$61 million. Our payroll this year will be at \$41 million. We're one of the largest employers in Niagara. It's a critical area, to try to get subsidy for that.

Mr. Wayne Gates: Thanks, David. I've got a few more questions; I'll get them through. Niagara Parks is a provincial agency.

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

Mr. Wayne Gates: You very proudly operate independently and do not take money from the government. Obviously, this year, your revenues will be drastically decreased. Do you expect to need financial help in order to ensure that the services offered by the parks and the employment offered by those services are maintained?

Mr. David Adames: Through the Chair: Great question. We will have two plans ready: one plan to deal with the situation through self-funding, which will mean that we will need to borrow more funds into our line of credit. If we were to get assistance, perhaps a one-time grant, and we could even cash-flow that over two years, then we'd be able to have more services provided.

Just very quickly for the committee members: We still need to maintain our 1,300 hectares of land, so we have to do simple things like cut the grass. As you know, right now, that has been a bit of a challenge, so some assistance would be welcomed.

Mr. Wayne Gates: Thanks, David. Do you expect to have to cut any services, given the budget shortfall, and can the government play a role in addressing that—like cutting grass?

Mr. David Adames: We are looking at some potential operations that we will not open this year. So far, we have been able to manage. However, if the closure goes on longer—and right now, we're planning for a July 1 reopening. If it goes on longer than that, we'll have to take some additional steps to cut back on operations.

Mr. Wayne Gates: Okay. Have I got time for another one?

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

Mr. Wayne Gates: With your expected shortfall, expected financial shortcomings, how do you plan to ensure all staff have appropriate PPE and staff working conditions so that when they come to work, it's safe?

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Mr. David Adames: We've got a robust health and safety plan. In fact, I was just on the phone prior to this call dealing with it. We've budgeted over \$250,000 for PPE this year, so that's an additional cost that we'll incur this year. But we are in full compliance with the health and safety guidelines and we'll have a robust health and safety plan.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll have to move to the independent members for their time now. I see MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three organizations for joining us. I'm going to direct my first question to, I think, Kae and David. Maybe I'll start with you, David, and then go to Kae.

You're two of the first presenters that talked about the importance of culinary tourism, which to me seems like an opportunity to feed one bird with two seeds, supporting tourism but also supporting local farmers, who are hurting as well. I'm just wondering if maybe you could elaborate on some ways in which we could promote culinary tourism—I guess, David, in your case, within the Niagara region.

Mr. David Adames: Thank you very much for the question. I think having a plan to be deliberate about making the connection between taste of place, so having locally infused menus—and there are many farmers and purveyors wanting to work directly.

Our scope and scale is a bit different. We do work with some consolidators, some brokers, to do that. We do deal directly with wineries, distillers and brewers. We have a robust marketing campaign, our messaging around the Culinary Tourism Alliance. So I think it's just, again, having a structured plan. We deal very closely with the Culinary Tourism Alliance on that program. We do pop-up dinners around taste and sense of place, so we take our pop-ups to heritage sites along the parkway and also to our natural areas as well. So those are a couple of examples.

Mr. Mike Schreiner: Okay. Kae, he led into heritage, so I think that set you up perfectly.

Ms. Kae Elgie: Yes, it does. In fact, I think the heritage walking and driving tours are custom-made for this kind of thing. You can have a number of venues and you can either visit some of these local farms and markets or have the food brought to them. I personally led a lot of walking tours last year in Waterloo, and we ended up at a local venue every time.

We can't necessarily do it the same way this year, but I think there are great opportunities to kind of, along the route, showcase our local producers and our local shops and our local artists. I think it's custom-made for having people discover that, and the kind of people that go on these heritage walking tours and driving tours are the people that want to find out all that there is to offer in that local area. They really want to mine it for everything it's worth.

Mr. Mike Schreiner: Okay. Kae, I'll stick with you for a second as a follow-up. I'm a big fan of these walking and driving tours, and I'll add cycling to that because I've done

a number of cycling tours as well. I'm an avid cyclist. I'm just wondering if some investments in infrastructure to support safe walking and cycling would be an opportunity to further promote cultural heritage, and I'd even add natural heritage to that as well.

Ms. Kae Elgie: Well, for sure we'd like to see some promotion of this avenue. I think the minister saw it further down the road. I think it could come quite soon.

I think the other thing is that we do need some investments in infrastructure, both in the heritage structures themselves—and, of course, when you do work on them, you're creating more jobs than new construction—but also the infrastructure that you're talking about. In fact, we've been working through the National Trust to ask the federal government to earmark at least \$200 million in stimulus money for funding for heritage properties and heritage programs—

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

Ms. Kae Elgie:—knowing that that will create more jobs than new construction and it's better for the environment. So if you MPPs can help us put—we want Ontario to get the money, basically. We want Guelph and all these municipalities to get the money. So please come behind us and help us get that money for you.

Mr. Mike Schreiner: Thanks for giving Guelph a shout-out.

I really quickly want to go to Resorts of Ontario. I've talked to a number of resort owners who are concerned about the cost of complying with public health measures: PPE, physical distancing, extra cleaning etc. Do you see liquidity concerns that businesses have, and support that government could assist resorts in reopening and dealing with the cash flow associated with that?

Ms. Grace Sammut: Thank you very much for that question. Absolutely. In addition to losing a considerable amount of business, the costs of operating are quite a lot higher, and that investment has been very important. What will be incredibly helpful is a recovery program, a marketing stimulus package similar to what Kae just said. We really need organizations like Destination Ontario to work closely, and they do. So a big shout-out to Destination Ontario. As they align with us, the key is going to be ensuring that we're working collaboratively. We've got one domestic pie that everybody's going to have to share. We've lost the US market at this point, with the borders closed. International markets are closed. So at this point, meetings, weddings—

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

Ms. Grace Sammut:—they're all off the table. It's the leisure market only. So I think it's going to be really important to work together, in collaboration with each other. There needs to be a lot of dialogue on that side. We've got an infrastructure of DMOs, sector associations, RTOs. So we need that leadership from Destination Ontario, which will really get us through this.

Mr. Mike Schreiner: So I'm assuming that funding for DMOs is probably high on your priority list.

Ms. Grace Sammut: Actually, we don't qualify, so thank you for asking that question. Sector associations do

not qualify. We do not access RTO funding. We do have a partnership with Destination Ontario, which is normally a one-to-one spend. At this point, our industry is quite challenged with liquidity, as you touched on. So again, we're going to have to really work closely with them and be more flexible in how we go forward.

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

Mr. Mike Schreiner: Would you like to see the, I guess, funding—

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

Mr. Mike Schreiner: Oh, am I out of time?

The Chair (Mr. Amarjot Sandhu): Yes.

Mr. Mike Schreiner: Thank you. I appreciate it.

The Chair (Mr. Amarjot Sandhu): No problem. Thank you. So we'll have to go to the opposition side for the second round. Who wants to go first? Any questions from the opposition? MPP Gates.

Mr. Wayne Gates: Can you hear me now?

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. Wayne Gates: Okay, perfect. I'm usually quite loud. All my questions will go to David, just because it's my riding and it's my opportunity. We do have a good working relationship, which is important.

What is the biggest thing that the government can do today to help the Niagara Parks thrive and ensure that every laid-off worker has a chance to recoup the losses this pandemic has caused?

Mr. David Adames: Through the Chair, thank you, MPP Gates. I think there are two things. One is: Advocate to the federal government to allow us to access the CEWS program; that will get more of our staff back working. I think the other would be to give consideration to a one-time grant. Again, we could cash-flow that over two fiscal years: this year and next year. That would allow us not only to have more staff back working—and I wouldn't say just have them back working for the sake of having them work. Actually, we are having to cut back on service levels at this point, without having the staff in place. So that's what that one-time grant would allow us to do, to weather this storm. We have a plan, though, to smooth this out over three to four fiscal years. The recovery will be a marathon. It's going to take some of the short-term provisions to get done.

Mr. Wayne Gates: Thanks, David. As we've noticed in tourism, they've gotten a little creative. If you take a look at the Toronto Zoo, where they're having drive-through. You take a look at Safari Niagara right here in Ridgeway, they're doing the same thing. I was thinking around how we can be creative with the parks around our areas, around our restaurants and stuff—particularly with social distancing, which has been an issue in Niagara Falls in the local newspapers quite regularly.

But would you be supportive of shutting down some of the streets around the falls to allow bigger patios, social distancing? Our restaurants have taken an incredible hit, as you know. We have great restaurants—great golf courses, too. Just a little promotion, in case anybody's listening today. I think it would be a good idea. Shut down some of the main streets. Get the cars off Clifton Hill and

some of the other tourist areas. Allow the restaurants to put their products, patios into these streets as well.

Would your organization be open to something like that? I use Queen Street, although it's not Niagara Falls, but you kind of run that way into Niagara-on-the-Lake. But Queen Street, Niagara-on-the-Lake, is another one where I think they could do that as well. What are your thoughts on that?

1650

Mr. David Adames: Yes, through the committee Chair, thank you, MPP Gates, for that question. I think guests will be looking for safe ways to enjoy dining. I think there have been lots of models in the last little while that BIAs have done, for example, where they've expanded patios out into curb lanes, safely closing curb lanes. I think you need to blend to make sure that we're making good connection points, whether it's sidewalks or roadways, to connect one attraction or experience to the next. I think, with a well-coordinated and collaborative approach on a plan, that it will work.

What we're doing in Niagara Parks at our five full-service restaurants is, where we can, have patio space. Even at some of our eight quick-service outlets, we will make that happen as well. The good news is, in some places we have space to spread the elbows, if you will. They can enjoy the outdoor space. We'll be looking at picnicking as well, to offer a picnic-to-go, to go out and explore those park spaces as well.

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

Mr. Wayne Gates: We've got Queenston Heights. That's a nice spot as well.

Can you still hear me?

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

Mr. Wayne Gates: Okay, so David, as you know, over the last little while we've had a couple of rescues in the gorge. When you're talking about the cost, they're very costly and very, very dangerous. We've seen that with our firefighters as well, our Niagara parks police. How can we do a better job of letting the tourists that are coming to Niagara Falls and along the gorge—how dangerous it is, to be going into the gorge and falling? In some cases, we've had some die, quite frankly—not this year, but seriously injured. How can we make sure that's being done? It's a big cost to the parks and to the firefighters and stuff.

Mr. David Adames: Yes, two key ways. One is communicating both the beauty of the Niagara River corridor, but also the potential pitfalls or dangers that do exist with the space as well. So, communication messages, signage, digital communication.

But, number two—and we took a very balanced approach when we closed our public-facing facilities on March 14 and our public outdoor amenities on March 31—in that we communicated that if you are still going to come out, there is walk-through access only. We kept our parking lots open and our trails open so that people would use them safely, because if you close off trailheads, the risk is that they'll go off-trail and end up in a rescue-type situation. Our Niagara Parks Police Service, as well as

local fire departments and EMS, did have to do a number of gorge rescues. That puts them at risk as well.

It's that combination of, yes, they're coming out so let's make it safe by providing those amenities like safe parking lots, trailheads, etc., and also communicating in advance the ways to safely enjoy parks and trails.

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

Mr. Wayne Gates: Thank you. Are there any tax incentives that the province could provide that would help promote domestic travel? We know that as long as the border is closed—and ours is closed—that we will be dependent on domestic tourism, probably more this year than we have in other years.

Mr. David Adames: Yes, through the Chair, I think providing a tax credit to incentivize Ontarians to travel in Ontario, such as providing proof of purchase and that would be a tax credit—I did put that in the presentation as well.

Mr. Wayne Gates: I've got time left. Do you expect to open back up on July 1? I'm thinking, if we're determined that we aren't in a place as a province to open up—they do not have any forecast on what would happen there and further closures. How many more layoffs or other attractions might need to close? I think that's getting close to a drop-dead date for the summertime for sure, July 1.

Mr. David Adames: Yes, through the Chair, our two largest revenue-producing months are July and—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll go to MPP Blais from the independents for his question.

Interjection.

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

Interjection.

The Chair (Mr. Amarjot Sandhu): MPP Stephen Blais, can you unmute yourself?

Mr. Stephen Blais: There we go. Okay, it's working now.

I guess I'd like to ask the same question to the folks from Resorts of Ontario about tax credits and whether or not you see the value in offering those to attract domestic tourists.

Ms. Grace Sammut: Absolutely. Thank you so much for asking that question. I think any tax credit, the one that David just talked about as well, could be a huge benefit, and it could be a particular incentive, given that the local market is our opportunity this year and we all have to share those customers. There are so many great places to go in Ontario. Certainly from a resort perspective, we're throughout the province. We offer everything, from family to couples to adventure to culinary. The experiences are really never-ending. That could definitely be a benefit.

In terms of expansion or development, from a resort perspective, I think that could be a real opportunity. Many years ago, we used to have a tourism redevelopment incentive program. As the government goes forward, looking at our product, that could be another benefit. But certainly from the consumer perspective, a tax credit would be really amazing.

Jerry, Mark, did you want to add anything on that front?

Mr. Stephen Blais: Are we waiting for Mark or—
Interjection.

Ms. Grace Sammut: No? Are we okay? We're good; okay.

Thank you so much. I appreciate that question.

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

Mr. Stephen Blais: Yes, sorry. I wanted to ask about the coordination with local municipalities and the other elements of the sector where the resorts are located and how that's operating.

Ms. Grace Sammut: It has been an incredible challenge. In our presentation today—and we'll certainly follow up with a written submission. There has been a lack of clarity and immense confusion in the industry. We fully recognize that the government has had a lot on its plate, but really, from a municipal point of view, we've got—up to today—regions that have opened up, yet there are individual businesses within those regions that couldn't open. Then we had, as Norm Miller knows, a lot of confusion between the OPP and those municipalities. I even had some of the mayors calling me because they were really, really confused about everything. So we, as an association, have tried to give a singular message—and that is something that we are really hoping for.

As we go forward—Norm started asking the question earlier about how the other parts of our experiences get opened. We have had some innovative thought around how that can happen—for example, relaxing restrictions around food and beverage alcohol, similar to Niagara Parks. There are ways and means where we can increase our capacity and extend our dining space by using the assets we have, like our beaches and our pool patios.

There are a lot of restrictions right now, and I know the government is looking at the next 18 months as potentially offering some relaxing of existing rules that can really help the industry to get on its feet and to bring those socio-economic benefits back to the province.

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

Mr. Stephen Blais: Thank you. Just on the question of staffing, how are you going to manage staffing the facilities and ensuring that if some of these people who have other employment beyond your business or the business of your members—that the protocols are going to be consistent so that if we're opening up resorts or hotels, we're not inadvertently having some kind of cross-contamination with employees working in other industries?

Ms. Grace Sammut: We don't really have that issue. I think that was an issue in the health sector in the past couple of months. In reality, our people alter from season to season, but really not within the season. So as we move forward from January through to September and October, particularly the young people they use to go out west to work for the winter establishments—there are a lot of recruiters who work with that scenario. But we do not have that risk at all.

If anything, we have additional challenges with our workforce where it is a disincentive for them, if they're on

the CERB program, to actually work. So we're really going to have to look at the whole federal-provincial dialogue on how we encourage those people to come back to work. That is certainly a challenge we're hearing throughout the province.

If I could make one pitch as well—

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

Ms. Grace Sammut:—there is a student program that has been offered by the federal government, in terms of dialogue. Students are a huge opportunity for employment for our sector. That program goes until February 2021, I believe. If tourism and hospitality can have access to that program, it would be another huge benefit.

1700

Mr. Stephen Blais: Okay. Thank you very much. I have nothing more.

Ms. Grace Sammut: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We are out of time, MPP Hunter.

We'll go to the government side now for their time. I'll start with MPP Piccini.

Interjection.

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

Mr. Jeremy Roberts: Great. Thanks, Chair. My question is for Kae. Kae, thank you so much for the presentation. Obviously in my hometown of Ottawa we have a wealth of heritage properties that really drive a lot of the tourist activity across the city.

I know that Architectural Conservancy Ontario was one of the leaders in starting some of the Doors Open tourist activities across the province. I'm wondering: Based on your conversations with members across the province, do you think that some of your members are interested in exploring whether or not that's something that can still be done this summer, with limited numbers of guests being able to come onto a property with proper PPE etc.? Is that something that you still think is within the realm of possibility, given proper precautions?

Ms. Kae Elgie: I think it could be. I know a number of our branches and members lead walking tours, and I know they're ready to do that. I've had conversations with them about that. The way Doors Open works, there's kind of a calendar that's made up, so some of them have missed their date already, but I think they would be, probably. Granted, it's an event you can't just pull off tomorrow, because you have to line up the sites and all that. It's kind of like a festival, you know, in that respect.

But certainly in terms of giving access to historic sites and heritage buildings—and other buildings, too; we celebrate our local community. If there's a way we can make it work, I know we'd be interested in doing it.

Mr. Jeremy Roberts: Great. Thanks so much. I know my colleague MPP Skelly also has a question, so I'll turn it over to her, Chair.

Ms. Kae Elgie: Okay. Great.

Ms. Donna Skelly: I wanted to say hi to David Adames. We go back many, many moons, to when David worked at the city of Hamilton. My question is to you,

David. With people so anxious to get out of their homes—the weather is beautiful, and of course Niagara is stunning—is there any chance, with your peak months still ahead of us, that your numbers that you quoted today could actually be lower, and you could see much higher numbers of visitors to Niagara?

Mr. David Adames: Through the Chair: Hi, MPP Skelly. Great to see you. Yes, what we're anticipating is potentially seeing more people come out to enjoy our outdoor spaces, parks and trails. We have the 53-kilometre Niagara River Recreation Trail, the trails in Niagara Glen and, of course, we're one of the trailheads for the Bruce Trail as well. On a couple of weekends that were very nice—May 2 and 3 we had very large attendance, and also closer to the May long weekend, so we are anticipating good attendance that way.

It's how we convert that interest into visitation to our attractions and restaurants and heritage sites where we have revenue that comes in. Given that we're not a virtual enterprise, we do need those revenues. We will continue to do an updated cash flow every two weeks. We had a good discussion with our finance committee yesterday about our revised budget, and we had questions regarding the different range that we might see in terms of visitation.

Ms. Donna Skelly: MPP Gates had raised the possibility of shuttering some of the streets to allow restaurants etc. to actually open and have tourists spend some money. Is there anything that we can do to help you and people in the Niagara area specifically to ensure that we can perhaps monetize the interest in Niagara Falls and what we perceive will be higher numbers?

Mr. David Adames: I think you asked a question earlier to another speaker on another panel about regulations. I think it's making sure the regulations fit with what the business need is today. For example, if there's going to be outdoor dining on the street, are the regulations adjusted correctly to facilitate it? In other words, you're getting into that thorny issue that you can't pass wine across the sidewalk or whatever it may be, so just make sure that regulations support the direction that we want to go. That's one idea.

Ms. Donna Skelly: Would you be able to share any of your suggestions? And I'd like to open that up to anyone else who's with us for this question: Do you have any ideas that you can share with us about relaxing some regulations, or eliminating regulations, perhaps not just for this COVID recovery process but even afterwards? Is there anyone who wants to jump in?

Interjection.

Ms. Donna Skelly: Go ahead, David.

Mr. David Adames: Maybe Resorts of Ontario would like to answer that question. I know there are a lot of regs that affect their industry.

Ms. Grace Sammut: Thank you, David. I appreciate it. It's nice to have friends.

I appreciate the question very much. The dining issue is part of the experience that we touched on earlier. If we can relax the rules around the AGCO I think that would be a great win. Because, again, it's Canada; it's patio season. So regardless of if you're on a lake at a resort or if you're in Niagara Falls, it doesn't matter; the experience can be so much richer by having that flexibility. Moreover, it's a great experience for the customer, but it's really helping the capacity of a business.

The other side relates to the municipalities, the Municipal Act. One of our biggest costs, of course, is land taxes.

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

Ms. Grace Sammut: So if there is some easing that we could do in terms of deferring those expenses, that could be another great way to help rural Ontario. Keeping cash flow into business is really, really important. And again, the student program: If there was some benefit around that, that could be another win.

Ms. Donna Skelly: Thank you, Grace. And I encourage all of you to submit these ideas to us. We are listening. We're anxious to hear and read these proposals that you may have, as I said, not just for COVID but for afterwards as well. Thank you all.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time as well. Thank you so much for your time, and thank you so much for your presentation.

Report continues in volume B.

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