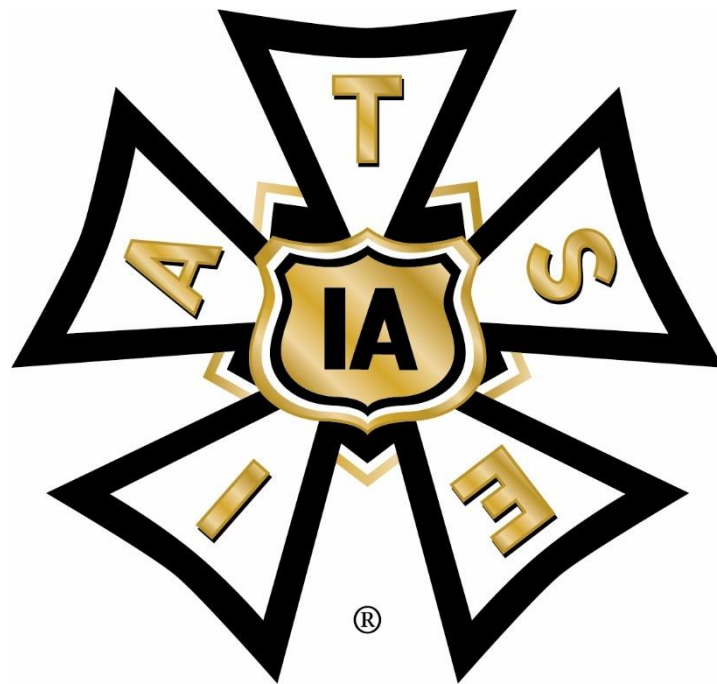


**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget**



**By: IATSE
(International Alliance of
Theatrical Stage Employees)**

- **Recommendation 1 (Entertainment Industry Training Funds)**: That the government make permanent training funds available to entertainment industry unions and guilds for workers to acquire and build on the skills and certifications necessary for workers to maintain careers across all sectors of the industry (film/television/theatre/concerts, etc.)
- **Recommendation 2 (Film or Video Production Services Tax Credit [PSTC])**: That the government improve film tax credits to attract increased production to Canada by expanding eligible labour expenditure for the Film or Video Production Services Tax Credit (PSTC) to include wages paid to non-resident actors.
- **Recommendation 3 (Live Performance Tax Credits)**: That the government create a tax credit for the live performance industry similar to those that exist for the film industry.
- **Recommendation 4 (Charitable Tax Incentives)**: That the government work with the provinces to ensure that all provincial tax incentives are raised and/or more closely aligned with one another.
- **Recommendation 5 (GBI)**: That the government implement a Guaranteed Basic Income.

Background

With over 170,000 members, IATSE is the largest union representing workers in the entertainment industry. Our 34,000 Canadian members are not the actors, writers, or producers but the skilled technicians and designers working behind the scenes, making the magic happen on your stages and screens. In film and television, we are the technicians behind the filming of big-budget foreign service productions like *Star Trek: Discovery* in Toronto, *The Last of Us* in Calgary, and *The Good Doctor* in Vancouver, as well as Canadian productions like *Letterkenny* in Sudbury, or *Son of a Critch* in Newfoundland. In live performance, we are the designers creating costumes at the Stratford Festival, or the technicians running audio at the Calgary Stampede, rigging BC Place for rock shows, doing chyron for the Toronto Marlies broadcasts, or operating the lighting board at Les Grands Ballets Canadiens de Montréal. In a word, we are the crew. The majority of jobs in Canada's entertainment industry - tens of thousands of middle-class jobs - are performed by the people working behind the scenes and screens.

Though highly skilled, these crews are comprised of middle-class and working-class Canadians. The work that IATSE members do is broad, and the below may help paint a picture of the scope of workers we represent. This list is by no means comprehensive.

- **Live Performance:** set designers, stagehands (includes sound technicians, lighting board operators, theatre electricians, riggers, stage carpenters, props & set dressers), hair stylists, wig builders, makeup artists, dressers, stitchers, props builders, scenic artists, box office personnel, ushers.
- **Film & Television:** cinematographers and camera personnel, digital imaging technicians, drone operators, VFX workers, publicists, lighting technicians, grips, props masters, set decorators, special effects technicians, hair stylists, makeup artists, scenic carpenters, scenic artists, costume designers, wardrobe supervisors, continuity (script supervisors), sound recordists, boom operators, transportation, craftservice & first aid personnel, animation workers, production office coordinators and games workers.

As COVID-19 descended, the entertainment industry was the first to shut down and, due to prohibitions on crowds, it was the last to return – particularly the live performance sector. Initially, both the film and live performance sectors had virtually 100% unemployment. Canadian IATSE members alone were experiencing wage losses of approximately \$120 million dollars *every month*. We are working hard to ensure that entertainment workers and the industry itself continue to get stronger and more stable, and we believe the Government of Canada has a role to play.

Recommendation 1 (Entertainment Industry Training Funds):

The Government of Canada played an integral role, through the CERB, CRB, and CWLB, in ensuring that gig workers across the arts – the vast majority of whom were not eligible to receive wages through the CEWS – were able to survive. We are extremely grateful for that assistance. Coming out of COVID, we received assistance to train through the Canada Performing Arts Workers Resilience Fund (CPAWRF). The IATSE, including our Designers local union, was proud that we received over \$1.3 million in training funds - the largest amount awarded to any organization. Due to delays in rollout, we had only seven months to spend it, and we did. This speaks to the need for training in our highly specialized industry. We trained members and non-members across Canada in everything from aerial rigging to operating lighting boards to styling Black/textured hair. New and long-time live performance workers received training to ensure that they have the skills necessary for sustainable careers.

Government has been very responsive in providing funding to train workers across many trades. Funding, however, has typically been restricted to Red Seal trades. The skills that are required for entertainment industry careers often have overlap with these trades (painters, hair stylists, etc.) but there are additional elements that are unique to entertainment. While not every worker in a department will possess every specialized skill, people with these skills are required on every set or behind every stage. For example, a Red Seal painter will be fully trained in painting the interior or exterior of a home, but would not be familiar with sign writing, painting woodgrain, mould making, or ageing walls to look older, stained, etc. Similarly, our hair department members are required to be certified in the province in which they work, but that certification wouldn't require that they know how to style Black/textured hair or period hairstyles from say, the 1920s. We also have trades, such as riggers, that exist completely outside of the Red Seal world. Every time you attend a large rock concert, stagehands and riggers have already calculated the wind shear, built scaffolding, and ascended in lifts to mount and wire lights, speakers, or video walls. These skills don't exist outside of the entertainment industry.

Until now, all costs for training in the entertainment industry have been borne by our locals/members, and/or our employers. We therefore recommend that the government make training funds available to unions and guilds so that workers can acquire and build on the skills and certifications that may exist outside of the Red Seal program, but that are necessary for workers to maintain careers across all sectors of the entertainment industry (film/TV/theatre/concerts, etc.). There is a role for government to play in ensuring that the industry and its workers are supported and can achieve a solid, middle-class living while creating what the rest of the country relies on for its celebrations, entertainment, and comfort.

Recommendation 2 (Film or Video Production Services Tax Credit [PSTC]):

Film is unlike most other industries in that it is completely portable. When producers are choosing where to film a production, there is no need to discuss moving a bricks-and-mortar operation from one location to another. It's a calculation that factors in considerations like talent pool (both crew and cast), availability of locations and studios, and access to required equipment

(cameras, generators, drones, boom lifts, helicopters, etc.), but a large part of that calculation is bang for the producer's buck. In a very competitive global market, countries are doing all they can to attract those film jobs and those dollars to their economies, and Canada must ensure it is at the forefront of these considerations. Put very bluntly, foreign producers have what amounts to a suitcase full of money and jobs, and they need to determine where they're going to drop it.

One area where Canada is less competitive than some countries in attracting foreign service production is in the way that the Film or Video Production Services Tax Credit (PSTC) treats non-resident performers. We recommend that the eligible labour expenditure for the PSTC be expanded to include wages paid to non-resident actors. While it's difficult to do an apples-to-apples comparison of each country's foreign service tax credit because each is unique, this component seems to be the case in other jurisdictions, such as the UK and Australia.

Recommendation 3 (Live Performance Tax Credits):

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

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

Recommendation 4 (Charitable Tax Incentives):

The vast majority of theatres in Canada operate as not-for-profits and rely heavily on donations. The charitable tax incentive varies greatly from province to province. We recommend that the government push the provinces to ensure that these rates are raised and/or more closely aligned. For donations over \$200, Quebec leads the pack at 24%, with Alberta and Nova Scotia not far behind at 21%. If all provinces could get closer to these rates, it would encourage more and higher donations to theatres and assist in building longer-term sustainability. In Ontario, raising the charitable tax incentive from 11% to 20% would be huge for all charities. Ontario has

the lowest charitable incentive rate in Canada and has the largest number of charities, including arts charities.

Recommendation 5 (Guaranteed Basic Income [GBI]):

The gig economy is undermining decades of worker protections for unrepresented workers, but in the entertainment industry, gig work is the way things have always been structured. As a union, we've built our representation and support for workers around the gig work model, and we've successfully done so for more than 125 years. As gig work becomes more prevalent, it's necessary that the government also recognize and adapt to this growing reality. Though they are gig workers, the majority of IATSE members are classified as employees and have therefore been able to access benefits like Employment Insurance, but for the self-employed (such as designers, actors, or musicians) traditional benefits are not an option.

As the world of work begins to more strongly resemble the world of cultural work, the implementation of a Guaranteed Basic Income would address the needs of workers, including arts workers, who often fall through the cracks of our outdated income support systems. It would also address the issue of retention, particularly in retaining workers who are just starting out in our industry and whose employment is typically more sporadic. The Canada Emergency Response Benefit (CERB) served, in essence, as the pilot for a guaranteed basic income program in Canada. All Canadians, and particularly gig workers, would benefit from a GBI in which, as workers earn income, benefits would be reduced, but not eliminated, until a defined ("living wage") threshold is reached.

Conclusion

If there is any good that has come from COVID, it's that the pandemic underscored the importance of the arts in people's lives. Movies, television series, music, and outdoor performances are where people turned for comfort, laughter, and escape. Canadians needed the arts, and the arts were there. We urge the government to continue to support employers and workers in the arts, because now *they need you*.