SUBMISSION TO THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS – PROPOSALS FOR RECOVERY

Organization Name: Canadian Actors' Equity Association (Equity)

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Organization information

Equity is the voice of professional artists engaging in live performance in English Canada. We are a national association representing almost 6,000 artists working in theatre, opera and dance from coast-to-coast-to-coast. Equity's membership includes performers, directors, choreographers, fight directors and stage managers.

In recognition that the arts are vital to life and that artists make an invaluable contribution to our society, Equity supports the creative efforts of its members by seeking to improve their working conditions and work opportunities.

Equity negotiates and administers scale agreements and administrates engagement policies on behalf of its membership. Both scale agreements (negotiated by Equity with a producer or group of producers) and Equity's promulgated engagement policies articulate the minimum terms and working conditions required for the engagement of an Equity member.

The Association also provides members with benefit plans, information and support, and acts as an advocate for its membership.

Proposal

The following proposals address the COVID-19 impacts to the live performance sector that are hampering so much of our sector. Arts and Culture in 2017 directly contributed $25 billion annually to the Ontario economy, representing 3.3% of Ontario's GDP (Statistics Canada, 2019) and during the same period they represented 3.9% of total Ontario employment. The arts also help support Ontario's local economic development and tourism sector.

Over 3,000 Equity members, or 57% of our membership, live and work in Ontario.

In light of the paralysing effect that social distancing and restrictions on social gatherings have had on live performance, Equity makes the following proposals as ways that the Standing Committee on Finances and Economic Affairs can support our members and our sector.

<u>Summary of Proposals</u>

Proposal 1 - Provide Additional Funding to the Ontario Arts Council (OAC)
Proposal 2 – Invest in Digital
Proposal 3 – Make Digital Fair for Artists
Proposal 4 – Invest in the Ontario Cultural Attractions Fund
Proposal 5 – Invest in Theatre Infrastructures
Proposal 6 – Top-up grants for companies to address COVID-19 needs
Proposal 7 – Support Tax Credits for Commercial Theatre

Proposal Details

Proposal 1 - Provide Additional Funding to the Ontario Arts Council (OAC)

Additional funding to the OAC is required under the current circumstances for two significant requirements:

1. To address the sustainability of organizations until such time as audiences are able to return to live performance venues in reasonable numbers;

2. To make up for the loss of ticket sales so that they are able to pay artists appropriately when they go back to work so as not to build the recovery of the sector on the backs of the artists who are already at the bottom of the economic heap.

An analysis of the Ontario Arts Council's annual appropriation done in 2018 reveals that it has been substantially eroded over the past 30 years. Using 1991-92 as a baseline year while adjusting for inflation and population growth, the OAC's appropriation in 2017-18 was $29.3M lower than 1991-92 (OAC received $65M in 2017-18, whereas had its appropriation kept pace with growth, it would have received $94.3M). In other words, in 2017-18 the OAC received 68.9% of what it did in 1991-92.

A strong recovery for the Ontario economy will require the Government's financial support ensuring a strong recovery in the arts and culture sector. Given the reduced ability to generate revenue from ticket sales, the sector will require significant investment if it is to play its part in restimulating the economy.

Proposal 2 – Invest in Digital

Ontario's Cultural Strategy Document states:

Digital content is constantly evolving and introducing new possibilities, such as augmented and virtual reality. Digital technology and distribution are creating new opportunities for our artists and creative-sector entrepreneurs and transforming the traditional cultural industries.

This has been the case as our live performance engagers have been forced to 'pivot to digital' due to the closure of venues. The use of archival recordings and the filming of live performance for distribution as recordings or live streaming has allowed some engagers to continue to reach current donors, sponsors and ticket buyers which has kept some activity in the performing arts sector; however there are severe limitations in the viability of this due to access to high-quality equipment and specialist technical training. Simply put, if theatres are to embrace the possibilities of digital as a way to reach audiences while there are restrictions on social gatherings, then it isn't sufficient for a single camera on a tripod at the back of the theatre to capture the performance with a regular theatre technician operating the camera.

A 'pivot to digital' requires tools that are fit for purpose and specialist technical artists who can capture the magic of live performance in a two-dimensional video format. For this to be a viable alternative to live performance, a way to augment the live performance experience in the future, or to reach new audiences, it must be invested in properly.

In order to fulfill the third goal of Ontario's Culture Strategy "Fuel the Creative Economy – Strategy 1 – Make Ontario a Culture Leader at Home and Internationally" requires leading digital tools. Many audiences are used to the high-quality recordings available to them from the Metropolitan Opera and leading theatre and dance companies from around the world. In order to compete with these high-quality international recordings, Ontario's high-quality arts companies need the high-quality digital tools and training necessary to make this 'pivot to digital' a satisfying and engaging artistic experience for all.

Proposal 3 – Make Digital Fair for Artists

During the shutdown of our industry, some engagers have turned to archival recordings made of previous live performance events to live-stream or make available for limited periods of time for their audiences. Many of the emerging projects as we start to come out of COVID involve recording and/or live streaming performances to audiences who are not present in the theatre. While this can help the theatres reach larger audiences, for Equity artists the remuneration received for a live-streamed or recorded performance falls well short of what they would earn over a multi-week run of a traditional performance.

For artists to survive this pandemic and be able to earn a viable living from their craft they need better compensation for these digital experiments. We propose that extra funding through the OAC be used to ensure appropriate remuneration so that it is viable for artists to be able to support themselves and their families going forward. Any grants provided to engagers for the purposes of the recording of new material and/or the distribution of previously recorded material must come with a guarantee to contract and pay all of the artists involved under the appropriate union or guild collective agreement.

The Ontario Cultural Strategy document states: *The Ontario government will develop more effective tools to help our culture sector compete in the digital world.*

Part of this competitiveness is making it viable for the artists who are taking part in this digital world to sustain themselves when the payments they are currently receiving are a fraction of what they were earning pre-COVID.

Proposal 4 – Invest in the Ontario Cultural Attractions Fund

Arts and Culture, Tourism and the Business Improvement Associations have a common problem – restrictions on travel, gatherings and a global pandemic that have had grave impacts on their ability to generate revenue through traditional models. During the recent summer months, it has slowly become possible for some activity to take place; outdoor performances, drive-in performances, and dining on outdoor terraces and patios has brought some sense of normalcy and provided some means for businesses to connect with customers and generate revenue.

However, an Ontario winter is looming, and we have no idea how Ontario residents are going to feel about being indoors with others, even in restricted numbers, in restaurants, theatres, cafes etc. even with masks and social distancing.

Now would seem an opportune time to embrace the legendary Canadian love of winter and financially encourage Christmas Markets, Winterlude Festivals and other outdoor festivals in communities across Ontario that stimulate local businesses and create opportunities for Equity artists to create outdoor performances for winter audiences. This has enormous potential for synergy across a number of Ontario sectors helping to combat what may be a very isolating winter and potentially dire economic season. Local Business Improvement Associations (BIAs) often rely on the presence of arts venues in order to drive traffic to their main streets. Providing additional funding will support the important contribution made by BIAs to the economic and social health of our communities. Direct funding to the Ontario Cultural Attractions Fund to initiate winter festivals and outdoor activities that involve performance would give all Ontarians, including artists, something to look forward to.

Proposal 5 – Invest in Theatre Infrastructures

Sectoral recovery rests on paying audiences being able to safely return to live performance venues. One way to facilitate this is to upgrade ventilation systems in theatre spaces, which are often housed in older buildings in need of renovation and renewal. Further, many theatres are not accessible to artists or audiences with disabilities.

Investment to upgrade rehearsal and performance spaces (including backstage) to make them accessible and also to improve their ventilation and air exchange systems would go a long way towards making it viable for these facilities to accept audiences who may be concerned about attending events while community transmission of COVID-19 is still a threat.

Many theatre buildings, for example the Elgin and Wintergarden Theatres in Toronto, are beautiful historic venues, but are old and expensive to upgrade, hindered further by space restrictions due to their locations in downtown urban cores. Investing of funds in addressing ventilation and accessibility in these venues would be a beneficial, long-term investment of Provincial funds.

Proposal 6 – Top-up grants for companies to address COVID-19 needs

All employers in Ontario are having to confront the requirement to make all of their employees, freelance workers and the public safe within their facilities. While this financial burden is large for companies within the general economy, it could be prohibitive for companies working within the not-for-profit arts sector. The cost of Personal Protective Equipment, specialist cleaning supplies, additional workers to maintain cleaning, and physical distancing equipment are significant expenses for arts and culture companies. Additional top-up funds for their materials expenses related to COVID is essential. In addition, access to training to develop specialist knowledge for maintaining health and safety for artistic workers and audiences would be highly beneficial for arts companies that operate on a shoestring.

Proposal 7 – Support Tax Credits for Commercial Theatre

Equity lends their support to a recent proposal from Mirvish Productions who rightly point out that while Government is stepping in to offer financial support to the hard-hit film and television industry, including commercial film and television producers, and while the various arts funding organizations are offering financial aid to not-for-profit companies within the live performance sector, the commercial theatre sector does not have any support they can draw upon while their revenues from ticket sales have collapsed alongside the rest of the live performance sector. Not only does the commercial theatre sector contribute significantly to Ontario's tourism sector, they are also large employers for Equity's members.

In 2018-19 the commercial theatre sector (in Canada) provided 5,800 work weeks to Equity members. Mirvish Productions and Second City are our 9th and 10th largest engagers and 4/25 of our top engagers come from the commercial theatre sector. Their survival is critical both for the artistic reputation of Ontario and as a significant employer of our members. Supporting the commercial theatre sector through tax credits would be a sound investment in the ongoing viability of the sector.