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Chair: The Honourable Hedy Fry



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• (1535)

[*Translation*]

The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)): The meeting is now in session.

Good afternoon, everyone, and welcome to meeting number three of the House of Commons Standing Committee on Canadian Heritage.

[*English*]

Pursuant to the motion adopted by the committee on Monday, January 31, the committee is meeting on the challenges related to the recovery of the arts, culture, heritage and sport sectors, which have been deeply impacted by the COVID-19 pandemic.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in the room and also remotely using the Zoom application. The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking rather than the entire committee.

Today's meeting is also taking place in a webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. All functionalities for active participants remain the same. Staff will be non-active participants, and can therefore view the meeting in only the gallery view. I would like to take this opportunity to remind all participants to this meeting that screenshots or taking photos of your screen will not be permitted.

Given the ongoing pandemic situation and in light of the recommendation from health authorities, to remain healthy and safe all those attending the meeting in person must maintain a two-metre physical distance and must wear a non-medical mask when circulating in the room. It is highly recommended that the mask be worn at all times, including when people are seated, and I like to add, including when people are speaking. You must maintain proper hand hygiene by using the hand sanitizer that you are given in the room. There are hand sanitizers on the wall. As the chair, I will be enforcing these measures during the meeting. I thank members in advance for their co-operation.

To ensure an orderly meeting, I would like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. If you look, you will find a button that says interpretation. You can press it on your choice of English or French. If interpreta-

tion is lost, please inform me immediately. We will ensure that interpretation is properly restored before resuming the proceedings.

The “raise hand” feature at the bottom of the screen—or, if you're using an iPad, at the top of the screen—can be used at any time if you wish to speak or to alert the chair. For members participating in person, proceed as you would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Please wait until I recognize you by name before you speak. If you are on the video conference, please click on the microphone icon to mute yourself at all times. If you want to speak, and I recognize you, you can unmute. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. For those who are remote, you have to use your hand to mute and unmute. I will remind you that all comments by members and witnesses should be addressed to the chair.

I would now very much like to introduce the six witness groups we have here today: Canadian Association for the Performing Arts; Drayton Entertainment; International Alliance of Theatrical Stage Employees, or IATSE; Nia Centre for the Arts; Regroupement des événements majeurs internationaux; and SaskTel Centre.

I have some comments that I need to give to the witnesses with regard to how this works. After the first panel, I will move into the second panel.

I want to welcome our witnesses, as listed.

Again, if you're having problems with us hearing you, the chair will let you know if we cannot hear you, and we will be able to fix things so that we can get on with what we have to do in an orderly manner.

Witnesses, you have a five-minute time slot in which to speak. I will let you know at four minutes when you have a minute left so that you can cut back what you're going to say, because I will cut you off. I will have to enforce this if everybody's going to get a chance to speak and everyone is going to get a chance to ask questions. We're going to be kind of rigid on this, unless something happens, of course, and you cannot use your microphone or we cannot hear you. Then we will suspend so that everything can be fixed.

When speaking, speak slowly and clearly. When you're not speaking, your mike should be on mute. The committee clerk and I will do our best to maintain a consolidated order of speaking in the order that I initially put the witnesses in.

We will begin, as I said, with one group. After you've spoken for five minutes, there will be a question and answer session. The members know what the question and answer session will look like. Each political party will have an opportunity to ask a question. Given the timelines, we may only be able to go with two rounds, but there might be a third round of questions.

There we are. I'm going to ask our first witness to begin.

Working from your dining room table is not the best thing to do, because you don't have the ability to put all of your notes in the same kind of order that you would like to—either that or I'm going to have to get a bigger dining room table.

We shall begin with the Canadian Association for the Performing Arts and Frédéric Julien, who is the director of research and development.

Monsieur Julien, you have five minutes, please.

• (1540)

Mr. Frédéric Julien (Director, Research and Development, Canadian Association for the Performing Arts): Thank you, Madam Chair, for conducting this important study and for the opportunity to appear before the committee today.

All parts of the cultural sector were profoundly affected by the COVID pandemic, although none as deeply as the live performance domain, which includes performing arts companies, music venues, performing arts centres, festivals and many individual artists.

While the business model of the performing arts used to be a successful one, it was definitely not pandemic-proof. Earned revenues from ticket sales, concessions and rentals used to represent as much as 43% of performing arts companies' revenues in 2018. In March 2020, the unimaginable happened: Most of these revenues suddenly disappeared.

According to Statistics Canada's national culture indicators, the real GDP of the live performance domain fell 66% over the first two quarters of 2020 and it stayed there, as successive waves of the pandemic led to rolling cancellations and postponements of performances. There were encouraging signs of recovery during the third quarter of 2021, but those were quickly dashed by the omicron wave.

Employment also fell sharply, although not quite as deeply as the GDP. By the second quarter of 2020, the sector had lost 34,000 jobs, or 47% of its workforce. Thanks to support measures such as the Canada emergency wage subsidy, employment levels stabilized throughout the rest of 2020 and eventually rebounded in the third quarter of 2021, but they are still 38% below prepandemic levels. It remains difficult to predict if this rebound will hold and what employment growth levels might be expected in 2022.

At a town hall held on January 25, CAPACOA members told us that they anticipate challenges in rehiring and retraining personnel. Casual, part-time and contract workers, who were among the first to be laid off, may have taken full-time jobs in other sectors where salaries can keep up with the increasing cost of living. In particular, the scarcity of stage technicians is a big concern. What's the incentive for these workers to come back to the performing arts sector?

Our members believe that sustainable recovery has to involve sustainable employment. The precarious situation of self-employed workers, in particular, is top of mind for everyone in our membership. Through the loss of income arising from cancellations of performances, everyone realized just how vulnerable these artists and technicians are.

Programs such as the tourism and hospitality recovery program and the Canada performing arts workers resilience fund are applauded by the sector, but will they be sufficient? Arts administrators are understaffed and feel overwhelmed by the demands of short-term emergency funding applications and reporting. They are also concerned that these programs may end well before the sector sees the recovery through. Performing arts organizations are currently laying out three- to five-year plans for their rebuilding.

Besides labour issues, the performing arts sector is also very preoccupied with changes in cultural behaviour arising from the collective trauma of the pandemic. After having diligently listened to orders to stay home and to avoid social gatherings for almost two years, many artsgoers are now hesitant to go back to the theatre or the concert hall. According to a national study conducted by Nanos Research, four in 10 culturegoers are not yet ready to return to indoor performances. Another one in 10 says they may never return.

Shared leadership and direct government assistance will be needed to rebuild consumer confidence. We have to shift the public perception of a live performance from a hazardous activity, as it currently stands, to a healthy and positive activity. According to the general social survey, people who attend plays, comedy shows or concerts are 15% more likely to report very good or excellent mental health. Don't we all need this at the moment?

[*Translation*]

Before concluding, I want to emphasize that with this crisis come opportunities to rebuild new operational and funding models.

The arts sector remains committed to helping build positive and respectful relationships between indigenous and non-indigenous people. Webcasting of live shows is now helping to reach new audiences, although this new practice has yet to find a viable business model.

The experience economy affords great opportunities for partnerships between the arts and tourism sectors.

• (1545)

[*English*]

The Chair: Mr. Julien, you have 33 seconds left.

[*Translation*]

Mr. Frédéric Julien: Finally, the open data movement is helping us make the performance arts lineup more easily discoverable for consumers.

However, arts and entertainment workers are mentally and physically exhausted. It's going to be a long trip back up the hill for them. They will face many challenges as they strive to rebuild the sector from the ground up. They will need all the help they can get from their associations and governments to put the performing arts back at centre stage, their rightful place in our communities.

Thank you.

[*English*]

The Chair: Thank you, Mr. Julien.

Now we get to the question and answer segment. I'll begin with John Nater.

Mr. Nater, for the Conservatives, you have six minutes.

Mr. John Nater (Perth—Wellington, CPC): Madam Chair, I think the assumption was that we were going to hear from all the witnesses and then go to questions and comments.

The Chair: All right. If you'd like that, we will do that.

Guys, you have to be making good notes.

I will go to Drayton Entertainment and Alex Mustakas, who is the artistic director and chief executive officer, for five minutes.

Dr. Alex Mustakas (Artistic Director and Chief Executive Officer, Drayton Entertainment): Thank you.

Hello, and greetings from a very snowy Kitchener-Waterloo and Perth—Wellington. I'll begin by quoting the late great actor Charlie Chaplin, who summed up how arts sector workers are feeling around the country at the moment. He once said, "I like to walk in the rain so that no one can see my tears."

Thank you, Madam Chair and committee members, for allowing me a few minutes to come in from the rain—or today, the snow—to appear before you, and a special thank you for the support we've received over the past two years from our region's members, Mr. Louis and Mr. Nater.

Drayton Entertainment is an award-winning charitable arts organization that produces professional live theatre as a unique circuit of seven venues throughout Ontario. Prepandemic, we entertained over 250,000 theatregoers annually, with millions in economic impact.

I can probably best summarize the effect of the pandemic on arts and culture, hospitality, tourism, and of course, sports by referring to Greek mythology. Some of you might know the story of Sisyphus. He was banned to Hades and his only job was to push a boulder up a hill. When it got to the top, it would roll down again. He would do that over and over for eternity. In modern-day terms, you could call it Groundhog Day. I have no doubt you all feel this way.

The loss of our programming over the past two years has caused significant hardships not only on us and our arts workers, but also on our municipalities and our tourism and hospitality sector partners who rely on us as a major driver of multiple regional economies. There have been many challenges for our sector, of course.

I will say the government has displayed remarkable leadership in the midst of so many obstacles. Thank you for the recent announcement regarding the performing arts workers resilience fund. I know it was championed by our colleagues at Canadian Actors' Equity Association, IATSE and the Canadian Federation of Musicians, just to name a few. Thank you for including artists in CERB support. Thank you for employer emergency wage subsidies. Thank you for emergency rent support. Thank you for emergency operating support for many arts organizations.

As we move forward to recovery, we've identified four support recommendations for the committee. They include, number one, the extension and expansion of emergency wage support programs. We respectfully request that this program be extended beyond the initial May 7 period, through the summer of 2022 and perhaps beyond. This would allow arts organizations the flexibility we need to bring back more workers and position us for recovery. This would help greatly, as we're losing skilled sector workers to other professions. For some reason, everyone wants to be a real estate agent at the moment.

We would also request that the qualifying criteria for emergency wage support be expanded for our sector to include gig workers. Enabling arts organizations to include these contract workers as employees in emergency wage support claims would reduce financial risk while still navigating a path forward to recovery. As a by-product, this would undoubtedly aid the mental health and well-being of artists and arts workers attempting to sustain their livelihood in this sector.

The second recommendation would be the ability to mitigate fixed costs. The Canada emergency rent subsidy has been a lifeline for those venues we rent; however, there has not been a similar program available for those venues that are owned. In the interest of maintaining equity within the arts sector among renters and venue owners, utilities costs for both should perhaps be considered eligible under a modified cost relief program.

A third recommendation is an arts recovery incentive program. As we look to the future, a matching dollar arts recovery incentive fund would enable arts organizations to tap into the philanthropy of our audiences, knowing their gifts would be matched by the Government of Canada.

● (1550)

The Chair: Mr. Mustakas, you have one minute.

Dr. Alex Mustakas: Thank you.

The final recommendation would be to destigmatize the return of large gatherings. I think we look to our elected officials for guidance about when it is safe to return to arts activities and to gatherings, so it's imperative that the government launch a comprehensive marketing, communications and PR strategy that alleviates the fear and stigma many Canadians will feel upon a return to social events. We need a message of positivity, of respect and of kindness, as many need help getting out of that rabbit hole of the deepest, darkest depths of despair.

We will get through this together. I am here and I stand with all my colleagues in the arts sector, including actors, dancers, singers, technicians, musicians, and so on.

The Chair: Thank you, Mr. Mustakas.

I'm sorry to cut you off, but thank you very much.

Now we will go to the International Alliance of Theatrical Stage Employees, IATSE, who will present for five minutes.

John Morgan Lewis, international vice-president and director of Canadian affairs, you have the floor for five minutes.

Mr. John Lewis (International Vice-President and Director of Canadian Affairs, International Alliance of Theatrical Stage Employees): Thank you.

I was going to allow the previous speaker... He was applauding the compliments of the IA, and I think we should allow that.

Thank you for the time to be here today. I'm here on behalf of the IATSE, which is the largest union in the entertainment industry, representing over 160,000 members, 30,000 of which are creative sector workers in Canada.

The IA members are the people working behind the scenes to bring you entertainment, and because our work is performed backstage, most people don't realize that our skilled technicians and artisans make up the largest segment of creative workers.

Our members include aerial riggers, lighting board programmers, wig builders, scenic artists and muralists, spotlight operators, dressers, costume builders, scenic artists and sound board operators.

Throughout the pandemic, we partnered with our friends from Canadian Actors' Equity, the Canadian Federation of Musicians and the Associated Designers of Canada to form the Creative Industries Coalition, together representing over 50,000 arts workers.

As you've heard, the live performance industry was one of the hardest hit with the pandemic, and we shut down immediately. Unfortunately, our prediction that we would be one of the last to re-open has proven to be accurate.

We are very appreciative of the government support we've received. The CRB, the CERB and now the Canada worker lockdown benefit have been a lifesaver for many entertainment workers, as the vast majority were not eligible for other government supports.

As a coalition, we have met regularly with the former and current Minister of Heritage, officials from Heritage and Finance, and MPs and critics from all parties. We appreciate the time that federal officials have spent with us to address the concerns of the industry.

Supports for the industry's return must be two-pronged both for workers and for venues/producers. You have been provided with documents detailing our suggestions, which I will briefly summarize.

On support for workers, we welcome the newly announced Canada performing arts workers resilience fund, but we must be clear: This is an emergency relief fund, not income support, and live performance workers will be the last to be able to get back to work. We strongly recommend an income support benefit for live performance workers structured similarly to the CRB or the CERB.

The Canada worker lockdown benefit needs to be tweaked in a few ways. First, the industry will not be up and running by February 12, the date that the expanded lockdown benefit is set to terminate, which will cause workers to leave the industry. The expanded eligibility must be extended beyond February 12 to a period of time when the industry is at least approaching normal.

Workers who were out of work because capacity limits were introduced do not qualify for the lockdown benefit. Of those lucky enough to be working before capacity limits were introduced, many largely subsisted on CERB throughout 2020, so demonstrating a 50% drop from their 2020 income can be problematic. Live performance workers should qualify regardless of work status immediately prior to capacity limits. Further, if applicants for the expanded eligibility must demonstrate a 50% decrease in average weekly income to be eligible, it should be based on their 2019 income and not their 2020 income.

Saskatchewan workers are not able to access support because that provincial government has not instituted capacity limits, but capacity limits are not the only COVID inhibitor to live production. These workers are still suffering like their counterparts in other provinces and should be eligible for lockdown benefits.

All theatres/producers are in crisis, regardless of not-for-profit or commercial status. As in other countries, we strongly recommend that all be included in assistance programs.

The wage subsidy programs only allow employers to receive subsidies for employees, which does not contemplate that the majority of their prepandemic payroll is for gig workers who are not eligible. Not including these workers has acted as a disincentive for producers to mount shows. If you're a producer and you're unsure whether capacity limits will be reintroduced or unsure if audiences feel confident enough to return, the safe bet is to keep your doors closed and not take on more risk. Expanding the wage subsidy to include any worker who receives a T4 or a T4A would both incentivize the industry to get back to work while underwriting risk.

- (1555)

Mounting a show is typically a months-long process and is risky at the best of times. We need to reduce these risks. There are two ways. One is a revenue top-up subsidy, which we understand is being discussed, and also a government-funded insurance for COVID closures and postponements, similar to what was introduced for the domestic film industry and was successfully implemented in the U.K. and Australia.

Long-term solutions must include a live production tax credit. We've seen the benefits to the film and television industry in this country.

The need for support is real, and at the end of the day we have to ask ourselves: Do we want a thriving cultural industry in this country? That answer is easy. Of course we do.

The Chair: You have 10 seconds to wrap up.

Mr. John Lewis: The more telling question is whether we are prepared to make the necessary financial investments to ensure a stable industry.

Thank you for your time.

The Chair: Thank you very much, Mr. Lewis.

I now go to the Nia Centre for the Arts. The presenter is Alica Hall.

You have five minutes. I will give you a notice at one minute and 30 seconds so you can wrap up.

Thank you.

Ms. Alica Hall (Executive Director, Nia Centre for the Arts): Thank you, Chair Fry.

Good afternoon, everyone. Thank you for this opportunity and for putting the arts sector's recovery front and centre.

As Chair Fry mentioned, my name is Alica. I'm the executive director at the Nia Centre for the Arts. We're a charitable organization that has a mission to support and showcase art from the Afro diaspora in supporting descendants of the African continent.

For the past 12 years, we have been offering arts-based programs and services for Black artists to help them launch their careers as well as connect to new audiences through exhibitions and community cultural events. Now, with the support of Canadian Heritage, we are transforming our 14,000-square-foot facility in Toronto into Canada's first professional multidisciplinary centre that's dedicated to Black artistic traditions, which is slated to open in the fall of this

year. We started construction in October 2020, in the midst of the pandemic.

We know that arts spaces, as many of my colleagues on the call today have spoken about, are an important part of recovery, because they are places where communities come together, because they are places where we help folks to make sense of all that we've experienced over the past three years and because the centre, like many other arts organizations, will function as a creative and economic driver. As we present different disciplines, we connect young people to job opportunities, we draw audiences to new neighbourhoods and we support regional and, one day, hopefully, international tourism.

On the issue of recovery, I think, as many have stated, that the federal government has done an incredible job of pivoting and creating new and innovative programs that specifically support artists. While there have been significant investments in the arts sector, oftentimes administered through the Canada Council and Canadian Heritage, these programs have not necessarily benefited arts organizations that are in the midst of building or that started building before or during the pandemic because eligibility often requires that an organization show a drop in revenue, whereas for many arts organizations that started construction, the revenue they're worried about, like ours, is about future revenue. We're going to experience a decrease in ticket sales that is anticipated due to capacity limits, and we are going to experience less space rentals as people are not necessarily as confident about coming together and being inside the centre.

While we know that many organizations across the country are on the precipice of renovating and opening new spaces and adding to important infrastructure, we also know that the sustainability of those spaces is at risk.

The other key issue is particularly for Black arts organizations. We know that over the past year many Canadians have made donations to Black arts organizations. Research that came about last year showed that only seven cents of every philanthropic dollar was going to Black arts organizations. With that information, many Canadians made a donation, but that has increased revenue for folks in the 2020-21 year, so again, it would make us ineligible for some of the recovery programs that the government has already initiated.

The other issue is around the administration of these funding programs through organizations like the Canada Council. Nia Centre is one of the few Black arts organizations that is supported with core operating funding through the council, but historically, Black arts organizations haven't been funded through such organizations because we're not necessarily seen as traditional arts infrastructure. When we think of traditional arts and high arts, we think of opera, theatre and ballet, yet in the past decade we've seen incredible artists come out of our city and put Canada on the world map. By the way, of course, I have to mention Drake and The Weeknd.

If we're going to continue to celebrate and see Black artistic traditions push Canada out into the international sphere and push forward key artists who are putting our country on the map, we need to invest in Black arts organizations and Black artistic traditions. That's going to require us to make stronger connections between our communities and our existing arts infrastructure.

I'll leave it there and just echo the need to invite audiences to return to indoor spaces, of course, as many of my colleagues on the call have said previously.

I'm looking forward to the question period.

Thank you.

• (1600)

The Chair: Thank you, Alica.

I would like to go now to Regroupement des événements majeurs internationaux. Martin Roy is the chief executive officer.

Go ahead, Mr. Roy.

[*Translation*]

Mr. Martin Roy (Chief Executive Officer, Festivals and Major Events, Regroupement des événements majeurs internationaux): Good afternoon, everyone.

Festivals and Major Events Canada (FAME) and the Regroupement des événements majeurs internationaux (RÉMI) represent over 500 festivals and events in Canada.

We were very pleased with the last budget. At that time, we thought that the COVID-19 nightmare was about to come to an end and financial assistance would help repair the damage done. And yet, a year later, here we are again asking you to support our sector.

The major festivals and events support initiative, the new program with a budget of \$200 million administered by the regional economic development agencies, is not entirely living up to what it promised to be. I can say more about that, if you wish, during our discussion.

As for Canadian Heritage, what I can say is there has been a great deal of confusion on the ground, and that remains the case to this day.

Many of our members also feel there have been injustices, or at least a lack of understanding. The government chose to support major festivals with the initiative I just mentioned. They chose to entrust Canadian Heritage with everything else, that is, all events generating under \$10 million in annual revenue. That means that the initiative supports about 25 events and over 1,000 events are supported by Canadian Heritage, where together they can rely on much less than \$200 million. That's pretty lopsided, to say the least. It is not that the initiative has too much money. There is quite simply not enough money at Canadian Heritage.

The fact is, the \$200 million announced for local festivals also goes to funding cultural community events and organizations, such as open-air theatre, heritage celebrations, local museums, amateur sporting events and much more according to the budget itself. At the end of the day, very little is left over for festivals and events rel-

ative to their needs, relative to the scale of the disaster in our sector and relative to the number of festivals and events.

To distribute the money in the budget, Canadian Heritage chose to set up a recovery fund and a reopening fund. Ten months after the budget was tabled, the reopening fund included in the Canada arts presentation fund remains inaccessible. We're talking about \$25 million. Festivals still have no idea what they will be able to submit or when, and it's four or five months from the beginning of the season, and almost a year after the budget. At best, they will not get any answers until right before their event, if not during or even after the event, given the slow pace. That's unacceptable.

No one saw omicron coming. Will we really be able to resume our events this summer and go back to our business models? In any case, FAME believes that assistance programs should be extended, with prorated budgets. That's our general philosophy and it applies to the funds I just mentioned, all those emanating from Bill C-2 and all the rest.

This past July, I issued recommendations to the Standing Committee on Finance for getting the sector back on track, because we were hoping to start doing that. I will repeat those recommendations for you. In a nutshell, the idea would be to settle funding for festivals and events once and for all by making the 2019 investments permanent, renewing them every year for now until 2024 and, yes, once again injecting a little money.

In general, and this was true even before the COVID-19 pandemic, I have to say things are not going that well in our sector. Although in 2019 the government reinvested 25 to 40% in the two programs benefiting festivals, some of our members are calling us these days to say they are getting less than they were in 2018.

I also feel that Economic Development Canada and the agencies need to launch a complementary program to support events and festivals based on their contribution to tourism and the economy, specifically Canadian festivals and events that are not cultural in nature and do not receive support from Canadian Heritage. That would require \$25 million a year. An entire category of festivals that get no support right now are suffering. The COVID-19 pandemic has reminded us just how vulnerable they are. Our friends at the Canadian Association of Fairs and Exhibitions (CAFE) also support our request.

In closing, I would add that festivals and events saw their own-source revenue drop 89% in the first year of the crisis. Government assistance is their lifeline to retaining their teams and mounting shows during this difficult period. If we want to have festivals and events after this pandemic, we must act now, listen to what's being said on the ground and hear from associations like FAME. People are in distress. I will end with a few words an organizer wrote to me a few days ago: "I'm discouraged, frustrated and at the end of my rope."

Thank you.

• (1605)

[English]

The Chair: Thank you, Mr. Roy.

Now we go to SaskTel Centre with Scott Ford, executive director, speaking for five minutes.

Mr. Scott Ford (Executive Director, SaskTel Centre): Good afternoon, everyone.

Before I start my presentation, I want to thank the honourable members of the Standing Committee on Canadian Heritage for the important work they do on behalf of all Canadians.

I also want to thank the Government of Canada for initiating and activating the numerous programs which have been a lifeline for our industry, including the Canada employment wage subsidy, the Canada emergency response benefit and many others.

My name is Scott Ford. I'm the executive director of SaskTel Centre, which is a 15,000 seat arena in Saskatoon, Saskatchewan. I have 30 years of experience in the sports and entertainment industry as a venue operator and promoter. I'm also a member of numerous industries and associations.

SaskTel Centre is our facility. We are a non-profit corporation, which operates under Saskatchewan Place Association Inc. We operate independently from the City of Saskatoon.

We have three sports teams: the Saskatoon Blades of the Western Hockey League, the Saskatchewan Rush of the National Lacrosse League and the Saskatchewan Rattlers of the Canadian Elite Basketball League. For the past 15 years, our facility has ranked in the top 200 busiest arenas in the world, which we're very proud of. We're probably the smallest market that has made that list.

I can tell you our story here in Saskatoon. On March 11, 2020, a decision was made to cancel the 2020 Juno awards because COVID-19 was identified in Canada and a case was confirmed in Saskatchewan. I was the chair of the Saskatoon Juno host organizing committee. It was one of the first events in Canada that was cancelled.

What followed was the cancellation of all three of our sports teams' entire sports seasons and all of our 2020 and 2021 concerts and family shows. These cancellations not only affected my market and my building. Across Canada, related sports and entertainment venues were shutting down and all events were being cancelled.

Almost two years later, the COVID pandemic is still devastating Canada's live entertainment industry. The live sports and entertainment industry was the first to shut down and certainly it will be the last to open without restrictions.

With restrictions on gathering disallowing fans in the stands, to continue to offer an important service to our community, SaskTel Centre provided the following services. We ran the SaskTel Centre Hockey League, and numerous Saskatoon hockey teams could play out of our building for practice purposes only. We hosted the Saskatchewan Health Authority's influenza clinic. We operated a drive-in movie theatre in our parking lot. We produced a drive-in concert, which featured Brett Kissel and sold out three performances. We held the first indigenous vaccination clinic hosted by

the Saskatoon Tribal Council, which ran for three months. It was a huge success. We also used the time to provide some technical upgrades to our facility, which included a new Wi-Fi system and POS system.

To date, SaskTel Centre has lost \$5 million. During various periods of time, we've laid off approximately half of our full-time staff and all of our part-time staff. In August 2021, we began bringing back staff, but still have not filled all of our positions. Sports and entertainment venues across Canada will tell you a similar story.

The devastation goes much further than our internal operations, though. The live event ecosystem includes everything that services the live event tourism industry, and all have felt the brunt of the COVID-19 pandemic.

Since July 11, 2021, Saskatchewan has been allowed to host events and large group gatherings, provided we follow the conditions of the provincial public health order—

• (1610)

The Chair: You have one minute.

Mr. Scott Ford: The effects on the touring industry, ironically, is that we can do shows in Saskatchewan but other markets can't, so tours do not tour across Canada. There certainly has been an effect on everybody else.

Live events are part of our fabric. They instill civic, provincial and national pride. They release stress and are important to our mental well-being. People need to gather. We need to connect and we need to celebrate.

There is no playbook on how long the pandemic will last. There will come a time when the COVID pandemic is a distant memory, but until then, the live entertainment industry will continue to need the help of all levels of government.

Thank you.

The Chair: Thank you, Mr. Ford. You were bang on it. You finished just in time.

I'm going to move to the questions and answers. I would like to let everyone know that the first round is going to be six minutes for each party to speak with regard to questions and answers, but the total time for questions and the answers is six minutes. It isn't a six-minute question alone. Members, please be careful when you ask a question to leave time for the witnesses to answer. Witnesses, please remember that I will give you a notice when I am going to shut you up.

Thank you very much.

We'll begin with the Conservative Party and John Nater.

John, you have six minutes.

Mr. John Nater: Thank you, Madam Chair. Thank you for the reminder about the six minutes.

We've had a great panel of discussions this afternoon. Frankly, I think we could probably talk for several hours beyond the six minutes that we're entitled to, but I do appreciate the time that each of our witnesses has given us today.

I want to start with Dr. Mustakas from Drayton Entertainment. Drayton comes from beautiful Wellington County in the northern part of my riding. We appreciate the mother ship being there, but of course, Drayton spreads out across seven theatres and does a wonderful job.

Alex, I want you to talk to us about how you operated prior to the pandemic, how you were funded, how you put on your productions, where that source of funding came from, how you operated pre-pandemic.

Dr. Alex Mustakas: As many of you in the arts sector know, the true cost of producing live theatre is not reflected in the average ticket price. We rely on sponsorships, on fundraising and a lot of partnerships, but the box office of course is a big part of it. We have a model of sustainability where we split pre-production costs between multiple theatres as we move productions from one area to the other. Unfortunately, in March 2020, that all came to an end overnight. Not only did we have to shutter the venues, but all revenue stopped and not just ticket sales, but sponsorships and fundraising, etc. It's been quite a hardship.

The problem at the moment is uncertainty, and I'm sure everybody feels that. I'm on draft 200 of my potential 2022 season. It doesn't change by the week; it changes by the hour, depending on the conditions on the ground, and it makes it very difficult. I think my colleague John Lewis alluded to the fact that we can't just open overnight. The creative process takes weeks, months, and sometimes years. We're not a typical sector where the product can go on the shelf and when we open up again, we can sell it. That's just not how the creative sector works.

Those are the challenges we face at the moment, Mr. Nater.

• (1615)

Mr. John Nater: Thank you.

Looking back, you mentioned in your opening comments about the economic impact. I believe it's north of \$60 million. What does that look like on the ground? Most of your theatres are in what we might consider smaller rural communities. What does the impact that your theatres and performances have on the communities around them look like on the ground?

Dr. Alex Mustakas: A lot of the hospitality sector relies on us—people in restaurants, overnight stays, transportation and so on to get to us. It is a partnership. We basically rely on each other. That's been hard, because we close and they close. It's a problem. It has really affected the arts sector as well. Many of our actors, our musicians and so on also lost their secondary industry as well—the ability to teach privately, to bartend, to serve tables and so on.

Obviously, we have a direct impact. Attendance has a direct impact on tourism and the economy. Where our theatres operate in

Ontario, I think the economic impact is over \$82 million. That basically stopped overnight.

Mr. John Nater: Thank you.

The Chair: You have two minutes and 11 seconds, John.

Mr. John Nater: Thank you, Madam Chair. I'll try to make the most of my two minutes and 11 seconds.

Looking forward, one of the comments that you made, Alex, was about destigmatizing getting back to the theatre. I don't want to speak for everyone around this table and on Zoom, but I think we all hope that is possible. You mentioned that you're on draft whatever for the 2022 season. From a federal perspective, what do you need from us as Parliament, as the government, to give you some certainty going forward? What types of programs, announcements or commitments do you need to be able to put on a 2022 season that everyone can be proud of?

Dr. Alex Mustakas: All of my colleagues on this call have suggested programs, new programs and to continue programs that are already existing, but I really believe we need messaging. The messaging has to come right from the top to let us know that it will be safe to gather again, because the nature of our business is communal. We need to have consistency, obviously. The fear of planning a season and investing in a season only to be shut down a few months later is really difficult. Messaging is really important to communicate to Canadians.

There's a bit of a disconnect, as you know. Last weekend, some of us who love to watch football saw 80,000-plus spectators without masks, and we think, "Why can't we have somebody in the theatre to watch a play?" The messaging is very important moving forward.

• (1620)

The Chair: Thank you, Mr. Mustakas.

Now I go to the second round, to the second questioner, and that is from the Liberal Party, Tim Louis.

You have six minutes, Tim.

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Chair.

I want to thank all the witnesses for your time and for this very important conversation.

I would like to direct my line of questioning to Mr. Mustakas and let him know how proud so many of us are in our community, in Kitchener-Conestoga and Waterloo region, and obviously beyond, of the success of Drayton theatre, which started with one employee and many volunteers and that shared vision. It's really a jewel for our whole region.

We talked about how much the pandemic affected everyone in every sector, and of course we're here because the live performance sector is really hard hit.

Mrs. Rachael Thomas (Lethbridge, CPC): Madam Chair, I have a point of order.

The Chair: Yes, Mrs. Thomas.

Mrs. Rachael Thomas: I'm sorry. I know this isn't his fault, and maybe it's just me, but my suspicion is that it's not. The mike is quite static and a bit harmful to the ears. I'm wondering if the interpreters are experiencing the same, or if other members are experiencing the same and that maybe it could be fixed.

The Chair: We will suspend for a second while we get that fixed.

Mr. Tim Louis: Madam Chair, I did the old "turn it on, turn it off again". Is that any better?

The Chair: Thank you.

We will restart. I will give you five minutes because you're down to 4:45.

Mr. Tim Louis: Thank you. I will do what I can.

I wanted to thank you again for being here and focus my questions on Mr. Mustakas.

When people see the stage, they see the actors, they see who is there, but we talk about behind the scenes, all those contract workers, the musicians, the designers and more. Can you expand on their numbers percentage-wise and the challenges of keeping them in that sector as we're waiting for things to open up?

Dr. Alex Mustakas: Mr. Lewis alluded earlier to how many technicians are involved in productions. They are as important and in some cases even more important than what we see on stage. They make what happens on stage happen.

We're worried about losing some of these skilled technicians to other jobs. It's a little frightful. Myself, thinking about moving into the 2022 summer season, for example, I know already that I've lost a number of technicians. It's going to be devastating to our sector because they come with years of experience and you can't just train people overnight. You can't be a sound designer or a sound technician overnight. It takes years. That's a real fear for all of us, I think.

Mr. Tim Louis: I appreciate that. Yes. These are people who have trained almost all their lives to be in that profession, and when we talk to them they want nothing more than to get back to work.

You alluded already to the communal nature of live theatre specifically, that one of the issues is how long it takes to plan programming. You don't start these shows...planning ahead you need that longer runway. It takes a long time to prepare for these performances. Again, we don't know the timeline to get back, but you did mention, and already previously talked about it, but I hope you can expand on how we can destigmatize that return to theatre.

You talked about a marketing and PR strategy. What measures would it take to get that confidence back? Like I said, how can we help? Is it funding or straight-up messaging? Would you work with associations or levels of government? What kinds of things can we do to instill that confidence again when the time comes?

Dr. Alex Mustakas: I think it's all of the above, Mr. Louis. We all need to work together regarding the messaging. We need support. Frankly, we're frightened to announce a season to only have it shut down again, because it affects a lot of people, a lot of signed licence agreements, payouts and so on. A bit of certainty would certainly help to mitigate the risk. We've been trying to keep operating costs as low as possible, as many of you here have. When will we be able to have more confidence in gathering? That's something that's unfortunately beyond us at the moment. That's what we really need.

Mr. Tim Louis: I agree.

With the time I have left I want to brag about the great work you've done on next generation performers who haven't had a chance to be on stage for two years. Can you share a bit of information about the Drayton Entertainment youth academy and the effect it's going to have on the next generation, on their mental health and on our communities so all of us can hear about it?

• (1625)

Dr. Alex Mustakas: Absolutely. We are under construction of a brand new facility. You talk about philanthropy, and this has come through individuals and corporations who believe in generational change and the future of our industry. We plan to teach not only performing arts, but technical arts as well. As you know, unfortunately, arts programs in the schools are the first to be cut. We're trying to fill a gap for the future.

Mr. Tim Louis: That's perfect. Thank you again for your time.

The Chair: You're right on time. Thank you very much.

Now we have Mr. Champoux from the Bloc for six minutes, please.

[*Translation*]

Mr. Martin Champoux (Drummond, BQ): Thank you, Madam Chair.

I'd like to thank the witnesses for appearing before the committee today, despite the rather short notice. We're very grateful to them.

I would like to pick up a little bit on the opening remarks by Mr. Roy of the RÉMI, from whom we heard little earlier.

Good afternoon, Mr. Roy. I'm glad to see you with us today.

We discussed the same thing in the fall of 2020. Have things improved as a result of the recommendations this committee made to the government?

Mr. Martin Roy: Good afternoon, sir.

A great deal of work has been done, yes. Some worthwhile measures were announced in the 2021-22 budget, but they were generally not used properly.

I mentioned to you that the major festivals and events support initiative had some problems. That \$200 million is not entirely living up to its promise, and the other \$200 million, which includes support for local festivals, among other things, remains inaccessible. So there is an issue. It's been just about one year since this budget was tabled, and the funds are not yet available. I don't understand what's going on.

Of course, the public health issues remain as well. Everyone knows that all the necessary steps are being taken, but I'd also like to make the case for science. Science and the precautionary principle led us to cancel festivals and events in the first years, but now we know that the risks are low outdoors. Again recently, a study by the University of Colorado and Oxford University found that even large outdoor gatherings present no inordinate risk, especially if those gatherings are in provinces that have a vaccine passport calling for three doses, as will be the case in Quebec.

So it's a combination of things. We need to consider both government and public health measures to remove the stigma from arts and entertainment, as my colleague was saying. We know that the risks are low outdoors. The same thing goes for indoors, and we can have indoor shows because patrons wear masks in performance venues. So we have no reason to be completely shut down at this time. We know that in France, in particular, the cultural sector is alive and well, and it is in Belgium too. I don't see why that wouldn't be true here in Canada right now.

Mr. Martin Champoux: Some countries have understood that arts and entertainment is more than an expense, it's an industry that makes money. We're struggling to adopt that mentality.

As you mentioned earlier, and we've often heard it said in discussions with various stakeholders and entertainment industry representatives, everything revolves around predictability. You can't organize a festival in one month or a few weeks. You have to know in advance.

What you're telling me is that, as a result of the committee's recommendations, the government made some beneficial budget announcements, but you still haven't received the money and it's February. You still can't plan for the upcoming season.

Did I understand correctly?

Mr. Martin Roy: You got it right, that is exactly what's happening.

We began receiving the first application documents for the major festivals and events support initiative just before the holiday season. The initiative is administered by the economic development agencies. They are currently responding to applications.

If I may, I will tell you a little more about this initiative. The main issue is that it took eight months to roll it out, but it's a two-year program. Surely you understand that, in effect, it becomes a one-year program, because we hold one edition of each festival per year.

I would like to suggest something to you, and you will all be happy to hear that it could be done at zero cost. I'm begging the committee to extend this support initiative to at least March 31, 2024, because right now it's not working. That's one problem area.

As for Canadian Heritage, like I was saying, the details of the re-opening fund have yet to be released. People don't know what's happening. Some received cheques in 2021 after they held their festival or event. How can you plan for your expenses and maximize public investments when you get a cheque only after the fact? It's extremely difficult.

I understand that everyone is overwhelmed, that special programs are being tacked onto regular programs, and that it's very challenging to implement all of these programs, but we really need to get the cheques out the door and give people the support quickly.

• (1630)

Mr. Martin Champoux: I have very little time left, Mr. Roy.

In a few seconds, can you tell me, how is troop morale right now? People are talking a lot about technicians, theatrical and live performance experts leaving the field. Based on what you're seeing, how is morale in the industry?

Mr. Martin Roy: As I said at the end of my remarks, people are discouraged, frustrated and at the end of their rope. We need to add organizers to the job categories you mentioned.

Imagine how things must be for the executive director of the festival with an annual budget of \$5 million to \$7 million. What can they get done right now? What can they do to keep their troops with them? What are they going to do about programming for summer 2022? They don't even know what kind of situation they will need to hold their event. Will they be able to accommodate the maximum number of people? Will public gatherings be allowed? Will they be able to invite international artists to perform and pay them? We're in total limbo.

Mr. Martin Champoux: Do you feel you will have trouble hiring?

The Minister of Canadian Heritage has just announced an assistance fund for self-employed workers in the arts sector. Do you feel that will lend a helping hand? Will these additional resources be enough?

Mr. Martin Roy: We'll have to see what happens. In the past, I've been happy when the budget was tabled, and then I was a bit disappointed. So I don't rely on announcements, I rely on the roll-out of measures announced.

Mr. Martin Champoux: Let's hope they get out there a bit faster this time.

Thank you, Mr. Roy. We will talk again later.

[English]

The Chair: Thank you very much, Mr. Champoux.

We move now to the New Democratic Party, to Peter Julian.

You have six minutes, Peter.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you very much, Madam Chair.

To all our witnesses, thanks for your very compelling testimony. We hope you and your families continue to stay safe and healthy during this pandemic.

Mr. Lewis, I will start with you. Thank you so much for your presentation. I have family and friends who are members of IATSE. You do fantastic work.

I have two questions to start. First, you talked about your 160,000 members. Can you tell us about the impact that the pandemic and the absence of certain programs have had on those 160,000 people, who are Canadians employed in the industry?

Second, you offered a number of suggestions, such as the revenue top-up and government insurance. You also mentioned the United Kingdom and Australia as being two examples of where there's been a more fulsome response in those areas. Can you tell us where you see best practices internationally for the arts and culture sector that as yet have not been put in place in Canada?

Mr. John Lewis: Thank you for the question.

It's been a bit of a strange year for the IATSE because, as everyone has said, there is going to be a real issue with retaining crew. I can tell you we were doing okay until the fall of 2021. Things were starting to reopen a little bit. There was a sense of optimism. And then the what I'll call “double whammy” of omicron and the termination of the CRB had a dramatic and devastating impact on the industry. The mental well-being of my members, of people who work in the industry, was really at an all-time low. I had never seen it before. We have rolled out programs to address mental health and well-being. I had never seen that level of despair. Usually around Christmas it's a time for a lot of employment in the industry. The timing of it was truly devastating.

We've had a bit of a rescue, in the sense that we're seeing record employment. The IATSE looks after people in not only live performance but also motion picture and television production. In 2021, we saw record numbers in terms of work. A number of our stage members moved over to film and television production, and, quite frankly, many of them are not coming back. That's just the nature of the beast. I think Alex and others commented about people finding other industries to work in. That's one of the concerns we have going forward.

In terms of other countries, when we look at the insurance—and we did this in Canada. We did it for the domestic film industry when there was an issue about coming back to work. The U.S. studios didn't need it, but the Canadian producers did—we created this elaborate plan to support domestic film producers in terms of COVID-style insurance to financially support it. It was greatly used. It was a great program. It brought the domestic industry back. That's what we were looking at.

There was a lot of press about *Come From Away* shutting down. I'm equally concerned about the *Harry Potter* production that's going to come into Toronto. It takes a \$25-million investment to get that thing on the road. That is a major investment. Without any kind

of financial support, it is very difficult for a producer to make the decision to put that show on knowing that it could come crumbling down if all of a sudden there's a 50% reduction. That's the notion of an insurance plan: to enable, to incentivize producers, and to go forward with their plans knowing there is some form of support. That's where I think we have fallen behind where other countries, particularly the U.K. and Australia, have led. Again, for *Come From Away*, we're the only country where it shut down. It continued to be produced in the United States. It continued to be produced in Australia and the U.K. It was just Canada. That was sort of ironic given the nature of the story. But we need to be bold here. We need to be bold and to move forward.

• (1635)

Mr. Peter Julian: Thank you very much for that.

I just want to jump on one of your comments. The CRB was slashed with 72 hours' notice, and that had devastating impacts on communities right across the country. What would be the one word or two words you would use to describe the abrupt ending by the Liberal government of the CRB? Would it be devastating or catastrophic? What were the impacts on your members of having that rug ripped out from under them with just two days' notice?

The Chair: You have one minute.

Mr. John Lewis: At the time it happened, we could see the light. We could see the industry returning, but then soon thereafter it just came crumbling down. Then without that safety net, it was devastating. I've been doing this for a long time, and I have never seen that amount of despair.

When you're going into the industry, it takes a lot of training. It's really impacting our younger members and particularly diverse members, who are just now starting to come into the industry. They're the ones who are feeling the brunt of this the most, and that's unfortunate because that's our future.

Mr. Peter Julian: Thank you for that.

So you would say “devastating”, and it has led to—

The Chair: Peter, your time is up. I'm sorry.

Mr. Peter Julian: I have 15 seconds, Madam Chair. I'm timing it myself.

The Chair: Talk quickly, then.

Mr. Peter Julian: Just as a resumé, it has been devastating, and you're talking about the profound impacts.

Thank you very much for your testimony, Mr. Lewis. This is very important for the committee to know.

The Chair: Thank you very much, Mr. Julian.

Now we go to the second round, and the second round is different. The same principle applies, but our second round is going to be a five-minute round for the Conservatives and a five-minute round for the Liberals and a round of two and a half minutes for the Bloc and for the NDP.

We begin with Mr. Waugh for the Conservatives.

Kevin, you have five minutes.

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Thank you, Madam Chair.

I remember vividly March 13, 2020. I was in my office at eight o'clock in the morning. I phoned back home to SaskTel Centre, as they were preparing for the Junos, which is Canada's music industry showcase.

Mr. Ford, you answered the phone at 7 a.m. Saskatchewan time. You had the news that the Junos were cancelled. In my city, \$9 million was lost on the Friday, Saturday and Sunday festivals.

Can you talk about that aspect and, since you were the chair, about what it meant to not only SaskTel Centre but the entire community of Saskatoon?

• (1640)

Mr. Scott Ford: Thank you, Kevin. It certainly was devastating for our community.

The Juno awards show isn't just an awards show held at our arena of SaskTel Centre. It actually involves multiple facilities throughout the city of Saskatoon. There's the gala dinner. There's the Juno Cup. There's Junofest in all the clubs. In total, approximately 30 different venues host the Juno awards. When you have an event like that, which is confirmed, which is doing great in your market, and which is only two days away, and then it goes down two days later—that's devastating, not only for all of our facility partners but also our community.

In terms of the economic spinoffs, as you mentioned, Kevin, it was an \$8-million to \$10-million event for the city of Saskatoon. Then the tap was turned off.

You just have to just recover from it, but it was a very difficult time. I think all the venues that were participating in it had shuffled events around to make their facilities available for the Junos, so they lost some business from some other potential rentals. Then there was all of the labour and the thousand volunteers we had, who had dedicated so much time and energy to be the ambassadors for our province and our city.

Not being able to execute our plan was very difficult. It certainly was a tough time for us.

Mr. Kevin Waugh: Yes.

Mr. Scott Ford: Ironically, Kevin, immediately following that, everything else shut down. That was probably the first big event in Canada.

Mr. Kevin Waugh: It was.

Mr. Scott Ford: It just seemed to snowball. The next thing we knew, all the sporting events were closing down.

We still haven't recovered. It's a tough time in our industry right now.

Mr. Kevin Waugh: Well, that's what I want to continue with, because our province is open. You held the Olympic curling trials in November. We're seeing the Scotties with nobody at all in the stands right now in Thunder Bay. I follow the National Lacrosse League's Saskatchewan Rush. Their crowds are down by half.

Where does this go from here? How do you, as a facility bidding for events, even know how many dollars you put up, knowing that the attendance is half or even three-quarters down from what you may have anticipated the event to hold?

Mr. Scott Ford: When we started bidding for the Canadian curling trials, we were anticipating crowds to be over 8,000 fans per draw. Curling in Saskatchewan is a hot ticket. Actually, curling in western Canada is a hot ticket. Past Briers have achieved those numbers quite easily. The Canadian curling trials are Curling Canada's number one curling product. Certainly, it's one that they anticipate. Those associations, like the Junos, need these major events so they can fill their coffers and continue to operate with their programming. The Junos and Curling Canada need these events to be successful. They need the ticket revenue and the money.

We were operating at under 3,000 fans per draw. We were happy to have the event, but again, everything is underperforming. It's affecting not only our national sporting associations. We could talk about the World Junior Championship in hockey. They've attempted twice now to run in Edmonton and they haven't been able to get off the ground. All of the work and the money that went into producing those events.... Those events were either cancelled or done without fans. It's tough for the industry. It's tough for the associations that run these events. It's tough for our promoters and our tenants.

The Saskatchewan Rush of the National Lacrosse League in Saskatoon have the number one attendance in the league. We were drawing over 13,000 fans a game. Now we're open for business and we're drawing 6,000 fans a game. The Saskatoon Blades used to be at 4,500. We're now drawing 2,500. Everything is down.

I really think there needs to be a national strategy to improve consumer confidence. What has been the message out there? The message, consistently, has been to stay away from crowds, to work from home and various things.

The Chair: You have 15 seconds, Mr. Ford.

Mr. Scott Ford: In terms of messaging, there needs to be a national strategy to improve consumer confidence. I think there needs to be some continuity on what we can do moving forward with regard to touring shows and the major producers that produce these events.

• (1645)

The Chair: Thank you very much, Kevin and Mr. Ford.

We'll go now to the second question, which comes from Michael Coteau of the Liberal Party.

Michael, you have five minutes.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you, Madam Chair. I appreciate the opportunity.

Before I specifically ask a question, I want to say to the cultural, heritage and sports sectors, to all the sectors here today, thank you for what you've been doing. I know the culture and sports sectors have been among the hardest hit because of COVID.

For example, I got to spend a lot of time with the culture sector here in the province of Ontario, and the sports and athleticism sector. We know these are major contributors to our economy. Therefore, thank you to everyone who is participating today and for helping to build such a great country.

We know that coming out of this pandemic we're going to need things to pull us together as Canadians even more than ever. We know that people are going through a lot of challenges. Culture, heritage and sports will really contribute to lifting us up and getting us back on track.

I have a question for Ms. Hall from the Nia Centre.

Congratulations on the 17,000 square foot space that you are championing as an organization. It's much needed.

As we talk about many of the issues of filling existing spaces and keeping existing clientele, I know it has been a challenge here in Toronto within the Black community just to find space to use.

Different communities have been impacted differently. You mentioned in your deposition that you've been building as the pandemic moves forward, but I'm sure you've been collaborating too and working with other groups in the city, in the GTA and the province and across the country that might be considered the non-traditional groups.

I was hoping you could weigh in on how you think other groups that share a similar background to yours are doing. What are some of the other challenges they might be going through as non-traditional culture groups here in Ontario and across the country?

Ms. Alica Hall: I think there is a challenge for a number of Black arts organizations, who are obviously also being called on in this moment as we explore our history and the racial reckoning that's going on, to be able to participate in those conversations and to lead those discussions on how we create a more diverse and inclusive recovery.

There's not as much in terms of resources to be able to do that. Folks are calling on them to source artists, to provide feedback, to develop equity frameworks, to provide feedback on upcoming seasons and such. There is an increased role and amplification of the work they want to do and the work they do in the sector but just not enough resources to be able to actually play those roles effectively.

Space continues to be an issue. Of course, you know, we've seen the housing market across the country, and particularly in Ontario. The rising cost of housing puts pressure on other kinds of infrastructure. The cost to rent space in the downtown core versus where we are uptown is different, so we want to create affordable spaces for smaller community groups to be able to put on plays and use our space for exhibitions when we can gather again.

Space, even in the pandemic, in the small windows we have to gather, whether it's for the festivals or cultural events, is hard to

find and quite pricey due to some of the pressures we're facing in Toronto.

Mr. Michael Coteau: I want to ask an additional question.

From what you have seen with different funding models, at the federal, provincial and municipal levels and different councils that provide funding, what can we do differently? How can we tweak current grants or assistance to better serve the Black community or any of the communities that might not fit into the traditional model or relationships that exist between funders and organizations?

• (1650)

Ms. Alica Hall: That's a great question and it's one that I feel well positioned to answer, because I started off my career at the youth challenge fund, which was a fund set up by the provincial government at the time under the leadership of Kathleen Wynne to invest in, specifically, Black youth in the inner suburbs. I saw first-hand what it looked like to partner with community organizations and Black youth working together to develop initiatives, as well as capital, for safe spaces for youth to gather.

We've seen that model replicated with work that you did around designing the Ontario bBk youth action plan at the provincial level. We haven't yet seen that kind of targeted approach taken by the federal government to work with an independent foundation or body to invest in a Black foundation. I know that's within the existing federal budget. I applaud the work of that motion and I'm really eager to see it come to life. The foundation can do the work to partner with community-led organizations on the ground.

I think other folks on the call have spoken about this. With some of the programs and investments, folks are just not aware of them or don't have sufficient time to be able to create applications and get approved by the Canada Council. You have to, 30 days in advance, be approved and create an application before you can even apply for additional funding.

Mr. Michael Coteau: Do we have one more minute or are we done?

The Chair: No, that's your time. Thank you.

Sorry about that, Michael.

Mr. Champoux, you're now up for two and a half minutes.

[Translation]

Mr. Martin Champoux: Thank you, Madam Chair.

I would like to come back to Mr. Roy of the RÉMI and what we discussed earlier.

During each wave of the pandemic, we have regularly had the opportunity to discuss things with the various stakeholders in the arts sector, particularly with those from Quebec but also people from across Canada. I see that a number of programs have been created, but let's focus on those that concern you more, Mr. Roy. Earlier you mentioned the major festival and event support initiative. We also talked about the reopening fund and the recovery fund for arts, to name only a few.

In your opinion, are there too many programs? Are they too targeted, and does that make it harder for them to adapt to the pandemic's shifting realities?

Mr. Martin Roy: It's a complex issue.

As far as we're concerned, we have been well served by the fact that there are horizontal programs, that is to say programs that apply to everyone, and sectoral programs. Thanks to all of these programs, we've been able to navigate and survive so far.

The problem is that sectoral programs pose a certain number of challenges on the ground—more so than cross-cutting programs—because they are not always adapted.

In the case of the major festivals and events support initiative, major festivals are being asked to invest in product development. It is a very commendable effort. However, it isn't logical to ask someone to expand their home when they are having trouble paying the hydro bill. That's sort of what's happening with the initiative.

Mr. Martin Champoux: Do you think the programs are well designed? Is Canadian Heritage the best agency or department to manage the programs? Do you think the department has enough flexibility?

Mr. Martin Roy: As I was saying earlier, we don't understand why all the festivals are *de facto* under the responsibility of Canadian Heritage when the tourism and economic impact of some of them should be recognized. Not all festivals are cultural, but all festivals are economic and tourism drivers. That's why we believe there should be complementary intervention by economic departments and regional economic development agencies.

Mr. Martin Champoux: Absolutely.

[English]

The Chair: Thank you, Monsieur Roy.

I'll go to Peter Julian from the NDP for two and a half minutes.

[Translation]

Mr. Peter Julian: Thank you very much, Madam Chair.

I'd also like to come back to Mr. Roy.

Mr. Roy, your testimony was very powerful. Last year, a \$25 million development fund was approved. One year later, the money hasn't yet been distributed.

What are the consequences of the government's inaction? It announced something, but so far nothing has been given to the major events sector. Are there any events that won't be able to survive? Are there employees who have withdrawn from the industry? What are the consequences of the one-year delay, which I think is unacceptable?

• (1655)

Mr. Martin Roy: It's the total lack of predictability. We're already in the dark enough, in a vacuum, and we're still struggling with all these issues.

The budget was presented in April. As for the major festivals and events support initiative, as I said, the applications started to be submitted in November. It took over six months to set up. It wasn't until June that the Department of Canadian Heritage gave details of the announcement that had been made in April.

At that time, the reopening and stimulus funds were announced. The stimulus fund has been rolled out, but we are still waiting for the reopening fund. The problem is very complex. I must tell you that there is still a lot of confusion on the ground. People don't know where to turn. In the case of the reopening fund, for example, we will have to submit projects in order to get money. However, we still have to design these projects. For the time being, no details have been provided on the subject. There is \$25 million, but who knows when we will have access to it.

Mr. Peter Julian: Does that mean that major events won't be able to take place, that they'll be cancelled since the delays will have been too long? Is that the result or consequence of that?

Mr. Martin Roy: This would be the result of the work of the different branches of public health.

As far as we're concerned, these are not optimal investments. If the cheques come in after the events, that's not a good thing.

[English]

The Chair: Thank you very much, Mr. Roy. You are doing very well with your times here.

Now we're going to a third round. It's a five-minute round for Leslyn Lewis from the Conservatives.

Ms. Lewis.

Ms. Leslyn Lewis (Haldimand—Norfolk, CPC): Thank you, Madam Chair.

Witnesses, I want to thank all of you for the opportunity you've given us just to learn about your specific needs and those of your industry, and to better understand some of the challenges that you faced over the past two years.

My question is to expand on Ms. Hall's answer. I'm curious to find out if she was able to offset some of her economic strains by bringing some programs online.

Ms. Alica Hall: Thank you for that question, MP Lewis.

I would say while operating during the pandemic we've continued to bring young people who are interested in careers in the arts to both workshops and programs online. We have offered new mental health programs for artists who are experiencing challenges. Through some of the emergency recovery funding we have been able to offer them low-cost access to therapy, given some of the challenges and pressures they were facing.

We continue to work with other organizations to partner and use their space. That has reduced the cost of operating while we are under construction.

Construction costs, on the other hand, have increased due to the pandemic—things like steel, things like having fewer workers on-site, which has extended the period of construction through the pandemic. There has been a real increase in our overarching capital costs. Some of those cost savings have just been moved over to ensure that we can open the space in the fall of this year.

Really, I think our concern isn't necessarily operating during this time, but when doors open in the fall, we will have increased operating costs due to the need for tech directors and other back-of-house roles.

Those are some of the challenges we're looking to close and encourage folks to think about as we reposition and rethink about recovery and start to live in this new normal.

Ms. Leslyn Lewis: I'm assuming that the demographics that you serve and the individuals, the performers, etc., would be more over-representative from a racialized group. Is that a correct assessment?

Ms. Alica Hall: That is correct. I would say 85% of our performers and participants are Black Canadians, but we also have representation from a wide variety of other racialized communities who participate in our programs and come to learn about Black artistic traditions.

Ms. Leslyn Lewis: You mentioned the youth challenge fund. I had an opportunity when I was at Trillium to work on the youth action fund, which I think is just a transition of that fund. I found that the intersectionalities of dealing not only with the economic and other strains of COVID.... I'm curious about some of the intersectionalities that you've had to address in dealing with these compounded issues.

• (1700)

Ms. Alica Hall: Absolutely.

Obviously, one serious issue that is widespread across Canada is around mental health. The struggle with precarity and not knowing where your opportunities are has really been compounded for Black artists. A lot of them were seeing significant opportunities to present their work in new spaces, exhibitions and shows. They were quite excited about some of the ways in which their careers were advancing. The closure of our spaces really meant that there's now a sense for them of whether their career is viable or whether it is possible to ever rebound. There's a real sense of loss and grief that I think we still need to work through as communities. Mental health would definitely be one.

Of course, in Toronto, there's the additional pressure of affordable housing in our city. We are at risk of losing the ability for

artists to live, work and create in our city because it is simply unaffordable. There's significant pressure. I'm going to be working closely on.... We're redeveloping our neighbourhood specifically and looking at some opportunities for affordable housing there. That's a real pressure point for ensuring that the creative sector and the artists that drive it are able to stay and continue to live in the communities they're a part of.

Last, I would say it's access to working space for artists. Studio space for artists to actually work out of is expensive. There are a lot of closures. One thing we did during the pandemic was offer micro grants to over 100 artists to support them in accessing professional development, equipment and supplies to be able to produce work at home and really pivot. We called it the pivot grant. It helped to keep them working during the pandemic and helped them to access the kinds of supports at home that would help them to advance in their careers.

Those are some of the key priorities and issues that Black artists in particular are facing.

Ms. Leslyn Lewis: Thank you.

The Chair: Thank you.

There are eight seconds left, Ms. Lewis.

Ms. Leslyn Lewis: I was going to ask Alex a question, but that's fine. I don't think he could answer it in eight seconds.

Thank you.

The Chair: Thank you.

I'm going to go now to the Liberals—

Mr. Chris Bittle (St. Catharines, Lib.): Madam Chair, I have a point of order. I think we skipped over a Liberal spot in the second round.

The Chair: We did not skip over a Liberal spot in the second round. There was only one spot for a Liberal for five minutes. Mr. Coteau took it.

In this round, we're going to be looking at Mr. Bittle for the Liberal round for five minutes.

Mr. Bittle.

Mr. Chris Bittle: Yes.

Mr. Anthony Housefather (Mount Royal, Lib.): I have a point of order, Madam Chair.

The Chair: Yes, what is the point of order, Mr. Housefather?

Mr. Anthony Housefather: Madam Chair, if you look at the notes in the second round, you would have had two Liberals. You would have had a five-minute round for the Conservatives followed by a five-minute round for the Liberals following the two and a half minutes for the Bloc and the NDP.

The Chair: Indeed, we did do that, Mr. Housefather.

The second round was a Liberal and it was Mr. Coteau. He took five minutes. You're not allowed two separate five minutes for the Liberals, in any round.

I'm sorry, those are the rules, Mr. Housefather. You're out of order to continue.

Mr. Anthony Housefather: Of course, but—

The Chair: No, you're not. I'm sorry, Mr. Housefather.

There was one round—

Mrs. Rachael Thomas: Madam Chair, I have a point of order.

I'm sorry. I think if you actually look at the second round, I was never called upon. I'm just curious as to why that was.

The Chair: Your name was not on the list of speakers. Mr. Waugh took the five minutes for the Conservatives.

Mrs. Rachael Thomas: Yes, that's correct, but—

The Chair: Before we continue—

Mrs. Rachael Thomas: Madam Chair, I've raised a point of order and you're speaking over me right now.

The Chair: I would just like to ask the clerk to respond to your point of order, Mrs. Thomas.

Mrs. Rachael Thomas: That would be great. Thanks, Hedy.

The Clerk of the Committee (Ms. Aimée Belmore): Yes, thank you very much. If you'll just give me one moment, I'll pull up the rounds of questions.

In the second round of questioning it is five minutes for the Conservatives and five minutes for the Liberals, followed by the Bloc and NDP at two and a half. Then there is another round of Conservatives for five minutes and another round of Liberals for five minutes. The second round was to be Mr. Waugh, Mr. Coteau, Mr. Champoux, Mr. Julian, Mrs. Thomas and Mr. Bittle.

• (1705)

The Chair: I am sorry, Clerk. I have here

[*Translation*]

“first round”, “second round” and then “third round”.

[*English*]

The Clerk: It carried over on the second page, when I added the additional witness.

The Chair: I'm looking at the second page.

Are you telling me that the Conservatives had two separate five-minute rounds and the Liberals had two separate five-minute rounds?

The Clerk: That is correct, Madam Chair.

The Chair: Okay. I am sorry. It didn't seem to be that way. That's kind of interesting.

Before I go to Mrs. Thomas and Mr. Bittle for those two rounds.... These are very interesting rules, I have never worked under these rules before.

Go ahead, Mrs. Thomas, and then Mr. Bittle for five minutes each.

Mrs. Rachael Thomas: Madam Chair, I'm sorry, but I am going to raise a point of order. This is not my talking time. These are not my questions. This is simply a point of order.

Madam Chair, you just spoke to my colleague Mr. Housefather and then me in a very belittling and condescending manner when we raised a point of order, which is valid in nature and has been validated by the clerk. The least you could offer is a sincere apology. That was absolutely inappropriate for you as chair.

The Chair: I apologize, Mrs. Thomas, and I apologize, Mr. Housefather. I was going by the rules that I had in front of me. I did not see those two names. I thought there was only one round for the Liberals and one round for the Conservatives. Those are the rules I have worked under as chair, but I now find out there are different rules for this committee, so there we go.

I am sorry, and I very much apologize.

Mrs. Rachael Thomas: I understand, but you can be respectful in your interactions with us going forward.

Thank you.

The Chair: I apologize, Mrs. Thomas.

We are going to begin. I don't know that we're going to have a lot of time to go to a fourth round.

Mrs. Thomas, would you like to speak for the second round that you missed?

Mrs. Rachael Thomas: I've indicated I would.

The Chair: Yes, then please begin.

Mr. Chris Bittle: I have a point of order, Madam Chair, given that intervention.

I think Ms. Lewis took that slot and we should probably move on. I think there was some agreement in the room that we swap the slots, since the Conservatives went that additional time.

The Chair: Are you suggesting, Mr. Bittle, that we go into a fourth round where it begins with the Conservatives, which could be [*Technical difficulty—Editor*] and then it goes to you, who would be the Liberal? Is that what you're suggesting? I'm a little confused by your suggestion.

Mr. Chris Bittle: Maybe the clerk can chime in, but I think the suggestion is that it's our slot at this point and I would carry on.

The Chair: Well then, Mr. Bittle, you have five minutes.

Mr. Chris Bittle: Wonderful.

Mrs. Rachael Thomas: No, Madam Chair. I would ask for the clerk to clarify.

The Chair: Clerk, would you clarify, please?

The Clerk: I'm not sure what, exactly, Mrs. Thomas, you'd like clarified.

In your speaking slot, Ms. Lewis did go for the full duration of five minutes. In this second round of questioning, it would be a Liberal slot next. Then we could begin the third round of questions, but again, that's entirely at the discretion of the chair.

Mrs. Rachael Thomas: Thank you. I appreciate that.

The Chair: Given that Ms. Lewis spoke for five minutes, I will go to Mr. Bittle for five, please.

Mr. Chris Bittle: Thank you so much, Madam Chair.

I'd like to turn to Mr. Julien.

I don't think we've had an opportunity to hear from you. I was wondering if you could talk about the Canada performing arts workers resilience fund and how you see that impacting the sector.

Mr. Frédéric Julien: Thank you, Madam Chair, for the member's question.

I think this fund is absolutely needed by the sector. We've heard from every single witness today about the specific needs of self-employed workers in the performing arts, so there are multiple needs that this fund can meet. Based on what I read in the guidelines, which just came out two days ago, besides immediate emergency income support to begin with, the fund can also intervene in terms of providing training to the sector, but that's an area where I am personally slightly concerned.

If we think about the shortage of skilled workers among IATSE members, for example, if we have so few of these workers, how can we expect those who are experienced workers on the ground to be available to train newcomers? I am skeptical about the possibility of this program to solve the labour issues that we have within the time frame that is a part of the program.

• (1710)

Mr. Chris Bittle: Thank you so much.

Mr. Lewis, I'll ask you the same question on the resilience fund, please.

Mr. John Lewis: It's part of a broader conversation because many people who work in this industry fall within the cracks of a lot of government programs such as EI. I know the government is looking at EI reform, and we really have to take a good look at that in terms of how it impacts gig workers and people who don't fit within the traditional definition of employee. We really need to look at the broader picture and how we can bring stability.

The resilience fund will help. It's not income support, just so we're clear, but it will help to keep people in the industry. We're looking at health contributions that would otherwise be provided, because people are losing their health coverage now under the various union health plans. It's looking at training. It's looking at mental health. There is going to be money spent for that and for training. Training is something we do all the time. It's not just a COVID-related practice, and we're going to continue to do so. But we are concerned.

There's a long-standing history of senior people who train junior people coming into the industry. It's not done in a classroom. It's typically done on the job, and if you lose that experience subset, it's very difficult to bring people in in a timely way so they can take

over the reins. It's something we are focusing on as we move forward.

Mr. Chris Bittle: Thank you so much.

I'll turn back to Mr. Julien.

Mr. Lewis talked a lot about additional supports and I liked his idea about insurance, but I was wondering if you could talk about what you see that the industry needs beyond the supports that have been provided by the federal and/or provincial governments.

Mr. Frédéric Julien: We think at the Canadian Association for the Performing Arts that a ticketing subsidy program is definitely worth considering. There is a lot of uncertainty ahead of the sector in terms of possible further waves of the pandemic, in terms of audience hesitancy. Even though venues are allowed to reopen at full capacity, we know for sure it will take a while before we can fill those venues as we did fill them before the pandemic. Any kind of program that would be flexible enough to make up for that gap in earned revenues for the sector would absolutely help.

Mr. Chris Bittle: Thank you.

Mr. Lewis, I'll ask you the same question. I don't know if you want to build upon your earlier answers in regard to additional supports.

Mr. John Lewis: No, I agree. Employers make major investments in this industry, and it's a risky industry at the best of times. There has to be some form of insurance to provide some necessary support.

May I just say, too, that the federal government has been largely carrying the water on this, as well. With the exception of Quebec, because Quebec did introduce a ticket subsidy program, the provinces have really sat idly by and allowed the federal government to carry the load here, and that's shameful. That's something we're focusing on as we speak to your provincial counterparts. This is not just for the federal government to carry forward, but it's in co-operation and conjunction with the provincial governments as well.

Mr. Chris Bittle: Thank you so much. That's probably at or near the end of my time.

The Chair: You have 30 seconds, Mr. Bittle.

Mr. Chris Bittle: I have 30 seconds. Thank you so much.

I don't know that I can get a question and answer in in that period of time so I will ramble for the last few seconds and just say thank you to everyone who's here and for the work you're doing. I hope that we can be there and continue to be there for the industry.

The Chair: Thank you, Mr. Bittle.

I can then move now to Mr. Champoux for two and a half minutes.

[Translation]

Mr. Martin Champoux: Thank you, Madam Chair.

I would now like to turn to Mr. Julien.

Mr. Julien, earlier you heard Mr. Roy, who represents RÉMI and FAME, talk about the importance of the 2019-20 investments and the need to make them permanent.

• (1715)

[English]

Mrs. Rachael Thomas: Madam Chair, I have a point of order. Sorry, Mr. Champoux.

The speaking order is supposed to go from a Conservative to a Liberal, each having five minutes, and then back to a Conservative for five minutes.

The Chair: I think we just did that. Mr. Waugh spoke in that round and then Ms. Lewis spoke, and then Mr. Coteau and then—

Mrs. Rachael Thomas: Perhaps we could seek some clarity from the clerk.

The Chair: Could the clerk give us the list, please?

The Clerk: Madam Chair, if you look at the sheet, at the start of the third round it will be Ms. Thomas, Mr. Bittle splitting with Mr. Lewis, Mr. Champoux and Mr. Julian, and that will probably bring us to the end of the meeting.

The Chair: The NDP and the Bloc do not have any rounds at all in the third round. Is my understanding correct?

The Clerk: Madam Chair, it will be Ms. Thomas for five minutes, Mr. Bittle and Mr. Lewis for five minutes, Mr. Champoux and Mr. Julian.

The only edit on the sheet for the third round will be that Ms. Thomas will be taking the place of Ms. Lewis.

The Chair: Thank you.

Who will be taking the place of Mr. Bittle? Mr. Louis?

The Clerk: Mr. Bittle and Mr. Louis are splitting the time, and Mr. Bittle had his round in the second round.

The Chair: Thank you. I'm so sorry.

Let us go to Mrs. Thomas for five minutes.

Mrs. Rachael Thomas: Thank you.

My first question will be directed to Alex.

Mr. Mustakas, one of the comments you made in your opening remarks was with regard to the benefits that were handed out to help cover the cost of rent. You said that when a building is owned, it makes it rather difficult because there's no benefit available for that. Could you comment on that a little further?

You mentioned the value of having an asset, having a building. Obviously that's something you should be proud of and something you should want to keep, but it would appear that those industries, businesses or organizations that have buildings were penalized because of that. They weren't given any sort of support to pay their mortgage.

Perhaps you could comment on that further in terms of what the need is in that regard.

Dr. Alex Mustakas: Absolutely.

We're a prime example. We operate seven venues around the province. We rent some facilities as well. We were able to receive rent subsidy for the ones that we rent, but we still had to carry the load for all our own venues.

I've heard many times that the pandemic is going to destroy small theatre companies, but we also have to look at the ones that operate seven venues. Without putting a key in the door, it costs you a million dollars a year in utilities and so on, so any assistance there would certainly help.

Mrs. Rachael Thomas: Thank you.

In terms of your overall operations, were there any innovative practices that were taken on to help come through the pandemic on top, whether that was innovation in terms of the way that you fundraise, innovation in terms of the shows you put on or using technology in creative ways? Maybe you could highlight some of those adaptive technologies that were put to use.

Dr. Alex Mustakas: Our organization is the exception to the rule. We receive no operating funds from any arts council or level of government. We have received some capital grants and so on. It made it doubly hard for us. We reached out to our stakeholders and our audience. We held one very successful campaign, an online fifty-fifty. In a year we brought in over \$800,000 that helped sustain us. That showed proof of commitment by our stakeholders who want us to survive, who want us to come back.

Someone mentioned earlier about online activity. Back in late 2020, we created online, 10-week, hour-long episodes to stay connected with our audience. The first one was free. I think we had about 5,000 viewers per episode. This week we just launched a sequel to it, but this time we're charging \$15. Unfortunately, it dropped to 500 subscribers from the 5,000 who accepted it for free.

We have tried innovative ways to stay connected. Other than as a lifeline to our operations, I'm really worried about behaviour changing, pattern of behaviour changing and losing stakeholders who have been with us for 30 years.

• (1720)

Mrs. Rachael Thomas: Mr. Mustakas, on that note, talking about behaviour and engagement from audience members, individuals who would come and watch shows, provincial and federal governments have put various mandates in place, and there have been promises made. Definitely the messaging out there at all levels of government has very much been to get vaccinated once, get vaccinated twice, now get vaccinated three times and life will get back to normal. Obviously that has instilled hope, and then it's been disparaged immediately following. It's gone back and forth like this for quite some time.

For those individuals who are looking forward to coming back to theatre and for those individuals whom you work with within your company, what impact has this had on their mental health and well-being? I'm not talking about the pandemic per se. I'm talking about the promises and then the renegeing on the promises.

Dr. Alex Mustakas: It has been very difficult. For most of us on this call who are arts activity leaders, they look to us for support. They look to us for all the answers, and it's probably the first time in our careers that we don't have all the answers.

We try to maintain as much hope as possible, so we look forward to an opening only to be dashed with it closing again. The consistency isn't there. I understand it to some extent, but I truly believe that we have to align the messaging, for not only our own staff and our arts workers, but our audiences as well.

Mrs. Rachael Thomas: Yes. If you could put one request forward to the government in that regard in terms of consistency and anticipation going forward, what would it be?

Dr. Alex Mustakas: I would say it's the message that has to come from all our elected representatives and their communities, which is that we need to maintain arts and culture in our communities.

I will say that arts organizations have a proud history and a proven track record for providing an excellent return on investment. I encourage the government to keep investing in our sector, because at the end of the day we need both sides of the brain, and we need the creative sector. It touches everything we do.

Mrs. Rachael Thomas: Thank you so much.

The Chair: Thank you, Mr. Mustakas.

I would now like to move to the Liberals for the second round, and that's going to start with Mr. Louis.

You have two and a half minutes, Mr. Louis.

Mr. Tim Louis: Thank you, Madam Chair. I will be splitting my time with Mr. Bittle.

Just to add to what Mr. Mustakas said, yes, it's the creative class that's going to get us out of this pandemic, and that's why we're here.

I'm really happy to have this extra time.

Mr. Julien, I was hoping that I could ask you to expand on that ticket subsidy idea, that program to make up for the gap in earned revenues.

I've had a number of conversations with theatres. They can't profit at less than full capacity. They can't put on shows at less than full capacity.

Can you explain that? Has this been done in other jurisdictions and in other parts of the world? Can you expand on that idea?

Mr. Frédéric Julien: Yes, absolutely.

First of all, it's very important to insist on the fact that even in good economic times the performing arts industry is not one that is designed to make loads of profits.

Among not-for-profit performing arts companies, the profit margin from year to year is roughly somewhere between 0.5% and 1.5%, so the moment that those performing arts companies are unable to sell tickets at the same level that they did before, it's impossible for them to make ends meet. Therefore, this has an impact on the number of shows they program and the scale of the shows they program, and that impacts the entire value chain.

The strategic advantage of a ticketing subsidy scheme is that it intervenes where the bulk of earned revenues are made in the per-

forming arts ecosystem, and then, hopefully, flows that money back to all stakeholders in the sector.

As was mentioned today, there is a ticketing subsidy program in Quebec. It is not perfect. It has been said that the money actually doesn't always trickle down to all of the artists and technicians who were supposed to be benefiting from this program. In any new implementation of such a program at a national level, it would be important to make sure that there are guardrails to ensure that the self-employed are compensated, even in instances of cancellations.

• (1725)

Mr. Tim Louis: That's great. I appreciate that, and I appreciate all your time.

I'm going to yield the rest of my time to Mr. Bittle.

Mr. Chris Bittle: Thank you, Mr. Louis.

Mr. Mustakas, you talked a bit about encouraging people to come back. I think we're all in agreement that we want people to come back. In the intervening time when we were opening things up again, it was amazing for me to go back and see live performances again. We want to get back there.

I guess I'm struggling with this. What's the message that government can deliver? If it's absent of health and the reality on the ground, will we fall back in terms of confidence? If the virus changes again, as it changed from delta to omicron, we're losing that confidence. Do you have that concern if there is a PR campaign, which I think you suggested that we embark on?

Dr. Alex Mustakas: We attempted a couple of projects over the holiday season and we had a mix of half the performances at 50% capacity and half at 100% capacity. The ones at 50% were the ones to sell first. We never went above 50% in the 100% capacities either.

The messaging is really about arts activity. For us in theatre in particular, it's about the communal experience that Zoom can't really recreate. All of us would like to be in the same room right now. The audience is missing out on that communal experience, as I say, an audience that laughs as one and emotes as one. It's been proven that our heartbeats sync together. It's just something that we're missing and you can't really recreate it from your kitchen. That's the message we have to give, that it's time for us to gather, because that's the one thing we've all missed, the ability to be together.

Every one of our audience members says that they can't wait to be back when it's safe to do so. That's the message we have to send out: Follow the protocols; have your vaccination cards, etc., and let's get together. That's what it's really about, and then we will keep our arts workers, actors, singers, dancers and technicians because we do not want to lose them.

The Chair: Thank you, Mr. Mustakas.

I would like to ask the committee if we can stay for another five minutes, because I would like to give Mr. Champoux and Mr. Julien, from the other two political parties, two and a half minutes each to ask questions.

I'm sorry about what happened and that the loss of that time was because of me. Therefore, I would ask if we could make that time up to Mr. Champoux and Mr. Julien.

Some hon. members: Agreed.

The Chair: Okay. Perhaps I could ask Monsieur Champoux to begin.

Go ahead for two and a half minutes.

[*Translation*]

Mr. Martin Champoux: Madam Chair, I would like to thank you and my colleagues sincerely for this generosity.

Earlier, I started asking Mr. Julien a question about the investments Mr. Roy had mentioned earlier.

Mr. Julien, last year, in your brief, you talked about the Canada arts presentation fund and the building communities through arts and heritage fund. You encouraged the federal government to see these programs as instruments that will help rebuild the performing arts sector.

Mr. Roy spoke earlier about the 2019-20 budget investments for these programs. He wanted them to be made permanent and enhanced with additional money to make them even more effective.

Do you have any comments on that?

Mr. Frédéric Julien: Thank you for the question.

According to the evaluations, these programs have proven to be very effective in stimulating the whole touring and broadcasting ecosystem.

There are a lot of performing arts productions that are created only in one city that don't go on tour, but there's also a significant amount of our artistic production that goes across Canada. These two programs are part of a series of programs that create touring circuits. This makes touring economically viable and, in terms of climate, it also reduces the environmental footprint of each of these shows.

These two programs make it possible to have more activity in our communities, which, of course, benefits all performing arts actors. They could certainly benefit from an additional injection of funds, as my colleague Mr. Roy mentioned earlier. There were long-awaited investments in 2019 that have since been renewed on a piecemeal basis. I think it would be appropriate to reconsider the level of funding for these programs, particularly to increase the diversity of their recipients. At the moment, they have essentially had the same clientele for several years because the lack of funding prevents new clients from accessing it.

• (1730)

Mr. Martin Champoux: I have the impression that the analysts have taken note of your recommendation, Mr. Julien. That could very well be in our report.

Do I have a little time left for one last quick question, Madam Chair?

[*English*]

The Chair: You have 43 seconds, Mr. Champoux.

[*Translation*]

Mr. Martin Champoux: Mr. Julien, you spoke earlier about the exodus of our technicians, who are leaving the cultural industry because of the current uncertainty. We're losing all that expertise. There's a lot of talk about it.

Do you propose any measures to keep these people, retain them and keep them employed in the cultural sector?

Mr. Frédéric Julien: I believe that measures such as the performing arts workers resilience fund will definitely have a positive impact on employee retention. I want to reiterate the message I sent earlier: We have to think about this recovery in the long term. Next year, we will still be looking at how much time we have left before the sector has recovered.

[*English*]

The Chair: Thank you, Mr. Julien.

Now I'll go to the NDP.

Peter Julien, you have two and a half minutes.

Mr. Peter Julian: Thanks very much, Madam Chair; and thanks to all members of the committee for their courtesy.

Ms. Hall, I was fascinated by you speaking about the micro grants and the pivot grant.

What are the resources that you would need to do that on an on-going basis? What I understood from your testimony is that this was a very effective way of providing supports to rising artists.

Ms. Alica Hall: Thank you, MP Julian.

It was a very effective way and we actually had a number of artists we weren't able to support through the program. We had over 1,000 applications and we were only able to support just over 100 artists with the resources that we had.

I'm hopeful that the new operating fund, the Canada performing arts fund, which recently came out, will be an avenue for us to be able to expand those kinds of resources.

It really comes down to funding. That fund is specifically for performing artists. We did receive applications across disciplines, because we're a multidisciplinary organization, so would need additional resources to do that.

As well, we connected with the Ontario Arts Council, because they were quite keen to see how we had implemented the program and interested in the expedient nature in which we were able to deliver funds in just over a month from the point of application to it closing. Really, it comes down to us being able to secure additional funding to be able to direct that just specifically to artists who are in need.

We're also looking at partnerships to be able to support artists to move through in terms of digital recovery, getting them more supports to build websites, move into e-commerce, and really ensure that we're supporting them in moving forward and building back better in terms of being able to utilize digital supports to move their businesses along.

Mr. Peter Julian: Thank you very much for that.

[*Translation*]

I'll now turn to Mr. Julien.

Mr. Julien, you said that 28,000 jobs have been lost in the sector and proposed several solutions today.

Is there anything else this committee should plan to do to recover these 28,000 jobs in the next few years?

Mr. Frédéric Julien: I will expand on the answer I was giving to your colleague Mr. Champoux.

We must give ourselves the time needed to complete this recovery. The measures planned for the fiscal year beginning on April 1, 2022, will no doubt need to be extended quickly so that the sector can be supported during a recovery that won't end in 2023. More thought needs to be given to a horizon that would extend into the 2024-25 fiscal year.

• (1735)

[*English*]

The Chair: Thank you very much.

That brings us to five seconds left. Unless people can speak very quickly, I will thank the witnesses for coming.

I apologize once again for my own failure at understanding what was going on in round two, and I'm hoping that we will get it right the next time around.

Thank you, everyone. I would entertain a motion to adjourn.

[*Translation*]

Mr. Martin Champoux: Madam Chair, I'd like to raise a point of order before the meeting ends.

[*English*]

The Chair: Yes. No one has moved to adjourn the meeting, so I will allow you to have a very short point of order, please.

[*Translation*]

Mr. Martin Champoux: I'll be brief, Madam Chair.

I'd simply like to mention that, as the committee's work has just started again this week, House of Commons interpreters claimed to have suffered health problems as a result of equipment used in parliamentary and committee proceedings.

I think it might be important to make committee members aware of the importance of using the equipment provided by the House of Commons. I think we're going to have stricter regulations next week. We are provided headsets approved by the interpretation service, and we must use them out of respect for the interpreters, who work very hard.

[*English*]

The Chair: Well said, Monsieur Champoux, and thank you for saying that.

I will entertain a motion to adjourn.

An hon. member: Motion to adjourn, Chair.

The Chair: Thank you.

Again, a final thanks to all of the witnesses for taking this time. Thank you very much.

The committee is adjourned.

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