
2021 PRE-BUDGET SUBMISSION
TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON FINANCE

7 August 2020

ACTRA

LIST OF RECOMMENDATIONS

Recommendation 1

The federal government take the following steps to generate additional revenues, specifically for film, television and digital media production:

- Ensure all services offering online programming to Canadians, including OTT (e.g., Netflix) and music streaming services, be required to collect and remit GST/HST on Canadian subscriptions, and pay corporate taxes on their Canadian revenue;
- Ensure all online programming services, as well as Internet Service Providers and Wireless Service Providers, contribute an appropriate percentage of their gross Canadian revenue from broadcasting-related activities to the creation of Canadian audiovisual and music programming through a public fund; and
- Starting with the current 3500 MHz band spectrum auction (June 2020), allocate a portion of the proceeds of all spectrum auctions to the production and distribution of Canadian content, including audiovisual and music programming.

Recommendation 2

The federal government provide sustainable long-term funding for the film, television and digital media industry. While ACTRA applauds the steps taken since 2015 to increase funding, additional investments are still needed, specifically to address the pandemic and to achieve diversity.

Recommendation 3

The federal government support professional artists through the following measures:

- Introduce a four-year income-averaging system to ensure tax fairness;
- Make the first \$5,000 of professional artistic income tax-free;
- Strengthen copyright laws for all artists; and
- Extend copyright protection to performers in audiovisual works.

Recommendation 4

The federal government provide special emergency support to enable screen producers to restart production activity across the country:

- Funding for the purchase of the personal protective equipment (PPE) needed to ensure safety on the set; and
- Support for a re-insurance program to cover producers against coronavirus-related costs, provided safety measures are in-line with industry guidelines and workers are protected under the policy.

Recommendation 5

The federal government change the Employment Insurance program to permit self-employed artists to receive regular benefits if they i) have paid into the system; ii) are laid-off from their employment; and iii) have no current artistic income.

Recommendation 6

The federal budget should require all public and public-private funding programs for the film, television and digital media industry make funding to producers contingent on the achievement of appropriate targets and quotas to ensure women and BIPOC Canadians have equal opportunities for work on-screen, in other creative categories, and as technicians, crew and support personnel.

WHO WE ARE AND WHAT WE BRING TO THIS DISCUSSION

This is the submission of ACTRA (Alliance of Canadian Cinema Television and Radio Artists) regarding the House of Commons Standing Committee on Finance 2021 Pre-Budget consultation. ACTRA brings to this process the perspective of over 27,000 professional performers working in English-language recorded media in Canada. For over 75 years, ACTRA has represented performers living and working in every corner of the country who are pivotal to bringing Canadian stories and music to life in film, television, radio, sound recording and digital media.

In recent years, ACTRA has made federal budget recommendations to strengthen and promote the industry in which our members work and to improve the situation of professional artists. In this submission, we will review outstanding issues from these past recommendations. Responding to a pandemic that has turned our lives and economy upside down, ACTRA will also offer specific recommendations to support our industry in reopening quickly and safely and contribute to Canada's economic revival. Finally, ACTRA will make recommendations about how our artists should be further supported as we emerge from the pandemic.

IMPORTANCE OF FILM, TELEVISION AND DIGITAL MEDIA INDUSTRY TO CANADA'S ECONOMY

Before the March 2020 lockdown, Canada's film, television and digital media industry was thriving and creating green, high-end jobs crucial to our economic growth and sustainability. In 2019,¹ the Canadian media production sector reported \$9.3 billion in total production volume, an increase of six per cent from 2018. The mix of foreign and domestic production across Canada created an estimated 180,900 full-time equivalent jobs. Total direct GDP from this production was estimated at \$12.78 billion in 2018/19.

ACTRA members are among those professionals who work in the screen-based industries. While we appreciate the opportunity to work in foreign productions, our passion is to tell Canadian stories and to make programs that provide audiences with a Canadian perspective on our country, our world, and our place in it.

Production of Canadian content in 2019, comprising 739 television series, 119 theatrical feature films and digital works, increased to \$3.22 billion of total production volume. Canadian broadcaster in-house productions added \$1.23 billion.

¹ *Profile 2019, Economic Report on the Screen-Based Media Production Industry in Canada*. Canadian Media Producers Association.

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Recommendation 2

The federal government provide sustainable long-term funding for the film, television and digital media industry. While ACTRA applauds the steps taken since 2015 to increase funding, additional investments are still needed, specifically to address the pandemic and to achieve diversity.

THE IMPORTANCE OF ARTISTS AND RECOGNIZING THE UNIQUE WAY THEY WORK

Most artists, including ACTRA members, do not work a traditional workweek. Performers are the original “gig” workers: self-employed, independent contractors who make a living from a variety of sources. Many must work multiple jobs, either within the sector or outside, to survive economically. While individual engagements in ACTRA’s jurisdiction are well-paid, performers are constantly searching and competing for available work. In 2016, the last year for which figures are available, the median income of actors, singers, dancers, comedians, musicians and other performers was roughly \$17,000. This was 60 per cent lower than the median income of all workers.² Studies have shown artists’ income can fluctuate up to 50 per cent or more year-to-year, and total taxes paid on this income are greater than if the same amount was earned equally over the same number of years.³

Additionally, each performer uses their unique creativity to bring a scripted character to life. Canada’s copyright laws, which are designed to protect the creative aspect of an artist’s work,

² *A Statistical Profile of Artists in Canada in 2016*, Hill Strategies Research Inc.

³ *ACTRA Submission to the Department of Finance Consultations on Tax Planning Using Private Corporations*, October 2, 2017.

urgently need to be updated and amended, as required by the Canada-United States-Mexico Agreement.

Recommendation 3

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COVID-19 PANDEMIC, CULTURAL INDUSTRIES AND ARTISTS

After the World Health Organization declared a global pandemic on March 11, 2020, stay-at-home orders and lockdowns were imposed on billions of people worldwide. In Canada, work on films, television and digital media programs stopped abruptly in March with only essential businesses, including news and current affairs offerings, allowed to remain open.

During the pandemic, ACTRA members and other artists lifted our spirits by offering impromptu neighbourhood events, balcony concerts and online performances.

ACTRA congratulates the government for acknowledging gig workers in the rules for the Canada Emergency Response Benefit (CERB). The initial rules would have continued to disadvantage artists. As various studies have shown, artist who are self-employed for their art but who work other jobs, cannot collect Employment Insurance (EI) if they are laid-off from the other job, even if they do not have a current gig. This is despite having paid EI premiums on the income from the other job.⁴ Expansion of CERB eligibility was an important step for self-employed artists as well as the factoring in of artists' royalties. The federal government's announcement in late July of its plan to transition eligible out-of-work Canadians into the EI system when CERB expires in the fall and provide an EI-like support for millions who don't qualify under existing rules is an interesting development. The changes being contemplated must not leave anyone behind especially since conditions for the thousands of workers in Canada's film, television and digital media industry have not returned to pre-COVID levels.

ACTRA also notes the Canada Emergency Wage Subsidy (CEWS), the Emergency Support Fund for Cultural, Heritage and Sport Organizations, and the federal government's offer to help provinces extend paid sick leave for workers have provided critical support during the current crisis.

⁴ See for example: *Employment Insurance Special Benefits for Self-Employed People: The Impact on Artists and Cultural Workers*, Garry Neil, Cultural Human Resources Council, Ottawa, April 2010.

As Canada's economy slowly begins to restart, ACTRA believes film, television and digital media production is poised to grow. Producers and industry workers can easily restart suspended productions and mount new ones. Our industry is labour-intensive and flexible and, with specific support, we could quickly return to or exceed 2019 production levels. ACTRA has been working diligently with industry partners to develop safety protocols to ensure sets and locations are safe as the industry reopens.

One significant challenge is current industry insurers are not prepared to insure screen producers against coronavirus-related costs. Canada's producers have put forward a re-insurance program proposal that would provide them with coverage for potential future COVID-19 losses. We support the proposal providing it requires an appropriate level of health and safety on set and it provides workers some level of protection. The U.K. government has launched an emergency £500 million film and TV production insurance fund to fill the gap left by the lack of available insurance and cover coronavirus-related losses, such as cast and crew illnesses, and filming delays or disruptions.⁵

Recommendation 5

The federal government change the Employment Insurance program to permit self-employed artists to receive regular benefits if they i) have paid into the system; ii) are laid-off from their employment; and iii) have no current artistic income.

Recommendation 4

The federal government provide special emergency support to enable screen producers to restart production activity across the country:

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- Support for a re-insurance program to cover producers against coronavirus-related costs, provided safety measures are in-line with industry guidelines and workers are protected under the policy.

DIVERSITY IN FILM, TELEVISION, RADIO, SOUND RECORDING AND DIGITAL MEDIA

This year we have also experienced a long overdue reckoning with systemic racism. While this reckoning too was launched by a cataclysmic event in the U.S., like our industry's response to issues of sexual harassment and gender inequality, this issue also exists in Canada.

While Canada's film, television and digital media industry has taken important steps in the past three years to address gender issues, more needs to be done both in overall equality of employment opportunities and on-screen gender portrayal.

⁵ <https://www.gov.uk/government/news/dowden-jump-start-for-uks-leading-creative-industries>

ACTRA has been advocating for racial equality and representation for years. In the mid-1980s, ACTRA launched *Into the Mainstream*, a pioneering guide for casting directors highlighting the profile and work of our diverse performers. This initiative lives on today as the [diversity.ACTRAonline.ca](https://diversity.actraonline.ca) talent database. ACTRA believes our industry is overdue to address issues of inequality for Canada's Black, Indigenous and People of Colour (BIPOC).

The federal government's announcement⁶ of \$7.8 million in new emergency support for Indigenous and equity-seeking groups and organizations was welcome news and a good start.

Recommendation 6

The federal budget should require all public and public-private funding programs for the film, television and digital industry make funding to producers contingent on the achievement of appropriate targets and quotas to ensure women and BIPOC Canadians have equal opportunities for work on-screen, in other creative categories, and as technicians, crew and support personnel.

ACTRA acknowledges our analysis is brief to comply with submission requirements and would be delighted to provide additional details upon request.

Thank you for your consideration and for allowing ACTRA to participate in this public consultation.

⁶ <https://www.canada.ca/en/canadian-heritage/news/2020/07/backgrounder-final-component-of-phase-2-of-the-covid-19-emergency-support-fund-for-culture-heritage-and-sport-organizations.html>