

PRESENTATION TO THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**BY TIM JENNINGS, EXECUTIVE DIRECTOR/CEO, THE SHAW FESTIVAL**

Introduction:

I'd like to thank the committee for the opportunity to present to you today on the impact of COVID-19 on the Shaw Festival, on Live Performing Arts in Ontario and on Tourism. I commend the committee for working across partisan lines to consider and recommend the fiscal and economic policies that will shape our joint future for Ontario.

Background on Shaw Festival

I address you today in my role as CEO of the Shaw Festival, located in Niagara on the Lake, a small town of 16,000 people in the Niagara valley and the original capital of upper Canada. The Shaw is the largest generator of economic impact of any independent arts and culture charity in rural Ontario, and one of the largest in North America. The annual impact of the Shaw Festival on the Region of Niagara is in excess of \$220 million/annum or approximately 40% of Niagara's cultural economy. Thousands of Niagara area jobs are reliant on us for their existence.

We are the greater Niagara region's largest cultural charity, and one of its 20 largest employers, with a workforce of 600 artists and arts professionals – primarily highly skilled, unionized workers. We produce 750+ performances of 12-14 concurrently running productions in rotating repertory - meaning each actor is performing in 2 plays at a time and understudying a 3rd (or more).

We offer more than 2000 additional audience engagement and community outreach activities and classes each season, to a combined total audience of 325,000 people from early April through the end of December. We are supported in this work by the Shaw Guild, an organization of over 350 volunteers who help us in everything from gardening and ticket taking to backstage tours.

Our patrons come and stay in the area for long periods, often anchoring extended annual vacations around a multi performance theatre experiences. Last year we had over 1000 individuals attend more than 15 performance each of our 13 plays, with dozens more attending upwards of 30 to 40 performances, meaning they saw every show 3 or more times over multi-week stays in the area. Leasing housing, eating in restaurants, buying wine from the dozens of amazing local vineyards, shopping on the main street and buying locally grown produce from local farmers to take on picnics at area parks as they explore the beauty of Niagara.

2019 was the highest gross revenue year in our history, with an income of over \$34 Million. We receive only 6% of our budget from all government sources, including Provincial and Federal Arts Councils and must raise \$9 million in annual charitable donations from our philanthropic supporters. US patrons account for 35-40% of our attendance. The rest are Canadian and arrive from across literally every district of Ontario and Canada. Only 10% come from Niagara.

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Tourism impact of the arts

According to Statistics Canada, the Live Performing Arts industry in Ontario generates over \$2.5 Billion in direct annual income and leverages more than \$12 Billion in additional economic impact. Over 60,000 Ontarians work in our industry – the equivalent of a mid sized town.

At a combined \$14.5 Billion, that impact is in parallel with the utilities industry (\$14.6 billion), and exceeds the agriculture, forestry, fishing and hunting industries combined (\$7.4 billion) and mining, quarrying, and oil and gas extraction (\$6.9 billion) and one that, unusually, driven by charities – being the majority of Ontario's theatre sector.

For theatres in rural Ontario, this impact is primarily through tourism, with the largest of these being Shaw and the Stratford Festival, but there are dozens of others, all core to their areas.

More than 55% of Ontarians attend a play or musical every year, with live performing arts attendance – plays, concerts, dance, etc - outstripping in person attendance at sporting events. We know from Destination Canada and others that the average Ontario arts and culture tourist spends twice as much per trip as does a typical tourist. These factors combine to show a vibrant ecology and economy that has been completely devastated by COVID-19 and will continue to devastate our industry as long as mass gatherings are deemed unsafe. We were among the first businesses ordered closed and we may well be among the last to be allowed back to our work.

Actors, designers, directors, choreographers, musicians and many others are part of Ontario's significant 'gig' economy and mostly work as independent contractors - which means the Canadian Emergency Wage Subsidy (CEWS) was unable to be used by most performing arts institutions to immediately help the very people who are the reason audiences come to see us.

While my own company has been able to pivot and find ways to offer alternative summer employment to 80 of these artists and use CEWS support, this has not been an option available to most Ontario artists and Institutions who now are struggling with their very survival. This after decades of being the primary tourism draw to their towns and regions and delivering billions of dollars in combined taxes over their company's lifespans.

My requests to the committee are as follows:

- That Bill 186: *Employment Standards Amendment Act (Infectious Disease Emergencies)*, 2020, be amended to allow the following:
 - - Flexibility for EI qualification for seasonal workers and temporary support of independent artists. Seasonal workers and all independent artists will be unable to meet required number of hours or contributions for EI over this summer and require flexibility

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- Provincial contribution to the Federal Canadian Emergency Wage Subsidy (CEWS) so that this can be scaled and continued for longer and well into the recovery phases.
- A strong and well executed plan from the provincial government to ensure that we have access to advanced testing and contact tracing that meets global standards.
- To increase the charitable donation tax credit rate from 11.16% to 20%. This will incentivize Ontarians to make more and larger gifts to charities and put Ontario in line with all other Provinces. Ontario has the lowest donation tax credit rate of any Province. This will help all Ontario charities. Eg: Quebec has a 24% rate, Alberta 21%. The Federal rate is 29%.
- Direct financial aid and grants for live performance and tourism businesses that will require infrastructure upgrades and PPE to be in compliance with all new health and safety protocols, to keep workers and patrons safe. Especially important for mass gathering sites.
- Additional funding for the Ontario Arts Council and The Ministry of Heritage, Sport, Tourism and Culture Industries is needed immediately and through 2021 and 2022 recovery periods.
- Grants to performing arts facilities and tourism businesses to complete capital infrastructure projects through the Ministry of Heritage, Sport, Tourism and Culture Industries. I specifically recommend additional funding of the Investing in Cultural Infrastructure Program (ICIP) be increased and extended.
- Government guaranteed small business loans for the tourism and hospitality sector for the subsequent recovery stages. Tourism and hospitality businesses are frequently deemed as high risk and have reduced access to small business loans.
- Direct emergency funds delivered to Destination Ontario (DO) and Regional DMOs, to ensure that there is a strong marketing arm ready to promote all regions and tourism businesses in Ontario, including theatres and performing arts centres, throughout all recovery stages.

I am hopeful the committee can see the efficacy of these asks in helping to rebuild the economy over the coming few years. While clearly an investment of significance, the return is one we will benefit from over the decades ahead as Ontarians have benefitted from these economic engines over the decades past.

Thank you for your time and attention.

Tim Jennings, Executive Director/CEO, Shaw Festival