2022 PRE-BUDGET CONSULTATION SUBMISSIONS

As a coalition of Canada's entertainment unions, representing performers, musicians, designers, and behind-the-scenes artisans and technicians, we would like to express our gratitude for the Government of Canada's efforts to support our industry and the people who work within it. Our coalition is comprised of the IATSE, Canadian Actors' Equity Association, the Canadian Federation of Musicians, and the Associated Designers of Canada. We represent over 50,000 workers across the entertainment industry.

The financial contribution of the arts is a significant one in every city in which a venue is located, and these venues and their workers must be supported. For *Come From Away* alone, Mirvish Productions stated that more than one million patrons saw the show during its run - February 13, 2018 to March 13, 2020 and December 15 to 22, 2021, at the Royal Alexandra Theatre. Broken down:

- Box office sales surpassed of $115 Million including over $15 Million in HST
- Estimated economic impact to the Toronto economy of $920 Million
- The show created 9,000 employment weeks for cast, stage managers, musicians, crew members and front of house team members

The support that the industry requires is two-fold. Theatres and venues need support so that once this is over, they're still around to mount productions and create the thousands of arts jobs required to do so, and workers need income support to survive until those productions can safely be mounted.

Recommendations to Support Live Performance Workers:

This fifth wave is having devastating effects on the mental health of our members. We are doing our best to provide them with this type of support, but we cannot pay the rent or put food on the table for the thousands affected across the country. These workers need the Government of Canada to step up.

1. **ISSUE:** The CWLB expanded eligibility language is wholly tied to capacity limits, which fall under provincial jurisdiction. Therefore, this federal benefit is subject to uneven distribution across Canadian workers from the same industry. For example, Saskatchewan currently has no capacity limits, but there are no large productions being mounted in the province because there are factors besides capacity – such as audience hesitation to purchase tickets or even gather – that cause theatres to keep their doors closed. Live performance workers in Saskatchewan are just as out-of-work as their counterparts in other provinces.

RECOMMENDATION: The CWLB expanded eligibility language must be broadened so that live performance workers are eligible for the benefit and it is not tied to capacity limits. It must be universal for all Canadians – and not hinge on provincial decisions or regulations.

2. **ISSUE:** The live performance industry will not be fully up and running by March 12, the date that the expanded eligibility for the Canada Worker Lockdown Benefit (CWLB) is set to terminate. Government must understand that theatre is unlike other industries that are reliant on patrons/customers. When capacity limits lift, restaurants can open within a matter of days. The process to mount a production takes months and our workers need to be supported until their work returns. The longer our workers are without support, the more of them we will lose. Those newer to the industry have not yet established deep roots and leave more readily. These workers tend to be younger and more culturally diverse, and this loss is a serious one for the industry.

   RECOMMENDATION: If broadened eligibility language (see above) is not introduced, the expanded "capacity limit" eligibility for the CWLB must be extended beyond March 12, until the termination of the regular benefit on May 7.

3. **ISSUE:** As we understand it, if a worker was unemployed before capacity limits were introduced, they do not qualify for the CWLB. If they were lucky enough to be working before these most recent capacity limits were introduced, many largely subsisted on CERB throughout 2020, so demonstrating a 50% drop from 2020 income could be problematic. This unfairly penalizes live performance workers.

   RECOMMENDATION: Live performance workers should qualify, regardless of work status immediately prior to the (re)introduction of capacity limits. Further, if applicants must demonstrate a 50% decrease in average weekly income to be eligible, it should be based on their 2019 income, not on their 2020 income.

4. **ISSUE**: Whether it is theatre, ballet, or concerts, live performance work is critical to a nation's health and identity, but that work is precarious. The structure of the industry is such that the vast majority of its workers – whether self-employed or employees (whose employment can be as little as four hours) – are gig workers. If Government truly values the performing arts, it must be willing to introduce some stability for these freelance workers on whom we all rely to provide our entertainment.

   RECOMMENDATION: To solve Issues 1-3 (above), support the live performance industry and stanch the exodus of its workers, Government must either (re)introduce a CERB/CRB-like benefit that can be specific to live performance workers, or ideally, implement a Guaranteed Basic Income, for which live performance workers could serve as participants in a pilot program.

Recommendations to Support Live Performance Venues/Producers*:

*** We must clearly state that all theatres/producers are in crisis - regardless of not-for-profit or commercial status - and as in other countries such as the United States, the UK, or Australia, commercial theatres/producers must be included in assistance programs.**

1. **ISSUE:** Minister Freeland's October 21, 2021 news release said that measures like the wage subsidies would assist the government in "taking targeted action to create jobs and spur economic growth." As currently structured, the wage subsidies can not do this in the live performance industry. These programs (the Tourism and Hospitality Recovery Program and/or the Hardest-Hit Business Recovery Program) only allow employers to receive subsidies for traditional employees. This does not contemplate the fact that the majority of the wages that live performance employers pay are for gig workers – the workers necessary to mount a production. Due to the freelance nature of their work, these workers are not eligible to be covered under the wage subsidy – *even when they work as employees*. As structured, wage subsidies do not incentivize producers to create jobs by mounting productions. It's too great a financial risk to employ all of the required freelancers, particularly when there is no guarantee that by opening night, things won't shut down or be subject to capacity limits. Government must provide incentives that offer stability and encourage producers to mount productions and create jobs.

   RECOMMENDATION: Given that the majority of live performance industry workers are freelancers (performers, musicians, front-of-house workers, designers, technicians, artisans, etc.) we would ask that the Tourism and Hospitality Recovery Program allow for the wage subsidy to be applicable to anyone on regular payroll (i.e. those issued either a T4 or T4A) and not just traditional, fulltime employees. This would both incentivize the industry to get back to work while underwriting risk, and put money directly into the hands of workers. It would also not discriminate between not-for-profit vs commercial theatre. Further, as the current system supports only organizations who are seeing year-over-year revenue declines, it is self-correcting in terms of lowering the amount of support required as need reduces. Best of all, the wage subsidy already exists and is targeted, so little legislative change or budget pressure would be necessary. With more workers actually working to build, mount, and perform in these shows, it would also serve to relieve some of pressure on any individual support benefits.

2. **ISSUE:** Designing (including lighting, sets, costumes, sound, etc.), building (including sets, props, murals, costumes, wigs, rigging, electronics, etc.), rehearsing (musicians, actors, dancers, choreography, etc.), marketing/promoting (including ticket sales), and mounting (all aspects together, from loading in the show, to dressing actors, to scene changes, to "flying" actors, to operating lighting boards, to seating patrons, etc.) a show is typically a months-long process and is financially risky at the best of times. With the uncertainty of COVID, that risk is at an all-time high.

   RECOMMENDATION: In addition to modifying the wage subsidy, producers have told us that the support most important to minimizing risk and encouraging them to open their doors is cancellation insurance for COVID closures/postponements. The Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF), created by Government to enable the domestic film/television industry to get back on its feet, could simply be expanded to include the live performance industry. In recognition of the fact that the live performance industry is far behind the film/television industry in terms of recovery, there must also be room to extend that portion of the program beyond a termination date that might be reasonable for film/television.

3. **ISSUE:** US states such as Illinois, New York, and Louisiana have implemented a live production tax credit. The lack of these measures, either federally or provincially, have had a noticeable negative impact on Canada's theatre industry. We have lost out on a number of theatrical productions, as they no longer build or do long, pre-Broadway runs here, resulting in job losses for Canadians.

   RECOMMENDATION: As a long-term solution to bolster the theatrical sector, Canada should implement tax credit programs similar to those already in place for the film & television sector. A live performance tax credit program would not only encourage new commercial producers to enter the business, but could also encourage building and doing extended pre-Broadway runs in Canada. The Canadian Film or Video Production Tax Credit and the Film or Video Production Services Tax Credit programs have been incredibly successful in promoting and developing the Canadian motion picture and television industry, creating thousands of jobs. These tax credits are based on quantifiable labour expenditures and established infrastructures exist for ensuring compliance. Furthermore, they operate in conjunction with other financial support mechanisms like the Canada Media Fund, so a live performance tax credit should be compatible with other funders, such as the Canada Council for the Arts. The cost of administering these programs is minimal and the creation of a similar tax credit for live performance should not incur substantial Government administration or infrastructure.

The live performance industry and its workers need immediate support. We urge you to act, and to act quickly. We are grateful to the Government of Canada for all your efforts to date and thank you for your consideration. We would welcome the opportunity for further discussion.

Sincerely,

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