

May 8, 2018

The Honourable Kathleen Wynne  
Premier of Ontario  
Email: [premier@ontario.ca](mailto:premier@ontario.ca)

**Re: Election Concerns from the Foodservice & Hospitality Industry in Ontario**

Dear Premier Wynne,

The Ontario Restaurant Hotel & Motel Association (ORHMA) and Restaurants Canada (RC) are working together this provincial election to bring recommendations forward to all the political leaders and their local candidates across Ontario. The next provincial government must commit to providing positive policy solutions that will ensure relief for the foodservice and hospitality industry while growing the economy.

Layering labour reforms and wage increases on top of the growing government policies severely impact the foodservice and hospitality sector, including rising hydro costs, CPP Enhancements, cap and trade, rising municipal property taxes and the long list of economic challenges faced by the hospitality industry. When the payroll of a business increases, so too do other costs, such as the EHT, WSIB, Employment Insurance, leaving our members feeling overwhelmed and undermined by such policy decisions.

As the province heads to the polls our members will vote for the candidates that are best suited to support our industry. Will your government commit to providing policy solutions that will ensure economic growth for Ontario's foodservice and hospitality industry? Will you take the time while campaigning to meet with ORHMA, Restaurants Canada and their members?

Members of the Ontario Restaurant Hotel and Motel Association and Restaurants Canada recommend that you:

- grow the foodservice and hospitality workforce through the nominee program
- delay the next minimum wage increase schedule for January 1, 2019. The recent 33% minimum wage increase has resulted in unprecedented part time job losses.
- freeze the liquor server wage and student wage.
- review and consult with our industry regarding labour law reforms.
- reduce LCBO mark up fee charged for licensee alcohol purchases.
- increase the EHT threshold to \$1.5 million to support small business growth and sustainment.
- develop energy reduction policies conducive to mid-size and small business.

Ontario's hospitality industry is one of the most dynamic and competitive sectors of the provincial economy contributing 4.3% of the provincial GDP, generating over \$23 billion in sales and is a major employer of over 400,000 jobs. That equates to an estimated \$9 billion in tax revenues generated for all three levels of government.

Ontario's hospitality industry, which is made up of more than 22,000 foodservice establishments and 3,000 accommodation properties, has the potential to create more jobs, more investment and more service destinations. With over 201,000 businesses related to tourism products and services representing over 17% of all business in Ontario, hospitality and tourism GDP in Ontario is greater than that of agriculture, forestry/logging, commercial

fishing/hunting and mining industries combined. We are uniquely positioned to contribute to the economy of every Ontario community.

The hospitality industry directly employs over 400,000 Ontarians, representing 7% of the total provincial employment. In fact, the municipality of Toronto alone employs more than 70,000 employees in the restaurant sector.

The hospitality industry is a significant component of the provincial economy and character, yet is vulnerable to economic volatility and unexpected weather disasters such as the recent ice storm. Over the last decade since 9/11 the hospitality and tourism industry has experienced tremendous pressures on business due to a number of catastrophic events and measures.

The substantial increases to the costs of doing business in Ontario have created a difficult operating environment. Ontario restaurateurs have razor-thin profitability, averaging just 3.5% which are the lowest in Canada. In fact, full service restaurants are operating at only 2.5% in the province, which is well below the national average of 4.1%. Since the 2008-9 recession, the accommodation sector has dropped by 50% on profit margins, with recovery being slow and unsteady.

The pressures facing the hospitality industry are largely a result of well-intentioned government regulations that have created unintended consequences. When an Ontario business owner succeeds, the Ontario economy succeeds.

While we understand that the government is tackling a deficit, if something is not done to protect the Hospitality Industry (foodservice, restaurants, hotels, motels and accommodation) – Ontario could be faced with a hospitality sector crisis. It is getting harder and harder for our industry to make ends meet. We ask that you take our recommendations seriously and help our industry sustain and grow in Ontario.

Thank you for your consideration of the Ontario Restaurant Hotel and Motel Association and Restaurants Canada recommendations for your political party and candidates to consider while seeking a majority government.

We look forward to working together and growing Ontario's foodservice and hospitality industry.

Yours truly,



Tony Elenis  
President & CEO  
Ontario Restaurant Hotel & Motel Association



Shanna Munro  
President & CEO  
Restaurants Canada



May 9, 2018

Doug Ford  
Room 330, Main Legislative Building, Queen's Park  
Toronto, Ontario M7A 1A8  
Email: [doug@ontariopc.com](mailto:doug@ontariopc.com)

**Re: Election Concerns from the Foodservice & Hospitality Industry in Ontario**

Dear Andrea Horwath,

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May 9, 2018

Andrea Horwath  
Room 115, Main Legislative Building, Queen's Park  
Toronto, Ontario M7A 1A5  
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