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Service linguistique et des publications parlementaires
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

AND ECONOMIC AFFAIRS ET DES AFFAIRES ÉCONOMIQUES

Monday 24 August 2020

Lundi 24 août 2020

Report continued from volume A.

COVID-19 STUDY

The Chair (Mr. Amarjot Sandhu): Good evening, everyone, and welcome back. We'll move to our next presenters this evening.

BOYS AND GIRLS CLUBS OF CANADA MR. BRAD ELKINS DR. CRYSTAL LONGO

The Chair (Mr. Amarjot Sandhu): First, I would like to call upon Boys and Girls Clubs of Canada. If you can please state your name for the record, and you will have seven minutes for your presentation.

Mr. Josh Berman: Good evening. Thank you, Chair and members of the Standing Committee on Finance and Economic Affairs, for engaging in this important study on the impacts of COVID-19. My name is Josh Berman, and I'm here with Savannah, a member of our Cornwall Boys and Girls Club, to represent the 135,000 children, youth and families that Boys and Girls Clubs across Ontario support at our over 300 locations' community-based services, positive relationships and life-changing programs.

As Canada's largest child- and youth-serving organization, Boys and Girls Clubs provide vital programs and services to over 200,000 young people in 745 communities across this country. During early-years programs and critical out-of-school hours, our clubs help young people develop into healthy, active and engaged adults. Our trained staff give children and youth the tools they need to realize positive outcomes in self-expression, academics, healthy living, physical activity and mental health. Over the past 100 years and during these five difficult months, our clubs have been there for vulnerable children, youth and families.

Today, our clubs are providing food for families, partnering with local food banks. We've provided child care and programs for children and youth of essential workers, and now for more families as our economy reopens. We are getting technology into the hands of low-income families to support connectivity and running high-quality virtual programming to promote educational, physical and mental health outcomes when kids can't be in clubs. Finally, we have continued to offer essential services such as transitional housing throughout these last five months.

I want to pass it briefly to Savannah to speak about how her club and her community are facing these difficult times.

Ms. Savannah Lapensee: Thanks, Josh. I'm grateful for this opportunity to talk about the impacts that this pandemic has had on my club and the community it supports. For the greater part of my life, I've been involved with them as a member, volunteer and as staff. I have grown with them. The rewarding part about this is that I got to see how far my club goes to support the youth in my community.

I remember as a kid the most exciting part of my day was when the school bell rang, because that meant we could go to the clubhouse. My friends and I quickly filled the club with laughter, hugs and an overwhelming amount of questions about what we were going to do that day. What's important about this time of day is that even after 10 years, it hasn't changed, and I share it with everyone that walks through our doors.

Providing a safe space for all ages is what my club does best every single day, even in times like these. My club continues to connect with youth through Zoom for daily programming. Youth are provided with special kits containing surprises and supplies to complete the activities planned for that week. They continue to learn, play and interact with their friends the best way that they can from home. My club also connects with the teens in our club twice a week to either engage in fun games or just some time to catch up with friends. They, too, look forward to receiving themed packages every week.

My club has without a doubt been resilient through this whirlwind of a year, but it certainly has not been easy. This pandemic has taken away any opportunity to host large fundraising events for my club and many others. In my case, my club would normally run an annual golf tournament. Without these supports, serving our youth becomes challenging on any day, and even more during a time like this. Events like these allow us to support not only our staff, supplies and programming, but they also support our ability to share our favourite time of day with club friends at home and, hopefully soon, in our clubs.

I'll pass it back to Josh.

Mr. Josh Berman: Thanks, Savannah.

At the start of the pandemic, clubs across Canada and across Ontario were faced with difficult decisions. Approximately 66% of staff—over 6,000—were laid off due to financial pressures across Canada.

Since the introduction of the Canada Emergency Wage Subsidy, many clubs have accessed this program to retain and recall approximately 40% of their staff. Many clubs also received important but limited support from the federal Emergency Community Support Fund. This funding has allowed clubs to scale up emergency programs to support vulnerable populations during this time. Unfortunately, clubs have not experienced the same success with accessing the Canada Emergency Commercial Rent Assistance program. The majority of clubs were finding that landlords were simply unwilling to apply.

While these programs are welcome, they have not provided clubs with the needed stability during these precarious times. Overhead costs such as rent, mortgage and utilities, as well as building and pool maintenance, continue to create a significant financial gap for clubs. These operating expenses are putting clubs who play a vital role in supporting vulnerable Ontarians in very precarious positions.

Importantly, as the economy comes back to life, charities will not see the benefit the same way many businesses will. Our income is derived from donations and grants from individuals and companies that have been really hit hard. Donors were generous in providing immediate emergency relief—

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

Mr. Josh Berman: —but we are seeing many vital corporate donors stepping back for the remainder of 2020 and into 2021. Individual donors have lost jobs and income, and their generosity in giving will be reduced for some time to come.

Donors and funders are the supply side of charities, which is whittling and at risk. On the other hand, the demand for services is simply growing. Importantly, this means that clubs' financial hardships will become more significant, not less, as our clubs continue to reopen across the province, due to inefficiencies of operating spaces and programs being offered with increased staff yet limited capacities.

Many clubs are in urgent need of retrofits to ensure the health and safety of children, youth and families while meeting this growing demand. Our clubs already have extensive waiting lists, families that need assistance and support, and youth that need our help. These lists have grown during the pandemic. Our clubs are simply caught in the middle. We want to do more, but have less to do it with.

Today, we're here to elevate the Ontario Nonprofit Network's call for a stabilization fund for non-profits. While we welcome the Ontario government's recent reallocation of funding to support non-profits through the Trillium Foundation, the purpose of this new proposed support would be twofold: In the short term, it would mitigate job losses and the interruption of critical services and programs for vulnerable populations, allowing non-profits to respond to increased demand and redesign programs for virtual delivery and physical distance requirements. In the medium term, the fund could incentivize non-profits and charities to undertake restructuring and

mergers as a way to mitigate the financial hardships and challenges.

There's no doubt that there are opportunities to strengthen organizations through collaborations and amalgamations, including Boys and Girls Clubs, and the sector needs vital assistance to encourage and support this critical work. In these unprecedented times—

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

We'll move to our next presenter, Bradley Elkins. If you can please state your name for the record, and you will have seven minutes for your presentation.

Mr. Brad Elkins: Hi. My name is Brad Elkins. I'm the president of Viba Hardware. I'd like to start off my remarks just by saying how appreciative I am of what the Ontario government has done so far during the pandemic. I feel that Premier Ford has shown admirable leadership.

Viba Hardware is located in Mississauga. We're close to the QEW. We're a small manufacturer of interior sliding barn doors and a distributor of barn door hardware. We're an Internet-based business, and we do about 90% of our sales either on the Web or over the phone. Our sales are across North America, from as far away as Whitehorse over to Gander in Newfoundland, down to Miami and off to Puerto Rico, and then all the way over to San Diego and off to Hawaii, in some cases. We've been in business for about six years, and we've been cash flow positive since our second quarter in business.

One of the things that I pride myself on is running a tight fiscal ship and ensuring that the business is resilient and able to take a hit. When the COVID lockdown happened, I had expected a minimum of a 50% loss in revenue. That proved to be very pessimistic, as we are up this fiscal year by about 30% as everyone rushes to close off their open-concept rooms to allow for work from home or to give them a safe space from their kids.

We've been one of the businesses that has thrived during the pandemic, but this increase in business has created significant problems, as I can't find anybody to work. On top of that, I've had to provide child care for my two kids, as the 20 to 40 minutes of homework they receive from the school board is not adequate to keep them busy, and during the summer, summer camps were closed down for large sections of time. I'm pretty sure that my office, which I've started to call "Camp Daddy," is not a particularly fun place to spend half the summer.

So I just wanted to express the impacts of COVID on my business and my concerns for the recovery as a whole. My first concern is exhaustion. Having business up is a good problem to have, but it's still a problem. I'm working 70 hours a week to keep up, while also taking on education requirements and child care responsibilities and juggling contractors' schedules. It's very tiring.

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The second issue that we're having is an inability to find full-time employees. I realize that this is a federal area of responsibility, but the CERB is killing me. I had a summer student lined up; however, within hours of the federal government announcing the extension on CERB,

which he qualified for, he promptly quit. I have around four contractors who work when they can get away from other jobs or from looking after the kids. I'd love to bring on a new full-time employee to help with the recovery. However, if I paid him \$18 an hour, that would only be \$5.50 an hour more for working in a hot workshop over what they'd make sitting on their butt taking federal money.

As an independent business person, I have a huge frustration with the school system and the teachers' unions. If the schools aren't up and running, our economy won't be up and running. I can't continue to run my business when I and my people don't know if their kids are going to go to school or not. Hearing radio ads from the unions about how horrible everything is makes confidence very difficult. It feels like the recovery is being deliberately slowed down, so if the kids don't get back to school, I'm not able to give 100% to my business, and I'm not able to assist in the recovery.

The school boards and the ministry are also an issue. They've had six months to figure out how to work through this, yet they seem to be scrambling at the last minute. I had to reconfigure my business, shut down my showroom, change all of my advertising plans and deal with new employee challenges in three weeks to deal with the new realities of COVID. Six months is long enough for the ministry and for the individual school boards to have gotten things together.

I also have significant concerns about the supply chain in Canada. There has been a recent, massive increase in the price of pine that has had a significant impact on my business. Wood supplies have dried up, due to the shutdowns in Ontario and Quebec, and it doesn't look like that shortage of supply is going to end any time soon.

But it's not even that with supply chains; it's simple things. I'm backordered on a specific screw that I use for the assembly of my product. Those screws are worth about a buck a door on a door that will sell for about \$1,000. But if I don't have those screws, I can't make doors.

I'm also very concerned because—

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

Mr. Brad Elkins: —I receive a large amount of my supplies by train. If we have a reappearance of February's protests, it would be disastrous for my business if I'm not able to get my supplies.

Right now, what I need more than anything from the government is clarity and certainty. What are the risks of COVID for me and my employees? What are the risks of passing it on? What's going to happen when the school year starts? Are we actually going to get the kids back to school? There are times when I feel that as a small business owner these things aren't being addressed and aren't being taken seriously by all levels of government. I invite you, please, to prove me wrong. Thank you.

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

Our next presenter is Crystal Longo. If you can please state your name for the record, and you can get right into your presentation. **Dr. Crystal Longo:** My name is Crystal Longo. I'm a chiropractic specialist in physical and occupational rehabilitation. I live and play in rural Ontario in Bobcaygeon.

COVID has presented a few unique challenges to our business model. My husband and I own a commercial space, where the front of the building is my practice and the back of the building is a gym that I also use for rehabilitation for my clients.

Pre-COVID, I have a huge issue with now dealing with aerosols in the area. The research right now is very scattered. We're not getting any clear information as to how to control that. If I think about moving forward, I can put up walls, I can separate the two spaces at a significant cost, with no guarantee that we won't regress and be shut down again. So in a business sense, I don't know if it makes sense to reopen that space in that capacity.

Because I am in rural Ontario, our facility for exercise is really the only one in our area. The research is showing now that if you live more than 15 minutes away from your gym, the chances that you use it are quite slim, so in keeping our population moving and healthy, this is a huge disadvantage.

I have similar concerns as Bradley, being a full-time working mother, as to what my teenage boys will be doing for the school year. I don't have the time or the capacity to be able to police online schooling. They need to be back in the classroom. I'm very pleased with the original plan to go ahead with that, but I have lots of concerns with the fact that there isn't a clear-cut plan as to how they will manage any COVID outbreaks, so I do have a certain amount of, I'm just going to say, skepticism that they will be able to stay in the classroom. I fear that we will peel back on our phases.

As a business owner, I was considered essential; I was allowed to stay open for acute emergencies. The extra hands-on time for pre-screening made that very inefficient, even moving forward. Because I own my space, I was lucky that I was set up to be able to keep social distancing in my waiting room and put up barriers. I know a lot of my colleagues aren't in the same situation, and when you're not owning your space, it's also hard to spend that money on somebody else's building.

The operation costs for us have increased post-COVID, mostly because of PPE and barriers. Like I said, also putting up walls will significantly increase our effect. I have not been in a situation to have to hire extra people. My office manager, as well as my front desk, as well as my kinesiologist and the RMTs were all able to access CERB while we were on acute emergencies only, to minimize contact in the office. Even though that was economically a decrease in revenue for them, it still provided some money for essentials to live.

I think that in the end I was closed down 11 weeks, which means that is revenue that I will never be able to recoup. We treaded water for that period of time, which, again, I feel fortunate for; I know a lot of people weren't able to do the same thing. I think my biggest concern

moving forward is some sort of assurance that we won't get peeled back in our phases. Now that all the infectious disease protocol is in place, we feel confident in our ability to control and stop any spread within the office. It would be unjust now to ask us to stop again.

Other than that, even though the government has said that we are able to open that gym space, because I am sharing it with a patient population that has definite comorbidities, I have not been comfortable allowing them back in. Again, we have an advantage that we have—

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

Dr. Crystal Longo: —a great outdoor space that we've been utilizing, but within the next few months, that is going to come off the table as well.

So that's where we sit. I don't have anything else to add, I don't believe.

The Chair (Mr. Amarjot Sandhu): We'll start with the questions now, and we'll start the first set of questions with the independent members. MPP Hunter?

Ms. Mitzie Hunter: Thank you to all of the presenters. I wanted to ask the Boys and Girls Clubs of Canada: We heard today, actually, from the YMCA and from other groups who are dealing with young people. Can you talk about the link between providing before- and after-school programming for families and how that is an important aspect of the economic recovery? There is some risk right now, if we don't pay attention to that sector, that that uncertainty will affect parents' confidence in their ability to make sure that their child is looked after in good-quality environments for the whole day.

1850

Mr. Josh Berman: I really appreciate the question.

Before- and after-school care across this province and across this country is vital to many families who work full-time. School, obviously, doesn't go throughout the entire time of a workday. Especially for vulnerable families, though, we know that for many of the children and youth we are serving in our after-school program in particular, their parents are working multiple jobs or a second-shift job. To find high-quality, accessible and affordable before- and after-school care is difficult enough; to find it in your rural community and to find it in hours that work for you, we know, is incredibly important—to get those front-line staff and those families who are most likely to have to work outside of the home, who don't have the luxury of working from home, back helping us to restart our economy, to give certainty to those families.

Obviously, school is hugely important. You can't have after-school without having in-school. We were a big proponent of bold policy injections into having in-school participation, especially for vulnerable youth and kids, but we know that that after-school programming is so vitally important in many communities across the province.

Savannah, I'm not sure if there was anything you wanted to add to that? Okay. Thank you.

Ms. Mitzie Hunter: We also talked quite a bit today about the importance of child care. In fact, the conversation steered towards the fact that we are experiencing a "she-cession," where more women in jobs have been

impacted in this recession and are slower to come back, and the really critical role that child care plays in economic recovery.

The Boys and Girls Club of East Scarborough is in my riding, and they do a fantastic job. I call them the glue in my community.

Can you talk about the important role of child care in our economic recovery, as it relates to small businesses?

Mr. Josh Berman: Thank you again for that question. Just to say that we are the glue in so many communities, we believe—together with the Y, who we work with very closely, to leverage our expertise and our COVID-19 lessons learned as we reopened for front-line workers, and now for more families, in child care. It's so incredibly important. We see this, again, in the clients we are able to serve. In east Scarborough, we serve a lot of lower-income families, and throughout the GTA and in many rural parts—Peterborough and more northern communities here in Ontario.

We know that 80% of our own staff who work on the front lines in the child care and child and youth sector are women, and we know how important those positions are. We know that for many Ontario families, the burden of child care over these last five months has fallen predominantly on mothers, and we know that we need to be able to help them get back to work, if they so choose. That's why we're trying to look for ways that we can provide high-quality, accessible child care and before- and after-school programs in, obviously, a very difficult environment. We want to ensure that it's safe, and we know we have put in the protocols to do that.

Ms. Mitzie Hunter: And has that come at a cost, in terms of those additional protocols?

Mr. Josh Berman: Over the last four months, our clubs here in Ontario are, combined, losing about \$1 million in revenue each month. We're just getting some figures in this week on July. We know that our summer camps—when we actually bring in a fair bit of our revenue in a year—were greatly limited this year because of the much-needed restrictions that were put in place. So our clubs are facing an uncertain fall where—

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

Mr. Josh Berman: —we know the need will be greater, but the services we'll be able to provide will be significantly reduced.

Ms. Mitzie Hunter: Yes, a lot of people are talking about how we prepare for the fall. In fact, there is an expectation that in September there is going to be another change, based on what we have now become accustomed to in terms of what the new normal is. There will be a next normal, and I'm sure that's something that you're thinking about as well in terms of what will have to shift come the fall

Mr. Josh Berman: We are, and we are putting plans in place at the local school board level and the local club level to make sure that we continue to be there for the families, children and youth that need us.

Ms. Mitzie Hunter: Okay. Thanks very much for all the work that you do, and thank you to all the presenters.

The Chair (Mr. Amarjot Sandhu): We'll go to the government side now for their time of questioning. MPP Smith.

Mr. Dave Smith: I actually have a whole lot of questions. I'll try to divide them up amongst everyone else. Since we just heard from the Boys and Girls Clubs, I'm going to come back to you guys at the very end. I'd like to go to Mr. Elkins first. You said that you were expecting a 50% decline in your revenues, but you're up 30% and you're having trouble getting staff. Do you mind if I ask what you pay your general labourers?

Mr. Brad Elkins: Yes, that's not a problem. We pay them 18 bucks an hour. That is obviously above minimum wage, but not as much as I would like to. But that's a starting wage; obviously, as they become more proficient, I'm more than willing to bring them up.

Mr. Dave Smith: So about \$2,500 a month would be their gross, and they'd take home about \$1,900 after taxes and everything else.

Mr. Brad Elkins: Eighteen bucks an hour is \$2,880. That's where I got the \$5.50 an hour more for working in a hot workshop rather than sitting on their butts playing video games.

Mr. Dave Smith: So you're doing it based on a 40-hour workweek, not a 35-hour workweek?

Mr. Brad Elkins: Yes, a 40-hour workweek.

Mr. Dave Smith: And you're still having trouble getting staff, even paying that much more than what the CERB is?

Mr. Brad Elkins: Eight hundred bucks just isn't that much. I try to hire younger people when possible to give them an opportunity, and I just haven't been able to find anybody that I'm willing to bring on. To be honest, I haven't been able to find anybody at this point. I'm making do with a student; this is his second job and he comes and goes on a very erratic schedule. I've got somebody else who, again, is coming in on a very erratic schedule as they have time. One of my main guys who was a key part-timer for us is now only working 12 hours a week because he has to take care of his kids, just like I have to take care of my kids.

If I don't get those kids back to school, the ball of stress that's hitting is huge. I need them back. I can't be worried that they're going to go back and then somebody is going to find an excuse and say, "Oh, too bad. We're sending the kids home." That won't work. A little bit of certainty is all that I need. I don't need perfection; I just need to know that I'm going to have the hours that I need during the week to do my job.

Mr. Dave Smith: Okay. And you mentioned screws.

Mr. Brad Elkins: Yes.

Mr. Dave Smith: They cost you about a buck a door. The door sells for about \$1,500 to \$1,800 bucks, and you make the doors. Where are those screws coming out of?

Mr. Brad Elkins: Well, that's an interesting story. They used to come out of Thunder Bay, but now they're coming out of Chicago. I am not sure why they are backed up; my guess is that they are also used in deck building. But they are very specific. They are about 5.5 inches long,

with a Torx head. I really enjoy using them—they keep the doors together really well—but they are coming out of the United States.

Of all my products, I do have some that I bring in from overseas, but the majority of the value in what I sell comes from stuff that either comes from Canada, either Quebec or Ontario, or down in the States, with things like screws and low-VOC finishes for the doors. It's not that it's coming from China, although I do have stuff that does come from there. I try to keep it as local as possible.

Mr. Dave Smith: And you said you're having a little bit of trouble getting some pine out of Ontario and Quebec.

Mr. Brad Elkins: Pine has been brutal. I had an increase of almost 40%. What it's come down to is, if I have some pine that is a lower grade and other that is a higher grade—that higher grade pine has almost no knots in it—where it would be used for me, now it's all going to the building trades or it's going off to the guys who are dumping it into outdoor coating so that it can be turned into decks. It's a significant issue.

1900

Mr. Dave Smith: Resolute Forest Products has been involved with a few committees with me. They have said that the demand on their product has absolutely skyrocketed, so I can understand those challenges that you're facing.

How much time is left, Mr. Chair?

The Chair (Mr. Amarjot Sandhu): One minute and 40 seconds.

Mr. Dave Smith: I'm going to jump over to Crystal, then, if you don't mind. You mentioned that you've got a gym at the back of your facility, and it's not actually separated between them. Have you gone out and got a cost for what it would cost you to put some kind of a barrier or separation in between your clinic and the gym?

Dr. Crystal Longo: Yes, we have. It's a little bit complicated because the washrooms for the full facility are located in the back, and I use the back space for rehab. So just to put up a wall between the two wouldn't be all that expensive. Probably with a glass door—I'm being quoted about \$7,000—

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

Dr. Crystal Longo: —but if I want to keep some amount of area for rehab, which I absolutely do, and want to keep safe access to the bathrooms, then we're looking more at about \$22,000, which isn't a be-all and end-all except if we get pulled back and shut down again.

Mr. Dave Smith: So you're in Bobcaygeon. Are your kids going to Fenelon Falls high school?

Dr. Crystal Longo: One goes to Fenelon and one goes to Weldon in Lindsay.

Mr. Dave Smith: So then they would be bused in. Do you have any concerns about them being on the buses?

Dr. Crystal Longo: I don't, really. My first degree is in biology, so I understand immunology and virology quite well. I'm not worried about the children so much and their contact with COVID. I'm worried that they go to school and it doesn't last.

Mr. Dave Smith: Okay. Chair, how much time is left?

The Chair (Mr. Amarjot Sandhu): We are out of time.

Mr. Dave Smith: Thank you.

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

Mr. Faisal Hassan: Thank you to all the presenters. It tells us the story about why it's important for the economic recovery.

I would like to ask this question to the Boys and Girls Clubs of Canada. I know of the wonderful work you are doing supporting those who are the most vulnerable members of our communities and our young people. You have put an argument that, really, it's vital that we get ready and support a recovery for activities that is now happening with regard to the continuation of supports and services that are currently ongoing through digital or online activities.

Could you speak about, also, these facilities and locations that are hubs where young people can come together and the importance of having rent relief, the importance of continuing those spaces, a lot of spaces that will wither away, that we're not going to have in the future? What do you think we can support to continue those services and programs?

Mr. Josh Berman: Thank you, sir. It's a really important point that you bring up around rent relief. As I mentioned in my earlier remarks, we have not seen the benefit of that federal program as we have, and significantly, in other federal programs, with many of the landlords just unwilling to apply on our behalf.

Physical infrastructure in a time like this is so critically important, as we try to support children and youth's mental health, to bring children back in a way that's safe, in a way that's accessible and in a way that they can break down some of those barriers and in many ways get out of homes that we know, in some instances, are not safe and have not been productive environments for them over the last five months. Those normal outlets and those normal caring adults that they've seen—there's only so much you can do over virtual programs and virtual screens. So it's really important.

It has been great, actually, over the last couple of weeks, as our clubs have continued to reopen, having phone calls with club leaders, asking them, actually, instead of putting themselves on mute, to keep themselves off mute, to hear children in the background and playing, because we know mental health is such an issue, especially for vulnerable families and children, as many parents have lost jobs and those households, in some instances, have not been safe places.

We know that rent relief is critically important. We also know that the operating costs for many infrastructure spaces over the last five months, with no revenue or vastly reduced revenue coming in, are still quite high. That's where I think, as I mentioned in my earlier remarks, we continue to seek that stabilization funding, not only so that we can support those emergency programs now and perhaps in a second wave, if there is one, but also so that we can transform the sector to make us more resilient, to

get those economies of scale, to merge where mergers make sense, and to make sure, especially in more rural Ontarian communities, that we don't lose those vital child care spaces, those vital before- and after-school programs.

Mr. Faisal Hassan: Thank you. My colleague Catherine will be asking the next questions. Is Catherine Fife there?

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

Ms. Catherine Fife: Thank you, MPP Faisal.

Crystal, I'd like to go to you first, because you've correctly highlighted some of the issues that businesses are facing as they open, and that is retooling and sometimes redesigning their business. Would you apply for a tax credit? One of the recommendations we've had is that we offer a commercial tax credit for redesigning spaces, putting up walls, those kinds of measures. Is that something that you would find helpful?

Dr. Crystal Longo: Absolutely. Yes, of course. Over these last five months, we've accessed the CERB and the wage subsidy, as well as the rent relief. All those things are definitely helpful, but they don't make the ends meet, and they also don't, in any way, shape or form, equal revenue. But we're definitely grateful for any sort of initiatives there are.

Ms. Catherine Fife: Part of our goal as a committee is to listen to the delegations as they depute, make some recommendations to the government, and perhaps pull together a package of a suite of options that I think businesses can and should be able to access.

Just also, Crystal, the comments around going back to school—I think that employers, as Mr. Elkins has also identified, are dependent and they need to see a safe school opening on a go-forward basis. You live in a beautiful place in Ontario, Bobcaygeon. It's gorgeous up there. Do you see a regional approach? Because we've heard that from some delegations as well. There may be only 12 or 15 students on your buses, but in some jurisdictions there are more. I'm the MPP for Waterloo; there are going to be more than that.

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

Ms. Catherine Fife: Is there a specific concern you have around the school piece? Or at least speak to the importance of us getting this right.

Dr. Crystal Longo: I would say that my biggest concern as a parent would be, with all the initiatives, whether it's on the bus or whether it's in the classroom, what is going to be the protocol if someone in that school bubble tests positive for COVID?

Ms. Catherine Fife: Yes. So what the response would be.

Dr. Crystal Longo: Because at this point, everybody should be shut, then everybody should have to quarantine—

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

Ms. Catherine Fife: Thank you, Crystal.

The Chair (Mr. Amarjot Sandhu): We'll move to the government side for their second round now. MPP Skelly.

Ms. Donna Skelly: Good evening, everyone, and thank you for your presentations. I wanted to start with Mr.

Bradley Elkins and chat a little bit more about one of the comments you made right off the top, which is you mentioned that you were pleased with a lot of the work that our government has done so far in addressing the COVID crisis here in Ontario. Can you point to any specific changes or programs that our government has brought in that you support and the areas where you think we need to perhaps take a different approach?

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Mr. Brad Elkins: I haven't really had a lot of time to follow any of the programs specifically, so I can't give you anything on that. The big thing that I like is that Premier Ford seems to be willing to communicate openly and honestly. I didn't get any feeling that he was holding anything back, and it gave me confidence. It also, of course, gives me confidence that I know that he's actually had to make payroll. As an independent business person, there are far too many people who love my purse strings who have never managed people or payroll. So I was very happy about that.

So the second part of your question was on anything—
Ms. Donna Skelly: Any ideas that you could perhaps offer in the areas that we haven't addressed or something that you would like us to bring forward that would help people such as yourself—

Mr. Brad Elkins: The biggest thing that I need more than anything else—I don't need a government program, I don't need a handout. What I need is certainty. I need to know that if the kids go back to school, they're going to go back to school. I can't have my kids go, and I start ramping up on production, maybe I even start to look at doing some new ads to bring in new business, and then all of a sudden I'm told, "Yeah, too bad." I'll shut down again, the kids are back, so you have 75% or 50% work ability plus you lose half your staff. If that happens and it's a constant way of on-again, off-again, it's going to be exceptionally disruptive and, frankly, the stress problem is going to get more destructive for me as a person, and I know for other small business people who are having the same stress issues.

Ms. Donna Skelly: It's interesting that you have raised this, and it has been raised by other small business owners. They are, of course, concerned about the health of their children returning to school and concerned about everyone involved in the school system, but they are struggling and recognize that the children need some normalcy and they need to have that reassurance.

Crystal, you touched on that a bit as well, on that certainty. Can you maybe share your views—and I know that you had spoken a bit about it as well, but if you could just expand on the need for certainty when it comes to school?

Dr. Crystal Longo: Well, yes, for the same reasons as Brad. It's very hard to operate a business and then also have to manage teenagers. I'm not sure the age of Brad's children. I don't need child care, but I do have two boys who, given the opportunity not to do school, will not do school. If I am out of the house from 9 a.m. to 7 p.m., I have no ability to police that schoolwork, and when I get home, I don't need another thing to battle about with them.

The mental health issues have been spoken about. Teenagers are very social beings. When we live rurally, lots of their friends are not close by—they need to go be with their cohorts. They need to learn how to work in those social settings. When you're online for school, those groups of friends are small and you don't learn those same social interactions as you would if you were face to face with somebody.

Ms. Donna Skelly: Bradley, I also wanted to ask you, your business model involves the delivery of your product through a website; is that correct?

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

Ms. Donna Skelly: It's all online, mostly?

Mr. Brad Elkins: Yes.

Ms. Donna Skelly: As MPP Smith mentioned, you saw an increase through COVID-19, which surprised you. Why were you surprised?

Mr. Brad Elkins: To be honest, my biggest surprise in the increase was driving to work. Now, I have a short drive—it's one of the benefits of my company—but in the first week or two, I was getting on the QEW and literally seeing no cars at 8 in the morning when I would have expected it to have been packed.

Well, when the world stops, my assumption had been that people would clamp down on spending. I know that's what I did. But I also had not realized that there was going to be a demand for work from home so quickly, and then on top of it—I've often joked that the open concept in housing design also means zero privacy. People are finding this out. If they've got kids and the kids are doing school work, all of a sudden they need a way to shut a room off so that their work and their kids' work don't interfere with one another.

As well, for businesses like Crystal's, I've had a lot of people coming in and asking for, quite frankly, obscenely sized doors—up to 8 foot by 8 foot in dimension—to block off large areas. I'm doing a massage therapist's right now where she just wants to block off an entire wall section that didn't used to have to be blocked off, but now, because of new regulations, it will.

I know you'd asked previously about certain programs, and what I would say is, if you'd come out with a new—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We're out of time.

We need to move to the opposition now. MPP Fife.

Ms. Catherine Fife: I'm going to go to the Boys and Girls Clubs of Canada. Thank you very much, Josh and Savannah, for speaking about how important the services are that you are providing, what they mean for the communities. I also want to personally thank you for the work that you're doing.

On a go-forward basis, and I just want you to be specific on this, what are the exact recommendations that you need to see from the provincial government, and the timelines? Also, if the government doesn't come to the table—maybe Savannah, that would be a better question for you—what's at stake on a go-forward basis and the delivery of services? Josh, if you please start, and then I want to hear from Savannah as well.

Mr. Josh Berman: Thank you very much, and thanks for pointing Savannah into that question also.

To be very specific, we know that the Ontario Nonprofit Network was speaking earlier—I think it was last week. They are calling, and we are calling, on the Ontario government to create a stabilization fund of \$680 million for the non-profit sector to ensure that non-profits can help rebuild the economy and rebuild communities and be there for vulnerable Ontarians. We believe this funding can come from unallocated portions of the supporting people and jobs section in Ontario's COVID-19 action plan, and we can run that through the Ontario Trillium Foundation.

We know how critical non-profits are in the best of times. These are not the best of times. The only thing that is going up is the number of clients that we need to be able to serve—us, the Y, the United Way and other non-profits and charitable sectors.

Savannah?

Ms. Savannah Lapensee: Yes, thank you again for the question. In terms of moving forward and if things don't go as we think they'll go, what's at stake is youth's mental health, physical health and well-being on all levels. Youth of all ages interact in programming in our clubs every single day, during the school year and in the summer—they get so much out of this program.

I know, for me, I got so much out of after-school programming. If I didn't have the Boys and Girls Club, I really wouldn't be the same person I am today. I know that it impacts a lot of children across the country. Whether you are six years old or whether you're 17 years old, there are always staff at Boys and Girls Clubs who can help you. Of course, they are still there through the Internet. We're lucky to have all this Internet to be able to connect still, but it's really not the same thing. You don't get the same experience. You don't get the same feeling—that I still lack the vocabulary to describe, when I walk in a club.

Really, it's the overall well-being of youth. There is so much missing whenever you're not in the club. It's definitely not the same over the Internet.

Ms. Catherine Fife: Savannah, I just want to tell you that you're very articulate. I want to commend you. I hope the government members hear it as well.

The Boys and Girls Clubs, the Ontario Nonprofit Network, when they did present to us, they made the case for this investment because the return on the investment is less cost to the health care system, the mental health—employability, actually, as well. We're very hopeful that—and actually, the Ontario Nonprofit Network could contextualize that \$680 million. In the grand scheme of things, when we are giving tax breaks in other jurisdictions, this is a place where we can prioritize. So thank you both for that.

I just want to quickly move on to Mr. Elkins. Aside from some of the other commentary, you've also identified supply chain issues. You're giving us one example about the inability to locate this one piece of hardware. Is this a supply issue that you'd like to bring to the government's attention? And then what do you recommend that the government do about it? Because getting screws from Chicago is apparently very difficult. Bradley, go ahead.

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Mr. Brad Elkins: I know that, especially down in parts of the States—

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

Mr. Brad Elkins: —they're still under a lockdown that we are not under. But it is broad-based. Sometimes it requires me to scramble.

I can give you some basic things. There is a primer that I use on painted doors. It's made with shellac, which is a natural product that comes from a beetle in Indonesia. We're having problems getting anything from that part of the world, and so that primer is now becoming very tight. I also use a wood filler that is from Australia. Apparently, nothing's coming from Australia these days.

Is there anything that can be done? I really don't know. I think if you let private industry get on with doing their job, most of us really want to get back to work and make some money.

The wood one is difficult because, frankly, it's an issue that was caused by shutdowns. I've known my wood supplier for six years now. She had to let her people go off for three weeks. She is in the middle of nowhere, in Quebec. I don't think they had a single case of COVID in her town, but she still had to have her people home for three weeks. That has a knock-on effect throughout the entire system.

Do I think there's anything you can do right now? Probably not. These things will sort themselves out. If there's money to be made, people will figure out how to make it. But it's going to be difficult right now for a lot of people just scrambling to find something, and in some cases just having to tell your customers, "You're going to have to wait. I apologize." People have been very nice—

Ms. Catherine Fife: Okay. Thank you very much for your testimony from all three deputants.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now for their second round. MPP Hunter.

Ms. Mitzie Hunter: Thank you to all the presenters. Crystal, you were just in the process of talking about, when an outbreak does occur in school, that your main concern is that there is appropriate—I believe you were saying contact tracing. If you want to just finish that, because I think it's important that we get that on record as one of the pre-conditions so that we do have a stable—as much as a stable fall is possible, unless there is a second wave.

Dr. Crystal Longo: Right. As it stands now, the appropriate protocol would be, in the classroom bubble, if somebody presents with COVID, then the rest of the bubble should have to test for COVID and quarantine, which would include the teacher, until the tests came back negative, and it actually should include close contacts of anybody in that classroom. That would mean family members, which would mean that I also would not be able to go to work for that period of time. I just do not see that as feasible. Especially in high school, if the children are masked and we can guarantee some sort of mask etiquette, then we should assume the transmission should be less.

I'm just not 100% sure how the health units will deal with that.

Ms. Mitzie Hunter: So for parents, we need a little bit more clarity and certainty around how testing and contact tracing will be handled within those bubbles or cohorts that have been put together, and that gives you more peace of mind and more confidence, which both you and Mr. Elkins have said is needed for businesses to proceed with their own planning.

Dr. Crystal Longo: Exactly.

Ms. Mitzie Hunter: Okay. We've got it. It's now on record.

I do want, if it's okay, to ask a question of Savannah. Crystal, when you were speaking about mental health, with high school students being very social and not having had that social freedom that they would normally have at this stage of their development, I saw Savannah nodding in agreement. I wondered if you can tell the committee about what it's like being a young person during the time of COVID-19, when some of the most important freedoms that you have have been curtailed—what that has been like and what you'd like to see moving forward.

Ms. Savannah Lapensee: I'm lucky—or unlucky; I don't know which way that goes. I graduated a year prior to this pandemic, so I was lucky to have all my milestones. I was lucky to have all those moments. I do have a lot of friends who are graduating this year, in my home community and my work community. I can't imagine not getting what I've worked so hard for, and I can't imagine not having my senior-year community with me.

Last year, seniors lost their end of semester, but seniors who are going to school this year will lose that entire senior-year experience, and the same goes for college students. It's not the same experience at all. You don't interact with your friend group. It's very isolating. It's at home. When I moved back, I was at home alone for almost two months, which is very boring, but also very, very taxing on mental health. It would be unfortunate if it went on for much longer. It has already been a very interesting five months for all ranges of youth.

Ms. Mitzie Hunter: I think it really underscores the importance of school and learning for young people. It is about their well-being, their education, their academics and their overall growth. I think we're all in unanimous agreement here that we want the school system to be back in a safe way and in a sustained way. Even in the midst of a pandemic, we have to find a way to keep students learning and supported. I think everyone has made the case there.

Chair, how much time do I have remaining?

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

Ms. Mitzie Hunter: Brad, you were in the middle of saying that new regulations are needed, and you were muted. I just wondered if you wanted to tell us what that new regulation is that you felt was needed.

Mr. Brad Elkins: If businesses are required, for legislative reasons, basically by new regulations, to make upgrades—if I'm forced to do something, I would expect

that it's going to be tax-free. Again, the RMT who I mentioned is putting in doors. They're going to cost her \$1,800. That's an awful lot of massages she has to give. It doesn't seem fair that she's going to have to pay out that amount of money. There should be some kind of compensation for that.

Ms. Mitzie Hunter: So compensation or tax-free for these types of PPE and upgrades as a result of COVID-19?

Mr. Brad Elkins: Most definitely.

Ms. Mitzie Hunter: Thank you to all three sets of presenters for your commitment and your dedication, and for showing how resilient our small and medium-sized businesses are here in Ontario.

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

Before we move on to our next group of presenters, I would like to do an attendance check. MPP Taylor, if you can please confirm your attendance and if you're present in Ontario?

Miss Monique Taylor: Thank you, yes. I'm in Hamilton, Ontario.

ONTARIO BUSINESS IMPROVEMENT AREA ASSOCIATION CANADIAN ACTORS' EQUITY ASSOCIATION RYCOM CORP.

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Ontario Business Improvement Area Association. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Kay Matthews: My name is Kay Matthews. I'm with the Ontario Business Improvement Area Association. **1930**

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

Ms. Kay Matthews: Thank you very much. I hope that you've got the correct report in front of you; my apologies; the incorrect one was sent to you earlier. But I would like to come to you today speaking on behalf of main streets across Ontario. There are more than 300 BIAs, or business improvement areas, across Ontario, and they are most well-known for being main streets in Ontario, but not every BIA is a main street. We think we probably have well in excess of 110,000 independent main street businesses in our areas.

We are very, very appreciative of and thankful for programs such as Digital Main Street and CECRA. They've been really great steps, and all of the work that has been done, the listening that has been done, as well, but we certainly appreciate all of those supports.

One of the interesting things I have found about a main street is that it is very visual, so when we closed down back on March 17, it was a really clear sign that things had changed radically. What we saw were empty main streets, empty parking lots, empty street parking. We ended up starting to see boarded-up shops and much vandalism that

occurred. In one BIA specifically, the police indicated a 31% increase in vandalism. Our BIAs had to be the front-line workers in trying to communicate with the businesses that were closed and had absolutely no access to any business or funding or anything at that point. It was probably the most visceral and palpable experience of my life to see that, having spent 30-plus years in the work of community development and BIAs.

Currently, businesses are stretched to the limit. They're still challenged in supply chains, additional costs for health protocols, paying rent, and qualifying for loans and insurance. Main streets, as supported by their local BIAs, have proven to be fragile ecosystems, and those ecosystems are very raw ecosystems, as we'll talk about as I go along. By their very nature, they are challenged on all fronts

Today, I'm going to be talking to you with regard to a number of things: supports to businesses and to BIAs; insurance; inconsistencies in how closing and reopening were done; business supports such as rent or CECRA; small business liquidity; reducing hard costs and red tape for small businesses; of course, tourism; and the need for follow-up with the Ontario BIA Association. I've got a presentation available to you, and I'm hoping that you can all see it. What I've tried to do is to be very visual, so that you could actually see and feel the effect that this has had on Ontario's main street economy.

I do know that our main street economies are incredibly impactful, because they tend to be very local. There's a connectivity between the people on the street, their community and the businesses, and it has really been effective. One thing I've really noticed is the real call to shop local, but even broader than that, I think sometimes we were taking our main street for granted, until this happened and people saw it so clearly and so visually.

On the left in this particular picture, you can see you've got a boarded-up building, which we're seeing quite a bit, and I'm afraid that we will be seeing more of it. But on the right, what you're seeing is a picture of work that a BIA is doing to make it vital and vibrant here.

At this point, our BIAs are local boards of council, which means that they are exempt from any funding beyond their levy that the municipality puts towards them from the property owners in the area. But they do not qualify for any grants. The only one that they potentially could apply for is Celebrate Ontario, which is a tourism-based one.

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

Ms. Kay Matthews: But, again, our BIAs are responsible for about 60% of the events across Ontario, and most of those are community-driven, not necessarily tourism-driven.

So what we're finding now is, as municipalities are struggling, they're trying to ask our BIAs to reduce their budgets, but their BIA budgets have been stretched to the limit because they have been working to help the small businesses. They are the ones that have been putting out the kits around physical distancing and masks. They're the ones that are communicating between both the economic

recovery teams and small business. So they have been put in a really pivotal position, but their actual budgets have been really focused and tightened as well. We're really concerned about 2021 and what's going to happen with budgets there. Of course, I know we're all feeling the same pinch as we go through here as well, but they have had to be very resilient in making sure that when they were ready to open they had the right protocols in place. They had curbside pickup that they had to bring in, and all sorts of different protocols that they very quickly had to do.

What I'm suggesting here is that we consider a BIA-specific fund. Because Digital Main Street is in our wheelhouse as well and we are a granting body for Digital Main Street, we feel that we would be well-positioned to help distribute funds on behalf of our BIAs.

The other aspect is—and being aware of the time I do apologize for going very quickly through this—insurance is continuing to be a real problem. So what we're—

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

Our next presenter is the Canadian Actors' Equity Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Arden Ryshpan: My name is Arden Ryshpan. I'm the executive director of Canadian Actors' Equity Association.

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

Ms. Arden Ryshpan: Thank you very much, Mr. Chair. As I said, I'm the executive director of the Canadian Actors' Equity Association. Equity is part of the Creative Coalition, a group of guilds and unions representing artists and artisans working in live performance. The coalition includes Equity, the Associated Designers of Canada, the Canadian Federation of Musicians and the International Alliance of Theatrical Stage Employees. Collectively, we represent over 50,000 workers in the creative industries. Equity represents nearly 6,000 performers, including actors, singers, dancers, directors, fight and intimacy directors, choreographers and stage managers working in theatre, dance and opera. Approximately 53.5% of those 6,000 people live and work here in the province of Ontario. Obviously, we're very grateful to the federal government for the support that it has shown to our sector, particularly the CERB, which covers my members, who are primarily independent contractors. It has kept a roof over their heads in this period of time. The wage subsidy is helping to maintain many organizations, my own included and the ones where our members work—assuming they'll ever be able to get back to work, of course.

Our sector has been one of the worst hit in the country. Effectively 100% of the people who work in live performance are out of work for the foreseeable future. We were the first to shut down completely; we will likely be the very last to reopen fully as we cannot viably restart our sector as long as there are restrictions on the size of public gatherings. The current estimate is that most live performance will not be able to resume until some time in mid-2021. Estimated losses of earnings to Equity members on

a monthly basis—this is Canada-wide, of course—are approximately \$6.5 million a month. When we add up all the losses in our coalition, it's over \$28 million a month.

While not all of the producers that engage our members are considered to be small or medium-sized enterprises, the majority of the theatres in Ontario certainly qualify. Many of these companies have been built the same way that other entrepreneurs have built their businesses: off a corner of their dining room table to start with and with a lot of sweat equity. Most people assume that a theatre company owns a theatre where they regularly perform, but that isn't true. Most theatre companies are lucky if they have an office space, and both rehearsal and performance spaces are rented. Unlike most other businesses in the province, they are still unable to return to any level of activity.

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As the executive director of Pacific Northwest Ballet in the US said this week, it is "remarkably difficult to run a performing arts business without the performance aspect." While a number of companies have looked at a pivot to digital, that isn't feasible for a variety of reasons. First of all, the public's appetite for seeing individuals singing or performing all alone in their living rooms waned pretty quickly. Secondly, the revenue to performers from those kinds of activities is practically zilch, and that's not a sustainable model in the long term.

Most people go to performing arts to see full-scale productions with some level of production values. The cost of high-quality recordings of full productions is beyond the financial capability of almost all producers, and there is currently no funding program to support the capture of live performance at a sufficient level of quality so that audiences would pay to watch it. There is still no evidence to suggest that audiences are prepared to pay a meaningful ticket price in order to watch livestream or recorded productions from home, even if they're made available to them.

It goes without saying that there will need to be a significant injection of money into the performing arts over a sustained period of time, because the recovery period will be very long for our sector, until patrons regain the confidence to come back into the theatre again, and we don't know when that's going to be. We don't have results of a Canadian survey yet, but we know that 44% of US audiences are waiting for the availability of testing, treatment, vaccination or immunity before they go back into the theatre.

The Ontario Arts Council will need much greater resources if they are going to keep performing arts organizations in the province from going under. Our business, like others, will incur new costs necessitated by health and safety regulations needed to mitigate the risk for the artists in their workplace. PPE and the regular disinfecting of the surfaces, props and costumes alone create a significant new financial burden for many theatres.

I'm sure many of you have seen the National Ballet's Nutcracker. What you don't know is that many of those very beautiful and expensive costumes are shared by dancers who put on a still-damp and sweaty costume for an evening performance that was worn by somebody else at the matinee.

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

Ms. Arden Ryshpan: Here's the tip from the wardrobe department: Spraying clothing with vodka helps get rid of the smell.

We don't know how to make this work at the moment while we have to stay two metres apart and wear masks. There are no independent specialists trained to the requirements of our unusual working industries available to assume the health and safety responsibilities, and there are no funds to train those people properly.

Lastly, we believe we're going to need to design or implement a significant marketing campaign encouraging people to come back. There's no money for a project like that.

You may have read a number of recent articles about highly trained, experienced and award-winning artists deserting both the big cities, and even worse, the arts entirely. This comes as no surprise to us. The longer this pandemic goes on, the greater the losses will be to our brutally affected sector. In these difficulties times, people return to what we do for solace and entertainment. They listen to music, watch artists—

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

Ms. Arden Ryshpan: —perform online from their homes and stream previously recorded theatrical productions. The importance of arts and culture in the lives of Ontarians has never been greater, and neither has the need for support to the artists and the producers who hire them. We are the people who provide that entertainment.

Thank you for allowing me to come and speak to you all today, and of course, I'm happy to answer any questions you might have.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is Rycom. Please state your name for the record, and you can get right into your presentation.

Mr. Casey Witkowicz: Good evening, committee. My name is Casey Witkowicz. I'm the founder of Rycom Corp. We're just north of the city, in Vaughan. I'd like to share with you my presentation on the impact of COVID on my business and businesses like mine, and then what we think might be a strategy for the future.

I'm assuming the panel can see this?

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

Mr. Casey Witkowicz: Thank you. We've had an unusual year in 2020, unlike any that our generation will ever see, likely. We have yet to finish writing the book on 2020, and as we look at the road ahead, there's a lot of hard work for all of us. The hard work started, I think, on March 17, when the PM and the Premiers, including Premier Ford, chose to shut the economy down for very good reason, to keep us all healthy and alive. So on behalf of my family and the Rycom team, I'd like to thank you.

However, as we focus our attention on continuing to flatten the curve, we also need to focus our attention on the next part of our job, which is a very significant one: How do we restart our economy, both in the province and nationally? I'd like to share with you some of our thoughts.

Rycom is a Canadian company. We're headquartered in Ontario. We're 22 years in business and we have 90 members across the country; 60% are or so in Ontario. We have a deep skill set. We're a technology-enabled services company. We service many verticals throughout the country and we have plans to grow; at least we were in the beginning of this year. We develop technology-based solutions, creating next-generation jobs that are rooted in science, tech, engineering and math.

Our company has a long track record of delivering several transformational technologies—sort of first technologies—across the various industries we service. Our clients come to depend on us understanding their business from the workbench all the way to the executive boardroom. We understand the complexity of challenges that transformation brings, and COVID has given us, we think, the opportunity to be bold and transform our businesses and, collectively, our provinces and national economies.

As we look at the future, we as a company, and especially in the overall technology-enabled service sector, are creating different kinds of jobs for the future. We think they're the next-generation jobs. We are creating the STEM-type jobs where we believe there is a significant economic multiplier effect. Much like the auto industry that you're aware of, or an auto job at GM or Ford, equivalent downstream and supply chain and other supporting services would be equal to eight times the original job employed in GM or any of these companies.

We're creating new roles requiring skills that, working with and collaborating with the universities and colleges, we believe can create the next generation of workforce, and we're doing that today. I am particularly participating with George Brown in creating a one-year AI program. These are high-paying jobs, averaging somewhere between \$80,000 to \$85,000 per year. If we consider dual incomes, that makes housing affordable with the household income close to \$200,000.

Rycom provides a technology service based on a platform, and we call this platform Hive. Our platform allows us to create and converge new skills that would be filled with STEM-type applicants. We're also able to use the platform to educate and promote less-qualified people into these roles by using their platform. So it is both a teacher and a user.

This is a holistic look at our platform showing the digital transformation pass from work banks to corporate boardrooms and showing also the multidisciplinary roles that we are able to use and leverage. Our platform really touches pretty much every aspect of a business, much like COVID has touched all of us in 2020.

When you take a look at platforms and the use of these platforms, there's always a fear that with automation—and obviously these platforms take you to a lot of automating processes—we're going to replace human hours with machine hours. There is some research done by McKinsey

and Co. that analyzed work activities rather than occupations, and it showed that 33% of all the work—

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

Mr. Casey Witkowicz: —that we do in a given day is either looking for information or analyzing it. We think platforms can help automate that. In addition, there is over 18% of the work that is predictable and repetitive, and so some of these processes we engineer will allow us to move to a technological role.

When you consider that boomers today represent, in particular, in the real estate industry, over 37% of the workforce in properties—they're at the tail end of their working life and in another 12 to 24 months they will not be available. We have an opportunity to deploy technology to create next-generation jobs that will outlast all of us, collectively, on this panel. This is something that we believe strongly in and we have invested heavily in over the last few years.

We also believe platforms will preserve experience and address the skill shortage. We can't solve everything by immigration. Although I'm a by-product of immigration, I also recognize that time doesn't always work in our favour, and this pandemic has demonstrated that.

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We also believe that the platforms also provide an economic stimulus. It also provides an economic multiplier for those who are using it, both in human productivity and also in cost efficiency and reduction.

These are some of our customers for both our source of revenue and our partnership. I would love to add the Ontario government to this list. But as you can see, these are some of the who's who of Canada.

The impact of COVID-19 on my company showed up unexpectedly. It certainly wasn't in our playbook. We really started to learn at the pace of the crisis, unpacking the flood of COVID-19 news that came to us on a daily basis—a lot of uncertainty in my business. Like I said, we have 90 people—do we decide before the end of the month that we shut the business down? When Premier Ford put out the list of—

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

I'll start this round of questions with the opposition. MPP Taylor.

Miss Monique Taylor: Thank you very much, everybody, for your presentations and for participating in today's committee work. This has been going on for quite a bit of time now. We've had quite a lot of presentations, and we're hearing a lot of the same stories, the same concerns

I'm going to direct my piece of the questions to Kay of the Ontario Business Improvement Area Association, and allow you, first, to finish what you were saying in your presentation. Go ahead, Kay.

Ms. Kay Matthews: Would I be able to share my presentation again or—

Miss Monique Taylor: Well, I don't know how much time you have. We only have a few minutes for the question period, so I thought if you just wanted to finish your

thought—I don't know how much time you actually needed.

Ms. Kay Matthews: That's the challenge.

As I talk about main streets being an ecosystem—there have been so many impacts from every different direction that have upset the whole economy of the province. I think in some ways our main street businesses are unsung heroes. We don't really recognize them, but we certainly did when they were gone. There were certainly some wonderful steps that were taken.

Insurance, as I've mentioned, has continued to be an issue. Our small businesses are not able to get it now. They're now being told that they don't qualify. If they're increasing to patios—which has been a wonderful thing for all of us, to see that vibrancy back on the main street, and to be able to visit a patio. If they are able to even have a patio—because their location may not—the municipalities are often saying, "Well, you now need to put up \$5 million in insurance," and that's becoming a real challenge, if they can actually get insurance, which is another issue. Getting business interruption insurance has been a real issue.

As I mentioned earlier, the vandalism that has occurred—all of those things that occurred during that time, when a very small part of the population felt that they could just break in and take all of the product inside. We had a great deal of that going on, as well, within that time.

Of course, our BIAs stepped in. They decorated the business fronts. They did everything they could to try to keep the areas really vibrant.

The other area we had is the inconsistencies in the closing and opening. We found some of the large-format big box stores were able to have essential products but also non-essential products for sale, whereas our small businesses that had the same products were not allowed to open at all. However, the flip should have been the case, because our small businesses have complete control over who opens the door and comes in. They usually have around 750 square feet, and so there's much more control there. I was just in a location where they sanitized behind every single thing that people did.

So if we do have to go into another wave, please, please, don't close our main streets down again, and be very, very clear with what the protocols are. They're ready and they're resilient and they're able to put those protocols in very, very quickly as well.

The other areas are obviously business support with regard to rent relief. This has been a real challenge, and we're absolutely terrified of what September is going to bring. Because the OCECRA was actually given to the middle man, there has been really very little uptake for this particular program. We commend that the program was tried, but there have been a lot of concerns: If I start to negotiate with my landlord, will I have to pay immediately when it's over? And they're still dealing with somewhere around 25% of their business. They're not up to scale by any means. So that's the real concern.

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

Ms. Kay Matthews: Had it been put in the hands of the tenant, who could have paid the landlord, who could have paid the bank or whichever it was, there might have been more success in it. But the fact that there's no real eviction moratorium and there needs to be—and there needs to be for a while, because we really don't know where we're going as well.

They're struggling with liquidity. They're trying to put all the protocols in place at a time where they have nothing to 25% coming in the door—as I mentioned. So they're really challenged from that point of view as well, plus they're really having a hard time actually trying to figure out which programs do fit for them. If they go through the whole process and all the red tape of applying for them, half of the time they're not actually being qualified for anything. They seem to be missing everything along the way. They're very challenged in all directions as we go.

Just to wrap up a couple of things: Again, to Arden Ryshpan's comments about tourism, obviously our BIAs, our main streets, are often the place people come after theatre. They're the ones that do the soccer tournaments. We are hugely impacted by tourism. So that is really a big miss for us as well. If we lose all of our businesses on main streets, we lose a huge part of our ecosystem.

The other thing that we're really noticing as well is that social services are closed; they're working from home. But unfortunately, our street-influenced challenges have been rising exponentially. The opioid crisis happens on main streets. It doesn't necessarily happen in large-format businesses, because they have security, they can close doors, they're privately owned. Main streets are public domain. We want to be able to—

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

We have to move to the independent members now for their time of questioning. MPP Hunter?

Ms. Mitzie Hunter: Kay, why don't you finish your sentence?

Ms. Kay Matthews: I just wanted to say thank you for this opportunity. I know it's very short. It feels very short from this point of view, but there's so much impact, so we really definitely would like to have some follow-up with all of you on this one because there's just so much here that I could take the whole four hours. Thank you.

Ms. Mitzie Hunter: I want to continue with you, Kay. BIAs are really vital, I believe, not just in terms of maintaining main streets but also in terms of economic development and support for businesses at the very local level. In Scarborough, which I represent, the Wexford Heights BIA—I just saw today that they were doing deescalation training for street-front retailers. It's a webinar. That's real hands-on training, and de-escalation is something that is important when you talk about people who are street people or who, for whatever reason, also need to occupy the space. These front-line workers need to know how to respond in those situations.

One of the things I have noticed—and you covered this in your presentation—is the boarding-up. It's starting to happen. This morning, the CFIB gave us some startling stats that one in seven small businesses is at risk of closing.

That's over 60,000 of them. What are you seeing in terms of that reality? And what can we do to prevent those small businesses from disappearing from our main streets before it happens? What proactive response can we take?

Ms. Kay Matthews: Boy, there's a great question. I thank you for asking it. I have a colleague on the call as well and I'm not sure if Doug has anything to respond to this one.

Help with the rent is probably one of the biggest ones. One of the things we've been talking about is their potential to waive the HST return for this year or extend their year-end so that they have a longer time to do writeoffs.

Make sure that the banks actually will give them the loans. Because what they're finding is that they're going to banks and because they don't have the asset, like the property, they're not able to get the loan, so they're really not getting the help that they need. Many of our small businesses take dividends instead of wages, so therefore they don't have a salary that they can call on, so even the CEWS and the CERB aren't really working particularly well.

I think it's really that recognition from all of you that main streets are a really important part and fabric of our community, so that if our BIAs could somehow or other get some additional funding, or if our businesses could get some funding to implement some of this PPE—I could go on and on. There are so many different ways that they could be supported. My report does have a few recommendations as well.

Mr. Doug Sams: I would like to chime in quickly on Kay's point. My name is Doug Sams. I'm the executive director of the Kerr Village BIA in Oakville, Ontario. We have 351 businesses. Many of them are small businesses. Some of them are mom-and-pops. It broke my heart Friday: I saw a moving van in one of our buildings with about 12 offices and I asked them which business was closing. The biggest thing I can tell everybody is, buy the businesses some time. Give them a chance to get back on their feet. Help as many businesses as possible.

There has been a lot of frustration. I've had small business owners come to me and they can't get help from any of the programs. They're looking for help—

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

Mr. Doug Sams: —and we have to make that help available to them. If we do that, down the road I think we have a fighting chance. Thank you.

Ms. Mitzie Hunter: Thank you for all that you're doing. I was quite startled by your fact that 60% of events are somehow created by BIAs. I thought that was a fantastic thing. We want that to continue and to grow, so how do we support that? Is it through Celebrate Ontario? Do we need to say, continue to support through BIAs?

Ms. Kay Matthews: Thank you for that question. I think it would be helpful. Again, it goes back to the fact that BIAs are local boards of council, so they don't qualify for much in the way of funding at all, because it always goes to the municipality. Obviously sometimes it does get

down to the BIAs but often it doesn't because they have their own concerns.

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

Ms. Kay Matthews: That's fair enough, but our BIAs actually don't qualify for anything because of their status as local boards, and that is a real challenge. When you've got events such as Taste of the Danforth—that is a tourist-based one, but many of them aren't. The majority of them, I'm going to say, are the ones that are done for their local community—the local Santa Claus parade, the local farmers' market, the local jazz festival or busker festival. Those are usually all paid for by BIAs. BIAs spend approximately 100% of their budget back into investing in their local area.

The work of a BIA is to make the area a better place in which to do business, so they want to make that area as vibrant and as exciting as possible and they're investing heavily every year in that as an additional tax on property owners. I think they really need to have recognition that their investment is worthwhile and that they should have the ability to receive more funding.

Ms. Mitzie Hunter: We received—

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

We need to move to the government now. We'll go to Minister Walker for the first question.

Hon. Bill Walker: I just want to start off by saying to Kay that my first job was with a BIA in the town of Wiarton. I was about 22 years old, and I remember the gruff business owner, who was a great old fellow, but he was very direct. He said to me, "Just remember a couple of things, young fella. The only way that I stay in this great business and in this great building I'm in, keeping these people employed, is if enough people come through my doors and I make a profit and have good employees." It just resonates back to something like COVID-19 right now. The only way we are able to do this is if business owners are allowed to get back to work and get their employees back to work, and keep that economy going.

There were the Boys and Girls Clubs in the last group, and there was Mr. Elkins, who ran a hardware business. I hear Ms. Ryshpan through here as well, and you with the BIAs, and the constant theme is that we need the people moving. We need people back to work, in whatever that semblance of normalcy is going to be, so that everything can work together, and make sure that it's happening.

It reminds me of when we came into government, that the reality of what we were hearing from a lot of people was that the debt we were carrying and the money that isn't there for a lot of the programs—you're asking for a BIA fund that you could then distribute. That's only there if businesses are making money, through taxes they pay into, or if we take on debt, and we all know that with debt, the more money we spend on debt, the less money that's going to your programs.

I want to turn it over to Mr. Witkowicz, if I can, because I don't think he was able to finish his last couple of thoughts in regard to what the government was doing or could do to help out Rycom.

Mr. Casey Witkowicz: Well, thank you, MPP Walker. My thought was—and I've heard it from Kay and Arden—that the risk profile of small and medium-sized companies has escalated exponentially with COVID. We don't have the balance sheets, we don't have the financial reserves, and we're really working with turns in our operating cash flow within a calendar year. Nobody is sitting there on a hoard of capital, and so whether we can withstand three, four, five or six months worth of the limbo that we're living in, the reality is that this is not a long-term plan. While the government has propped up and provided working capital to the corporations, and also, through CERB and other means, to the residents and Canadian citizens, the reality is that none of this is sustainable.

However, in Ontario, we collectively employ over four million people in this province. The challenge, though, as we see it, is that we do need access to capital. No matter how you decide, whether you work with the banks or work with other institutions, the reality is that we are a higher risk right now than we were, say, at the beginning of the year to any potential lenders or to any potential investors.

We think—and I represent Rycom, obviously, but also having spoken to many of my peers in the industry—the challenge is really that we have a strategy, our strategy has been affected by COVID, we're working through it and, as a result—I won't repeat what Kay and Arden have mentioned, but we've picked up extra costs, so we have to normalize over the next three to five years. We can't recover that from our customers. We can't ask them to pay more for the same work that we do for them.

What we're looking for is some sort of a growth fund. In Ontario, it could be an Ontario growth fund, and so it would have these metrics where you might extend your balance sheet—I heard just a minute ago that debt is bad, but if you're weighing your risks and options, maybe it's the lesser of the two evils. If you create some sort of a growth fund that has a little bit more leniency in terms of risk, maybe working with the various institution, so you have small and medium-sized businesses from a single proprietor to a company like mine and maybe bigger, and if you provide some sort of instruments like debt, convertible debt and minority shares, and you do it over a term like five to 10 years, you're spreading out the risk collectively as a fund, whatever the dollars end up being. It really could be floated on the marketplace into bonds, so that the province of Ontario is betting on us, the four million of us who are driving the engine of this province, to be able to continue to innovate, inspire and grow.

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When you take a look at putting working capital into small and medium-sized businesses, we can convert that to growth much faster. I don't want to take anything away from the top 50 or top 100 companies in Ontario, like Bell Canada and all the banks. But we can convert small amounts of money into jobs much faster than any of these organizations, so from that perspective—

Hon. Bill Walker: Mr. Witkowicz, may I just ask you a quick question? Because we're probably going to run out of time here. What Mr. Elkins, who is a small business

owner, said to us was, "We don't need programs. We don't want any of that. What we want is certainty," and that the worst thing that could happen, again, was to go backwards and actually have another shutdown when he can't guarantee employees get to work and to get them actually working—

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

Hon. Bill Walker: —and making money. Would you concur with that?

Mr. Casey Witkowicz: I would agree with that, yes. But does the province have a solution for that?

Hon. Bill Walker: Well, certainly we're trying to put a plan together, and what we're trying to do is to make sure that we do it with all of our partners so we can keep people working and ensure that people who have to make payroll can actually do that, because they have the workers coming back to provide your service, your marketable goods, whatever that would be.

He was very succinct in his thought that he just needs to understand that there's an ability for people to come back—in his case, again, he has kids. If they come back, he's not focused on his job; he's focused on keeping his kids occupied during the daytime. So he was very concerned about how he makes payroll for him and his employees, frankly, and I think that's what I certainly hear in my MPP office a lot: people coming in and saying, "If I'm not able to get my staff back to work, then I'm not making money, which isn't coming in to the government." I hear your significant need for capital, but I think the other piece is, if you don't have the ability—

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

Hon. Bill Walker: —to create the environment for people to get back to work, the capital isn't going to matter.

Mr. Casey Witkowicz: Well, it's not one-size-fits-all—

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

Now we have to move to the independent members. MPP Hunter.

Ms. Mitzie Hunter: It's a very interesting conversation we're having here this evening.

I wanted to speak with the Canadian Actors' Equity Association. You said something that I wanted a bit more clarification on, Arden, in terms of the risk for performers and the close interaction that is had with sharing a costume or perhaps a performance space for rehearsal, dressing and those types of things.

I think that there are a lot of industries where there has been very detailed planning. I mean, look at the sports bubbles that we've created for those athletes that are playing for our cities and our communities. A lot of investment has gone into protecting their bodies and keeping them safe. I would imagine that for performers and actors it's the same level of care that is required, because the virus is just as transferable on fabric as it is on other surfaces, so what did you mean by that, and what is required to keep the industry safe?

Ms. Arden Ryshpan: Thank you very much for that question, Ms. Hunter. You know, when you think about musical theatre, and people dancing and singing love songs in each other's faces, you can't do that with physical distancing, and you can't do that wearing masks. Currently, the requirements for safety for everybody involved require that kind of distance and people wearing masks, so we're not even sure how it is that we can begin to go back to work. We've talked about how we disinfect the rehearsal spaces, and I suppose we can try and figure out some way, perhaps, in managing the costs of costumes and additional props and all of that.

But they've done studies, for example, of opera singers. The six-foot distance is the usual distance that any droplets might go if you cough or speak. Well, it has been measured that opera singers' droplets can go as far as 15 feet or 20 feet, because of the enormous power of their lungs. If you had two people at opposite ends of the stage—you have to restage everything you've ever done, and it starts to look a little bit ridiculous. Also, as I said, the masks obviously interfere.

Unfortunately, unlike the NHL or Major League Baseball, the theatres in Toronto like Tarragon, or the Grand over in Kingston or the Great Canadian Theatre Company in Ottawa don't have the capacity to put all of their people in a bubble in order to protect them. We haven't figured out how ballet dancers dance with each other without touching, so we are very, very concerned, as you can imagine. I started by saying that 100% of the live performance sector is down, and it's going to stay down for the foreseeable future. We don't know quite what the solutions are. There has been a lot of conversation about what to do to keep audiences safe and not a lot of conversation about what's required to keep the artists safe.

Ms. Mitzie Hunter: We have to start that conversation. I think that you've done that this evening with your presentation before this committee. I know that members of the government are present as well, who could forward that on to the ministry.

We also have heard from this sector in a lot of different ways, actually. We heard first from tourism, then culture and heritage, and it keeps coming up in all of our themes with the creative and arts and cultural sector: Do you see, with the members of your association, people coming up with adaptive and creative solutions?

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

Ms. Mitzie Hunter: We heard this morning from TSO—and this was the Local, so these were the actual performers who were speaking to us. They were now, rather than people coming to a venue for performances, doing master classes outside with smaller groups and just really bending what we mean by artistry and teaching. Do you see some of that innovation starting to happen? Perhaps we're going to invent things along the way, is what I'm thinking.

Ms. Arden Ryshpan: Yes, we have performers who are doing what they call porch presentations. They will go to your home and they will stand on the sidewalk or in the street and do a small short play for you and your visitors

on your home porch. As I said, we've talked a little bit about people performing from home, but they're doing that out of the goodness of their own heart. There's no money attached to that.

The musicians at the TSO are on an annual contract and are being paid by the TSO, whereas performers are paid when they're engaged to do a single production. If nobody is hiring them, all the work that performers have been doing in all of this time hasn't generated two cents of revenue for the performers. They're doing it because they need to stay busy and because they want to stay in touch with their audiences and their fans. Theatres want to try and continue to reach sponsors and donors and ticket buyers. But that isn't a sustainable model.

I mentioned a little bit about recording entire productions. We could record entire productions, but that costs, to be colloquial, a boatload of money to do properly, and there's no support for that. These are not-for-profit organizations. They're not eligible for the tax credit which helps support film and television, so there's no economic model for that kind of—

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

We need to move to the government side now for their second round. Minister Downey.

Hon. Doug Downey: I have a couple of questions. I'll try and not talk too much so that we can get into some of the answers.

I want to follow up on what MPP Hunter was talking about. I'll preface it by saying, when I was on municipal council, I was the driving force to create the first independent department of culture, so it wasn't like parks and rec and culture or something else and culture. It was its own department, and it was the first in Ontario, if not Canada—in Orillia. So I have deep affection for the arts. I sat on the opera house board and the Stephen Leacock board the whole time.

I'm saying that because I'm going to ask a challenging question for Arden. My question is this: When I'm dealing with businesses, when I'm dealing with law firms, what I have been telling them is if you're waiting to go back to normal, you will find that normal is gone—like Blockbuster waiting for the streaming services to disappear. That's not how it works. So I want to challenge you a bit more, as Mitzie did. Are we seeing any structural change in how arts and culture may be delivered that is sustainable? I hear about the porch and the street performances. Are there any opportunities emerging that we should be watching for and supporting, or is it too early for that, if at all?

Ms. Arden Ryshpan: I'm not sure I know the answer to that. I think it's a little bit too early, because we haven't figured out how to get people back in the space. I can say that for some theatre owners, there is no economic model for them to open if all they can sell is 20% of their tickets. That's simply not enough revenue in order to be able to make it feasible to open and do a production of any size, even if it's a one-person show. So we are struggling with the restrictions around how many people can be in a space. That's certainly a problem.

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There's unfortunately a generation of people that think that they should get their entertainment for free off the Internet. People have been pirating for years. People have been getting music for free. And so teaching people that they would have to actually pay in order to access things is going to be a really big struggle for us. When you talk about where are our new models, we also need a different kind of understanding amongst audience members about what the value is of the arts and what it is that they should pay for. Because we can't do this without a ticket-buying audience.

Hon. Doug Downey: That's part of the reason that Lisa MacLeod, as Minister of Heritage, Sport, Tourism and Culture Industries, maintained funding across the system, so that we have some time to make sure that we have some of those events and some of the groups surviving through this, so that next year—but I'm keenly interested, if you do come across ways that we can be supporting things differently, because I think they will emerge. In my area—I happen to be in the Barrie area with Arkady, a very creative individual, as you know—really, really neat things that he's doing. I look forward to that creativity being applied to the sector. I'm very interested in that.

I want to ask a question on the downtowns as well. The intersection between the downtowns and culture is just so strong that there may be some synergies there that we can plan on. I'm going to turn to you, Kay, if I can. I sat on a downtown board for five years when I was on council, so again, an area of affection for me. As AG, I drove the patio program, and I've tried to deal with AGCO policies to make life easier and possible.

I guess I want to talk about insurance, because you got into it a little bit, the \$2 million to \$5 million. I saw that trend as a real estate lawyer for 20 years. I saw that trend even in commercial leases, the move to \$5 million. I don't want to talk about that so much, but I do want to talk about why people are not getting insurance at all. What's the experience of some of the owners there?

Ms. Kay Matthews: That they're actually being denied is a lot of it. Of course, we've had to pivot very quickly.

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

Ms. Kay Matthews: To Arden's point, we've set up "streateries" and patios. One Santa Claus parade is going to be solitary, so everybody is going to be stopped and the people are going to walk on either side of the sidewalk. We're being very resilient, very creative, and that's what main streets are. However, if we can't get insurancewe're already operating at 25% of business. We can't get our staff back because they're on CERB and they're very happy, although I understand there will be some changes to CERB which will make it so that they can do part-time and so on. But insurance is incredibly challenging for the small business. Again, they don't have the collateral; often they don't have the property that they're in. So they're either being denied or they are not able to actually pay the—premiums have gone up substantially; I've heard sometimes up to three times. Potentially Doug may have some specifics on that one as well, if I could turn it to him.

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

Mr. Doug Sams: Last year we had a situation, a year ago last spring, where they tried to up the insurance for the patios of our members from \$2 million to \$5 million. That would have tripled what they had to pay, and it cuts into their profit margins. I realize there are liabilities involved, but some of these places have a ceiling on how many people they can get inside, and that patio is a chance for them to earn additional income. We got it stopped for a year. I'm not sure what's going to happen a year or two years from now, but it's an issue from that standpoint.

Hon. Doug Downey: The arts drives tourism, and tourism drives business, and business drives taxes, and that helps us to then turn around and help you. I think, Kay, I did want to mention—I made a note to myself—the RED funding, the Rural Economic Development Fund, does help a number of—

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

We'll need to move to the opposition side now. MPP Fife.

Ms. Catherine Fife: Thanks to all the presenters.

I'm going to go quickly to the Canadian Actors' Equity Association. Arden, thanks so much for your presentation. Our critic, Jill Andrew, sends her regards. She wanted me to specifically make note of the fact that as of the end of June, \$500 million has been lost in ticket sales—huge amounts of money—and wanted me to push you on a provincial arts strategy, because this is an opportunity, as you've already described, for us to view the arts differently in the context of this changing economy.

Earlier today, we heard about the live arts labour tax credit and the live arts labour rebate—these are part of it—and a government-backed insurance plan that would be effective for actors or production. Give us some sense—this is your opportunity for us to actually put recommendations on paper, and hopefully the government will listen. Arden?

Ms. Arden Ryshpan: We're certainly supportive of the labour credit for commercial engagers. That's only a small number of the theatres, of course, because most of them are, again, not-for-profit, and so would not technically be eligible for that kind of support.

But certainly, when we look at the role that arts and culture play on a national basis, the arts and culture sector is bigger than forestry, fisheries and mining combined. People don't realize, I don't think, the enormous economic impact of the arts, particularly here in Ontario. The ticket sales alone in the city of Toronto for live performance is somewhere around \$181 million. The ticket sales for Canadian films is somewhere around \$14 million.

So this is a sector that is an enormous economic driver here in Ontario and certainly, in this terrible time, needs, if nothing else, some support to get us through on the other end when we can get back in the same building with each other in numbers large enough in order to be able to create some sort of a model so that the theatres will bother to open—

Ms. Catherine Fife: So a provincial stabilization fund, for instance, that actually is very open, transparent and clearly accessible?

Ms. Arden Ryshpan: I think that would be very much welcomed. I know that most of the theatre companies across the country have been relying exclusively on the largesse of the federal government. There are a number of provinces that have not increased their arts council funding. Certainly, we would like to see Ontario taking a leadership role in that. The great majority of all arts and culture takes place in this province. As I said, 53% of our members are here, and over 50% of all workweeks for our members take place in Ontario. We're talking millions of dollars.

Ms. Catherine Fife: I think that that's the important part for the government to hear. We've heard the status quo and no cuts, but I think this is the actual opportunity for us to look at the arts differently and factor in that return on investment where, when the arts are fully supported, we actually see that.

The Ontario Business Improvement Area Association: Kay, I just want to say, you featured uptown Waterloo in your presentation. It was good to see my home.

I wanted to say to Doug, when you say to us, "Buy some time. Help us buy some time," that is a message that we've actually heard from businesses across the province, because businesses, by their very nature, are resilient and they want to be part of the solution.

The key piece would be the rent. My first call in this pandemic was to my downtown BIA in Waterloo, and they advocated for tenant-driven and a lower threshold other than the 70%, because we've heard from businesses that have lost 65% and they still don't qualify. Obviously, the uptake has been very poor. You've both documented that. CFIB has been very clear as well.

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

Ms. Catherine Fife: The NDP have actually asked the finance minister provincially to ask the federal finance minister if we could distribute that rent relief directly to tenants and have it be a tenant-driven process. Do you think that that would be well received by your members? Either Kay or Doug.

Mr. Doug Sams: Well, I've got to say, most definitely. I did get a couple of calls on—the merchant was at 65%. They were very frustrated.

Ms. Catherine Fife: Yes.

2030

Mr. Doug Sams: Kay, I'll turn it over to you.

Ms. Kay Matthews: All I can say is yes. One of the issues, as well, is that right now their threshold is at about 25% of sales. This is restaurant, retail. Government workers are not back in their offices, so they've a lost a huge group of people that normally give sales towards it, remembering that our main streets support our tourism, they support our theatre, they support all of those things. At this point, they can't hire any musicians, they can't hire anybody else because they're struggling for their lives right now. And on top of it, they can't even—

Ms. Catherine Fife: Sorry, just to that point, because we've got limited time, I need you to touch on the eviction ban, because that's another thing. At the end of August—I have restaurants and businesses in uptown Waterloo who

are absolutely terrified. Please tell the government how important extending the eviction ban is.

Mr. Doug Sams: I think, to the rent relief program, they've both got to go hand in hand. If it's extended, they've both got to be extended together. That's what I'll go with.

Ms. Catherine Fife: Thank you.

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

Ms. Kay Matthews: There is no protection for our small businesses out there at all right now.

Ms. Catherine Fife: Yes. I appreciate the fact that you've put them hand in hand, because absolutely. The "buy some time"—Doug, I'm sorry, I'm going to use that a lot, because that makes a lot of sense. But it's also an investment. That's how we should be looking at this, as an investment in economic recovery by direct rent support. Thank you very much, both of you.

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

Before we move along to our next group of presenters, I would like to do an attendance check. MPP Gates, can you please confirm your attendance?

Mr. Wayne Gates: I'm here in my basement in Niagara Falls.

The Chair (Mr. Amarjot Sandhu): MPP Stevens?
Mrs. Jennifer (Jennie) Stevens: Yes. It's MPP Stevens here in St. Catharines.

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

ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION WINE GROWERS ONTARIO TEGO CORP.

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Ontario Fruit and Vegetable Growers' Association. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Charles Stevens: My name is Charles Stevens. Okay, are you ready?

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

Mr. Charles Stevens: Good evening, honourable committee members, and thank you for inviting us to discuss the impact of COVID-19 on the fruit and vegetable sector. My name is Charles Stevens. I am an apple and blueberry grower/farmer located near Newcastle in the Durham region, where our new Conservative leader, Erin O'Toole, has his home. I am the vice-chair with the Ontario Fruit and Vegetable Growers' Association.

The OFVGA represents 3,500 fruit and vegetable farmers on issues affecting the horticultural sector. The sector grows products in fields and greenhouses across the province for fresh and processing markets consumed year-round.

As you can imagine, 2020 has been a growing season like no other. With the support of the provincial and the

federal governments, the fruit and vegetable growers sector has been able to continue growing food for Canadians despite the pandemic. However, this has not been without its challenges, and the toll on our many farmers has been significant.

Personally, I can attest to the additional efforts and stress that I've had to endure to ensure the continuity of my farm operation in 2020, from being uncertain of whether enough seasonal agriculture workers would arrive in time for harvest, to ensuring workers are being safe and healthy, to protecting the public when they were visiting my farm over the last few weeks, picking their own blueberries. Probably 50,000 to 75,000 people entered our farm.

But before gathering into the impacts of the pandemic, I would like to thank the provincial government for the efforts into supporting our farmers to note the sector welcomes access to the \$15 million for immediate expenses related to protective equipment, additional housing and transportation costs—as well, expanding the crop insurance program to compensate for labour-related production losses and the earlier-than-planned increase to Ontario's Risk Management Program.

Finally, the active efforts of Premier Ford and Minister Hardeman to lobby the federal government to meaningful changes to the federal Business Risk Management Program, though not yet successful, are very much appreciated.

However, despite these positive actions by the Ontario government, fruit and vegetable farmers have faced significant challenges this season—and we are still midway through the season, the full impact to the sector is not yet known. It won't be a surprise to you that obtaining sufficient labour in a timely fashion and protecting workers from COVID-19 have been the most notable challenges. The uncertainty of labour availability led to farmers choosing to reduce harvested acres of potential fruit crops and plantings of annual vegetables.

For early season crops, such as asparagus, we can qualify the impact now. On a survey of Ontario asparagus growers, farmers were short approximately 50% of the required seasonal workforce, leading to a 50% to 60% loss of product harvested at an estimated value of \$12 million to \$15 million. The asparagus market was also plagued by demand issues as consumers purchase habits shifted considerably early on during lockdown. Normal promotions were less effective, consumers reduced grocery store visits and direct-to-consumers or farm market sales were non-existent, leading to significantly less demand.

For other crops, initial reports attest that a significant number of strawberries were left unharvested due to a lack of labour, and the peach crop will be reduced by roughly 40% due to combined labour and weather-related challenges.

As the season progresses, a better picture of how the crops fared from production to sales will form. As well, we anticipate impacts well beyond the 2020 season due to deferred pruning maintenance of some perennial crops and continued risk relating to obtaining a significant workforce

if the broader issues of the pandemic do not remain under control.

From a worker and health standpoint, the sector faced additional challenges. Despite best efforts, the sector has unfortunately experienced outbreaks among workers on many farms. The risk of an outbreak within their workforces has created a substantial amount of stress for all farmers, including the guy who's talking to you here. Although farmers quickly stepped up to the challenge of COVID-19, they had to wade through—

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

Mr. Charles Stevens: —significant volumes of new rules, guidance documents and—this is the word—inconsistent direction and application of rules between provincial officials and sometimes vastly different approaches by local public health units. This is one of the biggest stresses, I believe, on our industry.

The value of the approaches created confusion and tension between officials, leaving farmers caught trying to determine how to best protect workers while producing the food. These issues have ranged from limiting the number of workers allowed to reside in bunkhouses to asymptomatic testing and everything in between. In addition to the challenges in consumer purchasing habits, farmers are receiving lower prices from multinational retailers who are passing on the additional cost to their suppliers—

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

We'll have to move to the next presenter, Wine Growers Ontario. Please state your name for the record, and you will have seven minutes for your presentation. **2040**

Mr. Aaron Dobbin: My name is Aaron Dobbin. I am the president and CEO of Wine Growers Ontario. I am joined by my chair, Del Rollo from Arterra Wines. We thank the committee for the opportunity to present to you this evening.

WGO's members make more than 85% of all the wine that is produced in Ontario, including the majority of wine made from 100% Ontario grapes. We are proud of the grape and wine industry that we have built in Ontario—an industry that supports 18,000 jobs in our province, supports hundreds of family-owned businesses, and attracts over two million tourists to wine country every year, except this year. By our very nature, we are tied to the land and our province. We are a value-added agriculture industry rooted in rural Ontario, based on craftsmanship that we can all be proud of.

All that being said, our industry faces several serious challenges. Even within our own borders, we compete in a global marketplace against highly subsidized competitors. Simply put, we do not compete on a level playing field, even in our own home park. Our competitors, supported by hundreds and hundreds of millions of dollars in annual subsidies, dominate at the LCBO. VQA has an 8% market share at the LCBO. Compare that to 99% for Chile and Argentina in their own countries; Italy is at 85%; France, 70%; the United States, almost 65%. Even the great wine-producing country of Russia has a domestic

market share of 50%. Spanish wineries alone—the home of \$7.95 Toro Bravo—receive over \$400 million a year in subsidies, much of that spent to promote and sell their wine abroad.

Since the start of COVID-19, the EU has pumped hundreds of millions of dollars into the European wine industry, while we have been subject to the Australian WTO trade challenge, where we had to agree to less shelf space, the loss of our federal excise tax exemption and greater access to our market for highly subsidized imports from around the world. The playing field just keeps tilting further and further.

In addition to these challenges, our industry has been subject to massive changes over the past five years, including the Ed Clark process and the past two years of retail modernization hanging over us. If done right, retail modernization will benefit everyone; if not, however, the government risks creating a system where imports dominate and a small number of retailers hold all the power, potentially devastating the local industry. We are committed to working with the government to ensure that all aspects of our industry are able to thrive in a new retail environment.

On top of all of this, obviously, is COVID-19. A recent survey of Ontario wineries found that one in five are worried they may have to permanently close their operations. Despite measures taken to date by all of government, our members face serious liquidity and cash flow challenges. Layoffs have had a major impact, and many wineries are facing uncertainty about how they will make loan payments. The industry is at a crossroads and is in urgent need of assistance. While sales through the LCBO and grocery have been robust, these are being more than offset by the fact that sales to restaurants and our export markets have all but vanished, as have revenues from events such as weddings and corporate meetings.

To help our industry survive, move forward and make the investments necessary to be successful in the future, we are requesting the following:

- (1) The additional support for our industry from the LCBO to extend to the end of the year, at a minimum.
- (2) We appreciate the extension of the VQA Wine Support Program for another two years, but we ask that this program be uncapped from its current \$7.5 million—a value, we would note, that was directly tied to additional taxes on our industry by the Liberal government of the day.
- (3) We ask for the elimination of the 6.1% basic wine tax. This tax applies to sales at our wineries and is a tax not imposed on any of our international competition.

Thank you for your time. Please buy Ontario.

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

Our next presenter is Tego design centre. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Mike Aubrey: Good evening. Thank you very much for the opportunity to speak tonight. My name is Mike Aubrey. I have been an entrepreneur since my university days, over 40 years ago. My entrepreneurial

efforts have almost all been in the home renovation industry. In the early days, I primarily worked on my own, but paired up with my current business partner in 1986. We started a company which we gave the name Tego. At Tego, it is important that our clients are happy. Tego has grown to be a well-known and respected name in the Ottawa area, with over 30 first-place consumer and design awards, primarily in the bathroom and kitchen areas.

The pandemic has put many out of work, and many of these people, who are inexperienced, are trying their hand at the home renovation industry. I would like to speak today about the growth of the underground economy in my industry over the years, especially during this pandemic. It is challenging people like myself to make a living.

In 2016, the Ontario Home Builders' Association estimated that the underground economy cost \$18 billion in tax revenues to the Ontario government. When I started in this industry it was fairly easy to make a decent living. Most of the work was done by legitimate operators, small operators like myself. There were relatively few regulatory burdens and taxation was mostly the income taxes we paid and the 4% sales tax on the supplies we needed. There was almost nobody operating in this industry illegitimately for cash—black market, underground economy, call it what you will.

In the early days, small operators like myself could grow slowly, as we could pick up casual labour and pay them. The casual labour looked after their own taxes and remittances. There was no need for an accountant to do payroll. Today, everyone has to be on payroll and the list of taxes due include UI, CPP, OHIP and the WSIB, none of which are paid by the underground economy.

In 1990, the Ontario employer health care tax was started, adding 600 bucks to the annual cost of each employee. In 1991, the 7% GST was added to the full cost of contracts. Then PST auditors started auditing companies and implementing a poorly understood PST statute that required the industry to charge a tax on added value. That is to say, a piece of lumber cut in the back of your truck had value added to it before it went into the site. We were assessed \$75,000 of PST that we had never charged our clients in the first place.

During this time, the growth of the regulatory laws—some due to the College of Trades organization—added costs as well. Then, in 2010, the implementation of the HST pushed the cost of taxes to a breaking point, where many homeowners and operators sought to reduce costs. Soon thereafter, the enormous unfunded liabilities of the WSIB drove the premiums past 15% for many legitimate entrepreneurs.

The belief is that 80% of our industry is now operating underground. This underground economy is hurting the profitability of most legitimate entrepreneurs, and because virtually none of these people pay any of the taxes, they are impacting government revenues, as stated earlier, by about \$18 billion annually. Much of the work done by these people lacks the professionalism and integrity of those of us who have made it our life's work.

The problem has been exacerbated by the pandemic, with so many out of work. There is almost no policing of

this problem by authorities, including the CRA. During the economic slowdown of 2008, the federal government had a renovation tax credit. Clients sought out companies like Tego, as we provided necessary invoices for the program. During this time, we started to see the problem get noticeably less. I have heard that this program—which was designed only to help kick-start the economy, at a cost—actually generated revenue for the government—

The Chair (Mr. Amarjot Sandhu): Three minutes. Mr. Mike Aubrey: —ostensibly due to the payroll remittances and HST, even lifting some people off social assistance.

Efforts to reduce the underground economy will help our industry and help generate revenue to lift the province out of the COVID pandemic liabilities.

Thank you very much for this opportunity.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the questions now. We'll start the first set of questions with the government. MPP Roberts?

Mr. Jeremy Roberts: I'd like to thank all of our presenters who came to present tonight in our last hour of hearings today. What a marathon day. We appreciate all of you taking the time out of your evenings to join us.

My question, Chair, is to Mike Aubrey, from Tego. Mike, it's great to see you. Mike is one of my constituents in Ottawa West–Nepean. Mike, I'd just like to thank you for all of the great advice you've provided me over the course of the past two years, providing a really valuable small business perspective as I fulfill my role as the MPP for this area.

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I want to dive in a little bit more into some of your comments, specifically around the underground economy. This has been something that you've spoken to me about before, and for you, I think, a big part of this is about levelling the playing field. Can you speak a little bit more about that and why that's particularly important, to level the playing field between folks in your industry during this particularly difficult time?

Mr. Mike Aubrey: Absolutely, Jeremy. In a normal situation in our industry, we have a number of full-time employees. We have a place of business. We have investments in vehicles and all types of things—tools; we have a whole cabinet shop. When we are engaged to do work for people, we carry a huge amount of overhead. In addition to that, everything that we do is very heavily taxed.

Sometimes—quite often, actually—we are in a situation where we're offered the opportunity to quote on a job. When we quote on that job, we're quoting against somebody who is not going to pay any payroll taxes whatsoever, no realty taxes, no income taxes—really, no taxes at all. This, of course, makes it very difficult. I think one of the worst ones is the HST. If you're getting a \$20,000 renovation done in your home, that means you've got \$2,600 worth of tax to pay. If you're doing a high-end kitchen, say a \$100,000 kitchen, which is surprisingly not that unusual today, you're going to pay over \$10,000 in taxes, and that makes people look around.

I live in Ottawa. We do a lot of work for people who work at very high levels in the government. I've had

people who work at very high levels in the government, in ministers' offices and whatnot, who have asked me about the cash price for the work that we do, and I have been denied the work when I said, "I'm sorry. We don't operate that way." It makes it very difficult to get some of this work, and it also puts a downward pressure on profitability, because they help to drive the prices down.

Mr. Jeremy Roberts: For sure. I was around in the federal government, working for the late Minister Flaherty, when the Home Renovation Tax Credit came about. Can you talk a little bit about how that helped your business at that particular economic downturn? Obviously, there's of course a connection between the Home Renovation Tax Credit and the underground economy, if you'd like to touch on that, as well.

Mr. Mike Aubrey: During the time of the renovation tax credit, all of a sudden we were having people who were coming into the office and were insistent on getting us to do work—people who in the past probably never would have done it because we were going to supply invoices for all of the work that was being done. The vast majority of people, if they're smart and they're working underground, do not supply invoices, because those invoices allow them to be tracked and get caught, I guess. So the underground economy just seemed to stifle a little bit. There were a lot of people who were just coming out of the woodwork.

We've been in the business for a long time. Here in Ottawa, we've been operating for almost 35 years. In the industry here in Ottawa, everybody gets along. I know most of the major players in Ottawa who are in our industry, and they all said the same thing: During this time, they noticed a change in attitude with people, because people needed these invoices to collect their tax credit.

Mr. Jeremy Roberts: Yes, absolutely.

I don't know how much time we have left, Chair, but in the time remaining, Mike, I might shift gears a little bit and ask you if you want to share some thoughts on closing the skilled-trades gap that we've got in Ontario and figuring out how we can get more young people into the skilled trades. I know this is something that you've also shared a lot of views on with the government in the past. Do you want to touch a little bit on that in the few seconds we have remaining?

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

Mr. Mike Aubrey: Sure. When I went to school, I did an academic education and I paired that with a complete technical education. I did well in high school, getting awards in both areas. But at that time, the focus by the teachers started to shift, so that the trades areas or the skills areas of the schools became less and less the focus of teachers. Kids were being herded towards university educations, even away from colleges, because it was thought that the only way you were going to get a great job was to go to university. Most of the shops and skills education in high schools, as I understand it, have pretty much disappeared, and it has made it very difficult. In fact, I run the shop in our business and I've tried unsuccessfully for the last five or six years to train a young person—

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

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

Mr. Wayne Gates: My questions are going to go to Wine Growers Ontario. A couple of things: One, I would like Aaron or Del Rollo to talk about how important it is for our industry to get more shelf space at the LCBO and how important it is for government to support the wine industry, as a lot of the shelf space is taken away by other countries around the world, including the States. Could you just address that?

Mr. Aaron Dobbin: Sure. Thanks, Wayne, for the question. I appreciate it. A big determining factor of success at the LCBO is how much shelf space you have and where it is. We are challenged on a regular basis primarily because, yes, the LCBO is inundated by opportunities from around the world where countries are willing to pay 50% of marketing costs. So if somebody wants to buy an end aisle or wants to buy an opportunity for premium space at the LCBO, the wine companies we are competing against are basically paid 50 cents on the dollar. The government of Italy or the government of France or the government of Spain or Australia—their home team will cut them a cheque for up to 50% of those marketing dollars. That becomes something that we find—it's very, very difficult for us to compete against. A lot of wineries in Ontario simply can't afford to compete against those highly subsidized, deep pocketbooks. The reality is, if you are on the shelf and you're not in a good spot on the shelf at the LCBO, your sales are going to suffer. The hard fact that we face is that those countries spend hundreds and hundreds of millions of dollars every year, and Ontario is a prime target for those dollars.

Mr. Wayne Gates: Thank you. I'm going to go back to you guys again. It's my understanding that your members are facing a significant backlog in cases at the retail point of sale. You have suggested an ability to offer discounts on these cases to deal with the backlog. How would this work, and are there other jurisdictions in Canada that allow it?

Mr. Aaron Dobbin: Say we're doing a sale over the Internet, so an online sale or sale at our store. We aren't able to provide a discount to valued customers. We have a significant backlog of wine that has developed. A lot of it was meant to end up on shelves at restaurants or to be sold overseas or to be sold to customers at the wineries. What we would really like the ability to do is—say you have a wine club membership at one of our wineries—being able to offer a discount. Right now, all we can offer wine club members is a free tour. We know that in British Columbia—and Del can speak to this—we are able to offer discounts for wine club members in British Columbia, and they have been incredibly successful at growing that element of the business.

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Mr. Del Rollo: I'll actually chime in a little bit there, Aaron. In BC, because we have the ability to discount, which is the way the direct-to-consumer market works basically around the world, that ability to discount in BC

has afforded the wineries that our company owns in British Columbia to have our wine clubs be three to four times the size of what they are in Ontario, specifically because people know that when they join the wine club, they can get an additional 15% off their purchases at our retail store.

The way I would look at this, to the committee, is that it will drive tourism to come to our wineries. If we can go and give people a reason to come, if they can come and get a little bit of a deal and we can move more of the cases of the backlog of inventory, that's going to help the wineries, but it's also going to help the grape grower in the long run, because we will empty our tanks and we'll be able to buy more grapes in the long run.

It's very important, and I don't understand why, from a red tape perspective, we haven't fixed this one. Thanks for asking the question, Wayne.

Mr. Wayne Gates: Just one more thing: If there's more time, I've got other questions, but I'll turn it over to my colleagues so that they can ask questions as well. I do have others if we need to fill the time. Thanks, guys.

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

Mrs. Jennifer (Jennie) Stevens: I'm also going to ask a question to the grape growers, Aaron and Del, and one of you can answer it maybe, I hope.

When you were introducing yourselves, you actually talked about tourism and how \$200 million comes into our cities and our areas through tourism. One of the biggest ones that I look at from the city of St. Catharines, of course, is the grape and wine festival in Niagara. It's one of our large tourist-based—that come and help our small businesses downtown.

Can you maybe highlight how this is impacting the outlook for the grape growers this year, with the grape and wine festival now being cancelled?

Mr. Del Rollo: I can take that, Aaron—

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

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

Ms. Mitzie Hunter: Thank you to all the presenters, but I'm interested in hearing the answer to that, so go ahead, Del.

Mr. Del Rollo: Thank you very much, Mitzie. So the grape and wine festival being cancelled, and perhaps the ice wine festival, will have far-reaching consequences not only for the festival itself, which is a not-for-profit organization, but for the wineries. Our busiest time of year is during harvest and during the grape and wine festival. It drives thousands of visitors through our doors, and without having that epicentre of tourism happening near the end of September as we always have, there's a huge concern as to whether we're going to lose the sales that we normally would have had at that time as well, because it was the anchor to draw business, especially on the weekends, when people are back to school and with all of the other uncertainties that are out there.

So it's a big concern for us, and we don't know what's going to happen until it hits us, but I can tell you, I've worked in the tourism industry for the last 25 years and I'm pretty sure that we're going to see a significant decrease in sales and revenue at that time.

Ms. Mitzie Hunter: Okay. I actually spent two days in either region. I was in Niagara one day with my parents and then went to Prince Edward county for another day—just day trips, but I found it very interesting to see our local people just going in and out. But certainly, in talking to the restaurants that I attended there, they've noticed a difference. Everything is scaled back and down, just to keep operations going, but it's certainly not maximizing the potential, as in previous years. It's a matter of getting through this season.

I'm wondering about your comments on the upcoming harvest, if you have concerns from your members about that and what those concerns are. Is it predominantly labour or is it beyond the harvest? What is the main concern at this point?

Mr. Del Rollo: The good news is that Mother Nature has been kind to us, so I actually think the grapes are going to be of good quality this year. The biggest concern we have is emptying our tanks full of wine that we have right now. That's what Wayne was talking about earlier. We need to move the inventory that we have now, so that we have space to be able to crush the grapes. I can tell you, our company is actually starting to crush; vintage starts this week, so the first grapes are rolling in. We want to have room for these amazing grapes that are coming in, and we're going to do our best to take them all, but the best way to make that happen is just to make sure that we are selling as much wine as possible.

So that's the major challenge that we face. Touch wood—hopefully we don't have any storms or the hurricanes don't push up towards us, and we should have a great harvest. But I'd say there is a risk that there might be some grapes that aren't purchased this year due to the fact that we haven't got the sales of VQA wines where they need to be in order to be able to buy the entire harvest. I think that is a potential risk.

Ms. Mitzie Hunter: What's the biggest contributor to that? Is it the fact that the industries like weddings and restaurants—we have heard a lot from those sectors and the concerns they had. The ability to purchase with takeout has helped, some of the restaurants have said, when that was allowed. Or is it the overseas component? What's the biggest component that's affecting your sales?

Mr. Del Rollo: Definitely the ability for restaurants to be able to sell wine directly to the consumers has been great. However, that's basically just using the inventory that they had already. It hasn't necessarily materialized in a lot more sales for us. I applaud that for the restaurants—they need all the help they can get; they're probably one of the worst hit—but we need to see those sales coming in.

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

Mr. Del Rollo: That would be, I'd say, for the VQA industry, one of the biggest hits, but I'd also have to say export as well. Talking to a number of wineries, especially

for icewine and our shipments of icewine to different countries—our company owns Inniskillin, and we normally would be shipping icewine to 85 different countries around the world. That's not happening. We sell most of that through duty-free. Where are duty-free stores? They're in airports. That's not happening.

The company I work for is one of the larger wine companies in Canada. If we're feeling that way, I can't even imagine what it's like on the smaller producers. It is pretty catastrophic as it goes downstream, for sure.

Ms. Mitzie Hunter: Okay. I wanted to ask Mike a question.

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

Ms. Mitzie Hunter: I took a look at your website, and I can definitely see the history of you and your family in this business. You talk about the underground economy, the major concerns and the fact that having things like a home renovation tax credit forces that to come aboveboard, basically.

Mr. Mike Aubrey: That's right.

Ms. Mitzie Hunter: I'm just wondering, in terms of solutions that we can recommend that would help your industry and also close that gap as much as possible: Would you support a home renovation tax credit as part of our recovery plan? Is there anything else that you would advise as well?

Mr. Mike Aubrey: A renovation tax credit of some sort would certainly help, because at the end of the day this is all about money. People are doing the underground economy not because of better quality, not because of—

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

We need to move to the opposition now. MPP Harden.

Mr. Joel Harden: Mike, why don't you finish, neighbour to neighbour. I'm just in Ottawa Centre, next to you. Finish your thought.

Mr. Mike Aubrey: Okay. Sorry, I kind of lost it. Because it's a money-based problem, when you put money back into people's hands, they stop looking around. It's the only reason people are employing the underground economy.

If I go into a party—not that I can do that these days, but if I'm at a party, I do this on purpose: I ask people. I say, "Did you have some work done in your home?" Almost everybody says, "Oh, yes." "Who did it?" "My brother-in-law has a friend," or "Oh, I know this guy." All these people who are doing this work are working in the underground economy. I'm not saying that they're all incapable or incompetent or whatever, but there is a lot of that in that part of the industry, and it's just driving legitimate people like us to be unprofitable.

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Mr. Joel Harden: Thank you, Mike, for your comments. I think you're well on record today stating these things, so I appreciate you being here, Ottawa person to Ottawa person.

Mr. Stevens, you haven't had a chance to weigh in yet. I very much enjoyed your presentation. I'm wondering if you could talk briefly, before I hand the mike to my friend

MPP Stevens, about some of the challenges you were having with public health rules, with federal COVID-19 dictates, with provincial COVID-19 dictates for your industry, and keeping in mind in particular—and I appreciated the fact that you were emphasizing the working conditions of, often, migrant workers whom you care about, and I appreciate that. So I was wondering if you could elaborate on that a bit.

Mr. Charles Stevens: Yes, thank you very much, Joel. That is probably the most stress on our industry. There are 44 different provincial health units, and every one of them has the power to supersede any of the health rules that the feds have put down and actually supersede anything that the Minister of Health has. She can make a base level and say, "This is where you're at," but each one of them can go way overboard. That has happened. They took the powers to be.

I know a grower down just east of me. Basically, their health unit and the person in charge said, "You're under quarantine for the rest of the year." That means his bunkhouse was cut in half because you had to have the distance for the quarantine. He had to go out and build a whole new bunkhouse in order to satisfy the needs of his health unit—just the one—that all the rest of them didn't have to do. This puts so much inequity in our industry.

You can also say that about the building of the bunkhouses. Every municipality has different rules. Every fire department has different rules and regulations, going from one municipality to the other. It should be all under one blanket so that everybody is operating on the same level. We all want to be safe and we all want to be doing it.

Our workers obviously have been under the scrutiny of the media. A lot of that has been driven by the unions that are trying to unionize these workers. There are a lot of them, and a dollar a week out of every one of their wages would go very nicely to help the unions build their part of the industry.

These workers are expensive. They all talk about the minimum wage or the low wage they're getting, but they don't have to pay for housing, they don't have to pay for transportation, they don't have to pay for getting here. Basically, most of the airfare is paid by the grower. So all of that—I'm an apple grower and a blueberry grower. I didn't want to be in the housing business. But I am, because that's where my labour comes from.

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

Mr. Charles Stevens: And without that labour, this industry is dead—totally dead.

Mr. Joel Harden: Thank you, Mr. Stevens, for that. What I hear you saying loudly and clearly is you want uniform rules and you want to make sure that the industry is treated fairly.

Chair, how much time do we have left?

The Chair (Mr. Amarjot Sandhu): A minute and 40 seconds.

Mr. Joel Harden: It's yours, MPP Stevens.

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

Mrs. Jennifer (Jennie) Stevens: I'm going to go back to the grape growers. Communities are getting creative with taking—I'm going to be quick this time—events into a virtual place, but when it comes to food and wine, it's hard to make something like this happen when tasting is so important. To taste the wine and find our flavourful wine tasting and producing is so important.

Do you see digital opportunities to bring these community events back? And if we were to hit a second wave—we hope we don't, but if we do, what would you need to make something like this work, to see that tasting happen? How can we make that happen?

Mr. Del Rollo: That's a good question. There already is evidence of virtual tastings and virtual events happening. Zoom, this very platform we have right now, is one where I've been on some tastings where everyone has gone out to purchase their wine from the LCBO or their local winery, and we're doing a tasting and having some fun together. It's not as fun as being together. It's certainly hard to be able to do the food and wine aspect of that, unless you can all get to the same restaurant to do the takeout.

But I would recommend, though, that we can still have people come down to wine country to do these tastings. We are on farms. We have lots of space to social distance. If we can get the tourists to come to us, we can still do events, up to 50 people or whatever the number is at the moment, and be able to—

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

We need to move to the independent members now. MPP Hunter.

Ms. Mitzie Hunter: I'd like to go to Charles and talk about what you're dealing with. In your presentation, you talked quite a bit about the concerns around labour and your need to have assurances around that labour. Can you let us know if things have settled down when it comes to how that labour is coming in, and the safety of the workers as well as everyone else? What is happening? Are they being tested? Is that something that's happening on a regularized basis?

Mr. Charles Stevens: Great question. Yes, things are settling down. The media is backing off a bit. There have been no more big outbreaks in our industry. We are getting the workers in. We won't get everything harvested. Some of the crops have already been lost. But the workers are still coming in.

Some of the farms took it upon themselves to get their workers tested. One has 120 workers; he had public health come in. I had all my workers done. But we also tested all of our local workers, because that's a part of the group. We're a farm and they are going to cross paths, so everybody needs to be tested, not just the people we bring in from offshore. They should be treated just as equally as everybody else.

Yes, it has gone down, but we are being bombarded now by the government wanting to change our bunkhouses or our housing, because the odd person—I will agree, everybody has a bad actor in their industry and we do too, and they will always be there, trying to skirt around the system. But I've been audited four times by different

governments—federal, provincial, the Ministry of Labour. I know another person who was audited five times. They come onto your property and they talk to the workers there, they look at your conditions. But that type of scrutiny is a huge pressure on the grower when he's trying to operate properly. Maybe one or two, but that's almost excessive. But at the end of the day, our industry is healthy, and I think, for the most part, our workers are, also. It won't be perfect; it never will be.

Ms. Mitzie Hunter: It's good to hear that things have settled down and that you proactively brought in testing, even surveillance testing of your local labour as well as those coming in. Where, primarily, is your labour coming from?

Mr. Charles Stevens: My labour comes from Mexico and Barbados. We were about three months short of getting our labour in, meaning we would get it in at the end of March, and we got them at the end of July. In the meantime, I hired students. We have students because we do pick-your-own blueberries. We hired 24 students. Some of them were out of school early, because they couldn't go to school, so they phoned me up and said, "Hey, do you have a job for me, Charles?" We were in a good position to do that. They did very well. It was a hard job and good for them, but not everybody has got that opportunity, right?

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Ms. Mitzie Hunter: I think it's great for the students. My niece actually picks on her grandpa's farm in Newcastle. She earns a lot of money for the summer by doing that.

Mr. Charles Stevens: That's great.

Ms. Mitzie Hunter: Thank you so much.

I want to thank all of the presenters. The industries that you represent are fundamental to Ontario's economy in terms of the jobs, but also in terms of the character of our province, and are so needed. I really want to thank you for taking the time to come to committee and to share your ideas with us.

As we look towards the fall, for those of you representing the agri-producer industry, may you have a very bountiful harvest—and may we avoid a second wave. I think that's what we're all working on—to adhere to the standards, the guidelines, the protocols and the direction of public health, so that we can avoid that second wave and make it through together.

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

Mr. Jim McDonell: I want to thank everybody for coming in. I know it's getting late, but it's an opportunity to get some first-hand information.

I have a question for Charles Stevens. You were talking about a major loss of crops this year, around 50%. Most of that, probably, was on the plants and you couldn't harvest—or what was the issue there?

Mr. Charles Stevens: Thanks for the question.

That is correct. The asparagus was the first one, because that's the first crop that is actually harvested on a horticultural basis, other than in the greenhouses, and they

just didn't have the help. It took two weeks just to get the federal government to say we could bring the people up to harvest our crops, and it backed up from there. A lot of countries that we get our workers from shut down and said, "We're not sending workers to Canada," because there were outbreaks and all the rest of it, so they had to protect their own people and their countries.

At the end of the day, yes, as the year has progressed, it has gotten better, because we have a good relationship and we've been able to bring in more workers.

The Mexican government has had huge problems. They shut down their ministry of labour for probably a month and a half, so the workers who wanted to come couldn't come because they couldn't get their applications or their visas done. There are just so many different factors in bringing these people up. Then, you have the airplanes—how many airplanes were flying into Barbados? It just snowballs. Every day, we had to address a different issue.

So, yes, we are getting there. Some of the lighter crops will probably be better off in the harvesting. I'm expecting that in the apple industry, which we're just getting started now, we will probably get the majority of the apples off.

But I believe that there will be a food security problem in Canada for the produce this year—because where is that produce going to come from? Is Mr. Trump going to give you his asparagus? I don't know. Anyway, it's just a thought. Food security and the food chain have been totally mucked up, are totally upside down, and we're going to notice, I think, a few items that may not be on the shelf that were there last year. That's yet to be known.

Mr. Jim McDonell: I know that in discussions with Minister Hardeman, he mentioned the inability of the feds to come on board with risk management. I know he has been working on it, and I think he's almost at the point of giving up. We're talking about years that he has been trying, and still no luck. That would be a big improvement for the fruit farmers in the province.

Mr. Charles Stevens: Yes, and that is true: He has done a marvellous job of trying to push, but obviously that government is under financial stress. They cut back on our AgriStability a few years ago to save some money and a lot of farmers didn't take it because of that. We've taken it this year because of the uncertainties that are out there. The feds haven't seemed to put it back to where it was, at 85% when it first started, so yes, it is an issue.

Mr. Jim McDonell: You mentioned something about the peach crop this year. What's the issue with that? Is it the weather?

Mr. Charles Stevens: I'm not a peach grower—

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

Mr. Charles Stevens: —and I'm not in Niagara, and that is where most of your peaches are, but I believe it was pretty dry, so I think that's an issue. The weather is always an issue in growing crops outside. It's something we deal with every year.

But also, the labour: There are some growers who haven't got their labour in. Some growers may not get them in enough time in order to harvest, because when Mother Nature says you've got to harvest, you've got to harvest.

Mr. Jim McDonell: I know a local berry farm up here talked about the same issues we're talking about. They were trying to get local people to help out, and they stepped up as much as they could. But they talked about leaving over half their strawberry crop in the field because they couldn't get it harvested. Part of the issue was trying to separate the pick-your-own from your immigrant workers, because if you let them interface with each other—

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

Mr. Jim McDonell: —you were worried about the spread of the virus, and then you've lost everybody. I guess it was quite a gamble they were taking, just to have them pick their own, but that was something they've done in the past and always had great success with it.

Mr. Charles Stevens: We did that on our own farm. We have a huge pick-your-own blueberry operation. We brought in a summer team of 50,000 to 75,000 people in a very short season of about four weeks this year. We did separate our migrant workers from the locals. We would

put them in a different patch or a different area, and they were definitely told that we had to stay the distance. It worked out very well, but you've got to manage that.

We went through three different sectors of government to open up our operation, and we covered everything. We were very successful, but we put a lot of work into this. We did not open up our café because it was inside a building. When you're outside, it's an easier job to—

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

That concludes our business for today. Thank you to all the presenters for presenting today, to all the committee members for their participation and to the committee staff for their assistance.

As a reminder, the deadline to send in a written submission will be 6 p.m. Eastern Daylight Time on Friday, August 28. The committee is now adjourned until 9 a.m. on August 25, when we will meet for report-writing on the infrastructure sector. Thank you, and have a good night.

The committee adjourned at 2128.

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