

June 22, 2020

Procedural Services Branch
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The Standing Committee on Finance & Economic Affairs

Re: Study of the recommendations relating to the Economic and Fiscal Update Act, 2020 and the impact of the COVID-19 crisis on certain sectors of the economy

Dear Committee Members,

Drayton Entertainment is an award-winning charitable arts organization that produces professional live theatre at 7 venues throughout Ontario: the St. Jacobs Country Playhouse and Schoolhouse Theatre (St. Jacobs), Drayton Festival Theatre (Drayton), King's Wharf Theatre (Penetanguishene), Huron Country Playhouse (Grand Bend, including Mainstage and recently renamed South Huron Stage), and Hamilton Family Theatre (Cambridge). We are a proud 6-time recipient of the Lieutenant Governor's Award for the Arts, in recognition of sustained artistic excellence, fiscal responsibility, and exceptional community and private sector support.

Economically, the Government of Ontario's Tourism Regional Economic Impact Model (TREIM) estimates our organization's impact on visitor spending exceeds **\$60 million** annually, positively affecting multiple communities throughout southwestern Ontario.

Culturally, Drayton Entertainment provides over **400 employment contracts** annually to actors, musicians, designers, and other creatives, making us one of the largest employers of professional artists in the country – across all artistic disciplines. Additionally, we employ upwards of 175 full-time, part-time, and seasonal staff behind-the-scenes in all aspects of live theatre.

We continue to meet the educational and social needs of our audience through innovative programs designed to engage at every age and stage of life. This includes travel getaways and events for seniors, a robust 400 person volunteer program, arts training program for young professionals, school matinees, and our Youth Musical Theatre Program, which allows children and teens to strengthen their skills in all components of live theatre while instilling vital life skills to make them valuable members of society.

These accomplishments are particularly noteworthy because they have been achieved without any assistance for operating funds from any level of government or arts council. We appreciate the occasional investment from these sources in capital projects (such as Ontario Trillium Foundation) or tourism development through Celebrate Ontario. However, for daily operating needs we are completely self-sufficient, with 75% of our annual \$12.5 million budget realized through ticket sales, and the remainder through fundraising, sponsorship, and donations.

We are proud of our track record of artistic excellence, fiscal responsibility, and exceptional community and private sector support. Our specific impact is testament to the collective strength of the tourism industry, which contributes \$75 billion annually in economic activity – more than the forestry, mining, and agricultural sectors combined, and more than the entire GDP of Manitoba.

Simply stated, the tourism industry has been hit hardest by the COVID-19 pandemic, and will take the longest to recover. Recently, the Honourable Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries, appeared before the Standing Committee on Finance and Economic Affairs to discuss these staggering impacts. She indicated there are \$20 billion in economic losses (and counting), and of the 400,000 job losses in April, 350,000 are in the hospitality and tourism sector.

The depth and length of this crisis exceeds previous economic downturns, and current estimates suggest it may be 2024 before tourism spending will recover to 2019 levels. This is particularly troublesome when coupled with an impending social crisis that will inhibit consumer confidence, and as such, inevitably delay our recovery due to the reality of social distancing, inability to mass gather, and the likelihood of fear and stigma upon return to social events.

We, along with our industry colleagues, have mitigated financial losses, reduced overhead, and minimized expenses through every possible means, including:

- Launching a ticket donation campaign.
- Drawing from our Endowments.
- Instituting salary reductions for our executive management team.
- Suspending or negotiating more favourable contracts with vendors and suppliers.
- Accessing every applicable Federal and Provincial aid program, including the CEWS, TWSE, CECRA, GST/HST Remittance Deferral, T3010 Filing Deferral, Electricity Rate Relief, and Employer Health Tax Exemption.

In order for arts and tourism organizations to successfully navigate these unprecedented challenges, our requests to the Standing Committee on Finance & Economic Affairs are as follows:

- That criteria be expanded for any current or future government aid or relief programs, through the Ministry of Heritage, Sport, Tourism and Culture or any other provincial agency, to include eligibility for those organizations which do not already benefit from annual operating funds from tiers of government or the Ontario Arts Council. In short, arts organizations should not be overlooked and/or punished for “not” being a client of these entities and the subsidies/grants they provide.
- Direct financial aid and grants for live performance and tourism businesses that will require infrastructure upgrades and PPE in compliance with new health and safety protocols for mass gatherings, in order to keep workers, artists, and patrons safe.
- That *Bill 186: Employment Standards Amendment Act (Infectious Disease Emergencies) 2020*, be amended to include employment insurance qualification for seasonal workers and temporary support of independent artists, as these groups will otherwise be unable to meet required number of hours or contributions for employment insurance.

We remain grateful to the Standing Committee on Finance & Economic Affairs for being mindful of the value so many arts and tourism organizations bring to the economic, cultural, social and educational prosperity of Ontario. We know that with your continued support, these entities will get through these unprecedented challenges and emerge as stronger organizations as a result.

Sincerely,



Dr. Alex Mustakas BA, MA, DLitt, M.S.M.

Artistic Director & CEO

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