

February 11, 2022

Hon. Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd floor
95 Grosvenor Street,
Toronto, Ontario, M7A 1Z1
Via email: submissions@ontario.ca

Dear Minister Bethlenfalvy,

On behalf of the Convenience Industry Council of Canada (CICC), I am writing to share our recommendations for Budget 2022. CICC sincerely appreciated the opportunity to participate in your Budget Consultation Roundtable on January 28, 2022, where we shared our ideas of how the convenience industry can be supported to help Ontario's economic recovery.

We appreciate your government's recognition of the essential role of our industry by designating the last week of August as *Ontario Convenience Store* week. It was gratifying to hear so many MPP's stand up and recognize the contributions of our industry to Ontario's society and economy. However, given the impact of the pandemic, our industry needs additional, tangible help to remain viable.

Lockdowns have translated in fewer commuters, resulting in a decrease in sales. At the same time, costs have skyrocketed, and our product mix has dwindled, making convenience stores a less viable option for consumers and the owner/operators that run them. Convenience stores are closing in Ontario at a rate of 2-to-1 compared to Québec. That closure rate is even higher in rural and northern Ontario where these stores, and their distributors, play a critical role for Ontarians looking to access essential goods.

In preparing for Budget 2022, there are two key recommendations the province should consider that will promote the survival of Ontario's convenience stores, particularly in small towns and rural areas.

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First, Budget 2022 should address the contraband tobacco market after the pandemic has shone a light on the level of contraband use in Ontario. [A report prepared by Ernst & Young on behalf of CICC](#) determined that illicit tobacco trade was costing the provincial treasury upwards of \$1 billion annually. In fact, the contraband market continues to represent more than 30 per cent of total tobacco products sold in the province. The presence of contraband tobacco is not good for law-abiding retailers, for public health, and particularly for the Ontario treasury. We encourage the government to empower municipal law enforcement with the resources and incentives to pursue illegal tobacco manufacturers, sellers and smugglers, while investing resources into the province's Contraband Tobacco Enforcement Unit.

Second, Ontario's convenience stores remain steadfast in our push for the ability to sell beverage alcohol. We are urging the government to live up to its promise from the 2018 election campaign and include a commitment to expand beverage alcohol sales to convenience stores in Budget 2022. Our retailers want to be able to sell beer, wine and coolers, especially Made-in-Ontario products, which would help their stores recover, help local craft producers grow, and provide thousands of adult Ontarians with convenient access to a suite of Ontario-made products. Allowing our stores to sell beverage alcohol is a win-win-win for local producers, for convenience stores, and for Ontario consumers.

The government has made incremental changes by removing regulations and red tape that prevented the sale and distribution of alcohol at farmers' markets and at restaurants for take-out or delivery. Modernizing alcohol laws has been good for businesses and consumers. Given our industry's remarkably strong track record in retailing age-restricted products, this is the next logical step.

On behalf of CICC, I want to thank you for the opportunity to share our ideas to ensure that the growth and well-being of our sector helps in the recovery of Ontario's. I appreciate the time and dedication you and your office are putting in to build Budget 2022.

Thank you again, and I welcome the opportunity to share more information on our recommendations with you and your team.

Sincerely,



Anne Kothawala
President & CEO, CICC

