

ONTARIO RESTAURANTS ARE UNDER ATTACK

Ontario's restaurant industry generates \$33 billion in economic activity, representing 4% of GDP. In Ontario this means more than 573,000 direct and indirect jobs and charitable contributions in the range of more than \$100 million dollars annually.

However, Ontario foodservice operations are struggling to survive with rising costs and burdensome regulations. Restaurants in Ontario maintain the lowest profitability in Canada at just 3.4%. Relative to other sectors of the economy where average profitability is roughly 10.1%. Whomever forms the next government in Ontario needs to look to improving conditions for the foodservice industry.

KEY ISSUE

Hydro Rates: Under this government, rates for power have increased four times that of inflation. Since 2006, the price Ontarians pay for off-peak electricity has gone from 3.5 to 8.7 cents per kilowatt-hour – an increase of nearly 150 per cent.

Mid-peak pricing, which accounts for roughly 18 per cent of average usage, has risen from 7.1 to 13.2 cents per kilowatt-hour over the past ten years – an increase of more than 85 per cent.

Add to this, the Global Adjustment has cost all Ontarians \$37 billion since 2006, and will cost another \$133 billion to 2032. Maybe it's no surprise then that of all the things that keep operators up at night, utility pricing is the fourth biggest concern behind Labour Costs, Food Costs, and Labour Shortages.

ONTARIO FOODSERVICE STATS:

- **More than 500,000 Ontarians work in the foodservice industry**
- **Bill 148 will add \$1.8 billion dollars of new costs**
- **The new legislation will put 17,000 jobs at risk**
- **Restaurateurs in Ontario operate with the lowest margins in Canada at 3.4%**
- **The impact of this legislation will be most felt outside the GTA**

