

**Written Submission for the Pre-Budget
Consultations in Advance of the 2019 Budget**

**By: The Canadian Association of
Stand-up Comedians (CASC)**

1300 Gerrard Street East
Toronto, ON M4L 1Y7

Sandra Battaglini
sandra.battaglini@gmail.com

LIST OF RECOMMENDATIONS

Recommendation 1: That the government direct cultural institutions to include Canadian stand-up comedians as eligible funding applicants in relation to helping protect Canada's comedy brand.

Recommendation 2: That the government insist that all investments in Canadian content employ Canadians in key artistic and production roles in order to ensure Canada is competitive in the global market.

Recommendation 3: That the government allow Incorporated Canadian Not-for-Profit Organizations (NPOs) to issue official donation receipts on financial contributions of \$1,000 or more.

EXECUTIVE SUMMARY

The Canadian Association of Stand-up Comedians (CASC) was formed in 2017 to represent the first-ever unified voice for stand-up comics in Canada.

Our goal is to expand upon the rich comedy legacy in Canada, and build a dynamic and thriving stand-up industry that celebrates diverse voices, both aspiring and legendary. We provide leadership, strategies and resources to professional comedians in order to improve the competitiveness and profitability of the comedy industry in Canada. There are currently over 600 CASC Members from communities in all provinces and territories in the country.

The Prime Minister's office has directed the Minister of Canadian Heritage to promote industries that are a reflection of our unique identities as Canadians, and create jobs and economic opportunities in these sectors. Comedy has historically been one of the most important Canadian contributions to the entertainment industry worldwide.

It's our view, however, that Canada's competitive position as a leading global producer of comedy content is under threat. Accordingly, to ensure Canada's competitiveness in the comedy industry, the following recommendations should be among the Government's key priorities in the upcoming budget:

1. Cultural institutions that receive federal funding for arts and culture should be required to include Canadian stand-up comedians as eligible applicants. This will ensure Canadian creators can maximize their productivity potential.
2. Investments in Canadian content by Canada's broadcasters, global digital streaming companies, and non-Canadian content producers and distributors should be required to employ Canadians in key artistic and production roles. This will make the Canadian industry more competitive in the global market.
3. Incorporated Canadian NPOs should be eligible to issue official donation receipts for business and income tax purposes on financial contributions of \$1,000 or more. This will promote a culture of national support with citizens across the country.

1. Ensuring Canada's Competitiveness- **Arts and Culture Institution Funding Must Include Stand-up Comedians**

While the Government is committed to doubling its investment in the Canada Council for the Arts, currently, there is no opportunity for Canadian stand-up comedians to even apply as stand-up comics for funding through the Council.

This sends the wrong message to an active population of Canadian creators, and fails to protect Canada's brand and domestic production of comedy content. Entrepreneurial comics must be supported through an infrastructure that ensures Canadian talent remains Canadian, encourages domestic content development, and attracts global customers for Canadian content.

According to Statistics Canada, culture is defined as, "...*Creative artistic activity and the goods and services produced by it...*"⁽¹⁾

Stand-up comedy satisfies more than the minimum criteria Stats Canada has outlined, falls within four of the six Domains they have designated, and reflects their key concept of fulfilling a "creative chain".

Therefore, stand-up comedy is a part of Canada's arts and culture sector, but it's not officially recognized with support by institutional branches, like Canada Council for the Arts.

There are numerous studies demonstrating the economic and social benefits of a thriving cultural sector for people working in multitudes of other sectors within a community.⁽²⁾ The economic benefits that come from funding stand-up comics are similar to the model for funding Canadian recording artists. Past government funding through FACTOR and Radio Starmaker, as well as the CRTC MAPL regulations created a billion dollar Canadian music industry with massive international stars.

Audits from the Canadian Independent Music Association (CIMA) demonstrate that investment in artists in the music industry has measurable economic benefits.⁽³⁾ The publicly sponsored music scene has been shown to create more than 13,000 jobs and generate over \$93 million annually in new tax revenue. For every \$1 in federal or provincial music program support, there is a \$1.22 return.

The stand-up comedy industry is bolstered by fan consumption, the operation and management of venues, merchandisers and their employees. Comics record albums, create digital online content, and tour the country. Funding stand-up comics will drive economic growth and jobs in communities across Canada.

2. Ensuring Canada's Competitiveness- **Insist All Investments in Canadian Content Include Key Canadian Talent**

In September 2017 the federal government unveiled its vision for a creative Canada. Central to this vision was the imperative to:

"...address the challenges of today's digital reality, and ensure that Canada's voice will be heard loud and strong on the world stage..."⁽⁴⁾

This challenge is a significant reality for Canadian stand-up comedians. The current economic landscape for creating Canadian content will not sustain a long-term strategy to satisfy this vision because too few Canadians are being employed in key artistic and production roles in Canada.

The mandate for Canada's major private broadcasters, for instance, to allocate 30% of their revenues to Canadian programming expenditures now only applies to prime time viewing hours instead of all daytime hours, as was the case prior to 2015.

The negotiated deal with Netflix, a non-Canadian player in the digital market, required an investment of \$500 million over five years for the Netflix production house in Canada. This does not even represent a 30% investment of their Canadian revenues. Plus, they're not required to hire Canadians in key roles.

As a result, there are fewer Canadian creators creating Canadian content in television and the digital stream. Writing, performing, directing, and producing content for TV and digital online platforms are quintessential opportunities of employment and career advancement for Canadian stand-up comedians.

By insisting that content producers employ Canadians in key roles, not only will Canadian creators have more jobs and economic opportunities, but the overall contribution of the creative sector to Canada's GDP will grow as well.

The Ontario Media Development Corporation (OMDC) indicates the film, television and Interactive Digital Media sectors create over 50,000 jobs and contribute \$2.8 billion annually to the provincial economy. At a national level this translates into \$8 billion.⁽⁵⁾

When stand-up comedians develop their craft, they are often also building opportunities to nourish the entertainment industry in other capacities. Their work in stand-up gets them noticed for employment as actors, hosts, writers, and producers of Canadian content. These opportunities, in turn, make them more employable in their continued work in stand-up.

Therefore, if a Canadian stand-up comedian is cast in a key artistic role in a Canadian production, the economic growth and job creation extends beyond the

lifespan of that specific production. Whether traditional broadcast incumbents or new players in the digital arena produce it, the result is that it's a Canadian who becomes a recognizable face at home and on the global market, and who can stimulate even more jobs and economic growth in Canada.

It's laudable that the Government has worked with industry stakeholders to generate economic growth and new jobs in the arts and culture sector. Yet, the current landscape often means opportunities to maximize potential to ensure Canada's competitiveness end when the individual production is over.

With more brand recognition and equity in the market, the Canadian comedian can record and distribute digital albums, create Web Series, and tour to support their brand. These spinoff sectors of the entertainment industry generate more revenue and employ more Canadians. According to Billboard, for example, the live stand-up comedy touring sector generates USD\$300 million annually.⁽⁶⁾

Specific to comedy touring and digital comedy content created at festivals in Canada, the biggest comedy event in the world, Just For Laughs/Just Pour Rire, generates nearly CDN\$34 million in added value to Québec's GDP.⁽⁷⁾ There is also a thirteen venue JFL42 event in Toronto that attracts 73,000+ attendees.⁽⁸⁾

These Canadian comedy events are made possible through grants from provincial streams, as well as Heritage Canada. While it's important to attract audiences with international performers, of the marquee acts at the upcoming JFL42 event, less than 16% are Canadian creators, and no Canadians are billed as Headliners.

While external threats loom large in the current digital reality, these examples demonstrate how the threat to Canada's competitiveness is manufactured at home.

Insisting that all producers and distributors create Canadian content with Canadian talent in key roles will reduce the threats identified and support the government's priority to implement a competitive creative export strategy. This strategy is one that is also intended to provide creative industry entrepreneurs, like comics, with the tools they need to maximize their export potential and broaden their opportunities in foreign markets.

Building on the Budget 2016 investment, one of the five priorities outlined by the Prime Minister's office was to support the creative sector by further developing and implementing a new creative export strategy in collaboration with Global Affairs Canada. CASC is actively encouraging officials at Global Affairs Canada, Heritage Canada, and Citizenship and Immigration to negotiate terms in a modernized NAFTA under Chapter 16, promoting labour mobility for Canadian business professionals in the United States.

3. Ensuring Canada's Competitiveness-

Allow NPOs to Offer Tax Benefit to Large Financial Contributors

Canada has a generous tax credit system for people and organizations donating to charities. The Charitable Donations Tax Credit can be up to 29 per cent of the amount donated at the federal level, with entitlement to additional amounts depending on the province or territory. This credit system has been vital to the growth and well being of Canada's charitable sector.

CASC recommends that the Government extend the tax credit system to allow NPOs to offer tax receipts as well. Giving private individuals and organizations an additional incentive to financially support community-building initiatives, such as CASC, will help make government support of Canada's cultural sector more sustainable.

Augmenting risk based investments and needs based funding at the public level with private sector financial contributions will further enhance the government's current cultural policy toolkit.

CASC recognizes that there are countless worthy charities benefiting from the tax credit provided. We believe extending its availability will result not in the switching of donations from charities to NPOs, but rather to increase Canadians' contributions to both.

CONCLUSION

Adapting to the digital shift and promoting Canadian culture reflecting Canada's diversity at home and abroad means responding to the opportunities created by globalization to promote and invest in Canadian creators. Building upon Canada's brand as a comedy leader, by allowing comedians to be eligible for funding through Canada Council for the Arts as stand-up comics, will help accomplish this and also build on Canada's strength in achieving inclusive diversity.

Canadian stand-up comedians are creative entrepreneurs who pursue business opportunities in international markets and promote Canadian culture and creativity on the world stage. For all investors in Canadian content- including Canada's broadcasters, global digital streaming companies, and non-Canadian content producers and distributors- the Government must insist that they employ Canadians in key roles. This will help ensure that Canadian creators, like comics, and the Canadian creative industry can be more competitive in the global market.

Private citizens and companies support our initiatives and value the activities CASC is pursuing to ensure Canada's competitiveness and stimulate economic growth. With an additional tax incentive to make financial donations that will enable us to continue our efforts, they will have a voice in promoting the consumption of Canadian culture from Canadian creators at home and abroad.

Stand-up comedians are innovators in communicating Canadian stories by connecting with and reflecting perspectives of other Canadians in a dynamic and evolving context. Acting upon our recommendations will ensure that Canada maximizes the potential of its comedy industry to contribute to sustained economic growth.

END NOTES

- (1) <https://www150.statcan.gc.ca/n1/pub/87-542-x/2011001/section/s3-eng.htm>
- (2) <https://www.conferenceboard.ca/press/newsrelease/08-08-26/>
<https://www150.statcan.gc.ca/n1/pub/87-542-x/2011001/section/s11-eng.htm>
- (3) <https://www.fastcompany.com/3061816/how-canadas-philanthropic-pop-industrial-complex-took-over-the-world>
- (4) <https://globalnews.ca/news/3774345/federal-government-media-strategy/>
- (5) <http://www.omdc.on.ca/Assets/Communications/Year+in+Review/OMDC+Year+in+Review+2016-17.pdf>
- (6) <https://variety.com/2015/biz/features/the-standup-comedy-boom-thrives-in-houses-large-and-small-1201539189/>
- (7) <https://globalnews.ca/news/3865645/lost-to-toronto-sold-to-netflix-future-uncertain-for-just-for-laughs/>
- (8) <https://www.justforlaughs.com/about/press/torontos-comedy-festival>