

March 11, 2020

The Hon. Peter Bethlenfalvy
Minister of Finance
President of the Treasury Board
Treasury Board Secretariat
Whitney Block, Room 4320, 4th Floor
99 Wellesley Street West
Toronto, ON M7A 1W3

Re: Ontario Small Business Support Grant and the Tourism Sector

Dear Minister Bethlenfalvy,

Thank you for your continued leadership during the COVID-19 pandemic. As the situation evolves, the Ontario Chamber of Commerce (OCC) is receiving concerns from the business community and communicating them to all levels of government.

We are writing to provide you with feedback that we have received about the Ontario Small Business Support Grant. As you know, the grant provides small businesses that were required to close or significantly restrict their services under the province-wide shutdown, effective December 26, 2020, with up to \$20,000 to help cover decreased revenues.

After 11-months of government-mandated closures and restrictions, the Ontario Small Business Support Grant has been welcomed by tourism operators who have been significantly impacted by the pandemic and provincial shutdowns.

However, concerns have emerged with this grant. To begin, the current list of eligible businesses who can apply for the grant, and the way in which the revenue calculation is made, excludes many of the businesses the program was intended to support.

In particular, the exclusion of hotels and accommodations from applying for this grant – due to their essential status – fails to recognize that province-wide lockdowns and stay-at-home orders have deterred tourism and travel in Ontario, which has effectively closed many small and rural hotels and accommodations. In fact, data cited by the Ontario Restaurant Hotel and Motel Association (ORHMA) indicates that some regions in the province have seen hotel occupancy rates fall by 78 percent in the past year.

Further, the current formula used to calculate revenue losses requires businesses to use a certain timeframe. Businesses must compare revenue from April 2020 with revenue from April 2019. For seasonal businesses that operate during the summer months, this precludes them from being able to provide an accurate reflection of the impact that government-mandated closures and restrictions have had on their operations. With greater flexibility, businesses would be able to choose which months illustrate significant drops in revenue – rather than the current, prescriptive approach.

Finally, there are concerns that the Ontario Small Business Support Grant excludes certain businesses that operate under a non-profit model, such as some ski hills. Ski hills were forced to shut down as of December

26, 2020, with some ski hills being able to open on February 16, 2021 as they re-entered into the COVID-19 framework. However, without financial support from the province, there could be long-term implications for these businesses. Not only is this concerning for ski hill operators that operate as a non-profit, but also for the communities in which they are situated. Despite revenue losses during the 2020 spring skiing season, many ski hills invested in personal protective equipment, technology, signage, new health and safety procedures, and incurring significant operating costs. These small businesses and non-profits have incurred considerable expenses to prepare for the 2021 ski season. The lack of financial support through the Ontario Small Business Support Grant puts the viability of non-profit ski hills in jeopardy.

To address these concerns, the OCC recommends:

- **A working group be established to review the list of businesses who are eligible to apply for the Ontario Small Business Support Grant;**
- **The list of eligible businesses for the Ontario Small Business Support Grant be amended to include hotels and accommodations;**
- **The calculation that is used to determine revenues as part of the Ontario Small Business Support Grant be changed so that businesses have greater flexibility. In other words, businesses would be able to choose which months they use to illustrate their revenue loss over the last 11 months of government-mandated closures and restrictions on their operations; and**
- **The province extend the grant beyond its deadline of March 2021.**

These recommendations were originally put forth by the Tourism Industry Association of Ontario (TIAO). As mentioned in the OCC's [pre-budget submission](#) to the Government of Ontario, we urge the province to continue focusing additional support measures on the hardest-hit businesses, such as ski hills operating with a non-profit structure, with targeted support to stem their losses and accelerate Ontario's recovery. We know that making the above changes would not only help the tourism industry, but also numerous adjacent sectors that the tourism sector supports, as outlined in a [previous submission](#) to your government.

We also know that the service and hospitality sectors are the heart of our communities. When they thrive, Ontario becomes a better place to live, work, and play in.

Public health and safety are priorities for all Ontario businesses. We will continue to monitor and assess new developments pertaining to COVID-19 closely and work with our members, partners, and all levels of government to provide support to Ontario business.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC: The Hon. Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries
The Hon. Prabmeet Sarkaria, Associate Minister of Small Business and Red Tape Reduction

