BRAMPTON
BOARD OF TRADE

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Submission to
The Ontario Legislature's
Standing Committee on Finance and Economic Affairs
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Focus: What is COVID-19's impact on small and medium-sized enterprises and how can the government help?

Good morning. My name is Todd Letts. I am CEO of the Brampton Board of Trade. Our mandate is to advocate on behalf of Brampton's business community, connect and empower them to capture opportunities and overcome the toughest business challenges – and this pandemic certainly has been one. Together Brampton Board of Trade members employ more than 45,000 – put in context, members provide more than one in every three jobs in Brampton.

Please let me begin by thanking you and your colleagues for the many measures your government has introduced during the pandemic including the red tape portal, the Ontario Together procurement portal, allowing restaurants to deliver alcohol online, and extending commercial patio space, among others. These immediate response efforts were substantial in easing the burden of operating restrictions and other pandemic impacts.

There are three key messages in my submission today:

1) The uneven burden of the pandemic impact requires balanced, tailored-solutions. Efforts that reduce costs, preserve cash flow and facilitate revenue generation are what will help small and medium enterprises the most.
2) Innovation is an important part of the economic recovery solution. Investments to accelerate adoption of new processes and technologies will bring small business success.
3) Investments in infrastructure that strengthen supply chain, regional transit and broadband internet are key to Ontario's future economic competitiveness.

Impact was Uneven. Tailored-Solutions Required.

Brampton's business community contributed greatly to efforts designed to flatten the curve. Many workplaces such as ROGERS and Loblaw responded quickly to ensure Ontarians and those across Canada had access to information and groceries. Because Brampton has a strong exporting, manufacturing and logistics employment base, many essential workplaces such as Armacell Canada, ABB Robotics, Coca-Cola, and Maple Lodge Farms didn't stop – and continued operations in a safe manner to serve Ontarians. Companies such as Maritime-Ontario; CN Rail and Toronto Pearson made tremendous efforts to keep supplies moving from producer to customer during these difficult times.

For other companies, particularly smaller ones, efforts to flatten the curve came at a great price. Operating restrictions for non-essential industries reduced revenue in many sectors including mainstreet and mall retail, tourism, recreation and many companies operating in the business and personal services sectors. These companies faced huge challenges in cashflow, layoffs and forecasting of HR requirements, managing a drop in consumer demand, finding new delivery methods and border issues early on.
Impact on Brampton businesses has been both disruptive and uneven. Small businesses seem to have borne a more severe impact, particularly those that weren't prepared with e-commerce platforms, automated order-filling, online payment processing or delivery methods.

I would like to highlight a few elements of our business community's recovery strategy.

Businesses Working Together

Together as a business community, we established online resource pages with helpful links and connected businesses to experts through our expert webinar series. These initiatives helped businesses to preserve cashflow, manage staff layoffs and rehiring, innovate delivery methods and scenario plan through the recovery and thrive phases of the pandemic.

Digital transformation

I want to thank the provincial government for their sponsorship of the Digital Mainstreet and Recovery Activation Program. These two programs are excellent examples of how government support to identify gaps in digital processes and establish a framework – with the outcome being a digital blueprint to improve their competitiveness and consumer experience.

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Connecting large and small businesses

As part of its COVID-19 recovery strategy, Brampton Board of Trade also connected large employers with small businesses with the employee appreciation program "Reward to Recovery" encouraging employers from large essential workplaces to show appreciation to employees by contracting the services of the local bakery, gym or other small businesses for momentos, gifts and essential employee recognition. We also worked closely with our municipal government to co-develop shop local initiatives.

Building confidence of returning customers and employees

As we navigate the recovery phase, for most businesses, revenue is down, anxiety up and uncertainty continues. To build confidence and trust for returning customers and employees, The Brampton Board of Trade collaborated with chambers of commerce in Canada's other 8 major markets; Retail Council of Canada; BOMA and others to establish the POST program – People, Outside, Safely, Together. This program encourages businesses to take the POST promise – a set of nationally accepted standards for their workplace including sanitizing, employee work policies etc. By taking the POST promise, a declaration of healthy practices, it is hoped that customers and employees will feel comfortable returning to their workplaces and favourite shops.

Looking forward, specific actions for Ontario to consider include:

1. **Further provincial action on broadband access**

   In terms of additional provincial support, it is worth noting that broadband internet access is not uniform across the province. It is however essential to public health and economic resilience for the entire province. Fast-tracking the $150 million in provincial funding that was committed to a broadband and cellular infrastructure program will help mitigate the immediate impacts of the COVID-19 crisis. Collaboration with the federal government to speedup and augment exiting broadband investment programs and working with municipalities to boost existing wi-fi hotspots are also important initiatives.

2. **Breakdown inter-provincial trade barriers and invest in information and supply chain infrastructure**

   In addition to the investment in broadband mentioned above, Canada's economic recovery is stronger without interprovincial trade barriers. With increasing protectionism and tariffs re-enacted south of the border, there has never been a better time to tear down trade barriers - Canada's job creators have never needed free trade more than they do now.

In terms of action, at a time when both the federal and provincial governments are strapped for cash due to the necessary pandemic spending, red tape reduction and regulatory harmonization are incredibly inexpensive options for spurring economic growth.

3. Investments in corridor transit and supply chain infrastructure

Likewise, investment in supply chain infrastructure – both road and rail - along Canada's Innovation Corridor, from the GTHA to Waterloo Region is very wise and helps to instill confidence in Ontario for the long-term future of small and medium businesses in Brampton and along the Corridor.

The Province projects the Corridor's population to increase from 7.7 million in 2016 to 11.3 million in 2041 – 46% growth over 25 years. Without a strategic approach to identifying and prioritizing meaningful solutions, congestion will only become more severe – increasing costs for shippers and weakening the economic competitiveness of small and medium enterprises in the Corridor. Two projects, in particular, have solid businesses cases and are well-timed to help Ontario pull through this pandemic.

a) **Two-way, All-day GO Train Service:** Metrolinx has prepared a strong business case for TWAD-GO – Two Way, All-Day GO Train Service. Connecting the Toronto-Waterloo Innovation Corridor through fast, frequent rail links is an historic opportunity. This investment will have a remarkable direct impact on the provincial economy, job creation and bolster post-pandemic recovery. McKinsey Consulting estimates that linking the Toronto-Waterloo Innovation Corridor through fast, frequent, rail service has the potential to deliver a $50 billion increase in direct equity value, $17.5 billion in direct annual GDP, and more than 170,000 high-quality jobs by 2025.

b) **GTA West Corridor Highway:** The GTA West Corridor Highway is proposed to run westward from Highway 400, across the top of Brampton, dipping southward through Brampton's proposed Heritage Heights town centre, connecting to the 401/407 interchange. According to Ontario's GTA West Corridor Transportation Development Strategy, by 2031, the economic impacts of building the proposed highway are expected to generate approximately $1 billion in annual GDP; truck traffic on local roads will be reduced by about 25%; and commuters will have more choice than just the 407 or 401 with better access to industrial areas in York, Peel and Halton Regions. It is time to expedite the EA process and get this highway built.

Together, these projects can bolster Ontario's international competitiveness, accelerate pandemic economic recovery and the boost the success of hundreds of thousands of small and medium-sized enterprises.

In summary, tailored solutions that encourage innovation, a reduction of trade barriers, as well as, better information and supply chain infrastructure, are the best way to help businesses enable the success of Ontario small and medium-sized businesses.

Thank you for consideration of these comments. I am happy to take your questions.

ABOUT BRAMPTON BOARD OF TRADE

Serving the community for over 130 years, Brampton Board of Trade is the go-to organization where businesses of all sectors, convene, collaborate and create solutions to boost regional economic prosperity. The Brampton Board of Trade's 2300 voting members employ over 45,000 in our city. Together, members provide solutions to the toughest problems that businesses face every day including overcoming barriers to growth, attracting and retaining talent and making the right connections.

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