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**Standing Committee on
Finance and Economic Affairs**

COVID-19 study

1st Session
42nd Parliament
Friday 26 June 2020

**Comité permanent
des finances
et des affaires économiques**

Étude sur la COVID-19

1^{re} session
42^e législature
Vendredi 26 juin 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Friday 26 June 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Vendredi 26 juin 2020

The committee met at 0900 in room 1 and by video conference.

COVID-19 STUDY

The Chair (Mr. Amarjot Sandhu): Good morning, everyone. I call this meeting to order. We're meeting for hearings on the culture and heritage sector as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

We have the following members in the room with us: MPP Arthur and MPP Stan Cho. The following members are participating remotely: MPP Crawford, MPP Schreiner, MPP Smith, MPP Khanjin, MPP Rasheed, MPP Triantafilopoulos, MPP Simard and MPP Anand.

I also see MPP Thanigasalam. If you could please confirm your attendance and if you're present in Ontario.

Mr. Vijay Thanigasalam: Good morning, Chair. Vijay Thanigasalam, attending from Scarborough, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you. MPP Vanthof?

Mr. John Vanthof: John Vanthof here from Temiskaming Shores, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you.

To make sure that everyone can understand what is going on, it is important that all participants speak slowly and clearly. Please wait until I recognize you before starting to speak. Our presenters today have been grouped in threes for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. The time for questions will be broken down into two rotations of six minutes and 30 seconds for each of the government, the official opposition, and the independent members, as a group. Are there any questions?

MOTION PICTURE
ASSOCIATION – CANADA
MAGAZINES CANADA

ONTARIO MUSEUM ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Seeing none, I would now like to call upon our first witness, Motion Picture Association – Canada. If you could please state

your name for the record, and you will have seven minutes for your presentation.

Ms. Wendy Noss: Thank you. I'm Wendy Noss, from the Motion Picture Association, and I'm appearing today alongside Brian O'Leary, who is senior vice-president tax counsel at NBCUniversal.

The Chair (Mr. Amarjot Sandhu): You may start.

Ms. Wendy Noss: Thank you, Chair. Thank you, members of the committee for the opportunity to appear before you today. As I said, MPA-Canada serves as the voice and advocate for the major studios—sorry, one moment; I'm just going to see if I can share the PowerPoint here with you. Can you see the PowerPoint? Is it visible?

The Chair (Mr. Amarjot Sandhu): No, it's not.

Ms. Wendy Noss: Well, we're going to have to go, then, without the visuals. Brian, maybe while I'm talking in this first element, you can try and set it up on your screen.

Mr. Brian O'Leary: I certainly will, Wendy.

Ms. Wendy Noss: Thank you.

MPA-Canada serves as the voice and advocate of the major producers and distributors of movies, home entertainment and television in Canada. The studios we represent, in addition to NBCUniversal, include Walt Disney; Disney-ABC Television Group; Paramount Pictures, a part of the ViacomCBS family; Sony Pictures Entertainment; Netflix Studios; and Warner Bros. They are all substantial investors in Ontario, fuelling the local economy and supporting local creators, talent and technical artists.

As you may have heard yesterday from FilmOntario, the COVID-19 pandemic caused a complete shutdown of all live-action production in Canada and around the world. We're so grateful to Minister MacLeod for her leadership and in immediately convening the industry to work together as the minister's film and television advisory panel. Both Brian and I were fortunate to have had the opportunity to work as part of that panel and provide recommendations, some of which you heard yesterday. For the purposes of our appearance today, Brian is going to share with you the specific recommendations of the film and television tax credit subcommittee which he chaired. Before doing so, however, I thought it was important to provide you with evidence as to why these recommendations and our industry are so important to Ontario's economic recovery, post-COVID-19.

First, to help you understand the industry's overall impact, the numbers that you may have heard yesterday, that would have been on the left of your screen, demonstrate the kind of growth that Ontario has seen year over year for the last number of years, culminating in a record-breaking year last year of \$2.16 billion in overall spending, supporting over 44,540 full-time equivalent jobs. That means good jobs for local talent, cast and crew in front of and behind the camera. What is less well known is that the impact of the industry is so much more than the direct jobs.

I think we've got it here. Thanks, Brian. Here we go.

Today, actually for the first time we're really seeing the numbers on the right of your screen, and what that story really is about is the impact on local business across the province. MPA member studios together spent more than \$561 million on local goods and services in 2019 alone at over 6,829 Ontario-based businesses in communities across the province.

What that means for communities from Port Hope to Hamilton is the impact of a production like *It Chapter Two* means an injection of more than \$56 million into the economy across southern Ontario and spending in at least 500 local businesses—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Wendy Noss: —in more than 80 different communities across the province.

What it means for communities across the GTA and stretching to Cambridge, Grimsby and Guelph, a production like *Suits*, over eight seasons, spends more than \$221.6 million in the provincial economy, creating more than 4,413 local jobs and supporting over 700 different community businesses. These numbers demonstrate how significant MPA global studio investors and long-time partners in Ontario's production community are positioned to contribute to Ontario's economic recovery that the province will need.

As planning is now beginning on where and when to resume production on film and television productions in economies around the world, the recommendations Brian will present to you reflect the ways in which Ontario can leverage its natural competitive advantages to accelerate a return to employment growth and become stronger than ever for inward investment in film and television production. Thanks, Brian.

Mr. Brian O'Leary: Thank you, Wendy. Mr. Chairman, members of the committee, we are grateful for the opportunity to appear before you today.

May I take a moment of personal pride and just acknowledge that, as a liberal arts major, the idea that I could figure out how to share the screen, Wendy, with this PowerPoint—this is the highlight of my week, gentlemen. I assure you this was beyond my capability, I thought, until today.

So a little bit about NBCUniversal and our relationship with Ontario. Wendy talked about just the devastating impact that this health crisis has had on our industry across the province, across North America and around the world.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Brian O'Leary: So in terms of NBCUniversal and our relationship with this province, we had, as we always do, projects in production in Ontario that were shuttered as a result of this health crisis. What that means for us is that the numbers that are on this page have hit pause. If you look at our historical relationship, a deep and extensive relationship across the province, over the last eight years our company has spent \$2.5 billion in direct and indirect spending in Ontario. What that means—and I want to get to the point that Wendy made about the businesses that we rely on in all our supply chain—during this time, the sales associated with it—

The Chair (Mr. Amarjot Sandhu): Thank you.

Mr. Brian O'Leary: —our economic activity, and this is just NBCUniversal—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. Your time has come up now.

We'll have to move to our next presenter from Magazines Canada. If you could please state your name for the record, and you will have seven minutes for your presentation.

0910

Ms. Alysa Procida: Hi, my name is Alysa Procida. I'm the executive director of the Inuit Art Foundation and publisher of the *Inuit Art Quarterly*. We have three other participants with us today. I'm just going to try and share my screen. Melanie, I believe you're on the phone? Or Scott, would you like to take it away?

Ms. Melanie Rutledge: Good morning. On behalf of the Ontario magazine publishing sector, thank you to the Standing Committee on Finance and Economic Affairs for the opportunity to share your time this morning.

Ontario's magazine publishing sector includes consumer, cultural and business media brands, with content distributed both in print and digitally, via a variety of web and mobile channels. Business models in the magazine sector increasingly incorporate a range of revenue streams beyond traditional subscription and advertising, such as custom publishing and events-based and retail-based revenue-generation strategies.

Ontario has the largest magazine media industry in the country. It generated \$801 million in operating revenues in 2017, which accounted for more than half of national revenues.

Magazines publish trusted content and news that is valued by Ontario readers and by Ontario businesses who advertise in them. This has never been more important than now, during the coronavirus pandemic, when indeed, Ontarians are craving information they can trust. We would argue no other media delivers this quality trusted content better than magazines.

We were grateful to be asked to contribute to Minister MacLeod's COVID-19 book and magazine publishing panel. Minister MacLeod was very clear from the get-go: This was not about getting back to "business as usual." It was about helping her come up with a path forward in the post-COVID mitigation and recovery era. It was about a path to success paved with innovative and fearless thinking. We thought this was brave and forward-looking

on the part of the minister. We applaud her and we are happy to be here this morning to share our recommendations with you.

I will now give the floor to my Ontario magazine publisher colleagues.

Mr. Scott Jamieson: Thank you, Melanie.

Just a couple of quick points: In terms of overall revenue, we've seen drops of 35% or far more for some publishers. That means that very few publishers remain cash-flow positive and have not been since March. The margins are just not good enough in this business at the best of times.

The impact on legacy print has been dramatic, to the point where most publishers are dropping or combining issues. We've seen that on the printing side of our business across the board. Digital has fared better for most, but the declines are still in the double digits for many.

But all of that is great compared to the impact we've seen on our live event space, where we've had a total collapse in revenue in our inability to host events in any province in Canada. For my company, that means 45 live events have vanished for this fiscal year. Like many, Annex has pivoted to virtual events, but to date that recovery is about 35 cents on the dollar at best. It's far worse on the consumer side, where virtual events have not yet been embraced by sponsors, and that will not improve until, we think, the spring of 2021 at the earliest.

To date, my company, Annex Business Media, has not laid off a single employee, and we're very proud of that, but we are by far the exception in this industry. Most of our B2B colleagues here and in the United States have let go somewhere between 15% and 25% of their staff, and it is far worse in the consumer space. This also, we don't think, will improve until the spring of 2021, when we can get back to something closer to our legacy revenue. Thank you.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Alysa Procida: The Ontario magazine publishing sector has long been a driver of innovation, particularly since the 2008 recession. That has only accelerated in the face of COVID-19. Examples include increased use and monetization of digital platforms, podcasts, video, webinars, research and lead generation. Innovation will continue to be more important as we recover and try to mitigate the effects of COVID.

Ontario magazine publishers recommend that the government of Ontario increase the annual budget of the Ontario Creates Magazine Fund from \$2 million to \$4 million to support the Ontario magazine publishing sector's COVID-19 mitigation and recovery. We also recommend that the \$75,000 maximum grant amount in the Magazine Fund be raised to \$100,000, and also that a budget be set aside within the Ontario Creates Magazine Fund specifically for innovative initiatives.

One example of digital innovation is customer relationship management software, which can be adopted and adapted by Ontario magazine publishers based on scale. Effective customer data capabilities enable magazine publishers to market more effectively to customers

and represent an important sector-led digital innovation. Support for these types of innovative initiatives from the government of Ontario via Ontario Creates will help the Ontario magazine publishing sector contribute to the province's economic recovery.

The magazine publishing sector in Ontario needs as much business stability as possible, and this will come from sustainable reopening and a new normal which will rely on a well-planned and well-executed testing and tracking regime. We recommend that the government of Ontario provide support to allow employees to continue to work remotely from home for the near- to mid-term. At the same time, we recommend that the government of Ontario make it a priority to study the effects that working remotely has on mental health, in order to understand and support—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Alysa Procida:—accommodations that are necessary for employees.

We recommend that the government of Ontario continue to work with municipalities to increase safety measures for Ontarians travelling to and from offices using public transit. We also recommend that the government of Ontario implement standardized temperature and symptom monitoring at offices, as well as on-site testing, and that the government implement standardized temperature and symptom monitoring at live events in the province as soon as those are once again feasible. This support will help a broad base of industries in Ontario, as well as the magazine sector.

Gilles?

Mr. Gilles Gagnier: Thank you. We're running short on time, so I'll be brief on our recommendations. The first one is that we recommend that the government of Ontario work with Magazines Canada and major retailers like Chapters, Indigo and Amazon to make sure that print and digital magazines are available for online browsing and purchase at these stores. People are afraid to pick up magazines on the newsstand and browse them before they buy them, and we know that this could be a viable solution, but those stores may need a little bit of an incentive—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes your time for presentation.

Before I move to our next presenter, I need to do an attendance check on MPP Harris. If you could please confirm your attendance and if you're present in Ontario.

Mr. Mike Harris: Yes, I am MPP Mike Harris and I am in Elmira, Ontario.

The Chair (Mr. Amarjot Sandhu): Thank you. And we also have MPP Mamakwa in the committee room with us.

Okay, so we'll move to our next presenter, the Ontario Museum Association. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Marie Lalonde: Good morning. Bonjour to the members of the committee. Thank you for the opportunity to present today. My name is Marie Lalonde. I'm the executive director of the Ontario Museum Association,

and I'm presenting with our president, Paul Robertson, who is the city curator, cultural services, city of Kingston, and here in his volunteer capacity.

On behalf of the OMA, again, we'd like to express our sincere appreciation for the work and the leadership that have been provided by the Ontario government during the COVID pandemic. I was also very pleased to be invited by Minister MacLeod to co-chair the panel on festivals, events and local community attractions.

As you consider the financial support to Ontario communities across the province, we would like to remind you that museums can play a key role in recovery, contributing to both an economic and a social bottom line. Ontario's museum sector contributes to the province's almost \$27-billion culture GDP and the \$34-billion tourism GDP. It occupies a central place in the Ministry of Heritage, Sport, Tourism and Culture Industries.

The OMA is the sector association that represents the 700 museums across the province, located in every community—urban, rural, northern, east, west. They hold the collections for the people of Ontario in trust. These museums employ 12,000 people. They have 35,000 volunteers who contribute almost 2.5 million hours a year.

Importantly, 88% of Ontarians believe that arts and culture activities add value to their community and are important to local economic well-being. Museums welcome 20 million visitors a year, with three quarters of a million people joining in museum activities annually. They support education, employment and economic development.

All those contributions are now at risk. The pandemic struck in the busy summer season, and it accounts for nearly 40% of visitor spending in Ontario.

Following the government and health directives, the museums all closed mid-March, eliminating their ability to generate earned revenues to support their operations. This affects admissions, memberships, museum programs, their ability to host their local large fundraisers and the March break and summer camps.

0920

With no revenue since March, it's estimated that museums in Ontario are losing more than \$44 million per month. Some 74% of museums in Ontario have less than three months' worth of reserve funds; they're running out now. Many can't open for the summer season, some may close their doors permanently and many of the museums simply can't afford the costs and the resources to reopen safely.

The pandemic exacerbated the critical, ongoing underfunding of our museums as a vital community resource. The early distribution of some operating funding to the 166 eligible museums was welcome, but of course that affects fewer than 24%. Even now, three months into the pandemic, there's no provincial emergency funding available to Ontario's museums. Non-profit museums are not eligible for the FedDev regional recovery relief fund, they're not eligible for the Ontario Arts Council funding, and the welcome and significant investments in tourism do not affect the museums' operating budgets.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Marie Lalonde: Municipal museums are also excluded from the federal relief programs, and we're also facing increased competition for funding within the hard-hit municipalities.

I'll let our president, Paul Robertson, continue.

Mr. Paul Robertson: Thank you, Marie. Members of the committee, we have a real opportunity to strengthen museums and support their transformative work in rebuilding and helping Ontario communities with their recovery. The Ontario Museum Association makes the following recommendations to the Ontario government:

We recommend an Ontario museum relief fund that can be applied consistently across the museum sector to help stabilize museums during this in the short-term, and help them build capacity during the reopening process and first months of operation. This relief fund is needed to address the immediate and significant impact of loss of revenue from admissions, public programs and fundraising events. We need relief funding to support museums as they care for their people, their resources, their collections, their sites and their communities.

We need a property tax exemption for all museums, applied consistently across the province. We also recommend that the Ontario government's Community Museum Operating Grant Program be updated and renewed to increase the contribution of museums to education, economic development and, most importantly, community vitality across the province, with adequate core funding.

We recommend that funding programs be revised to eliminate or reduce the matching funding requirements, and to create incentives and tax credits to encourage private sector donations.

We also recommend a digital response fund. Museums get 93.5 million online visits a year. That's about three per second. Museums with staff working remotely have expended great efforts through minimal resources to engage the public during confinement and support the province's education system during school closures.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Paul Robertson: Museums have developed online and social media activities, but are challenged by digital skills shortages, minimal resources and limited digital infrastructure. A digital response fund will allow Ontario museums to produce engaging and accessible online content based on their existing high-quality museum work and co-development of engaging digital experiences. In particular, digital exhibitions, programs and other initiatives connected to the province's curriculum are vital resources for K-to-12 students, their parents and caregivers, post-secondary students and, of course, lifelong learners.

Funding new technology is necessary for a safe, contactless flow of visitors through payments systems when you arrive at a museum, guest interaction activities and group crowd management. With 75% of tourists planning their trips online, these investments in digital

engagement and access are essential to rebuild Ontario tourism for staycations and domestic—

The Chair (Mr. Amarjot Sandhu): Thank you so much. Sorry to cut you off. That concludes your time. We have to move to the questioning now.

I'll start the first round of questions with the opposition. MPP Arthur.

Mr. Ian Arthur: Good morning, everyone, and thank you so much for coming in this morning. I want to start with the Ontario Museum Association. Those were some pretty hefty numbers that you said: \$44 million being lost per month—that's pretty huge—and not a lot of liquidity left. Would you elaborate? You said you're lacking the resources to reopen safely. What kind of funding would you need to be able to set those museums up so that they can reopen in a safe way?

Ms. Marie Lalonde: Thank you for the question. At this point particularly, in addition to the PPE, supplies etc., the key really is to provide the resources so that the staff can be brought back—tremendous layoffs have been done—that students and volunteers can come back, and to buy the equipment, to be able to offer the experiences that are of quality, and to be able to offer completely “new normal” experiences in terms of visiting the museums. Museums are not funded consistently. They don't currently have access to the emergency funding that would allow us to take those steps towards reopening. Many are not sure that they can reopen with all of the factors related to the necessary resources.

Mr. Ian Arthur: So when you're talking about resources, you're talking about both what will be needed to open the space safely and then the funds required to bring staff back in place.

Ms. Marie Lalonde: Yes.

Mr. Ian Arthur: Do you have revenue loss projections for this year? Do you know what percentage of revenue from visitors you're going to be losing across Ontario?

Ms. Marie Lalonde: During the four months of the pandemic and ongoing, it is \$44 million per month. That's a substantial amount, as you say. On a per-museum basis, these amounts are essentially, for most museums, simply at zero. There is no revenue. Some museums, again, have been able to use the federal programs for support, but at the provincial level, the programs are not there to assist them with the resources. It's very hard to speculate. It's an entire sector and it's a mix, but we know that there is simply no revenue coming.

Mr. Ian Arthur: Yesterday, the ROM and another museum were in here, and we discussed the possibility a little about potential crossovers, because museums sometimes have more actual physical space in them as institutions that could allow people to come in a safe manner. Do you see any potential for crossover with other sectors that can help bring people back in, perhaps the education sector, as we struggle with what to do about how many children can be in class on any given day or anything like that?

Ms. Marie Lalonde: Absolutely. I think it's precisely what we've learned. As co-chair of the panel that looked

into this, the various panels would bring to the floor how the ecosystem is within culture and heritage.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Marie Lalonde: In some instances, the space is available for other sectors to access. In other instances, I'd like to remind us that a number of our museums—a great number—are in historic sites, so the crowd management is different, if you will, than a very large space. Sometimes the entrance is also the exit, so there are considerations that way.

To address your point more specifically, it's precisely the kind of work that museums have been able to do during the pandemic that have helped all the parents at home, trying to keep children busy etc. Those can be further developed. There can be learning programs, learning kits that could be co-curated, working from the connection. As we've said, 77% of museums offer the curriculum-based programming. There is a tremendous amount of potential, but again, we have to have our people in the museums able to open the doors and be able to participate. With the shortage in staffing and students—

Mr. Ian Arthur: Just very quickly, because we're almost out of time: You talked about a potential 25% closure. What does that mean for job losses in Ontario? Are we talking about 3,000 of the 12,000 you employ? Is it more? Is it less? How many direct jobs are about to be lost if you don't receive support?

0930

Ms. Marie Lalonde: I think it's very hard to say. When we were looking at the surveys in the early days of the pandemic, most of the museums were cutting positions. I don't have a specific amount. I would be happy to follow up on that.

Mr. Ian Arthur: That would be great, if you can. Thank you so much. I think we're probably just about out of time.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Ian Arthur: One minute left? Okay.

Mr. Paul Robertson: Mr. Chair, perhaps I could add, certainly from a municipal perspective, just the way the governance of museums in Ontario works—as Marie has alluded to, it's a wide range. The issue with funding is that the governing bodies for different museums may invite or preclude different funding streams, hence the discussion about an inconsistency in where money comes from.

This also affects employment. Municipal museums are part of larger corporations, so staff, in many cases, have been redeployed or temporarily laid off, depending upon the budgets of the larger corporation. And those are still being worked out, hence the difficulty that Marie alludes to right now about getting those numbers. We're still collecting them. It's difficult because there is not necessarily consistency in the way various museums are organized.

The Chair (Mr. Amarjot Sandhu): Thank you.

Mr. Ian Arthur: Thank you so much.

The Chair (Mr. Amarjot Sandhu): All right, we'll move to the independent members now. I'll start with MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three organizations for coming in today and taking the time to share your thoughts.

I think I'll direct my first question to the Ontario Museum Association. It sounds like you've fallen through the cracks on all of the government support programs. I'm wondering, does that include the Canadian emergency wage support program as well? Are your employees not eligible for that either?

Ms. Marie Lalonde: Paul, would you like to answer that? I think some receive it, but I'm just going to say municipal museums, a great number, perhaps. Paul?

Mr. Paul Robertson: It depends on the organization—again, the governing structure—some qualify, some do not. Those that answer to a higher power, so to speak, are not part of that program; other smaller non-profits definitely are. Municipal museums? Not necessarily.

Mr. Mike Schreiner: Right. That would be a big challenge when you've had such a revenue loss: How do you bring employees back to reopen? I certainly appreciate that.

I wanted to go to the Motion Picture Association really quickly because you were giving some compelling numbers on job losses and the way in which motion pictures support small businesses and communities etc. And then I think you were starting to go into what kind of supports you would need from government, and you ran out of time. I wanted to give you an opportunity to convey some of that to the committee.

I don't know if Wendy or Brian, either one of you want to—

Mr. Brian O'Leary: MPP Schreiner, thank you very much for your question. The culture minister's film and television advisory panel has provided some guidance on some measures that would be important for this industry to continue its strong run of success. Wendy had described the economic effects of our relationship with the province as an industry. In context, what we have suggested as an advisory panel are measures that are discreet, sustainable and work within the contours of an existing set of tax credit regimes, as compared to Ontario's competition.

When we talk about Ontario's competition, I just want to make it very clear: We're not talking about Quebec, we're not talking about British Columbia or New York. It is a global competition. What's happening right now is other governments around the world have decided that this industry is going to be one of the vanguards for economic recovery, which is why you've seen the Spanish government increase their base incentive by another 5% and the Greek government increasing their base incentive by another 5%. The French have gone up another 10%. The UK is making these similar valuations. We're not advocating for that.

What we're advocating for as Minister MacLeod's advisory panel is to work within the existing strengths, and Wendy spoke to this at the outset, that—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Brian O'Leary: —there is a real interest here in taking the current program and making some small, discreet changes.

All of the projects, whether it's domestic producers or foreign producers working in Ontario, we were all shuttered as a result of the safety measures the Ontario government and the Canadian government put in place. We want to make sure that those costs remain eligible expenses for the crew that we continue to pay. Even though we couldn't assemble, we continue to pay those crew and we continue to pay our vendors, so make sure that those are eligible expenses. That issue is already before the Canada Revenue Agency, and it's an important matter. FilmOntario is certainly sensitive to it. The minister has been a champion of acknowledging that if you're a company, whether domestic or foreign, that has hired Ontario residents, contracted with Ontario vendors and made those payments, and you were shut down as a result of this crisis, you should still get your credits on those costs. So that's one consideration.

Now, looking ahead, MPP Schreiner, what we are advocating for as a panel is to make sure that, given the interest that this industry has in returning to Ontario—there's going to be a compounding of an already existing issue, which is the absence of sound stage space. I know that there are projects under development, but what we have submitted is to allow projects to shoot on location, which has its own attendant risks, and allow those costs to be eligible for the Ontario incentive. That is something that has been a long-standing issue that is now more critical than ever, because we need to—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Brian O'Leary: —particularly for foreign producers, encourage us to get off stages so domestic producers can actually use those stages, get us out into the community, shoot on location and highlight the aesthetic of Ontario beyond the GTA. That is part of what our proposal is.

Also, those government facilities, whether it's conference centres or theatres or anything else that is owned by governments: Let our industry use that space for production, until the time when the province decides it's safe to reassemble and allow people to congregate in those facilities. This industry has done a good job historically of taking something that is idle and using it for productive purposes, so allow us to use the space that can't be safely used for its intended purpose. Again, with theatre halls and other large congregating sites, let us use that for sound stage productions. Treat it—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off.

We'll have to move to the government side now for their time of questioning. I'll start with MPP Crawford.

Mr. Stephen Crawford: Good morning, everyone. Thank you to all presenters. I did want to carry on with Mr. O'Leary. I know that you have a great relationship with our government. Our government, particularly the Ministry of Heritage, Sport, Tourism and Culture Industries, led by Lisa MacLeod, has been very supportive, I think, of your industry, having a great communication line. Obviously, I think the tax credit that Ontario offers is particularly attractive.

I know you didn't get through your presentation. Were there any other points, before I move on to a couple of questions here, that you wanted to highlight in your recommendations? I know you didn't get through it. I know MPP Schreiner asked you, but was there any other final point you wanted to highlight?

Mr. Brian O'Leary: Thank you, MPP Crawford. If I may, the points that were the centrepiece of the recommendations from the Ministers' Film and Television Advisory Panel included what I just described: allowing location fees to be eligible expenses and encouraging the industry to expand our investment across the province.

We also suggested, in addition to those considerations, a matter of residency. Right now Ontario is at a disadvantage, as compared to Quebec and British Columbia, in terms of allowing the best talent that we can attract to Canada into this province based on a residency condition. We are suggesting to allow individuals who come to work, particularly in visual effects projects, on live action projects—if they establish residency in Canada, in Ontario, allow those individuals to be eligible for the Ontario Production Services Tax Credit and the domestic service tax credit. That is something that would allow us to compete with the other provinces in Canada that are on relatively equal footing with us. It's not a profound change, but what we do suggest is do it for a limited-time horizon of 24 months. That is one consideration.

0940

The last consideration, which already is in process—credit to Minister MacLeod—is accelerating access to the tax credits earned by production companies; that is, not waiting till the end of the CRA audit. Again, I appreciate that not everyone on this committee spends time working on these issues, but just know that there is a very long lag time between when a project completes and when a project actually receives its funds. This is particularly acute for domestic producers.

All of us are going to be grappling with enormous increases in our production costs, which means enormous increases in our financing costs. Allowing productions to accelerate the recovery of their tax credits to the earliest opportunity in a measurable, safe and responsible way is something that the minister's panel has recommended, and it's something that the CRA is considering very seriously right now. So at the end of your first year of production, you file your return, you've got your certificate, you get your rebate.

It doesn't mean you don't get audited. There's no risk to the administration of Ontario. What there is is an opportunity for this province to have an advantage in allowing us to front-load, allowing producers—

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Brian O'Leary: —to pay down their borrowing costs and pay into the development of the next project in a way that is responsible. Historically, frankly, 10 years ago, it used to be the model that Ontario used. We're actually just looking to go back to something that worked, that we've gotten away from as a province—

Mr. Stephen Crawford: On that note, you mentioned the crews. In terms of the filming crews and whatnot that are here in Ontario—this is a two-point question, I guess, and then I'll pass it on to MPP Rasheed. Is there anything we can do in Ontario to develop our pool here internally? I guess that would be, perhaps, through the education system, the college system. How are we ranked in that respect? And what percentage of your crews are people from outside of Ontario to what you're talking about there, about the credits for them?

Mr. Brian O'Leary: Mr. Chairman, MPP Crawford, if I may: You can take comfort in knowing that, in terms of this global community of producers, Ontario stands at the very top, with the United Kingdom, with California, with New York. I'm sorry; you may feel differently about who your competition is, but my point is, when we think about the talent that we can access in Ontario, why we are not suggesting as a panel that Ontario needs to add another 5% or some other percentage to their incentives, working around the contours, is because there is a great reservoir of extraordinary talent that already exists.

I can just tell you, our company, even if we don't have a project that works for Ontario, we take Ontario producers, line producers, directors. We bring them around the world with us because you have some of the best resources. Obviously, everyone wants to work at home. The great luxury that Ontario has is that you've got extraordinary talent, and it's financially attractive for us to be there under the right circumstances. So all of the—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Brian O'Leary: —elements of why this industry and this province have a great relationship continue to exist. Our panel's suggestions are to address this current crisis, and how do we make sure that this program and its relationship remain as strong as ever?

Workforce development: There are actually some great programs. I would invite Wendy to offer her opinion, but the unions, the sound stages and the production community have some great starter programs. We can always do more. One of our frustrations is that we want to do more in Ontario, we want to continue to build on the great success that already exists. That means more people in the workforce.

Mr. Stephen Crawford: I think your industry has an incredible opportunity to grow here in Ontario, and it would help in our economic recovery. With that, thank you very much. I'll pass it on to MPP Rasheed.

Mr. Kaled Rasheed: Thank you so much—

The Chair (Mr. Amarjot Sandhu): Thank you. Our time is—

Mr. Kaled Rasheed: Chair, how much time do we have?

The Chair (Mr. Amarjot Sandhu): Five seconds.

Mr. Kaled Rasheed: Okay. I guess I'll just wait for the next round.

The Chair (Mr. Amarjot Sandhu): Yes, we'll come back in the second round.

We'll move to the independent members now for their second round. MPP Schreiner.

Mr. Mike Schreiner: I want to, in this next round, focus a little bit with Magazines Canada. One of the things that I've noticed is that a lot of magazines—it has been challenging pre-COVID, and there seems to have been a shift to doing more live events, coupled with podcasting and things like that. Since those events are not allowed—and you talked about it in your presentation—what kind of effect has that had on the sector, the industry, in terms of what you are trying to do to address the new realities of the marketplace?

Mr. Scott Jamieson: It's Scott Jamieson, chief operating officer of Annex Business Media. We're a B2B company, but I can speak, I think, across the sectors. Yes, we had pivoted to live events as an economic model to diversify our revenue away from print advertising, and most of us were quite successful at that. You've mentioned podcasts and webinars; we've been doing all of those things. What this has done is, of course, exposed us now to a complete loss of revenue in that sector. We thought we were quite clever in moving 15% to 20% of our revenue into events. What could possibly go wrong there, right? There are magazine companies who are at 50% to 70% of their revenue through events, and those companies likely will not survive without a dramatic change.

In the B2B sector, we've been lucky that virtual events have been embraced by our sponsors, and so we have recovered some of that profit, that margin. In the consumer space, the challenge is how you do a virtual wine-tasting festival or a music festival or a ribs festival that you're associated with. They've really struggled, and I haven't seen a successful consumer-based virtual event yet. It's not financially viable.

I think what this has done is twofold for us. In any case, whereas we've been successful in our virtual events, it has opened up a new revenue stream. When this is all over, we'll be better positioned to succeed, because now we'll have live events and virtual events for our remote audiences, which we have in Ontario obviously. But in the meantime, we have to survive to, I think, the spring of 2021, or perhaps even the fall of 2021 in some provinces, before we have that great new model.

Necessity is the mother of innovation, and so we've embraced that, and the magazine sector as a whole has a lot more podcasting, a lot more webinars, but it's like the old move from print to digital. It's virtual event dimes replacing event dollars in many cases.

Mr. Mike Schreiner: Gotcha. What do you need from government that would help you survive over that time period? I know you had mentioned an increase in the Magazine Fund from \$2 million to \$4 million. Is that enough to support the industry through that time period?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Scott Jamieson: No, not on its own, but frankly, we have had good support from the federal government. We are eligible for their programs, and that's one of the main reasons our company still has 100% employment despite all of this. That money, traditionally, has always been to help us innovate. I think that's what you need to

do, and currently it's hard to invest money in innovation, when you're at 40% below your normal revenue.

Mr. Mike Schreiner: Right. One of the presenters with your group talked about mental health supports for working from home. I would almost think that mental health supports for a variety of people in the creative sector is going to be required. I'm just wondering if you had some additional thoughts on the kinds of mental health supports that would assist people who are working from home and potentially facing isolation for an extended period.

Mr. Scott Jamieson: Alysa, would you like to have that?

Ms. Alysa Procida: Sure. Thanks, Scott.

Yes, absolutely, this has been a critical issue, I think not just within our sector, but across culture and many other industries, I would suspect. Certainly increases in access to employee benefits, employee assistance programs, additional supports and funding to support those kinds of programs, because they're expensive and cost money—we do a good job trying to connect via video or connect to each other and to our networks, but it's very, very challenging, particularly for people working in culture who are often underpaid and who live in conditions in small housing without access to backyards, without necessarily access to lots of green space.

0950

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Alysa Procida: I think we're far away from understanding the true impacts on mental health of all of this isolation and the ways in which it might continue over the next several months or year—we'll see.

It's wonderful that the wage subsidy program from the federal government, for example, helps to cover wages, but particularly targeted support for mental health services and benefits would be very welcome.

Mr. Mike Schreiner: I'm assuming that a lot of people in the magazine industry—is there a fair amount of content creation done by freelancers and people who may not be part of an employee benefit plan?

Ms. Alysa Procida: Absolutely, and particularly across the board, as well as in the culture sector. Many arts and culture magazines, of which we are one—we have a nice benefits package, but many people do not, and it does not extend for freelancers. I would also add that the magazine industry has made a real push in recent years towards diversifying its contributor base, its staffing and—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes the time for questioning for the independent members.

We'll move back to the government side, and I'll start with MPP Rasheed.

Mr. Kaled Rasheed: Good morning, and thank you to all the presenters. I'll be followed by MPP Smith.

My question is to Magazines Canada. Thank you, Scott, for all you have done, especially during COVID. You mentioned during your presentation that you continue to keep your team members intact and that none of the

individuals have been laid off. So thank you so much for that.

When we talk about digital transformation—and during your presentation, you briefly mentioned how the industry is shifting from a print to a digital space. I feel like this is something that we are now going to see even more post-COVID. For me, it's the next thing when we talk about digital transformation and industries and businesses moving from in-house basically into cyberspace.

What would be your thoughts on moving things into cyberspace and trying to explore by thinking outside the box on how to bring in the revenues, considering that now things may not be the same as they were pre-COVID?

Mr. Scott Jamieson: Every time we go through a recession or something like this, the transformation away from print to more digital gets accelerated, and that was true in 2008-09, so we're well on that path.

As a company, for instance, Annex Business Media—about 50% of our revenue is not from print; it's everything else but. We have e-commerce. We have our events division. We also do education through webinars and podcasts increasingly now. We have a database business that we've recently developed where we can basically do marketing automation for our customers. And we're certainly not alone in that. All magazines have gone that route or they wouldn't be here today.

I guess this will accelerate it and, as I mentioned, one of the ways it will accelerate it for us is on the virtual event front where we can now service some of our remote readership in northern Ontario, as an example here in Ontario—of course we're a national organization, so across Canada—where we can do hybrid events, half-live and half-virtual, so that people from the Far North can participate.

Innovation is now basically table stakes to be in the magazine business, and Magazines Canada as an organization has helped us, as has Ontario Creates. It has been fantastic in terms of allowing us to innovate with less risk through helping fund a lot of our innovation. I think that's where we have to go as an industry and as a company.

It goes back to people, and the film industry mentioned that as well: Ontario has some fantastic creative arts people, so we're 100% based in Ontario for that reason in all of our services. I think that for us attracting the next generation—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Scott Jamieson: —to an industry that many consider as dying is a big challenge. We're not considered a sexy industry, so that's our big challenge, to get programmers into the business, and database people, who we haven't traditionally hired in the past. Engineers, data scientists: Those are the new people in our industry. Anything we can do to create a vibe around the magazine industry, the media industry, of course would be big.

Mr. Kaleed Rasheed: And very quickly, before I pass it on to MPP Smith: Coming from a technology background myself, I feel that when we move towards a digital space or cyberspace, the revenues increase because

sometimes your fixed costs are not there. I don't know if you have seen in your industry that revenues are increasing because the fixed costs are no longer there. Is that the case in your industry?

Mr. Scott Jamieson: Not especially, because our biggest fixed cost is people, and when you're going into the digital space now, you've got editors who are still doing print because that's still a big part of our business, and now you've got to add to that people who can do video, people who are good at podcasts. I would say that our cost structure, while we're very efficient at Annex Business Media, is higher than it was 10 years ago as we make this transition.

Mr. Kaleed Rasheed: Okay. MPP Smith?

Mr. Dave Smith: Mr. Chair, how much time do we have left?

The Chair (Mr. Amarjot Sandhu): One minute and 20 seconds.

Mr. Dave Smith: Okay. I'm going to go to the Ontario Museum Association, then, very quickly. If there isn't relief and a number of museums close, what happens to the content that's in the museum?

Mr. Paul Robertson: It's like we were talking about with closing small-town newspapers: It's your memory which is lost. It depends, certainly, on the particular organization, the particular museum, but it does put those collections into jeopardy. It also means that no one else is collecting that type of information, that tangible history and, for many museums, intangible history. It is a problem. It means that material becomes inaccessible. It's like losing part of your memory. What do we do? Because museums are organized and governed by various organizations—

Mr. Dave Smith: Sorry, I'm going to interrupt because we're almost out of time. What I'm trying to get at is, that content is gone forever. Is that a fair statement?

Mr. Paul Robertson: It's good to say that in many instances, yes, it would be gone forever.

Mr. Dave Smith: Okay.

Ms. Marie Lalonde: And the costs would be astronomical in terms of the closure, the transfer, the donors' trust—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you to all three presenters for your time and for your presentations—

Interjection.

The Chair (Mr. Amarjot Sandhu): Oh, sorry. My apologies. We still have the opposition. For the opposition party? MPP Arthur.

Mr. Ian Arthur: Good morning. Thank you again. I'm going to direct my next question to Magazines Canada. You talked about the percentage of ad revenue loss that has happened. When and to what percentage do you see that recovering? How much of that was for live events? How much of it is for businesses that are going to start getting rolling again themselves? Are there opportunities to diversify that ad income from other businesses that are doing well?

Mr. Gilles Gagnier: It's Gilles Gagnier here, on behalf of Canadian Geographic, the second-largest consumer magazine in the country. In our case, ad revenues dropped about 60%. The problem when people vacate print advertising, as we saw in 2008, is that a percentage never come back.

To Scott's point earlier, we have diversified. Just to give a sense of our case, we're a \$10-million-a-year organization. That's the same number we were 10 or 12 years ago. The difference is how that money is made up, and it's made up, as Scott said, through events and other means.

To get to your question specifically, we think that ad revenue will start to come back probably in early 2021, but it will never come back to its full level, and the magazine business will reinvent itself again. It's something we're quite good at, but we're going to have to keep reinventing.

Mr. Ian Arthur: That's a fairly extensive time frame, the spring of 2021. You're talking about needing to make it through the summer, through the fall. In order to do that, what kind of long-term supports are you going to need from the government?

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Mr. Gilles Gagnier: One of the recommendations I was going to make, I'll make now. We think that if the Ontario government created a buy-Ontario, made-in-Ontario campaign, one of the ways they could get the word out is through Ontario magazines like ours. We have tremendous reach, as good as most media companies. There are a few who have bigger, but not many, and I'm including all of the media here. So there's one example of innovative ways that advertising might come back a little bit.

Other supports: As Scott said, we've been lucky that the federal government supports have applied to us. In our case, we have a big education program. Some 25,000 teacher-members are part of Canadian Geographic Education. That's one of the ways we're diversifying, so we're going to spend more time and energy there. But I think, on a case-by-case basis, it's different depending on the magazine's audience, quite frankly.

Mr. Ian Arthur: Perfect. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Ian Arthur: No. I have no further questions, Chair.

The Chair (Mr. Amarjot Sandhu): No further questions? All right. Thank you so much. That concludes the time now. Thank you to all three presenters for your time and for your presentations.

McMICHAEL CANADIAN ART
COLLECTION

MR. SERGIO NAVARRETTA

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters, I would first like to call upon McMichael Canadian Art Collection. If you could please

state your name for the record, and you will have seven minutes for your presentation.

Mr. Ian DeJardin: Thank you, Chair. My name is Ian DeJardin. I'm the executive director for the McMichael Canadian Art Collection, a crown agency of the province of Ontario, situated in Kleinburg, 40 minutes' drive from downtown Toronto.

The gallery closed in response to COVID-19 on March 14. We plan a gradual reopening from July 30, but by that time, visitor numbers will have been at zero for some 140 days. A survey we conducted with 1,000-plus of our stakeholders indicated that nearly 60% of them anticipated it would take one to five months before they would feel confident enough to return. This will inevitably have a catastrophic impact on self-generated revenue.

We've made savings wherever possible, of course: temporary layoffs, reduced workweeks, a major exhibition postponed and replaced with shows generated from our own collections. All fundraising events, on which we depend for sponsorship, have either been cancelled or postponed. Physical distancing negatively affects virtually everything we do.

We're aiming to reopen very cautiously, beginning with a members-only day and using time-ticketing to control numbers. We're basing our planning, going forward, on an anticipated loss of at least 50% this year to our self-generated revenue. That would amount to around \$2.25 million, and I fear that may well be optimistic. It will surely not be possible to avoid posting a deficit for fiscal 2020-21.

Planning further ahead, we are assuming a projected 30% loss of revenue in fiscal 2022, but who knows. For that year and beyond, the arrival of a vaccine or reliable treatments could change everything.

We are a non-profit organization. Our business model is lean, with just 40 full-time staff. With a total budget of just over \$9 million last year, 37% came from the province and 3% from the federal government. The remaining 60% is self-generated, 27% of that through fundraising.

The ministry's agencies and attractions are the backbone of Ontario's cultural and tourism economies. We reach far beyond our province, and contribute to the province's culture, health and well-being, our civic engagement, social cohesion, community resilience and education while delivering significant economic impacts to the province. As we emerge from COVID-19 and try to rebuild that confidence, neglecting the cultural sector would surely be a false economy. In fact, I think now is precisely the time to make whatever investment we can possibly afford in our sector to signal the optimism and belief in Canada's resilience that will ensure prosperity for the whole province in the long term.

The McMichael markets itself as the home of the art of Canada. We are, in fact, the only museum in this country with a mandate to champion exclusively Canadian art. The collection of some 7,000 works, conservatively valued at around \$700 million, is famous for our holdings of the Group of Seven and the likes of Emily Carr and David Milne; for our rich Indigenous collection, particularly the

work of Norval Morriseau and the Woodland School; and for our extensive Inuit holdings.

The McMichael's building is evocative of a homey, if enormous, log cabin, and its site is also extraordinarily beautiful. It sits in 100 acres of forested landscape above the Humber River valley, a gateway to an enormous tranche of unspoiled conservation land in the greenbelt—land that is dense, moreover, with archaeological significance. The Indigenous peoples' historic Carrying Place Trail from Lake Ontario to the Georgian Bay area follows the Humber River.

Kleinburg, too, has its own special attraction for potential visitors: a pretty pioneer-style village replete with some of the very best Italian restaurants in the GTA. The McMichael offers a perfect day out for staycationers on the doorstep of Canada's biggest city.

COVID-19 or no COVID-19, we are currently probably the leading generators of exhibitions of Canadian art.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian Dejaridin: Our major exhibitions of great Canadians like Maud Lewis, Lionel LeMoine FitzGerald, Ite Pootoogook and David Milne tour extensively across Canada. In fact, all of our exhibitions are now planned as potential touring shows. Over the next couple of years, we will be working very hard to extend that offer internationally.

We see this as our special role. It's worthy of support, promoting not only our own brand, but that of Ontario and of Canada as centres of creativity and innovative thinking at home and abroad. No other art museum is doing this, and no other museum embodies in itself so powerfully the very essence of Canada.

Before the arrival of COVID-19, we had spent the last year planning for a major capital project to rescue our 60-year-old building and enhance the McMichael into a beacon of Canada at its best for all Canadians. We know exactly what we need to do. We've been working with one of Canada's very greatest architects, Siamak Hariri, to envisage what that transfiguration would look like.

Even with COVID-19, we actually have very little choice, because our building, however iconic, is no longer fit to function against the very highest standards expected of 21st-century museums. This is no vanity project. We can't make do and mend its mechanical systems much longer. As a category-A institution, failure to maintain environmental systems or to meet the high modern standards of care and display just aren't options for us.

It has been 40 years—a full 40 years—since our last major capital project. What kind of message does it send? Those 40 years have seen enlightened investment in major galleries across the country, not the least Toronto's own Gardiner Museum, the Bata Shoe Museum—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Ian Dejaridin: —the Aga Khan Museum and, of course, the AGO and the ROM, delivering stellar results to the province's credit and its economic benefit. What kind of message does it send about our confidence in the excellence of Canadian art if the very home of the art of Canada is forever the bridesmaid and never the bride?

What better symbol could there be of the beauty, diversity and creative vitality of Ontario, and of Canada, than the McMichael with its glorious combined offering of art and nature?

We're ready to welcome the world and to play our role as a place of renewal and inspiration for Canadians from near and far. This is surely the moment for the McMichael to shine. Thank you very much, indeed.

The Chair (Mr. Amarjot Sandhu): We'll move to our next presenter now: Sergio Navarretta. If you could please state your name for the record, and then you can get right into your presentation.

Mr. Sergio Navarretta: Good morning. It's Sergio Navarretta.

The Chair (Mr. Amarjot Sandhu): Thank you. You may start.

Mr. Sergio Navarretta: Because I only have seven minutes, I will submit my written recommendations for review, but I wanted to thank you all for giving me the opportunity to speak today.

First off, I want to thank the leadership in our sector. Minister MacLeod has been a champion of our industry since the beginning and pulled us all through something that was unprecedented and given us courage to move forward and forge on.

I stand before you as an example of why I believe, and why our community believes, that government should continue to invest in the arts. The first time I presented a movie in India was 2004 through my relationships there and on a government grant. In 2015, I had the privilege of working on a huge multi-million dollar film with A-list Hollywood stars. So sometimes the payoff may take years and it's hard to quantify the direct result of an investment such as this, but I'm a testament to the fact that we need, as governments, to continue investing in the arts.

1010

I see, now that we're in this COVID period and the world has hit the pause button and the reset, that it's really a time of reflection. I see this as a renaissance period for Canadian creators to continue to create, so I think it's government's role to really look at investing in development, because in this period we have an option to write, develop and really look at new projects for the future.

As Canadians, to remain competitive we need resources to option books and to hire writers etc., so I'm advocating for us to take a positive look at what I'm calling a renaissance period and really invest in the development. Oftentimes in Canada we invest in production, and we do that so well, but what we can learn from our American counterparts is that, if we invest in development, and then, after projects are completed, in marketing, we can remain competitive on the world stage. For example, studio movies, when they spend a dollar on production they will allocate 50 cents to marketing. I think regulation now we're probably investing one cent per one dollar invested in production and we really need to look at this.

I've also indicated in the past that we need reform to the current tax credit. Yesterday I was on a call to attract a \$70-million movie to Canada. What we need is the

confidence to be able to communicate to foreign investors and foreign producers that our tax credit is solid and that it's also efficient in the turnaround without burdening Canadian production companies and lending institutions.

Right now, the tax credit can take up to 18 months. I think we can do better. I think if this is reformed—and I believe that there are steps being taken now to reform this—we'll be in a better position to attract foreign investment and continue to grow service production.

I think Minister MacLeod has stated that our industry is a \$2-billion-per-year industry in Ontario, so it's something to look at seriously and not to be ignored. It's an economic driver. Investing in the arts is a viable business.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sergio Navarretta: I've stated in the past as well that, dollar for dollar, if you invest in the arts versus investing in a condo development project, I think you'll get much more residual benefit from investing in the arts. Artists throughout history in Canada have exported Canadian culture to the world, and I think it's something valuable that we need to continue investing in.

My next point is to incentivize theatres and exhibitors and streamers to continue to exhibit Canadian content. I think we're probably the lowest in the world in terms of domestic exhibition, and it's something that we need to do better on. Our screens and our streamers are inundated with product from outside of Canada. It's something that I encourage you all to look at.

We can and we must build a star system. I think we've seen, with our beloved Raptors and with stars like Drake and with successful TV shows like *Schitt's Creek*, that we have the content, we have the talent, we just need to start getting behind Canadian creators and Canadian artists.

Working together with unions, artists and government is a partnership that is essential, especially now that our service business—the Hollywood studios—have all hit the pause button. We have a period of time now to really look at how we can do things better and how we can work together. It's a collective conversation that's top-down. That's something that needs to be looked at.

During this COVID period I've noticed that a lot of things that we used to do—living this frenetic life, travelling, looking always abroad at Los Angeles as sort of the mecca of this industry—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sergio Navarretta: —is now changing. I see a real opportunity to invest in smaller communities outside of Toronto to put together film commissions, set up incentives of some sort and really attract business and spread it out outside of the current centralized business, which is all focused in the city of Toronto.

I believe that, at least pre-COVID, all the studios were full, so that's another reason why I think we can start looking at models like we're currently developing now, which is creative farms or creative studios outside of the city, much—

Failure of sound system.

The Chair (Mr. Amarjot Sandhu): Mr. Navarretta? Mr. Navarretta?

All right. Our time has come up, as well. We'll start the questioning. This set of questions will start with the government side, and I'll go to MPP Khanjin.

Ms. Andrea Khanjin: Thank you, Chair. I'm just going to wait for Sergio's mike to unfreeze, so I'm just going to pass it to my colleague MPP Harris quickly.

The Chair (Mr. Amarjot Sandhu): MPP Harris?

Mr. Mike Harris: Thanks very much, everybody. It's nice to be a part of this and see some familiar faces here who we've had some deputations from in the past on other committees. I've got a question for Mr. DeJardin. In regard to Canadian content, and obviously with the McMichael gallery being a pre-eminent curator of that content in Canada, what do you think that we can do as a government to really help push that, leverage that and try to get more interest in what's happening at the McMichael and with Canadian content?

I remember in a previous deputation you were talking about how there's really not a lot of knowledge of the Group of Seven, for example, outside of Canada, and for us folks that's astonishing, because we see their works all the time and they're well celebrated here. But when we look at ways that we can generate revenue and get people interested in what's happening, especially with focusing on Canadian content and making people more aware of that here in Ontario, what are some thoughts on how to continue that from a government perspective or how to help you?

Mr. Ian DeJardin: I think it's support for the actual process. The putting together of exhibitions is an expensive business. It costs a lot more than anybody ever realizes. We have discovered, because we've embarked on this strategy of planning our exhibitions—this is just in the last couple of years—to be touring exhibitions, to be tourable, is a major revenue generator for us, apart from anything else. It's an important thing to do.

I just wrote a letter and got, I think it was, 27 or 28 cosignatories from across the country to ask if the MAP grant—this is a federal museum grant that is very often given towards exhibitions—could be extended to the very process of packaging an exhibition for tour.

I should just say that this is a complicated business in that you don't just kind of send the exhibition by post. A crate for a painting by Lawren Harris has to have its own kind of environmental conditions built into it. It has to be able to survive a drop of a certain height, so these are high-end things. They cost a fortune to make. All of those costs that are built into the preparation of an exhibition, which would otherwise be done as a one-off, are huge. So any support in terms of grants from, say, the Canada Council or whatever towards the actual packaging of touring exhibitions would be a benefit not just to the McMichael but across the sector, because very often we are all working in isolation. We are reinventing the wheel endlessly. Our exhibitions, since we started offering them to other institutions—there has been a huge market for them.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian DeJardin: The market abroad, as I said in my presentation last week, is another matter. Actually, I, in

another role at Dulwich in London, UK, put on major Canadian exhibitions while I was there, so over the last 10 years, I've kind of built the possibility of establishing a European toehold for Canadian art. I utterly believe in it, and I utterly know that they don't know anything about it. So I think any support we could have in the actual preparation of exhibitions for touring would be incredibly valuable.

The Chair (Mr. Amarjot Sandhu): Thank you. Mr. Navarretta is back. He's calling in now. He has joined us through audio call, so if you have a question, MPP Khanjin?

1020

Ms. Andrea Khanjin: Thank you to both presenters. I want to especially thank Sergio for joining us at committee today. I'm really proud to have talent like his here in Innisfil.

I wanted to just ask you, Sergio, if you're able: You were starting to talk about how we can use the Ontario landscape and be able to use different parts of our province for filming and highlight it. Just like with Schitt's Creek, they used a motel that many of us can just drive by to see where that season was filmed, which is really exciting. If you could talk a little more about that.

Mr. Sergio Navarretta: Overall, I see film and television as an economic driver for various communities. We had the privilege and good fortune of shooting a film, Looking for Angelina, in Sault Ste. Marie, and that was pre-NOHFC, so I think a lot of the lessons learned when we shot that film in that community were used in the implementation of a robust community, with a film commission and with various incentives. Since then, there have been dozens of productions and jobs created, and it's a great success story.

What we've learned is that partnering with a community works at all levels, starting from the mayor to the councillors to economic development and, hopefully, a film commission person or office. Those strategic partnerships need to be developed. One of the lessons I think all communities can learn is that rather than having a production descend on a community, shoot and then disappear—where can they give back? Are there apprenticeship opportunities? What are the economic benefits of having productions in various communities? In our case we're very—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll come back to that in the second round.

Now we'll go to the opposition side for their time of questioning. MPP Mamakwa.

Mr. Sol Mamakwa: Thank you to Ian and Sergio for your presentations. My name is Sol Mamakwa. I'm the MPP for the riding of Kiiwetinoong, which is in northwestern Ontario.

A quick word to acknowledge Ian and also the McMichael's statement on racial justice and equality. It's certainly a time and a place—we're at a time where we actually talk about those types of issues, for example systemic racism. I was here this past week in the House, and that's the first time we've had a fulsome discussion on

what's happening across the globe, but also in the province of Ontario and across Canada, so kudos to you.

I know that right now your gallery is closed, and I know you would like to open as soon as possible. What are some steps that the government can do, and what tools do you have from the provincial government in looking forward to you opening up?

Mr. Ian Dejardin: Thank you very much for the question. As Mr. Navarretta said, the minister has been tremendously supportive throughout this process, right from day one, and the ministry has been right there for us. They have produced really quite fulsome guidance for museums and reopening after closure. Beyond the ministry, across the country, many organizations—the OAG, the AAM, these institutions and bodies that represent the museums and galleries in this country—have also been very fulsome in providing useful information.

There will be, of course, extra expense involved in the preparation, which we're actually currently beginning to embark on, namely in the provision of PPE. But again, the ministry has been helpful in providing us with a kind of gateway to PPE suppliers. We should be able to manage that. I don't think it's going to be too onerous. Our museum, fortunately—I never thought I'd hear myself say this, but the design of the museum has a long promenade; it sometimes feels like you've gone for a 10-kilometre walk before you've actually reached the paintings. But, in fact, that is a more or less perfect scenario for physical distancing. We feel we can control numbers through timed ticketing. We can put in place the guidance about masks and sanitizing. All of those things are already in place. So by the end of July, we think we will be ready.

We are very fortunate in having the landscape, the grounds outside, which people can retreat to if they feel nervous within the building. In many ways, the McMichael provides a very reassuring environment for visitors. Does that answer your question?

Mr. Sol Mamakwa: Yes.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sol Mamakwa: To Sergio: I know you spoke about incentivizing some theatres, and also some of the tax credits. Again, I guess it's basically the same question to you: What tools have you been able to get from the province?

Mr. Sergio Navarretta: I think generally what people are saying is that there is a 7% to 20% increase in this COVID period to assemble productions and to handle all the new safety guidelines and things that are necessary to move productions forward. That's a short haul that I guess a lot of producers right now are scrambling to figure out.

Again, I think the advantage that we have is the service sector. The Hollywood studios and production in general have been put on pause, so it's a real opportunity now for at least Canadian creators to forge relationships with studios that have space, with communities that are willing to have them, and with suppliers of equipment that is completely available. I think it's government's role to continue supporting our domestic market.

Mr. Sol Mamakwa: That's all I have.

The Chair (Mr. Amarjot Sandhu): Further questions? No questions. All right.

We'll now move to our independent members for their time of questioning. I'll start with MPP Schreiner.

Mr. Mike Schreiner: Thanks to both presenters for coming in today and for being a part of this important conversation.

Ian, I just want to say, I'm a huge fan of the McMichael gallery. We've been going ever since my kids were very little. It's a treasure and a wonderful collection.

I was a bit worried when I heard you talking about the state of repair of the building and the effects that it could have on the collection. I'm just curious: I'm assuming this whole pandemic situation and the economic fallout must be having a significant effect on your capital campaign for building renovations. Maybe you could just talk a bit about that, and maybe some ways in which we could all help you with that campaign.

Mr. Ian DeJardin: Well, that would be wonderful. The timing of it was perfectly horrible. What we had done, with ministry support, for which I was very grateful, is we had commissioned from Hariri Pontarini Architects a fit-to-function survey. This is in reaction to, partly, the environmental systems and the mechanical systems, which are now elderly and holding on by a thread, really. We need to do some major investment in that one way or the other. But we were aware that that investment was going to cost several millions—\$18 million was the estimate—just to get the environmental systems up to snuff.

More profound than that is the fact that the building was built 60 years ago. It was not designed for major exhibitions, which, of course, are now our absolute driver. Some 98% of people surveyed said that they were coming to the exhibitions. We can't, for instance, bring large paintings in through the door; the doors are too small. Our staff are up in the loft in a kind of raccoon area in the eaves.

We manage incredibly well, but everything about the way we work is ultimately fairly dysfunctional. In order to be a 21st-century museum and also to represent Indigenous, Inuit and contemporary art in a way that is suitable for the modern age, there are serious issues that we need to be addressed.

1030

We had just actually signed off on the fit-to-function, in fact, as COVID hit. So the next stage, which we were just about ready to embark on to try and get the project to be shovel-ready, was hit. We couldn't really proceed. But Siamak Hariri, being the architect he is, had actually come up with the answers that we needed and, indeed, had gone further than the fit-to-function survey brief in effectively designing those solutions to our problems, which involved an extension to the gallery. This is not a great vanity project, as I said in my presentation: It is an extension to the gallery that just makes the place work. It makes it work. Like a machine, it suddenly will work again, maintaining its beauty and its charm, which, as you say, is one of the great things about the McMichael. It is a charming place; we don't want to spoil that.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian DeJardin: We feel like we could get to shovel-ready very quickly, but what to do? COVID-19 has devastated the economic landscape. It has devastated the potential for fundraising, and we don't know how to embark on a capital campaign, but we are absolutely intent on doing it because, as I said, we have no choice. We do actually have to address those systems, and it's like they all knock into each other. To get the systems working, we'd have to replace the staff. If we put the staff somewhere else, there is nowhere else in the building to do it. It's a bit of a crisis situation we're in, I have to say, and any provincial and federal support that we could get—we really can't delay it, and I realize it's a hard ask in the current circumstances.

Mr. Mike Schreiner: I really appreciate you taking the time and just laying it on the line for us and what's at stake, especially given the Group of Seven collection and the Indigenous art collection that you have, which are both treasures.

So the AGO and some other museums and galleries have come to committee and talked about maybe more generous tax incentives for charitable donors etc. to support art and culture. Is that something that you think that would help as you embark on this campaign?

Mr. Ian DeJardin: Yes, I'm sure it would. It's a bit difficult to judge at the moment in terms of our sponsorship. We've tripled our dependence on fundraising just over the last three years and we've been very successful in meeting those new targets.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Ian DeJardin: Looking forward, in terms of sponsorship, we are anticipating again a 50% drop in that.

I think the issue is that, partly, philanthropy is a difficult area in every country. I come from the UK, and it's a bit different, again. In this country, I think any incentives in terms of tax incentives would be hugely beneficial. But I do think that philanthropy in general is perhaps not instinctive in a purely altruistic sense, as it is in some other countries.

Mr. Mike Schreiner: I would agree with you on that. It raises some troubling questions at times because of that.

Mr. Ian DeJardin: I usually characterize it as being intrinsically transactional. A corporation may be wanting to sponsor an exhibition, but they want a list of benefits—

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes the time. Thank you so much.

We'll move to the opposition side for their second round now if they have any questions. No questions from the opposition, so we'll go back to the independent members. MPP Schreiner.

Mr. Mike Schreiner: Great, thank you. Ian, I could keep chatting, but I want to ask Sergio a few questions as well. Thank you for all the great work that you do.

Sergio, we had the Motion Picture Association here earlier, and they were starting to talk a bit about support for filming in maybe non-traditional settings and buildings. You touched on that a bit in your presentation as well. I had wanted to ask them but did not have time, so

I'll ask you: Would the film industry, at least on the production side of things, be able to open up sooner and be able to meet public health guidelines and physical distancing guidelines with on-location filming and maybe filming outside of traditional studios?

Mr. Sergio Navarretta: Yesterday, Ontario Creates released the new guidelines that adhere to the new health guidelines. I think it is absolutely possible. As an industry, we're traditionally resilient, so we will figure it out. There are changes, like I said earlier, in terms of budgeting. Now to take into account the health measures that need to be taken, it could raise the budget from 7% to 20%. So that's a consideration.

I think some of the guidelines would indicate quarantining crews and casts up to 14 days, keeping the various divisions of the crew in pods. So the camera department would be in one pod; the makeup department would be another pod. I think certainly the things that have been most affected are craft service. The food service industry will have to reform completely.

But I think it's possible. I always point to a movie that I just love called *A Summer in Genoa* with Colin Firth set in Italy. They had a five-person crew, and you would never know it watching the movie. Now it's not something people want to hear. I'm not suggesting we reduce crew sizes, but I'm just saying there are alternative ways to make beautiful content that audiences will connect to. So perhaps as we transition, we can start off doing smaller productions with scaled-down crews and just get Ontario working again.

Mr. Mike Schreiner: And are the quarantine provisions because you'll have crews that are from outside of Canada that will need to travel here or outside of Ontario that will need to travel here?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Sergio Navarretta: I think the biggest consideration is cast. We're always encouraged to use American stars to make our projects more viable. It's just the reality, because we don't have a robust star system yet here in Canada; we're working on that.

I think that's the biggest consideration: When a star flies into Toronto, do they quarantine for 14 days, and then how does all that work? I think people are trying to figure that out.

Then the other thing is, now that we're in what we'll call a post-COVID world and we're used to seeing people in public wearing masks and people lining up for toilet paper, does our content reflect that new reality? In our TV shows, are we going to have actors and background performers now wearing masks to reflect the new current situation? Those are things that are unprecedented and new to us. So I think, from a content perspective, the current climate will definitely dictate where our content goes.

But in terms of safety measures, I'm very confident that the unions will ensure safety first. That's something they've always advocated for and will continue to do.

I think we're in a good position here in Canada, and based on the leadership both provincially and federally,

I've never been more proud to be Canadian. When we look to our neighbours in the south and just the disaster that they're in, I'm really grateful for the leadership that we have here in Canada.

Mr. Mike Schreiner: Yes, I'd agree with you on that. Maybe some of those stars might come to Canada because it's safer here, so we'll see. Thank you, Sergio, for your presentation.

How much time do I have left, Chair?

1040

The Chair (Mr. Amarjot Sandhu): Fifty seconds.

Mr. Mike Schreiner: Okay. In that case, no further questions. Thank you.

The Chair (Mr. Amarjot Sandhu): We'll go to the government side for their second round of questioning. MPP Andrea Khanjin?

Ms. Andrea Khanjin: I wanted just to go back to Sergio. If you could finish that thought and just build on being able to expand that production footprint outside of typical areas to the rest of the province. We had Christina Jennings in yesterday. She talked about Murdoch Mysteries and she talked about how we need to relax the definition of "studios" under Ontario Creates, because it causes a lot of red tape and no flexibility. If you could speak to recommendations you would have in that sense and how it would help the rest of the province?

Mr. Sergio Navarretta: Yes, thank you, MPP Khanjin. My recommendation would be that we take existing buildings when we're outside of the city core—even inside the city core, I think there are buildings and warehouses that are empty that can be repurposed as studio space, absolutely. In northern Ontario, we've seen that happen successfully.

Ultimately, it's about apprenticeship training, job creation and innovation. If that can happen in communities like Innisfil, I'm in full support of that. Frankly, it's more conducive to the artistic process to not have to sit in traffic for three hours a day and work in a busy urban setting. I personally always preferred to work outside the big city, because there's more camaraderie. The cast and crew are outside of their element, and I just feel that it all leads to a better product in the end. I think all my fellow artists can attest to the fact that they would rather be working in a cabin on a lake than in a sterile corporate building in a big city. So those are my initial thoughts on that.

Ms. Andrea Khanjin: Could you talk about how that would elevate Canadian content, how important it is to elevate Canadian content by using other areas of our province and what partnerships are needed to accomplish that?

Mr. Sergio Navarretta: I certainly think partnerships with municipalities are important. There are several economic development people in municipalities that really have little knowledge of how the film industry works, so there's a bit of an education process there. But, traditionally, I'll go out on a limb and say that in Canada, when we talk about arts and culture, it's seldom seen as a business, so I'm glad that conversations are happening around that.

I think the metrics and the economics around the film and television industry are clear, that it is a business and

an economic driver. But I think that even at the municipal level, when we shot in Sault Ste. Marie, we had full support and partnership from the mayor, from the economic development team, and then just from the community at large. They really got behind the project, and ultimately we were telling their story; we were shining a light on a piece of Canadian history that hardly anyone knew about. By making more of those stories that go beyond the stereotypical Canadian moose and the other images that we normally see, I think Canadians will be engaged and really intrigued and interested in our local domestic stories.

Ms. Andrea Khanjin: Can you talk about the latest film you worked on, *The Cuban*? Just the important messaging, the content in that movie, and how you've got to work outside the box in terms of how to screen it to the public?

Mr. Sergio Navarretta: Yes. So the film is essentially about a young Afghan nurse who meets an elderly gentleman in a nursing home who has Alzheimer's, and through her interactions with him and through the power of music, he starts to come back to life, so they form an unlikely relationship. Given the whole long-term-care issue that's on a lot of people's minds and Alzheimer's, which is a debilitating disease that we're all directly or indirectly affected by, I think it was a story that touched a lot of people's hearts.

Within, I guess, the first week of the pandemic, we were on industry calls with Minister MacLeod—and I commend her for her leadership because she really took us out of a slump and really got us thinking about innovation and how to look at this as an opportunity period to become better as an industry.

What we did to pivot, I guess, is we looked at drive-in theatres as safe alternatives to what they call the hardtop, regular theatres. So we've spent the last several months developing a release plan to release our movie in drive-in theatres across Canada and the US.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sergio Navarretta: That has been extremely successful. We've also done a series of Q&As. Because my actors—Lou Gossett Jr., for example, is in Atlanta, and I'm in Innisfil and some of my other actors are in Toronto and all over the world, so we're doing a lot of our Q&As, our question-and-answer periods, through Zoom. We're able to touch a lot more people and reach a broader audience using these innovative methods. So for us it has been great to think outside the box, and we look forward to bringing the movie to Canadians at drive-in theatres across Canada.

Ms. Andrea Khanjin: That's very exciting. Would that be something you'd recommend to others to do to promote their films and that type of thing?

Mr. Sergio Navarretta: Yes. I think ultimately this pandemic has accelerated things that were already happening, which is theatres—

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes our time. Thank you to both of the presenters for your time and for your presentations. Thank you so much for coming.

CANADIAN ARTS COALITION
CINESPACE FILM STUDIOS
STRATFORD FESTIVAL

The Chair (Mr. Amarjot Sandhu): We'll move along to our next presenter. First we will start with the Canadian Arts Coalition. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Katherine Carleton: Thank you very much. My name is Katherine Carleton. I'm a volunteer member of the steering committee of the Canadian Arts Coalition and executive director of Orchestras Canada.

The Chair (Mr. Amarjot Sandhu): You may start.

Ms. Katherine Carleton: Thank you so much for the opportunity to address you this morning. We know that your time is limited and that the stakes are high. As I've already stated, I'm Katherine Carleton, volunteer member of the Canadian Arts Coalition steering committee and executive director of Orchestras Canada, and I'm at home in Peterborough-Kawartha today.

The Canadian Arts Coalition is a collaborative, non-partisan advocacy movement of national associations, arts organizations and artists led by a volunteer steering committee. We seek a just recovery from the COVID-19 crisis, one that addresses the precarity of our sector, including Indigenous, racialized, deaf, disabled, rural, francophone and otherwise marginalized artists and their organizations, and fully taps into the power of talented people to contribute to a better and more inclusive Ontario.

My co-presenter will now speak.

Mr. Mathieu Pierre Dagonas: My name is Mathieu Pierre Dagonas, and like Katherine, I'm a member of the Canadian Arts Coalition national steering committee. Formerly I served as executive director of the Documentary Organization of Canada. I am a proud resident of Ajax, Ontario, where I reside with my wife and son, and I'm thankful for the opportunity to speak today.

The impact of COVID-19, as you know, on the Ontario arts and culture sector has been deep and devastating. The 441 Ontario arts organizations surveyed by the Ontario Arts Council in April estimated that they'd lose as much as \$128 million due to COVID-19, an average of 16% of their total annual revenue, and 71% said they'd be laying off people almost immediately. Another 21% indicated that it was too early to say.

Statistics Canada employment data from April published earlier this week, which I hope you've had an opportunity to look at as well, supports this, noting "heavy employment losses ... in the arts, entertainment and recreation sector, with employment falling by" 141,000 jobs, almost 45%, from February to April. "A sharp decline was also observed in performing arts, spectator sports and related industries"—approximately 40% as well. Notably, job losses disproportionately affected the lowest-paid workers, of which I'm sure you are aware.

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On June 4, internally, the CAC conducted a survey of its own members. I'd like to highlight, for the benefit of

the standing committee, some of the results of our national survey. Some 40 arts service organizations responded to the survey. They collectively serve and represent over 5,900 arts, culture and heritage organizations and an additional 58,650 individual artists in the following fields: music, theatre, dance, visual arts, craft, filmmaking, writing and publishing. Every Canadian province was represented.

Here are the key results. Asked at which stage of the current crisis their members were in, 61% diagnosed that members were still in the emergency state—again, this is as of June 4—defined as needing help for an indefinite period of time, citing the impact of the pandemic on their operations and the uncertainty of reopening dates. So that, we think, is very important.

Some 85% of respondents perceived gaps in the ability of the current federal emergency programs to meet the needs of their members. Some 69% of those responding also pointed to the gaps in the emergency funding being channeled through the Canada Council for the Arts and the Department of Canadian Heritage.

To help the sector reopen, respondents agreed that the CAC should encourage all levels of government to continue to work together, as you have been, to help support a responsible return to business for us and a semblance of normalcy for audiences, fans and patrons of the arts, which I'm sure most people are desperate to do.

I'm passing it back on.

Ms. Katherine Carleton: We'd like to recommend three core principles and four recommendations on funding and policy options for the province today.

In terms of our principles, we'd like to suggest that:

(1) Equity must be fundamental to the province's approach. Due consideration of Indigenous, racialized, deaf, disabled, rural, francophone and otherwise marginalized artists and their organizations is fundamental.

(2) Collaboration with federal and municipal programs is vital to ensure that gaps in policy and investment are bridged.

(3) Time is of the essence. If arts and culture are going to play a role in Ontario's recovery, we need help now.

In terms of our concrete recommendations, we recommend:

(1) The establishment of a provincial stabilization fund for arts and culture to complement existing federal support and help artists and arts organizations maintain core activities through the mandated closures.

(2) Support for digital infrastructure so that Ontario artists and arts organizations can develop, capture and share their work while traditional venues are closed or have only limited capacity.

(3) The establishment of an integrated policy and funding program for the reopening of arts and culture. That would include:

(a.) Detailed health protocols that will help groups across the province confidently open up to the public again when the time is right.

(b.) An infrastructure funding program to support renovation and retrofit of existing cultural facilities to

ensure that those public health protocols can easily be accommodated. This should be undertaken in partnership with the federal government.

(c.) Broad-based marketing campaigns, first to encourage Ontarians to reconnect with the arts, and then to establish Ontario as an arts and entertainment destination for people beyond our borders.

(d.) Finally, funding to allow for signature relaunch of artistic programming to bring Ontarians and the world back to our cultural venues and events.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Mathieu Pierre Dagonas: Finally, Minister MacLeod said earlier this week the following of the challenges faced by our heritage, sport, culture and arts sectors and industries: "These areas were hit first, hardest, and will take the longest to recover." This bears repeating, I think. The CAC is committed to participating with the honourable minister to ensure our industries recover and flourish post-COVID-19, and again, we appreciate the opportunity to come speak to you today.

The Chair (Mr. Amarjot Sandhu): We'll move to our next presenter, Cinespace Film Studios. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jim Mirkopoulos: Thank you. My name is Jim Mirkopoulos. I'm vice-president of Cinespace Film Studios.

The Chair (Mr. Amarjot Sandhu): You may start.

Mr. Jim Mirkopoulos: Thank you. Cinespace is a 32-year running family business and an Ontario success story. With over one million square feet on almost 50 acres in Toronto, including our Netflix hub in the Port Lands, and over one million square feet on over 60 acres in Chicago, we are now the largest private owner, operator and developer of film studio space in North America, hosting productions from every top-streaming platform and traditional content producer. We continue to proudly invest and expand in our home base of Ontario.

I also have the honour of serving Minister MacLeod as both chair of her film and TV competitiveness panel and, more recently, as chair of the minister's COVID response panel for the film and TV production industry, whose recommendations have been submitted. We urge you to enact as many of them as possible.

On behalf of my family, thank you to all of you across all three parties for your decades-long support of this amazing and economically impactful industry. It is thanks to your past support and, more recently, thanks to the tax credit stability instilled by our Premier, our minister and the current government that we are strong enough to endure this crisis and hopefully emerge from it capable and ready to keep building up Ontario as a global centre of excellence for film, TV and digital media production.

You have no doubt already heard about the devastation in our sector. For Cinespace facilities that normally host many hundreds of film workers per day, that translated into a full stop on all filming activity and a huge drop in our rental revenues. We have further discounted rent for

film productions that had rented areas but could not access them.

We did not sit idle during this downtime. Rather, we've made significant investments to properly prepare for the film industry's return. We have put our staff through mandatory health, safety and disinfection training. We have upgraded our ventilation systems to the highest standards for airborne infectious disease and we have modified our common areas and washrooms to provide better physical distancing and hospital-grade, non-porous walls and floors. We have basically upgraded everywhere possible in order to create the safest possible environment for the film industry to return.

Our sources indicate that returning production volumes will be like a double cohort in Ontario: Those projects that were halted in March will continue and new projects that were planned for 2020 will try to find space.

But for all of this to be realized, there are four items that I'd like to highlight for you today. These items don't help Cinespace directly, but will help the overall industry get back to work and hopefully stay at work.

Firstly, please look carefully at the panel's recommendation to establish a COVID-specific government backstop for production insurance. Canadian content producers that need this insurance are not only creating jobs, but they are exporting our culture globally on numerous digital platforms. They cannot get started without some form of government support of production insurance in this new environment.

Secondly, please look carefully at the panel's recommendation of government coverage of each production's incremental COVID-related costs through the existing tax credit regime, with an appropriate sunset date. These costs are also a barrier to restarting work.

Thirdly, please look carefully at the proposed support mechanism for CASO, the Computer Animation Studios of Ontario, to support the VFX and post-production companies, all of whom are facing their pipeline downtime from July all the way to the end of the year.

Finally, please consider designating Ontario's film production industry as a crucial business activity in Ontario. A statement recognizing the importance of this industry and a continued commitment to maintain current tax credit rates will drive client confidence and can give us a distinct competitive advantage over other film jurisdictions seeking to produce the content that is populating streaming services globally.

That brings me to my concluding advice for government, which is to stay competitive with other jurisdictions. Ontario is an award-winning, top global destination for film and TV production. In our studios alone we hosted the Oscar-winning film *The Shape of Water* and the Emmy Award-winning series *The Handmaid's Tale*. We need the government's help to stay competitive with competing jurisdictions so that Ontario can continue to grow this amazing industry.

Thanks for the valuable opportunity to speak to you directly. I'm happy to answer questions later on.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our next presenter is the Stratford Festival. If you could please state your name for the record, and you can get right into your presentation.

Mr. Antoni Cimolino: Thank you. My name is Antoni Cimolino. I'm the artistic director of the Stratford Festival of Canada. Thank you, Mr. Chair and members of the committee, for inviting us here today.

Last week, our board chair, Carol Stephenson, and our executive director, Anita Gaffney, were here to present the economic case for why the province needs the Stratford Festival. They spoke of the \$135 million in economic activity the festival generates each year, the 3,400 jobs it creates and the \$56 million in taxes it generates annually. I'm here to present the other half of the case: the Stratford Festival's vital importance to our cultural landscape.

I want to begin by offering you a difficult choice. Suppose you had to choose either to make money for your immediate community or to do something of significance in the world, something that would give your province and your country more than wealth and industry to be proud of. What would you do?

Well, that was the difficult choice that was presented 68 years ago by Tyrone Guthrie, the man who'd been invited to turn the idea of a theatre festival in Stratford, Ontario, into a reality. He was speaking to a committee of town-folk, who wanted such a festival not for high-minded artistic reasons, but because they wanted to save the economy of their town, because it had lost its major employer, its major industry. Now, those people were bold. They opted for significance.

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But here's the twist: In the nearly seven decades since, the Stratford Festival has been both an economic powerhouse and a hugely significant cultural jewel, and that is no accident. The people of Stratford stood behind their choice in moving and meaningful ways. The Stratford Festival was built on the dreams of average Ontarians, people who gave a dollar or two—sometimes more, sometimes less—to ensure that this dream became a reality. We have the ledger books, and they bring tears to my eyes and I know they would do the same to you. The people of Stratford opened their homes to festival visitors when our hotels were full. It's that spirit that inspires us to this day to keep the Stratford Festival strong and vibrant and significant.

It has now grown to become the largest performing arts organization in Canada and the largest not-for-profit theatre in North America. In a normal year, we employ directly around 1,000 people, including actors, designers, craftspeople, technicians and many others who are directly responsible for putting work on our stages.

We draw audiences from all over Canada, from the United States and beyond. Half a million people each year, and fully 25% of those come from the United States, coming to Ontario for a quality of theatre that they can't get back home, bringing new money into our province, spending nearly \$300 for every ticket purchased.

But that's on the money side. In terms of the cultural importance, think of the 325,000 Ontarians who come

with their families each year to Stratford for the joy and the solace that the theatre provides. Almost 50,000 of those are Ontario students. The festival spends nearly \$1 million a year on educational work for Ontario students, contributing greatly to the growth of young minds in our province. We subsidize buses to bring students to Stratford, we coach teachers and train teaching artists to go into the classroom, and we have a variety of summer theatre camps for kids and work with Ontario universities to deliver advanced drama programs and workshops. For many young people, a rewarding career in the arts starts in Stratford, and for others, it is here that they get their first experience of live theatre and that will turn into a lifelong passion.

But there is another side to the education at the festival in the form of artistic training. No other theatre on this continent has the scope of the Stratford Festival of Canada. We work with an annual budget of approximately \$70 million.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Antoni Cimolino: We build our shows from the ground up, employing carpenters, painters, sewers, designers, sound and lighting technicians, musicians, composers, writers, ushers, marketing professionals and more. The skills these people learn and develop at Stratford enrich the work of other performing arts groups here in Ontario and beyond.

Hundreds of young actors have been trained in our Birmingham Conservatory program. Dozens of directors have been trained in our newer Michael Langham Workshop for Classical Direction. Most of these people are now working regularly at theatres here and around the world.

In recent years, we've operated a research-and-development department where our artists work with Canada's Indigenous artists and with artists from various cultures as we expand the diversity of work on our stages and stages beyond Stratford. We have an active new-play development department. At any given time, we're working with between 20 and 30 Canadian playwrights, creating works that will go on to be produced not only on our stages, but at theatres throughout the province, across the country, in the United States, in the United Kingdom, introducing international audiences to our Canadian writers.

There are many centres of artistic excellence in this province, but we are the one where all the roads meet, all the disciplines meet. We attract not only actors but also singers and dancers and musicians, and we are one of the very few theatres, for instance, in North America that has a full orchestra. We are a central hub for the talents, the skills and the knowledge base that inform theatrical work across the country. We are a centre for training, for education and for the development of new work worthy of any stage in the world.

There is a reason why Guthrie's either-or choice all those years ago proved unnecessary, a reason why the Stratford Festival can do so much of significance while also generating economic wealth, and here it is: Art is big business.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Antoni Cimolino: And it's big business because people seek it out, as they seek out water, because it's important to their lives. The choice we face right now is to determine whether we will allow them to find it here in Stratford, Ontario, or whether we are content to have them take their entertainment dollars to Broadway or the UK.

As you know from our last appearance here, we need your help. We are asking you for up to \$8 million in some combination of loan and grant. I know it's a lot to ask; I know there are countless other deserving causes that need help right now. But I also know that societies need the spiritual, emotional and intellectual sustenance that the arts bring into their lives, and that those arts, in turn, generate economic wealth far beyond their cost.

If such a fundamental resource, such a pillar of pride, as the Stratford Festival were to be lost, it's not just the economy of Ontario that would be diminished. So too, and just as drastically, would be the quality of life in this province. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start this round of questions with the independent members. MPP Simard?

M^{lle} Amanda Simard: Yes, hi. Thank you, Chair, and thank you to the presenters. It's very interesting.

I am a replacement on this committee, but I'm really enjoying hearing about everyone's—well, I'm not enjoying what you're experiencing right now, but I think it's very good insight into what's happening on the ground, and your thoughts.

I agree with Antoni with what art brings to people's lives. We know, even disregarding COVID, it is often the first thing to be cut by governments. And it's often not really appreciated to its true value, but it truly makes people happy and it's very important socially.

The question is to Antoni. The Stratford Festival is very popular. Ask anyone and they know what it is, at least here in Ontario. So what concrete measures of relief have you had from the provincial government so far, not the federal, and disregarding all their consultations? What have you been able to get so far from the government? And maybe share if there is anything done municipally as well. I'm not sure if the municipality contributes, but usually there is a tourism—some sort of contribution. I'm just looking to see what's been done so far.

Mr. Antoni Cimolino: Thank you for the question, and I may ask my colleague who is with me today, Anita Gaffney, who is our executive director, to add in. But the one thing I would say, provincially, is that we've had open access, that we are being heard, with access to the minister and also access to other departments. We are still in a consultative phase. Anita?

Ms. Anita Gaffney: Yes, we have had wonderful communication with the province. We're speaking to both the province and the feds with this ask of \$8 million. We know that there is a lot of consultation between both levels of government on this extraordinary ask. We know, when speaking to both levels, that they're considering it and trying to work out how to fulfill this.

In the more immediate term, the province had moved really quickly to allow the community to start to open up and host some things in the open air. So, we have all fresco and outdoor experiences starting to happen in Stratford. Certainly licensing and that sort of thing has been smoothed, and happened extremely quickly, both municipally and provincially. So I would say that is enabling the community to get back to work and to start to take those first steps toward welcoming visitors back to Stratford.

M^{lle} Amanda Simard: Federally, they've announced a significant amount of money. Have you been able to benefit from any of those funds yet or is that still in the process?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Anita Gaffney: We have. We've accessed the wage subsidy program. As well, there was emergency funding, through the Canada Council, where we were able to access roughly \$300,000. It's certainly a help in survival, but we do need this extraordinary investment to get back on track.

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M^{lle} Amanda Simard: But that's good to hear, that at least from the federal government you've had some quick action, concretely. I'm hoping that there will be some coordination and that we can get something done, but it's good that you're being heard. That's the most important first step.

Ms. Anita Gaffney: Yes. Thank you.

Mr. Antoni Cimolino: Thank you.

The Chair (Mr. Amarjot Sandhu): Further questions? All right.

We'll move to the government side now, and I'll start with MPP Anand.

Mr. Deepak Anand: First of all, I would like to thank you for taking the leadership and doing an incredible job. My question would be to Cinespace. Jim, we are proud of you. I've actually watched the movie *Pacific Rim*, and when I was watching the movie, I was thinking that I was so proud that it was produced in Toronto, especially the animation. It actually won many awards in animation.

Most of the presenters talked about Minister MacLeod, who has done an incredible job, especially during COVID. When we look at the data, BC is number one in film production, we are second and Quebec is not too far behind, so it's a very competitive market, and we do believe that it brings a lot of prosperity when we produce films in Toronto or in Ontario. What's your advice on what we can do better? If we have to go back to Minister MacLeod, who is doing an incredible job, what advice would you want to give so that we can probably outpace BC and even take some more investment from these provinces and even from the rest of the world?

Mr. Jim Mirkopoulos: Thank you, MPP, for the question. I have to be honest and say that Ontario had been doing an excellent job. We were screaming your names from the rooftops just for not touching the tax credit. As you may know, the previous government made the devastating choice to reduce the tax credit by only a few points at the time that the Canadian dollar was dropping,

thinking that Hollywood would not mind given that we have a huge service sector from Hollywood, but they did mind, because stability is key.

Thanks to this government, stability was instilled right from the beginning and things really started to explode: 2019 was a record year, with \$2.1 billion in volume and 45,000 jobs supported. This is like a steam engine, and we are the envy of the world in terms of our crews, which are award-winning, as you know, especially from *Pacific Rim*, and Guillermo's other movie that won best picture, of course, *The Shape of Water*. We have excellent locations, and the butter is starting to spread all over the toast of Ontario. We have filming in northern Ontario. We have filming in eastern and western Ontario. Everything is going great.

To come back strong, we just need help on the domestic side, to help the productions as much as we can on cost coverage and insurance. On the feature side, we just need to give a statement of stability, saying, "Our tax credit is not the highest, but we know we're the best place to shoot and we know you want to come back." We are the ones who helped bring Netflix here with the hub in the Port Lands. Netflix has a pipeline of projects they want to bring here.

What I always like to say about our industry is that as traditional manufacturing has declined, content creation is the new manufacturing. I started an initiative to try to make sure that the GM Oshawa employees who were fired—I wanted them to know that they could very easily transition to the film industry. The film industry, prior to this, was desperate for more bodies. So we're excellently positioned to recover from this; we just need ongoing stability, basically.

Mr. Deepak Anand: Thank you so much. The second question is with respect to the digital space. You were talking a bit about it in your presentation.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Deepak Anand: What's one piece of advice you want to give to the government?

Mr. Jim Mirkopoulos: Our colleges and universities are some of the best. As you know, Sheridan College produces some of the best animators in the world. They are award-winning. We need to help all of our colleges and universities populate this booming, booming sector. Certainly not to take away from Stratford—I'm a big fan—but if COVID taught us one thing, it's that when people stay home, they are consuming even more digital content than ever before. Ontario can really, really be a hotbed of both production and also digital VFX and animation. Having some of the best colleges and universities in the world, we need to keep supporting those colleges and universities, making sure those programs are strong.

Mr. Deepak Anand: Thank you, Chair. That's it for me.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Smith.

Mr. Dave Smith: Thank you, Mr. Chair. How much time is left?

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Dave Smith: I'll start with the Canadian Arts Coalition, then. Katherine, it's very good to see you. Thank you very much for coming on. We've had a number of different conversations before I was elected and after I was elected. I think you understand my appreciation for the arts and everything that you guys do.

With the different types of funds that you have talked about as being in need, one thing that I didn't hear in it—and it was something that was brought up by the film industry, so I'm wondering whether it would be the same thing in live performance—is the ability to obtain cancellation insurance right now. That has been basically wiped out for film and TV productions. Is something similar to that happening with live performances?

Ms. Katherine Carleton: I'm speaking now based on my experience with orchestras rather than the research that the Canadian Arts Coalition has undertaken, but I will say that most orchestras do not budget for cancellation insurance, because it is simply too expensive. At this point, the horse is out of the barn. It would be rather difficult to obtain, I suspect, until there is a vaccine. Although I can also say it would have been incredibly handy had there been the resources to budget for cancellation insurance, because so much of what we're seeing in terms of the cuts to jobs, the real destabilization of arts organizations, has to do with losing access to the people who they can no longer afford to compensate, because their financial models have collapsed.

I know that there will be thought about this, but there will also be some careful budgeting to sort out if it in fact will be available to them at a price point that they can sustain.

Mr. Dave Smith: The National Ballet of Canada also presented, and they talked about their performers being elite athletes and the amount of training that they would have to do and have not been able to do. I'm asking you to wear your Orchestras Canada hat once again on this. If we were to open up and say, "Tomorrow, we can have large-scale productions and orchestras can get back together," realistically, how much practice time—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll come back to that in the second round.

In the meantime, I'll move to the opposition party for their time of questioning. MPP Mamakwa?

Mr. Sol Mamakwa: Good morning, everyone. Greetings from the Kiiwetinoong riding in northwestern Ontario; however, I'm in Toronto today.

I just want to have a quick question to Katherine Carleton. You mentioned the three principles and also the four policy approaches, but the number one thing that you spoke about, one of the first principles, is about equity. I know that in this day and age, in this time, with what's happening across the globe and across Canada and the province, when we talk about systemic racism—my ears perked up about when you talked about equity. I was wondering what that would look like with some of the principles that you have and the work that you do.

Ms. Katherine Carleton: I will respond, and I will also ask my colleague Mathieu to join me, if he has things that he wants to add.

One of the things that we've certainly noted in terms of the ways in which the federal support has rolled out so far, particularly arts and culture's participation in the \$500-million emergency fund, is that that funding in phase 1 has been allocated to organizations that are already being funded by the Canada Council for the Arts and the Department of Canadian Heritage. That funding is incredibly welcome, as our colleagues from Stratford have underlined, and I can point to my members and say that that has been tremendously useful and will go a long way to helping to stabilize the sector.

At the same time, there are a range of artists and arts organizations who are new to funding, who have not become core funded organizations either of the Department of Canadian Heritage or the Canada Council for the Arts, and they have simply not had access to the same kind of emergency supports as have been available for longer-established organizations. We know that the federal government is working on a phase 2, but we are deeply concerned that emerging voices, important voices, in Canadian arts and culture have not yet had the help that they need to stabilize, support and continue to create and share. This may be a role for the province to dovetail very carefully with the federal government to ensure that those artists and arts organizations have access to the stabilizing support that they require.

Mathieu?

Mr. Mathieu Pierre Dagonas: Yes, I would echo that comment and just say that there are so many instances where smaller organizations are already past capacity, so they're already struggling with completing their normal operations, and then when you add the layer of COVID and the context of COVID, it's that much more difficult to go and find and apply and resource the work necessary to find the dollars available to them, when they haven't already historically accessed that. They're all struggling with capacity right now, and I think that when there is inequality in the system it's exacerbated in contexts such as this.

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Ms. Katherine Carleton: Something else that I will put in here is that one of my observations, watching the funding world over time, is that the Ontario Arts Council—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Katherine Carleton:—has done a superlative job, often being the first funder of new disciplines, the first funder of artists from diverse backgrounds, the first funder of artists in rural Ontario, the first funder of francophone artists. If they continue to have access to stable and growing support over time, I believe that the Ontario Arts Council has got the sensing mechanisms in place to be able to support and acknowledge the work of emerging and diverse artists.

Mr. Sol Mamakwa: Okay, meegwetch. I'm going to transfer to MPP Arthur.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Arthur.

Mr. Ian Arthur: Good morning. I'm also going to continue on this line of questioning with the Canadian Arts Coalition. You talked a little bit about the precarity of people who work in this sector. As we're looking down the time frame of recovery, I think the minister optimistically put it at 18 months, and many of the businesses and organizations we're talking to are saying it's closer to 36 months, potentially, and that's also an unknown.

Honestly, this is also the minister who in her previous role said that the best social program is a job. What happens when there are no jobs to go back to? The CERB is going to end. They will be relying on a broken EI system or, God forbid, OW or ODSP. What kind of ongoing and stable supports do you need to see protected in your sector on this road to recovery?

Ms. Katherine Carleton: I'm going to propose a couple of responses, because I think that's a fantastic question. My initial response is that artists are entrepreneurial. Artists work in a range of sectors simultaneously. They work in film, they work in not-for-profit arts, they work in the educational sector as well.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Katherine Carleton: In good times, that has tended to be somewhat of a cushion against financial devastation. In times like this, it's been a triple threat to the viability of their artistic practice. I think that, at this point, we're making a strong case at the federal level for the continuation of income supports. We're making a strong case for the strengthening of support for digital content creation and sharing. We are optimistic that artists as entrepreneurs will ultimately prevail, but this is a high-stakes game and I am deeply concerned that the future vitality of Ontario's voice is threatened.

Mathieu, would you like to—

Mr. Ian Arthur: We're probably out of time, but we can come back to that.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the government side for their second round. I'll go back to MPP Smith.

Mr. Dave Smith: Thank you very much. I'm going to come back to Katherine, if you don't mind, just because we didn't have a chance to finish. If we were to open up tomorrow for you, how long, realistically, would it take before you'd be able to do a performance?

Ms. Katherine Carleton: What I'll say is that my members across the province and across the country are currently working with anywhere from 10 to 50 different programs that they would be able to perform within different kinds of timelines, depending on the limitations on social distancing etc. Musicians can rehearse independently at home, so we've been seeing a lot of videos from people's living rooms of their intensive practice work.

In terms of the ensemble, however, I would say that it would be at least a month of intensive work together before they would be in a position to put on a full-fledged public performance with 75 people onstage and 1,500 to 2,500 people in the audience.

Mr. Dave Smith: The reason I'm asking is that if we're going to be looking at supports for your organizations, we need to make sure that we're building into it the lead time that you need to actually be ready. Simply saying, "Okay, now you can now do a concert," may not actually be realistic. That's why I'm trying to flesh that out.

Ms. Katherine Carleton: I think that that's a terrific question. I'd say that different artistic disciplines have different kinds of lead-up times, and I would suggest that theatre, opera and ballet are particularly complex in terms of the length of rehearsal time and the number of production elements that need to be brought into play.

Symphony orchestras may be boring to look at, but it also means that it simply takes some concentrated rehearsal time together for them to march out on stage in their beautiful tails and formal wear. In theatre, in ballet, in opera, there is a host of artistic disciplines, set, costume—the whole complex array of things that delight our hearts—that has a longer ramp-up time, and I'm sure that our expert guests from the Stratford Festival could speak to that with great insight.

Mr. Dave Smith: With that great segue, I'm going to jump over to the Stratford Festival as well. Are there any innovations that we should be looking at to help as we go through this process? I know that the Stratford Festival has a fair bit of their performances that have been recorded. What other types of innovations could we do or could we help support to get you through this process until we can have large gatherings for live performances?

Mr. Antoni Cimolino: Thank you to the member for the question. Yes, the films that have been broadcast—we put together 12 different films over the course of four months that have been broadcast around the world, and the audiences for that have been extraordinary.

In addition to the films, we had other programming elements and over half a million people have viewed that from across the European Union, the UK, South America, Asia. And so we did that in order to be responsive and make sure we maintain connection with our audiences, but the upside was that we have now introduced the Stratford Festival in a very, very tangible way to new audiences around the world. That has been terrific.

We realized that for the immediate to medium time—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Antoni Cimolino: —we need to be a broadcaster. We have to not only look at what kind of work can be presented, as Katherine said, in different stages, from some things that can be immediately put on stage later on this summer to things full-fledged, major productions that will require audiences to come and artists to be able to rehearse safely.

In all those components, I think broadcast, filming and sharing digitally will be critical, and we're going to have to find a way to increasingly monetize that, and so we're doing some test runs of that this summer.

Anita, I don't know if there's things you'd like to add.

Ms. Anita Gaffney: That's good; that's great.

Mr. Dave Smith: Mr. Chair, how much time is left?

The Chair (Mr. Amarjot Sandhu): Two minutes and 20 seconds.

Mr. Dave Smith: Going back to Stratford, then: We've heard a few presentations about the Stratford Festival, and in one of them, one thing that sticks out in my mind is that there were about 175,000 US visitors. They were staying multiple days and it worked out to some 400,000 people days, if I can refer to it that way.

The border to the US is likely going to remain closed for a period of time yet. Earlier this week I talked about the infection rates in one of my speeches in the House and the states that border on Ontario—just bordering on Ontario—saw more than 9,000 infections over the last seven days. Obviously we don't have anywhere near that kind of infection rate in Ontario right now. What can we do, then, to promote more Ontario travel as we open up Ontario so that you're not as reliant on those US travellers coming in, because it will be a period of time before they get here?

Mr. Antoni Cimolino: Yes. I have to say, though, that when the border does open up and the situation begins to normalize, the long-time commitment of those American patrons—it's not a casual visit. They've been coming for decades. They've been coming with their parents and they're bringing their kids. Therefore, they'll be the first back—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Antoni Cimolino: But you're right, that's a little bit down the road.

In terms of Ontario travel, I think we really need to look at getting families here and students here, because there'll be some people who will be more predisposed to actually sitting in an audience with others. So our programming in the next number of months really has to look at what we can do in the open air, what we can do to really entice people to come and share all the things that happen in Stratford because we have fantastic restaurants and other events that are there as well.

Anita?

Ms. Anita Gaffney: I think that covers it. I think that's good.

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Mr. Dave Smith: One last comment on my part because we're almost out of time—and I don't want to sound like I'm being disrespectful to the film industry so, please, the film industry that's here, don't take it that way—I'm actually very much looking forward to live theatre opening up again. It is a vastly different experience that you cannot replicate through digital means. Having that surround sound that is actually surrounding you because everyone is all around you—

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes your time.

We'll move to the opposition side for their second round. MPP Arthur.

Mr. Ian Arthur: I'll start this time with Cinespace. The government-backed production insurance: Would you elaborate on that a little bit in terms of an ask, and what that means and what that opens up for you in terms of reopening?

Mr. Jim Mirkopoulos: I can only elaborate a little bit. The Canadian Media Producers Association is putting a pretty comprehensive proposal in front of both levels of government, the feds and the province. I haven't seen the proposal. From what I understand, I think it's asking the government to put together a pool of money, whether that's \$50 million or \$100 million—I'm not sure of the amount—and then have all of the Canadian domestic producers that need to participate also pay in through a large premium and then be able to draw down on it in the case of a COVID stoppage. Much like how it would be devastating for a theatre production to shut down in the midst of a devastating outbreak, obviously, actors would have to be sent home, but kept on retainer, equipment would have to be semi-rented, space would have to be semi-rented, and the costs would be enormous. So they would be able to tap into that fund in that case.

This is just at the proposal stage. We know that it would be very difficult for either level of government to consider something like this, but we were asked to identify a barrier to restarting for domestic production, and insurance is one of them.

Mr. Ian Arthur: Perfect; thank you. Carrying on on the reopening and as we go, what is the ability of your company and, you think, the industry—I would ask your opinion on the industry, at least—for being able to provide the potentially necessary social isolation as people are coming on and off the set? These folks work in very close proximity—I guess we could expand this to the Stratford Festival as well. We heard about orchestras. There's no way to do orchestras with physical distancing.

With those considerations, are we looking at quarantining everyone for two weeks before production begins on something? What does that look like, and what's that going to do in terms of increased costs?

Mr. Jim Mirkopoulos: Production companies have estimated that anywhere from 10% to 15% of their budget would need to be dedicated to incremental COVID costs, including a health representative on site, temperature testing, distribution of PPE. I think the film industry can do it, to be honest with you, because everyone except the talent in front of the camera can be wearing a mask if required.

One of my clients who has the largest TV production in the world, shooting here in Toronto—it's the Apple TV project called *See*—was in Japan when COVID hit, and the Japanese film technicians were incredulous that HBO wanted to shut down his production. They said, "We wear masks every flu season and we wash our hands like crazy every flu season. This is really no different." It could be that the Japanese were putting on a brave face in the hopes of keeping the Olympics, but there is a new flu season mentality that every industry and every sector will have to adopt. But I have no doubt that we can do it. The film unions are very, very organized. They're excellent at following all sorts of safety guidelines, so I'm very, very confident we'll be able to get started and to stay busy and stay working.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Ian Arthur: I guess I will ask a similar question of the Stratford Festival. Audiences themselves are one thing, and we've heard from—I think I was on the call last time there was a presentation from your festival about outdoor spaces, and the ability to do some things in that way. But in terms of the staff and what that means, you're not only going to try to get restarted from a near-complete shutdown, you're going to have to be incredibly adaptive as you start with those staff people, because it can spread through a workplace incredibly rapidly.

Mr. Antoni Cimolino: Anita?

Ms. Anita Gaffney: Yes, our whole model is—we have 1,000 people that work at the festival and we literally work shoulder to shoulder. So when we reopen, we're really thinking about how we create discrete companies that only are isolated to that one particular show. I think quarantining people for a period of time when they come to Stratford—generally our artists are coming from out of town, so they are fairly isolated once they're in the community, but we're looking at standards within the workplace so that we can really manage contact tracing.

That is the really big issue for us: how much people—because they will be in a fitting in a wardrobe, they'll be in a rehearsal, they'll be in front of an orchestra. There's a lot of contact. So we're thinking through how we manage the programming so that we can really isolate where people are going and then tracking any issue that happens, because the disaster for us is if we get back up and running, someone gets sick and everything gets shut down again.

Then we're also thinking about, as you said, outdoor performances and smaller offerings that then, again, limit the risk.

Mr. Antoni Cimolino: I'd say that every month brings a new challenge with this pandemic. In the initial stages, it was how we take the hit of stopping work on 15 productions and dealing with 1,000 people who suddenly have no work. It was a cash issue. How do we keep going and not choke?

In the next number of months, the question will be, how do we sustain the arts so that they're still here when we need them?

The third phase will be all about risk, as my colleague from Cinespace said. We are going to have to find ways, take our best bet, be innovative, be responsive to open up—and there will be inherent risks with that. That could actually represent the lion's share of the financial exposure here. But it's the only way we can get up and going. At some point, we're going to have to take that risk.

Mr. Ian Arthur: Perfect. Thank you so much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go back to the independent members for their time of questioning. No questions? All right.

That concludes our presentation. Thank you so much. Thank you to all three presenters for your time and for your presentation. This also concludes our business before we go in recess. This committee stands in recess until 1 p.m. Thank you.

The committee recessed from 1137 to 1301.

The Chair (Mr. Amarjot Sandhu): Good afternoon, everyone. Welcome back to our meeting today on hearings for the culture and heritage sector, as part of the study of the recommendations relating to the Economic and Fiscal Update Act, 2020, and the impacts of the COVID-19 crisis on certain sectors of the economy.

Before we move on to our next presenter, I would like to do an attendance check on some of the members who have joined us. MPP Barrett, could you please confirm your attendance?

Mr. Toby Barrett: Toby Barrett; Haldimand–Norfolk, Ontario.

The Chair (Mr. Amarjot Sandhu): MPP Skelly?

Ms. Donna Skelly: Good afternoon. Donna Skelly in Toronto.

The Chair (Mr. Amarjot Sandhu): MPP Oosterhoff?

Mr. Sam Oosterhoff: Sam Oosterhoff; Niagara West, Ontario.

The Chair (Mr. Amarjot Sandhu): MPP Andrew?

Ms. Jill Andrew: Afternoon, all. From Toronto, Ontario, Jill Andrew here.

The Chair (Mr. Amarjot Sandhu): MPP Glover?

Mr. Chris Glover: Hi, Chris Glover here. I'm in Toronto.

The Chair (Mr. Amarjot Sandhu): Thank you.

We also have MPP Morrison and MPP Sabawy in the room with us.

TORONTO SYMPHONY ORCHESTRA ONTARIO ARTS COUNCIL

The Chair (Mr. Amarjot Sandhu): I would now like to call upon our first presenter this afternoon, Toronto Symphony Orchestra. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Matthew Loden: My name is Matthew Loden. I'm the CEO for the Toronto Symphony Orchestra. On behalf of the board, musicians, staff and our many volunteers, we say thank you to the committee for inviting us to present today, and our thanks to the Ministry of Heritage, Sport, Tourism and Culture Industries. In particular, I'd like to thank Minister MacLeod, who has been a tremendously open and available leader during this crisis.

The TSO is Ontario's largest orchestra. We draw an annual attendance of 270,000, with a broad range of music and education programs. We're part of a larger performing arts community that includes 130 orchestras across the entire country, and we're an anchor of the Toronto entertainment district in Roy Thompson Hall, a major part of Ontario's tourism and culture economic engine. We're also one of Toronto's eight largest cultural institutions. Like our peers, we were proud to serve on one of the minister's advisory panels as part of the big eight. We've recently submitted a paper detailing our impact on Ontario's economy and also the impact of COVID-19 on us. Just so you know—I know you've heard it before—the

big eight organizations of Toronto collectively serve seven million visitors each year and employ more than 3,000 Ontarians.

For the TSO, the impact of COVID-19 has been immediate and severe. We perform 150 concerts from September to June, but the COVID-19 outbreak in March meant that we had to cancel 59 concerts, over a third of our season. This means that we have lost already close to \$6 million in revenue this year alone. We're not alone. Like us, the average Ontario orchestra has lost about 20% of its revenue this season. To plug this revenue gap, our management and 91 musicians have taken significant pay cuts already, and we have slashed expenses on an already lean budget. We believe that we will end this fiscal year on June 30, next week, with a \$1-million deficit on a \$30-million budget.

This is doubly disheartening for the TSO since we spent the last five years undertaking a remarkable financial turnaround. We've diversified our board leadership and captured an internationally renowned music director, Gustavo Gimeno. We've launched new community initiatives in education, health and well-being, and we've actually been delivering revenue surpluses every year.

The long-term impact of COVID-19 will be even more severe than the short-term losses I've just described. We are in an existential crisis for the performing arts. As you heard the minister say yesterday, like tourism, we were one of the first hit, one of the sectors hit the worst, and we'll be the last out of the crisis. Unlike tourism, however, our biggest challenges are yet to come.

We usually perform at least four times a week to a hall that can seat up to 2,600 people. With the reality of COVID-19, it may take years before we can do this again safely. This means about 80% of our usual revenue is at risk for the next several years—80%. Some 40% of our revenue comes from ticket sales, just over 40% comes from philanthropy, and about 20% of our sustaining revenue comes from the government. We're incredibly grateful for that. It's crucial support. Thanks to funders such as the Ontario Arts Council, which provides about 6% of our total budget, we're still here, but we might not be here next season if our halls are mostly dark and our loyal patrons cannot gather and be part of our music making.

We are assuming that next season, our usual \$30-million revenue budget will be cut in half. This presents a huge liquidity challenge and, as a non-profit, we know that a liquidity crisis happens fast. With this reality, we've already been forced to seek even greater pay cuts from our 91 musicians and we will be forced to undertake layoffs and cuts as soon as the federal wage subsidies disappear in August.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Matthew Loden: So how can we make sure that there is still a thriving Ontario performing arts sector in three years' time? Even without live performances in our hall, we've continued to reach our audiences and donors online. We've been agile and innovative in finding new ways to connect through our music, and since the crisis

began, we've had nearly two million views on all of our channels through livestreams and performances recorded at home. Digital platforms have helped us to reaffirm our belief that the way our musicians can best serve the public offstage is as essential as it is for what we do onstage.

Last week, we were proud to share our sound connections program with Minister MacLeod. Our youth orchestra started this program during COVID-19 to connect and play with isolated seniors in long-term care. Thanks to our partners at Baycrest Health Sciences and Room 217 Foundation, our youth orchestra members have made dozens of music care video calls, helping to create social connection and offering music as an experience of hope. With Minister MacLeod's support, we're now looking at ways that we can expand this program to serve even more people.

But digital platforms do not actually offer a new business model for symphony orchestras or for the arts generally. Here's what we're asking, which we think will help protect a future for performing arts in Ontario: We ask that the government continue to provide stable support for arts and culture through the ministry funding arms such as the OAC to grow the double bottom line. These are incredibly worthy institutions, we believe. The Ontario Arts Council is essential to us and to so many of our peers that you have heard from this week.

However, knowing that Ontario faces significant financial challenges, we want to propose what we believe to be the best way for the government to provide the additional support: a temporary, three-year special donation-matching program for operating costs, administered, for example, through the Ontario Arts Foundation. This will leverage the government's investment to grow philanthropic and corporate support while we are still living with COVID-19.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Loden: We want to encourage greater marketing support for the events that can be put on over the course of the next couple of years, digitally and/or with a physically distanced audience.

Finally, we ask that you provide infrastructure and operating support for the venues that we perform in so that they can be as safe as possible for Ontarians to return and so that they are well equipped for digital content capture and sharing.

In closing, thank you again to the committee for the opportunity to share our experiences and recommendations with you. We look forward to working with the government to ensure that Ontario's cultural institutions don't just survive but thrive and inspire the next generation of artists and musicians in the province of Ontario. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Our second presenter for this afternoon has cancelled. We will only have two presenters for 1 p.m.

We'll now move on to the Ontario Arts Council. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Carolyn Vesely: Hello, everyone. My name is Carolyn Vesely and I'm the CEO of the Ontario Arts

Council, the government of Ontario's primary funding agency for the arts sector. I bring thanks from our board and staff for this opportunity to speak to you today about our province's long-standing investment in the work of arts organizations and artists, and the effects of COVID-19.

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The Ontario Arts Council was created in 1963 with a mandate to foster the creation and production of art for the benefit of all Ontarians. The Ontario Arts Council underpins Ontario's arts sector, and we stand ready to do our part in working with you to strategically build and rebuild arts and culture in Ontario.

Our funding is spread across 197 Ontario communities in every county and district. It includes support to local theatres, public art galleries, film festivals, music series, writers' festivals and many other activities. Last year, the Ontario Arts Council invested almost \$62 million in Ontario communities. The organizations we fund are the backbone of the province's infrastructure for the arts, providing jobs at the local level for musicians, writers, painters, dancers and many other professionals.

Arts organizations will tell you, like Matthew has just done, that provincial support through the Ontario Arts Council is critical. It leverages other revenues, including fundraising and sponsorships. Every grant dollar that the Ontario Arts Council invests in an organization generates \$16 from earned revenues and the private sector.

Arts and culture contribute \$25 billion annually to the province's GDP. That's 3.3%, larger than the combined total of agriculture, forestry, fishing and hunting. Organizations and artists funded by the Ontario Arts Council create content used by the cultural industries to generate this economic impact.

The Ontario Arts Council funded the first grants to early versions of *Kim's Convenience* and *Come From Away*, and there would be no cultural industries—no movies, no concerts or books—without contributions of artists and the arts organizations that nurture them. The arts organizations we fund every year provide work for more than 50,000 artists and arts professionals, generating \$382.6 million in paid income.

When the Shaw Festival's Tim Jennings spoke to this committee a while ago, he stated that the festival contributes more than \$220 million to Niagara-area tourism every year. They, like Stratford, Hot Docs and others you've heard from, generate millions of dollars in community investment and government revenues. You also heard about Afrofest from Music Africa's Peter Toh. For more than 30 years, this two-day festival has celebrated African music and culture each July. It attracts people from all over the GTA and farther afield to listen and dance to music, and to purchase products from African Canadian communities. The loss of this year's festival is a significant blow to performers, the festival and small business vendors.

In the initial three months of the pandemic, the arts were among the first sectors hit. Research shows that the arts are also likely to be the last to recover, and additionally, many businesses and private donors will not have

money to resume their sponsorship of arts organizations. Restrictions on large gatherings will be the last to be lifted, and we don't know when audiences will feel sufficiently comfortable to return to theatres, performance venues and festivals.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Carolyn Vesely: Over the past couple of weeks, you've heard from other presenters about the catastrophic impact of the pandemic on the tourism and culture sectors. On June 4, Minister MacLeod told this committee, "We need to make sure that these cultural events and attractions that drive tourism" in Ontario "are there when we recover."

The impact of COVID on Ontario's arts sector has already been devastating. It will be both short- and long-term, and most arts organizations anticipate that the greater impact is yet to come, with a growing number cancelling entire seasons into 2021. For example, as of the end of May, Ontario arts and culture workers reported almost 10,000 gigs lost or at risk, representing a loss of over \$9 million in revenue just since March.

In April, the Ontario Arts Council undertook a small survey of funded organizations across the province to get a sense of early impacts of COVID-19. Survey participants said they anticipated a loss of \$128 million in revenue, and that's only to the end of June. Some 94% had already cancelled or postponed performances, exhibitions, screenings, readings and other events; 62% said they are reducing hours or cancelling contracts of self-employed artists and other independent contractors; and 31% said they will have to lay off employees. These impacts will be felt by the most established organizations and artists, as well as the most vulnerable.

We're asking for increased investment to ensure the survival of Ontario's vibrant arts sector. Ultimately, the effects of this pandemic are yet to be quantified, but there are early indications of the scale and scope of this impact. For more than 55 years, the Ontario government, through the Ontario Arts Council, has invested in and developed an essential, province-wide arts sector that returns—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Carolyn Vesely:—significant economic, social and quality-of-life benefits to our communities. At this time, it is more important than ever to protect the far-reaching provincial returns on this long-term investment. I thank you all very much.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with questions now, and the first set of questions will go to the official opposition. MPP Andrew?

Ms. Jill Andrew: Good afternoon. I actually believe MPP Chris Glover is supposed to go first, and then I'll go after.

The Chair (Mr. Amarjot Sandhu): Sure. MPP Glover?

Mr. Chris Glover: Hi. I'm not able to start my video—I apologize for that—but I want to thank Matthew and Carolyn for being here today. We've heard a number of very similar stories over the last few days. I want to make sure that what you're doing in the importance of the arts

sector, both to our culture—our society—and our economy has been emphasized, and the way the arts and culture and events industry has been hit first and will be hit the longest has been emphasized.

I just want to make sure that I understand the asks from the TSO, first of all. You said that what you're proposing is that the government maintain the Ontario Arts Council funding. You ask for a temporary special donation-matching program to get more philanthropic support and to be able to double that, and you're also looking for funding for physical distancing and digital changeover. Are those the three asks from the TSO? Have I got that right?

Mr. Matthew Loden: Yes. Thank you very much for taking such wonderful notes. The only other thing that I would add is infrastructure support for the venues where we're going to be performing. There are going to be some significant upcharges for people who need sanitizer or masks, or all of the different kinds of physical restrictions that will be in place while we are under gathering restrictions.

Mr. Chris Glover: Do you have a price tag on that? Do you have an idea of how much money you'll actually need?

Mr. Matthew Loden: At this juncture, specifically for Roy Thomson Hall, which is the primary place where we perform, we do not have that. I know that Roy Thomson Hall does.

Mr. Chris Glover: Okay. That's good. Thank you. I'll ask them. Part of the reason that I'm on this call—I'm not actually part of this group, but you're in my riding so I'm very interested, and the many big arts organizations that have been presenting are in my riding, so thank you very much for being here.

I want to make sure I leave time for my colleagues, but Carolyn, I just wanted to ask you: The picture that has been emerging is that the arts and culture and events industry is huge for us, for our economic well-being and our social well-being in the province. Then you said that many aspects of it need continuous government funding in order to survive, in order to nurture the next generation of artists. You were talking about \$55-billion, 3% of the GDP, coming from the arts industry. Can you talk about the incubation and the need for continuous government funding and support in order to maintain this important sector of our economy?

Ms. Carolyn Vesely: Yes. Thank you very much for that question and for pointing out the layered contributions of the arts. Certainly the economic contribution is an important one, and it requires government support throughout the development of an arts organization and an artist's career. The Ontario Arts Council has developed policies and processes over the years to fund artists at various stages of their career, not only as they develop, but as their career changes. They might start off as a performing artist working bars and cafés and then they need an investment in order to develop a recording or a tour.

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We had been developing new programs to support touring and market development, for example, for artists and arts organizations, but those programs were just nascent, they were just beginning, and we've had additional pressures on our funding and arts because arts organizations will have many additional pressures: investing in new technology; investing in PPE, as Matthew was saying; replacing lost income from venue rentals; and other donations that might be lost. So that pre-existing partnership with various levels of government in terms of investing in the importance of arts organizations will be more important than ever. It's throughout an organization that develops from an early collective through organizations that have a very long history that [inaudible] value of government support and investment does not disappear.

Mr. Chris Glover: Thank you very much. I want to leave some time for my colleagues. Thank you, both, for being here, and thank you for sharing your questions. Continue the great work, and we want to make sure that you get support to continue the great work that you've been doing.

The Chair (Mr. Amarjot Sandhu): MPP Andrew?

Ms. Jill Andrew: Thank you. Good afternoon, Carolyn and Matthew. Great to see you all in this format. I had a question particularly—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Jill Andrew: —to Carolyn, who works for the OAC. I've been hearing from many of our constituents and our cultural workers and arts organizations that there is a growing call for, at the very least, a doubling of the Ontario Arts Council's budget. As we know, OAC received some devastating cuts last year, which resulted in the end of the Indigenous Culture Fund, and we've certainly heard from thousands within this community as to why that wasn't the best move. Nonetheless, we're here in a different period with COVID-19. I'm just wondering if you could speak to what the community is asking me to advocate for on their behalf, and that is at least a doubling of the Ontario Arts Council budget.

We're also hearing from many seniors. I spoke with CSARN, the Canadian Senior Artist Resource Network, and they did ask me to ask, if I got the opportunity, to see if we could have seniors added to priority groups. As I know, you will have a very comprehensive—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll come back to that in the second round.

Now I have to go to the independent members for their time of questioning. MPP Schreiner?

Mr. Mike Schreiner: Thanks to both the TSO and the OAC for coming today and contributing to this conversation, and thanks for the great work that both organizations do.

I'm going to direct my first question to Carolyn. It picks up a little bit on what MPP Andrew was asking about. But first, I just wanted to make sure that I wrote this down correctly. You were saying that every \$1 spent in the arts contributes \$16 to Ontario's economy. Did I write that down correctly?

Ms. Carolyn Vesely: That is the direct local impact from our operating or annual grants to an organization. That is what we track through spending data that comes back to the Ontario Arts Council in applications from organizations.

Mr. Mike Schreiner: So, in a sense, when you grant to some local arts organization, the economic spinoff of that is for every \$1 invested, it's \$16. I'm guessing that could be local businesses that would be positively impacted as well as the organization themselves etc.

Ms. Carolyn Vesely: Absolutely—whether it's restaurants, printers, graphic designers or others who benefit from your community members engaging in the arts.

Mr. Mike Schreiner: So you could make a case, especially when we're thinking about economic recovery, that for every \$1 increase in the OAC budget, that has a multiplier effect of \$16 for the provincial economy.

Ms. Carolyn Vesely: Yes, and that's a very conservative estimate. We've only gone with the lowest numbers that we've been receiving, and the economic return is not the only return on investment; the arts are an excellent avenue for increasing community wellness and education opportunities, as well, and it's difficult to put a dollar value on those opportunities.

Mr. Mike Schreiner: I'd agree with you on that. The culture of community-building, cohesion etc. is priceless in many respects.

I don't know if doubling the budget is the right way to go or what exactly the number is, but any increase in the budget for the OAC is going to have a significant economic impact, and it will have a significant positive economic benefit in 200 communities across the province, so it's not as if it's being focused, let's say, in Toronto or any one place. It's really everywhere in the province that you'll see economic benefits. Am I right with that?

Ms. Carolyn Vesely: Yes, the Ontario Arts Council is mandated to serve the entire province, and we have long-established relationships with arts organizations and artists from fly-in communities, Indigenous communities in isolated areas, rural communities, east, west, north and south—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Carolyn Vesely:—and layered within those communities, as well, from large organizations to smaller, community-run organizations.

Mr. Mike Schreiner: And it's my understanding that for some of the particularly small community arts organizations, without OAC funding for a lot of those communities in particular, especially in smaller communities where you don't have as many local dollars available just due to population, OAC grants are just a lifeline for them to even exist. Would that be correct?

Ms. Carolyn Vesely: I'm sorry; my screen had frozen up and I did not get that question.

Mr. Mike Schreiner: Sure. No worries. I'll re-ask it.

Ms. Carolyn Vesely: I'm sorry.

Mr. Mike Schreiner: Oh, no worries, Carolyn. I was thinking just about OAC grants and how vital they are, especially for organizations in smaller communities where

you have a lower population base to provide the dollars. OAC grants really are a lifeline, I think, for a lot of those groups to even exist.

Ms. Carolyn Vesely: Absolutely. Sometimes there is no local, municipal or county funding for arts activities, and the OAC is the first and sometimes the only public funder. We also fund touring activities for artists to make sure that an artist from one area of the province can tour, often through remote areas of the province. Sometimes those stops are some of the few accessible arts activities available in those areas. OAC plays a key role there, and it's something we're really hoping to be able to maintain.

Mr. Mike Schreiner: What difference would it make to, at the very least—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Mike Schreiner:—reverse the cuts that the OAC has faced over the last two budget years? I think it was \$10 million last year and \$5 million the year before. If you take your \$16 multiplier, that's about, if my math's correct, a \$240-million hit to our economy. What kind of difference would it make, even just reversing those cuts?

Ms. Carolyn Vesely: That would make all the difference. It would be an incredibly wise investment. We would be able to help key arts organizations survive this very difficult period when they are seeing additional costs and losing other revenue. We can help stabilize them and help them retool for a new future. We won't be going back to the way we all used to work, and sometimes that's okay.

A reversal of our funding cuts beyond the first \$10 million would allow us to introduce programs. We have just been about to introduce—

The Chair (Mr. Amarjot Sandhu): Thank you very much. I apologize to cut you off.

We'll have to move to the government side now, and I'll start with MPP Piccini. MPP Piccini?

Mr. David Piccini: Hi. Thank you, Chair. I just got unmuted. Thank you. I apologize, as well, for the lack of video.

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Thank you, Matthew and Carolyn, for your presentations today. Matthew, you spoke about the staffing and executive cuts that had to be made to ensure everyone maintained their job. I know these are very difficult decisions you've had to make. Can you give the committee here a sense of what percentage you're talking about across the board?

Mr. Matthew Loden: Thank you very much for the question. I'm happy to share that with you. Before I do that, I'd like to just echo my appreciation to be in the same room with Carolyn and the OAC. It's wonderful to hear the scope of activity and the ROI that that organization brings to all of us. I really appreciate it. It makes a huge difference for all of us, so thank you.

The scope of cuts for us right now is we operate under a collective bargaining agreement with our 91 musicians. It's a contract that's negotiated with the union, usually every three years. We had to open up the contract at the end of March, when we knew that we were going to have to cancel the season. The musicians very quickly agreed to

take an immediate 20% cut from their pay. We also immediately put in place a hiring freeze and froze all salaries, and we began to look at, who were the individuals that might not be able to come back to work?

We were literally three days away from making some very, very difficult decisions when the federal wage subsidy program was announced. That allowed us to at least know that we could do what that program was designed to do, which is to hold the ensemble together of both musicians and of very talented, dedicated staff in place as long as that funding was available. It kept people off the unemployment lines.

Going forward and looking forward, I'm not going to reveal actual numbers because we haven't had those conversations with our staff themselves, but there are going to have to be some layoffs. I certainly imagine that there will be significant cuts to the organization so that we can trim expenses as much as possible. And the musicians themselves are going to have a very restrictive concessionary contract that will be all we that can afford next year.

Mr. David Piccini: Thank you very much, Matthew. I understand this is not easy to talk about, but I appreciate getting a true grasp of the percentage moves you all collectively had to make.

Moving on to just one more final question regarding PPE, and this is for both Matthew and perhaps, Carolyn, if you could just speak to a number of the organizations you support: We have, obviously, labour guidelines in place, public health guidelines in place, working closely with our chief public health officer. If tomorrow were we able to open up theatres with physical distancing in place, would you support doing that? Are you in a place where you can do that?

Mr. Matthew Loden: May I answer first? Is that okay?

Ms. Carolyn Vesely: Please.

Mr. Matthew Loden: It is not financially feasible for the Toronto Symphony Orchestra to open concerts at Roy Thomson Hall for anything under 1,500 seats. We know that with a 2,600-seat theatre, the maximum that we can get in there socially distanced is 500 people.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Matthew Loden: So we're faced with needing to say, we're going to put on a concert anyway for 500 people so that the musicians stay alive, so that we stay in front of people, so that we can create a moment for Toronto. But it also means that those 500 people can't only be our subscribers, because we have tens of thousands of subscribers. So within that 500, we have to decide, almost arbitrarily, only 300 will get to go that are subscribers so that we can have 200 new ticket buyers have an opportunity, or some portion with deeply discounted tickets so we can get people in the door and we don't have to worry about access issues. They're pretty Darwinian choices that we have to make, and frankly, what often happens is we decide not to do it at all because it's not economically feasible.

Ms. Carolyn Vesely: And I can just add that arts organizations of course engage with the public in a variety of ways, and Matthew has pointed out that for certain types

of venues, the business model will just not be sustainable. For others, some types of capital investment will be necessary. If you look at the Harbourfront Centre, that offers a lot of free programming for a large number of communities.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Carolyn Vesely: They have some outdoor space, but it can only be offered safely if certain physical interventions are made, and there would be many community activities in that area in that same situation.

Mr. David Piccini: Just a quick follow-up there, and this is directed to Matthew: We are well aware that where one is unable to physically distance, the public health recommendation is to wear a mask. Do you feel, in your professional opinion, that a concert could be delivered safely with more full attendance, assuming everyone wears a mask?

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Loden: From what I understand now about the public health restrictions, I think it's not just a matter of masks; it's a matter of timing the entrances to the hall. It's a matter of making sure that the program is only 60 minutes long with no intermission, so that you don't have a crunch on the bathroom. Basically, you have to think about going to a concert under COVID-19 in the same way that you think about boarding an airplane and exiting an airplane. It's the same kind of queue. You have to check temperatures, potentially, and you have to tell people to arrive an hour and a half early.

That's onerous. Some people will do it, because they love what we bring to them, but it's a very different operating paradigm.

Mr. David Piccini: Thank you both very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll come back to that in the second round.

We have to move to the independent members now. MPP Simard?

M^{lle} Amanda Simard: Thank you to all the presenters. I appreciate the valuable information. Chair, I have one question, and then I'll share with MPP Schreiner.

My question is to the Ontario Arts Council. Carolyn, could you maybe share the information from your counterparts in other provinces? If you're in communication, if you can share best practices from other provincial governments that you're seeing or hearing about that may be valuable to us here in Ontario. They don't have to be financial; sometimes it's not always about money. It may be helping with certain regulations or certain ways of functioning. Is there anything that you're seeing in other provinces that we can maybe look into?

Ms. Carolyn Vesely: Thank you for that question. We are in regular contact with other provincial and territorial arts councils and the Canada council at the federal level. Some are able to respond. The best practices do tend to focus on funding increases and investments. The province of Quebec is investing a significant increase—I believe it is \$220 million—in arts and culture. I believe BC and one other—it might even be Newfoundland—have recently

announced some increased investments to help arts organizations through this difficult time.

Beyond that, I'm not hearing of any specific policy changes, but as we do I can certainly keep our ministry informed. Unfortunately, it does often come down to a financial answer at this point.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Schreiner.

Mr. Mike Schreiner: Matthew, I just wondered, quickly: You talked about pivoting online and doing digital. I'm assuming you had added costs to do that, but I want to ask, and I would guess, that your revenue was probably lower as well. Would that be correct?

Mr. Matthew Loden: Unfortunately, no, it's not correct. The revenue was zero.

Mr. Mike Schreiner: Oh, zero. It wasn't even lower; it was zero. Okay.

Mr. Matthew Loden: It was zero, and yes, there was a significant infrastructure and staff retraining that had to happen. The staff scattered to their homes, and we had to figure out how 91 orchestra musicians could actually perform in isolation, which required software expertise, putting down a different kind of arrangement so that musicians can play to a soundtrack at home. At the end of the day, it's a huge effort, it costs a lot of money, and then you're expected to deliver the content free online. It becomes a public relations and marketing brand, which is incredibly important. I'm very proud that our musicians have been deeply successful early on in putting together—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Matthew Loden:—some programs that garnered some worldwide acclaim for the TSO, but it is not a sustainable business model. Nowhere in the world does there exist an orchestra, for instance, that makes money off of an online subscription by broadcasting their content.

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Mr. Mike Schreiner: And Carolyn, a similar question: I'm assuming a lot of local arts organizations have tried to pivot a bit digitally, but I'm guessing without financial support, you wouldn't even be able to.

Ms. Carolyn Vesely: No. It is a pivot that does involve extra cost. The technology required to maintain a relationship and the expertise come at a cost, and it tends to be done not for revenue, but for just maintaining relationships with donors and participants during this time, so it's not sustainable as a business model.

Mr. Mike Schreiner: I just want to say to you, Matthew, thank you to the TSO for making that pivot and making that investment at such a significant cost, because I think just from a mental health perspective—you know, just how we all feel as a province—knowing that we have access to the wonderful music that the symphony provides is really important. I want to thank you for doing that, but also thank you for being honest with us too, that that's not going to be a sustainable business model and we're going to have to look at other types of support.

Mr. Matthew Loden: Thank you. If I could respond quickly, one of the efficiencies we have found is con-

necting our youth orchestra members with isolated seniors. It is remarkable because we give them some training so they know how to work with people who have dementia. They perform for them online, and that's relatively inexpensive—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Loden:—if you have the infrastructure, and it's incredibly powerful.

Mr. Mike Schreiner: Yes, especially at this time with so many seniors being isolated during the pandemic, for sure.

Carolyn, I'm probably almost out of time, but I want to get back to OAC funding, because I hear about it over and over again. Do you have a sense of what type of funding support OAC would need to make sure all 200 communities can maintain their local arts programming?

Ms. Carolyn Vesely: If we're talking specific dollars, I think the best formula is to take us to the \$80 million that we were on a trajectory to reach. That would allow us to maintain a modest but stable level of funding to arts organizations and artists and reintroduce some specific targeted funding around—

The Chair (Mr. Amarjot Sandhu): Thank you so much. Sorry to cut you off.

We'll have to move to the government side now and MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you, Carolyn and Matthew, for appearing before the committee today. Matthew, I have to tell you, it's a real privilege to chat with you. I grew up on a farm, and I always listened to Classical 96.3 FM with my dad while I was collecting eggs in the barn, so we would always be making calls to see if we could get TSO tickets. I'll have to let him know that we had the opportunity to interact this afternoon. I'm sure he would be tickled pink.

First of all, thank you for sharing the impacts of what we've seen from COVID-19. You spoke, as well, about the fact that you're going to be one of the last to recover just by virtue of the distancing aspects of this. Obviously as a government we want to do whatever we can to support industries and support important players such as yourselves.

One of the questions I always have for people, though, is around the issues that we can address that perhaps aren't as clear or clean as direct cash infusions. I understand, of course, that it's important to have those, and I'm not arguing that. I think you've made your case clear. I just wonder if, on the cost side, there are ways that we can ensure perhaps more affordability around payroll or around marketing supports for some of these other areas that might not be the same as a direct cheque, but could also provide some level of support, whether that's deregulation of particular aspects that you might have concerns around or creating opportunities for international marketing. Could you speak to some of those areas? And again, understanding there is the direct ask around the cash component, but just wanting to talk about some of the other areas.

Mr. Matthew Loden: Of course. I appreciate the question and the complexity that you all are trying to manage across the entire province. I'll just say, as an aside, that we'll make sure that you have a couple of tickets for the first concert when we're back in action, so that you can come with your family. We'd love to have all of you.

The reality is, in my experience, non-profit arts organizations are some of the most thrifty and efficient organizations around. It's one of the reasons the ROI is \$16 to \$1. We figure out how to do stuff, and we do it smart and we do it for narrow margins, which means we have to be incredibly strategic about it, and so I don't see a lot of red tape opportunities or ways of changing costs that would make much of a difference. In fact, we suffer from a kind of cost disease in a symphony orchestra, where Beethoven is Beethoven and it still requires a certain number of musicians to play Beethoven. We can't make it more efficient, and fixed costs continue to rise.

One of the things that would be potentially helpful—you mentioned marketing. Of course, the more that we can encourage people from outside of the province to come into the province and spend some of those tourist dollars, that actually has a wonderful economic impact and it also shares what we have to offer the world. I think we should be competing even more with New York and London and Paris in the arts sector, and there are a handful of organizations that do that—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Matthew Loden:—incredibly successfully.

I think if there is something the province can do around helping us understand when we can open, when we think that 1,000 people can actually gather safely—because what is happening is we're having to make business decisions about whether or not we're open or closed not based on public health recommendations but just based on the fiscal realities. So that public health guidance could be really important for us.

Mr. Sam Oosterhoff: Okay. Thank you, and then perhaps to either of you, really, but perhaps to Carolyn, specifically—and, Matthew, you mentioned this—when it comes to other jurisdictions such as Paris and New York and others, what are some best practices that we can perhaps look at adopting here to encourage our arts and culture sector?

Ms. Carolyn Vesely: Maybe I will jump in just to echo what has been said about the importance of support for arts tourism marketing, whether it's local tourism—a lot of us are going to be having staycations for the rest of the year and getting to know our own communities better—or travel from outside the province. Arts organizations have limited budgets for marketing, and the impact that can be leveraged from government-supported marketing efforts will help gain some new audiences and keep existing audiences. We're seeing that in other areas, investment in marketing, and that's one of the best things that can happen.

Mr. Matthew Loden: If I have time to add, I would say that there's another thing that can happen that doesn't

cost any money, and it's a perception shift. It's moving away from the idea that arts and culture are—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Matthew Loden:—for a handful of people, and therefore a pretty escape that probably costs a lot of money and you do it a couple of times a year. The more that we can recognize that the arts that we bring to Torontonians and everyone in the province are fundamentally who we are as a society and that they can benefit absolutely everyone who is here in this incredible province—finding those kinds of message points so that we share what we do more broadly brings people together. We know that social connectivity is a huge problem for our mental health places, and we've got a lot of work to do and we can help bridge a lot of those gaps.

Mr. Sam Oosterhoff: Good. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We're almost out of time—10 seconds.

We'll now go to the opposition. MPP Andrew.

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Ms. Jill Andrew: Thank you. Carolyn, I know we got cut off at the end so I want to pay you that respect and ask you if you have any words to say with regard to the doubling of the Ontario Arts Council's budget—"at least doubling," if I'm quoting all of my stakeholders?

Ms. Carolyn Vesely: Yes, that would take us near to where we should be. We've done calculations on where the OAC's funding was in 1995, when organizations and artists were being funded not at a generous level, but at a level that gave some stability, particularly to organizations. And if you factor in population growth and inflation, where we should be is actually close to \$120 million to be able to do what the province did for communities through the arts in 1995. It would allow the engagement of so many populations that have shifted and grown in Ontario that are so important now.

Ms. Jill Andrew: Thank you so much, Carolyn. I appreciate it. Maybe we'll talk again about CSARN and adding seniors as a priority group at another time.

Ms. Carolyn Vesely: Absolutely.

Ms. Jill Andrew: Matthew, I want to say thank you, first and foremost, for everything the TSO has been doing to help maintain all of our mental health during this time. I'm thinking of I'll Be Seeing You, for instance. TSO musicians are sharing their entire livelihood with Ontario and with folks all around the world, because everyone is on social media, and I appreciate that.

This government, as we know, cut \$330 million from mental health, and I have to say that now, more than ever, the arts are social medicine, and we need to invest in social medicine. I want to speak about some of the social conditions that your musicians, Matthew—and, of course, Carolyn and artists and whatnot, but specifically, to the musicians and the social conditions that they're living under now during COVID-19. I understand the TSO musicians may not be at the margins of the margin, but I'm thinking with regard to rent. I'm thinking with regard to their ability to hone their craft at a time when they can't play. I'm thinking about proposals we've made to the

government around basic income, rent subsidies, things that would help keep our musicians afloat.

While federal wage subsidies are a help, those are ending, and I'm very worried. Of course, we have proposed to the government that they speak to their federal counterparts to ensure that federal supports continue, but I also think, as Ontarians, we can't sit on our hands, and we need to get some funding directly to musicians. So I'm just wondering how our musicians are doing, what social conditions they're living under. Thank you, Matthew.

Mr. Matthew Loden: Thank you for the question. It is a very, very difficult time for them. If you are good enough to win an audition and to be a member of the Toronto Symphony Orchestra, then you can be a musician in any of the world's finest top-20 orchestras, period.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Matthew Loden: We operate at an international level, and the kind of commitment, dedication and talent that it takes to get there is like being an Olympic athlete from the time you're three until the time you retire, when you're maybe 70. Not to be able to practise that kind of discipline with your colleagues, not to be able to live and breathe and to be a part of sharing musical stories with an audience is devastating. So I think the mental state of the orchestra is difficult right now.

That said, because we operate at such a high level, our musicians are not like people who are doing individual club dates, and our musicians have actually been very interested in trying to find ways that we, as an institution, can continue to help the people who are just starting out in their careers. That's another reason why the OAC is so important. That pipeline of artistic innovation that comes when you're 25 years old and you're just trying to figure out how you want to make your mark—we need to be incubating those kinds of things. So thank you for the question. We do know that we feel better and we work better when we actually play the music for people, so that helps.

Ms. Jill Andrew: Thank you so much, Matthew. I appreciate your honesty there. I just wanted to chime in: I understand that the government members made a comment about everyone wearing masks. We know from a public health stand that it's not just about wearing masks. We know that music involves clapping sometimes, and some folks might chit-chat. I'm wondering as well about immunocompromised people, people who have special education or special needs. I know you all do such great work around relaxed performances at the TSO. So this notion of 2,600 folks wearing masks—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Jill Andrew: —it's just not feasible at this time at all.

I'm wondering what financial support could look like around getting you prepared, whether that's PPE, whether that's Plexiglas—again, this is for Matthew and this is for Carolyn. For getting our venues ready, what are the financial needs? How can tax credits support these financial needs? Because I know that these COVID needs are not ones that are in your budget. They're not in your

budgets, necessarily, and they're certainly not in the budgets of small and medium-sized community-based arts institutions, so if you could speak to that.

Mr. Matthew Loden: I'll speak quickly and then ask Carolyn to pick it up. The very specific physical items that you mentioned—of course we could use that; that would be wonderfully helpful. But also, being able to potentially underwrite the medical personnel that we would need to have as new staff members, who are—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time for the presentation. Thank you to both the presenters for your time and the presentations.

Before I move on to our next presenter, I would like to do an attendance check. MPP Harden?

Mr. Joel Harden: Good afternoon, Chair.

The Chair (Mr. Amarjot Sandhu): Are you present in Ontario, sir?

Mr. Joel Harden: Yes, I am, Chair. I'm here in Algonquin territory in Ottawa. Thanks for having me. Nice to see you all.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

OTTAWA FILM OFFICE
ONTARIO ASSOCIATION
OF ART GALLERIES

MR. CAMERON MIRANDA-RADBORD

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Ottawa Film Office. If you could please state your name for the record. You will have seven minutes for your presentation.

Mr. Bruce Harvey: Good afternoon, everyone. My name is Bruce Harvey; I'm the film commissioner at the Ottawa Film Office. I'm going to read to you, briefly, our mission statement so I don't mess it up, and then I'll just speak off the cuff from then.

The Ottawa Film Office's mission is to attract film and television and animation production and co-production to the National Capital Region, to foster the growth and development of the local industry, and to act as the lead voice promoting the region within the screen-based sector at home and abroad.

The reason I wanted to read that out to you is that you can see the focus there is on our region. I want to speak to you today about regional diversification and why that is important in a post-COVID world, certainly a lesson we might have taken from the SARS epidemic and we should definitely be taking from the SARS-CoV-2 pandemic.

The film and television industry is a very highly mobile industry that contributes billions of dollars to the economy in Ontario. It seems crazy to me that that industry is coalesced in a 20-mile radius of the highest densely populated sector in Ontario, and that 90% of all the activity takes place in that one small region. If it was all natural, the reasons that that occurred, I would be like, "Okay, that's the way it's going, and we can talk about ways to

stimulate it, to move it out,” but I think that we’ve done some things within our own legislation that we’ve triggered to make that happen. I want to talk in particular, first, about international production and foreign production, and then I want to talk about the domestic production scene.

Under the foreign production side of it—and I apologize if you’ve heard this before from other speakers; unfortunately, we weren’t broadcast. I thought that was somewhat ironic, in that this is the film and TV sector that’s speaking. Under the foreign production side, there are two things that I want to point out.

The first one is the fact that studio expenses are covered by the tax credit, but location expenses are not. What that means is that it attracts studio-based shows to the province ahead of location-based production, because you don’t get to claim those expenses, so when you look at the type of production that’s coming to Ontario, there’s a bias toward that type of production. It’s pretty obvious when you look at the demand for studio space throughout Ontario, which is really focused in Toronto, that that’s where all the growth is happening. So one thing that I think we should be looking at changing, and I think it may have been an oversight—a lot of people in the industry feel it was an oversight—is that location expenses are not tax-creditable. If they were, that would balance that out on one side.

The second point I want to make is that unlike in domestic production—which has its own faults, and we’ll talk about them later—there’s no regional bonus for shooting outside of the GTA for foreign producers. So when you come to Ontario and you’re looking at shooting here, if you’re doing a major studio-based show and you’re comparing it to British Columbia or Quebec, you’re looking at the cost, and for that type of production, we’re very competitive. We’re right on par with the other ones. The strength of our Toronto production community—we’re one of the best in the world, and I would never say anything bad about the Toronto community; I think they’re phenomenal.

1400

But once you start thinking about doing a location show and moving outside of that, all of a sudden, we start dropping down and becoming less competitive. You’re going to go to Quebec where they cover location fees or you’re going to go to British Columbia where you get an incentive for shooting outside of the downtown core of Vancouver. Those incentives that are given push them ahead of the regions in Ontario.

I understand that we don’t want to be giving new incentives and we don’t want to be adding to the pot there, even though at the end of my talk here, I’ll talk about why I think that’s a mistake.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Bruce Harvey: But even if all we did is take that 21.5% that we give to foreign producers and dropped it by 0.5%, so it was 21%, we would still be competitive across the board, and that 0.5% could then be converted into a 3% regional bonus.

In order for those to balance out equally, you would have to generate more than double the production activity that’s going on outside in the regions of Ontario today. It would be a massive growth to the regions and it would allow things to benefit in a very major way. If you’re not sure about how important one of these bonuses can be, look at the Northern Ontario Heritage Fund. That fund has been phenomenal for growing the production up in northern Ontario. It started off with smaller productions and now some of the best productions in Canada are taking place in that community. Cardinal is a very good example of that, and Letterkenny is another really good example. When you’re looking at trying to stimulate, I think it’s a cost-neutral way of doing it.

I want to talk a bit about the domestic production now. On the domestic side, the issue that’s faced is that there is a regional bonus, but unfortunately, because there’s an exemption, there’s a special exclusion clause that deals with Toronto studio production or studio production in general, where a studio production that shoots one day a week of its production schedule in a distant location can qualify the entire show as being a regional production. What that means is that the show can leave Toronto and take their Toronto crew, their Toronto equipment, go down the highway to a location just outside the GTA and can get the regional bonus for doing that.

If you’re in Windsor or in Hamilton or you’re an Ottawa-based producer or in Kingston or somewhere in the north, it’s your entire production that you’re spending the money on. You’re hiring crew there, you’re using locations that are there, you’re using hotels, renting cars, buying equipment, buying carpentry services—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Bruce Harvey: The spread is through the entire community, versus the studio-based show—it’s not the same. I think it’s important that we still support studio production for domestic producers in Toronto. It is a critical area. It’s tough for them to compete against the American majors—Apple, Netflix, Amazon—to get that space.

What I would recommend, though, is that a cost-balanced way of doing it is to replace that 10% regional bonus that a studio producer gets. Maintain that for regional producers who are really out in the regions doing all of their production in the region, but replace the 10% one with an 8% studio bonus instead of the 10% regional one, and then give them a 5% bonus when they go outside Toronto to shoot in those locations. The costs would balance out the same, it would still stimulate production out in the regions just around Toronto, but it would stimulate much greater production out in the far regions of the province.

I think, when you’re looking at a COVID world and you’re looking at a SARS world where you can shut down one community—

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes your time.

We’ll have to move on to our next presenter, the Ontario Association of Art Galleries. Please state your

name for the record, and you will have seven minutes for your presentation.

Mr. York Lethbridge: Thank you and good afternoon, members of the standing committee. My name is York Lethbridge, president of the Ontario Association of Art Galleries. I'm here with Zainub Verjee, executive director of the association. On behalf of our team, board and members, we appreciate the opportunity to speak with you with our perspectives and recommendations today.

This year marks the 50th anniversary of the Ontario Association of Art Galleries. It is the only association of its kind in Canada that represents public art galleries. Our membership includes organizations from different regions, scales and sectors. For example, the Art Gallery of Ontario, the National Gallery of Canada, the McMichael Canadian Art Collection and the Art Gallery of Hamilton are our larger member institutes. However, our membership is mostly made up of diverse small-to-medium-scale art galleries with operating budgets under \$2 million, including important regional galleries such Woodland Cultural Centre, Thunder Bay Art Gallery, Agnes Etherington Art Centre and the Kitchener-Waterloo Art Gallery to name a few. We serve over 270 members in 63 communities across Ontario.

Public art galleries and art museums are an integral part of Ontario's visual arts sector and hold a key role in the province's economy. They are part of Ontario's arts and culture industry, which represents \$25 billion, or approximately 3.3% of the province's GDP. In Ontario, the culture sector employs approximately 300,000 cultural workers, or 4.3% of the labour force. Notably, within our sector, for every \$1 invested in not-for-profit art galleries, there is a social return of \$4. The important compounding economic effect of investment in our sector is substantial.

The COVID-19 crisis has compelled us to closely examine the underlying conditions for the healthy recovery and re-emergence of the sector. Prior to the pandemic, art galleries and museums were already in a precarious position. Canada Council for the Arts data shows that in our sector, the average working capital ratio is less than 1% in the last four years, ranging between 0.84% and 0.95%. A ratio of less than 1% indicates financial vulnerability regarding an organization's capacity to cover its short-term payables. This baseline reality is alarming.

The pandemic has destabilized the sector in unprecedented ways and endangered the future existence of galleries and museums in their communities. In a recent COVID-19 impact survey, with a response from 60% of our membership, data indicates the devastating consequences and amplification of the crisis already felt by art galleries and the visual arts sector. It shows a conservative total loss of up to \$13 million in gallery revenues in the months following mandated closure in March. Some 26% of our membership have operating budgets below \$300,000, and if no redress is followed, there will be a crippling effect on the art galleries in regional and rural Ontario. In another study conducted by the International Council of Museums, one out of every 10 museums, including art galleries, are likely to close in North America due to COVID.

These statistics directly translate to diminished access to vital services that communities rely on to thrive culturally and socially. Hence, the above underlying conditions of the art gallery sector indicate a vulnerability, making it fatally prone to the impact of this pandemic.

When an art gallery closes, all the businesses associated with it are impacted; businesses such as art transportation logistics, cleaning, restaurants, hospitality, entertainment, audiovisual, construction, printing and manufacturing, just to name a few. That is to say, the mandate to close under COVID-19 measures has had a devastating effect on the sector and its contributions to the larger economy.

Thus our recommendations are about setting clear priorities and investments for our sector to recover, rebuild and re-emerge so that the effect of the investments made will benefit all Ontarians. Prior to COVID, 4.5 million Ontarians visited an art gallery or art museum every year; however, in a recent study by Business/Arts, less than a third of those are likely to immediately return to an art gallery, even though deemed safe by health regulations, with many others choosing to wait longer for a vaccine before they will return.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. York Lethbridge: Short-term wage-based subsidies from the federal government will not be enough to maintain stability of organizations within our sector. The government of Ontario should provide a vital lifeline to ensure art galleries will be there to serve communities through this pandemic and into recovery. This is a request for critical support to strengthen the sector for the longer term and improve its resilience in a post-pandemic environment.

At the core of the support instruments is a request for a stabilization fund. When using this term, it is intended to be defined as a suite of interventions designed to keep public art galleries open to the public and Ontarians employed in the visual arts sector. This addresses the tourism and economic focus of the ministry.

We recommend that the stabilization fund be comprised of three main elements that support the long-term viability of art galleries and museums in Ontario:

(1) Resilience grants to offset the collapse of revenue streams that used to support operating expenses outside of wages; in other words, significant financial gaps that are not addressed by wage subsidy;

(2) Subsidies for reopening costs to ensure public art galleries and museums can provide safe and enjoyable experiences for visitors and cultural workers with adequate supplies, labour and infrastructure in response to current public health protocols;

(3) A digital assets fund to increase access for Ontarians and the world to visual art experiences through digitized collections, online education and public programming at institutions of all scales to maintain the level of access to cultural resources in isolating scenarios.

Our recommendations align with the online Ontario strategy and an increasingly digital society. We believe the Ontario Arts Council is the best agency to administer a stabilization fund.

In addition to addressing the immediate need, we also recommend increasing the Ontario Arts Council funding to \$120 million to support the long-term sustainability of the arts sector as a whole. The stabilization fund directly aligns with the Ontario Tourism Strategy and strengthens the sector. Restoring resilience won't be accomplished by a one-time cash injection—

The Chair (Mr. Amarjot Sandhu): Fifty seconds.

Mr. York Lethbridge: —changing situation, and the Ontario Association of Art Galleries is eager to work with the government of Ontario to see stability restored to the visual arts sector in the province.

With that, I welcome your questions.

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The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll move to our next presenter, Cameron Miranda-Radbord. If you could please state your name for the record, and you can get right into your presentation.

Mr. Cameron Miranda-Radbord: Hi. My name is Cameron Miranda-Radbord. Thank you very much.

The process for creating a classical music concert or a musical theatre production begins not with rehearsals but in school auditoriums, studios and music rooms across the province. Almost every performer you see playing professionally has something in common: All of them started in high school or earlier. Young people passionate about cellos or clarinets grew into university students putting in long hours studying their craft, and then into the distinguished professionals we know today. We owe our symphonies to cacophonous band rehearsals and crowded gymnasiums, and our breathtaking solo performances to squeaky recitals on a borrowed half-sized violin. Those of you who have kids starting instruments, I'm sure, know this especially well.

When I was six years old, I went on a school trip to a TSO concert for young audiences. I remember the oak smell of Roy Thomson Hall, and sounding out the names of musicians in the program I was given. Up until the lights began to fade, it was just a regular field trip. But then, as the room dimmed, the babble of my classmates subsided and a pianist began to play a piece I can no longer remember, something changed. I went home and asked my parents for piano lessons, and the rest was history. I spent 10 years working on my ARCT, honing my skills at well over 50 music festivals and through likely thousands of lessons.

Today, I am the artistic director of the Music Scarborough Festival, which has provided performance opportunities to thousands of young musicians over its 40-year existence. I'm here speaking as an individual, because our organization isn't allowed to participate formally in any political activity.

I'm here talking to you because we are on the verge of losing a generation of classical musicians and, with them, hundreds of thousands of dollars of lost economic growth. The COVID-19 pandemic has imperilled the future of the art that I love. We face three main threats: first, the loss of in-school music education; second, the increasing

inaccessibility of private music lessons; and third, the cancellation of performance opportunities like music festivals.

For decades, school musical ensembles have been the beginning of remarkable musical careers. However, their future is deeply uncertain. Based on recommendations by the Centers for Disease Control in the United States and studies by scholars at the University of Iowa, instruments can no longer be safely shared, meaning that as few as 20% of students who borrowed school instruments this year will be able to again next year. This will harm lower-income students in particular, who can't afford to rent or buy instruments on their own.

Further, chamber music rehearsals will become near-impossible if the necessary measures of reduced class sizes and hybrid learning are introduced. With fewer students having the opportunity to play instruments at school, fewer people will pursue music as a career in Ontario. We will see worsened mental health, fewer applicants to music programs at universities and, 10 or 20 years down the line, ensembles struggling to find quality members. Our economy will suffer, and jobs will be lost.

Dr. Nancy Dawe, who teaches high school music classes, told me that all of this is compounded by the fact that in-school music programs have faced cuts for the past two years. In my home city of Toronto, \$100,000 was cut from the budget of each of our specialized arts schools.

For burgeoning young musicians, though, lessons at school just aren't enough. Those who seek classical music as a profession rely on private lessons multiple times a week. Even when they do begin performance careers, many artists also teach lessons to ensure financial stability. Since the COVID-19 pandemic, Dr. Michael Berkovsky, a professor at the Glenn Gould School and a private teacher, tells me that some teachers have lost as many as 50% of their students. They've been forced to raise the cost of their lessons in order to support themselves, making it even harder for families struggling to make ends meet to afford to support their children's passion. The financial impact of this on both teachers and students is severe. Without private lessons, we'd lose hundreds of thousands of young musicians who decide to seek other careers.

Finally, the loss of paid performance opportunities is a devastating blow to our community. Being unable to hold in-person recitals and festivals has put some organizations, like mine, in dire straits. Even with socially distanced performance spaces, we simply won't be able to sell enough tickets to book venues. Students need the opportunity to show their learning, the incentive to practise and, at higher levels, the exposure that music festivals provide, and professionals need the jobs they create across Ontario. Music festivals are not eligible for Toronto Arts Council, Ontario Arts Council or federal heritage grants, and our employees do not qualify to receive CERB.

Pam Allen is the director of the Ontario Music Festivals Association. She says that there is a light at the end of the tunnel: 10 of 20 festivals that have had to cancel their events, including mine, have found ways of generating similar profits and creating jobs online.

In order to ensure that every student has the opportunity to pursue music, this government needs to radically change course. COVID-19 means more, not less, instrument care will be needed. Funding must be restored to arts schools for investment in new instruments. New staff members, private teachers in need of extra income, should be hired by schools to provide more personal lessons. Then, instrument rentals and private lessons should be subsidized in order to ensure a new generation of classical musicians. WiFi strong enough for video lessons and online festivals must be made available.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Cameron Miranda-Radbord: A province is nothing without its culture. Although the work that musicians do is incomparable to what essential workers like doctors and nurses face, music is essential to Ontario. During the often gruelling isolation of quarantine, playing and listening to music has been a lifeline for so many of my peers and for adults.

There is no feeling for kids like finally hitting that high note they practised so hard to reach. There is nothing for parents like a date night or enjoying a dinner at a small local business, and then holding hands while taking in a concert in the dim hall. And the economic gap that would be created by classical music losing a generation of artists to the decline of school music programs and others cannot be filled.

As I said earlier, a world in which we get this wrong is one where university music departments are shuttered; community music groups, particularly in rural areas, close their doors; and an industry once filled with passion and opportunity is devastated. Now, as you can probably tell from my age and my background, I don't have the financial expertise like a lot of the people you've been hearing from. But I am an Ontarian, and a concerned one—

The Chair (Mr. Amarjot Sandhu): Thank you so much. Your time has come up.

Now we'll start the questions, and we'll go to the government side this time. MPP Barrett?

Mr. Toby Barrett: Thank you to the people at the witness table. I certainly pick up on the message from Cameron on the importance of bringing on young people and, by extension, start-ups and smaller entities.

I'd like to ask two questions. The first one is to Bruce from the Ottawa Film Office. My concern is, are we doing enough? This is a finance committee; we talk about tax breaks and things like that. To bring along some of the smaller film operations, video operations, smaller industrial television—I'm working with a couple of very small film and video producers in my area, and the issues are around the federal and provincial tax credits. I don't know whether you have much information on this for our committee.

Of course, there's the Ontario Creates Ontario Film and Television Tax Credit. I know there's a case in my area where one of our video production houses is dealing with a broadcaster, and this broadcaster has to be CRTC-licensed to be eligible for the tax credit, so there are some

questions around that. Apparently the federal tax credit maybe doesn't have this kind of requirement—is that called CAVCO? I'm not sure that Ontario has this requirement. Is there anything you can enlighten us with on this, or just give us a rundown on whether these government tax credits are working for your industry, especially maybe some of the smaller players, where it's a pretty important part of their business?

1420

Mr. Bruce Harvey: Well, first I'd say that it's not just an issue for the smaller players. It's an issue that some of the bigger players—Ottawa, as you may or may not know, is the birthplace of animation in Canada and one of the very first worldwide. For our animation companies, their product is highly in demand right now, as you can imagine, because of the ability to be producing animation throughout the COVID period. It has been a great time for them as far as demand.

But under the programs that we have, you're right that within the Ontario tax credit system, there's a requirement to have a distributor or a broadcaster involved in the product. You can't go directly to a streamer or to one of the moderating services, even though I'm sure if we polled everyone on this call, we've all used those services on a fairly regular basis.

I know that the industry is lobbying very hard for the type of production and the quality of production, not necessarily how it's distributed to the public, to be the criteria for determining whether or not you get tax credits. I know that the federal government has made a change under CAVCO for the federal tax system. It would be good if Ontario did the same thing and moved away from requiring that there be a broadcaster or a distributor for film.

Mr. Toby Barrett: Okay. Thank you, Bruce.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Toby Barrett: Another quick question to the Ontario Association of Art Galleries: You mention that one in 10 museums, I think, across North America may be closing, and many are associated with art galleries. Some of this was a problem before the crisis. Many of our art galleries and museums are under municipal jurisdiction.

Maybe I'll continue—this is finance committee—on the tax side of things. How successful is your association, if you are lobbying on behalf of your members, as far as municipal property tax breaks? Secondly, many of our municipalities—certainly one municipality in my riding, even before COVID, was talking about closing the art gallery and closing a couple of the museums. I just wonder if you could comment on the municipal side of things and the property tax side of things.

Mr. York Lethbridge: Sure. I think our executive director, Zainub Verjee, would perhaps be best to answer your question.

Mr. Toby Barrett: Yes. And I wondered, with your membership of art galleries and some of their issues—threatened with closure, financial problems—who do they turn to? If they're perhaps not successful with the municipality, do they go to the province of Ontario? Do they go to your association and then you have contacts—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Toby Barrett: —and you work through the ministry? I just wonder about the mechanism or the process to try and deal with some of these problems.

Ms. Zainub Verjee: Thank you for your question. I think we need to understand the complex structure that's in place. However, I think one of the issues that has occurred is that we have to understand that it's a heterogeneous sector. There are municipal galleries, there are university galleries, there are independent galleries etc. However, I think that the municipalities have made shifts within their own budgets for several reasons. For example, the Norfolk Arts Centre was recently closed down. When we engaged with the municipal government and were in dialogue with them and with our membership, they were covering their cost—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll come back to that in the second round.

Now I'll go to the opposition. I'll start with MPP Harden.

Mr. Joel Harden: Thank you to all the deputants for your presentations this afternoon. Bruce, it's particularly good to see you. It's always nice to see Ottawa voices in this process as we try to figure out a way out of this. I wanted to give you a little bit more time because I know you didn't get to finish your thoughts. Perhaps if you could give us a sense—this is a very Toronto-centric world sometimes, Ontario politics, and you were very diplomatic in not throwing your Toronto colleagues under the proverbial bus. I was wondering if you could just help us a little bit more to understand what Ottawa's film scene really adds to the province and some of the success stories you shared with me.

Mr. Bruce Harvey: Well, certainly the big things that are happening here—as I mentioned earlier—animation. It's a greater sector, the animation sector. It seems every month I open up our newsletter that goes out from the Ottawa Film Office and see another international award has been won by one of the local animation companies. Whether it's Mercury, Jam Filled, Atomic or Big Jump, they're all doing phenomenal work. It's all international calibre that's being streamed around the world on every major streaming service.

I always like to point out that Mickey Mouse is an Ottawa native because all the Mickey Mouse shorts that are done for Disney now are all done here in Ottawa. He's the most famous person working in Ottawa's film and television sector, I would say.

The sector is growing. It's about \$120 million, which is not huge on the provincial scale of \$2 billion, but, as I said before, there are some inherent reasons why that's the case, and I think there are some benefits we could do. There are some specific Ottawa ones that don't apply to the whole province. I didn't mention them upfront, but one in particular is that we're a unique location in Ottawa. We're the only production centre in Canada that crosses a provincial border, and there's a difficulty with that. We understand as the film community that the provincial government cannot be subsidizing workers and equipment

and other services from a different province. Everyone accepts that; that's fine.

What we have difficulty understanding, though, is why there are so many restrictions against an Ottawa production company, with Ontario crew, Ontario cast, Ontario equipment, crossing the border and shooting in the National Capital Region within Gatineau Park just right across the river, or even being able to put a camera on the Quebec side and shoot back and look at the Parliament buildings and that beautiful view across the river. As soon as you do that on a service production, you lose your tax credit for that production time. So while we allow it for documentary filmmakers to go anywhere in the world and we still allow them to claim those expenses for the Ontario crew and the Ontario equipment and we allow for domestic production a small percentage of your shoot to be outside the province, on the service production side we allow zero.

It makes it very difficult when you bring foreign producers in, they come and land in Ottawa and they look across and they see a beach across on the Quebec side and say, "If we can shoot at that park, that would be great," and you say, "No, unfortunately, you can't. You would have to hire a different crew and set up everything. You can't use your Ontario crew if you're going to go across the river, which is like two minutes away, and shoot."

That's one thing we've been pushing for. We're not asking you to give us a subsidy for anyone from Quebec or equipment or anything, we're just saying allow Ontario producers to cross the border and shoot on the Quebec side and still be able to maintain the assistance for their crew, cast and equipment.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Bruce Harvey: That's the only question there.

One other thing I wanted to point out—and I'm glad you gave me the opportunity of talking again—is there is a really good report that came out yesterday from Olsberg SPI, which is the pre-eminent research company worldwide in the film and TV sector. They're UK-based, I believe, and they've put out a report about what's happening in the post-COVID world and how the film and television industry is one of the key players that could help drive economic recovery because of how many dollars they spend, how quickly they spend it and how it can drive things forward.

There was one chart in there that I wanted to bring to your attention. It was talking about for every domestic dollar that's contributed to film production, how much of that stays within the domestic environment and how much foreign money comes in. It was a really interesting stat. All of the major production centres around the world were surveyed, and at the bottom end is the United States. In the United States, for every \$1 of domestic money that goes into film and television, only 62 cents stays in the country. They're the only region that is in the negative area.

The highest area, the one that has the best foreign direct investment number, is Canada. In Canada, for every \$1 of domestic money that we put into the industry, \$10.21 is spent in our communities. We're talking a huge number. That's \$9.21 of foreign money coming in here. The next

closest to us are the UK and Australia, where they get a third of that number.

The impact of foreign direct investment in our communities is immeasurable. When we talk about balancing and trying to be cost-neutral, I would argue that any encouraged production, even if we give a 5% incentive for foreign productions to shoot in the regions, is still going to return—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Bruce Harvey: —a factor much greater than that to the provincial economy and much greater than that directly in taxation to the government. I can leave it at that.
1430

The report that was done by the ministers' committee: All of the recommendations in there, we support. There's nothing in there that, as a region, we would say is not a positive thing. But I would say that there are some regional things that were not reflected in that that are specific to the regions, and that's not just Ottawa; that's all the regions within Ontario.

Mr. Joel Harden: Chair, how much time is left?

The Chair (Mr. Amarjot Sandhu): Thirty seconds.

Mr. Joel Harden: Oh, my goodness. Well, I'll just say to my colleague MPP Andrew that it's your round next round, please.

Thank you to our other deputations. I'm sure there will be an opportunity for you to be on the record again. And thank you, Bruce, for being here and standing up for film creators in our city. It's really nice to see you here.

The Chair (Mr. Amarjot Sandhu): Now we'll move to the independent members. MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three of the groups that have come and shared your important views. I'm going to direct my first question to you, Bruce. Thank you. You've probably been the best educator taking us through the arcane world of tax credits for the film industry. It has been a hot topic today from various presenters, but I think you've actually done the best job of explaining it—at least to me, anyway.

One of the things that has come up with previous presentations is that we could potentially be looking at restarting the sector faster if we could get out of studios and shoot on location, where it's easier to do physical distancing and abide by public health measures. But if my notes are correct from your presentation, the way the tax credits are structured, there are actually financial disincentives to that approach versus a studio approach. Did I hear you correctly with that?

Mr. Bruce Harvey: Yes, the incentives are really geared towards studio production. You know, it doesn't have to be a big number to make a big difference. When I first went to Los Angeles, when I first got the job as the film commissioner, I met with all the studio heads in LA and they were talking about, "Is there a regional bonus for shooting in Ontario for service production?" I said no, and they said, "Well, you know, it's only a couple of percentage points that make a big difference," and it's true. A few percentage points are what the difference is around.

When you look at the incentives being applicable to studio days and giving you whatever costs you spend on a

studio, in today's numbers, the amount of money you're spending on a studio production in Toronto is substantially more now than what it is for a location shoot somewhere else. So the government is subsidizing something at a higher rate and not providing assistance on those productions that are using locations.

I would think that it's not any location outdoors that's going to be good. I think if you're going to shoot in the middle of the downtown core, right in the middle of the busiest tourist attraction, there are going to be a lot of people there, and that's not that good. You want to be able to encourage people to be able to get outside. Using backlots is a really positive thing. Trying to encourage the development of backlots in Ontario, where we don't have any right now, is a really positive thing, because a backlot is an area where you can build a set that looks like a downtown core, but it's actually sitting on the backlot of a studio. Anyone who has been to the sets in LA can see what those look like.

The other thing I want to mention to you is that we have the technological advantage within Ontario of a really great high-tech sector, whether you're talking about the Waterloo sector, or what's happening in the National Capital Region, which I'm biased to, or Toronto. All across the province, we have a lot of engineers in the electronics world who are working in software. We're developing gaming engines. We're doing all kinds of great things, and the film and TV industry, post-COVID, is going to work towards virtual sets; anybody who watched the behind-the-scenes for *The Mandalorian* on Disney+ will see what that looks like. It's amazing what you're able to create in those environments, and so—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Bruce Harvey: —I would encourage the province to stay on top of that, to keep encouraging investment in that area and let Ontario be the leader going forward internationally on that development of technology.

You know, the IMAX system was developed in Canada. Helmut Kungl, who's a resident of Kanata, was one of the pioneers in creating the motion capture technology that's used in so many films. If you ever go to look at XYZ RGB, his company's website, you'll see the list of international films, and you'd be amazed of what was done by a small Ottawa company. It's great. So that technology—we need to stay on top of it and stay leaders in the industry.

Mr. Mike Schreiner: Great. Thanks for that, Bruce.

Cameron, I'm just going to direct a question to you; my Spidey-sense tells me we're getting a little tight on time. I wanted to say my daughter is celebrating her 15th birthday today, and I have struggled to get her to go online with her saxophone lessons. You talked about what a struggle it has been for a lot of musicians in terms of their lessons and attracting students to go online. Do you have any sense of how successful online lessons are going and what kind of option that is for musicians?

Mr. Cameron Miranda-Radbord: Yes, online lessons are really tough for a lot of people, partially because for kids who really aren't that committed to

playing their instruments, it's not really worth the effort for them. But it's also hard because for lower instruments, like trombones and double basses, regular computer microphones can't actually pick up that sound. So not only are people not really wanting to take the lessons, but they also need additional technology to be able to do it really well. But the teachers who I have talked to who are doing online lessons say that once that technology is there and—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Cameron Miranda-Radbord: —once kids are interested in participating, that they're just as effective, if not more effective, than in-person lessons are.

Mr. Mike Schreiner: The technology to make them effective: What kind of expense is that for musicians or for music instructors?

Mr. Cameron Miranda-Radbord: It's pretty huge. Especially if you're playing at a really high level, for professional-level equipment, it costs sometimes in the hundreds of dollars. Now, not only are people struggling to afford that, but they're also struggling to actually access them, because once the pandemic started, there weren't enough microphones to buy. There are pretty considerable wait times to getting those pieces of equipment. Once you order them, it's a three- or four-week wait. If you have to wait three weeks—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll go to the opposition members now. MPP Andrew?

Ms. Jill Andrew: Good afternoon, Zainub and York and Cameron and Bruce. It was an honour to hear from you all. My first question, or my first comment/question, will go to the Ontario Association of Art Galleries. First off, I just wanted to say thank you as an arts institution for speaking up against anti-Black racism and anti-Indigenous racism in not only your work, not only your hiring practices, but overall in general. I really appreciate our arts institutions that I believe are leaders and fundamental to moving conversations on social justice forward, so I just wanted to say that.

I know that you all had recently developed a reopening guide for galleries, and I just wanted to get a sense of what galleries are telling you in terms of their challenges with reopening and, if you had a magic wand, what the government can do to support the reopening. I'm hearing a lot about section 21 guidelines for film and I'm hearing a lot about the need for tax credit supports to engage in reopening, to engage in budgets for human resources, to support reopening plans. So I'd like to hear your thoughts, Zainub, or your colleague's.

Ms. Zainub Verjee: Thank you. We had a very good engagement with our members exactly on the reopening. We produced those resources as quickly as we could. I think that what is really facing the galleries is that if we want people to come back, feel safe and have the experiences that they should be having in a physical environment, there will be additional costs for this. This includes things like adequate supplies, more labour, expertise—I think somebody said, "Do we need doctors on site?" We

need the infrastructure to respond to the current public health protocols, but we need things like masks, revolving doors, motion sensor faucets. We need contactless infrastructure put into place, and the management of physical distancing and wayfinding throughout the spaces to maintain the visitors—and the workers, because a lot of the gallery workers will be at the front line—and let them be safe, to get people to go back. Part of our recommendation today, under a stabilization fund—the subsidy for reopening galleries safely and quickly is a recommendation which we will also submit in writing to the standing committee.

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Ms. Jill Andrew: Perfect. Thank you very, very much. Let's see here. I also had another one, but I know time is ticking. In terms of your staffing in galleries, we've heard a lot of conversation around online—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Jill Andrew: —models, and we've heard very pointedly that this is not a business model that's necessarily sustainable for most of those in our culture sector. I'm wondering, what have been some of your challenges in terms of layoffs, in terms of having to cut the fat off? Where are you seeing yourselves having to go in terms of staff and programming, in terms of job layoffs? I'm very concerned that after COVID-19—well, during COVID-19, we're seeing huge job losses, which are also going to impact people's ability to come to our galleries, as well. Do you have any insight into that, or any asks?

Mr. York Lethbridge: I can respond to that first. There are a number of activities that occur in galleries like school programming and extended educational programming, and those things just can't happen in the current marketplace under social distancing measures. It's so cost-prohibitive, especially in galleries that are already working on such thin margins, that we're going to see a lot of those really critical services disappear from our gallery spaces. Galleries aren't really just about having an experience with objects in a room; there's also these other social elements to the types of programming that people experience in those types of spaces.

Zainub, I'll give it over to you.

Ms. Zainub Verjee: Yes, thank you for that question. I think that's a huge piece, just what York has said, and I think that we're going to see a big shift occurring in the labour market around gallery workers, because we have to rethink what the future of work is post-COVID, basically. I think that we are going to be hosting a few sessions on that to really understand—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Zainub Verjee: —more closely what is the effect on the labour market, and hence the economy and people's ability to participate.

I think that it's also—we're talking from the digital perspective—that we need to create this digital asset, which requires new kinds of expertise, because at the end of the day we're going to have to learn how to provide digital service delivery, basically.

Ms. Jill Andrew: Thank you so much, Zainub. I must say that my Internet is cutting in and out and I heard bits and pieces from you. But I will follow up, as we have been in touch previously.

Ms. Zainub Verjee: Yes.

Ms. Jill Andrew: Cameron Miranda-Radbord, I wanted to say thank you very much for your contributions. I myself dabbled in piano for nine years with the Royal Conservatory of Music, and I know how important music education is to science, to technology, to engineering, to math. We often like to say STEAM as opposed to STEM—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll move to the independent members now for their time of questioning, second round. MPP Schreiner.

Mr. Mike Schreiner: I'm going to direct my first question in this round to the Ontario Association of Art Galleries. You had talked about having a stabilization fund to help art galleries get through the pandemic and recover, and having it administered through the Ontario Arts Council. I was curious: How essential is Ontario Arts Council funding right now for art galleries? I don't know if York or Zainub—either one?

Mr. York Lethbridge: Well, for example, the Art Gallery of Guelph, which I believe is in—

Mr. Mike Schreiner: My riding?

Mr. York Lethbridge: Yes. They rely on 68% sponsorship and 15% fundraising in their overall global budget. Only 8% of their budget is from provincial grant sources. With sponsorship and fundraising being largely affected under the current social distancing measures and the complete shutdown of the gallery system, that can have a devastating effect, so the idea of having grants to help support galleries in their reopening efforts, to at least replace the lost revenue streams from largely private sources, is a core component of our recommendations.

Interruption.

The Chair (Mr. Amarjot Sandhu): Further questions?

Mr. Mike Schreiner: Yes, sorry. It was not unmuting me. I had to mute for a second there because my dog is barking—one of the challenges of the way we're doing things right now. I apologize if you hear some background noise there.

The ask that you put forward for the stabilization fund to be administered through the Ontario Arts Council: That would be sufficient, you feel, to cover the lost revenue from fundraising, given the disruption to fundraising, but also the lost revenue from tickets sales for admission? I know the Art Gallery of Guelph and many others also host a number of events that are revenue generators, as well, which are impossible right now.

Mr. York Lethbridge: As Zainub quite rightly pointed out, we're operating in a very non-homogeneous sector, so how this current crisis has affected galleries is going to be very different. But overall, we're talking about funding per organization based on demonstrable need, with a set maximum of 50% of 2019 earned revenues. However, the

goal of the grant program is to ensure the continuance of like organizations and their core services.

Mr. Mike Schreiner: And without that type of financial support, is there a risk to the proper curating of the collections that exist? Are those collections at risk if funding sources are not available?

Mr. York Lethbridge: Zainub?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Zainub Verjee: Yes, absolutely, there's a huge risk, particularly in the regional and rural areas. If that funding is not available, we can basically see that the majority of these places will close down. The recommendation that we make for the Ontario Arts Council is that we're saying that we need a stabilization fund with three elements in it. On top of that, if we don't want to return to the pre-COVID crisis and precarity that we already were in, then another injection of money would also have to be given to the Ontario Arts Council, which is the primary provincial funder for art galleries and our membership.

Mr. Mike Schreiner: When you say that particularly smaller community rural galleries' collections, you would think, are the most at risk, is that because the funding is the most precarious for galleries and art organizations in smaller communities?

Ms. Zainub Verjee: I think that the arts councils provide some form of stability in an already very complex structure, which I spoke to Mr. Barrett about, for example because the ability for galleries to raise other kinds of money is very difficult. That's why the stable funding from arts councils is essential for their survival. Not all of them have big collections—some have smaller collections; some have mid-sized collections—but to take care of those collections and to continue operating, exhibiting and showing other types of work with all the public programming and educational programming would require that kind of stable funding that would come from, for example, an arts council.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Mike Schreiner: Great; thank you for that. I have no further questions, other than just to say thank you to all three groups for coming in today—very, very productive and informative presentations.

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The Chair (Mr. Amarjot Sandhu): We'll go to the government side now. MPP Smith?

Mr. Dave Smith: I'm actually going to pick up on a little bit what MPP Schreiner touched on with Zainub and York. We've had Ontario galleries come in, we've had theatres come in, we've had museums come in, and they've all basically said the same thing: They're in precarious positions. I would imagine that your industry is very similar to it—you haven't had revenue because people can't come in. There is a likelihood that some of the galleries would end up closing, as you have said. My question, very simply, is what happens to those collections then? Where do they go?

Ms. Zainub Verjee: That's such a great question. Thank you for posing that. The proper disposal of collections is a very complex process, and it's embedded in

understanding what cultural property is. This is something that includes, I think, regulatory and other kinds of frameworks in the proper disposal of that work.

I think that the care of those collections is a much more complex thing than being put in storage somewhere. I think this whole idea of deaccessioning a collection is actually a costly and complex process requiring expertise. If these places close, that is a whole other piece of work that would emerge for these galleries for the safe disposal of Canada's and Ontario's heritage and its objects and cultural property. I think this came up in Norfolk, for example, and what happened to the collection of works that existed there, so these are questions that need a lot of attention, actually. Thank you for asking it.

Mr. Dave Smith: So there's an opportunity that other galleries would be able to pick them up and possibly store them? We're not talking about—pardon the analogy, but they're not going to show up at Value Village and people will be buying them for \$1.50.

Ms. Zainub Verjee: I certainly hope they won't be showing up at Value Village, but it would be very difficult for other galleries to buy them because there's no funding for them to access or purchase new works. Because there is no capacity and they wouldn't be able to do it, there's no such funding available for galleries to purchase new works.

Mr. Dave Smith: Okay.

Ms. Zainub Verjee: The best is that private collectors would buy them, but that in itself has whole other added problems with it.

Mr. Dave Smith: Basically though, where I'm trying to go with it is if other galleries are not able to absorb them, then in all likelihood they would go up to market some place. Private investors would pick them up and then they are gone from the public view, potentially forever. It's a cultural loss for the entire community. It might be a win for an individual who is a collector, who is looking for something. Perhaps they're able to get a Tom Thomson that they wouldn't have otherwise. However, it's a loss for the community if that happens.

Ms. Zainub Verjee: You've captured it perfectly, I think, in that statement. Thank you.

Mr. Dave Smith: Mr. Chair, how much time is left?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Dave Smith: I'm going to turn it over to one of my other colleagues, then.

The Chair (Mr. Amarjot Sandhu): MPP Piccini? MPP Piccini?

Mr. Dave Smith: You still have my mike unmuted. You may not have unmuted his.

The Chair (Mr. Amarjot Sandhu): MPP Skelly? Further questions from the government?

Mr. Dave Smith: If that's the case, then I will jump on with another question. This one is for Cameron.

The Chair (Mr. Amarjot Sandhu): Sure.

Mr. Dave Smith: Cameron, I took some notes on some of the things that you said. I can summarize a couple of things: loss of in-school instruction; loss of private lessons; loss of performances; students need to showcase

their talents in order for them to grow, and your showcases and events have basically been cancelled.

I understand a lot of the challenges that you're facing. What I'm looking for from you, though, are some solutions. We could give you a pile of money, but a pile of money is not going to allow you to have a presentation or a show or showcase any of these talents in order for them to grow. Do you have any suggestions for us on how we could safely allow for some kind of a presentation, recognizing that doing it digitally isn't the same experience as being in the venue with someone?

Mr. Cameron Miranda-Radbord: The focus that we're going for is to keep as many people doing music as possible, to keep people who are interested in music participating, playing for people, taking lessons.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Cameron Miranda-Radbord: There aren't a lot of solutions to being able to perform in front of people, but there are solutions to being able to take lessons and to perform for close family and friends, and to continue to engage people.

Providing more funding to arts schools so that they can take on private tutors who can do one-on-one lessons in a socially distanced way is something that a lot of teachers I've talked to are asking for. Providing funding for more instruments so that students can play and have those instruments and not have to rent or buy them—

Mr. Dave Smith: Yes, but I'm looking specifically for some solutions on how they can do a presentation of some kind, how they could showcase their talents for others.

Mr. Cameron Miranda-Radbord: The way that on-line festivals have been doing it is through submitting recordings. Folks have recorded themselves playing and then those recordings are put up online on social media, on Facebook and YouTube and Instagram. That's one way that a lot of people are doing it. It's really tough to do high-quality—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you to all three presenters for your presentations.

BT/A ADVERTISING AND MELBAR
ENTERTAINMENT GROUP
ATTRACTIONS ONTARIO
TORONTO INTERNATIONAL
FILM FESTIVAL INC.

The Chair (Mr. Amarjot Sandhu): We'll move along to our next presenters. First I will start with BT/A Advertising and Melbar Entertainment. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Barry Avrich: Thank you very much. My name is Barry Avrich, head of BT/A Advertising and Melbar Entertainment Group. I apologize to the committee for wearing a baseball hat today, but again, I appreciate the opportunity.

Just a little bit of background on myself: I have spent 30 years living in Ontario, marketing culture and entertainment in this province, from the AGO to the ROM and from the Science Centre to the Stratford Festival and on and on. I've seen the good times and the bad times, and I have also seen, through this very precarious situation, the fact that Ontario does not isolate their imagination when it comes to entertainment and to culture, and that has been a good thing. We've gravitated to find new ways to consume it.

We've seen through the greatest recessions, from the crash in 1929 to today, that everyone seems to gravitate toward culture and entertainment as a way to escape and certainly as a way to work their way through their issues. I think we have a massive opportunity here to continue that.

We've trained Ontario in the last four months to find new culture online, whether it's been the Hot Docs Film Festival or museums and music—the Canadian Opera Company—and on and on. But this time it's completely different because the entire sector has had to pivot to digital content, if not shut down completely.

There's no question that this virus will leave scar tissue on everyone, including everybody in the live entertainment and cultural organizations and entities right through. But the key thing in restarting the economy, to make reference to somebody who was speaking earlier in terms of solutions, is that, in my opinion we're going to need the following, and that transparency is going to need to be the new normal. I think the Ontario government has been very great, specifically through the Premier and other ministers, in constantly telling us what's going on. It's going to have to be the same thing in culture and entertainment because it's such a massive industry, and we're so hungry and thirsty for entertainment. The libraries of content are wearing out quickly, so we're going to need to figure out how to reboot and restart to make that available.

I think that the economic policies and funds that relate to consumers buying and consuming entertainment are going to have to be set up and really marketed in a way that stimulates the production of new content. I'll come back to that in a minute.

I think we're going to need to increase incentives in terms of the tax rebates that focus on Ontario-made entertainment in terms of content and service, specifically looking at those increased incentives that we have. The federal government has been doing a good job in creating funds that are necessary. The Ontario government will have to do the same to stimulate that kind of push in terms of creating content in the province.

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It's not simply about big bailouts. Somebody said earlier, "Yes, you can give us giant piles of money," but that's a band-aid. It's about getting people back to work safely and it's about increasing the output of entertainment. How do we create content from the spaces, whether they be museums, whether they be galleries, whether they be broadcasters? How do we incent these people to create content from their own spaces, not just to create the library of content that they have again, which is wearing out?

We're going to need to increase the marketing of Ontario-made content.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Barry Avrich: There has been no better time than now to shop at home and find a way to buy entertainment that's produced in this country, whether it's books, music, film, television, art, whatever it is. But we've all seen the eight billion impressions of commercials telling us to wash our hands and stay socially distant, and that has been incredibly important. We're going to need to find the right marketing mix right now to market the incredible talent that we have in this province and the product that we have.

We're going to need to stimulate the incentives to create entities to start producing virtual content, not only through Zoom because that's starting to get very tough to do and getting tired, but again, as I said, people are getting back to work. You've published guidelines to produce content in this province. We now need to inform people on how best to do it and get people back to work, again, whether it's the stages of an opera company or a theatre like Stratford. But how can we incent them beyond large bailouts to create safe content—content that's produced safely from their own spaces that's new and fresh? We're going to need it.

Every time I bring this up to my clients—and I'm also a film producer—everybody panics about the issues with reference to union entities and space [*inaudible*] in the theatres and in the spaces to do it, but let's get back into those spaces again, air them out, open them up and produce that kind of content for them because, as I said, the libraries of content are wearing out.

I think that all the creators and commissioners need help. We have this fantastic entity in Ontario Creates, which has been phenomenal. They're, as you guys know, the portal to every form of entertainment and culture in this province.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Barry Avrich: I think at the end of the day a re-examination of how they're funded and programs and policies to incent creators to create content and give the public the confidence they can to start, again, consuming Ontario-made content because there's so much of it.

I'll just close by saying—I don't need the full seven minutes—I don't think there's a better time than right now to promote the talent that's in this province. There is so much of it, and we all need the help through very creative incentives and policies, and clever and creative marketing to take the talent that's in this province—from Margaret Atwood to Colm Feore or whomever it is—to create opportunities for the consumers to interact with them and monetize it and shop Ontario.

I think there is a way through it. I think the good news is, again, nobody looks at entertainment in a disparaging way. They understand that's what makes us feel good, and that has been our escape in the last four months.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes your time.

We'll now move to our next presenter, Attractions Ontario. If you could please state your name for the record, and you can get right into your presentation.

Mr. Troy Young: Hi. My name is Troy Young. I am the CEO of Attractions Ontario. I spoke to this committee earlier regarding tourism. Today, I'm here to speak about arts and culture attractions.

Since I last spoke to this committee, I'm happy to say some of our concerns have been addressed. The Premier moved to end commercial evictions, which greatly assists many of our members. Having the added threat of losing your location on top of all the stresses brought on by COVID-19 is too much to bear. This now allows our members to focus on their reopening. The federal government, too, was moving towards amendments to make the Canada Emergency Wage Subsidy workable for seasonal businesses. These are two of our main issues that I raised last time I spoke to this committee. As many of my members are now reopening, it is very appreciated. They needed to be able to reopen to recover some of their funds.

The government did not abandon, however, its phased-opening approach, which means attractions like Canada's Wonderland or Calypso Waterpark remain closed. We would contend that either of them are more capable of maintaining social distancing and keeping touchpoints virus-free than a shopping mall and would like to see them open, but that's not my main request today.

I would be remiss to not commend Minister Lisa MacLeod for her tireless efforts representing our industry. I was lucky enough to join her this morning for an announcement at the Royal Ontario Museum for a \$4-million investment into Toronto's tourism market. In the 16 years I've been the CEO of Attractions Ontario, I have not worked with a minister who has poured their passion and energy into aiding our sector like Minister MacLeod has, and we are lucky to have her at this time.

But I really want to speak today about the arts and culture attractions of this province, those bricks-and-mortar locations like museums, art galleries and performing arts venues. Arts and culture contribute to the vibrancy and social cohesion of our communities. They encourage togetherness and social tolerance, and add to the quality of our lives. Studies show that cultural activities help enhance physical and mental health. As our province reopens, these shared experiences, when done in a safe way, will be beneficial to many who have suffered social isolation during this pandemic.

They are also significant economic contributors to our society. A cultural attraction like the Stratford Festival generates \$135 million in local economic activity and directly or indirectly employs 3,000 people. While not every attraction contributes economically to the level of the Stratford Festival, they are significant draws in each of their communities.

We see travel intentions showing the hesitation of Ontarians to travel or visit an attraction: 43% of Ontarians surveyed are uncomfortable attending an art gallery or a museum for at least the next six months; 60% are uncomfortable attending an outdoor entertainment facility; 75% are uncomfortable going to a large concert venue for live entertainment; and 55% said they would not be comfortable allowing their child to attend theatre, dance or

music lessons. Many communities are uncomfortable welcoming people to them, as well.

Our venues, even if open, will no doubt struggle to meet their operating costs. A place like the Canadian Warplane Heritage Museum in Hamilton may have benefited from federal aid programs, but has not seen much in terms of financial support from the province. Glen Shackleton of Haunted Walks said today that zero dollars have flowed to actual tourism businesses outside of the regular programs available to all business. This will need to change if places like it and other attractions are to survive this summer.

What will Ontario look like if these businesses are not there? What will happen to not only the tax base of this province, the provincial deficits and the threatening recession, but to the bedrock of what makes Ontario the awesome place to live that it is? This pandemic is nowhere near to being over.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Troy Young: As of today, 101 days have passed since the Premier declared a state of emergency due to the COVID virus. That is just over three months, and look at the devastation we have seen wrought on our businesses and communities. We might see this crisis stretch out for another year before we can begin to return to a sense of normalcy. How can we expect these businesses to survive that long with reduced numbers of people visiting them?

As elected representatives, you have a chance to help determine what Ontario will look like in 18 months' time. Is it still the vibrant place we love, or is it no longer recognizable? With financial aid, will there be budgetary pressures? Yes, there will be. Choosing not to act to save these businesses and communities may lessen the deficits that are going to be our reality, but it will no doubt contribute to spreading the economic uncertainty over longer periods of time.

When Ontario's economic recovery begins, you will need these culture and tourism businesses to spur it. Without them, you are foregoing the tax dollars that they will provide in the future. Any financial assistance provided today is an investment in ensuring that those tax dollars are there to help bring budgets under control in the future. Better to take the big hit today than prolong the economic devastation over the next decade or more.

The provincial government has stepped forward to help financially. My organization is to receive \$100,000 to help us through this crisis. I do not want to seem ungrateful for monies that have flowed, but they will not be enough to aid our businesses through this unprecedented challenge. More direct financial assistance to tourism businesses is required.

The province of Quebec recently announced a \$750-million program to aid tourism businesses. The largest portion of this was to create a loan program, of which 25%, to a maximum of \$100,000, was forgivable. I'm not advocating this model specifically—I think businesses may balk at taking on more debt in an uncertain time—but clearly the province of Ontario needs to step up with greater financial aid to tourism businesses.

1510

I thank you for allowing me the time to speak today, and I look forward to any questions you may have.

The Chair (Mr. Amarjot Sandhu): Thank you so much.

Our next presenter is Toronto International Film Festival Inc. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Cameron Bailey: Thank you. Hi, my name is Cameron Bailey. I'm the artistic director and co-head of TIFF, the Toronto International Film Festival. I want to thank you for allowing us the time to speak to the committee and thank the Ministry of Heritage, Sport, Tourism and Culture Industries and Minister Lisa MacLeod for their tireless work in helping this sector respond to the pandemic.

This has been a tough week for TIFF. On Tuesday we had to say goodbye to 31 full-time employees who had been a part of the organization and all of our work. That's a result of the pandemic and how it has hit our organization. We also had to turn around the very next day and begin to let the world and the film industry know what the festival would look like, because there has been a lot of uncertainty and we are seen most years as a beacon for the film industry in terms of presenting new films, offering a platform for sales of films, and promoting Canadian cinema and Canadian creators. I think people are looking to us to continue doing that even under very tough circumstances.

We want to be that beacon to the best of our ability this year. We certainly want to be here next year and years afterwards to continue offering that to the film world, the culture industries of Ontario and to the world as well. But we will need the province's help.

Some information for everyone: Our 11-day festival generates more than \$200 million in annual economic activity for the province and the city of Toronto. We drive over \$36 million in taxes to the three levels of government annually through our festival and the year-round TIFF Bell Lightbox cinemas. TIFF employs 309 people year-round, and we typically expand to create an additional 700 jobs in preparation for the festival every year.

TIFF is the largest media and tourism voice for Canada to the world, reaching 851.7 million people globally over the 11 days of last year's festival. TIFF has attracted tens of millions of visitors to Toronto over the last 45 years, more than 1.2 million visitors in the last three years alone, and we welcome each year more than 5,400 film industry delegates and over 1,300 international media for the festival. And we engage close to 3,000 volunteers from our community who participate annually at our festival.

Our business is vital to Ontario's film and television industry. We represent the keystone of Ontario's \$2-billion—and growing—domestic and foreign investment in film and television. We represent the chief marketplace to launch Canadian film content into the global marketplace, as I mentioned, and we're critical in the development of the Canadian film sector internationally. I hope that we bring recognition to Toronto and Ontario as

a film production destination. As well, TIFF is the calling card to help attract US and international productions to the city. That's often what many people who are thinking of shooting here know about our city and about the province. We've been core for the branding of our region as a film technology hub, as well.

Now, we've never relied solely on government funding to succeed. Unlike the major festivals in Cannes, Berlin, Venice and elsewhere which are heavily government funded, we have relied on growing and sustaining our operations through corporate and industry sponsorship, through festival and year-round ticket sales, and through philanthropic donations to present the largest publicly attended film festival in the world.

In the time of COVID-19, our corporate sponsorships, our hospitality partners, our industry support and membership revenues have all been hit exceptionally hard—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Cameron Bailey:—both by the economic downturn and also the uncertainty around whether the festival can happen as a part of reopening the province.

So here's some of what we've done: We've reduced the programming scope and activities, both for the festival and as part of our year-round cinemas, because we know we have to operate on a more reduced scale this year. We've reduced other expenditures, as well. We've taken salary reductions at the senior level, our leadership team. This week, as I mentioned, we announced a reduction of our staff by 31 full-time staff positions, which does not include the hundreds of part-time employees who had already been placed on temporary layoff and seasonal staff that we are not able to bring on this year at all.

It has been a tough ride, as it has been, I know, for everyone in this sector and, really, for so many across the province. We're facing a COVID-19-induced revenue shortfall of \$25 million for this year alone, which represents about half of the revenue we would usually bring in. That's just not going to come in this year. The Canada Emergency Wage Subsidy, which covers a portion of our payroll, has been helpful, but it's not enough. Our future is at risk, with direct impacts to the regional tourism economy, the film industry and Canadian culture.

TIFF is part of what is called Toronto's big eight, the region's largest arts and cultural institutions. They include the ROM, the AGO, the Harbourfront Centre, the Toronto Symphony Orchestra etc. We've all been hit hard. With support to rebuild, we and the other members of the big eight hope to lead Ontario's economic recovery through bringing audiences in, both from within the province and beyond. We want to work with Premier Ford and the province to reopen the economy by introducing industry-leading health measures to our venues, making regulation more efficient, and encouraging audiences—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Cameron Bailey:—to return to the entertainment businesses—and the inspiration, as well, that we provide.

Our recommendations include:

—stable operating support for arts and culture institutions through the Ministry of Heritage, Sport, Tourism and Culture Industries;

—increased temporary support during this crisis through the creation of a multi-year special provincial donation-matching program for operating funding, which could be administered through the Ontario Arts Foundation, for example, to stimulate and leverage private giving;

—temporary financial support for cultural institutions and their venues, to support those additional costs of operating business in a socially distanced, reduced-revenue ticketed sales environment; and

—direct and collaborative marketing support.

We want to work together with the province on marketing Ontario as a destination for some of the finest culture and arts in the world. We hope that through this, we can help be a part of that recovery. This September, in particular, TIFF wants to help lead Ontario back to a thriving cultural economy. We and all the other arts—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes your time.

We'll start with the questioning now, and I'll start with the independent members this time. MPP Simard.

M^{lle} Amanda Simard: MPP Amanda Simard from Glengarry–Prescott–Russell in eastern Ontario. I have the Calypso Waterpark in my riding—actually in my backyard, which is amazing—but unfortunately it's not the ideal situation. It's probably the worst-case scenario right now as it's a seasonal amusement park and so it's basically a write-off for this year.

You've answered several of my questions through your presentations, both of you, so I appreciate that. In stage 2, we could reopen the pools, and then for stage 3, the amusement parks. So it's an important distinction.

My question would be to Troy. As we've seen in other sectors, if a specific business was mainly doing business for a certain practice that was not allowed in stage 2, they were allowed to reopen and do something that was allowed. I don't believe that was permitted, for example, for amusement parks—I'm thinking of Calypso—if they wanted to start again just using the pools. Then they would have at least been able to have some sort of revenue, utilizing the pools that are there, without—they would have to draw the line between being an amusement park and then being a pool.

But from my understanding, it was basically, “Anything we can do to get some revenue and get some people in.” They had a very good plan, extensive research, and you could see they put a lot of thought into it. I'm wondering if it's something that could be considered, if that would benefit your members to be able to restructure to allow certain activities to resume.

1520

Mr. Troy Young: Those, who are able to, have. But a place like Calypso can't. With the sheer cost of what it takes to get that pool ready for operation, they'd never make the money back. They would actually be in a worse financial situation by doing what you've just suggested. The only thing that could have worked for them would have been to open up the full park. There's not a lot of difference between what they do and a public pool. Yes,

there would be people lining up to get on the apparatus and stuff like that; however, they could very easily limit the number of people in the park, limit the people who are standing on those apparatus, make sure that they were physically distancing. There were ways to do it. I know that their plan was put forward to the Eastern Ontario Health Unit, which wasn't in approval of it, but of course because they're phase 3, they weren't allowed.

But I wanted to really talk more about the arts and culture ones today. I used that as an example because I'd referenced it in my earlier presentation.

M^{lle} Amanda Simard: It's just because it was in my riding and we had the meeting so I was curious to see. But if that wouldn't have been even a consideration and a good example, then that's fine.

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Troy Young: Calypso is a much larger footprint than, say, Wet 'n' Wild in Toronto, and for them in Toronto just to get one of their pools ready to go was a \$50,000 cost. It's not feasible.

M^{lle} Amanda Simard: Okay.

The Chair (Mr. Amarjot Sandhu): Further questions?

M^{lle} Amanda Simard: How much time do we have?

The Chair (Mr. Amarjot Sandhu): Two minutes and 30 seconds.

M^{lle} Amanda Simard: The next question would be for TIFF. Cameron, have you received any federal funding so far—or the provincial one from the financial aid that was announced federally? Provincially, was there anything that you have received so far?

Mr. Cameron Bailey: Thanks for your question, MPP Simard. I think it was \$500 million that the federal Ministry of Canadian Heritage announced. We received a small portion towards our COVID-19-related expenses, so that's very helpful. We're appreciative of that. We have asks in to both the province and to Ottawa for more substantial amounts that would really address the size of the shortfall that we're expecting. As I mentioned, it's 50% of our revenue, or about \$25 million. We're looking for something that will substantially address that, and that hasn't come yet, but we have begun to get a small amount.

M^{lle} Amanda Simard: And municipally? Is there anything municipally?

Mr. Cameron Bailey: Nothing in terms of new money municipally, but of course we have been speaking with the mayor and with city hall regularly since the shutdown, and they've offered a lot of support in terms of helping us put on a great festival this year, and we're grateful for that.

M^{lle} Amanda Simard: Great; thank you.

The Chair (Mr. Amarjot Sandhu): Next, we'll move to the government side and start with MPP Skelly.

Ms. Donna Skelly: My question was also for Cameron. Cameron, what is the business model for TIFF? Are you predominantly relying, in terms of revenue streams, on the gate, or do you get a lot of government funding?

Mr. Cameron Bailey: Thanks for your question, MPP Skelly. It's a mix. We're a charitable, not-for-profit organization. We depend on our public audience tickets from

individual public members and also members who sign up for annual memberships. Roughly, that varies between 30% and 40% in terms of earned revenue. Corporate partnerships are a significant part of our revenue mix as well, and then the rest would be philanthropic donations and government support, which in total, I think, would be about 30%. So it's roughly—

Ms. Donna Skelly: Sorry, what was your last one? I didn't hear what you said.

Mr. Cameron Bailey: Sorry; philanthropy and government. In the past, typically it has been about roughly a third, a third, a third: a third philanthropy and government, a third earned revenue at the box office and a third corporate partnerships. That has shifted a little bit in the last two years towards more corporate partnership support. Of course they've been especially vulnerable to the pandemic, and that's the support, along with the box office, that has been most vulnerable.

Ms. Donna Skelly: So your corporate support, corporate donations, are down significantly?

Mr. Cameron Bailey: They are, yes. As you can imagine, many of these big companies, while they've been long-term partners and they want to support us, have been hit pretty hard by this. Often we are going to their marketing teams for our support at TIFF, and those are often the first budgets to be trimmed when something like this happens.

Ms. Donna Skelly: What about your fixed costs? Can you break that down for me?

Mr. Cameron Bailey: Yes. I wish I had my CFO here, because I won't be able to give you a whole lot of the granular detail that he would. We've got a building, the TIFF Bell Lightbox, as you will know, at King and John in Toronto. There are all of the overhead costs associated with running a building. We have five public cinemas in that building, so that's pretty substantial. We still have a debt with Infrastructure Ontario, which we have several years left to pay off, so we're hoping that we might be able to get some form of debt relief in the interim right now, as well, for that. Our major cost, like with many arts organizations, though, is staff, and so staff is a little bit more than half of our regular expenses.

Ms. Donna Skelly: Now, did you lay off staff or did you take advantage of the federal—

Mr. Cameron Bailey: We've done all of that, yes. We did take advantage of the wage subsidy, which has been helpful. That covers, as you know, up to 75% of salaries up to a certain amount, so that has been helpful, but it hasn't covered the full costs. Of course, staff are only part of our costs, and it doesn't cover anything beyond that. We did lay off our part-time, front-of-house workers when the shutdown happened, then just this Tuesday, we've had to also end 31 positions that were full-time, but that we just—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Cameron Bailey: —cannot support right now.

Ms. Donna Skelly: I think I asked you this the first time you appeared, but the virtual airing of films is an impossibility because of licensing requirements? Is that accurate?

Mr. Cameron Bailey: Not entirely impossible; just complicated, maybe a little trickier than in-person screenings. We have, through our partnership with Bell Media's Crave, begun something called Stay-at-Home Cinema. We started that when the shutdown happened, where we're doing group watching of movies across Canada. We're also building a new online platform, which should be launching next month, to bring films to Canadians. But there are limitations in terms of what you can show and when you can show them due to licensing agreements.

Ms. Donna Skelly: Could you generate revenue through them?

Mr. Cameron Bailey: We could. It wouldn't replace the revenue we would get from our other sources, but we're looking to build that part of the business.

Ms. Donna Skelly: Have you put a dollar figure on what you actually need to stay whole?

Mr. Cameron Bailey: Well, yes. What we've said is that we estimate we will lose \$25 million this year. That's roughly half of our revenue. That would leave us with a deficit of, I think, \$6.7 million. Obviously, we don't want to run a deficit.

Ms. Donna Skelly: If I have time left, I wanted to ask Troy a couple of questions as well. Troy, you had quite a list of asks, and I'm just wondering if you have put any dollar figures next to those asks.

Mr. Troy Young: Our ask this time is strictly to do with that there will need to be some sort of financial support. What that looks like, I can't specifically tell you. We're asking for tourism in general. There are a lot of different businesses that make up this tourism product here.

I did highlight the \$750 million that the Quebec government brought forward. What Ontario—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Troy Young: —may or may not bring forward, that is up to you guys as the decision-makers. I know that Minister MacLeod—I was with her this morning—is getting out around the province, making some announcements. There have been some joint funds that came from Destination Ontario and Destination Canada that have gone to help DMOs, which is great. There has been money flowing through Celebrate Ontario to the festivals, which is also appreciated.

What's missing, though, are the actual bricks-and-mortar, year-round attractions or the seasonal businesses that have only been able to access the federal government programs. Whether or not they're able to qualify for the emergency wage subsidy or whether they were able to get from the rental assistance program depends entirely on their situation.

1530

I know a lot of our members, because they are more—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We will have to move to the opposition side now for their time of questioning. I'll start with MPP Glover.

Mr. Chris Glover: Thank you, everybody, for being here.

TIFF is in my riding, and I'm very interested in it. It's one of the marquee events in Toronto, and it's probably the one that raises Toronto's international profile the most. You were talking about 850 million people a year engaged through TIFF. Did I get the number right?

Mr. Cameron Bailey: Yes, 851 million, I believe. I'm trying to find that exact number again for you. Yes, 851.7 million people globally. That's through all of outreach.

Mr. Chris Glover: The other question that I've got is, over the last day and in these other hearings, we've been hearing about an ecosystem of film industry in Toronto. TIFF is obviously one of the big players, bringing artists in, but the Canadian Film Centre—all of these different players are involved. Can you talk about how essential it is to keep all of that ecosystem intact through the pandemic so that we can bounce back and keep this industry going?

Mr. Cameron Bailey: Thanks for your question, MPP Glover. It's really not just one piece; it's all of the pieces working together. When I travel to Los Angeles and I'm looking for films for the Toronto film festival, it helps that people who are there have been in Toronto, having worked on shoots. Sometimes, they will stay will here for months. If they're working on a television show, they might be here for a long, long time. They're comfortable with the city, they know the city and they like to come back for the festival. The same is true when people are trying to pitch projects to shoot in Toronto or Ontario. Our work in presenting films helps the people who are making films.

The talent that comes out of Toronto as well—some of the top actors—or London, Ontario, with Rachel McAdams—all of those things also help. There are a couple of young actors out of Scarborough, Stephan James and Shamier Anderson, who have been doing really strong work. They're up-and-coming young actors, and they're among many who are travelling between Los Angeles and New York and Toronto and generating, again, a sense of Toronto and Ontario being a part of that ecosystem of film.

So it's all of us working together. It really helps to have political support. When missions are sent down to LA or to London or other places to help generate business, it helps all of us.

Mr. Chris Glover: The other question I've got, and I'll ask it of you and also Barry: Before the pandemic, one of the big challenges for the film industry was that there wasn't enough studio space to shoot in, in and around Toronto. What are you hearing about the bounce back from this? Lots of people I know—friends and colleagues who work in the film industry—many of them have been laid off right now. What are you hearing about the bounce back? Are there a lot of projects that are chomping at the bit to get back in here?

Cameron, do you want to start?

Mr. Cameron Bailey: Sure, I can, but this is really a question more for Barry, who is working in production.

I would say, from what I've heard, people are still waiting. There hasn't been enough guidance, I would say, in terms of how—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Cameron Bailey: —shoots and production can happen.

But, Barry, I would pass this over to you.

Mr. Chris Glover: Okay.

Mr. Barry Avrich: Thank you, MPP Glover. It's a huge problem and primarily because the border is closed. There's no question that there's a huge demand to get back to work on that. Production is already starting in Los Angeles, and our studios are empty. We're trying to get Canadian production back to work, but so much of the industry relies on what's called "servicing" films and television—so, Americans and other entities that are coming to Canada to shoot. That's a huge issue.

My biggest fear is what happened after 9/11, which is that a lot of American states basically said, "Let's shop at home. Let's film at home. Let's not go to Canada." That took five or six years to really deal with, and at the end of the day, we ended up building up a phenomenal supply of studio space here, and dollar-driven as well. The Americans came back. Our dollars are a very attractive point right now for them.

It's going to take aggressive marketing from the film liaison offices in Toronto and through the province, of Ontario Creates as well, to bring those people back. The studios are empty and they're ready to go, but it has been devastating for them.

Mr. Chris Glover: Would it help if the government were to set up a protocol for bringing in a select few workers from the United States—you know, the key people you can't hire locally—to get the production under way?

Mr. Barry Avrich: I think it really relies on talent. The below-the-line talent—the technicians, the cameramen, the gaffers—they're all here. One of the reasons why the Americans come here is because they love the talent that's here. The above-the-line talent—the stars, the artists, the directors in some cases—that's going to be the trick. The good thing is—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Barry Avrich: —we're starting to publish those protocols of getting back to work. But how are they going to fly here? Are they going to feel comfortable coming here? I fear for the fall and for the next year in terms of how we're going to bring them back on that end of it.

It's not part of your question, but I also do want to commend Minister MacLeod for doing great work in caring about the culture industry, but regardless of that, there are a lot of hiccups in every sector.

Mr. Chris Glover: Right. If the Ministry of Health were to develop a protocol to bring some select above-the-line talent here, the directors, the actors, to get production under way—we've got the other talent here—would that help start production?

Mr. Barry Avrich: It would certainly help. Those decisions begin at the production level with the studios and the producers on that end of it, so they're the ones who are going to have to agree to—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side now for their second round.

Before I do that, I need to do an attendance check. MPP Lindo, please, if you could confirm your attendance.

Ms. Laura Mae Lindo: Hi there. Yes, I'm here, calling in from Kitchener.

The Chair (Mr. Amarjot Sandhu): Thank you. All right. MPP Sabawy, we'll start with you.

Mr. Sheref Sabawy: I'm really very lucky to be here to discuss how our government—and our ministry, as PA to the Minister of Heritage, Sport, Tourism and Culture Industries—can help businesses recover and come back.

I just have a question for Cameron in regard to how we can help or our ability to help the industry recover and invite the movie industry back here to—sorry; I think my question is for Barry in regard to the movie industry.

We can do what we can here in keeping up with all the variables and keeping the workforce ready, but how do you see us helping to bring in producers from the US? What can we do to help bring the movie industry back? Given the consideration that all the procedures and precautions we embraced as a government have helped to have the epidemic here in Canada be much less and that the situation is good, which could or should encourage the industry to come back to Toronto faster than any other areas, even the US itself given what's going on there now, what else can we do to help that?

Mr. Barry Avrich: Look, I think it's a combination of a couple of things. Aside from essential workers who are needed to keep the industry going and the film industry in terms of our own capacity of production talent in the province, creating that pipeline that film festivals like Cameron's and Hot Docs desperately need, that content to be produced or we won't have those films, I think it's a combination, again, of having the ability to speak to the Amazons and the Netfixes and the studios around the world that have contracts and have arrangements to film in this province, to assure them that we've taken the necessary safety protocols to come down here and to work. That's going to take calls, negotiations and making sure that we're very clear and specific about what workplace conditions will be.

I'm a documentary filmmaker. I'm not doing scripted. But I do know in my conversations with studios and producers that talent does want to get back to work. Whether they're prepared to get on a plane and fly commercially is another story. That's going to take time. I think what we really need to do right now is make sure that in conversations with the right health entities and workplace safety that we at least begin the conversations with the studios now in saying, "This is what a new normal looks like. Our studios are ready. Our production entities and our talent and below-the-line lighting crews are ready to go back to work, and here's how we're going to do it safely."

1540

Mr. Sheref Sabawy: And that lies in the hands of the producers and the studios? Or do you think this is part of what we as a government or as a ministry can do?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Barry Avrich: I think it's the ministry and I think it's Ontario Creates, who have been really great in ensuring and in stimulating film production in this province with regular trips to Los Angeles and New York, cultivating those relationships with the studios. But it will be a mixture of both the ministry through Ontario Creates, as well as other departments like health and workplace.

Mr. Sheref Sabawy: Yes, but isn't that pushing back on the studios themselves to make sure that they are really ready for that, like the procedures and the precautions? How are you going to proceed with business, not exposing the producers who are coming here to the pandemic?

Mr. Barry Avrich: Well, I'd say, sir, that the studios in both Los Angeles and New York are going back to work, so we need to convince them that we have the studios and a province that's ready to bring them and provide a safe environment for them.

Mr. Sheref Sabawy: Now one more question for Troy, quickly, in regard to opening the museums and galleries. Today I was happy to be visiting the Aga Khan Museum, which already started officially opening their doors yesterday, and today they had 400 visitors, with all the precautions and the sanitization, distancing and everything there. Do you think that the museums and galleries of Attractions Ontario could maybe make use of the same experience and get some revenues in the rest of the balance of the summer?

Mr. Troy Young: Most of them are, yes, so the Aga Khan would have opened under the new phase 2 guidelines relative to the city of Toronto. Most of our galleries and museums that are in other locations were able to open two weeks ago. The ROM announced that they're opening July 11. Obviously, some places take a little bit more time, depending on the size, to get open. We will start to see that happening.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Troy Young: What we're finding, though, is that we've got pressures based on how many people can physically be allowed into these venues, so even those that are now starting to reopen—and my previous time here was more about, let's get us open—now that we're on that path to opening, we need to worry about what the level of people coming through is. The Aga Khan getting 400 sounds like a lot, but what would they normally put through during that time?

I do know of some attractions outside of the city that were able to open with very specific timed ticketing, limited numbers, and they sold out. Selling out that smaller number is still putting them under severe financial pressure. Will they still sell out in three weeks' time?

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll move to the opposition side for their second round now. I'll go to MPP Andrew.

Ms. Jill Andrew: Good afternoon, everyone. I hope you're doing well. My Internet has been cutting in and out, so if I get kicked out of this, my colleague MPP Laura Mae Lindo, who's here, can join.

My first question is for Barry. Nice to see you, Barry. Here's a thought: Would it be most ideal, going on your line around government transparency, if the government shared what phase 3 and 4 could look like for companies, for production companies, well ahead of time? Would something like that help you with budgeting, planning, hiring, HR needs and also retrofitting sets, advertising and all of that? Because what I've been hearing consistently is that folks want to have a sense of what phase 3 or 4 might look like, and as fast as they can get off the ground is better for them in terms of their ability to plan and budget. Is that something, Barry, that resonates with you?

Mr. Barry Avrich: It does. I think, with a dose of realism, it's important so that they understand that anything can change, but knowing what's coming down the road is important.

It's the same thing, I think, for small businesses and medium-sized businesses. Nobody is completely sure yet about what an office looks like—50, 100, 500 employees. So, yes, I think it's important to start planning and being encouraging on that end of it so people understand it—again, with a sense of realism. You can't promise the moon here and give somebody less, but I think it would be helpful.

I just want to add, before I'm cut off here, relating to what Cameron Bailey said, I'm a director of the Hot Docs Film Festival. We just completed a Hot Docs Film Festival that was online. It was fantastic, but it doesn't touch sides or solve the issues in terms of the number of people who took advantage of it. It was very strong, but down substantially. We need to figure out how to save those great film festivals and cultural attractions to make sure people will come back, and create the loyalty. We have to keep brands alive. Thank you for your question.

Ms. Jill Andrew: I hear you, Barry, and I know that you are working on a doc right now, *Made You Look*, and I know that that's somewhat been put on ice because of COVID.

You spoke about the need to promote talent. As official opposition, we had asked the government about the creation of an ethnic and community media stabilization fund to help promote them, just as you said.

I know some of you have mentioned on this call that the answer is not big bailouts, but a lot of our concerns have come from, "Where do we pay talent? How do we support talent at a time like this?" We know that the federal wage supports are drying up, and we have proposed a basic income, for instance, to support talent, to support Ontarians during this time.

We're wondering if that resonates with yourself, Barry, or if it resonates with you, Troy, or if it resonates with you, Cameron, for talent, for staff who are unable to work and who will be cut off unless our requests for federal supports to be extended yet again.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Jill Andrew: What does Ontario need to do to take care of Ontarians? Thank you. Any one of you can jump in if you'd like.

Mr. Barry Avrich: I'll speak quickly on that and then turn it over to Troy and Cameron on this end of it.

I don't know that we necessarily have to niche it just to talent. I think at the end of the day we need to figure out how to keep people stimulated. [*Inaudible*] has created an interesting site for content for the ability for Ontario people to go and consume content that's created by musicians and artists and filmmakers and television producers to start to monetize it. It's the beginning. We need to do so much more on that end of it to make sure that talent can at least see some money back for the work that they've created.

I appreciate the nod to my film. I did finish it and it has been sold all over the world, but it's the next couple that I worry about.

Over to Cameron and Troy.

Ms. Jill Andrew: Thank you, Barry, for that.

Mr. Cameron Bailey: Thanks, Barry, and thanks, MPP Andrew. I would just add that I think—anything the province can do to help support creators in Ontario who are struggling right now. Some of them are not eligible for various reasons for the federal wage subsidies, and it's really important the creative advantage that Ontario has is not lessened in anyway. We need to come back strong. We need to support these artists and these creators so that they can continue to make this work that goes all over the world in film, in TV, in music, in online, digital and gaming—all of those kinds of things Ontario excels at. We want to make sure that that continues.

Ms. Jill Andrew: Thank you, Cameron. You did mention earlier the significant drop in philanthropic support, obviously because of COVID-19. I'm wondering what you foresee as the impact on your learning and outreach.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Jill Andrew: As an educator myself, I know how important TIFF is for honing the next generation of artists and all of that jazz, so I'm just wondering where learning and outreach go from here—your grants, your scholarships, the community outreach programs you do to allow marginalized groups to get to TIFF. Where does that go from here? Because the problem with a lot of online programming is we're not paying for that online programming, and we're essentially setting up consumers in the future who may expect free programming all the time, and that's not possible. How do you bridge the gap?

1550

Mr. Cameron Bailey: Yes, it's a great question. Thank you. I think we've seen both with the pandemic and with the social protests recently that it is increasingly important that we find ways of connecting, of staying together as a society, even as we address the problems within society—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll have to go to the independent members now for their time of questioning. MPP Schreiner?

Mr. Mike Schreiner: Thanks to all three organizations for coming in and contributing to this really important conversation.

Cameron, I'll let you finish because I think you were answering a really important question and ran out of time. So I'll let you finish your answer there.

Mr. Cameron Bailey: Thanks very much for that, MPP Schreiner. I was just going to say that, as society is being challenged by all kinds of strains, whether it's the pandemic or social protests, it's so important that we connect with communities and with audiences through creativity. TIFF's work and the work of many other organizations—Hot Docs and so many others—have done that and continue to do that, but we're not getting the kind of support from private donors, from corporations that we might have in past years because everyone's being hit hard by the pandemic. So wherever possible, if government can step up and help us, even if it's on an interim basis, that helps us bring that cohesion to society and bring people together, rather than the tearing apart that seems to be happening.

Mr. Mike Schreiner: Yes, and related to that, I'll just follow up a bit. A lot of the shift to digital and online—a lot of folks have said that it's hard to monetize it, but it's important to maintain that connection, keeping connected to your donors and your patrons. Has that been TIFF's experience?

Mr. Cameron Bailey: It has been, yes. We believe that it's important to connect with audiences and communities online, especially if we can't do that at TIFF Bell Lightbox or as much at the festival. It doesn't mean we're going to be able to bring in a whole lot of revenue for that right now, but we do believe that if we can develop loyalty through what we're giving people online, eventually that revenue will come. What I think will happen is, when the pandemic is over, we'll have gotten used to consuming content online more and audiences will stay loyal to the people who delivered that work best, and we hope to be one of those.

Mr. Mike Schreiner: Great. Thanks.

I'm going to just shift slightly over to Barry for a second. You talked about the studios in LA restarting, but not here in Ontario. Would sector-specific guidelines help provide the confidence to be able to restart?

Mr. Barry Avrich: Absolutely, and some of them have been published. Some of it's coming, and I do believe we'll get back to work and be able to do it. Everybody's got to have a certain comfort level, but I know those guidelines are coming. So yes, let's stimulate at home. There's no question.

Mr. Mike Schreiner: Do you think that once those guidelines are in place and we deal with the border issue and the quarantine issue, above-the-shelf talent from the US will be willing to come to Canada, even before we have a vaccine?

Mr. Barry Avrich: Some will and some won't. It's going to be demographically driven, just as audiences are going back to consuming entertainment. It's going to be age-driven; there's no question on that end of it. But we'll have to see. Again, my biggest fear if we don't market this properly and market Ontario, and to Cameron's point—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Barry Avrich:—maintain loyalty with consumers is that the Americans will start a shop-at-home and work-at-home campaign. I can just smell it and see it coming out of California and other work—not work-to-rule, but certain states like Arizona and others that have it will come up with better incentives to work at home. So we're going to have to work very hard.

Mr. Mike Schreiner: Yes, I agree. I'm assuming we're going to want to have buy local, stay local, shop local, just like they will, so we're all going to be in competition when it comes to that, for sure. We need to be ready.

Mr. Barry Avrich: Without a doubt. Small business to large, we're going to have to support. Even American Express is doing this fantastic Shop Small campaign now to make sure that retailers and vendors get out of this. It's going to be tough.

Mr. Mike Schreiner: Yes.

Troy, just before I run out of time, I want to quickly shift. You talked about, and others have talked about, the investments that Quebec is making into culture and heritage. Do you feel like we're going to be at a competitive disadvantage in Ontario if we don't make the same level of investments?

Mr. Troy Young: It doesn't necessarily have to be the same level of investments, but if we don't make a similar type of investment into our tourism businesses, a lot of them will not survive. As far as competitive advantage goes, we will have less product to offer. It's that simple. We still have about 60% of our businesses that are at risk right now. Being able to open is a help, but opening at greatly reduced guidelines is not as helpful.

For our summer businesses, they basically earn all of their revenue in June, July and August. Even for the year-round businesses, 36% of their revenue comes from June, July and August. June is pretty much done—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Troy Young:—and we are talking about opening things in mid-July. Some of our seasonal businesses won't ever open this year, and if they don't get support, they may not be in a position to open next year.

We are going to be losing an awful lot of our inventory of stuff that destinations need to be able to promote to people, that will get people to come to Ontario, which then ultimately gets people staying in hotels, eating at our restaurants and shopping at our stores. It's a domino effect, and it starts with the attractions. If our tourism attractions are not getting the funding they need to stay active and whole through this, it's going to have a massive ripple effect, especially in a lot of small communities that rely heavily on tourism.

Mr. Mike Schreiner: Great. Thanks for that. I think it's important, and I think Quebec provides an example of some of the things that we could be doing here as well.

I think I'm almost out of time, so I'll just thank all three presenters for being here today and wish you all well.

The Chair (Mr. Amarjot Sandhu): Thank you so much. That concludes our time as well. Thank you to all three presenters for your time and for your presentations.

CARFAC ONTARIO
ONTARIO BOOK PUBLISHERS
ORGANIZATION

The Chair (Mr. Amarjot Sandhu): For our next group of presenters, one of our presenters—the first one—has cancelled, so we'll move to the second one: CARFAC Ontario. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jason Samilski: Great. Thank you. My name is Jason Samilski. I'm the managing director of CARFAC Ontario. We are the association of professional visual and media artists in Ontario. We engage just under 1,000 members and we work to create a stronger cultural infrastructure and provide supports for artists so that their lives and careers may flourish and so that all Ontarians can benefit from engaging with the arts.

While COVID-19, as you're aware, has taken a devastating toll on the arts and culture sector, during this time, we're also reminded of just how important our artistic and cultural producers really are. Right now, we're all seeking and consuming an increased volume of artistic content, which is providing comfort, stimulation, community connection and cohesion, and is a key factor in making isolation bearable.

To remind you of just how essential our sector is: One in every 23 workers in Ontario has a cultural occupation, and there are 66,000 professional artists. Ontario also accounts for 42% of Canada's artists, which is almost twice as many as any other province. The cultural industries here also contribute \$26.7 billion to the economy, so perhaps in part because of this, 80% of Ontarians believe that the government should invest public dollars in the arts. However, the situation right now for the majority of Ontario artists remains bleak.

Before the pandemic, the median income of Ontario artists was sitting right around \$23,500, which is below the median income of artists across Canada and far below the median income of all Ontario workers. Some 50% of artists are self-employed, which is again much higher than the self-employment proportion of all Ontario workers, which is about 12%. This means that due to the COVID-19 pandemic, visual artists, who are largely gig workers and precariously employed, are right now left with nothing.

According to the I Lost My Gig survey, which surveyed artists and cultural gig workers across Canada, in Ontario, from March to May, there was an average of 24 gigs lost or at risk, representing an average of \$22,400 of lost or at-risk income. Because of this, as we know, many folks are accessing the federal CERB program. What's notable about the CERB program is that CARFAC Ontario is hearing time and time again from artists that receiving CERB has meant that this is the most financially stable they have ever been. Just think about that—if working professionals in this province are relying on a \$2,000-a-month federal emergency relief program—intended to be just that, a relief program, and really just to cover the most basic necessities—and they're reporting that this is the

most financially stable that they've ever been, this underscores significant problems in the sector.

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While COVID-19, as we know, is having seismic impacts on the sector as a whole, CARFAC Ontario recognizes and we see that this impact is being felt the greatest by artists and cultural leaders representing equity groups. This includes artists who identify as Indigenous, Black, people of colour, LGBTQ, deaf and disabled, and who face complex systemic barriers like poverty and mental health issues, amongst other barriers. These communities must be positioned at the forefront of relief efforts and rebuilding efforts.

To this end, one of the things that we've been doing at CARFAC Ontario is hosting online community consultations with artists and cultural leaders in northern Ontario. In these sessions, there are many issues that we're talking about facing northern and Indigenous artists. However, there's one I want to share with you today, because overall—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jason Samilski: —there are deeply held perceptions that artists and cultural leaders from northern Ontario, particularly those in smaller centres and communities, are not being valued by Ontario's cultural ecosystem. The loss of the Indigenous Culture Fund was reported as having devastating impacts, and has meant not only huge losses of Indigenous cultural production but also adds to that sentiment of not being valued. Indeed, I'll say that there are feelings that communities are under attack.

We also know that the financial impact of COVID-19 on artists will be significant over the next one to three years. Because right now so many exhibitions and productions are being postponed, we anticipate significantly fewer public presentation opportunities happening over the next several years. So right now, it's crucial that we get ahead of this and create sustainable supports for artists if we want to have an arts and culture sector at all in the future.

To ensure that economic returns provided by the arts and culture sector are maintained and, indeed, positioned to grow, we recommend that the government of Ontario immediately invest \$5 million into the Indigenous Culture Fund and increase the base level of funding to the Ontario Arts Council to \$80 million so that it is in line with the 2020-21 funding level which was set in 2017. We'd like to see the government of Ontario engage with leaders and stakeholders in the sector to co-design a long-term stabilization fund, so that the arts can continue to drive tourism and economic growth for the province.

Lastly, we strongly recommend that the government of Ontario tap us, leverage the creativity, the resilience, the talent and innovation of the province's artists that you have right here, and the cultural leaders, to support and collaborate on these long-term recovery and—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jason Samilski: —rebuilding efforts. This applies not only to the arts, but across all sectors. I'm inviting you

to partner with us, the artists, on designing these creative and innovative ways for all Ontarians to make it through the crisis. We can lead this effort together so that we can emerge, collectively, as a stronger, more equitable, more connected and more prosperous society. I want to thank you for your time today.

The Chair (Mr. Amarjot Sandhu): We'll move to our next presenter, the Ontario Book Publishers Organization. If you could please state your name for the record, and you can get right into your presentation.

Ms. Karen Brochu: Great. My name is Karen Brochu. Good afternoon, everyone, and thank you so much for the opportunity to speak today. As I just said, I am Karen Brochu, and I am the president of the Ontario Book Publishers Organization, more informally known as the OBPO. I'm also the vice-president of sales and marketing at House of Anansi Press, one of Canada's oldest independent publishing houses, where people like Margaret Atwood, Dennis Lee and Michael Ondaatje got their start. However, today I'm going to be speaking to you largely in my capacity as the president of the OBPO, on behalf of our membership.

The OBPO is made up of 46 Ontario-based, Canadian-owned book publishers. Our membership includes university, children, educational and literary presses. Book publishers contribute to the cultural exports of this province, and we also return revenue back to Ontario.

Prior to the COVID-19 pandemic, Ontario's book publishers distributed nearly \$257 million in wages, salaries and benefits annually, and according to our most recent survey, taken in 2017, they contributed \$500 million to the provincial GDP. They produce award-winning content and, of course, they employ Ontarians all across the province.

I was fortunate to participate on the ministerial advisory panel for the book publishing and magazine sector that was assembled by Minister MacLeod. I consulted with the OBPO membership while serving on this panel, and the following are some of the foreseen challenges in the coming months brought forward by the membership and suggestions on how they may be alleviated.

In the short term, cash flow is the most immediate concern. With little or no incoming revenue, of course, payments to printers, staff and landlords become very precarious. Immediate relief would be advanced payment upon application to the Ontario Book Publishing Tax Credit. The tax credits available to publishers are a critical and much-appreciated part of our businesses. The issue, however, is that they can take close to a year to be processed. We would propose that an advance be paid upon application to publishers in good standing from previous years of application, with the balance paid upon final approval.

We would also love to see a loan-guarantee program be instated, which would not only solve short-term initial cash flow problems for publishers, but which would be a long-term support to the industry. While the federal government has already provided additional loan programs during the crisis, many publishers experience

difficulty accessing those programs because their money is tied up in inventory, especially now, when they have lots of books that they can't move.

In the long term, publishers are concerned with competing in a new market where the future of retailers is really uncertain. We also continue to fight for the improvement of an existing issue, which is the under-representation of Canadian content in Ontario schools.

Our first recommendation for the long-term success is a one-time emergency injection into the Ontario Creates Book Fund, as administered by Ontario Creates. This funding would help support Ontario publishers over the next 18 months. Over 90% of Ontario publishers anticipate a decline of 20% or more as a result of COVID-19, and over 30% anticipate a loss of at least 50% or more. This investment would not only support book publishers, but other parts of the industry. It could be used to market books in partnership with independent bookstores, providing them additional funding, and it could aid publishers who are working to adopt the most up-to-date e-book format, which provides more accessible content to schools and libraries. These are, of course, just a couple of examples. We're a very creative group.

Our second long-term ask is one of support for Ontario's schools and libraries, which is funding to support them in their purchase of Canadian-published books. Three foreign publishers account for 90% of textbooks and learning materials used in Ontario's classrooms. By providing funding explicitly for the purchase of Canadian-authored and published books, you would not only be supporting Ontario publishers and authors, but ensuring Ontario's students have access to the best possible material.

The final item I wish to raise today is around the Ontario Book Publishing Tax Credit. As I mentioned previously, this is a much-appreciated and valued investment in our businesses. One of the caveats of the credit is that title-specific government grants cannot be applied against our costs.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Karen Brochu: Recently it has been indicated to our industry that the Canada Emergency Wage Subsidy, despite not being funding administered to a particular book title, will be applied negatively against our tax credits when we apply next year. We see that as being disadvantaged in 2021 for much-needed emergency funding that we received to get us through COVID-19. Federal relief programs should work in tandem with the tax credit program and should not be an impediment to our business. I would ask the Ontario provincial government to look into how federal funding is impacting previously established provincial grants to ensure that we are not penalized in the future for funding we receive now.

The impact of COVID-19 on the book publishing sector has been, of course, tremendous, as it has been on many sectors. Bookstores, libraries and schools have all closed. While some stores are now reopening, most of these institutions have not been purchasing for months, which

results in a direct loss of revenue for publishers. Publishers, in turn, are not able to pay royalties to their authors. They're not able to compensate freelancers, pay distributor bills and press "print" on new books. In that way, Ontario authors, designers, editors, distributors, printers and more are all directly affected. Also, many bookstores and wholesalers are returning stock to publishers in order to improve their own cash flow situation and negatively impacting that of publishers.

Another very pressing issue is the future of Indigo. They represent upwards of 50% of some of our members' revenue, and in their most recent reported quarter, they experienced \$171 million in losses, and that was after a full year of previous losses. The company is now worth a tenth of what it was just a year ago, and they have permanently shuttered 20 locations across Canada.

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Indigo represents on a larger scale the issues being experienced by independent bookstores across the nation. The health of the retail sector has a direct impact on the health of Ontario publishers.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Karen Brochu: Despite the increasing challenges during this time, our membership is reacting. We are coming up with innovative ways to market and promote our books and authors, we're investing in digital material, we're working with schools to make sure students are able to continue to learn from home. Ontario publishers are a very resilient group that create and promote diverse, current, entertaining and, most of all, Canadian content. We wish to continue doing so and, with some help from the provincial government, we can.

Thank you so much for your time and attention today, and affording me this opportunity to speak with you on behalf of the Ontario Book Publishers Organization.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start this round of questions with the official opposition. MPP Lindo.

Ms. Laura Mae Lindo: Thanks to both of you for your presentations.

I have two questions. My first is for Jason. Jason, can I just start off by saying thank you for the statement that you have on your website addressing anti-Black racism in the arts. It goes without saying that we are seeing a lot of things happening in the world, and it has been a tough time for folks, so those are very important statements to make, which leads me to my question because you had spoken about re-centering different voices in the work that you were doing in that regard.

What spoke to me was when you said that some people are feeling like communities are under attack. I'm wondering if you can expand a little bit on that and explain to all of us why investment in these voices can help not only to make people feel like their work is valued and what they're bringing to the table is valued, but also how that can stimulate the economy.

Mr. Jason Samilski: Sure, absolutely. Under attack—I think that can happen in many ways, but one thing we saw was the cut to the Indigenous Culture Fund. That

constituted for a lot of folks feeling like there was a direct attack on their culture and their communities and, again, grinding to a halt so much Indigenous cultural production, which is very hard to fit that kind of artistic production in other grant programs as it is right now.

In terms of generating larger economic returns from bringing up the voices and the participation of marginalized communities in the arts, we see right now that racialized artists, that Indigenous artists are making disproportionately less money than median artists. We're still seeing the same thing in the arts: White, male artists are coming out on top; Indigenous artists are right on the bottom of the income scale disproportionately—and smaller incomes for female artists as well.

Again, if you stack on top of that various systemic barriers that I was talking about, like mental health issues, intergenerational poverty, you're cutting off a real, huge part of our rich artistic voices in this province. If we can't get funding to these folks in an accessible way and bring up these voices, then we're only really getting a very small and narrow piece of what Ontario has to offer the world in terms of its artistic production and output. By equalizing and creating equity in terms of raising up more voices and essentially diversifying the sector, to me it's a no-brainer that that translates into increased economic return.

We also know that there's increased interest from the public in seeing works and experiencing art that represents different cultures other than their own, so this is a direct vehicle for doing that.

Ms. Laura Mae Lindo: Now, my next question is for you, Karen, and it's along the same lines. We heard in the earlier hearings on tourism that part of what would help to stimulate the economy is to focus our attention on Canadian content, and you've brought that up in terms of the lack of Canadian content—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Laura Mae Lindo: —that we're seeing in the publishing industry and the need for us to have more direct investment so that we can raise those voices. I think, between what you have both said, that becomes an opportunity for us to think differently about how we can stimulate the economy. Since we're all here to talk about economic recovery and trying to get creative on what that looks like, we also have an opportunity to do that differently. I'm wondering if you could take a little bit of time to talk to us about the importance of that investment and what that investment can look like.

Ms. Karen Brochu: Thank you. I think when you simply look at the system that we have in place with our schools and how much of our resources are coming from outside of Canada, let alone outside of province—I'm thinking about, in recent days, where I am seeing so many friends mention things that they had not learned in school that are part of our own Canadian history, particularly things like Africville. I'm from Alberta, and I didn't learn about Africville until we published a children's book on it. The resources are available and they are being published by Canadian publishers, but they're not being used in our schools. I think what we are getting is a lot of the same quotas of education rather than expanding our vision.

In terms of investment, the return on investing in Canadian voices is always high. The Ontario Book Fund, which is administered by Ontario Creates, has an extremely high return rate. We see that time and time again, where we're taking the time to put the money in our local authors, our local illustrators, and it's coming back tenfold for us.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Laura Mae Lindo: Thank you so much for that. I'm going to hand it over to MPP Glover. Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Glover.

Mr. Chris Glover: Thank you both, Karen and Jason, for being here. I'll start with a question for Jason. Your big asks were restoring \$5 million into the Indigenous arts fund and \$80 million into the Ontario Arts Council. Is that it? Were there other asks, or were those the two big ones?

Mr. Jason Samilski: Well, yes. Thanks for that question. There were. We also know we need to be looking at a longer-term stabilization fund, some kind of plan that should be co-designed with the arts sector to really get us through this. We need stimulation in the arts through the Ontario Arts Council, and certainly reinstating the Indigenous Culture Fund. But we know we probably need to work really creatively together to get us through.

The Chair (Mr. Amarjot Sandhu): We'll move to the independent members now for their time of questioning. MPP Schreiner.

Mr. Mike Schreiner: Thank you both, Karen and Jason, for coming today and contributing to this really important conversation. Jason, I just wanted to echo MPP Lindo's comments about your statement about anti-racism in the arts on your website. It is very powerful and appropriate.

I also want to thank you for highlighting the \$5-million cut to the Indigenous Culture Fund and just the importance of investing in Indigenous culture and the arts. I realize that we have Indigenous artists across Ontario, but obviously this particular cut is especially hurtful in the north. Do you want to elaborate on that and just how important restoring that funding is for Indigenous artists?

Mr. Jason Samilski: Sure, and this is based off some community consultations that we've had, and we're in the process of organizing more. For a lot of folks, this represents the major access point to receiving any kind of cultural funding for their work. It's the most relevant place; it's the fund that is most geared towards the very unique aspects of Indigenous culture, which is very dissimilar to the Eurocentric art that is often represented in other kinds of programs and modalities. Really, the \$5-million investment and the signal that sends to Indigenous artists—it's so much more than \$5 million. We're talking about sending a message to communities that need to know that they are being brought up and supported. The \$5 million, to me, based on my conversations, pales in comparison to the larger outcomes you're going to see for morale, people's mental health, people's emotional and psychological and spiritual health that you're going to be able to provide with that money.

Mr. Mike Schreiner: Yes, absolutely. I know earlier the Ontario Arts Council spoke about the fact that for every \$1 invested in the arts, there are \$16 in economic benefits. I would think, especially in Indigenous communities in the north, those types of economic multipliers are especially important to support economic development in areas where people have lower incomes.

1620

Mr. Jason Samilski: Certainly, and especially when we have communities, in terms of Indigenous artists, where there are more visual artists and craftspeople, as opposed to the population of all artists in Ontario. Again, it means that it's kind of a community lifeblood and it translates to so much more than simply making a piece of art or a craft. It means the life of the community.

Mr. Mike Schreiner: Thanks for that.

I just want to quickly ask you, Karen, a couple of questions before my time elapses. You had talked a bit about the importance of the advance payment on tax credits to help with liquidity and cash flow. We've had others in the film industry talk about that as well. Do you see that as a bridge, I guess, for publishers to get through the pandemic and the liquidity crisis it has created for publishers?

The Chair (Mr. Amarjot Sandhu): Two minutes.

Ms. Karen Brochu: Absolutely. I've listed it as a short-term help because that would of course be the case, if we were able to apply for our tax credits right now and get an advance on them. But in the long term, it would also be a great boon to the industry and help us a lot.

As I mentioned, so many people have been applying for this credit for so long, and many of them are in very good standing, so those are the ones—I wouldn't ask for it to be a blanket "everyone gets an advance," but to the publishers that have been applying year after year without any issues, to receive some of the money upfront would be a great help, because cash flow during the best of times is a difficult issue in an industry with such low margins. But during this time, it is a much larger issue.

Mr. Mike Schreiner: Definitely, I can see that. I know you're asking for some other funding support, but this particular ask really isn't asking government for additional funding. It's really asking for just accelerated support that would have been there either way, regardless of the situation, but it would help you with liquidity then.

Ms. Karen Brochu: Yes.

Mr. Mike Schreiner: You had talked about the financial stress that Indigo is experiencing and what a potentially catastrophic role that is for publishers. Are you seeing the same sort of economic stress on the few independent booksellers that are left as well?

Ms. Karen Brochu: Yes.

Mr. Mike Schreiner: Because I would assume for a lot of Canadian publishers, the independents are important as well.

Ms. Karen Brochu: The independents are very important to us, and Indigo is just one part of a healthy book-selling system.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Karen Brochu: The independents are absolutely hurting. They also work under very slim margins. They have not been able to do things like host author events, which are often big money-makers for them, where they're able to bring in the public. They're buying the books from the author who's there, and they might buy some other things. Events are really a large part of the lifeblood of the independent bookstores. They have not had that for many months and likely won't have it for many more to come.

They've adapted. They've done a great job of moving online, so many of them. I know one of the bookstores, Biblioasis out of Windsor—Dan Wells there has been driving his car around Windsor, dropping off books. They're working extremely hard to keep their businesses afloat, but they are in tough times.

Mr. Mike Schreiner: I was going to say the Bookshelf in Guelph, which is my favourite independent bookstore—I put an order in, and it was delivered two hours later. So I told them that they are certainly outperforming Amazon in that regard—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

Now we'll go to the government side, and I'll start with MPP Rasheed.

Mr. Kaleed Rasheed: Thank you to both presenters this afternoon. In the last few days or actually weeks, I have been hearing a lot of really good testimony about the use of technology and how each organization is trying to find ways of thinking outside the box during this whole COVID situation.

I would love to know from both you, both Jason and Karen, how you in your specific organizations are using technology during this time and making sure that the end-user—I'm sure it may not be the same experience as pre-COVID, but ways that you have still tried to bring your organizations to the public out there. Karen, in your case, if you talk about book publishing, I've been hearing quite a bit about things moving into cyberspace, e-books and all those things. I would love to get your feedback on that. Jason, we'll start with you.

Mr. Jason Samilski: Sure. Thank you. Obviously it's a big one. I'm sure everyone has heard a lot about the big pivot to arts and culture happening online. We've seen Zoom raves and dance parties, and virtual exhibitions. In fact, CARFAC national has guidelines for payments for artists for these new kinds of exhibitions that we're seeing, which is great. I think there's an opportunity there, as well, to really look at the technology side. I feel like we're talking about relief a lot, and this is across all sectors, but investing in the arts now to kind of experiment with and try these new modes is a kind of different way to look at it. This is what everybody's talking about.

CARFAC is an arts service organization, so we don't do anything too "fun" in that sense. But I do want to say this, because this is one thing that I'm hearing a lot, particularly from Indigenous folks and from other folks who live and work on the margins: There's a scare that everything is just pivoting online, and what folks want to see are investments in artists and organizations to

experiment with non-digital and non-online formats, to still remain within the public health guidelines. How can we share and present where it's not just kind of getting on Zoom or getting on another website or—

Mr. Kaleed Rasheed: Sorry, I don't mean to cut you off, but what about a hybrid model, trying to find a way of doing things in a hybrid model? What would you say?

Mr. Jason Samilski: I think hybrid really works, and I think there's a huge hunger for that. We're clearly in that age, and we're advancing in that age where that's more and more viable. However, for a lot of low-income folks without the proper high-tech devices, the right devices, the right bandwidth and data packages—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Jason Samilski: —that costs a lot of money, and then folks in the north where there's very limited Internet, very slow Internet and sometimes no Internet—we're scared that if everything just pivots in that way, it's going to completely exclude large portions of the artistic community, so it's something that we should consider moving forward.

Mr. Kaleed Rasheed: Karen?

Ms. Karen Brochu: Yes, digital has become such a big part of our lives. Like everyone, I wish I had invested in Zoom or Slack or something before this happened. But our businesses have transitioned really nicely during this period, and most are managing to work from home quite well using all of those additional tools. Our publishers have been involved in e-books for 15 years. We've been doing that for a long time, and we're really good at it.

As I mentioned in my presentation, the next move for us is to move to this new format, which is EPUB 3, which is the most accessible format, making sure that everyone can access our texts, even if they have a print disability or a physical disability. Audiobooks, we've been doing for several years now as well, so on that side of things, we're well established and it's working well for us.

Things that are new: I think more investment in social media—social media advertising and marketing is becoming even more important. I've heard lots of independent bookstores say that the second they post a book on their Instagram, it sells out, so leveraging that in a new way and working in partnership with vendors is really exciting.

And we're doing events online. I've participated in several author events, whether it's Instagram Live or Facebook Live or Zoom. The thing that is still missing is that personal touch, that author signing moment, where they get to shake your hand and sign the book and hand it over to you. So the balance between the physical and the digital is still coming for our industry, but we are reacting the best way we can and trying to do the best with what we've got.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Kaleed Rasheed: Yes, I have MPP Smith after me, but very quickly, Karen: Is it safe to say, especially in your industry, that online has been something that you were anticipating and that you, as an individual, are okay with transitioning to what's online? Again, it's not going to be

100%, but at least it's something where it's not a huge impact to the book club organizations or publishers.

1630

Ms. Karen Brochu: I think there are parts of it that are still a huge impact, things like our rights sales festivals. My colleagues participate in those and usually it's five days where you sell the rights of your books and you take over 100 meetings. Replicating that over Zoom takes weeks. Experiences like that are—

The Chair (Mr. Amarjot Sandhu): Thank you.

We'll have to move to the independent members now. MPP Schreiner?

Mr. Mike Schreiner: Karen, I wanted to just follow up on some of the questioning I had for you. If my notes are correct, you talked about schools and libraries in Ontario purchasing Canadian authors for their classrooms and school libraries. Did I hear you correctly that something like 90% of what they purchase comes from the States and not from Canada? Did I write that down correctly?

Ms. Karen Brochu: Yes, that is correct. That's based on a survey that we did of over 2,000 teachers in Ontario across both the Catholic and public school boards, where we were determining the amount of Canadian content being used in schools. Of the top 10 titles, not a single one of them was Canadian.

Mr. Mike Schreiner: I'm assuming that's not from a lack of available content.

Ms. Karen Brochu: It's not. No, it's not. I think it's difficult to change, and when people are used to using something or they have the class set of things, to look at what is new, what speaks to the moment—as I was saying before, some content that we should be teaching in school is missing from the materials that we're currently using.

Everyone wants to teach *To Kill a Mockingbird* or *Romeo and Juliet*, but those books are very old and we have amazing new stuff, great Canadian content by fantastic writers who live here in Ontario or elsewhere and who are being published by Canadian publishers and not published by multinational publishers or outside-of-Canada publishers.

Mr. Mike Schreiner: Do you have any thoughts on how we can incentivize, create the conditions, or encourage schools to buy more Ontario- and Canadian-published books from our own authors?

Ms. Karen Brochu: Yes. I have lots of ideas. I know that the Ontario government and the Ministry of Education do not like to dictate curriculum, which is completely understandable, but one that we have been discussing a lot is to either mandate or suggest, at least, that students have to leave grade 12 having read at least one Canadian book, which sounds like such a small ask, but some students genuinely leave without having read a Canadian book. We would love to see that be either a strong suggestion coming from the government or, even better, a mandate.

Then I think it's just letting people know that there is this great Canadian content out there. We have been creating lots of systems behind the scenes. We have a great website called 49th Teachers, which outlines books by all of our publishers. It includes free teachers' resources that

come with all of them. It's outlined by topics; it's outlined by grades. We have been working very hard to try to publicize this to school boards across Ontario.

Mr. Mike Schreiner: What about libraries? Do you find that libraries are good about purchasing Canadian content?

Ms. Karen Brochu: They are in that they really want to. Whenever you talk to a librarian they say that that's their priority, and it's true.

The issue with the library system is that the software that they use—and I don't want to get too boring and technical—has no field to let them know that a title is Canadian. There's no little maple leaf, no way for them to search by Canadian content. They just have to know that it's Canadian. They either have to know that the author is Canadian or the publisher is Canadian. Just to have the software companies that supply libraries incentivized to include that piece of data would be a huge benefit to both the librarians and to Ontario culture.

The Chair (Mr. Amarjot Sandhu): Two minutes and 30 seconds.

Mr. Mike Schreiner: Great. Thank you for that.

Did you say end of time, Chair?

The Chair (Mr. Amarjot Sandhu): Two minutes and 30 seconds.

Mr. Mike Schreiner: Oh, good. I'm not done yet, then. Okay, perfect.

And then, I just really quick, Jason, wanted to ask you a question, so I'm glad I have some time. We've heard so much about the importance of Ontario Arts Council funding. You talked about it in your presentation as well. Could you maybe just highlight how essential OAC grants are? I want to especially focus on artists who live in rural communities and smaller towns who may not have access to other sources of revenue or even a larger patron base in terms of supporting community arts in those areas.

Mr. Jason Samilski: Yes, certainly. OAC, or Ontario Arts Council, as you know, is the main go-to vehicle for Ontario artists and cultural organizations. It's really accessible also to small groups and collectives, so we're not just talking about funding the majors here through the Ontario Arts Council.

We do know that artists often, especially folks on the margins and facing systemic barriers, can have a little bit more trouble with some of the federal arts programs.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jason Samilski: The Ontario Arts Council, despite the lack of funding, really makes great strides in terms of community outreach, trying to connect with new communities. As you might know, they had, I think, two or three northern Ontario representatives to reach out there; now there's one. So they're working with a considerable deficit for that community.

The program officers there will work with artists for the first time to de-mystify that granting process. You can pilot and test ideas with the Ontario Arts Council, so it's possible to put together an ad hoc collective or a small group and try something and get a \$5,000 to \$10,000 grant to do something significant in the community. That's what

we're seeing a lot of. There's a significant number of growing small groups and collectives that are not getting the big dollars. They're not charities, they have no charitable number to leverage, they don't have the connections with the big donors and the corporate connections—

The Chair (Mr. Amarjot Sandhu): Thank you so much.

We'll have to move to the government side now. MPP Smith.

Mr. Dave Smith: My question is for Jason, and I'm going to preface it a little bit. I don't know very much about your industry and I am not very artistic whatsoever. In fact, if I talk about my fashion sense, you'll get an idea of how artistic I am: I think it is perfectly acceptable to wear vertical stripes with my tartan kilts.

This may provide us with an opportunity to reset some things in terms of the marketplace for you. Really, that's where my question is going to be. I have absolutely no idea how your artists get their product to market and, perhaps, one of the challenges that we should be addressing is finding a better way to do that so that it provides long-term sustainability for them.

Mr. Jason Samilski: Right. Conventionally, visual artists would make their work and present in a gallery, be it a public gallery or a commercial gallery kind of thing. In regard to the conversation around things really pivoting online, it's interesting here because if that happens, we're seeing a system where artists are in greater control over all areas of not only the production but the presentation process. There's great opportunity there to really reposition where artists are in the whole structure in terms of the creation, the marketing and then the presentation.

We'll always need the large cultural institutions. We know they're huge tourist attractions. These are very significant institutions in our society; we know this. But we see here there's great potential to really make the investments in the small groups and collectives—so many groups doing important work on the community level who aren't the big, superstar, household names, if you will. But we know there's a growing interest to cultural work happening more on the community level, and more and more folks are actually getting dissatisfied with the status quo of big Eurocentric art and really wanting to see things are happening on the community level and in a diverse way.

1640

If we can create funding opportunities to stimulate that kind of cultural activity that has really not been stimulated so much before, this is a huge chance to not only sustain the cultural sector but reinvent how it works. We see that there's great interest in this from other sectors and across everything right now. We want more equity. We want more diversity in everything we do. There's great opportunity in doing that right now.

Mr. Dave Smith: Before I turn it over to my colleague MPP Piccini, I'm going to make one last comment, and that is that my idea of acquiring art is I hand my Visa to my wife. With that, I'll turn it over to MPP Piccini.

Mr. David Piccini: Hi. Thank you very much, MPP Smith and Chair. Sorry for the whiny dogs in the background.

Karen, my question is for you. My question is about the comment you made with respect to curriculum. That was the first time I've actually heard that fact that you mentioned. I know my colleague MPP Schreiner picked up on that as well and asked you questions. From my perspective, I have two Indigenous communities, for example, in my riding, and I often reference that I was embarrassed that it took me getting elected to have in-depth readings on Hiawatha and Alderville, given to me by the chiefs, as I was a product of my K-to-12 system locally and we didn't teach that.

I'm wondering if you can just elaborate a little more on what role you see the boards playing, what role perhaps our trustees can play in this dialogue to ensure we have more Canadian content, more content that's reflective of our minorities, more content that's reflective of our Indigenous communities. If you could just comment on that, that'd be great. Thank you.

Ms. Karen Brochu: Yes, I'm happy to. I think first of all, in terms of this being a group that's looking to stimulate the economy, the impact, of course, being that if it's mandated that schools have to teach Canadian content, then Canadian publishers will be receiving some of that revenue, which then gets sent out to Canadian authors through royalties, to Canadian printers that we use locally, things like that. So the benefit of those dollars staying in Canada is huge.

In terms of working with other groups—some of you I know I have met with on various lobby days that we've done, so you've heard this before, but we have been asking about trying to get Canadian books in Ontario schools for quite a while now. We would love to be able to work with school board trustees or just school boards in general, to be able to talk to them. As I mentioned, we have a lot of these resources ready to go. We have these lists of titles. We have ways to search for what you need. We would be really happy to be a part of that conversation and to contribute to that, but we've just come across roadblocks because curriculum is not really a government of Ontario thing, which I recognize—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Karen Brochu:—and getting to the school boards that are doing the curriculum is difficult. So I would love for there to be a way to work together with the Ontario government and with school boards.

Mr. David Piccini: Yes, thanks, Karen. Definitely. That's a take-away for us. I really, really appreciate that.

That's it on my end. Thank you very much to all the presenters. I'm going to turn it over to my colleague MPP Oosterhoff.

The Chair (Mr. Amarjot Sandhu): MPP Oosterhoff, almost 35 seconds.

Mr. Sam Oosterhoff: Thank you very much, and I really appreciate that. I actually want to thank you especially on behalf of Canadian publishers. I think it's fantastic, the work that is being done in the Canadian

literary community. I actually work within the Ministry of Education as the parliamentary assistant to the minister. If there was one message you wanted me to bring back to the Minister of Education with regard to Canadian content, what would that be?

Ms. Karen Brochu: That we have it, that it's great, that it's current, and it just needs to make it to the schools and to the teachers. We have it, and we've got it ready to go.

Mr. Sam Oosterhoff: Thank you.

The Chair (Mr. Amarjot Sandhu): That was quick.

We'll move to the opposition members now. MPP Andrew.

Ms. Jill Andrew: Good afternoon, Karen. Good afternoon, Jason. Thank you very, very much for your deputations. Jason, I just wanted to say, you have said everything that most if not all of us in the official opposition have been saying before COVID-19, and certainly since then, with regard to addressing anti-Black racism, anti-Indigenous racism and the way in which responses to COVID—or should I say lack thereof—actually do demonstrate that very thing, anti-Black racism and anti-Indigenous racism. Whether we're talking about the cuts to the Indigenous Culture Fund or whether we're talking about a lack of responsiveness where basic income is concerned or where rent relief is concerned, which are two things that I know I've heard a lot from artists and cultural workers in St. Paul's.

I'm just wondering, if you had a 30-second elevator speech, both of you, what is the key drive-home message for this government that's listening, that has the ability as early as July to put things in place to help artists and authors who are struggling at this time?

Mr. Jason Samilski: I can start. The 30-second elevator pitch kind of thing here would be to really consider us as partners in building the sector that we want to see together.

This essentially has been a forest fire right now. Forest fires are really devastating, they're really dramatic, but they can also be really good for renewing the grounds to see new growth and shine new light and have rain reach places that it wasn't able to go before, right?

This is a devastating time. We definitely need relief, but we also need to be partnering so we can look at investing. What we're saying is that Indigenous, Black, people of colour, other marginalized communities need to be put at the forefront of this relief and rebuilding, and we need to tap folks on the margins to lead and invest in those communities to help us move through this and return prosperous.

Ms. Jill Andrew: Thank you, Jason. And Karen?

Ms. Karen Brochu: Elevator pitch—scary.

Ms. Jill Andrew: Do it your way.

Ms. Karen Brochu: I think this is just an opportunity—of course, as Jason said, we need relief right now in our industry, with such small margins. So many artists—you know, over 50% of Canadian authors live in Ontario—are dependent on the revenue that we are getting right now, and it is a very tough time.

That being said, this is an opportunity to make some simple changes to issues that we've had in the past that will help us so much in the long term. Things like mandating Canadian books in Ontario schools; things like supporting a return to a more fair reading of the Copyright Act, which has been a huge issue for the publishing industry. These are changes that could happen now that would not only help us through this situation, but make us more profitable in the future.

Ms. Jill Andrew: Thank you, Karen, and on that note, congratulations on Zalika's *Frying Plantain*—

Ms. Karen Brochu: Thank you so much. We're so proud.

Ms. Jill Andrew: You have to, have to, have to read that book, and that is the type of literature that needs to be infused in all of our schools across Ontario. The piece around libraries came up and whether or not libraries are interested or engaged in having our books and the response is yes, they are eager, just like yourself, over at OBPO.

The issue, as you probably know, is that the provincial funding to libraries has been frozen for the last 22 years, so we also have a situation where we're not making those investments into our public services that are going to help our public schools and our Catholic schools and all of our students thrive in that regard.

I'm just wondering what would be your words to the government around properly funding our publishers—the grants, book funds—and properly funding our libraries to ensure the creation of new work? Because if we're not incentivizing, we're not going to have new literary stars being born.

Ms. Karen Brochu: Exactly. I think anyone who's paying any attention right now is hearing the narrative that we need to be putting our funding into some of these public programs, things like schools, things like libraries, that only benefit our communities and our society as a whole. Libraries are such an important place to invest in. They do such a great job of supporting Canadian content. It is a priority for them, but if they don't have the funds, that is of course an issue.

I think the investment is clear in that when we are able to make money off of some of our—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Karen Brochu: —big titles, you know, the Margaret Atwoods and things like that that I mentioned at the top of all this, that allows us to invest in new upcoming voices like Zalika Reid-Benta, who just won two emerging writer prizes this week for her book *Frying Plantain*. It's such a self-fulfilling prophecy and it's so important.

1650

Ms. Jill Andrew: Thank you, Karen. It's so important, because whether we're talking books or whether we're talking visual arts, there's a connection between the work that you all do and tourism and hospitality. I mentioned Zalika's book for a reason: She has put Toronto—St. Paul's on the map. She has put Eglinton West on the map, for goodness' sake. These are the stories that then bring people to our communities, and then they have a meal while they're there and they stay a while. So I just want to

say thank you very, very much for your work, both of you, for your advocacy, and I look forward to staying in touch with you all.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes our time, as well. Thank you to both the presenters for your time. We appreciate your presentation.

GUELPH ARTS COUNCIL
BUSINESS FOR DANCE STUDIOS
THEMUSEUM

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenters: First, we'll start with the Guelph Arts Council. If you could please state your name for the record, and you will have seven minutes for your presentation.

Mr. Jim Duffield: Hi there. Jim Duffield, Royal City Studios, and I'm here with Patti Broughton.

The Chair (Mr. Amarjot Sandhu): You may start.

Mr. Jim Duffield: Patti was going to go first, so Patti, did you want—and do we have the presentation available?

The Chair (Mr. Amarjot Sandhu): Sorry? Can you repeat, please?

Mr. Jim Duffield: There was a presentation that was provided. Is that going up on the screen, or should I be sharing my screen? How does this work?

The Chair (Mr. Amarjot Sandhu): You can share your screen if you want.

Mr. Jim Duffield: Okay. Let me just bring it up here. My apologies.

The Chair (Mr. Amarjot Sandhu): No problem.

Mr. Jim Duffield: All right. I will let Patti do the introduction.

Ms. Patti Broughton: Thank you, Jim. Good afternoon. I'm Patti Broughton, the executive director of Guelph Arts Council. Jim Duffield is the owner of Guelph's Royal City Studios. Royal City Studios is just one year old, and provides the infrastructure and support to help musicians rehearse, record and perform. They are a member of Guelph Arts Council.

Guelph Arts Council has been supporting the arts in Guelph and Wellington county since 1975, and our mission is to champion and grow opportunities for the creative community through communications, resources for learning, and cultural programs and partnerships. We have a regional membership of about 250 individual artists and arts organizations.

Our first challenge is that artists are at risk. The nature of the arts is such that gathering and bringing communities together to experience, connect, learn and celebrate is a vital element in what we do. COVID-19 has had an immediate and massive impact on artists' livelihoods and will continue to have impacts as we gradually emerge. I understand that Guelph is the first community arts council to present to this committee, but presentations and submissions from other arts communities will follow.

Our first challenge is that artists are at risk. Across Canada, almost 800 artists have responded to a national

survey organized by ilostmygig.ca. They reported an average loss of 36 gigs and over \$25,000 in income. This is a major blow to livelihoods, as artists' average incomes are typically low.

Throughout the pandemic, artists have been a source of comfort and entertainment to Ontarians, with online concerts, classes, films and more building ongoing support in the slow return to professional lives. Venues and festivals will also need support as their capacity limits will impact ticket revenues as they reopen. We request that the province of Ontario advocate for or create strategies to provide longer-term CERB for artists whose work is their primary source of income; more strategic support to facilitate getting back to work; that funding be restored to the Ontario Arts Council, which has seen significant recent cuts; to provide incremental emergency funding for the arts to be disbursed through the OAC or community arts councils locally; and to make subsidies available to venues and festivals and support arts organizations in hiring artists.

And now I'll pass it over to Jim.

Mr. Jim Duffield: The next challenge is arts organization financials. How do we keep organizations and businesses open that are actually challenged by the current situation? Some of the challenges that are being encountered right now by these businesses and organizations: summer camps being cancelled, shows being cancelled, festivals being cancelled—that can definitely impact all sorts of art ventures and end compensation for the artists. Loss of tourism income: Obviously when there are no tourists around looking at artworks being created by local people, they're not able to sell nearly as much.

Also, the temporary closure is definitely impacting these businesses and these organizations from generating revenue, and it will be a slow recovery. That's one of the key things we're looking at right now. While we have gotten some upfront support, and we know that there's lots of work going on to help with that, it's going to be slow and it's going to be tough to keep everyone afloat as we move forward.

The OAC, the Ontario Arts Council, has indicated there's a revenue loss just until the end of June of \$128 million.

The Chair (Mr. Amarjot Sandhu): Two minutes.

Mr. Jim Duffield: That loss is going to obviously continue as we move forward until things are back up to where they were, if they ever can get there. There are shortfalls due to ongoing operating costs, a severe reduction in revenue and no specific funding for arts organizations or businesses within the recovery plans right now.

What we're looking for in the way of support here is, first of all, direct rent relief for these organizations to help them to operate and continue to be able to stay where they are in their infrastructure and be able to pay their landlords, and also extend the eviction ban even further, because right now, at the end of August—that's coming up really quickly. In order to get enough revenue to satisfy those landlords by the end of August—it's not looking really good for a lot of these businesses and organizations. So it would be very helpful to extend that.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Jim Duffield: Extend the CEWS to help offset ongoing revenue loss, support artists and organizations outside of the GTA who continue to create and present cultural content at a more grassroots level, and then finally, provide flexibility in matching requirements for funding programs such as Ontario Creates and Celebrate Ontario.

Then the last challenge that we're talking about today is transition to virtual. Getting online, obviously, as Patti was talking about earlier, is terrific, but it's really difficult to make any revenues from that. It's even difficult for some artists to get there. How do they get online? How do they do all these things? How do they sell their merchandise or their art products? How do they do all of that?

We're really challenged with a lot of these things. The skills are short for a lot of artists. They don't have the technology skills; they need support. The impact of this, of course, is still very low revenues right now and ongoing—

The Chair (Mr. Amarjot Sandhu): Thank you. We have run out of time.

We'll have to move to the next presenter now, Business for Dance Studios. If you could please state your name for the record, and you will have seven minutes for your presentation.

Ms. Linette Doherty: Hi there. My name is Linette Doherty, and I would also like to be able to share my screen as I go through. Thank you.

Good afternoon and thank you for the opportunity to speak with you today. My name is Linette Doherty. I'm the owner and artistic director of a dance studio in Toronto called The S.P.A.C.E., the School of Performing Arts for the Community of East York. I'm here today representing not only myself but also the studio owners of over 500 dance studios across the province of Ontario.

We would like to respectfully ask that our studios be allowed to open in stage 2, as many other sports and fitness facilities are able to do. With respect to O. Reg. 263/20 order under subsection 7.0.2(4) of the act - stage 2 closures, under "Sports and fitness," section 13, subsection 5, we also ask that, as no national or provincial sport organization currently exists for dance studios such as ours, you would consider the plan we have developed as a group instead, and that dance studio owners could voluntarily choose to operate as a self-governing body who agree to abide by these regulations we have set forth in our document Ontario Dance and Performing Arts Studios Workplace Guidelines for COVID-19.

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Our studios employ artists and educators, accompanists, administrators, cleaning staff and more. It is not only studio owners who are facing economic hardship while our studios are mandated closed, but also the thousands of other people who have lost their jobs across the province as we have had to lay off dance teachers, pianists, office managers and other staff.

Not only do our studios provide full- and part-time employment for our staff, but our shows and events employ theatre staff, event coordinators, stage managers,

lighting and sound techs, costume designers, ticketing agents and many others. Recitals and productions are a major source of income for a whole host of related industries, and the combined financial difficulties being faced by arts-related industries in our province are tremendous.

At The S.P.A.C.E., the sudden switch to online classes was devastating. I lost one teacher right away as she could not afford to continue teaching under the initial CERB guidelines. The time it takes to create, edit, process and upload class videos for everyone meant that I often left my laptop propped up on books when I went to sleep at night so that it wouldn't overheat while I had to leave it on to continue to process and upload videos.

I wanted to continue to have jobs for my staff for as long as possible, but the system was unworkable. We continued with a mix of live online classes and pre-recorded videos throughout June, but it took a toll on all of us. Our classes are meant to be taught in person in our studios. Online learning took a toll not only on the emotional and mental health of my staff but also on my students.

The COVID-19: Recommendations for School Re-opening report from SickKids that I am going to show you here says that "the community based public health measures (national lockdown, school closures, stay at home orders, self-isolation etc.) implemented to mitigate COVID-19 and 'flatten the curve' have significant adverse health and welfare consequences for children."

The report goes on to say, on page 6, that "close interaction, such as playing and socializing, is central to child development and should not be discouraged," that "sports and physical education classes should be encouraged," and that "schools should endeavour to offer as many of their usual clubs and activities as possible."

Many of our schools, through cuts to arts funding and programs, have lost the ability to offer a variety of physical activities, such as dance. Many educators are now emphasizing STEAM over STEM, recognizing the importance of the arts alongside science, technology, engineering and math. As a result, parents have turned to after-school dance and other extracurricular activities. In fact, the Canadian Youth Sports Report, which I'm going to show you here, states that dance is the third-most-popular activity for youth three to 17 years old, with 625,500 Canadian kids participating in dance. This report shows ballet as a separate activity, which means that the combined numbers of ballet and other forms of dance show that dance is second only to swimming across Canada, with a whopping 902,800 children across Canada taking dance classes.

With numbers like these, I am sure that some of you know dance families. My students truly do become like family at The S.P.A.C.E., and I know this is also true of all other dance studios.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Linette Doherty: The concept of a third place, a place outside of home or school, is well documented and contributes to a sense of belonging and community, both

of which are so important for well-being and strong emotional and mental health.

Not only do our students need their studios back, but their parents do too. As Toronto day camps are starting to open up at limited capacity, many families are left without child care. While we are not child care centres, over the summer we offer an alternative to daycare for many families through dance and performing arts camps. I normally run programming from 9 to 3 and offer extended care from 8 to 6. Our summer camps are not only fun activities for children, they also provide them with much-needed arts education and provide working parents with affordable programming for their children.

Allowing our studios to safely reopen will provide jobs and financial relief for the many thousands of people employed at dance studios across the province, allow tens of thousands of children to return to an activity they love that has positive benefits on both their physical and mental health, and would help ease the pressure on families as parents return to work by providing a safe place for children's activities.

Dance studios are large open rooms ideal for physical distancing. Many retailers with much smaller square footage have narrow aisles where it is difficult to maintain six feet apart between customers, yet their businesses are open.

Dancers also don't require shared equipment. With the exception of ballet barres, which are easily wiped down and sanitized after barre work, my students don't share equipment with others. Sports such as gymnastics use uneven bars, belts and rings that are shared by all participants and they are also open for business. I understand that gymnastics has a provincial sport organization and Ontario regulations state that "all sport activities must be conducted in accordance with the rules and policies of the applicable organization identified in subsection (5), including the rules and policies put in place to enable a safe return to the sport."

While there is a dancesport organization, shown here, this is a national body for ballroom dance only. It does not include our dance studios, so we are not permitted to open simply because of the style of dance that we teach. If ballroom dancers can return to dance safely, then surely so can ballet dancers, jazz dancers, hip-hop dancers and tap dancers.

In coming together voluntarily to draft these guidelines—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Linette Doherty:—dance studio owners of Ontario have proven that we are ready, willing and able to work with each other and the government in Ontario to ensure the safety of our staff and students. I ask again that you allow our group to follow the rules and policies we have put in place to enable a safe return to dance and allow our studios to open in stage 2. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you.

We'll move to our next presenter, THEMUSEUM. If you could please state your name for the record, and you can get right into your presentation.

Mr. David Marskell: Okay. Thank you very much. I understand I have seven minutes, so I'm going to share my screen with a very quick presentation. Thank you very much for allowing me to address the committee today. I'm from THEMUSEUM in downtown Kitchener, in Kitchener-Waterloo, not far from where you are. We're a charitable arts organization that opened 17 years ago, so still rather young. We actually began as a children's museum. We have an incredible board of directors from across Ontario, who help guide me and are also very patient with me.

The division was that the tech community and moms and dads both wanted to help reboot downtown Kitchener back at the time when there wasn't much going on there. The tech community wanted something that would attract and maintain skilled workers, and moms and dads wanted something for the better quality of life. They reclaimed a former department store—a very, very large building—and the Waterloo Region Children's Museum was opened. It did not meet expectations.

I had been director of marketing at Exhibition Place and at Ontario Place, and a search firm brought me in. I expanded the demographic by age and by geography, and stayed with the model of the children's museum of art and technology at play, because it was so relevant to our community. We had some very early wins, and the biggest one was that we created an exhibit on Warhol. True to our values, it was an unexpected intersection at a children's museum in downtown Kitchener that could have been in any major city in North America or anywhere else.

That put us on a path towards rebranding to appeal to virtually a museum of all stages of life. However, we don't have a collection, and it makes us very, very unique. The downside is that we're not eligible for operating funding from the province, because we're not viewed as a real museum, but we have almost 100,000 people coming. We've worked with Yoko Ono several times. We brought the Titanic exhibit in, and rock carvings from China. We celebrate many different cultures and so on, and we worked with the University of Waterloo to mount an exhibit at the Institute for Quantum Computing.

Our values are very, very important to us, and we've had some really wonderful speakers who have joined us: an elder during the sesquicentennial year, Margaret Atwood and so on. We are also the envy of many other museums. I was on the board of the Canadian Museums Association, and they all want to attract young tech workers—in our case, millennials. We do that, and we do that because our collection is one of fond memories and experiences. STEAM is in the DNA of this community, and technology. We opened the Underground Studio MakerSpace a few years ago, and have already had 30,000 girls and boys from the age of six working with their hands, and we're creating the next generation of innovators.

Our fiscal is ending soon, and last fiscal we had a very, very good year. Our earned revenue was up \$200,000, our school groups and everything—all the lines in our control were up, and going into this fiscal into March, we were outpacing last year—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. David Marskell: —and then it all came to a sudden halt as the COVID pandemic shut us down.

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Our future is one of expansion. We're at the corner of King and Queen, and our board firmly believes that we need to complete the circle for global competitiveness. We have wonderful universities, the Centre for International Governance Innovation, Communitech, rare Charitable Research Reserve, Perimeter Institute, but we don't have the critical mass of arts and culture that cities smaller than us have across Canada. It's our belief that that is something that we need to do, and working with BMO, we've been able to secure the building beside us so it can be torn down and razed, and then create something very spectacular for our community.

We've done a lot of research, fundraising research—the RFP is out there right now for the business model—but we're also working with a research company that went to the general public, and what they want in our community is what I call “world-class alongside local innovation.” They want us to be able to borrow from the Royal Ontario Museum—I understand 6% of their collection is on display at any given time—allow us to borrow some of that and put it on display in southwestern Ontario. The AGO is also on this list of what people want. But in between, really importantly, is the local innovation of this community: the universities, the technology companies and local artists, musicians and actors. This is a great road map for us as we plan to expand.

Our future is bright. It's challenging. We're integral to the growing Waterloo-Toronto technology and, as I like to add, cultural corridor. Since the pandemic, we have virtually hosted 35,000 children, seniors, families and so on.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. David Marskell: Our economic impact has been significant, but we don't have the funding from the province.

We have three main asks for you to consider: that you fund the capital expansion bridging us to that bright future and help reboot the economy in that way; work with us and fund new ways of meeting our mandate digitally, which is increasingly important; and review the criteria of core funding of unique, emerging, new types of museums, like us, who have 100,000 people. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the questions now, and this time we'll go to the government side. MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you to all the presenters today. A lot of really important work is being done in communities across our province, and I think we've heard from many different presenters today who have laid out some of the challenges that you've experienced.

What I keep hearing through all of this, and through all the different sectors that are in your sector is really that there was this feeling right before the COVID pandemic that we were on the cusp of something really wonderful here in Ontario, that things were progressing very quickly,

that we had really been coming into our stride nationally and internationally, and I think we've seen that the speed with which that all came to a halt has been really shocking.

I always say this: If you had told me at the beginning of January that I was going to be supporting legislation that would shut down my neighbours' business and my neighbours' ability to go visit friends or go to a show or even get married with family members around, I wouldn't have believed you. That's, of course, also true for the arts. You provide such vital and important cultural and creative outlets in our communities, and so I want to thank you for that.

I think, obviously, all of you have raised important aspects when it comes to funding. I take that as, granted that there are significant cash needs in the particular aspects of your sectors and in your organizations. I want to congratulate you on the work you've done at this point. I know so many of you have already looked at very innovative ways of trying to keep within very limited budgets, and I respect that and I thank you for that.

I'm going to take that as a given that there's a cash need there, and perhaps just from that, though, expand a bit more as to what could be done on the cost-driver side. Recognizing that we don't have unlimited quantities of cash, and again, recognizing that there is that need, where would you see supports that we could provide as a government that are perhaps not direct cash transfers, but are still supports through things such as destination funding or clarity or allowing, perhaps, some innovation that can't take place currently because of red tape or because of restrictions that are in place or partnerships with our colleagues at the federal and municipal levels to try and ensure that you have access to, I don't know, provincially owned spaces, or something?

I don't know what that looks like, and so I would love to hear, perhaps, from any of you, if you'd be willing to engage with that question, of what are some innovative ways we can provide supports, aside from and recognizing already that cash need. Perhaps any of you can—I see Linette has her hand up.

Ms. Linette Doherty: Thank you. Sorry, I didn't know if we just go in order, or how this works.

Mr. Sam Oosterhoff: Yes, it's all good.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Linette Doherty: I've been speaking with a number of other dance studio owners across the province, trying to draft both what I wanted to say to you today as well as the regulations that we've put into place and submitted to the committee. A big part of what we would love to be able to do is open our studios responsibly. Right now, we have no income. We can't open. We're mandated closed, and there are a number of other similar businesses that are allowed to be open. While this pandemic is certainly going to have effects that last for a long time, we would at least be able to mitigate some of the financial losses that we're having if we were able to run some classes.

Our rent relief runs out next week. I have to pay my full July rent next week, and I have had no students in the

studio since March. It took so long to get commercial rent relief running in the first place that even though my landlord was eventually willing to participate, I haven't seen a rebate cheque. Though my April, May and June cheques have all been cashed in full, I'm still waiting to see any of that money come back in, and now my July rent has to be paid in full. It's a lot, and if we were able to open—none of us are advocating for opening irresponsibly and putting our students or their families at risk, but I do think that we can open safely, the same way that other sectors have been able to, and that would make a huge difference for dance studios across the province.

Mr. Sam Oosterhoff: Thank you.

David, I believe you had your hand up too.

Mr. David Marskell: Yes, thank you very much, Sam. I first and foremost believe that arts groups actually have to take some action on their own. It's not a time to replace what we had, because in many cases that wasn't working. We need to rethink and reboot and really collaborate. I would reward collaborators. I would reward that type of thinking, of people working together—that can be locally or digitally—and bringing curriculum from around the world to our students, or taking our curriculum around the world.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. David Marskell: I would also very much support digital online learning wherever you can.

I do believe that the marquee year of 2021 for tourism is a huge opportunity. That's another 15 months from now, and by then, hopefully, things will be much brighter. Certain blockbusters and the opportunity in not just the arts but in sports and in other sectors, those types of activities, to really reboot the economy, get tourism going, move people around the province, around the country—I think those types of blockbusters will be very important.

Mr. Sam Oosterhoff: I completely agree, and before I turn it over, I'm glad you mentioned the sports component as well, because there's often an interconnectivity to a lot of these aspects in sports and arts, as well. I know in Niagara we're going to be hosting the 2021 Canada Games, which is very exciting. We're going to be having everyone down here in the region, and I'm also looking forward to highlighting a lot of Ontario's cultural—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off, but we'll have to move to the opposition now. Before I do that, I need to do an attendance check, MPP Tabuns, and you can go ahead with a question.

Mr. Peter Tabuns: Thank you very much, Chair. Peter Tabuns, Toronto—Danforth riding, speaking from Toronto.

Hello, everybody, and I'm going to be turning my questions to Linette Doherty. It's very nice to see you here today, Linette, and thanks for the presentation that you made.

I don't think people fully understand how broadly dance studios reach into the community. You referenced in passing how popular they were, but I've passed your studio many an evening when you've had a pretty big crowd both inside and waiting outside. How many people

are we talking about who are participants in dance studios across Ontario?

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Ms. Linette Doherty: Sorry, do I just answer directly if you—

Mr. Peter Tabuns: Yes, you do. We're talking back and forth.

Ms. Linette Doherty: Okay. I run a very small studio. I have probably about 100 kids who take classes at my studio, and mine is very small. I've been speaking with a lot of the other dance studio owners. One woman is going to be speaking to your committee on Tuesday. She has a staff of 30, and that is a much bigger studio than mine is. Even just putting those numbers in and trying to balance between a smaller studio like my own and some of the larger competition studios, it's thousands of children across the country. I would take in 12 kids a week for summer camps; times 500 studios across the province, that's 6,000 kids, but most studios are much larger than mine, and that number is truly closer to 10,000 or 15,000 kids across the province.

Mr. Peter Tabuns: So we're talking about a very large area of activity for children and businesses across Ontario.

Ms. Linette Doherty: Yes.

Mr. Peter Tabuns: I'm assuming that all the other dance studios are in the same situation as you are, and that's that they have not been able to earn any money, really, since the pandemic came down.

Ms. Linette Doherty: Right. As soon as we started, my studio was closed. I have no students in. Most studios are like mine, in that typically we end with a year-end show. I had already paid for a theatre rental. I then lost the ability to sell any tickets, to sell any merchandising for the end-of-the-year show. Anything that would have gone along with that show, that income never happened: t-shirts, posters, anything that students would have bought to commemorate the end of their year. We typically have a picture day and bring in a professional photographer. That didn't happen either.

Then, along with that, because we were no longer able to have anybody in the studio, all of those in-person registration dates for things like summer camps and looking ahead at fall registration—nobody has been in my studio, so that loss of early registration is also huge for me and for a lot of other studio owners as well, because it has meant, effectively, that I have had no income. I have nothing else coming in since we've shut down, whereas normally I would be seeing those early registrations for summer camps and the fall, which would help me see it through the summer. But none of that income is coming in.

Mr. Peter Tabuns: I've been talking to a lot of small businesses in the last few months. Your sector has been hit extremely hard. Obviously you can't do takeout, you know? You serve in place. If, in fact, there isn't assistance granted, is it reasonable to assume that a very large part of or almost all of these dance studios will go under if they don't get assistance in some substantial form?

Ms. Linette Doherty: I would think so, because I don't see how any of us can keep up online classes for an indefinite period of time. Parents don't want it and—

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Linette Doherty:—kids don't want it. I've read so many news articles talking about schools and how kids were just Zoomed out with all the things that were happening for classes. I have two kids of my own, and watching them try to keep up with online schooling, kids have all of their activities taking place over Zoom or similar platforms like Google Meet. They're exhausted. It just doesn't work. If we can start to get our kids back into physical activities—of course, in a way that's safe; none of us are advocating for a return to our dance studios in a way that doesn't keep people's health and safety as a top priority, but we want to return safely and to have our businesses thrive.

Mr. Peter Tabuns: Linette, thanks very much. I really appreciate that. I actually am booked into another committee, so I have to go there, but I'll turn it over to my colleagues. Good luck with the rest of the day, Linette.

The Chair (Mr. Amarjot Sandhu): MPP Lindo?

Ms. Laura Mae Lindo: Thank you, Chair. How much time do we have?

The Chair (Mr. Amarjot Sandhu): Two minutes.

Ms. Laura Mae Lindo: Perfect. I'm going to start with David.

David, it is wonderful to see you out in my neck of the woods. It's awesome. I have a question. It's actually also coming from Jill Andrew, our culture critic. She has actually been pushing for more investments in the Community Museum Operating Grant, talking about the fact that there has not been an increase to that grant for over 15 years. My understanding is that your museum, because of the unique nature of it, may not actually be able to access said grant.

What I'd like you to talk about in the time that we have in this set of questions is why it's important for the broader economy for that grant to be increased and, most importantly, for us to rethink what museums are, so that somebody as innovative as you and the museum here would be able to access that kind of support and get this economy moving again.

Mr. David Marskell: Thank you. It's nice to see you as well.

Yes, I do believe that the funding needs to be increased, especially during this time when people need to play catch-up in some ways. But as you point out, round hole, square peg: Even though we have our 365 days a year, we're not considered an art gallery, and even though we have artifacts and we bring in the Titanic and rock carvings from China and so on and so forth, we're not considered a museum. But the public comes. As we said, 100,000 people think we're relevant, and they come, and there are transformative connections made because of our creativity in the work that we bring there. And that, to me, is—

The Chair (Mr. Amarjot Sandhu): Thank you.

We have run out of time and have to move to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Thanks to all three presenters for coming in today and providing us with really important information. Thanks for taking the time, especially late on a Friday afternoon.

I have a number of questions I want to ask. Jim and Patti, it's good to see both of you. Thank you for participating in my local consultations, which were feeding in to the minister's economic recovery work as well.

Jim, you were just finishing your presentation on the supports needed to transition to virtual, and you ran out of time. I want to give you some of my time during questioning to finish that part of your presentation, if you'd like.

Mr. Jim Duffield: Sure. That would be great, yes.

Really, what we're looking for is giving artists some support in training, and helping them to understand how they can get online, basically—also, grants or funding to help artists do that, because some of them are going to need to set up an eBay or some sort of Shopify or something like that for their products and services.

Livestreaming for musicians: How do they do that? How do we get revenues through livestreaming?

There are a lot of things where we can certainly help musicians to a certain degree, but only for our customers, who know us and we know them. I think getting that provincial support to do that will not only help my customers but it will help all of the—they say something like 20% of people in Ontario actually play an instrument of some sort, so there's a huge amount of people out there who need this support. If you look left and right, probably every one of us on the call knows someone, not just musicians but in the arts, who uses that as at least part of their income, and many of them, as all of their income. Losing \$25,000 due to this situation, in this year, is huge for them, because they may just be over the poverty line.

Those are the types of things that we're really looking at making sure that we can help our musicians, our dancers, our actors and our singers with, and helping everyone get where they need to be to survive in this new paradigm that we're in.

Mr. Mike Schreiner: Right. Thanks for that.

Patti, I just want to direct a question to you. When the Ontario Arts Council CEO was at committee earlier today, she showed us information where every \$1 invested in the arts has a multiplier effect of an additional \$16 of economic activity. I did some really quick math: The \$5-million cut from two years ago and the \$10-million cut from last year—you take that times 16, and that's a \$240-million hit to Ontario's economy. I know you've talked very eloquently about the importance of OAC funding to support artists in Guelph. As the first local arts council to come to the committee, do you think that 1-to-16 ratio is similar in Guelph as well as being the province-wide ratio?

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Patti Broughton: I think so. Guelph is really well known for the richness of its arts community. I think if that's true anywhere, it's in Guelph. You think about all of

the festivals that happen in Guelph: Hillside, the Guelph Jazz Festival, the Eden Mills Writers' Festival, the Guelph Film Festival—there are so many. When people go and experience the arts, it's a celebration. They're visiting local restaurants. They're staying in hotels. There's a big tourism component to the arts. Even for residents, often experiencing the arts is part of a bigger outing for families or for couples—or just dinner. Yes, I absolutely think that that's true in Guelph, that multiplier.

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Mr. Mike Schreiner: Patti, just while I have you, how vital do you think replacing those cuts to the Ontario Arts Council is to having a vibrant economic recovery in Ontario?

Ms. Patti Broughton: I think it's very important. Those cuts to the OAC are passed on directly to our local grassroots arts organizations who are the folks who are creating the cultural content in our province. They're telling our stories. They're expressing our concerns as communities and as a society. Those things are critical. As well as the economic factor, there's the social factor that goes with the arts and all of the benefits for mental health.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Patti Broughton: When cuts like that happen, I feel that there is so much momentum lost, because we work hard in the arts to develop our programming, to develop our audiences. These things happen over years, and when those cuts happen, it can disappear in an instant immediately. You see so much backtracking on the progress made. I think restoring those cuts is critical.

Mr. Mike Schreiner: Thanks for that.

I'm almost out of time. I just want to quickly say to Linette that I've had a number of dance studios in my riding and across the province reach out. I've spoken to the Chief Medical Officer of Health, and the response I've heard is that if you can meet the general guidelines, it should be fine to reopen. So I'm hoping that's a message that all of us from all parties can bring out of this committee quickly: that if it's safe for you to open, you can open.

The Chair (Mr. Amarjot Sandhu): We'll start the second round with the official opposition now. MPP Lindo.

Ms. Laura Mae Lindo: I'm going to do another quick question for David. When we got to the end of your response, we were talking a little bit about innovation and thinking differently about the need to invest in innovative museum spaces—for instance, like yours—and what that can do to stimulate the economy. I just wanted to give you a little bit of time to finish up your thoughts there.

Mr. David Marskell: Yes, thank you very, very much. The traditional museums are very, very important. They often showcase the heritage of the local community and so on. In some ways, when the children's museum did not meet expectations, it gave us a huge opportunity to be relevant in a very quick manner. We can take on topics as they come up and respond to them. Again, people are responding to us; 42% of our paid visitors are from outside of Waterloo region. We work with the Toronto Star often

and we work with numerous media outlets to bring people to the region. The economic impact is significant, just based on that alone: people staying, buying gas, staying overnight and so on.

The unique experiences are growing, and new types of museums are starting to percolate. I just think that's something that young people and millennials are wanting, that experiential experience. I think that's something that needs to be on the radar of all governments.

Ms. Laura Mae Lindo: Thank you so much, David.

I'm going to move over to Jim. You had spoken a little bit about the need for artists and investment. We're moving into this digital space and we're talking a lot about digital. I was a musician once upon a time, and I've been hearing from other musicians that part of the challenge is that they can't play in groups, because there are still concerns that if they have an instrument or they're singing, that could in fact cause issues with the pandemic and COVID-19 transfer and all that stuff.

I'm wondering if you can speak a little bit about what you've been hearing, and then I'll hand it over to our critic MPP Andrew.

Mr. Jim Duffield: I had a conversation with the Wellington-Dufferin-Guelph Public Health centre, and they were telling me—because recording studios are allowed to open and there are certain conditions around that. If you can have people socially distanced in a healthy way while they're doing a rehearsal—because it is completely impossible to virtually rehearse with other musicians. Even with our current technology, there's too much delay; you're playing on beat one and the other guy is playing on beat two, and it's just all over the place. That's kind of crazy.

We were allowed to open based on the conditions that we put in place: making sure we had fewer people in each studio, making sure the airflow in the studios was sufficient to clean out the air, and then if you did have to take off a mask—obviously, we're a masked group in Guelph, which has really helped, actually, because people who aren't singers can have their masks on, and that way, if someone is singing and there's moisture going into the air, everyone else is still protected. And then, of course, as we get out of there, we'll wipe down everything. There are ways to make that happen.

The other thing about livestreaming is—we have a performance space that is 1,200 square feet. Of course, we can't hold any shows in there, but we can hold a virtual show. If the band is spread out enough to be able to perform live and they can have a video guy who's also socially distanced, and it's within those constraints of 10 people or less, we can hold a live concert and livestream it, which is really cool. So we're working on doing that, as well—and the drive-in concerts, which is the last thing we're trying to work on. We're holding one on July 16. It's the first local show that they're doing in the area, so it's going to be really exciting.

As far as technology goes, it can get you so far—you're right—but there are some limitations around it. That's why people being together is really important for some of the arts.

Ms. Laura Mae Lindo: Over to MPP Andrew.

The Chair (Mr. Amarjot Sandhu): MPP Andrew.

Ms. Jill Andrew: Thank you all for your comments this afternoon.

I just want to ask a broad question with regard to the social conditions of artists, whether we're talking about dance artists—in our riding, we have a school that is pretty close to being shuttered if the landlord doesn't choose to opt in to the federal arrangement. We're hearing from a lot of folks who are saying that they need rent subsidies, whether that's residential rent for artists or commercial rent for places like Groove.

We're hearing folks talk about basic income; specifically, artists and cultural workers, who are saying, "I didn't qualify for the federal subsidy" or "The federal subsidy is going to dry up. What am I going to do now? What's my province doing for me?"

From your perspective, how would things like basic income—would those help our cultural workers right now? Would rent subsidies, whether commercial or residential, help our cultural workers right now?

The Chair (Mr. Amarjot Sandhu): Fifty seconds.

Ms. Jill Andrew: That's for anyone who wants to jump in.

Mr. Jim Duffield: The basic income would be huge for the arts professionals who are out there. A lot of them are working just on that borderline; they're barely able to make ends meet. That's the nature of being an artist. You have to struggle and push and try to get every single dollar you can out of the effort you're putting in. At the same time, if you're all focused about money, then you're less focused on the art. So that basic income would really enable artists to be able to live a full life and do great art, and I think that would be a tremendous thing.

Ms. Jill Andrew: Anyone else—

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes the time.

We'll go to the independent members now. MPP Schreiner.

Mr. Mike Schreiner: Linette, you wanted to respond to that, so I'll give you a bit of time. I saw your hand go up.

Ms. Linette Doherty: I think that rent relief is a huge part of a lot of dance studio owners being able to make it with our businesses. I mentioned in our presentation that my full rent is due next week, and I can't have anybody in the studio and I can't run classes. Because of the length of time that it took to get commercial rent relief happening, I still have not seen any of the money that should be coming back to me. I paid April, May and June in full. I have to pay July in full next week, and I can't hang on forever, so rent relief would be a huge help.

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In terms of a basic income, for my studio in particular, I'm an ACTRA member, we're all performers, and all of our performing work is done. All we have is teaching, and even that's being impacted right now.

Mr. Mike Schreiner: Thanks for that.

Just sticking with the rent theme a little bit, Jim, I know you and I have talked about how it was important to have

the temporary commercial eviction ban come in, but it's not going to be enough as what was passed. I think there are two things that you've been asking for. One is extending the temporary ban deadline beyond August, so if you could talk about that, and then I think a number of tenants have struggled to get their landlords to participate. If there was more of a tenant-driven program rather than a landlord-driven program, can you just speak to the importance of that rent support as it relates to you?

Mr. Jim Duffield: Absolutely. Yes, thank you, Mike. Rent, as Linette was saying, is a huge component of our expenses as a business. I'm not a non-profit; I do have to earn money in order to pay the rent, and I haven't been able to do that until a week ago. People are actually very, very slow in getting back at things, too, because a lot of people are afraid, and they want to make sure that they're safe, and that's totally understandable.

The problem is that with the majority of our expenses being rent—I personally have to pay about \$9,000 a month for my rent; it's not cheap. You can open your eyes and say, "Holy cow. How are you even going to do that?" and that's the question. So if I'd had to pay that and my landlord's not supporting us by getting the subsidy, at the end of August, they're going to be like, "Where's our rent? We want it now or you're gone." Maybe they won't be quite that mean, but you never know, right? It can be really challenging working with the owners.

That kind of environment is not going to be productive for me to be able to grow the business and get back into a new reality, when I'm worried about how I'm going to not get locked out of my business. Extending that ban on the eviction is going to be huge for us to enable us to regrow things, re-strategize, pivot and get in the right direction, so that we can start saying, "Yes, now I can pay you. Now I can pay you."

The other thing about the rent subsidy is that if they're not willing to take that on themselves, then it would be really great if it could come directly to the owners, and that way, we still have something to give the owners and also lighten that load a little bit to help us get through.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Mr. Mike Schreiner: I appreciate that. David, I just wanted to quickly say that I love your museum. My daughter goes to Laurier, so I make the trip over from Guelph. So I'll stop in, and if you come over and go to one of Jim's drive-in music performances, and we'll all support each other.

While I'm thinking about that: I just want to know, what would it take to get you to be considered a "real museum"? You've always felt like a real museum to me, so why aren't you a real museum?

Mr. David Marskell: The short answer is having a collection and taking care of a collection.

But if I may, yesterday Minister MacLeod posed the question, "What does my Ontario look like in 18 months?", and I believe THEMUSEUM will be vibrant and innovative. I believe THEMUSEUM will be a healthy contributor, but again, we cannot just replace; we have to reboot and make new collaborations, and so Jim and I do

need to collaborate and create something that nobody has ever thought of before between Guelph and Kitchener-Waterloo. I think the artists need live workspace. That's what I hear. So what collaborations can happen with institutions and local artists? I think we really have to think way high up there and not replace what we had that wasn't working, in many cases.

Mr. Mike Schreiner: Yes, what a great statement.

I want to shift really quickly to Patti or Jim, one of the two of you. It's in line with what David just said. You talked about flexibility in the Ontario Creates and Celebrate Ontario grants. Could you elaborate on what kind of flexibility you're looking for?

Ms. Patti Broughton: Sure, I can speak to that quickly, Mike. I understand that those grants—and they're not grants that the Ontario Arts Council receives directly, but members like festivals that are within our membership do.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Patti Broughton: My understanding is that those are matching grants, so there's a certain amount of funding that's provided, but the organization needs to come up with the other half, for example. Some of our local festivals in this situation, where they've lost so much revenue, have had to cancel and so on, are going to be struggling to meet those commitments so they're looking for some flexibility in the matching requirements.

Mr. Mike Schreiner: Okay. That's a good and relevant point, so thank you for that.

How much time do I have, Chair?

The Chair (Mr. Amarjot Sandhu): Twenty seconds.

Mr. Mike Schreiner: That's what I thought. So I'm just going to say thank you all for coming in late on a Friday. Your presentations were fantastic and very valuable.

The Chair (Mr. Amarjot Sandhu): The last round of questions: the government side, and I'll start with MPP Smith.

Mr. Dave Smith: My first question is for Linette. My daughters did dance for a couple of years when they were much younger. My niece was involved in dance very heavily, and my sister actually made the comment that she was glad that my niece went to university because it was going to be less expensive than all the competitions that she was involved in.

With respect to some of the changes that we've made for sports and opening things up: If it's a national sport or if it's a provincial competition that they're building towards, they're able to go in and do that. I completely understand where you're coming from with respect to not having any clients being able to come in. Part of the reasoning behind doing it that way was it was actually a very limited number of people who were going to be in a facility.

The experiences that I had with dance—it was a little bit more difficult because you had significantly more dancers coming in and out of the studio over the course of the day. I'm wondering, how can you open up and have all of the dancers come in and still be socially distancing and respecting some of the challenges?

Without being disrespectful to any community, Kingston itself didn't have any infections for about four weeks. Since they've gone into stage 2, they've had 18 COVID-19 infections as a result of one location alone. I'm sure they tried very hard to do all of the best practices, but there is that fear. So when you would have that many people coming through, how would you be able to do something in a socially distancing, responsible way?

Ms. Linette Doherty: Well, I think the case that you mentioned underscores the need for us to be very aware of what the provincial guidelines are and be able to follow them. I did mention in my presentation that dance studios typically are very large spaces. I think every industry that has opened back up again has done so with modifications, and dance studios would do the same thing. Obviously, we're not going to be doing partnering work because kids can't get that close to each other, so we teach dances that don't involve partnering.

If it means that we have smaller classes and fewer kids in the studio—my studio is smaller, and I am more of a boutique studio in that I never have more than 12 kids in a class because of the way that I choose to teach. For some studios who may have 20 or 30 kids in a class in a studio, they may obviously have to modify that and say, "We can't have those numbers in."

But at this point, we're not able to open at all. We can't have one kid in to work on a solo—

Mr. Dave Smith: I'm going to interrupt you, just for a second, because this is an opportunity if you could give very specific recommendations. This is an opportunity that they can get into the report. Being less general on it and very specific is something that would be beneficial here.

Ms. Linette Doherty: Okay; thank you. We are able within our studios to support social distancing. We can mark out spaces on the floor to enable kids to stay only in their own spot. We can have smaller groups of students in. We can make sure that our schedules are staggered. We can close our lobbies so that parents aren't coming in, other people aren't hanging out and increasing the number of people in our studios. We can increase our cleaning schedules.

The Chair (Mr. Amarjot Sandhu): Three minutes.

Ms. Linette Doherty: We typically have fewer things to wipe down, but ballet barres and other high-contact areas are things that can be cleaned and sanitized between groups of dancers if we make modifications to our schedules. I think there are a lot of specific things that dance studios can do to mitigate the risks in the way that other industries have as well.

Mr. Dave Smith: One last question before I turn it over to my colleague MPP Khanjin, and that's with respect to your elite-level dancers. We've had the National Ballet come in and they talked about how they are basically elite athletes and the amount of work that goes into it before they can actually do a performance. If we opened everything up today for you, how long would it be before your elite-level dancers would be competition-ready?

Ms. Linette Doherty: I don't do competition at my studio specifically, but in terms of performances, some of

them are going to take some time, in that it will take time until they're able to feel motivated and back in the studio. Dancing at home has also meant doing the furniture dodge as you try to work out choreography in your living room or any places that really aren't meant for dancing. We need time in the studio in order to be able to get back to dance at their full capacities. Depending on the kid, that could take weeks, that could take months, but the sooner that we can get started with getting them back into the studio and training them at the level that they're used to, the sooner that they will be back to their full potential.

Mr. Dave Smith: Thank you very much. I'll turn it over to MPP Khanjin.

The Chair (Mr. Amarjot Sandhu): MPP Khanjin.

Ms. Andrea Khanjin: Thank you to all the presenters for joining us here today. Linette, you actually reminded me that I had a Zoom call, similar to MPP Schreiner, with many of my dance studios in the riding—actually, even outside of my riding, just because the students can come from anywhere; they don't know geographic or political boundaries.

I did read the regulations that you sent in, the workplace guidelines for COVID-19 that your organization drafted May 28—really comprehensive. You guys had everything, down to the change rooms. It was impressive.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Andrea Khanjin: What I learnt from this call I had with many of my studios was they've been in contact with

their local health unit and that they've turned their business model to instead of running dance classes, they're actually running dance camps, and they're open now. Because if you look at the framework for reopening, technically dance classes and studios—it says “studios;” it doesn't say “dance,” but it says “studios”—is in stage 3. But for them to even prepare, they've started.

And if you would just bear with me, briefly, I might just might share my screen, if I'm able to. Here is a picture of what they've done. Can you see that? Okay, you can see that. It's a picture of what they've done for their classes. It's good, because the students can still see the teacher, but they can be separate.

I was just wanting to get your feedback, your thoughts, on more studios running the camp model right now, and then setting up—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time.

That also concludes our business for today. Thank you to all the presenters, committee members and committee staff assisting in today's meeting.

As a reminder, the deadline to send in a written submission will be 6 p.m. Eastern Daylight Time on July 6.

The committee is now adjourned until 9 a.m. on Monday, June 29, 2020, when we will meet to continue hearings on the culture and heritage sector. Thank you so much, and have a good weekend.

The committee adjourned at 1753.

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