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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

THIRD INTERIM REPORT: ECONOMIC IMPACT OF COVID-19 ON CULTURE AND HERITAGE

1st Session, 42nd Parliament
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The Honourable Ted Arnott, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Finance and Economic Affairs has the honour to present its Report and commends it to the House.

Amarjot Sandhu, MPP
Chair of the Committee

Queen's Park
September 2020

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1st Session, 42nd Parliament

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INTRODUCTION

The Standing Committee on Finance and Economic Affairs is pleased to present its third interim report on the *Economic and Fiscal Update Act, 2020*, and the impact of the COVID-19 crisis on the Ontario economy.

This document presents the Committee's findings and recommendations following its study of the impact of the COVID-19 pandemic shutdown on Ontario's culture and heritage sector. It reflects the testimony received during public hearings held online on June 25, 26, 29, and 30, 2020, as well as written submissions received by the Committee Clerk as of 6:00 p.m. on July 6, 2020.

At the Committee's request, the Minister of Heritage, Sport, Tourism and Culture Industries appeared as the Committee's first witness on June 25th.

Over four full days of hearings, the Committee also heard from more than 130 witnesses from this multifaceted sector. They included many umbrella organizations for dance, theatre, visual arts, publishing, and more; artists and arts and culture organizations, arts councils and galleries, magazine and book publishers, libraries, tourism organizations, sports organizations, municipalities, venues; animation, film and television companies; museums, heritage sites and organizations; film, theatre, music, dance and other festivals, and many more. The Committee also heard from Ontario's "Big 8" culture and heritage powerhouses.

While Ontario's culture and heritage sector quickly pivoted to online programming with the creativity and innovation that is its hallmark, the COVID-19 shutdown was still devastating to this sector, causing an abrupt loss of revenue streams and employment.

This report provides an overview of the main issues raised and recommendations made by witnesses during the Committee's public hearings. For details of witness submissions, and their responses to questions from Committee Members, readers are referred to the official record of proceedings, as reported in *Hansard*, and to the written submissions themselves.

Committee recommendations and a list of witnesses appear at the end of the report.

COMMITTEE MANDATE

Motions adopted unanimously by the House on March 25 and May 12, 2020 established a two-part mandate for the Committee.

When the House passed Bill 188, the *Economic and Fiscal Update Act, 2020*, on March 25, 2020, it also adopted a motion providing that party leaders and independent Members may file letters with the Speaker, setting out their

recommendations for economic and fiscal measures that should be included in the Bill. The motion further provided that when committees of the Legislature resume, the Standing Committee on Finance and Economic Affairs would be authorized to consider the Act, together with the letters filed by the leaders and independent Members, and that the Minister of Finance would be the Committee's first witness when it commenced its review.

The motion passed on May 12, 2020, authorizing the Committee to begin consideration of the matters that had been referred to it on March 25. In addition, it empowered the Committee to study the impact of the COVID-19 crisis on specific sectors of the provincial economy, including "measures which will contribute to their recovery." The sectors identified in the motion are:

- tourism;
- culture and heritage;
- municipalities, construction and building;
- infrastructure;
- small and medium enterprises; and
- other economic sectors selected by the Committee.

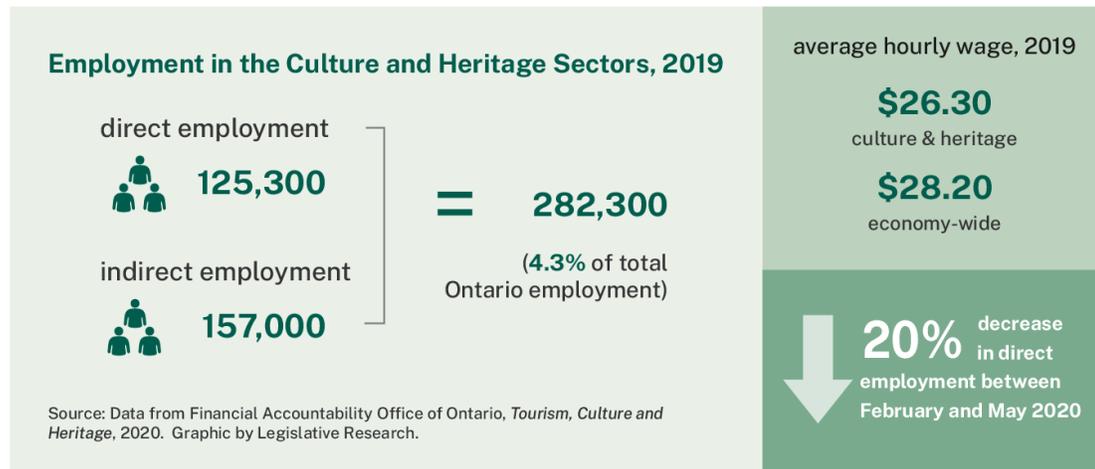
The Committee is specifically authorized to release interim reports, as it sees fit. Interim reports are to be presented to the House, and a copy of each report is to be provided to the Chair of Cabinet's Ontario Jobs and Economic Recovery Committee. Interim reports will not be placed on the Orders and Notices paper for further consideration by the House, and the Government will not be required to table a comprehensive response to them.

A final report will be tabled, and a copy delivered to the Chair of the above-noted Cabinet committee, by October 8, 2020.

Appendix A to this report reproduces the Committee's mandate in full.

OVERVIEW OF THE CULTURE AND HERITAGE SECTOR

The Financial Accountability Office of Ontario (FAO) reports that tourism, culture and heritage activities directly contributed approximately \$28.1 billion to the Ontario economy in 2019. The FAO estimates that the sector indirectly contributed \$15.6 billion in economic benefits through the provincial supply chain, and in total, tourism, culture and heritage activities generated \$43.7 billion in economic activity in 2019, representing 4.9% of Ontario's GDP.



The COVID-19 Pandemic Shutdown

As part of measures to prevent the spread of COVID-19, the Province required the closure of all workplaces (except those deemed to provide essential services) on March 23, 2020. Large gatherings of people were prohibited, and travel into and within Ontario was also severely curtailed.

In May 2020, the Province lifted some restrictions, enabling the resumption of activities by some office-based media businesses (sound recording studios, film and television postproduction, publishing, and digital media). In June, the province entered Stage 2 of its recovery plan, enabling some culture and heritage institutions to reopen, and activities to resume, with physical distancing and public health measures in place. A number of large museums and galleries, drive-in venues and attractions began reopening with physical distancing requirements in effect.

As numerous witnesses mentioned, the culture and heritage sector, with its festivals, live performances, and events, depends on large audiences and gatherings. As Ontario reopens, the likelihood of continued limitations on large gatherings, along with physical distancing requirements that reduce the maximum allowable capacity for venues and events, will hinder the recovery of this sector.

Ministry Update

The Honourable Lisa MacLeod, Ontario's Minister of Heritage, Sport, Tourism and Culture Industries, presented to the Committee on June 25, 2020. "Culture, heritage and sports are what makes our communities come alive," the Minister noted, but these same sectors "were hit first, hardest, and will take the longest to recover post-COVID-19."

The Minister cited polls from April 2020 showing that, even if these activities were permitted, 47% of Ontarians surveyed said they were not at all likely to attend a live concert, festival, or theatre performance for the rest of the year; 53% were not at all likely to attend a live sporting event; and 55% would be uncomfortable allowing their child to attend theatre, dance, or music lessons.

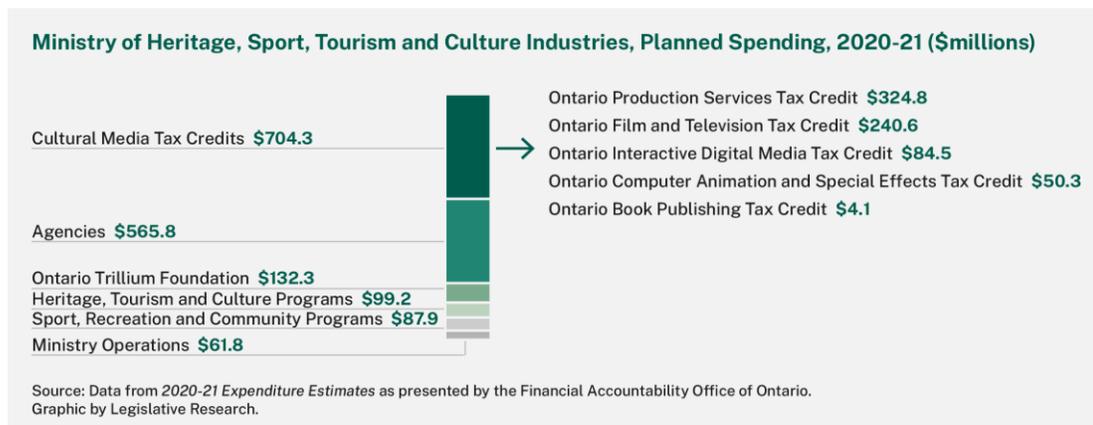
Given this "stark data," the Minister noted the need to work with the culture and heritage sectors to help develop their health and safety protocols and showcase how they are adapting to the COVID-19 environment. This will help to rebuild Ontarians' confidence so they overcome their reluctance to resume attending cultural events and visiting venues. Recovery will require Ministry funding, the Minister said, as well as regulatory reform.

The Committee heard that the Ministry flowed more than \$200 million in funding over the first three months of the pandemic, and has taken some immediate steps to address the impact of the COVID-19 shutdown on the sector including

- revising regulations for the film and television industry so that contract and freelance workers are eligible for Ontario's film and television tax credits (Ontario Creates, an agency of the Ministry, is streamlining the eligibility criteria and application process for these tax credits);
- retooling the \$7-million Ontario Music Investment Fund to immediately put more money into the hands of musicians;
- providing \$150,000 in matching funds and working with the music industry to create musictogether.ca, an online site facilitating live concert streams by at least 300 Ontario-based artists, each of whom will receive a one-time performance fee of \$1,000;
- continuing to flow funds through agencies of the Ministry including the Ontario Arts Council, the Ontario Cultural Attractions Fund, and the Ontario Trillium Fund;
- continuing to flow funding through Celebrate Ontario program grants to support festival and event organizers with rescheduled, postponed or reprogrammed events;
- continuing to flow \$35 million annual funding for sports programs including Quest for Gold;

- providing \$13-million to support locally-driven marketing initiatives that encourage Ontarians to explore their local communities and to feel comfortable visiting local museums, heritage sites, and other attractions; and
- working with the Ministry of Municipal Affairs and Housing to double studio space for the film industry through repurposing municipal assets.

Additionally, 14 culture and heritage sector advisory committees, composed of panels of experts, are providing advice to the Ministry on targeted investments and other measures to help the sector survive and ultimately recover from the shutdown.



Culture Sector

Art is not a luxury, but is essential to the wellbeing of individuals and communities. Art energizes, comforts, restores and nurtures individuals and communities.

—Intergalactic Arts Collective

The arts are essential to a successful recovery of all sectors in the province.

—Electric City Culture Council

Impact of the COVID-19 Shutdown

The Committee heard from witnesses that the pandemic shutdown had a “devastating,” “seismic,” and “catastrophic” impact. The abrupt loss of revenue and employment triggered “an existential crisis” for artists and arts organizations. But many also emphasized the vitality and resiliency of the culture and heritage sector, and its significant contribution not only to Ontario’s economy, but to social cohesion and overall wellbeing.

Arts and culture organizations, and individual artists, are deeply involved in their communities. They offer live performances, exhibitions, festivals, and a wide

range of community-based arts activities including workshops and classes, professional development, internships and job training for young people; host class and school visits; and develop curriculum and other educational resources for students in kindergarten through Grade 12 (K-12) as well as postsecondary students.

The shutdown affected culture and heritage organizations and businesses large and small, in every part of the province. Non-profit organizations that derive most of their revenues from ticket sales, philanthropic donations and sponsorships saw this revenue vanish overnight. Many organizations and companies had to lay off junior and part-time staff, while senior staff and executives took substantial pay cuts.

It is estimated that arts organizations funded by the Ontario Arts Council will lose a minimum of \$128 million in total revenue by end of June 2020, representing an average loss of 16% of each organization's total annual revenue.

Tourism

The Committee learned that culture and heritage attractions and events are core drivers of tourism, bringing visitors from across Ontario and Canada, as well as from the United States and other countries. These visitors and tourists then spend substantial amounts of money on local products and services. For example, the counties of Bruce, Grey and Simcoe collectively receive more than 11 million visitors annually, making this the third most-visited region in Ontario. Over two-thirds of visitors stay overnight as they attend cultural performances, sports and outdoor events, or visit art galleries and historic sites, spending in excess of \$1.3 billion in 2016.

Indigenous Tourism

Ontario is also home to the largest Indigenous tourism industry in Canada, much of it focused on Indigenous culture and heritage activities. Indigenous tourism contributes an estimated \$622 million to the provincial GDP, and provides more than 12,000 jobs across 550 Indigenous tourism businesses.

According to the Tourism Industry Association of Ontario, "culture and heritage tourism will be key components of our economic recovery."

Spin-off economic and employment benefits

The dollars that put arts and entertainment on our stage, set the stage directly for economic benefits up and down our main streets.

—Capitol Theatre

Culture and heritage organizations and events generate both direct and indirect employment, and spend money locally, purchasing goods and services from caterers, carpenters, printers, graphic artists, plumbers, electricians, accountants, insurance agents, and others. But losing the sources of revenue available before the pandemic shutdown has left many organizations almost entirely reliant on Ministry funding assistance through the Ontario Arts Council and other agencies. For example, before the shutdown, Port Hope's Capital Theatre was financially stable and expecting a surplus, but now,

like local theatres everywhere, our revenues have dried up, sold-out concerts cancelled, marketing expenditures wasted, and sponsorships and corporate gifts gone. We face a lot of unknowns. Plans to reopen are in constant flux. ... The fundamental challenge unfolding ... is finding new revenue streams to offset revenue losses, with smaller audiences necessitated by social distancing.

Community Benefits

Along with the significant economic contribution of this sector, witnesses consistently emphasized the substantial "social return" or social value of investment in culture and heritage. This is felt in intangible benefits such as individual and community health and wellbeing, community affirmation, and social cohesion— all especially needed and missed during the isolation, anxiety, and physical distancing of the pandemic shutdown.

In particular, the culture and heritage sector boosts the voices of marginalized (also referred to as "equity-seeking") communities, such as the LGBT2SQ (Lesbian, Gay, Bisexual, Trans, Two Spirit and Queer) community, artists with disabilities, and others. However, many witnesses noted that the shutdown exacerbated the already precarious position of marginalized communities, including many Black, Indigenous, and other people of colour (BIPOC) artists and culture workers, along with culture and heritage organizations representing and serving these communities.

The Committee heard that Toronto's Regent Park Film Festival (which serves mostly low-income BIPOC communities) reached approximately 11,000 people in 2019 through free programming, including panel discussions, exhibitions, professional development workshops, and media literacy curriculum for schools.

The Festival also provides paid internships for Black youth to work on the sets of TV shows like *Murdoch Mysteries* and *Kim's Convenience*.

The Regent Park Film Festival “supports local businesses, it brings in visitors from all over the city, it helps reduce social isolation and improves community health, and it is a space of joy and celebration.” The Festival explained that operating and project grants from arts councils are a lifeline and “without this kind of sustained support from all levels of government, the Regent Park Film Festival would not survive.”

The Film Festival’s executive director explained that small arts and culture organizations serving low income and marginalized communities typically

do not have the established, stable donor bases that larger organizations do, and much of our private donations come from our communities who have faced historic barriers to accessing capital and institutional financing, who are themselves experiencing wide job losses and financial insecurity. I am worried that they may not make it into 2021, and with them will go jobs, audiences, and diverse vital voices that contribute to the vibrant film [and culture] sector in Ontario.

COMMON CONCERNS AND INDUSTRY/SECTOR-SPECIFIC ISSUES

There are an extraordinary range of organizations and individuals active in the culture and heritage sector, many with shared and overlapping concerns and recommendations. At the same time, there are also some industry/sector-specific concerns.

Funding

Virtually all witnesses noted an urgent need for emergency financial support for culture and heritage organizations as well as for individual artists and culture workers.

Artist Experience

Many artists are self-employed freelancers, and often rely on supplementing their income through the service sector and gig economy. The COVID-19 shutdown affected artists’ income not only from their artistic work but also these supplementary sources. Having suddenly lost other sources of income, artists described the Canadian Emergency Response Benefit (CERB) as a lifeline. The Committee heard that there is a risk that many artists will leave the sector entirely as a result of the financial pressures caused by the pandemic, and Ontario could lose a generation of artists.

Other Funding

The Committee also heard that while the sector appreciates the emergency federal and provincial funding supports made available to help those dealing with financial hardship because of COVID-19, these short-term supports are insufficient to keep the sector afloat. Presenters outlined a number of eligibility gaps in existing programs and noted that while rent and property tax deferrals are helpful, “the basic sustainability of organizations depends on consistent base operating funding.”

Presenters advocated for cutting red tape to allow them to be more nimble in adapting to changing circumstances, and rebound faster as restrictions are lifted. They recommended streamlining requirements and application processes for grants and provincial funding, including making funding applications and programs more accessible to self-employed artists. An immediate, emergency stabilization fund, witnesses explained, would assist in content creation, provide artists with needed income, address the costs of retrofits and other new health and safety measures, and help address the eligibility gap in current programs.

The Ontario Arts Council or OAC (an arm’s length agency of the Ministry) was mentioned repeatedly. Many witnesses called on the Province to increase funding to the OAC to help the culture and heritage sector survive during and after the shutdown.

Witness Recommendations

The Committee heard many proposals for increased funding through existing agencies and grant programs as well as suggestions for new programs and funding streams, as summarized below.

- *Ontario Arts Council (OAC)*—increase funding for the OAC and include the following:
 - *Arts stabilization funding*—provide a COVID-19 arts stabilization fund to help artists and arts organizations maintain core activities during the shutdown and recover from the shutdown; to support the development of digital skills; to develop COVID-19-sensitive artistic programming; and to develop marketing campaigns and strategic initiatives to address diversity issues.
 - *Stabilization funding for new and emerging artists, BIPOC and artists from equity-seeking groups*—provide long-term stabilization funding for new and emerging artists; artists from Black, Indigenous, and other people of colour (BIPOC) communities, and artists from other equity-seeking communities.
 - *Art gallery stabilization fund*—establish an art gallery stabilization fund that includes resilience grants to offset the collapse of revenue streams that funded operating costs; funding for the costs of COVID-

19 health and safety measures; and funding to build digital infrastructure.

- *Philanthropy and tax credits*—incentivize private philanthropy such as charitable deductions; introduce a matching donation program for the culture sector to encourage private and corporate gifts; enable in-kind donations (e.g., shares in real estate companies); and increase amounts for Ontario’s non-refundable tax credit benefits for arts education courses and donations to arts and heritage charities.
- *Funding for individual artists*—ensure funding to support individual artists through a universal basic income or similar measure, and increase support through the Ontario Disability Support Program.
- *Provincial-federal infrastructure programs*—enable large heritage and culture organizations to apply for provincial-federal infrastructure programs.

Indigenous Culture Fund

The Committee also heard multiple recommendations that funding be restored to the OAC-administered Indigenous Culture Fund (ICF). The ICF was created to support First Nations, Inuit and Métis communities, culture and way of life. Among other things, the ICF funded community-based cultural projects involving traditional land-based activities, languages, teachings, protocols and ceremonies.

CARFAC explained that the elimination of the ICF had “devastating impacts” on Indigenous cultural production, and left Indigenous cultural producers and communities feeling that their work is not valued. The Committee heard that the ICF is “much-needed to support Indigenous cultural production and economic stimulation in Indigenous communities.”

Witness Recommendation

- *Indigenous Culture Fund*—reinstate the OAC-administered Indigenous Culture Fund.

Digital Infrastructure

While the shutdown triggered a pivot to online and digital platforms, presenters described the steep learning curve and financial costs of suddenly having to move programming online.

Many witnesses requested funding for digital infrastructure including new technology, expertise and organizational resources. Improved digital infrastructure could also be leveraged to engage international audiences and provide marketing opportunities in anticipation of the resumption of national and international tourism.

Witnesses were appreciative of current programs such as musictogether.ca and Ontario Live (operated by Destination Ontario, a provincial agency), which provides “a virtual marketplace for local artists, operators, attractions and businesses throughout the province.” However, they explained that they need funding and resources to set up the digital infrastructure required to do business on a virtual platform like Ontario Live.

At the same time, witnesses expressed uncertainty about how to eventually monetize digital offerings and remain competitive when Ontarians currently have digital—and mostly free—access to the best international cultural offerings. They believe that digital programming will not make up for the revenue shortfalls due to COVID-19, will not provide the same economic spin-off benefits for local businesses and communities, and will not ultimately provide long-term financial sustainability.

The Committee also heard that many Ontarians in low-income households, and people living in rural or remote communities, lack access to affordable and reliable internet as well as to computers and other digital devices and equipment.

Witness Recommendations

- *Funding for digital infrastructure*—provide funding for culture organizations and industries, as well as individual artists, to build digital infrastructure.
- *Broadband internet access*—ensure province-wide access to reliable and affordable high speed broadband internet for all Ontarians.

Reopening

We will need crystal clear guidance on the timelines for reopening our venues and any new protocols that will be required of us. We need active public messaging from the province as we reopen that Ontario arts are to be celebrated and supported, encouraging our patrons to participate as early as they feel comfortable.

—Soulpepper Theatre Company

The culture and heritage sector universally expressed an eagerness to reopen and resume activities as soon as possible, but noted they need assistance in protecting the health and safety of patrons, clients, employees and the public. Live performance-based disciplines such as dance, theatre, and music reported on their struggles to reopen with reduced audience sizes and venues that are not conducive to maintaining physical distancing.

Attractions Ontario outlined the confusion around planning for reduced crowd-capacity and the financial feasibility of surviving despite reduced ticket sales for cultural attractions. The Toronto Symphony Orchestra observed the difficulties of planning live performances where entrance times are staggered and

programming must be structured to avoid crowding during intermissions and in restrooms. Dance Umbrella of Ontario said that even with health and safety measures, some organizations will continue to experience a financial toll while the public is reluctant to gather indoors.

The Committee heard that “clear, sector-specific guidance is needed for our sector to confidently reopen when the time is right.” Many witnesses expressed interest in helping to develop sector/industry-specific health and safety guidelines and protocols.

Presenters underscored the need for a reopening plan specifically for arts venues, highlighting the costs of retrofitting and equipping arts facilities for COVID-19 health and safety requirements.

Several presenters described proactive strategies and detailed planning underway to address safety concerns when they are allowed to resume operations. The Tourism Industry Association of Ontario is collaborating with international counterparts to establish standardized health and safety protocols, and working with destination marketing organizations to promote tourism within Ontario as part of a shift away from reliance on American tourists.

Witness Recommendations

- *COVID-19 health and safety*—provide guidance and funding assistance for COVID-19 health and safety protocols (e.g., physical distancing and personal protective equipment) and retrofitting.
- *Operating support for venues*—provide support to help venues with the fixed costs of operating facilities.
- *Marketing*—provide funding for province-wide marketing campaigns to allay safety concerns and improve consumer confidence; rally support from local MPPs to encourage Ontarians to engage and connect with the arts in their communities.

Risk Mitigation and Insurance

*Our future is not dependent on the eradication of COVID.
Our future is dependent on how we live with it.*

—Languages Canada

Along with concerns over remaining financially viable while adjusting to new health and safety realities, witnesses told the Committee that they worry not only about being the source of potential outbreaks but about how they will survive possible future economic shutdowns.

The Committee learned that one of the most significant hurdles for the resumption of film and television production is the lack of insurance to cover

COVID-19-related production shutdowns. Independent filmmakers noted that they are no longer able to obtain insurance for claims related to COVID-19 or other infectious diseases.

At the same time, productions must have insurance coverage in order to receive formal financing from banks and other financial institutions. As noted by the Alliance des producteurs francophones du Canada (APFC), independent Francophone producers have the added hurdle of needing to be insured in order to receive necessary public funding through the Canada Media Fund.

Numerous witnesses emphasized the need for government support regarding insurance.

Witness Recommendation

- *Insurance*—provide Ontario-based culture producers with a backstop for insurance claims relating to COVID-19 or other infectious diseases. Ontario producers would pay fees or premiums into a pool of funds to cover pandemic-related losses. The Province would provide a reserve amount to cover claim amounts that exceed the pooled funds.

Big 8

The Committee heard from Ontario's eight powerhouse arts and cultural organizations known collectively as the "Big 8": the Toronto International Film Festival, the Royal Ontario Museum, the Toronto Symphony Orchestra, the Art Gallery of Ontario, the National Ballet of Canada, the Canadian Opera Company, Harbourfront Toronto, and the Soulpepper Theatre Company. The Big 8 provide significant economic and cultural benefits to the province, attract international attention, and showcase the incredible talent and diversity of Ontarians.

Describing provincial funding as essential to their continued operation, the Big 8 called on the Province to maintain core funding through the Ontario Arts Council and Ontario Creates (as noted earlier, an agency of the Ministry of Heritage, Sport, Tourism and Culture Industries) among others.

Witness Recommendations

- *Funding*—provide additional funding for the immediate and near term, in recognition of the increased costs of infrastructure, digital programming, and ensuring COVID-19 health and safety.
- *Marketing Strategy*—develop a major provincial marketing strategy and campaign to inspire confidence in the ticket-buying public through positive messaging in support and celebration of Ontario's cultural sector.
- *Reopening Guidelines*—provide clear, consistent guidance on the timeline for reopening venues, along with guidelines for health and safety protocols to maintain consumer confidence.

Film and Television

The Canadian Film Centre noted that Ontario's film and television business and production ranks third in North America: "We attract investment, generate jobs and can make a significant contribution to sustainable economic benefits for Ontario."

Prior to COVID-19, film and television production in Ontario had reached "record levels" with more than 340 productions, 44,500 jobs, and \$2.16 billion in spending (40% of which was spent on domestic production). The Motion Picture Association – Canada, which represents large U.S. studios (e.g., Walt Disney, Netflix Studios, and Warner Bros. among others), reported that its members spent over \$561 million in 2019 at over 6,829 Ontario-based businesses.

However, the COVID-19 pandemic resulted in the "complete shutdown of all live action production in Canada." Cinespace Film Studios, for example, saw a complete halt to film productions hosted in its facilities.

FilmOntario reported that while 2019 spending represented an increase of almost 15% from the previous year, an estimated loss of \$700 million was anticipated by the end of June 2020.

The sudden shift to working from home meant unexpected costs. Computer Animation Studios of Ontario reported that approximately 40 studios faced an estimated \$80,000-\$400,000 in unexpected costs in order to establish the network infrastructure and security requirements to facilitate working from home.

The Toronto International Film Festival (TIFF) told the Committee that it generates more than \$200 million in annual economic activity, reaches approximately 850 million people globally, and creates 700 festival-specific jobs in addition to the 309 year-round TIFF employees. With the shutdown, festival and related operations have been scaled back, corporate donations have decreased, senior staff took pay cuts, and some employees were laid off.

Presenters described their preparations to reopen after the shutdown ends. Cinespace Film Studios implemented mandatory health safety and disinfection training, upgraded ventilation systems against airborne infectious disease, installed hospital-grade, non-porous walls and floors, and modified common areas to allow for physical distancing. TIFF partnered with Bell Media's Crave streaming service to offer "Stay-at-Home Cinema" and is developing its own new online platform for films.

Other presenters highlighted the opportunity—and the challenges—of using currently empty venues, outdoor settings, and locations outside Toronto for film productions. The Ottawa Film Office observed that foreign productions' studio expenses are covered by tax credits but location expenses are not. By contrast, Quebec and British Columbia offer various incentives for film productions to use their provincial locations.

Witness Recommendations

- *COVID-19 health and safety*—provide financial support to cover the increased and unplanned costs for health and safety measures on set (e.g., hiring on-set medical professionals, sanitation of sets, purchasing of personal protective equipment); provide temporary financial support for the increased costs of maintaining physically-distanced venues where fewer tickets must be sold.
- *Insurance*—provide Ontario-based film and television producers with a backstop for insurance claims relating to COVID-19 or other infectious diseases.
- *Tax credits and incentives*—provide tax incentives for filming on location; provide tax credits for COVID-19 health and safety costs; streamline and update tax credits by simplifying residency requirements, allowing projects on all platforms to qualify, and expanding eligibility for service tax credits to include all location fees; increase tax incentives for film, TV, video game producers and other media producers to use music content from Ontario companies in their productions.
- *Ontario Computer Animation & Special Effects (OCASE) Tax Credit*—designate work from home arrangements as permanent workspaces eligible under the OCASE Tax Credit; untether the OCASE Tax Credit from the Ontario Production Services Tax Credit to allow visual effects animation in post-production studios to independently file for the OCASE Tax Credit.
- *Ontario Film and Television Tax Credit (OFTTC)*—make adjustments to the OFTTC including a new COVID-19 exception to raise or eliminate the 25% eligibility cap for non-Ontario expenses and introduce a new 100% tax credit on COVID-related Ontario labour costs (or raise the OFTTC from its current level of 35% to 40%).
- *Ontario Creates Film Fund (OCFF)*—relax the definition of “studio” under the OCFF to allow filming in locations that are currently closed to the public due to the pandemic (e.g., Roy Thompson Hall); provide an immediate increase to the OCFF to support feature documentary production; ensure that costs incurred during the shutdown period (e.g., paying crew members) are eligible expenses that can be claimed.
- Designate Ontario’s film production industry as a crucial business activity.
- Establish a “promotional hub” that allows entertainment companies of all sizes to showcase their offerings.

Live Performances

Dependent on gathering audiences together, live performance organizations and venues noted that they were among the first to be closed and will be among the last to reopen, even when compared to others in the arts and culture sector. The Canadian Live Music Association and Music Canada noted that “a staggering

96% of responding companies in a recent survey say they will close permanently, if they haven't already, within weeks, despite leveraging existing federal relief programs." The Committee heard from a range of large and small venues, including music halls, theatres, ballet companies, dance companies, film festivals, as well as unions representing workers in such venues.

Along with providing emergency relief, witnesses emphasized that it is critical for the Province to invest in interim funding for content creation, to support the creation of artistic and cultural work and maintain the talent pipeline.

Organizations are also in critical need of expertise and resources for retrofitting to allow for physically distanced audiences and distanced performers, both front-of-house, backstage, and in venue lobbies.

Producers of live performances face additional challenges in hosting international artists, who are often accompanied by staff including lighting and sound technicians, and whose performance dates must be booked well in advance. These producers are looking for clarity about how restrictions on international acts will evolve, and when postponed shows can be rescheduled.

Witness Recommendations

- *Ontario Music Investment Fund*—create a new program under the Ontario Music Investment Fund to support independent live music venues in hosting outdoor performances as well as an industry initiative to set health and safety protocols.
- *Permits and licenses*—the Province should work with municipalities to make it easier to obtain permits for live performances and enable access to more unique spaces; make special occasion permits for alcohol less complicated and time-consuming; and relax noise complaint-related requirements.
- *International artists*—the Province should set up a dedicated government liaison to provide guidance on work permit exemptions and tax matters for Ontario artists who tour and work internationally, similar to professional athletes.

Municipalities

There is a strong association between a robust arts and cultural sector and a municipality's economic growth and wellbeing. Moreover, municipalities play an important role in supporting the arts through providing grants, and in-kind support such as property tax rebates, venues, and sponsorships for festivals and events.

Witness Recommendations

- *Funding*—increase provincial funding to municipalities to help them continue to support the culture and heritage sector; make the HST fully refundable or exempt for arts, culture, and heritage-related spending; continue rent relief programs; and prioritize grants over debt deferral programs.

- *Reopening*—provide municipalities with clear and consistent information about the reopening process.

Sport

According to the Canadian Olympic Committee, 47,000 jobs in the sport industry in Canada have been dramatically impacted by the COVID-19 shutdown. In addition to economic impacts, witnesses pointed out that youth are hit especially hard by the loss of sports and related programming.

Indigenous Sport and Wellness Ontario (ISWO) generated \$50 million in economic impact over the last three years and delivered the 2017 North American Indigenous Games, which was attended by over 5,000 Indigenous youth. The ISWO's Masters Indigenous Games showcases global Indigenous artists, performances, foods, traditional sports, and teachings.

ISWO reported that the shutdown has led to delays or cancellations of major events such as the North American Indigenous Games which have been postponed for a year, and over half a million dollars in losses.

Witness Recommendations

- *Funding*—provide emergency funds and tax credits to preserve jobs and enable sports organizations to provide personal protective equipment and related health and safety measures.
- *Support for sports clubs and associations*—provide rent relief for clubs and provincial sport associations; provide subsidies including reimbursement or tax credits up to \$2,000 for youngsters to participate in hockey and other sports.

Libraries

Ontario's public libraries have continued to serve as vital community hubs and have seen a surge in public demand for their services despite being physically closed to the public during the shutdown.

On average, public libraries obtain 96% of their funding from municipalities. The Committee heard that the shutdown led to municipal revenue shortfalls which resulted in 46% of public libraries implementing staffing cuts. The Federation of Public Libraries (FOPL) estimates that 40-50% of 15,000 library staff across the province have been furloughed or laid off.

During the shutdown, libraries have offered free WiFi access for community members to connect to online government services. Libraries are also providing online versions of services previously offered in-person such as training programs, book clubs and other initiatives to assist with mental health issues and social isolation. Libraries noted the need for updated fibre optic broadband

connectivity at branches across the province (at an estimated cost of \$10,000 to \$15,000 per branch).

During the COVID-19 pandemic, libraries have provided additional community engagement services such as making care calls to seniors and delivering reading materials to seniors' homes and essential worker daycares, producing personal protective equipment with the libraries' stock of 3D printers, and converting library branches into food banks.

The loss of access to community services normally offered by local library branches is acutely felt in rural and northern Ontario as well as First Nation communities where "the public library is a vital and often the only cost-free, stigma-free community hub for residents and families."

Witness Recommendations

- *Funding*—provide municipalities with the necessary funding to protect libraries' continued operations.
- *Internet and digital resources*—leverage Ontario's broadband action plan to ensure that speedy fibre optic broadband connectivity is available at all library branches across Ontario; create an Ontario digital public library to provide critical e-learning support to all Ontarians.

Book Publishing and Bookstores

Ontario's publishing industry contributes an estimated \$500 million annually to the provincial economy and pays over \$250 million in wages. However, the shutdown has "severely compromised" the industry's supply chain, with heavily relied-upon independent bookstores now unable to provide the customer browsing experience that facilitates book sales.

The Ontario Book Publishers Organization observed that the pandemic has exposed the fragile interdependence of Ontario authors, publishers, designers, editors, distributors, printers, bookstores, libraries, schools and other parties.

COVID-19 has also affected the ability to promote new books as authors cannot attend book tours, festivals have been cancelled, and media coverage has been focused on other priorities. Most publishers are expecting a drop in sales of nearly 50% in 2020 when compared to 2019. The Book and Magazine Publishing Council reported that "the entire book publishing industry has been pushed back six months or a year" and limited offers as well as deferred payments to authors leave them in a financially precarious position.

The Ontario Book Publishers Organization explained that the biggest immediate concern for publishers is the lack of cash flow to cope with costs such as payments to printers, staff salaries, and commercial rent. Despite the difficulties of surviving in an industry with slim margins, witnesses emphasized the

resilience and creativity of publishers. In adapting to new realities of the pandemic, Coach House Books noted that “publishers are an innovative and industrious lot, and we’re all thinking already about the ways that our industry will change in response to the pandemic.”

The Committee heard recommendations to encourage schools to use Canadian books, and to facilitate the sale of Ontario-published e-books. Presenters also recommended ensuring that publishers currently receiving federal financial support are not penalized when receiving provincial grants and tax credits.

Witness Recommendations

- *Ontario Creates Book Fund*—provide a one-time emergency top-up injection of \$6 million to the Ontario Creates Book Fund to help support Ontario publishers for the next 18 months.
- *Ontario Book Publishing Tax Credit (OBPTC)*—allow the OBPTC to pay an advance upon application from publishers in good standing.
- *Commercial rent*—provide support to help publishers with commercial rent.
- *Incentives to libraries*—provide incentives to libraries to purchase Canadian-authored and Canadian-published books.

Magazine Publishers

Magazines Canada reported that Ontario’s magazine media industry generated \$801 million in operating revenues in 2017, which represented more than half of the country’s magazine revenues.

For some magazine publishers, the impact of the pandemic has been a nearly 35% loss in revenues, with publishers of printed publications feeling the brunt of the economic impact. Magazines Canada and Magazines Ontario noted a projected \$10.6 million loss in advertising revenue between April and September 2020; with 40% of employment positions at risk of being eliminated within three to six months and 25% of publications facing the prospect of ceasing operations entirely. Digital publishers have fared better than print publications but are still experiencing losses including a 15% drop in advertising revenue.

The cancellation of live events has also contributed to financial loss while the Committee heard that consumer-based virtual events are not currently financially viable. Witnesses called for support for continued work from home measures for the near-to-midterm, suggesting that it will be important to study the mental health effects of working from home.

Witness Recommendations

- *Ontario Creates Magazine Fund (OCMF)*—increase the annual budget of the OCMF from \$2 million to \$4 million; raise the \$75,000 maximum grant

amount within the OCMF to \$100,000; and designate funding within the OCMF for innovative initiatives.

- *Marketing*—develop a “Buy in Ontario, Made in Ontario” campaign.

Artists, Art Galleries and Community Arts Organizations

A significant portion of witnesses represented artists, art galleries, art councils and community arts organizations in Ontario. Overall, witnesses spoke to the challenges in their sector, which include loss of revenue and employment.

According to the Ontario Association of Art Galleries, every dollar invested in not-for-profit art galleries leads to a social return of \$4. However, COVID-19 has left many art galleries in a vulnerable position, as they have small operating budgets and low average working capital ratios. Without new sources of funding, many galleries are now at risk of closure, as the short-term federal subsidies now available are insufficient.

The Arts Collective Theatre noted COVID-19 has created “an existential crisis for our performing artists and arts organizations” given the already precarious working conditions of artists combined with an inability now to properly gather, create, share, and learn. Many witnesses noted that, pre-COVID-19, arts and culture workers had one of the highest rates of poverty of any sector, including high levels of precarious work.

Witness Recommendations

- *Funding*—provide specific emergency and long-term funding streams for art galleries, arts organizations and non-municipally-run performance venues; and long-term stable income support (such as a universal basic income) for artists.
- *Business and marketing skills for artists*—invest in programs for artists to enhance their business management and marketing skills.
- *Housing and social services*—establish more affordable housing and provide mental health supports for artists working under precarious circumstances.

Interactive Digital Media

The Committee heard from several witnesses representing interactive digital media companies, including developers of video games, mobile applications and e-learning products. According to Interactive Ontario, the industry contributes over \$3 billion to the province’s GDP and employs more than 22,000 people, with over 90% of revenue generated through exports.

With increased consumption of digital media during the pandemic, this sector has thrived, continuing to employ staff and develop products during the shutdown. As a result, the digital media sector is not in need of emergency provincial funding.

Despite strong growth in the industry pre-COVID-19, witnesses noted Ontario's interactive digital media industry is still in an emerging stage, with limited access to operating capital. The Committee heard that new investments and adjustments to existing subsidy programs would allow companies to retain and create jobs, and help Ontario become a leader in interactive digital media.

Witness Recommendations

- *Funding*—allow organizations that have already been approved for funding by Ontario Creates, the Ontario Centres of Excellence, or other government entities, to get fast-tracked for additional funding opportunities.
- *Ontario interactive digital media tax credit (OIDMTC)*—streamline OIDMTC tax credit by setting a service standard for processing times; lower the minimum threshold required for labour expenditures (to allow smaller companies to apply); allow companies to claim the federal Scientific Research and Experimental Development (SR&ED) Tax Credits on any labour costs not claimed under the OIDMTC; and allow companies to claim the OIDMTC for new Ontario residents who are in their first year of employment in Ontario.

HERITAGE SECTOR

The Committee heard from a broad range of heritage and historical organizations and institutions. These organizations have long fostered strong connections with primary, secondary, and postsecondary education, including developing curriculum and other educational resources, hosting school visits and providing educational programming onsite.

With schools closed during the shutdown, the heritage sector has focused on developing additional digital resources to support students. The Committee heard that this is an opportune time to pursue the economic potential of digital cultural heritage (the integration of cultural heritage and information with communication technologies) and make more historical materials available online.

The Ontario Historical Society, representing some 800 member organizations across the province, noted that the heritage sector includes many small community-based and volunteer-run organizations, museums, and historical sites. The shutdown has meant a loss of revenue from visitors, tours, and events.

The heritage sector attracts large numbers of tourists to communities across the province. For example, both the Sheffield Park Black History Museum in Clarksburg and the Owen Sound Emancipation Festival attract thousands of visitors and tourists from across North America.

The Ontario Association of Agricultural Societies explained that heritage and tradition are an important part of Ontario's 200 non-profit agricultural societies. Agricultural fairs run by these societies bring significant benefits to local

communities and an estimated provincial tourism impact of \$360-\$370 million. The Committee heard that the pandemic has cut off all sources of income for these societies, and without funding to cover their expenses, it will be difficult for some agricultural societies to survive.

The Architectural Conservancy of Ontario emphasized the importance of conserving and retrofitting heritage buildings, noting that investments in heritage infrastructure will create jobs, fight climate change, and improve individual and community wellbeing. The Committee heard that the Conservancy has put together a list of 50 shovel-ready heritage projects in Ontario that would create 500 jobs.

The Committee heard that high property taxes on heritage buildings and sites are an ongoing burden on small community-based and volunteer-run organizations.

Targeted grants to develop digital infrastructure and events, and to fund restoration work on deteriorating heritage buildings, explained The Ontario Historical Society, would help to kick start local economies.

Sudbury's Science North museum supports, directly and indirectly, nearly 700 jobs in northern Ontario and contributes \$85 million to the provincial economy. The shutdown has meant a loss of nearly 65% of Science North's annual operating budget of \$20 million. To help with recovery, Science North recommended targeted and strategic increases in government support that includes promoting regional tourism and highlighting the assets of northern communities.

The Moose River Heritage and Hospitality Association stressed that "heritage and culture thrive when they are community centred and driven." In the north, this means "an emphasis on Cree heritage and culture." The camps and sporting events run by the Indigenous Sport and Wellness Association celebrate Indigenous cultural traditions and are attended by thousands of Indigenous youngsters.

The Ontario Black History Society noted that many of the province's Black heritage sites have been lost while surviving sites are in jeopardy. Most are run by community-based volunteers operating with slim margins. With funding, these sites could be restored, conserved, and reused, providing numerous spin-off benefits including community wellbeing, public education for all Ontarians, and enabling professional training—especially for Black youth—in various aspects of heritage management and operations. According to the Ontario Black History Society, such "intentional funding can be viewed as a tangible demonstration of the government's more recently expressed commitment to address anti-Black racism."

Witnesses made numerous recommendations regarding funding including bolstering funding to existing grant programs—and expanding the scope of these

programs—as well as creating new funding streams to address the loss of revenue and the costs of reopening.

Witness Recommendations

- *Community Museum Operating Grant Program (CMOG)*—update and renew this program to increase adequate core funding for museums to contribute to education, economic development, and community vitality across the province.
- *Northern Ontario Heritage Fund Corporation*—make strategic and targeted investments through this fund to highlight the assets of northern communities and promote regional tourism.
- *Northern Ontario Internship Program*—extend the opportunity of paid internships from one year to two years for candidates who are Black, Indigenous, or other people of colour; increase financial support for interns; enable international graduates of postsecondary institutions in northern Ontario to apply for these internships.
- *Heritage Organization Development Grant and Community Museum Operating Grant*—increase funding for these grants.
- *Ontario museums relief fund*—establish a fund to address the immediate and significant loss of revenue from admissions, public programs and fundraising events, and to help museums build capacity during the reopening process and first months of operation.
- *Black heritage infrastructure support*—provide targeted infrastructure support for Black heritage buildings and sites; to develop digital infrastructure; to fund professional training especially for Black youth to preserve and operate sites; and to create and fund paid employment positions in heritage management.
- *Community heritage infrastructure grant program*—create a rapid grant program to help heritage organizations that own, or lease and operate built and natural heritage sites (including burial grounds and cemeteries) in communities across the province.
- *COVID-19 health and safety*—provide funding to help museums and heritage sites reopen safely (e.g., funding for personal protective equipment, training for staff and volunteers, and to fulfil physical distancing requirements).
- *Philanthropy*—introduce a matching donation program for the culture sector to encourage private and corporate gifts, matched by government dollars; create incentives and tax credits to encourage private sector donations; revise funding programs to eliminate or reduce the matching funding requirements.
- *Property taxes*—provide tax exempt status for all not-for-profit historical societies incorporated by The Ontario Historical Society (comparable to the

exemption for Royal Canadian Legion branches); provide a property tax exemption for all museums across the province; give municipalities the authority to exempt heritage buildings and sites from property taxes.

- *Digital infrastructure*—provide funding to: develop digital infrastructure including curriculum and educational resources; create digital sites to enable virtual visits to experience sites and study archival materials; and ensure that cultural organizations of various sizes have adequate capacity and access to technology to develop and deliver online learning opportunities.
- *Youth training and employment*—provide more opportunities to train and employ young people in the sector.

COMMITTEE RECOMMENDATIONS

The Standing Committee on Finance and Economic Affairs made the following recommendations:

1. Increase Ontario Arts Council (OAC) funding for one year:

The OAC provides grants and services to professional, Ontario-based artists and arts organizations. Increasing this fund will allow the OAC to support a wider range of artists and organizations that have been impacted by the pandemic.

2. A Special COVID-19 fund for our iconic institutions – the Royal Ontario Museum (ROM), the Art Gallery of Ontario (AGO), McMichael Gallery, Science Centres, etc. :

In many cases these provincially owned organizations are not eligible for the funding streams offered through the Ministry. These iconic institutions will need the financial aid in order to get back on track and offer the best and safest service to the consumer.

3. Enhanced Sport Funding – Bolster the Provincial Sport Organizations Funding:

Provincial Sport Organizations (PSOs) are not-for-profit organizations formally recognized by the Ministry of Heritage, Sport, Tourism and Culture Industries as the governing body of amateur sport in Ontario. One of the primary functions of these PSOs is to establish risk management policies. At this time risk management will be a key to getting sports back on track.

4. Bolster the Community Museum Operating Grant Program Funding:

This fund provides annual operating grants to eligible community museums across Ontario. This funding helps strengthen their role as custodians and interpreters of the province's irreplaceable Heritage collections.

5. Implement a Province-Wide Music Strategy:

We will need to implement and support a province-wide music strategy to get the industry back up and running. We have seen other industries come up with innovative ways to put on events and give access to the consumer.

6. Increase the Heritage Organization Development Grant (HODG):

The HODG provides annual operating support to historical societies, museums, and other heritage associations, located throughout the province that promote public awareness of Ontario's rich and diverse heritage. It is very important that we protect the cultural heritage of this great province.

7. The Province examine the Investing in Canada Infrastructure Program (ICIP) as an opportunity to address historical building retrofits.

WITNESS LIST

Organization/Individual	Date of Appearance
ACTRA Toronto	Written Submission
Alliance des producteurs francophones du Canada	June 30, 2020
Alliance of Arts Councils of Ontario	Written Submission
Alton Mill Arts Centre and Headwaters Arts	June 29, 2020
Architectural Conservancy Ontario	June 29, 2020
Art Gallery of Ontario	June 25, 2020
Art Gallery of Sudbury/Galerie d'art de Sudbury	June 30, 2020
Art Gallery of Windsor	Written Submission
Arts Collective Theatre	June 30, 2020
Arts Council Windsor & Region	Written Submission
Atomic Cartoons	June 29, 2020
Attractions Ontario	June 26, 2020
AVARA Media	June 30, 2020
Beech Street Theatre Company	Written Submission
Book and Magazine Publishing Council	June 25, 2020
BT/A Advertising and Melbar Entertainment	June 26, 2020
Buddies in Bad Times Theatre	June 29, 2020
Bureau Of Power And Light Art Collective	June 30, 2020
Business for Dance Studios	June 26, 2020
Cameron Miranda-Radbord	June 26, 2020
Canada's Ballet Jörgen	June 29, 2020
Canadian Arts Coalition	June 26, 2020
Canadian Automotive Museum	June 29, 2020

Organization/Individual	Date of Appearance
Canadian Dance Assembly	Written Submission
Canadian Film Centre	June 25, 2020
Canadian Independent Music Association	June 25, 2020
Canadian Live Music Association and Music Canada	June 25, 2020
Canadian National Exhibition Association	Written Submission
Canadian Olympic Committee	June 30, 2020
Canadian Opera Company	June 25, 2020
Capital Heritage Connexion	Written Submission
Capitol Theatre	June 29, 2020
CARFAC Ontario	June 26, 2020
Cinespace Film Studios	June 26, 2020
City of Kitchener	June 29, 2020
City of Windsor	Written Submission
Coach House Books	June 25, 2020
Community Heritage Ontario	Written Submission
Computer Animation Studios of Ontario	June 29, 2020
Dance Ontario Association	Written Submission
Dance Umbrella of Ontario	June 29, 2020
DOC Ontario	Written Submission
Electric City Culture Council	June 30, 2020
Elizabeth Jackson Hall	June 29, 2020
Entertainment Partners	Written Submission
Federation of Ontario Public Libraries	June 25, 2020
FilmOntario	June 25, 2020

Organization/Individual	Date of Appearance
Financial Accountability Office of Ontario	Written Submission
FirstOntario Performing Arts Centre	June 30, 2020
Gathering of Ontario Developers	June 30, 2020
Guelph Arts Council	June 26, 2020
Hamilton Halton Brant Regional Tourism Association	Written Submission
Hannah Burgé Luviano	June 30, 2020
Harbourfront Centre	June 30, 2020
Hockey Eastern Ontario	Written Submission
Indigenous Sport and Wellness Ontario	June 29, 2020
Inter Arts Matrix	Written Submission
Interactive Ontario	June 30, 2020
Intergalactic Arts Collective	Written Submission
International Alliance of Theatrical Stage Employees Local 58	June 30, 2020
Jessica Runge	Written Submission
Jessie Garon	Written Submission
Kitchener-Waterloo Symphony	June 29, 2020
Languages Canada	June 29, 2020
Liaison of Independent Filmmakers of Toronto	June 25, 2020
Live Nation Canada	June 25, 2020
Local Arts Service Organizations	Written Submission
Magazines Canada	June 26, 2020
McMichael Canadian Art Collection	June 26, 2020
Miraclewalker Productions	June 30, 2020

Organization/Individual	Date of Appearance
Miranda Mulholland	June 25, 2020
Moonhorse Dance Theatre	Written Submission
Moose River Heritage and Hospitality Association	June 29, 2020
Motion Picture Association – Canada	June 26, 2020
Multicultural History Society of Ontario	June 30, 2020
Museum of Contemporary Art	Written Submission
MusicOntario	June 25, 2020
Niagara Symphony Orchestra	Written Submission
Ontario Arts Council	June 26, 2020
Ontario Association of Agricultural Societies	June 30, 2020
Ontario Association of Art Galleries	June 26, 2020
Ontario Black History Society	June 30, 2020
Ontario Book Publishers Organization	June 26, 2020
Ontario Cultural Attractions Fund	June 30, 2020
Ontario Dance and Performing Arts Studios	Written Submission
Ontario Heritage Trust	Written Submission
Ontario Museum Association	June 26, 2020
Ontario Presents	Written Submission
Orchestras Canada	Written Submission
Ottawa Film Office	June 26, 2020
Raja Khanna	June 25, 2020
Rebecca Brettingham-Filice	June 30, 2020
Regent Park Film Festival	June 29, 2020
Regent Park Islamic Resource Centre	June 30, 2020

Organization/Individual	Date of Appearance
Regional Municipality of Durham	June 30, 2020
Regional Tourism Organization 7	June 29, 2020
Royal Ontario Museum	June 25, 2020
Science North	June 30, 2020
Sergio Navarretta	June 26, 2020
Shaftesbury	June 25, 2020
Simcoe Contemporary Dancers	Written Submission
Soulpepper Theatre Company	June 25, 2020
Spencer Julien	June 29, 2020
Stratford Festival	June 26, 2020
Stratford Perth Museum	June 25, 2020
Taghi Abdolhosseini	June 29, 2020
The Centre In The Square	Written Submission
The National Ballet of Canada	June 25, 2020
The Ontario Historical Society	June 25, 2020
THEMUSEUM	June 26, 2020
Toronto International Film Festival	June 26, 2020
Toronto Symphony Orchestra	June 26, 2020
Tourism Industry Association of Ontario	June 29, 2020
Tourism Mississauga	June 29, 2020
Troy Jackson	June 29, 2020
Uken Games	June 30, 2020
The Upper Canada Choristers	Written Submission

Organization/Individual	Date of Appearance
William F. White International	Written Submission
WorkInCulture	Written Submission
Workman Arts	June 29, 2020
York Region Arts Council	June 29, 2020

**APPENDIX A:
TERMS OF REFERENCE***

That the Leaders of the parties represented in the Legislative Assembly as well as Independent Members may file copies of letters with the Speaker, who shall cause them to be laid upon the Table, containing their recommendations to the Minister of Finance with respect to the economic and fiscal measures they proposed to be included in the provisions of Bill 188, and such letters shall be deemed to be referred to the Standing Committee on Finance and Economic Affairs; and

That when the committees of the Legislature resume meeting, the Standing Committee on Finance and Economic Affairs shall be authorized to consider the Party Leader and Independent Member letters, together with An Act to enact and amend various statutes as passed by the Legislature today, with the first witness during such consideration to be the Minister of Finance;

**Votes and Proceedings, March 25, 2020, 42nd Parliament, 1st Session*

That, notwithstanding any Standing Order or Special Order of the House, the Standing Committee on Finance and Economic Affairs, and all other committees when they are authorized to resume meeting pursuant to the Order of the House dated March 19, 2020, are authorized to use electronic means of communication when meeting, and committee members, witnesses, and/or staff are not required to be in one physical place, in accordance with the following guidelines:

- a) The electronic means of communication is approved by the Speaker;
- b) The meeting is held in a room in the Legislative Building, and at least the Chair/Acting Chair, and the Clerk of the Committee are physically present;
- c) Other Members of the committee participating by electronic means of communication, whose identity and location within the Province of Ontario have been verified by the Chair, are deemed to be present and included in quorum;
- d) The Chair shall ensure that the Standing Orders and regular committee practices are observed to the greatest extent possible, making adjustments to committee procedures only where necessary to facilitate the physical distancing and electronic participation of Members, witnesses, and staff; and

That, notwithstanding the Order of the House dated March 19, 2020, the Standing Committee on Finance and Economic Affairs is authorized to meet at the call of the Chair to consider its Order of Reference dated March 25, 2020, respecting the *Economic and Fiscal Update Act, 2020* (Bill 188); and

To study the impacts of the COVID-19 crisis on the following sectors of the economy and measures which will contribute to their recovery:

- a) Tourism
- b) Culture and Heritage
- c) Municipalities, Construction, and Building
- d) Infrastructure

e) Small and Medium Enterprises

f) Other economic sectors selected by the Committee

- The committee shall study Bill 188 and each specified economic sector for up to 3 weeks with one additional week allotted for report-writing for each.

- The Sub-committee on Committee Business shall determine the method of proceeding on the study, and at its discretion, may extend each sectoral study by one week where a public holiday may fall during the scheduled time for the sectoral study.

- The Legislative Research Service shall make itself available to the Committee collectively, and to members of the Committee individually, on a priority basis.

- That in accordance with s. 11 (1) of the *Financial Accountability Officer Act* the Financial Accountability Officer shall make the resources of his office available to the Committee collectively, and to members of the Committee individually, on a priority basis.

- The time for questioning witnesses shall be apportioned in equal blocks to each of the recognized parties and to the Independent Members as a group.

- The Committee may present or, if the House is not sitting, may release by depositing with the Clerk of the House, interim reports, and a copy of each interim report shall be provided by the Committee to the Chair of the Ontario Jobs and Economic Recovery Cabinet Committee; and

- The Committee shall present or, if the House is not sitting, shall release by depositing with the Clerk of the House, its final report to the Assembly by October 8, 2020 and a copy of the final report shall be provided by the Committee to the Chair of the Ontario Jobs and Economic Recovery Cabinet Committee; and

That notwithstanding Standing Orders 38 (b), (c), and (d) the interim reports presented under this Order of Reference shall not be placed on the *Orders and Notices Paper* for further consideration by the House nor shall the government be required to table a comprehensive response; and

That notwithstanding Standing Orders 116 (a), (b) and (c), the membership of the Standing Committee on Finance and Economic Affairs for the duration of its consideration of the Order of Reference provided for in this motion shall be:

Mr. Sandhu, Chair [Sub-committee Chair]

Mr. Roberts, Vice-Chair

Mr. Arthur

Mr. Cho (Willowdale) [Sub-committee Member]

Mr. Crawford

Ms. Hunter [Sub-committee Member]

Mr. Mamakwa

Mr. Piccini

Mr. Schreiner

Ms. Shaw [Sub-committee Member]

Ms. Skelly [Sub-committee Member]

Mr. Smith (Peterborough—Kawartha)

Ms. Andrew (non-voting member)

Mr. Blais (non-voting member)

Ms. Fife (non-voting member)

Mr. Hillier (non-voting member)

Ms. Khanjin (non-voting member)

Mr. Rasheed (non-voting member)

Mr. Vanthof (non-voting member); and

That, should the electronic participation of any voting Member of the Committee be temporarily interrupted as a result of technical issues, a non-voting Member of the same party shall be permitted to cast a vote in their absence.

**Votes and Proceedings, May 12, 2020, 42nd Parliament, 1st Session*

**APPENDIX B: DISSENTING OPINION OF THE NEW DEMOCRATIC PARTY MEMBERS
OF THE COMMITTEE**

Dissenting Opinion (Culture and Heritage) – Ontario New Democratic Party

The immense contributions of culture and heritage to Ontario's economy are rivalled only by their importance to who we are as a society. Not only does the sector help ensure the economic wellbeing of our communities, it also plays a key role in shaping who we are as a people, and our ability to share that message with each other and the world beyond our borders.

The impact of COVID-19 on culture and heritage cannot be overstated, and the resounding message that came from the witnesses who appeared before the Committee is that immediate help in the form of emergency funding – not just tax deferrals – is critical to the sustainability and long-term health of the sector. Presenter after presenter made it clear that this type of support is crucial not only to maintain the economic viability and the broader economic benefits that culture and heritage provide to both local and regional economies, but to also safeguard the non-economic contributions made by the sector that are essential to the overall well being, general health and identity of their home communities. For many of these stakeholders, the loss of the 2020 summer season – key to their survival – has made things that much more challenging, and their calls for the province to step forward with solutions like a viable commercial rent relief program, adequate income supports and additional funding for personal protective equipment and other changes necessary to help better manage the current state of affairs are more than reasonable. Additionally, a large number of those who came forward at Committee noted that any stimulus plan should have both short and long-term strategies to aid the sector, estimating that the negative impacts and economic strain of COVID-19 would resonate for two to four years, much longer than the 18-month recovery projections put forth by the Government.

Though the effects of the pandemic have been felt across culture and heritage, witness testimony mirrors the growing body of data that some areas of society have been harder hit than others. Small and medium sized community-based stakeholders serving and employing equity-seeking communities have disproportionately borne added pressures that compound the systemic challenges they have historically faced accessing funding and supports; COVID-19's impact on their already modest revenue generating activities has further highlighted the precarity of their existence. The Government's failure to adopt measures like the revival of the the Indigenous Culture Fund, and reversal of 2019 funding cuts to the Ontario Arts Council are lost opportunities to mitigate some of these systemic issues. New Democrats have called on the Ford Government to address these concerns and make these necessary investments since the early days of the pandemic.

While the supports of the federal government have been appreciated, there is ample evidence that it has not been sufficient to meet the needs of the sector. Presenters made it clear that the obstacles faced in the early days of the pandemic still loom ominously and made a powerful case for the Ford Government to take the action necessary to help an industry that faces a challenge like none other in modern history. Yet, despite the convincing evidence and compelling testimony of respected stakeholders, the recommendations endorsed by a majority of the committee ignore the clear and present dangers facing Ontario's culture and heritage sector and essentially tells them to wait until 2021 for the help they and their communities need to weather the storm. New Democrats cannot support a plan that fails to reflect the realities that were clearly communicated to the Committee via oral testimony and written submissions.

Promising help tomorrow when the industry is desperate for assistance today isn't just irresponsible and misguided, it's an abdication of responsibility, especially in a field where the business model is disproportionately impacted by restrictions on gathering and social engagement – measures necessary to keep all of us safe from COVID-19. The Ford Government needs to heed the advice and alarms raised by stakeholders and the Official Opposition and immediately:

1. Adopt the Ontario New Democrats' *Save Main Street* plan
 - a. This plan includes direct financial supports so businesses can pay their rent instead of the current program of debt and loans from the government
 - b. The creation of a fund and tax credits to help businesses deal with the extra costs associated with buying PPE and implementing required safety measures (retrofitting, new equipment, business practices), and making the investments necessary to conduct business during COVID-19.
2. Provide adequate support to the emergency wage program, augmenting federal support, where necessary, so that those who still aren't able to work won't have to worry about how they'll put food on the table. Presenters to the Committee made it abundantly clear that the Province needed to step up with provincial supports of its own, not simply rely on Ottawa's contribution.
3. Develop a COVID-19 specific culture and heritage strategy that addresses the challenges that are unique to this industry through expanded eligibility requirements and a reversal of the reckless cuts to the arts, culture, and heritage sector made in the 2019 budget. The strategy should also address systemic barriers facing Black, Indigenous, racialized, women, 2SLGBTQ+, Deaf, and disabled artists and stakeholders, and place an emphasis on equity.
4. Create an Ethnic Media Stabilization Fund which would support ethnic and multilingual news producers and the dissemination of culturally relevant information to intergenerational community members especially during this unprecedented pandemic
5. Immediately stop all evictions during this crisis and reverse legislation that makes it easier for landlords to evict renters from their homes.

**APPENDIX C: DISSENTING OPINION OF THE LIBERAL PARTY MEMBERS OF THE
COMMITTEE**

Introduction

The Ontario Liberal committee members would like to thank the Minister of Heritage, Sport, Tourism and Culture Industries, and all witnesses who have provided oral or written submissions. We heard about the devastating impacts on the Ontarian economy from the shutdown of the culture and heritage sectors.

According to the Financial Accountability Office of Ontario, Ontario's culture and heritage sector collectively employed close to 300,000 Ontarians and contributed \$43.7 billion to our economy in 2019. Before the COVID-19 pandemic, the Doug Ford Government made significant cuts to the support available for this sector. The cuts were devastating, and now they are felt more severely as the province shut down, and public gatherings were prohibited. As we begin to reopen, the rebound of this sector will be slow. Costs of reopening are unsustainable, and consumer confidence is at an all-time low, which is particularly concerning for those in any arts or productions, as opportunities are and will be less widely available.

Concrete Action Required to Preserve Ontario's Culture and Heritage

The committee recommendations for this Third Interim Report, do not nearly substantiate its contents. The committee's recommendations do not reflect what the Culture and Heritage sector calls for. None of the committee's recommendations in the report reflect or address the need to support our libraries, authors, publishers, digital media, marginalized Ontarians and their culture and heritage, the need for digital infrastructure, or the adequate amount of support needed to assist local arts, sports, culture and heritage institutions.

The Ontario Liberals understand and acknowledge the impact culture and heritage has on the life and vibrancy of this province and how it can be a critical tool for our economic recovery. We endorse a majority of the witnesses' recommendations from the report which have been overlooked by the government policies and have included them in our list below. These recommendations represent the Ontario Liberal position and the spirit of the witness recommendations so that the dissenting opinion can truly reflect what the culture and heritage sector needs to move past COVID-19.

Recommendations:

- The Ministry double funding for the Ontario Arts Council (OAC), and:
 - Ensure a designated stream of funding for rural and northern Ontario;
 - Restore the cuts to the Indigenous Culture Fund;
 - Create a stand-alone fund for Black culture and heritage through the OAC;
 - Provide long-term stabilization funding for BIPOC artists and those from equity-seeking communities; and
 - Fund an Ontario-wide marketing plan that addresses safety concerns to grow consumer confidence and encourage people to engage with their local arts institutions
- The Ministry increases funding to Ontario Creates, and:
 - Ensure an immediate temporary increase to the Ontario Creates Film Fund (OCFF);

- Instructs Ontario Creates to broaden their definition of “studio” in the OCFE to permit filming in locations that are closed due to the pandemic, like Toronto’s Roy Thomson Hall;
 - Ensure an immediate temporary increase to the Ontario Creates Book Fund to help support publishers for the year ahead, with a stream specifically for helping BIPOC writers; and
 - establishes a new program under the Ontario Music Investment Fund (OMIF) to support independent live music venues in hosting outdoor events and meet health and safety protocol initiatives.
- Create a philanthropy and tax credit program to incentivize private philanthropy such as charitable deductions; introduce a matching donation program to encourage private and corporate gifts; enable in-kind donations; and increase amounts for Ontario’s non-refundable tax credit benefits for arts education courses and donations.
- Create a backstop that is for Ontario-based culture producers with their insurance claims relating to COVID-19 or other infectious diseases. Ontario producers would pay fees or premiums into a pool of funds to cover pandemic-related losses. The Province would provide a reserve amount to cover claim amounts that exceed the pooled funds.
- Ontario establishes a fund that supports culture organizations and artists to develop digital infrastructure.
- The Government increases funding for the Ontario Broadband and Cellular Action Plan, and redevelop it to ensure that every Ontarian has access to affordable and reliable high speed internet by 2024.
- The province creates an Ontario digital public library, with download options, to support K-12 and post-secondary students learning from home.
- The province incentivizes libraries for purchasing Canadian/ BIPOC Canadian authored books or publications.
- Ontario establishes a Museum Relief Fund to address the immediate and significant loss of revenue and assist with building capacity as they reopen.
- The province creates a program to support female, indigenous, lower income or racialized artists who are disproportionately impacted in the “gig economy” due to pandemic related health measures.
- Ontario encourages the Federal Government to extend the CERB, but also expand its eligibility requirements to ensure “gig-economy” workers such as artists or film staff do not fall through the cracks.
- The Province consider changes to the Ontario Film and Television Tax Credit (OFTTC), including:
 - A temporary pandemic raise or elimination, of the 25% eligibility cap for non-ontario expenses;
 - Credits for COVID-19 health and safety costs;
 - Raise the OFTTC from 35% to 40%;
 - Simplifying requirements for residency;
 - Expand qualification criteria for projects on all platforms;
 - Eligibility for service tax credits in terms of location fees; and
 - expand incentives for productions using made in Ontario music content.
- The Province consider an update and renewal of the Ontario Interactive Digital Media Tax Credit (OIDMTC), to address:
 - Setting a service standard for processing times;

- Supporting smaller companies by reducing the minimum threshold for labour expenditures; and
- allow businesses to claim the tax credit for new first year Ontario employed residents.
- The Province consider changes to the Ontario Computer Animation & Special Effects (OCASE) Tax Credit, including:
 - Ensuring work from home arrangements are considered an eligible form of permanent workspaces; and
 - allow visual effects animation in post-production studios to independently file for the OCASE tax credit.
- Ontario modifies existing Provincial-Federal infrastructure programs to:
 - Expand its criteria to provide funding for cultural and heritage programs and venues;
 - Provide targeted infrastructure support for Black heritage sites and their operation; and
 - support the building of new affordable housing for artists.
- Ontario should provide direct, non-repayable government funding to agricultural societies and rural communities who have had to cancel their agricultural exhibitions and fairs.
- The Province makes strategic and targeted investments through the Northern Ontario Heritage Fund to highlight and promote our great north.
- The Province consider changes to the Northern Ontario Internship Program that include:
 - Extending the opportunity for paid internships by a year for BIPOC candidates;
 - Increasing financial support for interns; and
 - enabling international graduates of northern Ontario post-secondary institutions to apply for these internships.
- Ontario needs to increase its funding to municipalities with the purpose of supporting the culture and heritage sector, with emphasis on providing grants instead of deferrals for these industries.

The She-cession and Impacts on Female, BIPOC Culture and Heritage Workers

As Ontarians shift to a new way of life in the pandemic world, they have also seen the devastating impacts on the economy. The Ontario Liberal Party is a strong advocate for women and equity for all Ontarians. The Ontario Liberals believe it is crucial that the Progressive Conservative Government does not ignore that women and Black, Indigenous, and people of colour (BIPOC) are disproportionately feeling these economic impacts. In their testimony before this committee, many witnesses highlighted the impacts of COVID-19 on BIPOC Ontarians in the culture and heritage sector, but the final committee report does not reflect these appropriate recommendations that serve and assist these Ontarians.

The Statistics Canada Labour Force Survey for June indicated that the job recovery for COVID-19 related employment losses is “more advanced among men than among women.” Given the uncertainty with the Government’s plan for return to school, and lack of childcare being widely available, mothers face high barriers for return to work as the “he-covey” expedites, and men double the rate of women for employment resumption. In an open letter to the Minister of Finance dated July 8th of 2020, MPP Hunter illustrated these concerns. We are now entering the month of August and are yet to see any specific action to address this.

Miranda Mullholland emphasized to this committee that women are “shouldering an even greater share of housework and childcare than normal,” and they cannot perform to audiences with sizes that make financial sense. The Ontario Liberal Party knows that virtual concerts from home still pose challenges for mothers and parents burdening these increased responsibilities.

In Canada, the median income pre-COVID for an artist was just over \$24,000, which is 44% less than the average Canadian worker. Female, Indigenous and artists of colour have even lower median incomes. Music Ontario informed this committee of the disparity that women, Black, Indigenous, and people of colour face from the shutdown of this sector. They testified that artists with economic or white/male privilege can “afford the risk of a gig economy.” They also expressed concerns as many artists face homelessness, the surging rental market, and reduction in tenant protections as a result of the government’s Bill 184.

Government Undervalues Indigenous Culture

The Ontario Liberal Party committee members are concerned by the indifference Progressive Conservative Government and Premier Ford have demonstrated regarding the importance of preserving Indigenous culture. Indigenous culture productions and programs are vital to the economic stimulation and growth of the Indigenous community. Ontario is home to the largest Indigenous tourism industry in Canada, equating to 34% of the market share, which is substantially more than any other province or territory. Indigenous witnesses appearing before the Committee shared that, Ontario Indigenous Tourism provides \$622 million to Canada’s GDP and supports over 12,000 jobs. These statistics illustrate how important it is that we support our Indigenous cultural programming. Ontario leads this area nationwide, and we must continue to set an example for other provinces and territories.

The elimination of the Ontario Arts Council administered Indigenous Culture Fund has had severe negative impacts on Indigenous cultural production, and left producers of this culture and its community feeling not valued. The Indigenous community, which has already been designated as a non-priority for the Government under Premier Ford, now faces particularly pronounced economic impacts of COVID-19, especially in culture and heritage programming. In particular, Indigenous tourism is facing a loss of \$330 million in direct revenues, 4,000 jobs, and 140 businesses.

When the Premier slashed this funding, Dawn Setford, President of the Aboriginal Arts Collective of Canada, said, “As Indigenous women, we were just getting there, to the point where people wanted to learn about us... and we were confident enough, we feel safe enough and proud enough to start sharing.” The response from the Minister-responsible at the time was that the Government needs to make sure its spending is sustainable. His response is disappointing, and Indigenous culture should not fall under the Premier’s hunt for efficiencies and drastic cuts. We call on the Premier to fully reinstate the Indigenous Culture Fund.

Film, Television and Animation are at Risk and Critical for Ontario’s Economic Recovery

The Standing Committee on Finance and Economic Affairs has heard from various members of the Film, Television and Animation industry in Ontario as we consider culture and heritage in our COVID-19 study. This Third Interim Report highlights the challenges the industry faces. However, the committee recommendations do not reflect the dire support the industry needs. Ontario’s renowned film, television and animation sectors are at risk of leaving Ontario, and are critical for

our economic recovery as we come out of this fiscal crisis. Before COVID-19, production in Ontario ranked third in North America. The final report does not acknowledge the importance of film, television and animation, and there are no specific solutions geared at supporting this industry in the report.

This Interim Report highlights that prior to the pandemic, Ontario film and television production was at record levels. Film and television support 45,000 jobs and \$2.16 billion in annual spending, 40% of which is on domestic production. This growing industry saw a 15% increase in spending from 2018 to 2019. Animation directly added \$308 million to provincial GDP, with an estimated 30% increase in 2020. With Ontario's well renowned animation post secondary education such as Sheridan College, OCADU and George Brown College there is a pipeline of talent that feeds the digital animation and post production space. This is an important entry point into the film and television industry for young artists. This industry is an essential contributor to Ontario's economy.

The COVID-19 pandemic has brought on many issues for film, television and animation, concerning employment, workforce readiness, increased costs for PPE and insurability. Film and television alone have faced a "complete shutdown of all live action production" with an estimated loss by June of this year at \$700 million. Like many industries who have faced unforeseen increased costs to facilitate meeting public health requirements in their places of work, Animation Studios, in particular, are seeing significantly higher costs to establish appropriate bandwidth and security infrastructure for their employees to work from home. Given the inability of independent producers to obtain insurance covering the risk of a pandemic, they say they cannot afford to take the risk on their own. Losing these independent producers is not only devastating towards our economy but to the Ontario culture itself. The independent producers provide the world with Ontario's stories and creative art. Slawko Klymkiw of the Canadian Film Centre illustrated to this committee that it is much easier to mitigate these issues for huge Hollywood studios, but not so much for our local producers.

Animation Studios have also expressed concerns with access to a competitive workforce. Before this pandemic, there was already a shortage of artists by 30% to meet demand. There has always been a severe challenge at acquiring and retaining employees in the post-production process as well. As existing artists have looked elsewhere for work due to being laid off, animation studios worry if they will retain the employees they had to let go.

As other jurisdictions continue to ease restrictions and offer fewer hurdles to production than here in Ontario, producers are considering shelving their productions or relocating out of our province. Ontario's global competition acknowledges that this industry is at risk of depletion, and can be a critical factor in revamping the economy. Many competing jurisdictions have offered new or modified their incentivization programs to keep their market competitive. The Spanish Government increased its base incentive by 5%, and the French Government has increased theirs by 10%. The United Kingdom has created a 500 million pound fund to backstop insurance claims as they attempt to jump-start their productions, and Quebec has put forth a \$51 million fund of their own to support their film and television industry. Ontario artists and producers deserve a government willing to make similar investments.

With the fluid nature of a film set, it is challenging for productions to resume. The industry needs robust COVID-19 prevention regulations and changes to existing programs to ensure Ontario is a viable market to film. Without meaningful support from the Government, this meaningful multi-

billion dollar industry cannot return to this province or restart in a meaningful capacity. We need to protect these jobs and keep these investments in Ontario. The Ontario Liberals endorse the industry's recommendations to ensure that film, television and animation are not forgotten or left under the parliamentary radar.

Rural and Northern Ontario Disproportionately Affected

The Ontario Liberal members of the committee heard about the disproportionate effects of COVID-19 on culture and heritage in rural and northern communities in Ontario extensively during proceedings. These testimonies are concerning to us, and indicate that the Government must take immediate action. The Final committee report does not include these recommendations, which would provide relief for rural and northern communities, and we feel that our Progressive Conservative Government overlooks rural and northern Ontario.

The shutdown of our province has caused a need for a shift in culture and heritage programming to move online. However, there is a lack of infrastructure to facilitate this, which is particularly crucial for rural and northern communities as they lack access to affordable and reliable high-speed internet, and they cannot make the shift as easily. Investments in digital infrastructure and expanding broadband connectivity plays a critical role in our economic recovery, and ensuring these communities do not fall behind during this pandemic and when we reopen tourism.

Through Destination Ontario, the province has created "Ontario Live" as a virtual marketplace for local artists, operators, attractions and businesses. This service is not as easily accessible for the many Ontarians who do not have the same broadband connectivity that urban parts of the province have. Ontario Live better serves as a tool for Ontario's more dense areas of the province but falls short of meeting the needs of our northern and rural Ontarians.

The Ontario Liberals recognize that culture establishments in these communities are impacted at a more substantial level by this pandemic. Zainub Verjee of the Ontario Association of Art Galleries highlighted her concerns that there is a massive risk for art galleries, especially in these regions, as they face possible permanent closures if funding is not made available. Other witnesses explained that rural cultural establishments already do not have the same levels of accessibility to funding or a strong, established donor base than those of larger organizations. We are heartened that members of this committee agree that there is a need to increase funding for the Ontario Art Council, but we need to ensure that there is a specific stream in that increase for rural and northern communities.

The committee heard testimony from the Ontario Association of Agricultural Societies. We learned that agricultural societies play a vital role in the heritage, vibrancy, and fabric of rural Ontario's culture and life. Agricultural societies have had to cancel all of their major agricultural fairs and exhibitions per public health guidelines, which has caused devastating impacts and questions their ability to survive. 60% of Ontario's agricultural societies are older than Canada. Their fairs and exhibitions attract thousands of tourists every year, promoting Ontario's rural communities' lifestyle, history, and culture. The local economic impact of these societies is estimated to be around \$690 million. As many agricultural societies are not eligible for most federal and provincial funding programs, they require immediate assistance to ensure their sustainability.

Ontario must do its part to attract and maintain investment in our economy for the culture and heritage sector. We need a government that works for all Ontarians, no matter where they live.

**APPENDIX D: DISSENTING OPINION OF THE GREEN PARTY MEMBER OF THE
COMMITTEE**

Dissenting Opinion from the Green Party of Ontario on the Third Interim Report on *Economic and Fiscal Update Act, 2020*

When Ontarians were asked to stay home or found themselves at home because of a lost job, were told to refrain from seeing their family, to cancel their weddings and postpone a loved one's funeral, many turned to books, music, art and film to cope.

Now, the writers of those books, makers of that music, and creators of that art and those films need our help. We must ensure that these people, and the organizations and institutions that support them, receive the adequate provincial funding to survive and make a recovery.

Further, through the four days of oral hearings, over 100 presenters and dozens of written submissions, we heard loud and clear how the lockdown has exacerbated the already precarious position of many Black, Indigenous, and other people of colour artists and culture workers. And how it is has gutted the culture and heritage organizations representing and serving these marginalized communities.

These presentations and submissions also made it clear there are a myriad of practical and innovative ways the government can assist the Culture & Heritage sectors in these challenging times.

In addition to the recommendations included in the Committee report, the Green Party of Ontario puts forward the following recommendations for consideration by the Government to provide additional support to the Culture & Heritage industries:

1. Reinstate Ontario Arts Council administered funding for the Indigenous Culture Fund.
2. Double funding to the Ontario Arts Council.
3. Prepare a public report on how the government responded to the recommendations put forward by presenters and outlined in the committee report.
4. In the absence of a continued CERB payment, introduce a long-term stable income support such as basic income.
5. Work with the Federal Government to ensure the continuation of a commercial rent relief program in which tenants apply and lower the applicability threshold to a 20% loss in revenue.
6. Establish more affordable housing and provide mental health supports for artists working under precarious circumstances.
7. Provide more opportunities to train and employ young people, prioritizing BIPOC, in the culture and heritage sectors.
8. Prioritize the development of access to broadband in rural and remote areas and declare broadband access an essential service.

9. Create clearer and more explicit sector specific guidelines for reopening in consultation with the industry.
10. Increase provincial funding to municipalities to help them continue to support the culture and heritage sector by:
 - a. making the HST fully refundable or exempt for arts, culture, and heritage-related spending;
 - b. prioritizing grants over debt deferral programs; and
 - c. providing the necessary funding to protect libraries' continued operations.
11. Make strategic and targeted investments through the Northern Ontario Heritage Fund Corporation to highlight the assets of northern communities and promote regional tourism.
12. Provide specific emergency and long-term funding streams for art galleries, arts organizations and non-municipally-run performance venues.
13. Establish stabilization funds for culture and heritage organizations to assist with costs related to opening, PPE and necessary public health measures.
14. Streamline requirements and application processes for grants and provincial funding, including making funding applications and programs more accessible to self-employed artists.
15. Establish a stabilization fund for BIPOC Artists.
16. Expand criteria to allow heritage and culture organizations to apply for provincial infrastructure funds.
17. Amend legislation to allow backstop insurance coverage for cultural producers, including film and television.
18. Create a provincial marketing strategy for the promotion of Ontario's Culture & Heritage sectors and develop a "Buy in Ontario, Made in Ontario" campaign.
19. Provide tax credits and incentives including:
 - a. incentives for filming on location;
 - b. tax credits for COVID-19 health and safety costs;
 - c. streamline and update tax credits by simplifying residency requirements, allowing projects on all platforms to qualify, and expanding eligibility for service tax credits to include all location fees; and
 - d. an increase of tax incentives for film, TV, video game producers and other media producers to use music content from Ontario companies in their productions.
20. Update the Ontario Computer Animation & Special Effects (OCASE) Tax Credit by:
 - a. designating work from home arrangements as permanent workspaces eligible under the OCASE Tax Credit; and
 - b. untethering the OCASE Tax Credit from the Ontario Production Services Tax Credit to allow visual effects animation in post-production studios to independently file for the OCASE Tax Credit.

21. Adjust the Ontario Film and Television (OFTTC) Tax Credit to include:
 - a. a new COVID-19 exception to raise or eliminate the 25% eligibility cap for non-Ontario expenses; and
 - b. a new 100% tax credit on COVID-related Ontario labour costs (or raise the OFTTC from its current level of 35% to 40%).
22. Relax the definition of “studio” under the Ontario Creates Film Fund (OCFF) to:
 - a. allow filming in locations that are currently closed to the public due to the pandemic (e.g., Roy Thompson Hall);
 - b. provide an immediate increase to the OCFF to support feature documentary production; and
 - c. ensure that costs incurred during the shutdown period (e.g., paying crew members) are eligible expenses that can be claimed.
23. Create a new program under the Ontario Music Investment Fund to support independent live music venues in hosting outdoor performances as well as an industry initiative to set health and safety protocols.
24. Work with municipalities to:
 - a. make it easier to obtain permits for live performances and enable access to more unique spaces;
 - b. make special occasion permits for alcohol less complicated and time-consuming; and
 - c. relax noise complaint-related requirements.
25. Provide emergency funds and tax credits to preserve jobs and enable sports organizations to provide personal protective equipment and related health and safety measures.
26. Provide financial support to sports clubs and associations including:
 - a. rent relief for clubs and provincial sport associations; and
 - b. subsidies including reimbursement or tax credits up to \$2,000 for youngsters to participate in hockey and other sports.
27. Leverage Ontario’s broadband action plan to ensure that speedy fibre optic broadband connectivity is available at all library branches across Ontario.
28. Create an Ontario digital public library to provide critical e-learning support to all Ontarians.
29. Provide a one-time emergency top-up injection of \$6 million to the Ontario Creates Book Fund to help support Ontario publishers.
30. Allow the Ontario Book Publishing Tax Credit to pay an advance upon application from publishers in good standing.
31. Provide incentives for Libraries to purchase Canadian writers and Canadian published books.

32. Provide further funding to the Ontario Creates Magazine Fund by:
 - a. increasing the annual budget of the Fund from \$2 million to \$4 million;
 - b. raising the \$75,000 maximum grant amount within the Fund to \$100,000; and
 - c. designating funding within the Fund for innovative initiatives.
33. Allow organizations that have already been approved for funding by Ontario Creates, the Ontario Centres of Excellence, or other government entities, to get fast-tracked for additional funding opportunities.
34. Streamline the Ontario interactive digital media tax credit (OIDMTC) by:
 - a. setting a service standard for processing times;
 - b. lowering the minimum threshold required for labour expenditures (to allow smaller companies to apply);
 - c. allowing companies to claim the federal Scientific Research and Experimental Development (SR&ED) Tax Credits on any labour costs not claimed under the OIDMTC; and
 - d. allowing companies to claim the OIDMTC for new Ontario residents who are in their first year of employment in Ontario.
35. Expand the Northern Ontario Internship Program by:
 - a. extending the opportunity of paid internships from one year to two years for candidates who are Black, Indigenous, or other people of colour;
 - b. increasing financial support for interns; and
 - c. enabling international graduates of postsecondary institutions in northern Ontario to apply for these internships.
36. Establish an Ontario museums relief fund to address the immediate and significant loss of revenue from admissions, public programs and fundraising events, and to help museums build capacity during the reopening process and first months of operation.
37. Provide Black heritage infrastructure support by:
 - a. providing targeted infrastructure support for Black heritage buildings and sites;
 - b. developing digital infrastructure;
 - c. funding professional training especially for Black youth to preserve and operate sites; and
 - d. creating and funding paid employment positions in heritage management.
38. Create a rapid grant program to help heritage organizations that own, or lease and operate built and natural heritage sites (including burial grounds and cemeteries) in communities across the province.
39. Provide funding for heritage associations to retrofit heritage buildings to make them energy efficient and to comply with AODA accessibility requirements.
40. Encourage philanthropy in the culture & heritage sectors by:
 - a. introducing a matching donation program for the culture sector to encourage private and corporate gifts, matched by government dollars;
 - b. creating incentives and tax credits to encourage private sector donations; and
 - c. revising funding programs to eliminate or reduce the matching funding requirements.

41. Provide tax exemptions including:

- a. tax exempt status for all not-for-profit historical societies incorporated by The Ontario Historical Society (comparable to the exemption for Royal Canadian Legion branches); and
- b. giving municipalities the authority to exempt heritage buildings and sites from property taxes.

Recognizing the severe financial impact this pandemic has also had on the provincial government's budget, the Green Party of Ontario urges the government to make smart and proactive financial investments into this industry in order to ensure the health of these sectors.

Because, and as stated so importantly by the Intergalactic Arts Council, "art is not a luxury, it is essential to the wellbeing of individuals and communities." The same can be said for protecting our heritage, cultural institutions and sporting organizations.

Together we can build back an even better Ontario.

