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des débats
(Hansard)**

F-32

**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Thursday 11 June 2020

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

Étude sur la COVID-19

1^{re} session
42^e législature
Jeudi 11 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 11 June 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Jeudi 11 juin 2020

The committee met at 1300 in committee room 1 and by video conference, following a closed session.

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

We have the following members in the room with us: MPP Catherine Fife and MPP David Piccini, and the following members participating remotely—

Interjections.

The Chair (Mr. Amarjot Sandhu): Okay. I have to do the attendance check now. MPP Dave Smith?

Interjection.

The Chair (Mr. Amarjot Sandhu): So, we'll do it for the new members who have joined us. MPP Bisson, can you confirm that you're present and in Ontario?

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Mr. Bisson, can you confirm that you're in Ontario? Mr. Bisson, can you hear me? Mr. Bisson, are you able to hear me?

Failure of sound system.

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

MPP Gates? Can you confirm that you're present and in Ontario? Can you unmute yourself? MPP Gates? Can you hear me, MPP Gates?

Failure of sound system.

Interjections.

The Chair (Mr. Amarjot Sandhu): Are the members able to hear me? I don't think anyone is able to hear me.

Interjections.

The Clerk of the Committee (Ms. Julia Douglas): Do you want to recess for five minutes while we—

The Chair (Mr. Amarjot Sandhu): All right.

Okay. So, we're having some technical difficulties. We'll recess for five minutes and come back at 1:10. Thank you.

The committee recessed from 1305 to 1310.

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

We have the following members in the room with us: MPP Sandy Shaw, MPP Catherine Fife and MPP David

Piccini. The following members are participating remotely, but before I—I would like to confirm the attendance of the members who have joined us. MPP Bisson, can you confirm that you're present and in Ontario?

Mr. Gilles Bisson: Yes, in Ontario and I'm present.

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

Mr. Wayne Gates: You get it?

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

Mr. Wayne Gates: I'm in beautiful Niagara Falls.

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

Mr. Wayne Gates: Closed Niagara Falls.

The Chair (Mr. Amarjot Sandhu): MPP Norm Miller, Parry Sound–Muskoka?

Mr. Norman Miller: Yes, I'm in Parry Sound–Muskoka, thanks.

The Chair (Mr. Amarjot Sandhu): Thank you, sir. Do we have any other members who have joined us?

Interjection.

The Chair (Mr. Amarjot Sandhu): Okay, I'll do the attendance for the other members as well. We have MPP Dave Smith with us, MPP Stan Cho, MPP Paul Miller, MPP Stephen Crawford, MPP Blais, MPP Donna Skelly, MPP Mitzie Hunter, MPP Khanjin, MPP Roberts, MPP Schreiner, MPP Rasheed and MPP Lindo. Did I miss any of the members? No? Okay.

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 parties 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 written submissions should go through the Chair. Please note that this virtual meeting represents an extension of the Legislative Assembly, and the same standards of decorum will apply.

SUBCOMMITTEE REPORT

The Chair (Mr. Amarjot Sandhu): There are a few things I need to mention before we begin. The subcommittee wanted to bring some items to the full committee for discussion, which we will do following the presentations. As members will be aware, 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 9, 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 consider the culture and heritage sector following the tourism sector.

(2) That the committee meet for hearings on the culture and heritage sector on June 25, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on June 26, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on June 29, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on June 30, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on July 2, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on July 3 from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on July 6, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.

(3) That the committee also meet for hearings on the culture and heritage sector from 6:30 p.m. to 9:30 p.m. on June 25, 2020, if this additional time is required in order to accommodate more presenters.

(4) That interested people who wish to be considered to appear before the committee for the hearings on the culture and heritage sector contact the Clerk of the Committee by 5 p.m. on June 18, 2020.

(5) That the committee meet for report writing on the tourism sector on July 8, 2020, from 9 a.m. to 10:15 a.m. and 1 p.m. to 6 p.m.; and on July 9, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(6) That the committee meet for report writing on the culture and heritage sector on July 27, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on July 28, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(7) That the committee meet for hearings on the third sector of the study on July 13, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.; on July 14, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.; on July 15, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.; on July 16, 2020, from 9 a.m. to 12 p.m., 1 p.m. to 6 p.m. and 6:30 p.m. to 9:30 p.m.; on July 20, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.; on July 21, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.; and on July 22, 2020, from 9 a.m. to 10 a.m. and 1 p.m. to 6 p.m.

(8) That the committee also meet for hearings on the third sector of the study on July 23, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m., if required to accommodate more presenters.

(9) That advertisement for the third sector of the study be posted by June 29, 2020.

(10) That interested people who wish to be considered to appear before the committee for the hearings on the third sector of the study contact the Clerk of the Committee by 5 p.m. on July 6, 2020.

(11) That the committee meet for report writing on the third sector of the study on August 12, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on August 13, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(12) That the committee meet for hearings on the fourth sector of the study on July 30, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on August 4, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on August 5, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on August 6, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on August 10, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on August 11, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(13) That the committee also meet for hearings on the fourth sector of the study from 6:30 p.m. to 9:30 p.m. on July 30, 2020, if this additional time is required in order to accommodate more presenters.

(14) That advertisement for the fourth sector of the study be posted by July 17, 2020.

(15) That interested people who wish to be considered to appear before the committee for the hearings on the fourth sector of the study contact the Clerk of the Committee by 5 p.m. on July 24, 2020.

(16) That the committee meet for report writing on the fourth sector of the study on August 25, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on August 26, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(17) That the committee meet for hearings on the fifth sector of the study in the week of on August 17 to 21, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on August 24, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(18) That advertisement for the fifth sector of the study be posted by July 30, 2020.

(19) That interested people who wish to be considered to appear before the committee for the hearings on the fifth sector of the study contact the Clerk of the Committee by 5 p.m. on August 7, 2020.

(20) That the committee meet for report writing on the fifth sector and the final report on September 9, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; on September 10, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.; and on September 11, 2020, from 9 a.m. to 12 p.m. and 1 p.m. to 6 p.m.

(21) That the Clerk of the Committee post information regarding the hearings for each sector of the study on the Ontario parliamentary channel, on the Legislative Assembly's website and with Cision.

(22) That for hearings for all sectors, interested presenters 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.

(23) That interested presenters be arranged into groups of three chronologically, based on the order their requests to appear were submitted.

(24) That the Clerk of the Committee be authorized to schedule all interested presenters for each sector if all requests received by the deadline can be accommodated.

(25) That the deadline for written submissions for each sector be 6 p.m. on the final day of hearings for that sector.

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

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COVID-19 STUDY

TIMMINS CHAMBER OF COMMERCE

FALLSVIEW BIA

HAMMOND TRANSPORTATION LTD.

The Chair (Mr. Amarjot Sandhu): Are there any questions? Seeing none, I would like to call upon our first witness, the Timmins Chamber of Commerce. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Cameron Grant: Good afternoon. My name is Cameron Grant. I am the policy and engagement lead for the Timmins chamber. Can you hear me?

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

Mr. Cameron Grant: Excellent. Thank you very much.

As I had stated previously, my name is Cameron Grant, the policy and engagement lead for the Timmins chamber. Good afternoon to the Chair and members of the standing committee.

Every business right across the province is affected by government legislation, whether it deals with policy, skills, taxation, regulations, and the [inaudible] structure that we use. As a result, the decisions made by government are critical for the success of our northern businesses, which, to a great extent, benefit from tourists and projects and initiatives undertaken by our northern tourism partners.

To understand the driving forces behind Ontario's regional economic development, consider the footprints of some of its most significant economic sectors: tourism, mining, forestry, agriculture and manufacturing.

While Timmins is an established resource-based community driven by a century-old tradition of mining and forestry, tourism still sits as one of the top contributors to the health of our local economy. Tourism is an essential service of employment for communities across the province, small and large. The sector contributes over \$32 billion to provincial GDP, employs more than 390,000

people and contributes significant tax revenues to all orders of government. Its impact on Ontario's economy is widespread, generating demand for transportation, accommodation, food services and several other industries. In some regions, tourism counts for more than 15% of all jobs.

Tourism faces many significant challenges, even before the pandemic—such difficulties as cross-border competition; input costs have risen; capital investment levels have fallen; and also growing competition with emerging countries like Thailand, for example, who are actively leveraging tourism as an economic development strategy. Restoring competitiveness within these sectors has far-reaching regional benefits, while allowing them to stagnate puts Ontario's broader economic future at risk.

To understand how northern Ontario can continue to be a prime destination for global and domestic tourism amid the pandemic and beyond, we must first understand how many arrive here in the north. Most of Ontario's roads serve multiple purposes, making them sound investments in the industrial commons. For example, access roads within the crown forest areas are not just used for forestry and mining but trapping and tourism as well. Many of Ontario's Indigenous communities rely exclusively on forest roads for access.

As many of you know, the public forest access roads program is a cost-sharing program between the government and industry that supports construction and maintenance. In 2018, we were sad to hear that Ontario's MNRF reduced the annual funding to \$54 million. In future years, and to ensure that travel in northern Ontario remains attractive, the province should reinstate the original funding level of \$75 million to ensure that these roads can continue to facilitate tourists and subsequently economic activity in the north.

Another great example of a multi-use road is Highway 69. As the main connective route between northern and southern Ontario, it allows for businesses to connect to marketplace and supply chains, communities to attract and retain workers, and tourists and residents to travel across the province. A prolonged lack of highway investment has resulted in fatal collisions, road closures and unnecessary congestion. The province should also look to expedite the four-laning of Highway 69 to support tourism and economic activity within many regions along this route.

Understanding that my previous point would require cross-ministerial collaboration, and being sensitive to the time, I will segue into my next points.

Assisting operators with their liquidity to meet their obligations would be of tremendous benefit. We are recommending that existing government programs—thinking of the NOHFC, or Northern Ontario Heritage—be repurposed to see northern Ontario's tourism industry through this pandemic. Also, supporting capital projects and expenditures for operations will ensure that this industry remains competitive.

We know that tourism has been very negatively impacted amid the pandemic, and continues to be. Even with the recent announcements allowing these industries to

reopen, northern tourism will see significant decreases in revenue, as historically it has remained dependent on US and overseas visitors to make up those numbers and margins for the domestic Ontario market.

Information on the tourism industry in the north is sporadic, but an interesting statistic in the Sudbury fact book shows that 90% of visitors to the Rainbow Country area were from Ontario. However, tourists from the USA and other countries proportionally spent more money. If the same is true for the entire north, any strategies to increase tourism in northern Ontario should be refocused, as international and US markets continue to be off-limits under the pandemic.

The ministry of tourism, culture and sport can look to build on existing strengths in natural resources such as mining and forestry to increase not only the development potential but also the probability of establishing successful ventures. Synergy requires co-operation and working in non-traditional ways by collaboration with the private sectors, governments and non-profit organizations. These types of collaborations are heavily encouraged among all members of the aforementioned sectors.

Clustering in tourism, as in mining and forestry, is also essential. I'm hard-pressed to think back as far as the Dynamic Earth project for significant northern Ontario tourism investment—

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

Mr. Cameron Grant:—but it has added to the existing critical mass of tourist attractions in the area and builds on the history and the legacy of our mining industry.

The scope of this and other attractions has undoubtedly increased the number and lengths of stays in tourist regions, resulting in significantly higher expenditures.

Being sensitive of the time, I'm just going to skip over to that one last paragraph there.

The government of Ontario, given the disadvantages of the north in terms of infrastructure, should provide more leadership for the coordination and strategic development of long-term tourism policy and actively participate as a partner in its execution.

We'll just wrap up by saying that the province could take the opportunity to offer overarching suggestions. For example, those would be:

- repurpose funding [*inaudible*] members of the industry and support new investments in infrastructure;

- assist operators with their liquidity to meet their obligations;

- continue to support broadband investments to provide reliable connectivity to business; and

- work with the federal government to ensure funding is restored to the Canadian Tourism Commission—

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

Mr. Cameron Grant:—for the purpose of marketing to the tune of at least \$100 million per year.

Thank you all for your time today. I welcome any questions that you may have.

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

We move to our next presenter now: Fallsview BIA. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Sue Mingle: Hello. My name is Sue Mingle and I'm the executive director of the Fallsview BIA in Niagara Falls, as well as the president of the Ontario BIA Association.

Mr. Chair and members of the standing committee, thank you for this opportunity to share with you the impact that COVID-19 is having on our industry and our community. I want to express our gratitude for the dedication and work of our government to help our province to be safe and to recover from this terribly disorienting time. The only thing we know for certain is that life will never be the same again.

Niagara Falls is unique in that our tourist industry is comprised of close to 100% private entrepreneurs, families that have invested their entire lives in this community and built this industry over the past several decades to make it what it is today. These families have weathered many storms, from 9/11 to SARS, economic downturns, the fluctuation of the value of the dollar, passport requirements and, quite literally, the weather. But this is by far the most devastating and monumentally disruptive challenge yet.

Everyone agrees that health is our number one priority. In Niagara Falls we have sacrificed our economy to protect the health of our people. The tourism industry represents 40,000 jobs in Niagara, and 90% of the tourism industry is laid off. The majority of businesses are closed and we are running out of time.

Although in recent years Niagara Falls has increasingly welcomed visitors year-round, the summer is still our significant season. Our goods are perishable. We cannot recoup what is lost. We cannot sell tonight's empty room or dinner on another day. Businesses are barely hanging on, and some are closing their doors permanently.

We understand that likely nothing is going to dramatically change unless there is a vaccine, so we need to help find ways to survive now.

We know that you recognize tourism's role as an economic driver for our province and that by supporting tourism you foster economic development. Our business owners are suggesting the following—and we recognize that some of these suggestions may already be in the planning process or do not fall under the province's purview, so we want to provide the information for you to take this up to the federal level as well, and we support expedited measures to put them into play.

The most critical thing that the province can do is give us clear criteria and, on a planned basis, let us open. When tourism businesses are open and thriving, we directly support many other local jobs and businesses: culinary, agricultural, wineries and breweries, and many other types of suppliers. Indirectly, we and our staff support a plethora of other services and businesses with our wages, from salons to [*inaudible*] and services and every type of business in between.

1330

Open the restaurants and attractions on a reduced-capacity basis and ensure that they all have health protocols in place. If there is one thing Niagara Falls knows, it's how to manage lineups. We just need clearer criteria so we can implement.

Supply mortgage relief: Many businesses are not tenants but property owners who are not able to make mortgage payments.

Provide access to government-backed loans with lenders that are within our region to help businesses have the ability to cover immediate and short-term debts and obligations.

Provide property tax relief, not deferment, as that only pushes the pain further along. [*Inaudible*] for the province to provide funding to the city to allow them to give businesses a property tax holiday for one year.

Keep gas prices low in order to help people afford to travel.

Community improvement plans: CIPs at present are limited in how and who has access to them. We request that these open up—

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

Ms. Sue Mingle: —to more businesses and include whatever is needed to get establishments retrofitted or compliant for opening up and increasing capacity.

Continue the wage subsidy until we are on our feet again, and open it to more employers.

Really and truly cut out red tape: The biggest comment we hear for rent relief is the onerous and complicated application process, which landlords are shying away from.

We know from the data collected in surveys that the social crisis is what will threaten our recovery. Many Ontarians are nervous to resume what used to be normal activities, such as visiting attractions, going out to bars and restaurants, attending large events and meetings, and public transit. We need a comprehensive plan in which we can all participate to create safe environments, build consumer confidence and reduce the stigma that COVID has produced. This can be done through marketing campaigns, but also we need support funding for PPEs, other supplies and equipment to assist in physical distancing.

On another note, a different side: This pandemic has created more than the loss of business, jobs and financial stress. As you know, it has created great emotional stress and mental stress, and we've barely scratched the surface. The emotional stress will impact generations to follow. People are petrified of going out, of having a live human connection.

Our children are forevermore scarred by what this pandemic has created. If you ask my grandchildren what they want, they will tell you: They want to go to the playground, to see their friends, and to play. Even my little ones, three and four years old, miss those interactions with their friends. Grandparents and parents alike are terrified of allowing this, for fear of illness. Let's face it: Overstressed adults are not fun or beneficial to our children. So

we must find other ways of bringing joy into their lives and into our lives.

Because of the impact this has forever—

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

Ms. Sue Mingle: —had on every single one of us, for me, for you on this committee and for every person watching, I ask you to ponder this tonight: When was the last time you had fun, real joy, real stress-relieving enjoyment? How about your families? Well, Niagara Falls knows about fun. We supply fun. We can help relieve the pressure that is weighing people down and creating emotional stress, because that is what we in Niagara Falls know how to do. But it's going to take your help. Help us help our people of Ontario.

Lastly, let me say that I am sincerely grateful to all of the brave people who have literally put their lives on the line for us, for their commitment and their many, many hours of work.

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

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

Mr. Gregory Hammond: All right. Gregory Hammond. Thank you very much for allowing me to have the opportunity to address you today.

Hammond Transportation is one of Ontario's family-owned school bus, charter bus, and motor coach operators. We've been serving the unique transportation needs of Muskoka, Parry Sound, Haliburton and Algonquin since 1944. We provide a full range of professional transportation services, including luxurious motor coaches, activity buses, mini-coaches and vans, school buses and mobility vehicles, and limousine and sedan services.

We operate 20 motor coaches, 150 school buses and an array of vehicles, for a total fleet of 225 vehicles.

While we've provided transportation to large events like the 2010 Olympics, the Muskoka G8 and the 2015 Toronto Pan Am Games, we also provide transportation to most local and regional events, such as the annual Bala Cranberry Festival and the Ontario Winter Games, which have been in our region in five of the last 10 years.

People don't really think about the importance of the motor coach and bus industry in the tourism sector, but we're really the ginger stepchild of tourism. We aren't hotels, we aren't attractions, we aren't heritage and we aren't sports, but we have a vital role in all of those segments. We provide transportation for meetings and conferences, special events, festivals, casinos, summer camps, school travel, weddings, and airport shuttles both to Pearson International Airport and to regional airports such as Muskoka. We provide transportation to sports teams, such as the IBL champion Barrie Baycats and the OHL's Barrie Colts, and we also provide transportation for fans to attend their games. We provide service to a wide range of amateur sports teams. The bus transportation sector supports all segments of the tourism, heritage, culture and sports industries in Ontario.

We're intertwined with the tourism industry. We support our local tourism networks and we create jobs. For instance, every motor coach provides three and a half jobs, between drivers, mechanics, dispatchers and cleaning staff. Most Ontario motor coach businesses are a small business and contribute to local economies.

We also own a small group touring company, Muskoka Travel Service. For over 40 years, we've provided high-quality motor coach travel. Our groups eat at the best restaurants, stay at the finest hotels and visit the biggest attractions that Ontario destinations have to offer. We also provide customized trips for private groups, from day trips to theatres, ranging from the Drayton Festival Theatre to Come From Away to sports events such as Blue Jays or Toronto Maple Leaf games, and overnight destinations such as Niagara winery tours, Ottawa and the Agawa Canyon. Motor coach tours spend approximately \$15,000 per day.

What has the effect of COVID-19 been on my tourism business? That's simple. We have been effectively shut down. Our motor coach fleet has not done a single trip since March 12, and our touring division has not operated a single trip since March 12. And to make matters worse, we had just put out our marketing catalogues and mail-out campaigns in January and February, so our marketing budget for the year was spent on promoting travel that will not happen.

As COVID's lockdown dragged out, we anticipated a slow summer instead of our usual peak season. We thought that there would be some summer business and that there would be some local events, and we thought we might have a third of our usual summer business.

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

Mr. Gregory Hammond: When overnight summer camps were banned this year in Ontario, it became apparent that our summer will be a write-off, with very little business happening.

With vehicles scheduled for annual and semi-annual inspections, our maintenance continues and cannot be put off till the end of COVID. For instance, if we do 40 inspections a month in our three shops, we can't wait three months and then do 120 inspections in one month. Even if we could do that, then when our vehicles were rolling again, all those 120 vehicles would come up for renewal at the same time. So it's just not feasible, and that money just keeps flowing out.

The tourism rebound will require public trust in the cleanliness and safety of each component of our tourism industry, including transportation. The tourism rebound will likely be, first, local: shopping and dining in local areas when available, staycations and touring your own neighbourhood. Then, when comfortable, the circle is likely to expand and people will travel a little bit further regionally and then, finally, throughout Ontario. That means that as we reopen, people are not likely to travel very far. When people are likely feeling more comfortable, they'll travel in what they perceive as the safety of their own cars rather than travelling in groups. We expect that

we are going to be one of the last segments of the tourism industry to really reopen.

To provide a safe environment for travellers and our employees, we have increased costs for cleaning and sanitizing vehicles, upgrading systems on vehicles, and installing protective guards and PPE for our drivers. These costs are significant and will have to be passed on to our customers.

I don't anticipate—

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

Mr. Gregory Hammond: —seeing group travel rebound quickly, and when it does, physical distancing will of course [*inaudible*] fewer passengers. This means increased cost per passenger, further hampering the return to group travel.

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Then there's the problem of where to take people. Most theatres and attractions are not open yet, and when they do, they too will also have to deal with the realities of physical distancing and limited capacities. Most festivals and events for the summer in the next few months have already been cancelled.

One silver lining of COVID has been the reduction in pollution and greenhouse gases affecting urban areas, as people are not commuting to work. This has prompted movements to keep cities clean—for instance, Toronto's Quiet Streets; and New York has closed 40 miles of roads; and Paris announced plans to allocate over 400 miles of roadways to cyclists. All over the world, there are claims that the earth is healing: foliage growing where previously it had not, animals coming out of hiding and taking over city streets. It's more uplifting and extremely positive—

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

We'll have to start with the questions now, and I'll start with the official opposition. MPP Bisson?

Can you unmute yourself, please?

Mr. Gilles Bisson: Hello?

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. Gilles Bisson: There we go; I'm unmuted. I've got a question for Greg in regard to what you were just saying in regard to the loss of business. Essentially, you're saying you've lost close to 100% of your business?

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

Mr. Gregory Hammond: Our tour and charter business is absolutely shut down.

Mr. Gilles Bisson: And you've got a fair amount of capital costs. So I guess my question is, how long can you carry the capital costs on that without revenue?

Mr. Gregory Hammond: For as long as the banks don't want our buses.

Mr. Gilles Bisson: That's bad.

Then I wanted to go to the Downtown BIA and my chamber friend, and I won't be long. In Niagara Falls, is there is hope that a lot of these businesses are going to survive the medium to long term in Niagara area? Because I know Wayne is a big advocate. He's talking about you guys all the time. But just to get a sense of how you

compare to other places, such as Timmins or Sudbury or whatever.

Ms. Sue Mingle: [*Inaudible*] just a little bit of clarity: I'm not with the Downtown BIA; I'm with Fallsview BIA, which is actually the tourism district. Almost all of our businesses are closed and have been for months. How will they survive, is that what the question is?

Mr. Gilles Bisson: Yes, I'm just asking: How many of them do you think will survive over the medium to long term?

Ms. Sue Mingle: I don't know. Long-term? Few. Medium-term, people are holding on by their nails. Some have already closed. In a lot of cases, I think that the reason why they're not closed right down is: How many hotels can the bank own? How many restaurants can the bank own? So—

Mr. Gilles Bisson: It brings me to my last question, and I'm going to ask if both of you can respond, both yourself and Grant. I take it that one of the things you guys really need is some sort of rent subsidy program for the small business sector, to offset their rents in a way, different from the one that's there now. Can you speak to that, please, both of you?

Mr. Cameron Grant: Sue, I'll give it to you first.

Ms. Sue Mingle: Most of my property owners own their properties. They need mortgage subsidies. They're not paying rent; they're paying actual mortgages. So rent subsidy is not helping them. They're not renters.

Mr. Cameron Grant: And I would echo that as well, just noting that—absolutely what she had said. In addition to that, if there are going to be rent subsidies much like the CECRA, it would have to go directly toward the business owner, the tenant. We've noted that a lot of landlords are not taking that up. We've heard that from the Premier. So restructuring that subsidy would be helpful.

Mr. Gilles Bisson: Just to end, there needs to be some sort of rent/mortgage subsidy in order to assist people in the short to medium to long term, right?

Mr. Cameron Grant: Real relief, yes.

Mr. Gilles Bisson: Thank you. And—

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

Mr. Wayne Gates: Hi, Sue. How are you?

Ms. Sue Mingle: Good, thank you.

Mr. Wayne Gates: You're doing okay. I just want to go back over your presentation quickly and give you an opportunity to maybe talk a little more on some of the issues, and then I'll get into a couple of formal questions.

The one thing that I'm hearing a lot [*inaudible*], and that's one thing for sure that comes across in your presentation [*inaudible*].

Ms. Sue Mingle: Sorry, I just—

The Chair (Mr. Amarjot Sandhu): Ms. Mingle, we're having some trouble hearing you. I don't know if there's some problem at your end. We're not able to hear you properly. Can you please call again? Ms. Mingle?

Mr. Wayne Gates: Do you want me to continue? Okay. Sue, in your presentation you talked about the need for getting our attractions open. I've heard that from a lot

of the owners in the area. You also talked about clear criteria to let us open. We saw that there was, we believe, a mistake made this week. Also, mortgage relief, I think, is really big, and I've heard that from all the owners in our area.

One that you touched a little bit on but you didn't really get into a lot: We've got to make sure that the banks, including credit unions—because a lot of the people who own the hotels in our area deal with credit unions. They need low interest rates, around 1% or 1.5%. You kind of brushed over that, but you didn't get into some of those important issues around the credit unions and low interest rates.

What I'm hearing from the owners: They know that this year is going to be really, really tough, but they're kind of hoping to survive till next year, and they need that assistance from the government. The wage subsidy has worked out really well from the federal government but not necessarily for the tourist sector in Niagara because 90% of our workers since March have been laid off.

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

Mr. Wayne Gates: We need that program to continue so that we can take full advantage of it, hopefully, when they tell us we can open up next week. Then you talked a little bit about funding for PPE.

I'll let you talk a little bit on those issues that I raised, or maybe a little more, and then I'll get into a couple of questions. Okay, Sue? Thank you.

Ms. Sue Mingle: The wage subsidy: Yes, a lot of properties are not able to take advantage of it because there is no business to open. There is nothing to have employees do. And there are limits to what it covers. For example, the BIA is not covered because we're considered to be a board of the municipality, even though our money doesn't come from the municipality; it comes from the stakeholders. The parks commission is another that is a government entity, so it's not eligible. So that becomes difficult.

Access to government-backed loans, lenders within the region: It's hard for hotels to get loans—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to go to the independent members for their time now.

Before I do that, I want to do an attendance check on MPP Robin Martin. Can you confirm that you are present and in Ontario?

Mrs. Robin Martin: Hi. Thank you, Chair. MPP Robin Martin, MPP for Eglinton–Lawrence. I'm coming from Eglinton–Lawrence in Toronto.

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

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

Interjection.

Mr. Mike Schreiner: Wayne, you might want to mute yourself while you're having that conversation.

Thank you, Chair. Thanks to all three of the presenters for coming in today. I just want to start my first question with Cameron. You talked about the liquidity issues that many tourism businesses are facing. We've heard that a

lot—and the need to repurpose some of the existing programs. Obviously the rent program needs to be repurposed, and both you and Sue touched on that. If you want to add anything of how you feel like that program needs to be rejigged, please do so. But can you maybe, at the same time, suggest some other programs that need to be revised in order to meet the needs of people in the tourism sector?

Mr. Cameron Grant: I'm happy you asked this, and it's nice to see you again, MPP Schreiner. The question comes, as in: What comes to mind? Full disclosure: I am also the chair of our ski resort here in Timmins. Ski resorts are a prime example. Especially at the time that the pandemic hit, our ski hill had to close mid-March, which saw a loss of revenue of up to \$90,000. The ski hill is a non-profit organization, if not an overly lucrative summer revenue generator. Obviously, in the off seasons we see things like weddings and conferences, and those can't be happening because they're mass gatherings.

To answer that question strictly: As a prime example, CEWS, the Canadian Emergency Wage Subsidy, came too late or did not go back far enough, to when we had laid all the staff off in March at the ski hill, for example. That wage subsidy didn't kick in until March 15, while that applies to just our general manager and not the entire staff. So repurposing specific funding mechanisms, not only through tourism, culture and heritage, but other closely aligned ministries, can certainly help. The ski hill, for example, is half on crown land and half on city land, and the city taxes it pays is \$22,000 a year. The ski hill is currently in arrears because they are struggling to keep up with their taxes and are simply paying on the interest from years prior. So any kind of relief that can go towards land taxes, as I believe my colleague Sue Mingle had mentioned—we need to see real relief and not simply a deferral. The floodgates will open and the monies will need to be collected.

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The Chair (Mr. Amarjot Sandhu): Can you unmute?

Mr. Mike Schreiner: There we are. Sorry, I unmuted and then I was re-muted. Thanks for the answer there. I appreciate it.

I'm going to switch to Greg for a second here. I think you were going to talk about how important coach travel is for the environment, but you ran out of time. So I want to give you a couple of minutes to maybe expand on that.

Mr. Gregory Hammond: Yes, thank you. Motor coach is the most environmentally friendly mode of travel. We get something like 240 passenger miles per gallon of fuel. It has the lowest carbon footprint out of 12 modes of transportation, including all types of automobile, rail and flying. So, yes, we're very environmentally friendly. Our company: Because we live here in beautiful Muskoka, we've gone towards using propane-powered school buses, which we also use for our summer camps, local weddings and all sorts of different tourism-related jobs as well. So the motor coach and bus transportation industry is actually very environmentally friendly

Mr. Mike Schreiner: Great. Thanks for that. I'm going to turn the rest of my time over to MPP Hunter.

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

Ms. Mitzie Hunter: Thanks, everyone, for the presentations. I'm going to go to Timmins and ask about your members and, now that this Friday there is the reopening, the sense of preparedness that they have to restart their businesses, where it would give confidence to their customers that things are going to be safe. Do you think that enough guidelines are in place in order to do that? What are you hearing, Grant?

Mr. Cameron Grant: Thank you, MPP Hunter, and I do hope to see you in Timmins again soon. That being said, no, they're not prepared. And this isn't just our members within the tourism sector; it's many, many of our small businesses, who we know are the backbone of many small communities. The reason why they're not prepared is that the guidelines were—I recall for campgrounds and outfitters, for example—very unclear. I get messages—I almost feel like an association for them and, as much as I love to advocate for them, I did not find the answers myself within legislation, so very unclear guidelines as to how they were going to begin reopening. Campgrounds are a very different and adaptive industry; some have permanent cabins; some have campgrounds; some have campers that sit on the—we didn't know what was happening.

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

Mr. Cameron Grant: Luckily, in Timmins, we've partnered with one of the larger mining companies to provide a quarter-million-dollar benefit for PPE start-up grants here in Timmins. We've had to look after our own, mainly because—while I appreciate the province's list and Spark Ontario, which they had launched—it simply wasn't enough for business owners to really feel confident in the reopening and feel confident that they had the proper protocols for PPE adornment, removal and dispersement for their staff, for their clients. They're still left with many questions. They don't know where to turn to. We know that the public health officials will be the ones guiding that sort of legislation, with the bylaw officers then enforcing those in turn. There's a lot of uncertainty and, frankly, it's not going well for our local business confidence. Thank you for the question, MPP Hunter.

Ms. Mitzie Hunter: What about a helpline for businesses? Do you think that, if something like that was set up, it would be helpful to them?

Mr. Cameron Grant: Thank you for the question. I must admit that the Stop the Spread information line has been helpful—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the government side now for their time of questioning.

Before I do that, I'll need to do an attendance check: MPP Vanthof, if you can please confirm your attendance and if you are in Ontario. MPP Vanthof, are you there? Okay, I think he has probably disconnected, so we'll start with MPP Piccini.

Mr. David Piccini: Thanks very much, Cameron. If you just want to finish your thought about Stop the Spread, and then I'll turn things over to MPP Miller.

Mr. Cameron Grant: Thank you, MPP Piccini. Again, it's nice to see you virtually, as well. That being said, the Stop the Spread helpline has been helpful. It has had some varying answers and discrepancies in certain directions that it has been giving, understanding that the human nature behind it obviously presents its own faults. But when it comes to dealing with businesses who are struggling, scared and concerned about opening, we need a one-stop shop for answers.

The Canadian Chamber of Commerce network is strong insofar that it has built the Canadian Business Resilience Network, where we have had to host our own hotline in partnership with the federal government. We have our own local hotline. But each time I personally called the hotline, I requested the documentation that they were reading off of, which they simply said that they were reading off the website. I understand that these things were set up very quickly, but having those discrepancies in answers is challenging for many business owners.

Mr. David Piccini: Thank you. MPP Miller?

The Chair (Mr. Amarjot Sandhu): MPP Miller, Parry Sound–Muskoka.

Mr. Norman Miller: Thank you, and thank you to everyone for your presentations. I would like to ask a question of Greg Hammond of Hammond Transportation. It's certainly one of the most important transportation businesses in Parry Sound–Muskoka and the surrounding area—just celebrated its 75th year last year.

You went through the list of your business: summer camps, which are effectively shut down; events; sports; weddings; conventions; and your charter business. Your business is more or less shut down—and school buses as well. So I'm wondering what your thoughts are about what, if any, assistance the provincial government can provide to help keep you in business, and also what our competing jurisdictions are doing. Competing governments—if there are any programs that we should be borrowing from them that they're putting in place for COVID-19 to assist the transportation sector through COVID-19.

Mr. Gregory Hammond: I know that Doug Switzer from the Ontario Motor Coach Association presented to this committee, I believe it was last week. I know we've discussed some marketing initiatives for group travel, and I would love to see that. As I mentioned, we spent our marketing money and promoted trips that can't happen now. That would be a big help. Perhaps a “see Ontario by motor coach” campaign, and tying that even into the educational curriculum so that schools are travelling within Ontario so kids can experience the educational value of travel.

One issue is fuel tax rebates. In the United States, motor coach operators all receive fuel tax rebates, so that makes the transportation component of tourism in the US much cheaper for inbound tourists than coming to Ontario.

We're very environmentally friendly. Not only that, but we also reduce congestion. One motor coach takes 56 cars off the road.

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

Mr. Gregory Hammond: So there are a couple of good reasons, besides tourism, to support us. It's also verifiable, because if a fuel tax per kilometre was returned to us, or if we were exempted from it—we submit fuel tax reports already, so you can see that we've travelled X number of kilometres in Ontario. You're not subsidizing travel in other jurisdictions. That's a pretty good way to do it.

In the US, I know that motor coach companies there are getting grants for a payroll protection program, which is very similar to Canada's except that only part of that money needs to be used for payroll, and then the rest helps those companies so that they can invest in whatever they want. Those essentially become forgivable loans.

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In our case, we're looking at this slow time as an opportunity to—how is our business going to be better in the future? So we've gone out and invested in new software for our booking and dispatch system that's going to be way more consumer-friendly and make it easier for people to book buses. But there's no subsidy—nothing to help us through that. We're pulling out of our own reserves and hoping that when things get better, that will improve our business. There's nothing there to upgrade our bus fleet. So we're putting the transportation component of tourism in Ontario at a disadvantage to our neighbouring jurisdictions of Michigan and New York.

Mr. Norman Miller: Thank you for that. I'll pass it on to my colleagues. I know they have some questions.

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

Mr. Dave Smith: I'll try to be quick on this. My question is for Cameron Grant. Cameron, as you probably know, on Monday the northern Ontario economic recovery advisory council met. Keitha is actually part of it, from Timmins. One of the things we heard is that there are some challenges with the supply chain coming into northern Ontario, especially for the tourism operators. Specifically, they talked about bikes, kayaks and canoes. Can you speak a little bit more about that?

Mr. Cameron Grant: Thank you for the question, MPP Smith. Keitha sends her regrets for not being here today. That's why you have me.

On the note of supply chains as it pertains to canoes, boats and kayaks, we host the great Canadian kayak festival, which is one of our largest tourism draws. That has clearly been disrupted by not only the pandemic but its cancellation and subsequent economic activity that comes along with those festivals. We're seeing a lot of disruption because—

The Chair (Mr. Amarjot Sandhu): Thank you. We have to move to the independent members now for their second round. I'll start with MPP Blais. Is he there?

Mr. Stephen Blais: Yes, thank you very much, Mr. Chair. I had a question for the representative from the

Fallsview BIA. You mentioned that you were hoping to see changes to the community improvement plan. I was wondering: The changes you're looking for—are they changes in the legislation around CIPs or are they changes specific to a CIP in Niagara?

I believe you're on mute, Ms. Mingle.

Ms. Sue Mingle: Sorry. CIPs have restrictions in how and who can access them and what they can be used for. Many places—for example, in Fallsview BIA, they're not looking for facade improvements, so to speak, but being able to retrofit, being able to prepare their businesses to be open, with social distancing and all the protocols that need to be in place, which will require some construction and some changes. Something like that type of program would help them if it was opened up to help them to be able to make the changes to be able to wait on their customers.

Mr. Stephen Blais: Sure. So you're thinking that the—sorry, is there a CIP in place already that could be modified by the city or the region?

Ms. Sue Mingle: There is a CIP in place. My understanding is that at this point there is not the ability for it to cover those things. In the discussions I had, they were limited in what was available. So the regulations of it could be relaxed in order to help support businesses in different ways.

Mr. Stephen Blais: Yes, perfect. Thank you very much. Mr. Chair, I'm going to pass the rest of my time to MPP Hunter.

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

Ms. Mitzie Hunter: Thank you. It's good that I can hear Sue clearly on this round. I'm very happy about that. I want to thank all of the presenters. Gregory, your information on the environmental benefits of coach travel was interesting and needed. Many of the operators for attractions that we've heard from are going to be focusing on domestic markets, within a four-hour drive initially, for their first phased opening.

I do want to go back to Cameron on the issue of the supply chain because that's also something from northern presenters that we've heard consistently, to varying degrees. We heard from Indigenous communities that are having very significant and compounded challenges when it comes to getting supplies, and also from other operators and businesses as well.

I'd like you to, if you could, continue to speak about the disruption problems, but also any solutions that are being proposed that we could hear from you as well, please.

Mr. Cameron Grant: Thank you, MPP Hunter, and thank you, MPP Smith. I'll try to continue that answer. Ultimately, yes, you can imagine, and it's why I touched upon—

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

Mr. Cameron Grant: —transportation and travel within my presentation. Getting anything to the north is difficult, and I'm not even talking about Timmins; I'm talking about Moosonee, Moose Factory, Attawapiskat—all the communities along the James Bay coast who have effectively isolated themselves because they lack capacity should they ever have a case of COVID.

The supply chains in getting those critical resources up to those communities is challenging at the best of times, and now, amid a pandemic, when airlines have shut down—thankfully, Air Creebec is continuing operating and servicing those areas there. We've seen a halt.

We're now understanding that rail is now likely a more viable supply chain. Timmins has zero railway tracks that run through the city anymore. They've been taken out. The nearest one would be Gogama. So we're obviously seeing difficulties. Porter has shut down and Air Canada has shuttered, and it effectively cut off Timmins and our surrounding communities from the rest of southern Ontario.

I'm not saying that we're in such dire straits; we luckily are a resourceful bunch. But we have seen difficulties in getting things, not only just for recreational materials such as bikes, canoes and kayaks, but we're talking about PPE; we're talking about food and gas at a reasonable cost of living. It should be cheaper to live up here because you think you're within the wilderness and you're usually living in a far less dense area, but no, it's quite the opposite. Things are becoming far more expensive. If you ever buy a head of cauliflower in Moosonee, you'd better bring a few credit cards with you.

Ms. Mitzie Hunter: Thank you. I've been to Timmins many times and also to many of the communities along the James Bay coast, and I believe that a strong north is a stronger Ontario. As we are putting our perspectives as a committee forward—

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

Ms. Mitzie Hunter: —we have to think about the needs of the north and those unique solutions. If your group has not yet done so, we would invite written submissions that would recommend specific solutions that we can advise to the government. The work that we're doing here as a committee is going into the Minister of Finance's jobs and recovery response.

Mr. Cameron Grant: I'm happy to provide input. In fact, broadband: Once we understand that the north gets proper and reliable connectivity, they will soon realize what's out there in the world and thus drive economic activity. Broadband is number one.

Ms. Mitzie Hunter: Absolutely. Perhaps with the time that we have remaining, if I could switch to Gregory, if you could talk a little bit more about the preparedness that you see in your sector around new guidelines and keeping people safe.

Mr. Gregory Hammond: Well, a lot of it isn't necessarily driven by guidelines; it's driven—

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

Mr. Stephen Crawford: Thank you to the presenters for coming here and sharing your stories. We certainly know how seriously impacted a lot of our businesses are here in Ontario.

I have a couple of questions. Ms. Mingle, you touched on a little bit about red tape. I want to get a sense from you—Ontario has more red tape than any jurisdiction in

the world. We have over 380,000 pieces of regulation, a lot of which are unnecessary. We've actually created a ministry to look into this and to see where we can eliminate those that are, obviously not compromising health and safety, but those pieces of red tape that are hampering business.

Are there any examples that you can provide that we can make a note of for your constituency in Niagara Falls, or some of your businesses, where you think government could reduce some red tape to help these businesses out?

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Ms. Sue Mingle: What I hear the most is the complications of applications. They're onerous, they're weighty, they take a long time and they're hard to understand, and that contributes to difficulties. I know that with rent relief we hear a lot of landlords who are going, "I don't even understand this." Any time that you have people not wanting to tap into something because the work involved is so complicated, then that creates an issue. I think that any time we can simplify what happens, that is best, and allowing more access, especially at this time—more access to more people—to really hit those needs that are required.

Mr. Stephen Crawford: And to follow up, do you think your constituency, your businesses—one idea that has been floated is a tax credit for intra-Ontario—or intra-Canadian, if it was at the federal level—to get people back into domestic travel, into hotels, and going to resorts and places like Niagara Falls. Is that something you think would be beneficial to spur domestic travel?

Ms. Sue Mingle: It's very important. Getting people travelling again is very important. I think, partially, the fear that people have, that stigma that COVID has created—and that's part of the message that has to get out. But there's also—I have large family-owned hotels that own several properties. They know how to do their marketing, so supporting that is great. Their biggest difficulty right now is surviving financially day to day. I've got a hotel group whose debt load is \$2 million a month just on their mortgage end of it. Liquidity is the really big thing. Access to no- or low-interest financing is really important right now, because that's what is going to pull them under, if anything.

Mr. Stephen Crawford: Okay, thank you. And just one more question to Mr. Hammond, if I could: I know you talked about competitiveness with the United States, for example, and we've heard from several people—

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

Mr. Stephen Crawford:—from the north who have talked about the aviation fuel tax. I'm just wondering, in terms of—I think you did mention fuel costs, as well, how the carbon tax—has that affected you in any way?

Mr. Gregory Hammond: Absolutely it has impacted us. It just went up again, but it hasn't really affected us because our vehicles haven't moved. But that is an impact, and it just flows through to the consumer. Again, that makes us less competitive to our neighbouring jurisdictions. The sad thing about the carbon tax is that it's supposed to make people make more environmental

choices, and here we are, the environmental choice, and it pushes people away from us.

Mr. Stephen Crawford: Yes, that's my concern as well. I think it's pretty punitive, especially in the difficult environment that we're in right now.

Chair, how much time is there left?

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

Mr. Stephen Crawford: Two minutes? Okay. I'll pass it on to a colleague.

The Chair (Mr. Amarjot Sandhu): Who's going next? MPP Smith.

Mr. Dave Smith: Thank you, Chair. I really appreciate it. I'm going to come back to Cameron, if you don't mind. One of the things that we have been considering is having another stream in the NOHFC with respect to COVID relief. We're looking at different ways that the funding would flow for it. Is it more important that we be looking at COVID-19 capital expenses, things that businesses would need to be changing to make sure that they have proper procedures in place, or should we be looking more towards operating funds—

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

Mr. Dave Smith:—for the different businesses, with respect to COVID-19, through NOHFC?

Mr. Cameron Grant: Thank you for the question. I did mention before, with a local mining company coming on to support PPE within the community, that business owners can take care of that. They will, through the chamber, have access to the PPE. They know a list of local resources, and they can get that. I think the question now is capital expenditures—absolutely. They lack the cash flow. They did not generate revenues over those three months, especially if they weren't on the essential business list. Give them support—not through supplies but through access to liquidity, or be it funding through NOHFC, to support any purchases, capital, or any investments into their business. I'm thinking specifically technology.

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

Mr. Cameron Grant: We have now seen how much the consumer base has been trained—

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. We'll have to move to the opposition side for their second round now. I'll start with MPP Shaw and then MPP Miller.

Ms. Sandy Shaw: My question would be to Greg. We did hear from the Ontario Motor Coach Association. They had very specific requests of the government. They asked specifically for the government to fund the costs of re-opening—PPE and so forth. They also asked very specifically for the government to subsidize the cost of opening a coach.

Almost every deputant has said, "We don't want tax deferrals. We don't want loans." We heard today from Cameron from the Timmins Chamber of Commerce, who said that they want real relief: "We want real cash, like a working capital grant. We don't want debt on top of debt."

So my question would be to Gregory, around the requests from the Ontario Motor Coach Association: Would you support those kinds of requests that you need

the government to put cash into your business to allow you to open?

Mr. Gregory Hammond: Certainly, anything to help with liquidity, absolutely, yes. I think a question was asked about PPE and COVID-related safety in our industry. We're driving that ourselves, but it means buying foggers, and extra cleaning time. We always cleaned our buses, but now you have to sanitize them as well. That impacts the drivers on the road and also impacts their day. It impacts how far they can travel in a day if they have to spend some part of their time sanitizing the bus. So anything that helps liquidity would be fantastic and would be much needed.

I mentioned our software upgrade—so that we want to come out of this being ready and able to do business for the next 20 years. We're digging in. It's a tough decision when you're saying, "Well, jeez. We don't know how long this is going to last. We think we're going to be the last ones out of the gate. But let's spend some money today to benefit ourselves in the future." That's a tough call.

Ms. Sandy Shaw: I'll defer to my colleagues now.

The Chair (Mr. Amarjot Sandhu): MPP Miller, Hamilton East–Stoney Creek.

Mr. Paul Miller: Yes. Can you hear me okay?

The Chair (Mr. Amarjot Sandhu): Yes, sir.

Mr. Paul Miller: Okay. Good afternoon. My question is to Greg from Hammond Transportation. A big part of tourism in Ontario is related to sports teams travelling between cities and towns to participate in regular season play and tournaments of all kinds. International tournaments are also a big business.

Looking at just one sport, for example, a recent event impact summary created by the Waterloo Regional Tourism Marketing Corp. outlined the local economic spending patterns associated with the 2019 provincial volleyball championships. The event had over 2,800 athletes. Over the course of the event, over \$12.9 million was spent on lodging, transportation, food, beverage, retail, recreation etc. Transportation specifically ended up representing \$2.3 million, or just over 18%, of the total amount spent during the tournament.

Greg, can you comment on how your business has been impacted—

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

Mr. Paul Miller: —by the loss of sport-related business and outline any policies you would like to see enacted by the government to get this part of the customer base back to you?

Mr. Gregory Hammond: That's a tough question. How have we been impacted? Well, things like the cancellation of the end of the hockey season—that goes to OHL teams but even right down to minor hockey, because the cancellation timing hit at playoff time, when teams are travelling and using buses more than ever.

An announcement this week: Canadian university sport has cancelled all their sports for the fall. Their decision is pending on hockey. We've invested all this money in our fleet and we have a pool of drivers, and now, all of a sudden, that business just isn't there. When is it coming

back, and how can the government help with that? I don't know. Maybe loosening some restrictions.

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I happen to know somebody at the NHL, and I pitched to them that they could reopen the NHL up here in Muskoka using some empty resorts, but that idea didn't fly. The biggest restriction right now is: If you can't participate in sports, they're not going to travel.

I'm a bit of a soccer addict, so I've been watching German soccer in empty stadiums, and it's kind of interesting to watch the players on the sideline all wearing masks, the coaches wearing masks, empty stadiums, and yet the players on the pitch are running into each other, kicking each other and all the usual physical contact. Is it possible to participate in sports if precautions were taken? I'm sure it could, but until that green light is given, there's just no option for transportation to be involved.

Mr. Paul Miller: Okay. A quick follow-up: It's obviously going to help if amateur sport comes back sooner than later. It would certainly alleviate—

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

Mr. Paul Miller: —some of the pressure on your business. Would that be a fair assumption?

Mr. Gregory Hammond: That's a very fair assumption, yes.

Mr. Paul Miller: Thank you, Greg.

Mr. Gregory Hammond: Thank you.

The Chair (Mr. Amarjot Sandhu): Mr. Gates, you have 30 seconds.

Mr. Wayne Gates: This is similar. I'll do it real quick. Would it help if we got property taxes—the municipality can't do it, but the province can. Would that help the local businesses? And I apologize; my time was obviously used up by other colleagues.

Ms. Sue Mingle: Absolutely. Deferment doesn't really help. We need to get a break on that. If the province can support the municipalities to give a property tax holiday for the year, that would be very helpful for a lot of us.

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

ONTARIO FEDERATION
OF SNOWMOBILE CLUBS

LUNDY'S LANE BIA

ONTARIO CRAFT BREWERS

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from the Ontario Federation of Snowmobile Clubs: If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. French, can you unmute yourself, please? Mr. French?

Mr. Landon French: There we go.

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

Mr. Landon French: Okay, great. Hello. My name is Landon French. I'm the chief executive officer of the Ontario Federation of Snowmobile Clubs. It's an honour to be presenting to the committee today, and I want to thank you very much for the opportunity. It gives me a chance to share our thoughts around two key issues for snowmobiling in Ontario. One is access to trails and the second is our preparations for this coming season. For those not familiar with our organization, the OFSC is a volunteer-led, not-for-profit organization that provides the infrastructure for organized snowmobiling in the province of Ontario. We cut, maintain, build, sign and groom nearly 30,000 kilometres of trail, almost exclusively with the help of some very dedicated volunteers.

The OFSC is extremely grateful as well for our partnership with the Minister of Transportation and officials at the Ministry of Transportation. From the introduction of online driver training and permit gift cards to service plate and trailer regulations, we have accomplished a great deal together over many years. The OFSC also works with MTO to deliver the Ontario snowmobile driver training program and the Ontario snowmobile trail permit program.

The trail permit is very important to us as it is our principal source of revenue each year, and we're very excited to have MTO as a financial partner as we begin to address our infrastructure deficit. Thank you to the minister and others for the financial support. This investment is well placed as snowmobiling contributes to the creation of over 6,400 jobs, many in Ontario's small and rural communities. According to the latest economic study, snowmobiling adds a potential \$3.3 billion to the Ontario economy every year.

We drive winter tourism in much of the province, making Ontario a destination for travellers the world over. Incredibly, we do all of these things with the support of two key groups: dedicated volunteers who build the trails and generous landowners who allow our permit buyers access to their property.

Let me go to the first issue that I'd like to raise with the committee today. The OFSC prescribed trail network stretches across Ontario and, as I said, requires thousands of volunteer hours to maintain every year.

Unfortunately, over the past several years the OFSC has lost permission and access to some trails, and more trails are threatened for this season. For example, last fall trails within the city of Ottawa and the municipality of Prescott and Russell were closed and opened only at the last minute. And the future of these trails is not certain for this year.

Similar issues with Hydro One, Ontario Power Generation and various conservation authorities have threatened the connectivity of our prescribed trail system. Trails are under threat due to changes in insurance requirements by large landowners, including government.

Every year we see more and more landowners like municipalities, provincial government ministries and agencies require OFSC snowmobile clubs to carry the liability for all users 12 months of the year. From hiking

to horseback riding and ATVs, local snowmobile clubs are being asked to cover all activity or lose access to the trail.

Clearly, snowmobile clubs cannot be held accountable for trail activities and incidents that—

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

Mr. Landon French: —do not occur during the snowmobile season—hello?

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

Mr. Landon French: —and are not snowmobile—thanks. But that's what's happening, and we need help.

There's a second aspect of this issue which also needs to be addressed: the fact that many ministries, agencies and municipalities ask us for a variety of different things within the same ministry or department. That's something we'd like to address as well.

Those are two important things for us. Let me just quickly move on to the COVID-19 situation.

Like many businesses and organizations in Ontario, we've been impacted by this situation. Our season was cut short by three weeks with the announcement of the state of emergency, but since the closure we've been preparing for the upcoming season. This includes planning to replace failing infrastructure like bridges, culverts and so on, maintaining our groomer fleet and clearing trails, all the while following new health and safety protocols. It's a lot of work, but we'll be ready when the snow flies.

As I'm mentioned earlier, the OFSC maintains Ontario's snowmobile trail infrastructure through the sale of trail permits each fall. While the OFSC is in a stable financial position at the moment, we do not have enough in reserve to carry our operations through the entire season. Without permit revenue this year, we would find it difficult to open some trails as we would not have the funds to operate groomers and keep riders safe.

As we continue to deal with the economic health crisis caused by COVID-19, I urge the committee to keep snowmobiling in mind. We are the premier winter tourism activity in Ontario, affording citizens and visitors an escape into the breathtaking wilderness that this province has to offer. We're going to work with our partners to do everything we can to encourage the sale of trail permits this year.

While we cannot predict when the trails will open, you can rest assured that when they do, the OFSC will be ready to welcome riders back for another exciting season.

Thank you very much for your time today. I look forward to working with you and seeing you on the snow. I'm happy to answer any questions you might have.

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

Mr. David Jovanovic: Thank you. Good afternoon, Mr. Chair and committee members. My name is David Jovanovic and I'm the project administrator for the Lundy's Lane BIA in Niagara Falls, Ontario. Representing almost 300 locally owned small and medium-sized businesses, the Lundy's Lane BIA is the second-largest

BIA in the Niagara Peninsula after downtown St. Catharines.

Before I detail the devastating economic and social impacts on the hospitality industry, I would like to thank you for the opportunity to address your committee this afternoon. I would like to extend sincere gratitude to the MPPs, civil servants, front-line workers and hospital staff who have been providing extraordinary service for the residents of Ontario during this unparalleled pandemic.

Over the past week, this committee has heard from the top tourism hospitality agencies and officials in the province. The collective message is clear: Our sector has been rocked to the core, and COVID-19 has impacted every corner of the province.

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Here in Niagara, the tourism and hospitality sector is literally the lifeline of our community. With tourism revenues down approximately 95% since the start of the health crisis, many of the 40,000 people employed locally through our industry are virtually unemployed. Every day we are seeing more and more businesses closing due to the economic impact of not being able to operate for the past three months. Many operators have exhausted their personal and business lines of credit, dipped into their RRSPs and maxed out their loans and incentives. Dreams and a lifetime of work have quickly gone down the drain.

The provincial and federal governments have done an outstanding job of working with local government to guide the province through this unprecedented health, economic and now social crisis, but more needs to be done to help us recover, rebuild and, ultimately, re-emerge. Though phase 2 reopenings are set to go into effect for much of the province tomorrow, Niagara, the balance of the Golden Horseshoe and the border regions of Sarnia and Windsor must wait. I can understand the rationale, in that there are pockets in the GTA that are still in a precarious position in containing the spread of COVID-19, but this is not the case in Niagara. Other than the migrant worker outbreak at a greenhouse a week ago, the situation in Niagara is quite different than that of the GTA. Yesterday, there were no new cases of COVID-19, and the day before there were only two.

Through the guidance and leadership of the Niagara rapid response team, Niagara Falls Tourism, the Tourism Partnership of Niagara, and exceptional stakeholders, Niagara is tactically ready to reopen safely and responsibly. Over the past three months, our industry has worked diligently on a campaign called Safe to Play. The campaign reflects investments of millions of dollars to meet all new safety guidelines and is an iron-clad commitment to apply all mandated guidelines for public safety throughout the destination. Niagara has literally ticked all the boxes and is ready. We need to reopen now so that staff can be brought back and retrained before the summer tourism season officially starts in the next couple of weeks.

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

Mr. David Jovanovic: As outlined by most of the previous presenters this week, the financial burden has

been overwhelming, and liquidity is critical. Businesses have been closed—I'm getting an echo. Is everyone good?

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

Mr. David Jovanovic: Okay. Businesses that have been closed have been incurring huge start-up costs in payroll, food and supplies, in addition to paying government deferral and loan payments. New expenses are being incurred in PPE, sanitation and proper social distancing protocols. The province must look at deferring property taxes over a longer time span. The MPAC assessment formula must be revisited to reflect the sector's dismal business performance. Mortgage relief must be addressed, as well as new grants and low-interest loans backed by the province. These programs must be kept in place for quite some time as the industry will not be allowed to operate anywhere near capacity, and margins will be small or negative. The province must also continue to work with the federal government to make sure that successful commercial emergency wage subsidy programs are kept in place beyond their current expiry date.

With respect to regulatory issues, the hospitality sector thanks the province for reducing regulations on the expansion of outdoor patios for existing permit holders to the end of the year. The temporary amendment allowing the sale of alcoholic beverages and food for takeout has been very successful and should be made permanent.

These are just some of the much-needed incentives that have been developed through consultation with the industry. This week, many more have been proposed by the presenters to your committee and need to be considered. What is certain is that the industry cannot recover on its own. The economic and social impact has been deep, and now more than ever, it is imperative that we work together to build a better tomorrow. Only collectively will we be able to recover, rebuild and re-emerge.

I thank you for your time and I look forward to your questions.

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

We'll go to our next presenter, from the Ontario Craft Brewers association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Scott Simmons: Hi. Can you hear me okay?

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

Mr. Scott Simmons: Good afternoon. My name is Scott Simmons and I am the president of the Ontario Craft Brewers association. I'm also joined on the call by Jeff Dornan, who is the chair of the board for the Ontario Craft Brewers.

Ontario now boasts over 300 craft breweries in 110 communities throughout the province, many of them in rural and northern areas. As you know, craft breweries have become year-round tourist destinations for visitors from Ontario, neighbouring provinces, neighbouring border states, and around the world. We are now a key part of Ontario's tourism industry.

Sorry, I'm hearing an echo now myself.

The Chair (Mr. Amarjot Sandhu): We can hear you.

Mr. Scott Simmons: Putting policies in place that help these local businesses get back in their feet will be critical to helping the recovery of the tourism sector and the province as well. The OCB appreciates and welcomes the opportunity to appear before this committee and provide a voice to these small businesses.

We also want to take a moment to thank the government for everything it did in the early days of the pandemic to try and assist our sector, including making the LCBO, the Beer Store, grocery stores and breweries essential businesses; the deferral of licensing renewals and fees; as well as halting the upcoming beer tax increase and, most recently, the expansion of patio licences. Your actions have allowed many breweries to keep their lights on over the last two months. Without the steps you took, the vast majority of our sector would have closed their doors forever.

But even with those measures taken, Ontario's craft beer sector has faced severe negative impacts from the pandemic, as has the whole tourism industry. I'm here today to recommend that the government take three specific steps to ensure the revival of our sector at this critical time. Our recommendations would have little to no fiscal impact on the province but will have a huge impact on helping the craft beer industry recover. They're also focused on the short term: steps you can take immediately to have a positive impact over the next six to 12 months. There are other steps the government can and should take in the future, but today my remarks are focused on the immediate term.

The three areas for action are (1) harnessing the power of the LCBO; (2) promoting craft beer as part of the province's tourism sector; and (3) removing unnecessary red tape barriers to support the continued growth of the industry. By taking these steps, which I will outline in more detail in a moment, the government can fulfill the Premier's promise to strengthen local businesses and industries and to help bring people to all parts of Ontario and all parts of Ontario to the people.

Before I get to the specifics, I would like to help you understand the role that craft brewers play in local communities across our province, and the impact of the pandemic. The story of craft beer in Ontario before COVID-19 was one of growth, of community revitalization, job creation and pride in locally made, high-quality products. Seventy-five per cent of the 300-plus breweries have opened in the last five years. The youth of the industry means that this growth is fragile, in that it takes at least five years for these businesses to even remotely become profitable, and the fact that it's highly government-regulated—i.e., any change in government regulation could have a significant impact.

That said, Ontario was quickly becoming a world-class destination for craft beer lovers at home and abroad. In fact, new figures from the Trillium Network for Advanced Manufacturing show that before COVID—

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

Mr. Scott Simmons:—Ontario's craft beer industry employed over 4,600 people, which now represents 80%

of the direct brewery jobs in this province. In addition, these small businesses support over 9,000 indirect jobs in the agricultural, tourism, hospitality and manufacturing sectors. In many cases, these breweries have become the largest employer in their communities. In fact, this Trillium report, which is quite new, states that the craft brewing industry has had the highest growth rate of any manufacturing sector in Ontario in the last 10 years. All told, Ontario's craft beer industry contributes over \$2 billion to Ontario's economy annually, but COVID-19 has put that all at risk.

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The craft beer sector was among the first to feel the impacts of the pandemic due to the closure of restaurants, bars and tap rooms and the cancellation of many festivals and community events. A recent survey conducted found that the majority of brewers have seen their sales decline by more than 50% and are sitting on millions of dollars of perishable beer inventory that cannot be sold because the mandated closures. As a result, 63% of brewery staff have been laid off, and most breweries do not believe they can sustain their operations for another month or two. Simply put, the situation is dire.

That is why the OCB respectfully urges the government to harness the power of the LCBO to temporarily change their shelving and marketing policies to dramatically improve the promotion and showcasing of craft beer right here in Ontario. We truly believe that this is the single most important thing the government can do to assist the sector, especially for the small brewers like those in many of your communities for whom the LCBO is their primary sales channel where they can't get into it altogether.

These temporary policy changes such as setting aside increased shelf space and utilizing its promotional channels to highlight local products will help encourage existing local beer customers to choose Ontario-made products. Again, I want to highlight that these measures would be targeted towards existing customers.

On tourism, additionally the OCB recommends that grants be developed to offset the costs of craft beer festivals and events that have had to be postponed or cancelled due to COVID-19 to ensure that they can run again next year, and any other tourism grants the province is considering—

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

Mr. Scott Simmons:—to encourage the purchase of primarily Ontario-made beer for upcoming tourism events.

Finally, we recommend that unnecessary red tape that inhibits the ability for people to find, choose and buy locally made craft beer be eliminated; specifically, allow the sale of craft beer at farmers' markets, much like Ontario craft wine. Extend brewery liquor licences so that they can sell beer at community events and other temporary or pop-up locations without unnecessary applications and fees; and third, amend or expand the very narrow ancillary list of—

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

We have to move to the government side now for the first turn of questions. I'll start with MPP Piccini.

Mr. David Piccini: Thank you very much, and, Scott, perhaps you can just finish some of those recommendations in the answer.

I have two quick questions for Scott and for Landon. Landon, you touched on conservation authorities. We've had some robust consultations with our CAs, and I'm just wondering what role you play with them, what you'd like to see going forward—and a profound thank you, as a snowmobiler and, more importantly, as someone whose riding appreciates it. Thank you for all you do.

Secondly is to Scott: Scott, if you could please just elaborate a little more on the takeout provisions now for a number of the restaurants—I know that a number of mine locally are selling local beers like William Street at a number of our locals out of Cobourg. Would you like to see that extended, and what other recommendations do you have to encourage continued growth for our craft breweries?

Mr. Landon French: I'll jump in first. Thanks for the question. Conservation authorities are a critical part of our trail infrastructure, as are Ontario Parks and other rights-of-way, if you like. They have mixed uses, and we have our trail clubs. Districts have put a great deal of work into helping build bridges and other things along those trails and to keep them up and running.

Where we run into a problem with some conservation authorities is around insurance costs. Like I said, we're not in a position to insure all users 12 months of the year. We only can get and pay for insurance for snowmobile-related activities, and that would include building a trail, maintaining a trail, grooming a trail, or riding on the trail and related sort of things.

With conservation authorities and with some other entities, that's where the struggle is. We're willing to work with them to ensure that there are robust plans in place to make sure those trails are great, but we can only insure our activities on those trails.

Mr. David Piccini: Thank you. Scott?

Mr. Scott Simmons: In respect to the question that was asked to myself, we are still looking at the impact and the long-term implications of keeping the provision in place that allows bars and restaurants to serve alcohol for pickup and take-home delivery.

One thing I've heard from our members is that they've worked long and hard to have the right to have a retail store licence in this province. With this legislation, we've effectively given thousands of bars and restaurants literally a retail store licence.

We will need to look at the impact. We'll need to look at the impact on craft beer versus major foreign international-owned brands as well. But it's something our board is closely looking at.

Mr. David Piccini: Thanks very much, Scott.

I'll turn it over to my colleague MPP Stan Cho.

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

Mr. Stan Cho: It's nice to everyone again. Hello, Scott. It's nice to see you again. I know that we've spoken

about the shelf space issue a number of times, but it has come up not just from your group but from some of the wine people as well. I'm wondering if, for the sake of people watching at home and on the committee who aren't as familiar with the file, if you could just walk through exactly what that shelf space issue is—

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

Mr. Stan Cho: —that you're asking for, and how it would benefit the craft brewers.

Mr. Scott Simmons: Okay. There's a part A and part B. I'll try to be short.

Within the current MFA, there's a provision where 20% of the shelf space of the beer category in grocery stores must be allocated to craft beer. That also includes some of the major brewers, like Brick and Moosehead, who aren't necessarily craft brewers by our definition, so call it 10%. The good news is that in grocery stores they've allocated far more than that because consumers are demanding that.

What we're talking about today, or what I spoke about today, was temporarily having the LCBO help out a little bit more, being an Ontario institution that's governed by the province of Ontario. What can they do during this pandemic to help Ontario craft beer—and Ontario craft wine, quite frankly—help us recover from the pandemic by temporarily changing their merchandising policies to promote craft products more vigorously?

Mr. Stan Cho: Okay. Thank you for that, Scott. I know that my colleague has some other questions; otherwise, we could chat a little bit more. I'll turn it over to MPP Norm Miller. Nice to see you again.

Mr. Norman Miller: Thanks to everyone for your presentations.

I'll start with Landon from the OFSC. You were talking a bit about your insurance challenge. I know that on public property, you have lots of different—you mentioned conservation authorities, but there are also rail lines; there are hydro rights-of-way; there are gas companies; there are municipalities. You outlined how this is a problem for you, because you just can't cover the insurance cost year-round. So what's the solution to that?

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

Mr. Norman Miller: And what role can the Ontario government play? Is it some sort of standard insurance agreement? What do you think would solve that problem?

Mr. Landon French: There's an opportunity across ministries and agencies to work together on this, and perhaps part of the red tape reduction strategy could be applied in this case as well.

The Ministry of Transportation is the main ministry that we work with, but we deal with tourism, energy, Natural Resources and Forestry and a variety of them as we get access to their properties and land. We're being asked for different things within even the same ministry, from local manager to local manager, and that is causing a great deal of difficulty for our volunteers who have to negotiate these agreements across the province.

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

Mr. Landon French: So we think there's—

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

We'll have to move to the opposition side for their time. But before I do that, I need to do an attendance check on MPP Vanthof. MPP Vanthof, can you confirm that you're in Ontario and present?

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

The Chair (Mr. Amarjot Sandhu): All right. The first question goes to you as well, MPP Vanthof.

Mr. John Vanthof: Okay. Thank you. I will be very short. I know that my colleagues would like some time as well.

To Landon: I'm a proud member of the Tri-Town Sno Travellers, and the A trail goes across my farm, so I know a fair bit about it, but I think a lot of people don't.

1450

The economic impact that you have, specifically, in hotels, motels and lodges across rural Ontario—those folks are praying that they have a good winter, because it will help a bit. From Cochrane to Temagami to the French River, you cannot get a hotel room in the wintertime if it's a good season. I think people don't really realize that.

If you could continue with your answer from MPP Miller, because I think this is something that isn't a huge issue in COVID-19. It's not a big thing. We could fix it, right? The people in Niagara Falls have huge issues to fix, and they need to be attended to. But for these, there are some small things that we could do that would make a big difference in the big picture. So could you just continue on that, please?

Mr. Landon French: Yes, absolutely. Thanks. You're right. Our friends and partners in the tourism industry, whether it's for food, fuel, room nights and everything in between, are critical for our riders and trail permit holders. We need those stations along the way.

Most snowmobilers these days are mobile. They travel from all parts of the province to where the best snow is and their favourite trails are. We want to make sure we continue to encourage people to move to different parts of the province and enjoy what's going on.

Any time that a piece of a trail is taken out of commission, it threatens not only that trail but connecting trails and some of the larger trails that add other loops and other parts, and then it has an economic impact as a result. We've seen that in different parts of the province. As this issue continues to grow, it could have a real impact on our clubs and, therefore, some jobs that are related to those across the province. So we're raising this here, and we think that with a little bit of coordination on the government side, we could make a big impact.

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

Mr. John Vanthof: Thank you. [*Inaudible*] anything we can do to help.

The Chair (Mr. Amarjot Sandhu): MPP Vanthof, do you have anything further?

Interjection.

The Chair (Mr. Amarjot Sandhu): Okay, we'll go to MPP Miller now and then MPP Gélinas after that.

Mr. Paul Miller: Thank you. Can you hear me okay?

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

Mr. Paul Miller: My question is to Scott from the Ontario Craft Brewers. Good afternoon, Scott.

As you're likely aware, Hamilton and Stoney Creek have become a powerhouse for craft beer makers in the province. The three that come to mind are Clifford brewery in Stoney Creek, Collective Arts Brewing downtown, and Shawn and Ed Brewing in Dundas, Ontario. Last summer, my wife and I attended a Blues Brothers concert at the Collective Arts brewery. It was a packed house and a great experience. I also had the chance to attend a private event at Clifford brewery in my riding. This event had catering, music and great beer tastings.

My question to you is: What amount of the craft beer industry's business model depends on these types of public events and large gatherings?

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

Mr. Paul Miller: To that end, what do you suggest the government should do to assist craft brewers with their current inability to host these types of events? And are the brewers ready and willing to reopen with proper precautions?

Mr. Scott Simmons: Thank you for the opportunity, and if you could unmute Jeff Doman as well, I think he'll have an opinion on this. The amount of event business that is done by the brewers changes, really, across the board. Someone like Collective Arts does a good job there. Is there something you can do to help? I'm going to leave that to Jeff.

But in terms of being able to reopen, yes, the breweries are able to reopen. Obviously, with patios, that's going to happen this Friday in some parts of the province, and hopefully next Friday in the rest of the province. They have developed their own guidelines already through the pandemic and are ready, willing and able to serve customers safely.

I'll turn it to Jeff for the events question.

Mr. Jeff Dornan: A lot of breweries, depending—our industry is very, very based on location and size and whatnot. But for us, we would be able to open safely. We have about an acre and a half of land and can easily social-distance. A lot of other breweries are in a very similar circumstance, so yes, breweries can open safely and events can go on.

We've been thinking of—similar to Trinity Bellwoods Park—putting six-foot circles in our parking lot to divide people safely, as one example. But our industry is so varied that I can't give you an exact answer at the moment.

Mr. Paul Miller: Thank you, guys.

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

M^{me} France Gélinas: Thank you. My question is for Landon French. Thank you for being with us today, and say hello to Murray Baker if you see him or talk to him. He's a good friend of mine, and very active in the snowmobile club where I'm from.

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

M^{me} France Gélinas: I want to put it on the record that you are asked to carry insurance for 12 months out of the year. Everybody knows that there is no snowmobiling going on in the summer. In my neck of the woods, the ATVs use your trails all summer long, pay zero cents and are not insured. How could this continue to be—if you have an opinion on that.

Mr. Landon French: It depends on the trail. The ATV industry certainly has some permits and some access to certain trails. But for the most part, our trails are not available year-round. They return to farmland, for example. In other cases, they return to logging roads or other things where they're used in the other part of the year. We can only manage what we have permission to have access to. We certainly want to protect our landowners from uses that are beyond what they've agreed to with us. So that is something that we're watching very carefully. We do see that there are a lot more people on ATVs, and sales have improved—

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

We'll have to move to the independent members for their time. Who is going first? MPP Schreiner?

Mr. Mike Schreiner: Thanks, Chair. Thanks to all three of the presenters. My first question is going to be to Scott. Scott, as you know, Guelph has been a pioneer in the craft beer industry. I've been a long-time supporter of retail licences for Ontario craft brewers. I'm just wondering if maybe you could comment on how that could help the industry recover from this 50% sales decline that unfortunately you've experienced.

Mr. Scott Simmons: That's a great question, and it's actually one of the items that has been on our advocacy list since I started three years ago: the opportunity for craft beer manufacturers to have more than one or sometimes two retail locations in Ontario. The retail fabric that they have now, with really the LCBO and the Beer Store, isn't set up to service really small, independent craft brewers. So having more retail locations would be a tremendous benefit for serving that segment of the industry, and wouldn't get in the way of the existing big retail operations.

Mr. Mike Schreiner: Yes, I couldn't agree more. I support your work to have the LCBO promote more local product, whether it's beer or wine, distillery etc. But I've spoken with a number of particularly smaller craft breweries who find it very challenging to even access the LCBO, let alone have it be promoted there. Are there some things that could be done to help craft brewers access the LCBO in the first place?

Mr. Scott Simmons: Yes. Again, we don't have time for the full answer, but yes. The long tail of craft brewers: The vast majority of them are small—under 5,000 hectolitres. It's very tough to get into the LCBO because of the hurdles you have to get over and the cost of entry and testing.

I've talked to the LCBO about allocating or allowing for more local presence. Again, during the pandemic,

which I was talking about today, if the LCBO could waive some of their red tape and allow some of these smaller brewers to get into those stores, even on a temporary basis, it could be the difference between them closing their doors forever and actually staying open for another month or two to get through the pandemic. We could talk more, but I know we don't have a lot of time here today.

Mr. Mike Schreiner: Sure. I'm going to ask you one more question. I don't want to be too beer-focused. Farmers' markets seem like another potential outlet for you as well.

Mr. Scott Simmons: Yes, absolutely. Right now, we're not allowed—I'm not really quite sure what the legislation is that would prohibit that. I know that Ontario craft wines are allowed, but our members would dearly love to be able to get to those local community markets and showcase and sell their product on a Saturday and Sunday morning.

1500

Mr. Mike Schreiner: I promised MPP Hunter I would share the rest of my time with her, so I will pass it along.

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

Ms. Mitzie Hunter: I wanted to ask, David, if you could expand on your original suggestion around some of the things that your members would benefit from in terms of the government's response. You talked about commercial rent relief. You also talked about the deferrals from government not being helpful, given that the payback is set for this fall, which is in the near term and may not be as helpful—perhaps if it was a revised time frame, giving you a longer period of time, or even just in a form that is forgivable. Can you speak a little bit more to that so that we hear your ideas?

Mr. David Jovanovic: Yes. Thank you very much. It is critical because of the overwhelming amount of debt that everyone has taken on up to this particular point. The industry has literally been shut down. The start-up cost is going to be enormous. Everybody has to retrain, re-staff and revamp their operations. These aren't just small ma-and-pa shops, a lot of these tourist operations, where we've got two or three people going in. We're looking at major attractions, between Marineland, the water parks, and eventually the casino and everything. The costs are going to be significant.

The industry itself will not bounce back in two months, three months, four months, five months or six months; it's probably going to take the better part of two to three years until the industry gets back up to normal.

The margins are low, so the extension really will be determined by how successfully and how early we can get back into the game. With limitations, there's no way that most of these businesses will be profitable. Most of these businesses will just be trying to stay above water. Even with all the input of cash and intention—

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

Mr. David Jovanovic: —the reality is, when you're operating at 30% or 50% capacity in models that need you to be operating at 75% to 80% just to break even, there are a lot of unknowns in the equation here. I can't say if we

need to do it past the fall and into the winter. That's all going to depend on whether there's a second wave or another shutdown. There are a lot of things that are unknowns in this.

The basic thing that we need here is to make sure that we all work at this collectively. We all have a responsibility. The industry has the responsibility to do the best it can and to be as safe as it can to make sure that we mitigate any possibility of a recurrence. Niagara is well prepared for that. I feel very comfortable with all the procedures that we've done. We've done a great job on the "play safe, stay safe"—there are multiple aspects to that particular program to be rolled out. But, long story short, we need—

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

We have to move to the opposition side for the second round of questions. Who's going first?

Interjection.

The Chair (Mr. Amarjot Sandhu): Oh, okay. Sorry; before we do that, we need to do an attendance check. MPP Fee has joined us. MPP Amy Fee, if you could please confirm your attendance and if you're present in Ontario.

Mrs. Amy Fee: Hi, everyone. I am present in Ontario, in Kitchener.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with MPP Gélinas and then we'll go to MPP Gates.

M^{me} France Gélinas: Very briefly, Mr. Landon French, I wanted to ask you—God forbid there would be a shutdown again of the snowmobile trails: How many of your members do you figure wouldn't survive?

Mr. Landon French: We have about 190 member clubs spread across 16 districts in the province. It's very difficult to tell at this point. We are doing some economic forecasts just to try and understand the impact of what it could be. But it's hard to say. I think we could lose some, but I don't have a number on that right now.

M^{me} France Gélinas: Were you able to settle all of the trails that crossed railways when you lost permissions?

Mr. Landon French: There's a variety of those segments throughout the province. Some of them, we have been able to sort out; others, not. MTO has been very helpful in that regard, too, with many highway crossings and things like that. But it is really a club-by-club, section-by-section discussion that happens. We've got almost 19,000 landowners that we work with every year. That's why anything we can do to standardize this is a huge benefit not just to us, but to our landowners as well.

M^{me} France Gélinas: Thank you. To MPP Gates, please.

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

Mr. Wayne Gates: Hi, how are you? My question is going to be to the Lundy's Lane BIA, but I'm going to make a statement so all my colleagues, my fellow MPPs hear this: 40,000 people are dependent on the tourism sector in Niagara; 95% of those workers are currently on layoff. We need to open up. We need to open up Niagara.

I'm going to do my first question. As you know, Niagara was left off moving to phase 2, without the government even talking to our chief public health officer.

Can you tell me and my colleagues here what your members are doing to ensure visitors stay safe and in business so that we can reopen safely, immediately?

Mr. David Jovanovic: Mr. Gates, that's directed to the Lundy's Lane BIA?

Mr. Wayne Gates: Yes.

Mr. David Jovanovic: We are following every single bit of criteria that has been put forward by the province, by the local health authorities. We're above and beyond.

The one thing that we are very strong at here in Niagara Falls is dealing with large crowds. It's nothing new. Between the casinos, the Hornblower, the Maid of the Mist—which is now Hornblower—and the water parks, we are accustomed to dealing with crowds, to make sure that they're safe, that everything is run and efficient. Every single thing that has been asked for is being attained.

The thing that's happening now is, as we inch closer and closer to the tourist season—the tourist season is really a short window. In the past, 40% of the income generated in tourism here in the Niagara region was during the months of July and August. We need to be able to open up soon, hopefully in the very next cycle next Monday, that the Premier can make an announcement.

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

Mr. David Jovanovic: It takes a couple of weeks to bring all the staff in to train, to make sure all the boxes are checked. Everything is in place, except we need to start getting the go-ahead to be able to bring our employees in and train them.

The CEWS: It is important, as I mentioned, that that is being continued by the feds. We need the province to assure us that these programs are in place. Otherwise, there's not going to be any funding available to continue operations. No one is expecting the industry to just jump—it's not an on-off switch here. This is a long process to get this ramped up and going. There will be some trial and error that comes in. Some things that look good on paper and that the health agencies are stating need to be done may not be the most practical and viable way of doing things. It's an evolving process. We want to make sure we've got it right so that when the summer does hit, we are in complete compliance and assurance with the province that we are doing our best job to make sure that issues do not creep up here in Niagara.

Mr. Wayne Gates: Thank you. I'm going to go back to you again. Lundy's Lane is interesting because we have a lot of tourism, but we also have things like banks, beer stores and grocery stores. We saw last week that Oh Canada Eh? is permanently closing their doors—a very sad day for our community and for all the actors and their staff. Along with you, I'm sure, I'd like to thank Ross Robinson, Anne Robinson and Jim Cooper for giving us 26 years of entertainment. Businesses like Americana and Best Western Cairn Croft have been closed or limited since the beginning.

Given how much our economy is represented by the businesses on Lundy's Lane, can you tell my colleagues here how badly this lockdown has affected employment

and your members, and if the supports from the government have been adequate?

Mr. David Jovanovic: Thank you. I'm still off mute, correct?

Mr. Wayne Gates: I can hear you, yes.

Mr. David Jovanovic: Okay, perfect. The supports have been good to get us to this particular point. The thing is, everyone has taken on so much debt here, it is really cumbersome. The loss of employment is massive, and it doesn't affect just the businesses themselves. When the vast majority of employment in the municipality and the region is derived from tourism, it affects every single person. Disposable income is not there. People are just basically keeping their heads above water.

1510

The Oh Canada Eh? situation is heartbreaking. I, like you, was with them when they first opened up—

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

We'll have to move to the independent members now for their time. MPP Blais.

Mr. Stephen Blais: My question is for the representative from the Ontario Federation of Snowmobile Clubs. First, I want to say that I've worked very closely with Tim Krause in the Carleton Regional Snowmobile Club over the last number of years. You mentioned in your presentation that there was a challenge getting a trail in Prescott-Russell and in Ottawa opened up. I presume that's the Prescott-Russell trail. I was just hoping you could confirm that.

Mr. Landon French: Yes. There's a number of trails in that part of the province that are having similar issues, and the local clubs are all working on those right now.

Mr. Stephen Blais: Yes. One of the things that I worked with Tim on that has been a challenge is that Orléans is in an area of the city that borders our rural and agricultural areas, so as the community grows, snowmobile clubs in particular often lose access to existing trails. We end up with trail segments that don't really help anyone. I'm wondering if you have any thoughts on what work could be done to try to alleviate that particular part of urban growth.

Mr. Landon French: Yes, it is something that we see in a variety of communities. As Ontario grows and also as the climate changes, we're going to see more change that way; we understand that. I think there are opportunities for multi-use, lower speeds and other things like that, that we're absolutely willing to consider. We're happy to have those conversations.

Again, in some cases it is a local volunteer who is working on this part-time who is trying to negotiate with a team of lawyers representing an urban municipality or an entity that works on this full-time, and that's not necessarily a level playing field. So we're working very hard to try to address those at all our club levels.

I'm happy to have a conversation with the government or an agency to see if we can find a way to standardize this.

Mr. Stephen Blais: Sure; I think that would be great. Obviously it's not snowmobile season now, but as we

think about the snowmobile season to come, what do you think the biggest risk of a continuation of the COVID-19 crisis is? What's the big risk, going forward?

Mr. Landon French: It's tough to pick, but I think, really, it's confidence around buying a trail pass. We want to ensure that people purchase trail permits and are riding safely and appropriately on prescribed trails and are not trespassing or doing other things that they shouldn't be doing. We want to encourage that kind of organized snowmobiling in Ontario because that helps build the infrastructure that we need. With the trail pass revenue, that allows us to put the signs up, to groom and to ensure that the infrastructure is in place and that we then show those safe places to ride throughout the province on our interactive trail maps.

Really, it comes down to permit buying. If Ontarians have the ability to do that like they usually do, then we'll have a fantastic snowmobile season, and go from there.

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

Mr. Landon French: The other part of it is just the virus itself and where we stand with regard to a second wave. We want to make sure that we are in compliance with whatever stage the government says we can operate under, and we want to be very, very clear about that.

Mr. Stephen Blais: I appreciate that. I think MPP Hunter has some more questions.

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

Ms. Mitzie Hunter: I want to thank all of the presenters. Your specificity in information to this committee is very helpful to us as we conduct this study as part of the jobs and recovery efforts of the province.

David, I do want to note that you did say earlier that the sale of alcohol beverage as part of takeout has been very successful and you believe that it should be permanent.

I think that giving feedback like that is really important. This was a suggestion that was made by Steven Del Duca, who is the leader of the Ontario Liberal Party. We want to make sure that as we're putting forward ideas, they are getting the results for the sector and for local businesses and operators.

At the same time, I did hear the craft brewers—you're saying that your desire is to expand your shelf space in grocery stores and farmers' markets and that locally produced beer and wine should be given priority during this recovery period. As we actually seek to create and—if I can steal David's line—"build a better tomorrow," that's what we all hope to do.

The information that you're providing to us here today is very important to drive the specific reporting and recommendations that are coming out of this community.

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

Ms. Mitzie Hunter: I'm wondering—and anyone can choose to chime in here: Is there anything you feel that we have not heard that would be helpful to your sector that we could note and take away today?

Mr. David Jovanovic: This is open to—

Ms. Mitzie Hunter: You can start, David, and then we can hear from the others.

Mr. David Jovanovic: Thank you. What is helpful is liquidity in the short term, because we don't know how everything is going to evolve after that. People have to get to the starting gate to be able to get going. After that payback period, everything is going to be pivoted—

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

We have to go to the government side now. MPP Piccini.

Mr. David Piccini: MPP Miller.

The Chair (Mr. Amarjot Sandhu): MPP Miller, Parry Sound—Muskoka?

Mr. Norman Miller: Thank you very much. I have a question for Scott from Ontario Craft Brewers. I do have, in Parry Sound—Muskoka—I think it might be a record—some eight breweries in the area, and they're all really important employers. I was talking with Chris Pettinger at Trestle Brewing in Parry Sound. He's excited to be opening up his patio tomorrow, and I know he can expand as well.

I had an issue to do with your red tape reduction suggestions, because I know that Lake of Bays Brewing Co. brews in Lake of Bays and sells from their brewery. They have a brew pub in Huntsville, and they're just building—well, right now in the process of building a brew pub in Bracebridge. I think there have been recent changes to loosen the rules around that, but it's contained to one municipality, and obviously they're in three municipalities, so that would need to be addressed. I'm wondering about your other suggestions with regard to reducing red tape for these breweries.

Mr. Scott Simmons: Yes. In that particular case with Lake of Bays, they're actually not allowed to have a retail store with that third location because of the current restrictions. That's why we'd love to see craft breweries be able to have more stores.

I want to make sure I'm clear that, right now, with what's happening with bars and restaurants, we're very supportive of anything that can happen to help these businesses get through this pandemic. It's critical; we all need to support them. I think my point was that, long-term, we'd love to see the craft breweries with the ability to open more stores as well.

Now that we're giving thousands of bars and restaurants—literally retail stores, let's give the existing craft brewers the right to open more stores as well. Right now, that's blocked by the Master Framework Agreement with Labatt, Molson and Sleeman with the Beer Store.

Mr. Norman Miller: Thank you. I'll pass it on to my colleagues.

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

Mr. Dave Smith: I'm going to start with Landon French, if you don't mind. Landon, one of the things that we're seeing with any kind of recreational activity that involves motor vehicles is the increased cost for gasoline because of the carbon tax. Do you think that's going to have an effect? If we were to open the public trails this

winter, will the increased cost of gas have an effect on them?

Mr. Landon French: We are watching the disposable income of Ontarians across the board. Gas tax increases probably don't help. However, it's critical for people to get back to work and earn an income, and that's something that we're watching very carefully. As I said, we'll feel that in the permit revenues, and our tourism friends will feel that in motel nights, food and fuel. So that's something we're watching very carefully, and we will be informing the government as we see the impacts of that in our season outcome.

1520

Mr. Dave Smith: This past winter, there was some talk about expanding some trails in my area here, and I received a significant amount of pushback—

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

Mr. Dave Smith:—from a number of people who were strongly advocating against snowmobiling: that it wasn't something that was good for the environment. I know I'm going to get some pushback from them after today's testimony from you: that it's not environmentally friendly and that we shouldn't be doing anything for you as a result of COVID-19. Is there anything that you have to add to that that can help us with that?

I personally have enjoyed snowmobiling since I was about three. I got my first sled when I was just over three. It was an old Ski-Doo Olympic, so you can imagine the fumes I inhaled. But how do we deal with that?

Mr. Landon French: The machines are certainly getting more efficient, and there is now a battery-powered machine that is coming on the market shortly. So we're seeing the manufacturers address those questions over time. I'd be happy to follow up with you offline with more information around that and talk more about trails in your area, but there is a huge economic impact to snowmobiling. They're a positive contributor to Canada's and Ontario's economy. We'd love to continue to do that, particularly in your area and across the province.

Mr. Dave Smith: Mr. Chair, how much time do I have left?

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

Mr. Dave Smith: Okay. My last question, then—I'm going to come back to you, Mr. French.

We've heard a significant number of people from northern Ontario talk about broadband and wireless and cell service. How important do you think it is that we expand the cell service in northern Ontario for our snowmobile associations? When you're out on the trail and something breaks down, you need to be able to get in contact with someone.

Mr. Landon French: Yes. It's critical. Our groomers in northern Ontario and other places have satellite tracking on them so that when they're out in the middle of the night, we can watch them and ensure that they're still moving and we can communicate. But there's no doubt that cell service and broadband is critical because more and more machines are coming with devices that allow them to see

maps and other things. It just adds to the safety factor for snowmobiling across the province.

Mr. Dave Smith: Thank you very much. To your members, it is fabulous to see you guys going up into northern Ontario as much as you are because I know that hotel rooms definitely depend on that type of tourism in the dead of winter. So thank you very much.

Mr. Landon French: Absolutely. Thank you.

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

CAMBRIDGE BUTTERFLY
CONSERVATORY
SAULT STE. MARIE
CHAMBER OF COMMERCE
MR. ANDREAS ANTONIOU

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, Cambridge Butterfly Conservatory. If you could please state your name for the record, and you will have seven minutes for your presentation. Mr. Wilson? Can you unmute yourself? There you go.

Mr. Doug Wilson: There we go. Yes. Good afternoon, Mr. Chair and members of the committee, and tourism colleagues. My name is Doug Wilson. I'm president and a shareholder of the Cambridge Butterfly Conservatory in Cambridge, Ontario.

I'd like to begin my remarks by recognizing and thanking a few individuals and organizations who have helped tourism in Ontario navigate through this pandemic: the Honourable Lisa MacLeod has shown steadfast leadership as we continue to work our way through the crisis; Beth Potter of the Tourism Industry Association of Ontario; Troy Young of Attractions Ontario; Andrea Gardi of RTO4; and all the organizations who have advocated for and supported tourism in Ontario. It would be a lonely battle without their support.

You've heard from many tourism operators and advocates over the last week. There is very little that I can add to those presentations in terms of the disastrous negative financial impacts that pandemic-related closures have caused. Cambridge Butterfly Conservatory is no different than the thousands of other tourism and hospitality-related businesses across the country.

What has made it especially difficult is that attractions are not able to flip their businesses to curbside pickup or on-delivery mail order. There is no virtual substitute that can replace a stroll through our conservatory, surrounded by thousands of free-flying butterflies, singing finches, waterfalls and tropical plants.

I don't want to spend a lot of time bemoaning the damage suffered by tourism since mid-March, but we do need to examine the catastrophic impact these closures will have on the future of tourism in Ontario. This hole we find ourselves in, while it literally happened overnight, will take years to dig ourselves out of.

My fear is that the worst is yet to come, not only for those businesses that were just starting up, but those without a cash reserve going into the closures or the many without access to credit. My fear is for all tourism, from the largest operators to the smallest mom-and-pop operations, from hotels to attractions to festivals and events. Warren Buffett once said that it is "only when the tide goes out" that "you discover who's been swimming naked." My fear is once this tide goes out, many tourism-related enterprises may not survive, and the loss of an attraction, a museum or a gallery will forever change the fabric of our communities.

While we can talk all we want about restarting the economy and getting Ontario back to work, we are far, far away from being out of the woods. The difficult journey is really just beginning, and I'm going to ask you not to think just in terms of reopening, but rather to think long-term, two to five years down the road.

What this means in real terms: Our conservatory has been 100% without revenue since March 13. That represents 34% of our annual revenue completely wiped out, revenue that's lost forever.

Let's look at that closely, and I'll use conservative numbers here: If we expected our business to grow just 5% year over year, it would take approximately seven years to recover from the revenue lost between March and June of 2020. The adage that when you stop growing, you start dying is becoming very real for tourism businesses in this province. And that is if we could increase our revenue by 5%. But here's the dilemma we face: We're can't grow our business under these conditions. In fact, we must throttle visitations to our facility to meet physical distancing guidelines.

I believe the real struggle is just beginning. While reopening soon will help, we are a very, very long way from returning to profitability. We expect our business will be down an additional 30% to 40% over the next year as we continue to implement COVID-19 risk management strategies. But it gets worse. On top of the loss of revenue from closing and the loss of revenue from restrictions—

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

Mr. Doug Wilson: —the costs of implementing time-ticketing to control traffic, additional staff for sanitization and crowd control, the installation of barriers and the procurement of PPE for staff will further erode an already bracketed bottom line. And now, layered on top of this, a recent Ipsos Canadian travel outlook poll found that 73% of Canadians are not comfortable taking a vacation this year, highlighting the fact that social stigma associated with visiting attractions, events and festivals will continue to act as an enormous barrier.

So where does this leave attractions and others in tourism? It is clear that this crisis will be with us for a very long time. I don't think the conversation is just about recovery. The conversation needs to pivot to reimagining and rebuilding. The time frame we need to be discussing is not weeks for reopening; the time frame we need to be discussing is 24 to 36 months, and perhaps for years thereafter. Cambridge Butterfly Conservatory has been in

business for close to 20 years, but in many respects, it feels like we are starting over.

For the next two to three years and beyond, tourism-related business in Ontario will need the consistent support of the government of the province of Ontario by:

(1) recognizing that the fallout from the crisis will be with us for many years;

(2) ensuring that there is transparency in the sector-wide distribution of research and polling results related to this industry;

(3) continued support for tourism businesses by maintaining funding to the RTOs, as this is the most efficient and direct line many tourism operators have to the Ministry of Heritage, Sport, Tourism and Culture Industries; and finally

(4) businesses will need direct financial support in the form of grants.

We support the Attractions Ontario suggestion to put financial assistance that recognizes the contribution businesses make to the economy, that is a grant equal to the last two quarters of HST remitted in 2019. This grant is based on the enterprise's specific contribution, is easily verifiable by the government and reflects the enterprise's overall value to the economy.

1530

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

Mr. Doug Wilson: We have a long road ahead of us, and I'm hopeful we can continue this conversation until tourism in Ontario is back on its feet. Thank you for the opportunity to speak to you today.

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

I would now like to call upon the Sault Ste. Marie Chamber of Commerce. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Rory Ring: Rory Ring, CEO for the Sault Ste. Marie Chamber of Commerce.

First of all, I'd like to thank everybody for taking the time to listen to each of our sectors through the standing committee. Also, I'd like to thank many of you for participating on a number of Ontario Chamber of Commerce town halls that we've had. I think it has been a great opportunity to connect our business community to our political leadership. Also, thank you to all your support teams who implement many of the programs that have been put forward. There has been, I think, a tremendous exertion on their part as we stretch the limits of our capabilities. So thank you very much for doing that.

If I can, I just want to take a moment to set the stage for us here locally. Our chamber of commerce represents roughly 600 members, or 41% of the workforce here. We're a population of roughly 72,000, and Algoma is roughly 150,000. Twenty-two cases of COVID in Algoma—only one active case, no hospitalizations and no deaths. So we've been very successful in implementing the pandemic protocols. Our community has really done a great job in rallying together to support all levels of

government in the efforts that they've put towards our business community.

We recently received notification from CN Rail that the Agawa train tour has been cancelled, and that is perhaps our single largest tourist event that draws people from around the world. That train brings in roughly \$2.6 million in room revenue. Those passengers spend \$1.6 million in food and beverage and \$400,000 in retail revenue. The total economic contribution of that single, short-time-framed event is \$7.4 million. That's not just—again, to emphasize—realized by the operators of that; it really impacts the small business community. It will have echo effects. Mr. Wilson, who just presented, also did a great job of representing what the impacts of this pandemic are going to be. They are going to be long-term, and we need to really work towards putting an effort to supporting the small businesses that are being impacted.

A McKinsey report on hotel accommodation roughly estimates that there will be no accommodation recovery in terms of rental revenue per night until the year 2023. That's a very significant time frame in which the hotel and accommodations sector has to be without the working capital to do many of the things that they may have on their to-do lists, such as room renovations and upgrades. I think it's an ideal time perhaps to support that sector, when their room rentals and occupancy rates are, in some instances, below 15%. The same can be said for the resort destinations, as well, here in northern Ontario.

There is perhaps an opportunity to provide transitional working capital to those for room upgrades, but in those room upgrades, also provide for touchless and contactless experiences, whether that be check-in, check-out systems or robotic food delivery. There are a number of ways that I think we can provide financial support to the accommodations sector, to upgrade and invest in the future at a time when they will be realizing very low accommodation rates, occupancy rates.

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

Mr. Rory Ring: Also, the challenges around implementing PPE and safe social distancing: There's the training of employees and there is the acquisition of infrastructure to do those things. If there could possibly financial offsets provided by different levels of government to ensure that guests and employees are kept safe, that will help preserve working capital.

Also, one of the things that may fly under the radar is the notion of property tax. Much of the commercial sector contributes a significant amount to local property taxes, which are at a higher burden rate than, say, a residential property tax.

We will actually be putting forward a resolution based on the property tax system with three recommendations: for the government to honour its 2019 budget commitment to ensure a modern and competitive property tax system and develop an action plan to respect Ontario's property taxpayers based on a meaningful and thoughtful consultation, in collaboration with affected stakeholders, including residents, business, industry, municipalities and subject-

matter experts; consider providing new revenue and property tax mitigation tools and flexibility to municipalities in order to manage property tax burdens in a fair and equitable manner; and address new economic paradigms and target relief to business property owners and tenants in response to local policies and objectives, and address the significant disparity between residential and non-residential property tax rates for education purposes.

When you look at the share of burden, you find that the commercial sector tends to have a greater share of the tax levy as opposed to its representation and valuation.

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

Mr. Rory Ring: Where this is going to become extremely important in the near future, as the business community struggles, whether it's in tourism or not—the actual valuations of those businesses are going to drop. So there has to be a good balance between where MPAC is going to be in putting valuations and what the reality is of that property to generate economic activity. I think we really need to make sure that we're addressing that particular issue. We know, through the 2019 budget, that there has been a placemaker made for those to happen. So I strongly encourage the province to take a look at that.

The other side is, on the tourism sector, the impact on the municipal accommodation tax. That is going to have a very significant impact on the way that local municipalities and local tourism operators—

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

Mr. Rory Ring: —can be supported in terms of marketing their product—

The Chair (Mr. Amarjot Sandhu): Your time has come up now. We'll have to go to the next presenter now.

Andreas Antoniou, can you please state your name for the record? You have seven minutes for your presentation.

Mr. Andreas Antoniou: Yes, it's Andreas Antoniou. Hi. Can you hear me?

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

Mr. Andreas Antoniou: Hi, it's Andreas Antoniou. I represent Assembly Chef's Hall and a collection of other restaurants in downtown Toronto. Assembly is an incubator where we have put together a collection of 18 of the most talented chefs in the city in the heart of downtown Toronto in Oxford's Richmond-Adelaide Centre.

Obviously, I've heard the other two gentlemen on the call. Similar to them, since the shutdown had occurred, our sales across all of our interests have dropped 100% and continue to remain so. I'd like to go in a different direction; I think everybody on the call knows the damage and the harm. It's substantial and it's significant. I'd like to draw your attention to structural changes that need to begin. They were okay perhaps in the old world in the old system and are no longer okay and need to be addressed.

First and foremost, let's discuss the Beer Store. All of us on the committee and this conversation can walk into the Beer Store today and buy a case of Moosehead for \$34, yet every single wholesale restaurant in Ontario or bar has to pay \$49 through the Beer Store. If someone could please explain to me on what planet the wholesale channel, which has no retail consequence, is paying a 20% to 30%

premium over and above retail and how that has been legislated and how that fraud, really, has been allowed to persist. You can no longer subsidize five foreign-owned oligopolies through the taxpayers and the workers of Ontario. This has to stop immediately. I'm not saying to abolish the Beer Store. I'm not saying to do any of that. I'm saying to add a surtax onto their particular segment that makes it less desirable for them to continue to behave in this predatory fashion. That is your responsibility.

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Beyond that, there are quite a few structural problems that we have in our industry. We need our governments to start behaving in a responsible fashion, similar to businesses. Across the board, you've seen CEOs and executive teams of small companies and big companies take 20%, 30% or 40% pay cuts; some of them, 100% pay cuts. Where is the leadership from the government? Where is the money going to come from to continue to pay 100% of all the costs of running government? From businesses that are literally at zero and at a standstill? I just don't know.

I think that to generate confidence in the business community and for business owners to continue to persevere, to struggle, to create jobs, we need to have confidence that there's accountability on the other side as well. Right now, the signalling—people don't feel that way. Our employees and our teams get a 75% wage subsidy, so how is it that our people are only worth 75 cents on the dollar but anyone that is employed publicly is worth 100 cents on the dollar? It doesn't seem right to me, so I think that needs to be addressed as well.

Lastly, I think we need to sincerely think about the future. The only way that we're going to get out of this—the levers in our industry are daunting. We have HST that our federal government told restaurateurs to pay their employees with. Well, I'll be curious to see how the federal government responds, months from now, when half the restaurants don't exist anymore, and those individuals who took the government's advice and paid that sum out—what's going to happen to them? Is our province going to stick up for Ontarians who listened to the federal government? I don't know.

What's going to happen to the property taxes that were discussed by, I believe, Mr. Ring? We're digging a deeper hole. We've been legislated shut, and every month we're getting this great deferral from our city on the property taxes that we owe. Explain that to me. There's absolutely no way \$1 of those property taxes can ever be paid if people expect these small businesses and entrepreneurs to survive this.

Look, this is a very, very challenging situation, but what has really dawned on me, in the last 16 weeks since this has really started, is that somehow we're being asked to bear 100% of the burden in terms of shutting our business down, in terms of doing the right thing—and I'm fine with that. But do you know what? Our country needs to share this problem, and we simply cannot bear 100% of the cost. What I'm seeing is the expectation of this kind of phantom tax that has been thrown upon all small businesses that are somehow expected to dig out of a ditch to survive.

Honestly, the more I talk to people in my industry and the more I talk to small business owners across the board, people are just getting to the point where they're losing hope.

I think that point is really important to stress, because the minute those hard-working individuals—

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

Mr. Andreas Antoniou: —that will persevere, that will find a way, lose hope, they're just going to go do something else, maybe somewhere else. I think that is really scary for our province, and if we don't start taking actions on structural issues now, every day that goes by that the government is not figuring out a way to reduce the burden, it's going to get worse. I, for one, don't believe a restaurant in Toronto has a hope in hell of being profitable for at least two to three years. I think most of them will fail in the first two to three months of attempting to reopen.

What is really frustrating me is, in this world, there is already a solution to this pandemic. It's called test, trace and isolate. For some reason, instead of focusing on a very simple and proven solution, we're holding out for a hope and a dream of a vaccine. We're trying to bring trust back to people so that—

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

Mr. Andreas Antoniou: —they can go out and continue to live their lives. Unfortunately, without doing that, there's absolutely no chance that we're going to get people—

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

We'll have to go to the questions now. I'll start with the independent members. MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three presenters for taking the time to come and speak with us.

Andreas, unfortunately you had to end your presentation there. I'll direct my first question to you. I would say that, of most of the small businesses who are reaching out to me really concerned about an inability to pay rent and possibly being locked out by their landlord, it's predominantly restaurants—not entirely, but a lot of restaurants. My first question is going to be around: How do you think we can fix the rent relief program to make it work for restaurants? Then my second question is: A lot of restaurants are saying to me, "If we reopen and we only have 50% of our space, we're not going to have enough revenue anyway because the margins are so tight." They need some help in terms of being able to finance the reopening. I know Mr. Wilson had talked a little bit about that in his presentation as well. Could you maybe address those two concerns I'm hearing a lot?

Mr. Andreas Antoniou: Yes. Let me start with the rent side. Look, it's a tough situation, and I think most restaurateurs—you're not going to be able to find a solution that accommodates everyone. I believe that however this moves forward, there needs to be a willingness from the restaurateur, from the landlord, from the suppliers—from every person in that stack that that business model

contains—to absorb some of the pain to create the least worst outcome.

The problem that has been structured with this rent relief is it's insane. We have no leverage with our landlords. We don't hold the hammer; we have no hammer. If your goal was to get restaurants to pay 25% and the federal government to pay 50% and the landlords to take 25% on the chin, great. They're getting 75 cents on the dollar. I would be thrilled to have 75 cents on the dollar in my business model right now. So why are you giving the decision to the landlords?

It's just simple. Say, "Dear restaurateur, if you would like to continue to persevere, to struggle, you're going to have to ante up to be part of that game," because we can't save people who don't want to be saved. If you're able to and if you have the desire to continue to struggle, you pay 25% rent and the federal government will match 50% and the landlord will be forced to accept that outcome. It's no different than when we were forced to accept the outcome of being closed.

I don't for the life of me understand how somehow we're the only industry that is forced to accept the government's determinations, right? Because if that's not real, then maybe we have the case that there's liability on the governments then for forcing us closed. I don't know. But I think we're getting—

Mr. Mike Schreiner: You answered it. Go to the next one just before you run out of time.

Mr. Andreas Antoniou: The second part is around reopening. Look, I think the challenges that the government—and I mean this respectfully. The government is trying to put the onus of test, trace and isolate, a procedure that they themselves are unwilling to do, onto restaurants. I'm not saying I disagree with it; I agree with it. But when I walk into a Canada Post or a ServiceOntario, guess what? There are no hand sanitizers. Employees are not wearing masks. Nobody is taking this process seriously—

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

Mr. Andreas Antoniou: —so why is my industry the only industry that's supposed to take this seriously? Why are we the ones that have to bear the full cost of this and, seemingly, no one else needs to?

We have to remember that the profit model of a restaurant is—we have operating leverage that's determined on a daily basis. Every single day, we bring in a certain amount of people, we prep a certain amount of food and we have a certain amount of fixed overhead costs. If that number is, let's say \$10, that day we have to earn at least \$10 to break even. Then it starts again the next day, so there's another \$10.

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The problem is, we don't make money until you're over and above that hurdle. So the problem with 50% capacity—think about it at a high level. The average restaurant in Canada has a 4.5% profit margin. That 4.5% profit margin is on 100% of revenue. Now you're creating a circumstance where the maximum outcome we could ever have is 50% revenue.

I will say this: We can go on that way. If you agree to subsidize our payroll at the 75% wage subsidy and our rent, then we can go on at 50%. No problem. But there's no way to keep 100% of our regular cost structure without those subsidies in place and actually generate contribution on a daily basis. That is impossible.

My answer to you is, we need our government to really invest into test, trace and isolate. It will be less expensive than the harm it's doing to our entire economy. If that is the solution that exists today, that is the investment we have to make. Two years from now, there still might not be a vaccine and we might have to test, trace and isolate. So just pull the Band-Aid now and then people will have the confidence to go back out again.

This is a confidence game. If I know that anyone inside of a restaurant probably doesn't have it because my government is on top of testing, tracing and isolating, then I've got the confidence to go to that restaurant. I've got the confidence to go to the movie theatre. I've got the confidence to go to a stadium. And so you know what? If it turns out there's a flare-up of 100 people, they're going to know quickly, they're going to put out that flare and then everyone has confidence again. That's how it is working today across the world, yet somehow we're ignoring that.

Mr. Mike Schreiner: Thank you for that. I just want to quickly shift to Doug Wilson. You talked about help with accessing PPE and complying with public health measures. Could you talk, in a bit more detail, about what type of direct government support you would need in that regard?

Mr. Doug Wilson: MPP Schreiner, thanks for the question. I think it's important to recognize that all the businesses that are going to be able to reopen, in whatever capacity, are going to have to look at Plexiglas barriers, signage and PPE equipment—

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

Mr. Doug Wilson: —whatever is important.

The Chair (Mr. Amarjot Sandhu): We'll have to move to the government side for their time now—

Mr. Mike Schreiner: I'll get you on the next round.

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

Mr. David Piccini: Just before I move to MPP Fee, I was wondering—for Andreas, a quick question: Given the climate and the eloquent speech you've given, do you think any level of government should be increasing the pay of the civil service?

A quick answer, please.

Mr. Andreas Antoniou: Sorry. Look, our business is governed by yield. So if people are generating that positive yield and delivering value for the taxpayers, you could pay an unlimited amount of money, in my opinion. At the same time, when you have a situation where many people are being asked to go home, why aren't government employees jumping on the same wage subsidy being put out by the federal government? Why is it okay for everyone who is not—for that to be a solution, but then everyone who is and not working—for that not to be a solution?

You made a logical [*inaudible*] that's essentially you telling us that your people are more important than our people. I find that offensive.

Mr. David Piccini: Thank you very much. Over to my colleague MPP Fee.

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

Ms. Amy Fee: Hi, everyone. Thank you, and thank you to all the presenters we've heard today and for joining us on our Zoom call.

I actually have a question for Doug Wilson. The butterfly conservatory is located in my riding and is definitely one of the great places to go and visit with my kids. We've done many school trips there, so it's an attraction that I definitely want to see survive through this. It's very scary to think of what our future is going to look like post-COVID with the struggles that this has put on all of us.

I'm just wondering if, when we're talking about not being able to have people in Canada going on vacations, talking about more of a staycation, what do you think that could look like from a government standpoint of helping to promote those attractions that are local and trying to encourage people for you in the Waterloo region and the Guelph area, that sort of thing, to come to the butterfly conservatory, and any ideas that you have around that?

Mr. Doug Wilson: MPP Fee, thanks for that, and thanks for your support of the conservatory. I think it's a really big conversation. One of the first places to start, I think, would be to continue the funding through the regional tourism organizations. That's the direct link that any tourism operator will have straight to the ministry. So funding that supports staycations, visit your own community—I know that the Waterloo Region Tourism Marketing Corp. is about to embark on a campaign that, I think, is called Waterloo Strong. The idea behind that, of course, is that we stay in our own community and help stop the spread of COVID-19.

It's about rethinking how we do things. For 20 years, we've been driven by increasing visitations, increasing the number of people that we can get through the door and trying to grow our business. Now, all of a sudden, the whole thing has to flip. As Andreas said—

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

Mr. Doug Wilson: —how do you make money when you're dealing with 50% capacity? We're going to be, in our case, five, six, seven or possibly eight years digging out of just this two-month hole, which was at the beginning of the most significant portion of the year.

So I think any support that the ministry provides in terms of grants out to DMOs and RTOs has to be in the sense of supporting community visits, staying within your community, and trying to build that part of the business.

For years, the Waterloo Region Tourism Marketing Corp., for which I was a founding director—one of our tenets was to be sure that we brought people from outside the region. They've had to rethink that whole model.

The fear that people have, the uncertainty that people in visiting and—back again to Andreas—testing and following up is going to offer a level of confidence so that people will feel comfortable going out. We can introduce physical

distancing protocols and guidelines and sanitization, but if people aren't confident, they're just not going to visit.

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

Ms. Amy Fee: I'm just wondering if you can finish off your thought from my colleague Mike Schreiner's question earlier around access to PPE, and just finish off that thought.

Mr. Doug Wilson: Sure. I think the simplest solution would be a grant from the province that would allow a business the ability to make sure that their staff are adequately protected. We're not talking tens of thousands of dollars. For most businesses, it's a matter of putting up some Plexiglas barriers, some signage, some masks, and some help with sanitization products. I think probably the simplest way is some form of a grant, and maybe it's a grant application based on the size of the business or the number of visitors or the number of employees, but that would certainly be the simplest way of doing it.

Part of the problem—just on that: The granting process or anything that comes from the government has to be up front. It doesn't help us, for example, when a municipality defers our taxes down the road. We're going to be in a deeper hole by the time we get to the next tax season, plus having to pay the next instalment of taxes. Any help that governments offer needs to be help that's up front so we don't dig this hole any deeper. And that's—

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

Before we go to the opposition side for their time of questioning, I'll need to do an attendance check. MPP Kanapathi, can you confirm that you're present and in Ontario?

Mr. Logan Kanapathi: Yes, I'm here and I'm in Ontario, Mr. Chair.

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

MPP Harden? Can you unmute yourself, please?

Mr. Joel Harden: Yes, thank you, Chair. I can confirm I'm here in Algonquin territory in Ottawa. Thanks for hearing me. Nice to see everyone.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Okay. We'll start with MPP Lindo for questioning.

Ms. Laura Mae Lindo: My question is for Doug Wilson. I just wanted to say a thank you to all of the people that just presented.

I want us to spend a little bit more time talking about the need to instill confidence in the public. One of the things that I was taken by in your presentation was when you said that people may not be comfortable visiting attractions. That's actually a theme that we've been hearing quite a lot as we've been going through these hearings.

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One of the pieces that we've heard from other folks is that we need to have consistent messaging from public health. For instance, as we've opened up regionally, we're now, in our offices, getting messages asking what the public health regulations are going to be. Are you hearing

that as well? If so, can you speak a little bit about what you're hearing and what you would like to see?

Mr. Doug Wilson: Sure. MPP Lindo, that's a great question. I think part of the problem is, there's a lot of information out there. Even between the sector associations, who are trying to replicate the message that the minister puts out, or when Premier Ford makes an announcement, buried beneath that is more expanded information.

The region of Waterloo public health has been very helpful. They've been part of our conversation. We presented a plan to them and we invited them to visit us to be sure that we're doing everything properly, but I think the issue is really around how we make the public feel comfortable.

For example, yesterday Minister MacLeod, in her town hall, presented some polling numbers that Destination Ontario presented. They were shocking. They just instilled fear in an attraction business. Some of the numbers, for example, according to—I think it was that less than 50% of the people talked to would be comfortable going to a farmers' market. This is an outdoor market, where we know that the risk of the spread of the disease is lessened. I think that the uncertainty across the board is there.

To go back, again, to what Andreas is saying, the whole idea behind testing, tracing and isolating will start to instill confidence. That's the issue we have. We can open our doors—we're in this weird place where we're almost afraid to advertise. It's the craziest thing. You build a business on driving traffic, and here we are trying to operate a business where we're saying, "Come, but not so many of you." How do you do that? This is the issue. We're going to be down 30%, 40% or possibly 50% in the next year. That's why I'm saying that this battle is just beginning. I'm so afraid that we're going to start to see businesses fold long before they have a chance to recover.

Ms. Laura Mae Lindo: Thank you so much, and I'll pass it over. I think MPP Fife had some questions as well.

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

Ms. Catherine Fife: Thank you very much, Doug, Rory and Andreas. I'm trying to get a sense of the role that the insurance industry has played in this pandemic. Obviously, businesses did have some insurance interruption premiums or coverage. Some may have offered some relief. Can you give me a quick sense, Doug, Rory and Andreas, if you saw any relief from the insurance sector during this crisis? Doug, go first. Unmute yourself.

Mr. Doug Wilson: We filed a claim. We had business interruption insurance. The claim was denied. I personally haven't run across a business who had any kind of business interruption insurance where the carrier followed through with fulfilling a claim.

Ms. Catherine Fife: Thank you very much. Rory, have you heard from your members on this? Unmute yourself.

Mr. Rory Ring: There we go. We have not, not even through the whole network across Canada, had anybody gain access to their insurance policy. It was floated at one time that the federal government should or the provincial

government should offer an incentive to the insurance companies to support claims. That is an opportunity.

Again, like Doug says and as Andreas has presented, it's not over yet. The government can only give so much money out, because at the end of the day, it's going to be the private sector that's on the hook to pay those funds back.

We need to engage the insurance firms—

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

Mr. Rory Ring:—and they need to step up to the plate. We have seen some on the employee benefits side step up and allow benefits to continue on or offer premium subsidization. We have seen that on the employee benefit and employee insurance programs.

Ms. Catherine Fife: Okay, thank you. Andreas, are you still on the call? Andreas? I think we lost him.

Mr. Andreas Antoniou: Yes, sorry. I just had some problems there. Can you hear me?

Ms. Catherine Fife: Yes. Thank you.

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

Mr. Andreas Antoniou: Hello?

Ms. Catherine Fife: Yes.

Mr. Andreas Antoniou: Yes? Okay.

Ms. Catherine Fife: Andreas, did you see any insurance relief?

Mr. Andreas Antoniou: No, there's absolutely no insurance relief. It's one of the other great frauds of this time. You pay every year, you're forced to do so, and then—look, there are really two solutions here, and I really implore our government to make the decision, because there's one of two paths. One path is—

Ms. Catherine Fife: Andreas, we'll come back to you, but my time is up.

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

We'll have to start the second round now. I'll go to the government side this time.

Before we do that, I need to do an attendance check. MPP Ke, can you confirm your attendance and if you're present in Ontario? Unmute yourself, please.

Mr. Vincent Ke: Yes, I am.

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

Mr. Vincent Ke: Yes.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Morrison, can you confirm your attendance?

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

The Chair (Mr. Amarjot Sandhu): Thank you. All right, so we'll go to the government side now. MPP Khanjin.

Ms. Andrea Khanjin: I just wanted to ask everyone a question in terms of—Amy Fee was talking about staycations, but in terms of giving families the confidence, the incentive to go on those staycations, what are your thoughts on maybe a tax credit for travelling within your province or maybe something with kids like an activity tax credit to really kind of get them engaged and comfortable with going to see the butterfly conservatory, which my

fiancé and I visited last summer. We did a staycation in Cambridge, and a butterfly landed on my nose. It felt like a Disney movie. But I just wanted to hear your comments on that.

Mr. Andreas Antoniou: Should I go first? My view is that you have no alternative than to have a staycation at the moment, so I don't know if you necessarily need a grant for that purpose. I think people are going to seek that out as it is. But I'll take it back to this idea that whether you're in Ontario or you're in Italy or you're in Texas or you're in Vancouver, BC, if you don't have the confidence to go out because the jurisdiction you're in doesn't have control of the perception of this pandemic, you're just not going to go out. All roads lead back to that, so I'd really implore you to spend your money there, because if you spend your money there, people will go more back to normal. Absent spending your money there, we're going to keep trying for Band-Aids that don't instill confidence.

Ms. Andrea Khanjin: Doug, did you want to comment on that?

Mr. Doug Wilson: MPP Khanjin, thanks for the question, and also thanks for the visit. I'm glad you had a butterfly land on you. That's a special moment for everyone.

I think part of the issue is that there's going to be a pent-up need for people to get out, and that's where the fear starts. One half of your brain says, "Let's get out and do something," and the other half says, "Gee, how do we do this safely?" I'm not sure that a tax credit would help. I think that ensuring that the funding continues through the RTOs and that it filters down to the destination marketing organizations, who tend to do a pretty good job of promoting tourism in your own backyard, is probably the easiest way of doing it.

It's an odd place to be. Here we are trying to make a business work, but doing it at a restricted capacity. And on the other side, people are facing the same dilemma where they want to visit but they're afraid to visit. This is not an easy problem and I don't think there's an easy fix.

Mr. Rory Ring: For us in northern Ontario, we look at this and say that we're pretty safe. There's a very limited number of cases, a very limited number of active ones, so we consider ourselves a safe destination. I think, to Doug's point, there is pent-up demand. I think you need to spend those monies, though, on supporting the business community in how it implements PPE, the infrastructure that's required, the training that's required.

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The other side of that, I think, is that you're better off spending that money in supporting your municipality and making up the gap in the municipal accommodation tax. That will allow them to promote themselves as a safe destination and to promote a safe visit. That will help to build some confidence in the travel.

Again, to Andreas's point, it really is making sure that there's proper health infrastructure in place to create a confident consumer.

Ms. Andrea Khanjin: Okay. Rory, do you mind commenting on the marketing on—when a lot of people come

to parts of Ontario, northern Ontario and Canada, we really sell in terms of our capacity for nature: the hikes, the trails and the ability to connect people back to nature after being cooped inside.

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

Ms. Andrea Khanjin: What role do you think northern Ontario can play in that?

Mr. Rory Ring: I think that's a very good point, because you will see a lot of transitioning from conference travel, tourism travel, sport tourism—tournaments and that—and we're going to have to pivot and start to rely on some of this ecotourism or what I would call "isolation tourism," where you can go rent a cabin in the woods. I think that's going to be an instrumental part.

The challenge in northern Ontario is that 80% of our tourism base is from Michigan and the northern states, so a very close proximity. It's a border community. Replacing a significant amount of that tourism with stay-cations or in-your-backyard travel will be a challenge, but I think it needs to happen to make sure that they're still driving at least enough cash flow this year to open up next year, especially if they're a seasonal business.

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

Ms. Andrea Khanjin: All right. On that point, what are your thoughts on a passport, if you link it to Ontario parks and other excursions around the province?

Mr. Rory Ring: It's another great idea, I think, to help encourage that explore-your-own-backyard concept. I think messaging from the government should be, "We're creating an environment where there is confidence in travel." Again, to emphasize Andreas's point about the tracing, the testing and those types of things, we need to really be sending that message out.

The business community is on board with putting PPE in place. They're on board with putting the structure in place, the training in place. But when you're working at 50-cent dollars, the capital required to invest in those things will either chew up your savings or it will chew up your existing balance sheet, so continuance is a real challenge.

Ms. Andrea Khanjin: Thank you.

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

We'll have to move to the opposition side now, for their second round. Who's going first? MPP Lindo.

Ms. Laura Mae Lindo: I was hoping that I could ask a question to Andreas. One of the pieces that stuck out for me when you were speaking to us was the fact that, at this point, people are losing hope. I think that we're seeing this and we're hearing this thread through a lot of the hearings, that people who are businesses owners are losing hope. The regular public is also losing hope because they're having to rely a lot on personal finances, for instance, to cover the deferrals, the loans etc. as they're trying to navigate and hold on for dear life.

I'm wondering if you can speak a little bit more about the importance of both the direct investment and also take some time to talk about the importance of the government showing leadership by doing, as you were saying, the test,

trace and isolate, which we know has been a proven method elsewhere. If you could take your time to speak to that, that would be great.

Mr. Andreas Antoniou: The scenario by industry—I'd say that hotels and airlines and a few others are probably in the eye of the storm. For us, what makes it bleak is that it's not one thing that is going to shut us down; it's if any one of six things happen. For example, a lot of restaurants have event deposits for events they were supposed to hold. Well, those events obviously didn't happen, and what happens with that?

Those same restaurants have all their suppliers. Think of it this way: If restaurants have a 4% profit margin, that means they pay out 96% of the money that comes in to either suppliers, employees, government or any other product that they're actually producing. What we are is a massive engine for the country. I apologize; I don't have the numbers for Ontario, but in Canada, it's \$90 billion plus HST and plus gratuities. So when you really think about that, that \$90 billion, all-in, is probably somewhere in the neighbourhood of \$120 billion to \$130 billion across Canada, employing, directly and indirectly, 1.7 million people.

The problem we have is, if our suppliers pull the string and say, "You have to pay us," closed restaurants won't be able to solve that. If the government says, "You have to pay all the HST," most restaurants won't survive that. If all the temporary layoffs become permanent layoffs and we have to pay all the severance that you're personally liable for, most restaurants won't survive that. If the landlords say, "You have to pay 100% of your rent," and maybe won't agree to the rent deferral program and you have to pay 100% of your rent or even 25% of your rent, many restaurants will say, "I have to fold up shop." Some restaurants have debt on top of that.

When you really look at this, it's actually a tsunami of problems, because our business model is not predicated on a zero-revenue environment—

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

Mr. Andreas Antoniou: —for a 16-week period. That is just never bargained for. You can say, "What's a good business if you can't survive a year without any revenue?" Well, we have obligations and liabilities that are part of that model. My family had two restaurants in downtown Toronto during SARS. I can tell you, we survived SARS. Our sales were down 90% for six, seven or eight weeks, and it wasn't an issue because we were still able to operate. We were able to return with confidence because the province at the time ultimately did a pretty good job of nipping it in the bud. Overall, it's a bit of a different problem today, because this is much more contagious and harder to detect, but that same solution exists today.

To get to your point about test, trace and isolate: That's the whole point of why we're losing hope. It's because it's such a deep ditch right now that it's difficult, and I think the lack of, I would say, consistency and transparency on the government's part is really making it hard. Every time you say that we have to go another week or two weeks or three weeks and maybe we'll open, or in a month we'll

open, that lack of certainty means that people might have brought someone back or started training people, and then you might lose that person because they decided to leave the industry.

We need clear direction as to what the plan is going to be so we know what the rules of the game are. The problem we have right now is that the rules of the game are changing by the minute or by the hour, and we need better transparency and direction so that we can adjust accordingly. That's what we need for hope: someone to stand up and say, "Listen, we understand we shut you down. It is what it is. Tough luck."

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

Mr. Andreas Antoniou: Or, hey, we understand that we have—

Ms. Catherine Fife: Thank you very much, Andreas. Very quickly, I think you have all made a compelling case around business viability and the connection to confidence. Thank you so very much for emphasizing the test, trace and isolate. I think that's good for the committee to hear.

Andreas, very quickly: New York and San Francisco have brought in a cap around third-party delivery apps. Right now in Toronto, it's sometimes 30% of the cost. Do you support a cap on fees for third-party delivery apps in Toronto?

Mr. Andreas Antoniou: One hundred per cent. This is your responsibility to put a cap in. This is predatory pricing. These platforms are oligopolies—

Ms. Catherine Fife: Thank you so much. That's exactly what I wanted you to say.

Mr. Andreas Antoniou: —if not monopolies. It's not different. They're charging \$100 for hand sanitizer. That's how brutal this is.

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Ms. Catherine Fife: Exactly. It's predatory. Okay. Thank you very much, all of you.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes our time for the opposition.

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

Mr. Mike Schreiner: Thanks, Andreas, for your answer to that last question, because that's an issue that keeps coming up over and over again for restaurateurs, the fees for delivery companies. I'm going to use my time to ask Doug and Rory a question, because that was going to be my first question for you.

Both of you have talked about the challenges businesses will face by deferring taxes. I think everyone welcomed the deferrals initially. It was like, "Hey, this is a great thing. It's going to help us with our cash flow." But now that we're into months three and four that this is going on, more and more businesses are telling me that these deferrals are going to just pile up and it's going to turn into this mountain of debt that they're going to have to deal with.

Maybe I'll start with you, Doug, since you're my neighbour. Can you maybe talk about that as a business person

and just how the government can help shift some of this from deferrals to something else that doesn't put the debt burden on you?

Mr. Doug Wilson: MPP Schreiner, thanks for the question. Here's how I look at it: If it isn't going to be an out and out grant—let's take property tax, for example. We're in a position where we don't use municipal sewers, we don't use municipal water, we have no garbage pickup, and yet we pay property taxes. The property taxes in our area were deferred until June and then deferred again. But deferring is not going to solve our problem. Deferring and waiving penalties and fees will help, and deferring the taxes over the course of paying those taxes, if they're not going to be wiped off the books completely, for the next four or five years. There isn't a business in our industry that is going to be profitable for a very, very long time.

It isn't going to help us to have corporate tax, HST, [inaudible] deductions and property taxes all piling up in September when business maybe starts to look like it's going to work. We're going to need either a complete write-off, a grant against or payment terms over the course of the next—like a mortgage, over the next five or 10 years. Because it just is not in the cards for a business to make money in the next short term; I would say in the next one to two years. That would be my solution.

Mr. Mike Schreiner: Doug, thanks for that. Rory, I wanted to give you a chance, because you had mentioned that in your presentation as well.

Mr. Rory Ring: Absolutely. There has not been a pandemic in human history that has not had a second wave. It's fully anticipated that we'll end up with a second wave. Emergency orders will be put back in place. That will probably happen at the same time where a lot of these deferrals are starting to come due. So I think there's a responsibility for the province and the federal government to work with the insurance companies and create a fund so that they can put some of these emergency funds in place as a long-term mechanism.

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

Mr. Rory Ring: I think, too, that the province could support the municipalities by helping them fund a grant system for property taxes and then, at the same time, review the whole property tax system. We are going to have a second wave; we know it's coming. And the sensitivity—I know that Andreas and Doug have made a great point—of cash flow is really at a risk level that many businesses in the tourism, the restaurant and food service industry, the hotel industry, could not raise capital. They would not be able to get traditional funding. The risk profile now is so skewed that traditional lending is not going to be an option for many of these businesses. And they will eventually make the decision to say that they don't have the personal resources to take those balloon payments that are coming up, dipping into registered retirement, the equity in their home, leveraging lines of credit and credit cards—all those things will start to accumulate and the working capital will eventually disappear.

Mr. Mike Schreiner: Yes, thanks for that. Rory, my next question is for you as well. Attracting people like me

to the north to go paddling is an easy job, though our committee schedule this summer may make it a little tough for me. I'm going to have to figure out how to squeeze my trip in.

A lot of people from southern Ontario don't make that trip. It's more people from Michigan, as you mentioned. Do you have some thoughts about how we could encourage more people from the south to go up north and enjoy a little nature?

Mr. Rory Ring: Well, it might be a little easier once air travel is put in place because, literally, you can fly to Sault Ste. Marie in an hour and 15 minutes for 250 bucks.

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

Mr. Rory Ring: Then we can get you to where you need to go. So, again, supporting municipalities in bridging the gap on the municipal accommodation tax could help fund localized materials. I know that our tourism group is already trying to promote in southern Ontario to certain targeted markets. It does support ecotourism and isolation tourism. It really does promote the vastness of our space and our community—and it's experiential.

There will be a point in time when the consumer stops buying things on Amazon and eBay and online shopping and actually buy experiences. So as we start to move through this confidence level and move confidence back into the market, I think that there's a tremendous opportunity for us to promote—

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

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

PRIDE TORONTO
SHAW CENTRE
LANGDON HALL

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, Pride Toronto: if you could please state your name for the record. You will have seven minutes for your presentation.

Mr. Ande Clumpus: Good afternoon: Ande Clumpus, treasurer with Pride Toronto. I'm joined by Bobby MacPherson, who is our director of operations. Let me just start off by saying to the committee: happy Pride Month. We're here today to discuss how COVID-19 has impacted our operations and our celebrations this year during a Pride Month that is unlike any other and why it is economically crucial that the Ontario government support Pride festivals across the province during this time.

At a time when we all want to be together, to support each other and to stand in solidarity, we're being forced to be physically distant, and Pride Toronto has had to forgo our traditional festival, performances, marches and parades. I know that there are members of this very committee who have attended Pride in the past and share in the heartbreak of not being able to do a physical festival.

In place of it, we have instead moved to a virtual festival in which we are showcasing GTA and Ontario

talent from the LGBTQ2S community every single day of the month, culminating in a virtual Pride parade on June 28. Moving to a virtual festival has only been possible thanks to the incredible hard work of our team of staff and volunteers as well as the support of key sponsors and government grants. This support has meant that we can compensate the 180 artists and musicians, panellists and speakers who participate in virtual Pride, and for them, a loss of the physical festival will not mean a loss of important income.

Pride Toronto's position as the largest cultural event in Canada and among the largest Pride festivals in the world has benefited us in gaining the backing of our sponsors and grants. But for too many other Pride festivals in Ontario, especially in smaller towns, this isn't the reality. Numerous festivals have had to close down entirely this year or run smaller, virtual festivals [*inaudible*]—

The Chair (Mr. Amarjot Sandhu): Sorry, your voice is cutting off.

Mr. Ande Clumpus: [*Inaudible*] I can say with certainty that these actions have cost these festivals significantly.

At Pride Toronto, despite the financial backing of our major supporters and our month-long virtual festival, we've still seen our sponsorship revenue plummet by nearly 50%. We've also had to refund or defer to next year the vast majority of our parade entries and our street vendors. We've also seen cutbacks to our grants, including a \$150,000 cut from Ontario's own Celebrate Ontario tourism grant, which we just found out about last week. The bottom line is that our revenues will be down by over \$1.5 million compared to last year.

I expect that just about every other Pride festival is facing the same challenge. We all run lean, efficient operations, so to lose out on an entire year of revenue can be absolutely devastating for us. For some of these festivals, it's something that they just won't be able to recover from. That in turn will have cascading effects, because Pride festivals matter. If you've ever attended one, you know this. These are places where people can truly be themselves and be among people who accept, love and celebrate them for who they are. For young and racialized people especially, these festivals can be a literal life-saver.

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Moreover, we're now seeing more Pride festivals springing up every year in smaller towns in this province, providing people with an easier opportunity to attend one. It would be such a social regression if they had to close back down.

I'm aware that we are presenting to a finance and economics committee, and that you have difficult decisions to make about how you allocate your funds to many important organizations. So here's the good news: Pride festivals make money—a lot of money.

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

Mr. Ande Clumpus: Last year, the Ontario government gave Pride Toronto a \$250,000 grant, and in turn Pride Toronto generated \$61.5 million in provincial taxes alone. That is a return of over 24,600%. Warren Buffett

would kill for something like that. And our economic effects go far beyond taxes: Visitors to Pride last year spent over \$72 million on restaurants, hotels and transportation; three sectors that have been hardest hit by the COVID pandemic, and tourism has played a big part in that. Over 30% of our attendees came from outside the GTA, with about 10% coming from outside Ontario, including the US, Latin America and Europe.

And it's not just big festivals that contribute to the economy. An Ontario study from Hill Strategies found that even small-town festivals can support dozens of jobs, especially in the hospitality sector, and generate hundreds of thousands of dollars in provincial taxes. These festivals have been shown to be major tourist draws, and I would argue that this is especially true for Pride festivals, as it is clear to us that people are willing to travel to show their pride. This means that Pride festivals, regardless of their size, are important events for members of the LGBT+ community and their friends, family and allies, and will also be economic drivers that bring in tourists from across Ontario, Canada and the world.

As our economy reopens in the next few years, they will be instrumental in supporting our hard-hit hospitality sectors and generating millions of dollars in tax revenue. This can only happen if these organizations stay afloat and are able to reopen once the pandemic is over. Thus, we come to you today to ask that you offer operational grants to Pride organizations across Ontario to help get them through the pandemic. Each organization will have a different need, but I would request for Pride Toronto that the \$150,000 that had been cut from the Celebrate Ontario grant be granted back to us.

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

Mr. Ande Clumpus: Doing this will ensure that Pride festivals, from small towns to large cities, can keep the lights on and their staff paid during a time of decreased revenue and that they will be ready to go once we are able to be together. Then they will once again provide a place for people to celebrate, commemorate and be their true selves, while also generating millions of dollars in much-needed economic activity. It's a true win-win for everyone.

I thank the committee members for their time. Once again, happy Pride. We're happy to take any questions.

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

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

Ms. Nina Kressler: Thank you. My name is Nina Kressler. Good afternoon. I am the president and CEO of the Shaw Centre in Ottawa. Thank you very much for the opportunity to address the committee today. Your attention to the challenge COVID-19 has placed on our industry is greatly appreciated. I also want to thank and acknowledge our minister, the Honourable Lisa MacLeod, for her relentless support of the tourism industry. She is truly a wonderful champion. I am delighted that we learned on Monday that the province will be moving to stage 2

opening as of Friday. While this provides hope for the future, large gatherings remain restricted.

The Shaw Centre, also known as the Ottawa Convention Centre, was opened in 2011, and since that time has been instrumental in putting Ottawa on the map as an international destination for meetings and events. When the convention centre is busy, as a business owner, you know it: taxi drivers are busy; restaurants are busy; hubs are busy; gift shops, hotels and attractions are all busy. All of this has now gone away. Banquet servers, culinary employees, maintenance and housekeeping staff, event planners are gainfully employed in an industry of vibrancy and excitement.

Many convention centres—in fact, most in North America—run a deficit each year as economic drivers. The Shaw Centre has operated in a surplus capacity while delivering on its core mandate to drive economic impact to the city of Ottawa and the province of Ontario.

I would like to share just a few statistics, pre-COVID-19. In 2019, the centre hosted 455 events, generated 1,795 jobs, generated taxes in the amount of \$60 million and a gross domestic product of \$138 million, and injected \$150 million in total spending into the community. As a convention centre, we employ more than 300 employees, of which 95% have now received temporary layoff notices. As of March 24, all events have been cancelled through to October, and we're now fielding cancellations for the end of the calendar year. Our building has been mothballed.

While we are a provincial asset, we have always been self-sufficient and have never required funding to sustain our operations. It is anticipated that the meetings and convention business will take three to four years to fully rebound. Our remaining employees have been working tirelessly to convert cancelled events into postponed events to slowly begin building our future pipeline.

The year 2020 has devastated us as an industry, and waiting it out just to get to better times is financially challenging. While many people can connect with the crisis this has caused the tourism sector, we operate in the business events tourism sector. Numbers don't lie. When we host a convention, many delegates bring their spouse and families and will add on an extra few days to explore the beauty of Ottawa and its surrounding communities. These business tourists spend money on hotels, restaurants, car rentals, gifts and souvenirs.

A big part of our clientele include associations whose revenue are dependent upon registrations for annual conferences, trade show revenue and membership revenue. This has all been wiped out. Corporations are putting a stop-travel on their employees, which will also affect future attendance at meetings.

Many small and medium-sized businesses rely on—

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

Ms. Nina Kressler: —convention centres for their survival: florists, event planners, decor companies, entertainment providers, and audio-visual suppliers, just to name a few. Many of these operators may not survive COVID-19 with the centre being closed and gatherings of people being restricted.

What is very important for me to share today is that I ask government not to place a restriction on travel and attendance at meetings and conferences when we are able to congregate again. While we have many large spaces allowing for social distancing, much of our space in the convention centre would require retrofit to allow for all of our space to be conducive to hosting meetings while exercising social distancing. This would require an investment of millions of dollars. We have estimated the cost of installing UV handrail lighting, body scanners, upgrades to air filtration, digital thermometers and PPE at approximately half a million dollars.

Food and beverage will not be served in the traditional manner in the future. This will require modification to all of our standards and equipment and will require Plexiglas shields for buffets, all utensils to be packaged, and all food to be packaged. Currently, we are not equipped to handle this.

When we are given the green light to reopen, we will rely on a robust marketing plan and our destination marketing organization to deliver on this. I strongly advocate for government to reinstate funding for our local DMO, Ottawa Tourism. Marketing will be key as we start to reopen as competition will be fierce across Canada.

When the municipal accommodation tax was implemented, Ottawa Tourism was funded by a percentage of this. With hotel occupancies in single digits, clearly no taxes are being generated in any sufficient amount to support destination marketing. This crisis has caused us to be nimble—

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

Ms. Nina Kressler:—and innovative and look for alternative revenue sources. We are looking at converting some of our space into virtual studios. This requires cash investment, which we do not currently have.

We are ready to get back to work. We are ready to host events and welcome our guests back and bring back our treasured employees to jobs that they have pride in and love to do.

We ask that government look at opening up the economy through allowing our business to reopen. To be very clear, all provincial health requirements would be observed. We have a recovery plan in place. What is very important to us as an operator are clear guidelines on reopening.

I thank you for allowing me the opportunity to present my position, and I welcome any questions.

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

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

Mr. Braden Bennett: First, I'd like to thank the committee and the Chair for the opportunity to speak and to the procedural staff for facilitating. My name is Braden Bennett, and I represent Langdon Hall, as mentioned. We're located in Cambridge, about an hour west of Toronto. We have been a family-run business for more

than 30 years after transforming a former residence into a 60-room hotel with event space, spa and two dining facilities. We, of course, share so many of the current experiences in the hospitality business over the past three months. With the effects upon the economy, social guidelines and closures, this has profoundly affected us all.

On March 16, after watching our corporate and leisure bookings dwindle in the space of a week, and seeing the anxiety of staff members coming to work with concerns about their own and their families' health, we made the decision to close our doors to the public. We laid off 300 staff and kept only nine to keep the property running. This was the hardest decision on behalf of my family that the property has ever had to make. It was done so that we could preserve capital and to have a place for staff to come back to.

Since the inception in 1989, the property has grown in size and scale from the original 30 staff members, during which time there has been continual improvements and upgrades. With this growth has been a continual rise in revenue and investment back into the community. Last year, we spent just under \$12.5 million on suppliers and wages.

The next hardest conversations were with the more than 150 suppliers that we work directly with. There was a clear understanding of the situation across the industry. They agreed to hold our outstanding debts to them and wait until revenue would return. To these suppliers, we have to give our utmost gratitude. The vast majority of these suppliers are Ontario-based: the florists, garden suppliers, linens, restaurant and beverage.

Just looking at our restaurant and beverage revenue program, we are Feast On certified. This means that more than 80% of our suppliers through our entire food and beverage programs are Ontario-based. For the more than 100,000 people who visit us annually for dining, they're sampling the best we can source from Ontario. For 35 unique and niche Ontario agricultural protein and legume suppliers, this meant that our food purchases stopped. Some of these are individual foragers who depend on restaurants looking for the freshest and most unique seasonal products.

We were one of the first restaurants to work with Planet Shrimp, an Ontario shrimp company that initiated a cold-cycle indoor shrimp farm.

Many of these suppliers are small farms that we work with seasonally, all-year round, where we develop a relationship over the years. We have often raised a handful of employees that all share a love for the terroir of Ontario and what can be grown and raised.

Many in Canada's hospitality family will endure irreparable damage, wide-scale permanent closures and the potential of permanent unemployment. Over 600,000 people in Canada work in hospitality, and all have been affected one way or another. Every spring and summer, we hire more than 80 student staff. These are jobs that will not be there for students using them to fund tuition and living expenses. While not everyone continues with a career in hospitality, it is often said that the industry has supported

almost one in seven workers at some point in their employment career in Canada. For everyone who has worked in hospitality, either temporarily or seasonally, it has provided them the ability to further their education or provide a transition.

In terms of our overnight guests, we have always had a healthy mix of corporate and leisure travellers. This has enabled us to have a balance between two markets, where one might be performing better or the other. In this time, we have realized that due to group size restrictions and corporate travel policy changes, our corporate business will be gone well into 2021, or a time that a vaccine is discovered. Talking with a number of world-wide industry advisers, there is not a foreseen return to normal leisure travel until 2022.

For our in-house dining, a recent Angus Reid survey reports that for Canadians, only 18% will go to a restaurant as soon as they're allowed; 38% will return some time in the next few months; and 33% will not return until a second wave passes. In Ontario, this final figure is 43%. All of these together are sobering for looking ahead to the hospitality sector.

Talking with our staff over the past week since the announcement by Premier Ford on Monday, many are eager to get back to work. In fact, at 2 o'clock this afternoon, we announced that Langdon Hall will be open again on June 21. For many of the staff who cannot be called back due to what could be a 50% to 60% drop in revenue, this is going to be a life-changing moment, until we can get back to the levels of pre-COVID.

There are several aspects in place to highlight and promote tourism. The recent commitment of the federal government to their tourism strategy is a good start when looking to boost international travel and tourism development. On a municipal and regional level, there is in place a municipal accommodation tax. Both of these combined are great initiatives. It's our fear, though, that many businesses will be unable to realize a benefit before the time comes.

Langdon Hall has for more than 20 years seen a positive profit margin, but this pandemic has flattened us instantly. We do not see ourselves fully recovering for at least a year, but if we're able to recover and are supported by our governments in recovery, then we can get back to contributing to our economy, as we did so well before this crisis.

I am hoping that with a review of a combination of the following programs and the co-operation of the provincial and federal governments, we can get as many companies through this to pre-COVID levels:

- for example, that the CEWS wage recovery continue until business levels reach 75% of the previous year's earnings, on a sliding scale;

- a provincial sick pay program so that staff experiencing symptoms are able to stay home to keep everyone safe;

- employer health tax initiatives that reduce the burden on employers;

- WSIB rates not to be reflective of COVID cases as we encourage staff to stay home with any symptoms, as we've outlined in our best practices at the property; and

- finally, reimbursement for the cost of purchasing health and safety equipment, supplies and training, as well as retrofitting dining spaces to accommodate physical distancing.

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

Mr. Braden Bennett: Again, thank you very much for the time and the opportunity. I look forward to any questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the questions now. I'll go to the opposition party this time.

Ms. Catherine Fife: Ms. Morrison.

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

Ms. Suze Morrison: Thank you so much. My questions will be directed at Pride Toronto. I wonder if you can speak a little bit about not just the impact to your organization's Pride but to the Church and Wellesley Village as a whole. I know we've heard a lot of concerns from small businesses in the village that are also being impacted by the loss of the Pride festival.

Mr. Ande Clumpus: Absolutely. If you've been following the news, especially in Toronto, the Church and Wellesley business area has been dramatically affected. It's primarily made up of the hospitality sector—bars, pubs, restaurants, places like that that just can't host anybody right now. Certainly it's a lot quieter now than it was a few months ago, and certainly quieter than it was a year ago. Pride brings 1.7 million people into that area for the weekend. They're shopping there and they're buying food and they're eating and dining out and buying lots and lots of drinks, so it's very much affecting them.

The lack of a physical Pride festival is very much hurting that area. It's also affecting the 200-some-odd vendors who come and set up shop in that area for the weekend. They can't do any business. As I said in my speech, it's a cascading effect.

Bobby, is there anything you want to add to that?

Mr. Bobby MacPherson: Absolutely. Honestly, as someone who lives right in the Village, it's devastating right now to walk through every single day to see how much it has changed, to see businesses boarded up.

I'm proud of what Pride Toronto is able to do to salvage any funding we have to try to keep the history of the Village alive and the importance and significance of it, such as creating murals on all the boarded-up restaurants and storefronts. We're really excited about that, but at the same time, it's devastating.

Thank you for bringing that up, but more support is definitely needed.

Ms. Suze Morrison: Can you also speak to the impact on the non-profit community in the neighbourhood as well? I know that as part of the Pride festival, The 519 community centre, which is one of the largest community centres serving the 2SLGBTQ+ community, hosts their large Green Space fundraiser, which provides a significant amount of the operating funds for all of the programs that run out of The 519. Perhaps you can speak a little bit about The 519's role in Pride and how the loss of the festival will impact that organization, if you're aware.

Mr. Bobby MacPherson: Definitely. I have some insight, but obviously The 519 would be the best person to communicate with.

The Green Space Festival that they produce is their largest fundraiser for the entire year, and they've had to completely cancel it. That is a huge, huge hit to their revenue. Even, like I said, walking through the Village, their services are not open, as they usually are. So the impact of people struggling with mental health or addiction or everything that The 519 provides—it's not available to them. The 519 is doing an incredible job right now. It is hard—definitely a lot of credit to what The 519 is doing. But because of the lack of Pride Toronto hosting our festival there, they're not able to collect the funds in the same manner as they're used to, so they have had serious cutbacks.

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Ms. Suze Morrison: Can you speak to the concern that—I know I'm hearing from folks about the very survival of what the Church-Wellesley Village is, as we know it today, if the broader community, including Pride Toronto, are not economically supported through this COVID-19 crisis.

Mr. Bobby MacPherson: I know first-hand that quite a few queer business owners have had to close up shop completely, and they're not able to open their doors again—

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

Mr. Bobby MacPherson: —that they publicly announced. That is definitely a factor. I don't know if that answers your question, but they are struggling. I know personally so many businesses have had to take out personal loans, put their own house—give up their own house, actually—at least, I know two business owners who have sold their house just to keep their business afloat and move into an apartment. They are very much struggling. Pride, for most of them, is their biggest revenue stream. They make so much off of Pride to sustain themselves for the slower months. Obviously, without us, they are severely struggling.

Ms. Suze Morrison: Yes. I've heard—

Mr. Ande Clumpus: And if I—

Ms. Suze Morrison: Oh, sorry. Go ahead, Ande.

Mr. Ande Clumpus: If I can also add, I think the fear is also that if those queer business owners were to go out of business, it won't be queer business owners taking over. It will be more kind of a gentrification and a loss of the spirit of the community that has been there for over 40 years now.

Ms. Suze Morrison: Yes, and perhaps can you speak to downstream from that? We know that queer business owners are more likely to hire racialized queer and trans folks to work in those businesses—and the economic impact and social impact on folks who may be more excluded from the workforce.

Mr. Bobby MacPherson: Sorry. Can you repeat your question?

Ms. Suze Morrison: Yes—just if you have any comment on the folks in our community who are going to be

most impacted when queer-owned businesses are forced to shut their doors, and folks who are typically excluded from the workforce, and the impacts on the 2SLGBTQ+ community for those workers.

Mr. Bobby MacPherson: It's substantial. You are right: Queer business owners do prioritize the hiring of marginalized community members within the queer community, because they understand how hard it is for queer folks to get jobs, to be able to make a living, especially just the hardships queer people face, especially at a young age, in getting that starting point. So queer business owners are so supportive of hiring people within our community, to provide that support.

You are absolutely right. When business owners are closing up shop and they're no longer to operate, they are without income. They are without jobs and without support. They're cut off.

Ms. Suze Morrison: Yes. I've heard from several business owners that the Church-Wellesley Village is more than a set of businesses on a main street and that there's a really deep-seated history of particularly—

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

Ms. Suze Morrison: —queer and trans organizing in the community, and these spaces are—

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

We'll have to move to the independent members now for their time. Who's going first? MPP Hunter.

Ms. Mitzie Hunter: Thank you so much to all the presenters.

My question—I want to start with Braden, regarding the cost of operating. You said that you have continuous operations for two decades, and that's a wealth of experience. Now, we are in the reopening phase, but we've been hearing, as part of this committee, that there's a bit of sticker shock due to social distancing, with lower bookings but higher operating. Can you speak to that?

Mr. Braden Bennett: Sure. I'd love to. We've been preparing for probably about six weeks now for what the costs are, so bringing in some of the products we needed and so on and so forth. There's certainly a higher cost in that regard. Until we come out, or until we're told what it's going to look like, we can guess it's going to be probably 50% occupancy, so that's certainly going to be a downturn to us. What we can do to offset some of those is that we can start seatings at 5:30 and the last ones at 9. With our 60 rooms, say it's 120 people, we can spread it out. With the announcements on Monday—we were always allowed to open as a necessary business. Being an essential business, we couldn't operate without the restaurant. As a result, with the announcement this week—we're lucky; we have 72 acres. We can actually still be fully occupied and spread people out on the grass as long as it's a good day.

The sticker shock to us in terms of the wage subsidy program is the four-week lag. But that's fine; we can carry that. Some of the things we've had to implement: I can put a ballpark figure on it, but it's probably going to be about \$40,000 to \$60,000. We probably spent six weeks with a

lot of people working strictly on our practices, our procedures and our retraining programs, and that has been everyone's focus.

It costs us basically about \$180,000 to remain closed per month. A lot of that is the people just basically being told, "We have to close, and we have to maintain." On some of those, of course, we have insurance payments to our lenders. But the callback and the retraining, it's also an additional seven to 10 days, so we're calling back another 20 people to work for 10 days just to get the property back up and running. To put a ballpark figure, if we're going to lose 50% to 60% revenue, it's going to take us 40% revenue just to break even. It will be interesting.

Ms. Mitzie Hunter: Right. You talked about your suppliers. I thought that was also quite—you're aware, obviously, of what makes your business successful and the fact that your suppliers also need to adjust and everybody needs to feel safe in this recovery. Can you talk about anything that you're doing uniquely to assist them?

Mr. Braden Bennett: A couple of things that we did: We used our mailing addresses, which is about 8,000 people. When we were doing regular biweekly updates to our customers, we'd feature home delivery service or curbside pickup for much of our suppliers. We have a supplier, Ocean Wise, for example: We'd bring in the fresh fish containers, and we'd have it here at the property and people would come bring it up. So we try to promote our suppliers. We work with some of the wine suppliers that we have in Toronto and southwestern Ontario. We do a split donation between food banks in Ontario and to give back to the suppliers. We did a number of things that we really worked hard on, because as I said, with a years-long development with our suppliers—we're only as good as our suppliers.

To go back to your prior question about some of the sticker shock cost: As I said, they stuck with us for three months of having no payments.

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

Mr. Braden Bennett: We always said to them, "When revenue starts, we have to have a discussion." It costs us money to stay closed, but it will cost us more to open. Simply trying to negotiate with also those suppliers that stayed with us, you have to make them whole on when you closed down. We really focused on some of those suppliers being able to promote what they can do. To be honest, farmers still make food and people still have to eat. They still had revenue while we had none, but we felt that it was important to support them as they were supporting us.

Ms. Mitzie Hunter: Thank you so much.

I want to talk to Pride Toronto, because there is this movement of some events to use online platforms. I wondered if you thought that that was going to add anything to the work that you do, the wonderful festival and gatherings that you provide each and every year.

Happy Pride. We all miss celebrating the parade today.

Mr. Bobby MacPherson: We definitely miss it too, for sure. Virtual has definitely been a learning curve. But honestly, we couldn't just cancel. It wasn't even in our

vocabulary. We owe so much to our community, to come together to be—

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

Mr. Bobby MacPherson:—celebrating in some capacity and, honestly, to be seen, to be heard, to be represented. We made it a priority to do a virtual Pride festival for this month and, honestly, to make sure that our queer artists are still paid, that some revenue is still going back to them, because they are so heavily impacted when they are very much surviving gig-to-gig, and now they have nothing. They're not allowed to perform on the stages they used to.

Again, it was a priority to make sure that we create that space for them. We're so proud of what we were able to accomplish, especially on a short turnaround. But it does come at a price, because it is obviously a whole new world with all-new software, platforms, cyber security, cyber threats. It's great. You're right: It's a new world. But we are able to maintain that queerness, that celebration, that piece of history that is so important, and, most importantly, to survive.

1700

Ms. Mitzie Hunter: Right. And just with the final—

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

We'll have to go to the government side now. MPP Roberts?

Mr. Jeremy Roberts: It's great to be here. My question is for Nina. Nina, it's great to see you here, and great to have the Shaw Centre represented at finance committee. I just want to start off the top by thanking you for all the great input you've been providing to Minister MacLeod over the past several weeks. I know that she has really appreciated that.

I can't quite believe it has been about six months since I was last at the Shaw Centre, when we had the Christmas Cheer Breakfast, when the Shaw Centre stepped up to help fill that gap in our community. Your organization has been such a key cornerstone of the Ottawa community since its revitalization back in—was it 2011?

Ms. Nina Kressler: Correct.

Mr. Jeremy Roberts: So we're thankful for that.

Obviously now, turning our attention to the future, you touched on this a little bit in your remarks, but I can't help but think of the fact that at the Shaw Centre in Ottawa, we have a lot of space in there to play with. So I'm wondering what sort of thoughts you guys are putting towards how your facility might be able to be repurposed to be able to host events of some sort while following physical distancing measures.

Ms. Nina Kressler: Thank you, MPP Roberts. Yes, we've given great thought to that, particularly on our level 1 and level 2 areas, where we don't have retractable walls in those facilities. They're fixed-space rooms, so the challenge that we have there would be around the social distancing. We are looking at ways we could put a business case forward. Obviously there needs to be an ROI on all of these things when we ask for them: What is the demand for the space going forward? What would the cost

be to convert or retrofit our level 1 and level 2 spaces in order to be able to accommodate more social distancing?

As you are familiar with the centre itself, our largest space poses no concerns with that, but because we are a four-level convention centre, we want to make sure that we can provide social distancing on all four levels. That's currently work in progress, but we are aware that it will cost us in the millions to retrofit right now.

Mr. Jeremy Roberts: Sure. And you talked a little bit about the price tag of some of those retrofits, but would you maybe go into a bit more detail about what some of those might look like? I have no doubt that a lot of other similar facilities across the province are thinking about the same sorts of things, so what sorts of upgrades to the facility do you foresee as necessary to operate in this new environment?

Ms. Nina Kressler: One of the most important pieces to be able to provide social distance is what we call air walls, or retractable walls that aren't a permanent fixture. With the exception of level 3, most of our space has permanent walls, so we cannot open them to expand into additional space. That causes our challenge with any type of physical distancing on certain levels of the facility.

I've also touched a little bit on the costs around the PPE, outside of your typical—

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

Ms. Nina Kressler: —masks and gloves and all of that. Because we are a four-level facility, we have so many different entrance points. We would require body scanners at every entrance level, which is very expensive. UV lighting on all the handrails on the escalators—they are already coming in at \$66,000 for just one escalator. And the list goes on. PPE, with the exception of the gloves and all of that, for more of the hard costs around PPE, to become compliant and safe would be around the half-a-million-dollar mark at this point.

Mr. Jeremy Roberts: Sure. Changing direction a little bit: Obviously in Ottawa in the past couple of years we've really seen a lot of momentum build from the Canada 150 celebrations and all of the big tourism opportunities that that brought. What advice do you have on the marketing front for the province as we start to look at, once things are safe to reopen, how we can shift our marketing strategies to try and draw people back to our capital region?

Ms. Nina Kressler: Minister MacLeod talks about this a lot. The entire country is located in one capital. We have so much to offer in Ottawa, and I think we know that our biggest opportunities will be regional at this point, and national. I think we need to hone back in on the beauty of Canada, the beauty of Ottawa, being a bilingual city bordering on Quebec; that the bulk of our national museums are located in the nation's capital, and the ByWard Market. It is a very safe destination, it's a very clean destination, and it welcomes cultures from all over the world, having 133 different consulates and embassies in Ottawa.

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

Ms. Nina Kressler: So definitely, from a multicultural perspective, it's one of the best cities in Canada to spend

some vacation time and educate your children on Canada and the beauty that it holds.

Mr. Jeremy Roberts: For sure. I couldn't agree more.

I think I just heard the Chair say "one minute." But in my last bit of time, any thoughts on incentives, whether they be through the tax system or otherwise, that the government should be exploring to draw visitors back?

Ms. Nina Kressler: Yes, absolutely, whether it be a gas incentive or a hotel incentive, where the third night is free, something like that, to encourage family and the rubber tire market more than flying at this point. Because, I agree: There will not be a lot of people flying at this point, but hopefully they will be hopping in their cars. So to keep fuel prices at a cost that's safe and efficient for families of all income levels to have—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the independent members for their second round now. I'll start with MPP Schreiner.

Mr. Mike Schreiner: Hi. Thank you, Chair. I want to thank all three presenters for coming in and taking the time to be a part of the committee today.

I'm going to direct my first question to Pride Toronto. I'll tell you, it's breaking my heart not to march in Pride this year. I can't remember the last time I haven't marched in a Pride parade. So it's good to see you here.

Was there any reasoning given in why your \$150,000 provincial grant was cut?

Mr. Bobby MacPherson: I don't know the reason. We were just told that the max we would be rewarded would be the \$100,000, when in the past we've received \$250,000. So there was no reason given to us—just an update.

Mr. Mike Schreiner: Okay. I'm assuming that having the full grant would help you (1) keep going and (2) do the shift to online, for which I'm sure you've incurred additional costs associated with trying to maintain that.

Mr. Bobby MacPherson: Absolutely—

Mr. Ande Clumpus: Absolutely. Oh, sorry.

Mr. Bobby MacPherson: We're running a leaner operation, so to lose out on \$150,000 does impact us. We're trying to keep everything running as planned. We've reduced everything already, or at least we've created a plan that we don't want to back out on. We want to make sure, as we've said before, that we can pay 180-plus artists and performers and everybody like that. But it does force us to tighten our belts even further.

MPP Schreiner, if I may add, I do remember you from the parade last year. You are by far one of the most enthusiastic participants we have.

Mr. Mike Schreiner: Well, thanks. I love it, and my daughters do too.

I just quickly want to go to Langdon Hall. Congratulations on being such a great restaurant; all the work you do supporting local farmers is so appreciated. You brought up the important point, I think, of having a provincial paid sick leave program for businesses to reopen safely. Can you elaborate a bit more on that?

Mr. Braden Bennett: Sure. What we have already in place—and this goes back long before all the events. For regular staff, we had seven days' paid sick leave. What we've done is that we retroactively—because our calendar year-end with our staff is June 30. We thought that it's not fair, if we're calling people back, not to work on a calendar year versus our fiscal year. So actually, what we did is, we're going to reset it for every staff member who comes back at seven days, regardless of whether you'd used one day or six days already. We're doing that, so our thought was: If we're doing this, maybe it could be something that's a little bit longer. We pay seven sick days, as I said. If the province could also have a similar program, what we thought was, somebody who might have a cough or might wake up feeling symptomatic—it doesn't make them feel that if they don't go to work they're not getting paid that day. So the idea was, if this is something that's province-wide, it can say to an employer—“Yes, I'm fine to say, ‘Stay at home.’ I'll find a replacement for the day, and you're not going to potentially infect any of your colleagues or any of your guests or any of the people you might meet during the day.” The idea was not to force people to feel that they had to come to work.

1710

Mr. Mike Schreiner: I appreciate that. I think that's going to be important.

I'll save the rest of my time for MPP Blais.

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

Mr. Stephen Blais: My question is for Nina of the Shaw Centre. I'm wondering if you've taken a look at what kind of costs you might incur to implement the various measures you might need to ensure or encourage physical distancing once you do get up and running and start hosting events again.

Ms. Nina Kressler: Thank you for the question.

Our events team has actually laid out more than 1,200 floor plans that show physical distancing of every shape and size, whether you're having a banquet or whether you're having a meeting theatre-style or hollow square or what have you. Those costs really—when we find that a table of 10 for a banquet will now become a table of three, it will require more linen, it will require more napkins, it will require more chairs and it will require that we use more space than we traditionally do. What I mean by that is, you may have our biggest room housing three quarters of an event and then the other quarter in another room. That would require audiovisual in both rooms, so that would increase the cost to the customer as well, because they would have to pay for extended audiovisual use.

Ms. Nina Kressler: The other areas that we have looked at and—

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

Ms. Nina Kressler: When the building was opened, there were air walls factored into the original plan on level 1 and level 2. They were taken out of the plan just due to the cost at the time. Those air walls being reinstated would allow for more physical distancing on levels of the convention centre that would be challenged with that today.

Mr. Stephen Blais: The increased costs, obviously, also have a doubling effect to you of reducing the number of events you can hold at the same time.

Have you been able to determine what your capacity might be in a world that continues to have physical distancing?

Ms. Nina Kressler: Typically, we can house up to 5,000 people in our facility. That will no longer be the case. I would say that the sweet spot for our events today would be anywhere between 200 and 300 people in one given space. So it significantly reduces our opportunities.

Mr. Stephen Blais: What would you say the percentage of your events that come from out of town—

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

We have to move to the government side now. MPP Skelly.

Ms. Donna Skelly: My question is for Braden. I wanted to echo what MPP Schreiner said about your facility: It is beautiful. I'm a fan, of course, of old heritage buildings, so it's lovely to be able to visit the facility.

I was interested when you pointed out that you're able to expand your restaurant capability because of the amount of acres you have access to. You can now seat hundreds of people, perhaps?

Mr. Braden Bennett: Firstly, to both of you, thank you very much for the compliments. All I can say is that we're only as good as the 300-strong people that we had on the team.

Because we have grounds and we have an open area—we have a huge front lawn of a couple of acres. So being able to take advantage of social distancing, even currently under the situation, because we do have patio space, we can actually operate at 100% occupancy even though the restaurant is closed, by having people spread out on the exterior. Now, that's if the weather is good. Of course, tents and structures and things like that still aren't allowed, so what we can do is, when we're going to be opening on the 21st, we'll offer a combined either outdoor or in-room service. So we can do that.

Ms. Donna Skelly: Have you had to modify how you serve a plate of food?

Mr. Braden Bennett: Yes. What we've done is, because we're opening with a smaller crowd, we've had to modify the kitchen for the preparation and the plating, to be easier and simpler. We're not necessarily going to change or modify who we're working with or how techniques are done. Our chef is French-trained. That's not going to change. But we've also modified—we can't have buffets. If people want in-room dining, it's a breakfast hamper delivered to their room, a knock on the door, and the service people walk away.

What we could also take advantage of is the drive-through. We've got a big [*inaudible*] circle coming up our driveway. We're a couple of hundred metres up the road from anyone, so we could actually have a drive-through. We used to have barbecues with about 200 people, all seated closer together on a lawn in the back of our property. We can have a drive-through. People could pick

up a hamper and make their own way. Physical distancing: They can spread out over 70 acres. So for that we're very lucky. We're not necessarily a downtown patio in Toronto or another urban area.

With us, we have to be creative around what we're doing and how we're doing it, and to actually physically plate the food and move the food—again, it's an old historical building, so we've had to change traffic patterns and we've had to change service techniques. I think those are our biggest quandaries about not necessarily getting information quickly. We've designed enough ourselves how we're going to do it and what we're going to do with the way that the building operates. When we drop the plate, that's it. Sommeliers might drop the wine, explain the wine, but we're not going to have wine menus. We're going to have one-use paper menus. So we've completely changed the service style, but the biggest thing is, we don't want to change the expectation or the experience of people coming. And that has been the hardest—

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

Ms. Donna Skelly: One of my questions is about weddings, and I know you do host weddings as well. How can you now have a wedding, in light of COVID-19, and do you think that you could safely host a wedding at your site?

Mr. Braden Bennett: We were on track to have 4,900 people at weddings this year. That, of course, is going to be dramatically reduced. If we can have gatherings of 10 people, physically separated, we can do that. This Sunday, we're going to have our first elopement. It's going to be six people on the front lawn, and it will be \$850 of revenue. It's a market we've never done, but it's something we have to do.

Ms. Donna Skelly: You know, there might be a lot of fathers and mothers saying, "This is a good thing, folks. Go and elope."

But with the ability to have all of these people being served food on a lawn, could you not actually modify that for a wedding?

Mr. Braden Bennett: Yes.

Ms. Donna Skelly: In the space? You could?

Mr. Braden Bennett: We can't have a banquet style, we can't have passed canapés, and we can't have rounds of eight like we used to have. But we can spread out and we can modify, and that's what our challenge has been.

Of course, we were cancelling weddings through April, through May. People were holding onto dates through July to see what the rules are. So people are still holding onto weddings and we're still holding onto bookings and the confirmations. They're just waiting to see the parameters of the rules with which they can play, and so we have that flexibility.

Ms. Donna Skelly: You mentioned right now that these are all outdoors. What do you think—and Nina, maybe you could even speak to something like that, as well—of hosting a wedding indoors?

Mr. Braden Bennett: We could do it, depending on the size and the parameters of what they say. Our dining room

occupancy, say, being 120—if it's 50%, it could be 60 people, as long as we can distance people.

Ms. Donna Skelly: Do you think you can safely keep people apart during a wedding?

Mr. Braden Bennett: That's the hard part. Do you want to play the tough cop?

Ms. Donna Skelly: Nina, do you want to speak to that? Is that going to be something that you've thought about, trying to keep people social distancing?

You will have to unmute yourself. Sorry.

Ms. Nina Kressler: Thank you. My apologies.

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

Ms. Nina Kressler: Yes, we have the space to do it. Being a convention centre, we have a lot of open spaces, so we are fortunate, from that perspective, that we can. The challenge we currently see ourselves in is, convention centres have been deemed non-essential services at this point, so even if we could host 10 or fewer people, we're not able to open at this time.

Ms. Donna Skelly: Braden, do you get many concerned brides calling you? How frantic is it?

1720

Mr. Braden Bennett: It is pretty frantic, to say the least. With our team being dwindled, we were dealing with the corporate and the weddings, and so a lot of brides were frantic. They wanted to know numbers: "How do you do it? How do we work with it?"

We've got our first one coming up the week after next, and that's going to be 10 people. What we're going to do is—

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

Mr. Braden Bennett: —we're going to have a guest code of conduct, and with the guest—

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

We have to move to the opposition side for their second round now. MPP Fife.

Ms. Catherine Fife: MPP Harden.

The Chair (Mr. Amarjot Sandhu): Oh, I'm sorry. MPP Harden.

Mr. Joel Harden: Ms. Kressler, it's great to see you today. It's nice to have some Ottawa representation in this committee.

I have to tell you some anecdotes just so our friends are aware of how important this convention centre is for our city. I saw my first rock concert in your space. It was the Tragically Hip and the Skydiggers. I very recently went to our federal NDP convention in your space. Many of us on this call went to the AMO conference in your space. It's a beautiful, beautiful space. If you haven't the opportunity, people on this call, to sit in one of the Muskoka chairs and look out over the Rideau Canal, you really ought to when we can figure out what we do with the space.

That, actually, is where I'd like to go with some exploratory questions. Earlier, in your conversation with MPP Roberts, you were speculating about different re-designs of the space. Something I'm very mindful of is a recent report we got from our Financial Accountability

Officer, Mr. Peter Weltman, who furnished this government with a report on tax expenditures, explaining to them that there was a difference in the use of those tax expenditures between folks who are better off—frankly, like me, earning an MPP’s salary—and others who are not. You mentioned in your comments, and I was intrigued by it, that in whatever reinvention of our convention centre space, we have to make sure that all kinds of families, all kinds of people, can utilize and make benefit of that. Can you explore that a little bit more for us? I’m intrigued by that.

Ms. Nina Kressler: Thank you for the question. Our core mandate remains to be a convention centre that draws delegates from around the world, because the further they travel to Ottawa, the longer they stay and the more money they spend. But clearly, we’re not going to attract a lot of those delegates in a December, a January or a February. There are months like that that we feel our centre should be one that is open to our community.

One of the things that we’ve done in the past: When Parliament Hill was no longer able to take yoga at noontime, we opened up our facility and did yoga in our facility for free. That brought a lot of people in. They had never been to the convention centre before, because in their perception, you would only go to a convention centre if you were attending a conference or a meeting. So for a lot of our local people, our local customers and our local residents, it was the first time they ever had the opportunity to step into the convention centre and enjoy it as a resident and as a taxpayer.

It’s that type of thing that I think is important for us to continue to do, because we’d like to round out our calendar of not only our peak business being April through to June and then again September through to November. We can round out our calendar when we involve more of our community and open it up to them.

Mr. Joel Harden: I think that’s a fantastic train of thought.

The other thing that occurs to me, too: Again, for folks who don’t know Ottawa on this call, we have some wonderful active living centres for seniors in our city. The public health advice we’ve been giving seniors in this moment, for understandable reasons, has been, “Stay in your home. Get other people to do your shopping for you. Be very careful.” But as we gradually move to a situation in which we could safely offer transportation opportunities to seniors—and people with disabilities, I should say—could we not envision a way in which our convention centre could be purposed for some of those folks, who really have been homebound for a long time—

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

Mr. Joel Harden: —to enjoy the socialization opportunities they get at the Good Companions centre here in Ottawa or Ottawa West senior services? What do you think?

Ms. Nina Kressler: I completely agree with that. Seniors like exercise as well. I have a mother; she’s 90, and she misses the fact that she can’t get out and exercise with a group of people in her own age group. So the

facility could certainly be used as something that brings seniors together in that community spirit, to exercise, just to mingle, whether it’s a book club—a lot of those things. I think the centre certainly has an opportunity to play a role in our community in the senior market.

Mr. Joel Harden: Well, let’s connect after this call, because maybe we can work together with MPP Roberts and Minister MacLeod to put a compelling proposal forward. I can see the space that you shepherd being wonderful for that.

How much time do I have left, Chair?

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

Mr. Joel Harden: Thank you. I wanted to make sure I had an opportunity to talk to our friends at Pride Toronto.

I know you know your friends here at Capital Pride. Their month is August. Who knows what will happen? I speculate that it won’t be much more elaborate than what you folks are doing.

I wondered if you could talk just a little bit more about what’s being lost culturally for queer and trans folk. Here in Ottawa, a very disproportionate amount of at-risk youth identify as queer or trans, and we have significant issues right now for street-exposed people with addiction and mental health crisis.

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

Mr. Joel Harden: So I’m just wondering if you can continue that pitch you were making to us about the Pride festivals not only being very important economic generators, but also a moment in which people gather together to find themselves, to expand their sphere of influence—and figuring out a way we can get some of the \$44 billion we currently spend on tax expenditures to you in direct operating grants. I definitely see your point; I agree with you that we need to keep these queer- and trans-positive spaces alive. Could you continue that train of thought for us?

Mr. Ande Clumpus: Absolutely. I can answer that well because I actually organized the parade for three years before I came onto the board. Anywhere from 20,000 to 30,000 people take part marching in the Pride parade in Toronto every year, and another half million to a million show up to cheer them on. It is an incredible experience, and we’re able to highlight so many different groups. We have a special section just to highlight youth from our community—

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

Thank you so much for coming, and thank you for your presentations.

RIVERSIDE BUSINESS
IMPROVEMENT AREA
ST. LAWRENCE PARKS COMMISSION
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The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters: First, we have Riverside Business

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

Ms. Jennifer Lay: Thank you. My name is Jennifer Lay. I'm the executive director of the Riverside BIA. I'd also like to introduce the other speaker in our group: Scott Savoie, the founder of Toronto Food Tours. I'll speak for a few minutes, and then I'll hand it over to him.

I'm here on behalf of the Riverside Business Improvement Area. We are a local board with the city of Toronto, under the City of Toronto Act, and for 40 years we've been a community-oriented non-profit association of local business people and property owners who work in partnership with the city of Toronto to enhance our business district, which is along Queen Street East, from Davies Avenue to Empire Avenue in Toronto, about 10 blocks. We work to beautify, improve and promote the area as a business, shopping and tourism district. We do marketing, public programs, and streetscape improvements. We have over 100 business and property owners employing about 1,000 individuals, pre-COVID-19, and a combined commercial property value of about \$150 million.

A large proportion of our members are independent businesses, many family-run, with about 40% being accommodation and food services—hospitality—and about 30% being retail trade. Our members include the Opera House, a 900-person-capacity music venue, which has been around for over 30 years; the newly revitalized Broadview Hotel—both of these buildings have over a hundred years of history—and our popular Toronto brewery Eastbound Brewing Co., to name just a few of our local landmarks, many of which have been shut down for business by COVID-19 since mid-March.

An important part of what we support and depend on as a BIA is local, regional and provincial tourism, to bring clients, customers and visitors to stay, shop, work in and experience the business district.

1730

Pre-COVID, to drive tourism in our business district, we organized annual street festivals such as our Riverside Eats and Beats Festival. We partnered with artists to do things like the Riverdale ArtWalk. We partnered with the Beaches Jazz Festival. We hosted monthly guided walking tours. We did wine and craft beer festivals with many partners, bringing Ontario wineries and local breweries together with restaurants. These are some of the types of activities we were doing just before this hit, many of which were cancelled. All of these things help drive tourism dollars to Toronto's downtown east.

Also, many of our BIA members in entertainment and hospitality industries have depended on local tourism partners year-round, such as food tour operators. Today I also have Toronto Food Tours; Chef Scott is the founder. These partnerships, as well as partnerships with film and TV industry for additional revenues, and our business members—there are also other additional local tourism-based activities that have all been effectively shut down by COVID, cutting off multiple revenue streams that supported our business district.

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

Ms. Jennifer Lay: Sorry, three minutes?

The Chair (Mr. Amarjot Sandhu): Yes.

Ms. Jennifer Lay: I just wanted to raise those issues. There are about 90 BIAs like ours in Toronto, with hundreds more in Ontario. I know you've heard, or are hearing from, the Toronto BIA association and the Ontario BIA Association.

I do want to pass it over to Chef Scott from Toronto Food Tourists to talk a little bit about food tourists and tourism value as well.

Mr. Joseph Scott Savoie: Hi. My name is Chef Scott. I am the founder of Toronto Food Tours. We are probably one of the largest food tourism and gourmet experience companies in Canada. We operate in 12 different neighbourhoods. I was lucky enough when I started this business 10 years ago to partner with the Riverside BIA, and that's really where I cut my teeth in food tourism, promoting different restaurants. It was an up-and-coming area that we took a chance on, and it paid off immensely.

As I said, we operate in 12 different neighbourhoods of Toronto, so what Jennifer is saying here I can see repeated in different neighbourhoods. Our business is probably down \$600,000 in bookings. We operate a little differently than a lot of food tour companies out there in that about 80% of our ticket price goes back into the community. If I sell a \$100 ticket, actually 80% of that money goes back to the local merchant, whether it be the brewery, the restaurant, etc. And that figure is just a public tour.

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

Mr. Joseph Scott Savoie: That doesn't include any of the corporate events we do, whether it be corporate team building events, being a culinary scavenger hunt or a brewery tour, etc.

We're all feeling the pinch. Like everything else, hopefully this comes back soon and hopefully there will be some government support for tourism to be able to have these local businesses survive, because really it's scary to think what's going to happen. Even when it does come back, is my staff still going to be there—because I had to lay them off—or have they gone to find another job? Now I have to reinvest in training the right people. Are the businesses, the local breweries and the local restaurants going to be there that I'm actually going to be able to bring people to?

It's really tough, and I hope that—

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

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

Can you unmute yourself, please?

Hon. Bob Runciman: My name is Bob Runciman. I am the chair of the St. Lawrence Parks Commission. Recognizing the time limits, I'll just give you a very quick overview of the St. Lawrence Parks Commission. It's the largest tourism destination in eastern Ontario. It stretches

from Kingston to almost the Quebec border. The commission owns and/or operates historic sites—many, I'm sure, you're familiar with, like Fort Henry and Upper Canada Village. We operate tours of the Kingston Pen as well. We also have eight campgrounds and six day-use parks, and there are two scenic parkways within our boundaries. The commission also owns and operates a golf course, a marina, a bird sanctuary and a zip line at Skywood Eco tours.

COVID's impact on the commission's bottom line is going to be significant, and as much or more so on the economies of the seven municipalities within our catchment area. The commission is a major seasonal employer, and many of the job opportunities, including for students, are lost or are severely reduced.

One possible way we'd like to speak to you about today—one possible way to moderate the negative impacts—and to better prepare the commission for the future is through much-needed infrastructure investments.

I'm now going to ask Hollee Kew, who's the CEO and general manager, to run over those details and, as well, give you an update on how the commission is currently dealing with the challenges of the pandemic. Holly?

Ms. Hollee Kew: Thanks very much, Bob. I'm Hollee Kew, general manager and CEO of the St. Lawrence Parks Commission. Thanks for having us today.

As Bob mentioned, there are really four major impacts for us. Backing: we've had to delay many of our seasonal employees. We have up to 610 employees on our peak season. That's a significant tourism employer for eastern Ontario. For many of these seasonal staff, about 120 are delayed in actually starting their contracts. We're like the little sister of the Niagara Parks Commission. We have a different collective bargaining group as an agency and commission public body, so we can't do layoffs. What we do is defer those contracts from starting. Sometimes that seasonal position is the only position that that family may have, so it's a very significant burden that we take on right now worrying about those positions.

The announcement Monday certainly gives a little light at the end of the tunnel, but as a major student employer—we employ over 300 students—a lot of the students now that we're trying to call back are not available. So we definitely are feeling some of that significant pressure.

Regional economic impact—Bob talked about that—is another major issue for us. We normally, as an organization, generate about \$16 million in revenue, so as you can imagine, with COVID-19 that revenue forecast has greatly diminished. We may make \$1 million or \$2 million in revenue this year, so we're going to have a significant dependence on the government to actually offset some of those operating costs. We were on a really strong trajectory to get self-sufficient as an agency and commission public body, but this is kind of the kick that you don't want to have, where you're actually going off into a direction where you're more dependent on government to cover those salaries and wages.

From a customer base, another thing that we're really concerned about is that a lot of our customers come from

Quebec. We have strong travel trades with international markets, so we really need to be rethinking about who that market is and how we actually get local people incentivized to come to the commission's assets, which are on the beautiful St. Lawrence River between Kingston and near the Quebec border.

Lost revenue—

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

Ms. Hollee Kew: —is going to be another major impact for us. We've already lost about \$1 million. Normally we're open and ready to roll right now, but we're just starting to get some of our sites open. We do have golf and the marina open, and are starting to get camping open.

Bob talked about opportunities for infrastructure. Commission public bodies carry a lot of deferred maintenance, capital maintenance, some up into the millions and millions of dollars. The St. Lawrence Parks Commission has tremendous [*inaudible*] for beyond-useful-life septic systems and washrooms. We are almost shovel-ready for those projects and really would like to advocate that this could be a catalyst for major economic development in eastern Ontario, if we can see the funding to actually implement getting those projects ready and in the ground and started.

1740

I looked at the septic systems and washrooms. We have 33 septic systems in the commission, 21 washroom facilities—and 16 of those systems are at risk. In accordance with the provincial policy statement, we have a really strong plan to work with the local municipalities to make those systems more environmentally friendly and better for the longevity of the organization.

Just to strengthen our position for infrastructure now: I think we would all be familiar with the Conference Board of Canada's findings on the value of investing in infrastructure—how it has direct and indirect and induced impacts to the economy. In eastern Ontario, it's particularly important to continue to try to drive the economy with the investments that we make.

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

Ms. Hollee Kew: Investments in infrastructure help reduce the liability to the province to [*inaudible*] provincial assets.

Fast-forward really fast here: Is just really trying to get this infrastructure kicked off. We're going to continue to make amazing experiences for our guests, as we always have done. We will be open and ready to roll on a modified programming basis. We're very excited about the leadership that I've seen at all levels in our organization in response to this. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to our next presenter, from Toronto International Film Festival Inc. Please state your name for the record, and you will have seven minutes.

Ms. Joana Vicente: I'm Joana Vicente, the executive director and co-head of TIFF.

Mr. Cameron Bailey: I'm Cameron Bailey, the artistic director and co-head of TIFF.

We want to thank the committee and the Ministry of Heritage, Sport, Tourism and Culture Industries for inviting us to speak in front of the committee today. I look forward to answering any questions from committee members after our presentation. It's good to see some friends and colleagues on the call.

I think we all understand the importance of the tourism sector to Ontario's economy and the fabric of our communities. Throughout this pandemic, the Honourable Lisa MacLeod has consistently messaged, through her town halls and in front of this committee just last week, that this sector is a powerhouse that fuels a double bottom line for the people of Ontario: a clear representation of Ontario's cultural fabric and identity, and we, as a total group of industries, achieve a combined economic impact of an estimated \$74 billion annually. TIFF is proud to be one of the leading economic partners supporting the province's tourism industry.

Ms. Joana Vicente: Beyond this pandemic, it would be hard for us to go on here today if we didn't mention the global events of the last three weeks and how we can better champion diverse voices. But we're here today specifically to speak to you about the massive impact COVID-19 had on TIFF and our sector.

In many instances, we were the first to shut down, and by all accounts, we'll be the last to reopen. And we're important. TIFF's annual festival is vital to the regional economy. Let me share a few statistics.

Our 11-day festival generates more than \$200 million in annual economic activity to the tourism and hospitality sector for the city of Toronto and the province. We drive over \$36 million in taxes to the three levels of government annually through our festival and year-round TIFF Bell Lightbox cinemas. TIFF alone employs 309 people year-round, and we expand to create an additional 700 festival jobs annually. TIFF is the largest media and tourism voice for Canada to the world—reaching 851.7 million people globally over the 11 days of last year's festival alone.

TIFF has attracted tens of millions of visitors to Toronto over the last 45 years and more than 1.2 million visitors in the last three years alone. We annually welcome more than 5,000 film industry delegates and close to 1,500 international press for the festival. And we engage close to 3,000 community volunteers who participate every year at our festival.

Mr. Cameron Bailey: Our business is also vital to Ontario's film and television industry. We represent the keystone of Ontario's \$2-billion-and-growing domestic and foreign investment in the film and television industry. TIFF represents the chief market to launch Canadian film content into the international marketplace. We're critical in the development of the Canadian film sector globally, and we bring recognition to Toronto and Ontario as a production destination. As well, TIFF is the calling card to help attract US and international productions, and we've been central to the branding of the city of Toronto as a film hub.

It's important to note that TIFF has never relied solely on government funding to succeed. Major international

film festivals such as Cannes, Berlin and Venice are all heavily government-funded and subsequently secure in their continued longevity. TIFF, on the other hand, has also relied on corporate and industry sponsorship, on festival ticket sales and on philanthropic donors to present—

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

Mr. Cameron Bailey:—the largest publicly attended film festival in the world.

Now, in the time of COVID-19, our corporate sponsorships, hospitality partners, industry support and membership revenues have all been hit hard, both by the economic downturn and also the uncertainty around whether the festival can happen as part of reopening the province.

We're doing our part to reduce the risks to the organization and to mitigate the loss we're facing, including:

- the reduction of programming scope and activities, both for the festival and as part of our year-round cinemas;
- a further reduction of our expenditures;
- salary reductions of our leadership team;
- potential reduction of our workweek; and
- reduction of staff positions.

These efforts have a big impact on our work, but they will not be enough. We will still need significant financial support from government.

Ms. Joana Vicente: The TIFF September festival, the largest revenue driver for our organization, is now precariously positioned in a difficult economic environment. We are facing a COVID-19-induced revenue shortfall of \$25 million for this year alone. I'm going to repeat it: \$25 million for this year alone. That makes up more than 50% of our operating budget. The Canadian Emergency Wage Subsidy, which covers a portion of our payroll, has been helpful, but it is far from enough.

TIFF's future is at risk, and while the city of Toronto and public health officials are working closely with us to craft a downsized, socially distanced festival, including outdoor and drive-in festival screenings, we know our audience's sizes will be dramatically reduced. The pandemic has also fuelled our necessity to build new and stronger digital engagement options and tools for audiences, all at new financial cost in an environment without any incoming revenue due to our shuttered doors.

Mr. Cameron Bailey: And it's not just TIFF. There are real impacts for our festival suppliers as well, which cause a ripple effect across the economy. Our suppliers will be renting less AV equipment, fewer tents for the street events, fewer bookings in restaurants and hotels, and so on. So there is a multiplier effect across the entire sector. To ensure that the future of the festival and the health of our film industry and the boost we give to Ontario's tourism economy is strong, we're urging a commitment of financial support at the federal and provincial levels.

We are part of what's called Toronto's Big 8, which is the region's largest arts and cultural institutions: the AGO, the ROM, Harbourfront Centre, and so on. COVID-19 has hit us all hard: a loss of \$90 million in revenue this year. With support to rebuild, TIFF and our sister organizations can help lead Ontario's economic recovery.

We're eager to work with Premier Ford and the province to reopen the economy by introducing industry-leading health measures to our venues, making regulation more efficient and encouraging audiences to return to the entertainment businesses and the inspiration we provide.

Ms. Joana Vicente: The recommendations of Toronto's Big 8 include—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. Your time has come up now. We'll start with the questions now, the government side this time: MPP Piccini.

Mr. David Piccini: Thank you all for your presentations today. I greatly appreciate it, and special recognition as well to Senator Runciman: Thank you for your service and your presentation today.

My question is for the TIFF representatives, Cameron and Joana, please. First off, thank you for all you do. TIFF is a real gem in this city and for all Canadians and Ontarians. You spoke to digital engagement, and I'm just wondering, I know in rural Ontario areas like mine—I think of the Capitol Theatre and others who traditionally, if ever, are able to get your films after they're already released by the Toronto International Film Festival. Might you think, as we go to the taxpayers again to continue to support vital organizations like yourselves, of saying to maybe the rural taxpayer that, "Hey, you could go and see that, in a bandshell, physically distanced, and watch it concurrently to that being aired at TIFF in Toronto," and really take TIFF—imagine the impossible—across Ontario? Is that something that you both might consider?

1750

Mr. Cameron Bailey: I was just going to say, and I'll ask Joana to chime in as well, we have something called the Film Circuit, where we are in 160 venues, working with local film groups across the country. Most of those are in Ontario, in smaller centres. That's how we get some great films, including a lot of Canadian films, across the country. This year, we've heard that many of them are looking at drive-ins in smaller centres in Ontario, and we're hopeful that we'll be able to work with them on that.

Ms. Joana Vicente: I would just add, on the digital platform: Unfortunately, the rights holders will decide how many people will see the film. When we show the film, let's say at Roy Thomson Hall, and then we do subsequent screenings, there are a limited amount of people who can see the film, because then the distributor in Canada will want to put the film in theatres and of course charge for admission. So we actually are excited about the opportunity of reaching more people with digital, but it will still need to be capped to a certain number.

Mr. David Piccini: They may consider expanding that.

We spoke about destinations and filming that occurs in Ontario—and I've met with a number who film in Port Hope, where I live, and I represent claim to the It film.

Do either of you have any recommendations on steps government can take to expand studio space in the province of Ontario?

Mr. Cameron Bailey: I'll speak to that a little bit. We're not directly involved on the production side, but we

have been working alongside colleagues in the film production industry. The panels that Minister MacLeod convened last month included a panel on production. Jim Mirkopoulos and Christina Jennings co-chaired that panel. You may know Jim Mirkopoulos; he heads a large studio space in Toronto. They have a number of different recommendations in place. So I would just refer you to what they presented to Minister MacLeod. I think there's some really good information there.

Mr. David Piccini: Finally, on the digital piece, as you scale up for digital access—and you spoke about the digital component: What sort of ask are you looking for from government? What sort of program are you looking for to help scale up the digital space and the requirements that you'll need?

Ms. Joana Vicente: We made a general ask that would help us deal with the huge deficit we're facing. It's not specifically for digital, but of course, it doesn't help that as we're facing this huge loss of revenue, we're also having to invest in this digital platform to host festivals. A lot of our international industry delegates and press will not be able to attend, so we're going to have to provide a platform for them. We also want the opportunity to provide a platform, if not for the films, at least for all of the other content—

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

Ms. Joana Vicente: —like Q&As, like conversations with talent, so we feel like that we can make available for everyone and actually give more visibility for TIFF around the world.

Mr. David Piccini: My next question is for everyone. COVID-19 has presented businesses, festivals, everyone alike with the very real challenges of having to scale up and make changes to our normal day-to-day routines, cognizant of physical distancing, PPE requirements etc. My question is twofold. How can you imagine accommodations and expanded physical distancing, and what sort of steps are you doing within your respective organizations? Secondly, have you found it clear enough—the delineation between PPE and physical distancing requirements needed in the interim, before a vaccine is developed, and long-term changes you'll be making in perpetuity?

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

Ms. Joana Vicente: We have a committee that has been working on the return to the office, and they're following all of the public guidelines. Also we're working with Medcan to really go through all of our processes and understand how people come into the building and all of that. We still haven't decided.

We're also waiting for guidance in terms of when we would open the theatres at the Lightbox. Also, for the festival, we're considering right now 33% capacity and taking all of the measures to respect social distancing.

Mr. David Piccini: Thank you.

Ms. Jennifer Lay: I can speak—

Mr. David Piccini: Sorry. We have to move to the opposition side now. I'll start with MPP Tabuns.

Mr. Peter Tabuns: Ms. Lay, it's very good to see you again this afternoon. I'd like to ask, very quickly: What are

the elements that you think the government should be putting in place to allow organizations like yours to restore the crowds that they've been able to bring into the community in the past?

Mr. Cameron Bailey: Is that a question for TIFF?

Mr. Peter Tabuns: No, I'm sorry, it was for Riverside BIA.

Mr. Cameron Bailey: Okay. Thank you. I didn't catch the first part.

Mr. Peter Tabuns: My apologies, sir.

Ms. Jennifer Lay: I think we at the Riverside BIA and all BIAs are looking for guidelines toward that level of gatherings. We're not very clear on when those activities may resume, but I think if the government could begin looking now at the types of considerations that we should be making toward planning our mass gatherings for next year, that would be very helpful.

As with TIFF and others, we usually plan at least a year ahead for events, so having these starting to be developed now would be great. Also, mentioning clear requirements on things like wearing masks indoors versus outdoors is very important to us. We're still not entirely clear, and there's a mix of things happening in our neighbourhood. We have lots of different types of stores—retailers, medical services and entertainment venues. Everyone is getting different guidance, understandably, but it's a lot to navigate. So outdoor events are another area that we need guidance on.

Mr. Peter Tabuns: Okay, thank you very much.

Chair, I know my other two colleagues have questions as well. I'll yield and hopefully get another chance later.

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

Mr. Ian Arthur: Good afternoon, everyone. It's great to see you. Hollee, nice to see you again. I expect I'm just down the road from you.

I'm going to address my first question to Hollee. You talked a little bit about some of the infrastructure projects that we could see money flow to. Will you identify what some of those projects would actually look like, and elaborate quickly on what that would mean in terms of support for you?

Ms. Hollee Kew: Absolutely. Thanks for the question. The main need that we have is our underground infrastructure: septic systems and washrooms. Septic systems are the old type of system that's 60 years old, beyond its useful life—not a good system any more. We pump them. We're basically putting Band-Aids on these systems. It's well beyond its life. The new systems would be piped into municipal systems in many cases, where available and possible.

Mr. Ian Arthur: You spoke to having municipal partners ready to go. Those are the sorts of projects that the municipal partners are anxious to get started on?

Ms. Hollee Kew: Absolutely, correct.

Mr. Ian Arthur: Okay. I'm going to switch gears here just a little bit. I think I'll start with Joseph. You talked a little bit about your food tours and not knowing whether the restaurants that you want to take people to are still going to be there. We just heard some of the other presenters—and the last one—say similar things.

The Chair (Mr. Amarjot Sandhu): Two minutes, thirty seconds.

Mr. Ian Arthur: Right now, we're asking: What do you need to get through the ER? But we're going to need to move people into recovery rooms and then we're going to probably need some home care. What do you see that you need for stability in a long-term outlook? We're talking both about keeping you in business this summer but then the long-term repercussions of this—and we see which businesses survive and which don't. What are you looking to get from the government to make sure that there is a long-term recovery?

Mr. Scott Savoie: Well, I think that we're going to need some kind of an education program so the public is going to be able to feel safe to actually come back out and participate, whether it be in a festival or a tour or any public event at all, even to just go to restaurants, whether it be with my tour or independently. Because it's fine to say that we're going to turn the tap back on and everything is going to go back to normal eventually, but unless these people actually feel safe enough to go to a restaurant or go to an activity—so I think if we could have some kind of education campaign so that people would have some reassurance that they are safe.

1800

Mr. Ian Arthur: That's a good suggestion.

Do you see the need for financial supports to be ongoing, or do you think getting through the summer is the priority?

Mr. Scott Savoie: I firmly believe that we'll need financial support for at least another year. Our business is 50% locals and 50% tourists. We can't do anything with the locals now, and the tourists won't come. Hopefully, when this reopens, when the borders reopen etc., the tourists will come. But I think, for our industry, it's going to be a year and a half before we're back to normal. If I can just survive 2020 and pay the bills—

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

Mr. Scott Savoie: This time last year I had 22 employees, and now it's me.

Mr. Ian Arthur: Thank you very much for your answers.

Does anyone else have questions?

The Chair (Mr. Amarjot Sandhu): We have about 20 seconds, so we'll go to the independent members now. I'll start with MPP Blais.

Mr. Stephen Blais: My questions are to Ms. Lay from the BIA.

I understand the revenue loss that can be expected from being closed. I'm wondering if any of your members have articulated the hard costs that they may incur to implement physical distancing measures—cash out the door, as opposed to just losses that are happening.

Ms. Jennifer Lay: For physical distancing measures, I think there is a significant cost. There is equipment that they're having to buy, in terms of PPE, which, as you know, has gone up astronomically. We're seeing the ability to get a box of 15 masks for \$20—over \$1 a mask, just for throwaways. Businesses are now feeling like they

have to provide PPE to some of their customers in order to make them feel safe or to provide a service. There are physical barriers being put up, in terms of screens, which can cost upwards of \$1,000 for something custom. PPE and safety, well beyond what I'm saying, add up hugely for businesses.

Mr. Stephen Blais: We heard from other witnesses last week that there is a lead time for getting some of this, and I'm wondering what you've heard in terms of that and whether or not you think some kind of coordinated effort would be helpful.

Ms. Jennifer Lay: Yes, we have heard of lead times of at least two weeks in some cases and of difficulty in getting certain items altogether which aren't really in stock. There have been proposals in Toronto, for instance, for bulk orders, or at least the ability to get in on group orders that would reduce the price and hopefully provide some kind of stock to come more quickly.

Mr. Stephen Blais: Are those proposals just within your business community, or has there been some kind of broader-based effort?

Ms. Jennifer Lay: There have been companies asking us if we want to get involved in coordinating with them and our business members. There have been calls to the Toronto BIA association to see if they might play that role—or the city of Toronto itself. We're not sure of the best way, because all of this is quite a lot of logistics.

Mr. Stephen Blais: I have some questions for the St. Lawrence Parks Commission. Ms. Kew, you mentioned that one of your priorities for infrastructure would be septic systems, below-ground infrastructure. I'm wondering if there are any regulatory hurdles that might need to be overcome to put those in as fast as you need them.

Ms. Hollee Kew: Those are excellent questions. I used to be the regional director for eastern Ontario for the Ministry of the Environment, so it's nice to hear that someone is thinking along those lines.

We're overcoming all those hurdles already. We're working very closely with regulators and with Infrastructure Ontario to design a robust plan—

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

Ms. Hollee Kew: —and a shovel-ready project so it would be better and more protective of the environment.

Mr. Stephen Blais: Really, once you're through that, your hurdle is economic; it's just the dollars and cents of it all.

Ms. Hollee Kew: I just need to find the money; correct.

Mr. Stephen Blais: For sure. Okay, I appreciate that.

I don't have any other questions, Mr. Chair. I'm not sure if MPP Hunter does.

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

Ms. Mitzie Hunter: Thank you to all of the presenters for the excellent insights.

I want to start with Joana. You were going through a list of the Big 8 and submitting to the committee their recommendations. Can you please take us through that list?

Ms. Joana Vicente: Yes, absolutely. The recommendations of Toronto's Big 8 include:

—that the province give clear timelines and guidelines for reopening that would drive tourism and cultural spending through joint marketing and promotion;

—that the province match funds donated by corporate and individual donors;

—that we have debt relief and deferrals through Infrastructure Ontario and the Ontario Financing Authority, as some of us have debt, including TIFF—we have it with Infrastructure Ontario;

—that the province advocate to the government of Canada for the removal of the capital gains tax on charitable donations of private company shares and real estate; and finally,

—that the province advocate to extend the Canada Emergency Wage Subsidy.

Ms. Mitzie Hunter: That's great. One of the presenters early on talked about how we should adjust our tax incentives for private donations to charities and non-profits. Quebec has 24%, Alberta 21% and federally, it's 29%. Ontario is lagging. Would you support that, to increase opportunities for direct charitable donations to your organization?

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

Ms. Mitzie Hunter: That was for either Joana or Cameron.

Mr. Cameron Bailey: Yes. I would say, absolutely, we would support that. We found that many cultural organizations like TIFF have great support in the private sector and people who may have publicly traded shares or private company shares or real estate that they could donate. It would be a great help if they could get that tax incentive to do so.

Ms. Mitzie Hunter: That's great. I really think you should push on with the digital platform. Your reach is almost a billion people worldwide, and you can't afford to lose that. You're one of our city, province and country's biggest brands. I think it's really great that you're innovating in that type of space and really embracing the new technology and the new reality, particularly for audience engagement. I do think that it's a space that you shouldn't give up.

I do notice that the Big 8, many of them—the ROM, the AGO—are provincially—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time for the independents.

We'll go to the opposition party for their second round: MPP Miller, Hamilton East–Stoney Creek. Are you there, MPP Miller? All right. Since he's not there, who wants to go first?

Ms. Catherine Fife: I will.

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

Ms. Catherine Fife: Thank you, and then I'm going to send it over to MPP Tabuns.

This goes to all of the speakers, and thank you very much for sharing your experience. We've heard the importance of confidence around rebooting the economy, around getting folks out of their homes and back out into the public sector. There has been a real call for the

province to embrace a test, trace and isolate strategy so that people know where the infection is and where it is not. Therefore, that would encourage consumer confidence.

How important is it to have the science supporting the economy? I'm going to start with you, Cameron.

Mr. Cameron Bailey: Thank you for the question. TIFF, like many cultural organizations and tourism groups in Ontario, really depends on visitors from beyond our borders. As Joana mentioned, we bring in thousands and thousands of people every year. They need to know that it's safe to come, especially now. There are other jurisdictions around the world—Japan, Italy and Spain—that are giving very concrete guidelines in terms of what they put in place to attract tourists. We're looking for Ontario and for Canada to do the same, to make sure that TIFF can be as strong as it is and all of the other groups that are bringing tourists into the province can get back confidence.

1810

Ms. Catherine Fife: That's perfect.

Mr. Runciman, what do you think about the idea of having the science behind the recovery? Can you unmute yourself, please?

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

Ms. Catherine Fife: It's for Mr. Runciman.

Hon. Bob Runciman: I need to unmute myself there.

Ms. Catherine Fife: Thank you. So: test, trace and isolate.

Hon. Bob Runciman: I absolutely agree with that. I think if we move outside the science parameters, we could find ourselves in further difficulty and we need to contemplate the kinds of economic and social impacts that would ensue.

Ms. Catherine Fife: Okay. Jennifer from Riverside?

Ms. Jennifer Lay: Yes. Actually, we had been proposed by a company that has worked with other areas as to whether our BIA would like to get on board with an app to have businesses track who's coming in and out, and have that data available for the entire neighbourhood if there are public health incidents and the need for tracking. It's quite a massive undertaking, but there are technologies out there. If there was a common technology, maybe provided by the federal government or something, it might make it easier for everyone. As I heard, it can cost upwards of \$5,000 per business to be part of these technologies, so I don't think it's feasible in that case, but if there is something that could be accessed for free, we might be able to get a lot of our businesses on board with collecting that data.

Ms. Catherine Fife: Okay, thank you very much.

The Chair (Mr. Amarjot Sandhu): We'll go to MPP Tabuns and then MPP Miller after that.

Mr. Peter Tabuns: Again, thank you to everyone who is taking part in this presentation today.

Ms. Lay, Chef Scott, one of the concerns I have is that a lot of restaurants are not going to survive until things are fully open. I think it's a good idea we're having the hearings today about what can be done at a later stage to promote tourism, but my sense is, and I would appreciate

your comments, that the current Canada Emergency Commercial Rent Assistance Program is not structured in a way that's actually going to do enough to keep our restaurants and other tourist destinations alive in the next few months. I would appreciate your comments, both of you, on that.

Mr. Scott Savoie: Go ahead, Jennifer. I'll let you go first.

Ms. Jennifer Lay: Okay, I'm still unmuted.

Yes, I think in our area we could be said to be very fortunate of having landlords that are open to working with their tenants to apply for this program. However, I know it's not the case in a lot of areas, and I know the application rate is quite low. I also know that our businesses are saying the threshold is quite high for meeting the requirements of revenue loss for that program, so it does make it quite difficult for many of them to apply, whereas they're actually experiencing a loss that could shut them down, despite it not being at that threshold. So I think we would appreciate seeing a review of that in light of the data that has come out of applications, and if there could be further allowances under that program. Of course, our concern also is that it's not a mandatory program. It is up to the landlord to support their tenant, and it's their decision. That is a concern.

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

Mr. Scott Savoie: Yes, and also, with the way that rents are these days in Toronto, we suffer a little bit from the greedy landlord syndrome, where the landlord says, "This is a good opportunity to get rid of a tenant," thinking that he will get somebody at a higher price. But looking at it from my point of view, I think that it's hard enough for restaurants to make money. I've been in this business for a long time. We used to make 15%, 20% in a restaurant, and now with rents and everything else, if you're making 5% you're a success story. If you don't own your own building, it's very hard to succeed. Maybe the government should look at making the rent program mandatory—that if you are a landlord and you're eligible, then you must apply, and not just have the option of whether or not to apply.

Mr. Peter Tabuns: Thank you very much. I appreciate that.

Chair, do you want to go to Mr. Miller?

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

Mr. Paul Miller: My question is to the TIFF representatives. With dozens of films, shorts and documentaries from Ontario and around the world normally being showcased at TIFF, I can imagine that there may be a shortage of content due to the many film productions that have been halted. If you are aware of any examples, I would like to know what other international jurisdictions have done to ensure the continued production of film content, and more broadly, what they may have done to support the creative arts sectors.

And just to add to that: One of the big draws at TIFF has always been the number of big-name celebrities who come to Toronto to promote their films and have a good time. People flock to the TIFF Bell Lightbox for a chance

to rub elbows with the people on the red carpet. Has there been any thought about how these film, television and stage stars would be encouraged to participate in the festivities if restrictions are still in place?

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

Mr. Cameron Bailey: That's an excellent question. I'll just speak briefly to film production, and then Joana can speak to the talent who usually comes in.

We know that other jurisdictions such as South Korea and Denmark are already opening up film production. They have put what are becoming industry-standard measures in place for physical distancing, or in some cases quarantining an entire production crew for 14 days before production starts. So there are things that Ontario can learn from, and people in the film industry here are definitely taking those lessons.

Ms. Joana Vicente: In terms of talent, we obviously don't know if the borders will be open and if there still will be the need to quarantine, which of course will impact if people can travel and come here, but—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the independent members now for their second round. MPP Hunter.

Ms. Mitzie Hunter: Joana, please continue your sentence.

Ms. Joana Vicente: Thank you. We're going to have the talent participate digitally if they can't come in. They will be doing Q&As. We're also putting in a number of talent ambassadors who will be helping to support TIFF and engaging with audiences virtually.

Ms. Mitzie Hunter: Thank you so much. I want to go to the St. Lawrence Parks Commission. Can you talk to us about whether your organization has given any thought to an app for positive identification and contact tracing, and if that would be something that would be helpful for your organization?

Ms. Hollee Kew: That's a really interesting question. We are looking at how we can trace any kind of customer activity that's coming in [*inaudible*], if there was any kind of outbreak. I think that would be something that organizations would consider as helpful. We're mapping right now, doing a lot of heat maps about where certain areas could have potential outbreaks. Evidence-based decision-making is what we're all looking for, so I think any tool that we could utilize would be helpful.

Ms. Mitzie Hunter: That's great.

The Riverside BIA: I really feel for you—from 22 staff to one.

Tomorrow morning, I'm hosting a round table in my riding of Scarborough—Guildwood with independent restaurants, because I do think that there's a unique situation there and we can't afford for all of these restaurants and smaller businesses to fail. Before they disappear, we have to provide the supports that are needed. I'm just wondering if you can speak to—the government has deferred certain requirements, but they will be coming due in the fall. I'm just wondering what you're hearing from your members talking about that. At some point, you're going to have to pay that back, so it doesn't really help you in terms of short- and long-term survival.

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Mr. Scott Savoie: Well, I think that it's like anything else. We're eventually going to have to pay for all of this. Money doesn't grow on trees, unfortunately. But even if, for example, we could borrow against last year's GST or something that could be doled out in some kind of a repayable loan—for example, if a restaurant paid \$60,000 in GST last year, let him borrow from the government \$60,000—

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

Mr. Scott Savoie:—and have some kind of a payback period on it. That way, the smaller restaurants would have some working capital as well.

Ms. Mitzie Hunter: Yes, that makes sense. Jennifer, would you like to add anything?

Ms. Jennifer Lay: Yes, I think it's just that a lot of our members were hesitant in the first place to apply for some of these loans because they felt unsure of being able to pay them back in the time frame. I think that concern still stands, even though many have become desperate enough to apply for them. So either an extension of the repayments, some forgiveness of the loans—anything that would help them survive beyond this year.

Ms. Mitzie Hunter: Okay. I have asked all the questions that I have, so I want to just give whatever remaining time I have, maybe starting with Cameron, to each of our guests—if there's anything that you feel that we need to hear as a committee to make sure that we have this vibrant tourism and culture sector beyond COVID. So Cameron, why don't you start?

Mr. Cameron Bailey: Thank you, MPP Hunter. I would begin by just saying that we know that the Ministry of Heritage, Sport, Tourism and Culture Industries contains the areas that have been hardest hit by the pandemic, because we are the ones who bring people together, in large numbers, often. So I think that's where a lot of the support really has to come, because we want to help bring the world back to Ontario and we want to help bring Ontarians back together with each other. We feel that what we offer in terms of culture and tourism opportunities is really inspiring to people. It's not just the money that's important here; it's the fact that we need to uplift ourselves again as a province. And we hope to be a big part of that.

Ms. Mitzie Hunter: Thank you. Maybe I can go to Senator Runciman.

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

Ms. Mitzie Hunter: Are you—

Hon. Bob Runciman: Sorry, I missed your question. I apologize.

Ms. Mitzie Hunter: Just what advice do you have to the committee to bring this vibrant sector—I grew up going to the St. Lawrence area with my family when we got out of the city. What do we need to do to keep going?

Hon. Bob Runciman: Well, just some personal observations: I'd like to see us look at, at least for this season—incur, I suppose, additional losses, but to make some of our sites very attractive from a financial perspective, to bring people into the area. Our day-use parks, for example;

I'd like to see them free of charge. Those kinds of initiatives that would get people out and get them into the outdoors and into regions of the province where it's going to have some impact and—

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

Ms. Mitzie Hunter: Sorry, Senator.

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

Mr. Dave Smith: Thank you, Mr. Chair. There has been a fair bit of conversation about testing, tracing and isolating. We did 24,000 tests yesterday; I think all week long we've been over 20,000. So we have the testing side down. The Ministry of Health has done some excellent work on that, and we'll be in and around 30,000 as our capacity very shortly. Public health has done a very good job promoting the isolating side of it. If you have been exposed to COVID-19, if you have tested positive for COVID-19, the quarantining side of it is very good.

The challenge then becomes the tracing side. It's interesting to hear some of the opposition members throwing around tracing with apps and so on in such a carefree way. I come from the IT world. There is something called cross-site cookies, which you may have heard of. Just to give an example: You open up your browser and you type in some kind of a search, that you're looking for something, and then you log onto a social media site such as Facebook and, lo and behold, a series of ads based on the search you had just done appears. Or you go onto your browser and you go into your Internet banking, and the next time you go onto a social media site, because of cross-site cookies and the fact that you allowed that social media site to access them, you see information about mortgages, mortgage rates and so on; credit card information pops up as ads.

Most of the business improvement associations that I've had contact with—again, this is coming from the IT world as a company that provided a lot of this stuff. Free Internet is readily available at a lot of places, but you agree to share information from your device with whatever company it is. I'll give a perfect example of what I did by mistake with a previous cellphone. I had been in Ottawa, and I was at the Calvin Klein factory outlet. I bought a Calvin Klein suit for \$169, and I agreed to sign up to their app on my phone. Lo and behold, when I was on vacation walking past a Calvin Klein factory outlet, I got a text message telling me that they had a sale at that specific store, because I agreed to share that information.

If we were to do tracing, we're going to need to have a lot of people agree to share a great deal of personal information from their devices in order to do it. That information would then become public, because we would need to be sharing it publicly on the Internet, which could lead to public shaming for some people.

So my question—I'm going to direct it first to Jennifer, because you're with a business improvement association. How do you recommend that the government get around or deal with those privacy concerns that you as a business improvement association would be able to have people

agree to, that we will not be able to have people agree to, and have that contact tracing done effectively?

Ms. Jennifer Lay: It's Jennifer. So far, I believe public health in Toronto is asking businesses to record the names and times and dates of people who have visited on paper. The companies that are proposing these apps—I've only had one approach us so far; they have a background in paramedics and I think police, that kind of background. They're offering apps for a large expense. While it was a great sales pitch, there are a lot of concerns I would have about that, the same as you've raised. We haven't actually consulted our businesses on whether they would be comfortable with it or use these apps. It's a huge conversation, I think.

Mr. Dave Smith: Every device has something called a MAC address that is unique to that device. It can be used in the same way that radio frequency ID can be done. You would know exactly who had that app at that time or who had that device at that time, and you would be able to track exactly where they went at any given time with it through cellphone technology. Is that the type of privacy that all of us should be willing to give up?

I'm going to direct this one to Senator Runciman, because you have been in government and you do understand how some of these challenges are going to be faced by us. St. Lawrence Parks was talking about doing something very similar with contact tracing with an app. How do you deal with the privacy side of it?

Hon. Bob Runciman: Thanks for the question. I think we have to look for wiser minds, really, people involved in the security industry and others, to give us the proper advice. I don't think we have the folks within the staff or on the board who have the expertise in that area, and I think we'd want to make sure that whatever we were doing is not getting into conflict with privacy laws and privacy regulations.

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

Hon. Bob Runciman: I think we'd look for the best advice possible. That's how we would approach it.

Ms. Hollee Kew: MPP Smith, for the record, I just want to be clear that we're not searching for an app at the St. Lawrence Park's Commission. Any tracing that we do is through our ticketing system. It's just the origin of the ticket purchase. We're not collecting any of that data currently, and until the question was posted, it has not been on our radar.

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

Mr. Dave Smith: I have the ability or have had the ability—

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

Thank you to all three presenters for your time and your presentations. That concludes our presentations for today. Thank you to all the presenters.

As a reminder, the deadline to send in a written submission will be 5 p.m. on June 22.

As mentioned at the beginning of the meeting, there are a few things that the subcommittee wanted to bring to the

full committee to discuss. It was agreed in subcommittee that we would meet from 6 p.m. to 7 p.m. for this, but we're running a bit late. Is there agreement from the members to go into closed session for this discussion?

Interjection: Yes.

The Chair (Mr. Amarjot Sandhu): Agreed? All right, We had some problems this morning with the microphones turning on and off. So I would suggest that if we—
Interjection.

The Chair (Mr. Amarjot Sandhu): If I ask for an agreement for a broadcast operator to stay in the room—if there's agreement from the members?

Interjections: Agreed.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll recess for five minutes so that we can prepare to go for a closed session. Thank you.

The committee recessed at 1833 and later continued in closed session.

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