

July 6, 2020

Amarjot Sandhu, MPP, Chair
Julia Douglas, Clerk of the Committee
Standing Committee on Finance and Economic Affairs
Room 1405, Whitney Block
Queen's Park, Toronto, ON M7A 1A2

Dear Standing Committee Members:

DOC Ontario is pleased to submit the following comments to the Standing Committee on Finance and Economic Affairs relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy. We understand the tourism and culture sectors are currently being considered.

DOC Ontario represents the independent documentary film making community in Ontario with members who are primarily filmmakers, directors and producers – entrepreneurs who employ thousands of other creative and technical professionals in a dynamic double bottom line of cultural and economic impact. Like many sectors in the cultural industries, the documentary sector in Ontario is suffering from the current social, cultural and economic impact of the COVID 19 crisis. As the province begins to open and businesses are slowly able to resume activity, the 2020 Budget is an opportunity for the government to consider addressing some of the key issues that face the recovery of the cultural industries, including the world-class Ontario documentary industry.

We very much appreciate the government's commitment to the Ontario Film and TV industry that contributes 50,000 jobs to the Ontario economy, particularly the stable and effective Ontario Tax Credits and the highly successful cultural industries development agency, Ontario Creates. To face the current challenges and revitalize the documentary industry we recommend that the government enhance its investment in both areas to strategically support the documentary industry and the independent film and TV industry as a whole. This includes an enhanced Ontario Film and TV Tax Credit rate to assist with the added costs of production during the pandemic; and additional financing to the sector via Ontario Creates programs to assist filmmakers and producers in sustaining and growing their businesses in these challenging times.

Who We Are

The Documentary Organization of Canada is the voice of Canada's independent documentary creators. With approximately 800 members nationally, DOC champions the production and distribution of documentaries across all platforms; advocates on behalf of creators and producers; and connects and strengthens the Canadian documentary community.

DOC (formerly known as The Canadian Independent Film & Video Caucus), began as a Toronto-based advocacy group in 1983, establishing DOC Ontario as the first chapter of the now national organization.

Today, DOC Ontario has about 380 members including many international award-winning documentary filmmakers. DOC Ontario offers professional development programs to all experience levels of the non-fiction community through the DOC Institute to promote the development of new voices and create opportunities for filmmakers (including directors and producers) at all levels to gain access to critical industry information that will allow them to sustain and grow their businesses.

Ontario's Documentary Industry

Ontario is home to most of Canada's English-language broadcasters and distributors, as well as a robust independent production sector. In 2019, this independent production sector (i.e., that part of the industry that benefits from the film and television tax credits) spent \$2.16 billion in the province¹, of which the documentary sector represents about \$100 million.

The 2019 report *Getting Real: A Profile of Documentary Production in Canada: 2012-2017*² documented a total of 6000 direct and spin-off jobs in the independent documentary production sector across Canada, contributing \$324 million to Gross Domestic Product in 2016-2017 based on direct spending of \$220M. The total volume of documentary production in Ontario for the years examined in the report accounted for about 55% of all documentary production in Canada and therefore approximately half of the Employment, Labour Income and GDP cited above.

¹ [Ontario Creates Production Statistics, 2017-2019](#)

² [DOC, April 2020](#)

Documentaries by Ontario filmmakers and producers shine unique viewpoints on some of the most significant issues facing our communities and the planet, from the impacts of gentrification (*Mr. Jane and Finch*, by Ngardy Conteh George and Alison Duke) and urban density (*There's No Place Like This Place, Anyplace* by Lulu Wei); to institutional bias in academia (*The Woman Who Loves Giraffes* by Alison Reid) and Indigenous rights in Canada (*The Inconvenient Indian* by Michele Latimer); to the global environmental crisis (*The Hottest August* by Brett Story; *Spaceship Earth* by Kevin McMahon).

Documentaries by Ontario filmmakers consistently excel on the national and international stage, receiving critical acclaim and audience recognition, and winning the spotlight at festival events like Sundance, Berlin, Hot Docs, Cannes, TIFF and the International Documentary Festival of Amsterdam. They are bought worldwide by multiple broadcasters who look to Ontario documentaries for quality. And speaking of quality, our filmmakers win awards, including Canadian Screen Awards, Emmy Awards, Hot Docs Awards, Peabody Awards, Hugo Awards, Webbies, and many, many others. Internationally acclaimed feature documentaries like *The Accountant of Auschwitz* (Ric Esther Bienstock); *This Is Not A Movie* (Yung Chang); *Stateless* (Jennifer Holness); and *Anthropocene* (Jennifer Baichwal, Nick de Pencier and Ed Burtynsky); and groundbreaking interactive/immersive projects like *Biidaaban* (Lisa Jackson) and *The Book of Distance* (Randall Okita) that raise awareness of critical issues and bolster the renown and recognition of Ontario's world-class documentary storytellers.

The Challenge of COVID 19

The Ontario independent documentary sector has been facing the challenges of digital and market disruption like most of Ontario's creative industries for most of the last decade. Key issues include fragmentation of the marketplace and competition from international platforms like Netflix that make little contribution to the ability of Ontario filmmakers to finance and distribute their films.

Against this challenging background, the impact of the COVID 19 pandemic has been devastating. With the closing of the economy in mid-March, almost all production activity was suspended. Projects that had been shot had to pivot quickly with their post-production partners to restructure workflows in order to be able to complete the creative and technical processes remotely. Thousands of jobs disappeared overnight, contracts were cancelled, and businesses reeled from the impact of dealing with financial commitments that were spiraling due to unforeseen costs. Festivals and markets were cancelled or went virtual, meaning access to marketing and sales activities for films in development and finished films was suddenly a fraction of what was anticipated. The impact was not limited to the

production sector, but has had dire consequences on not-for-profit organizations that support the documentary industry such as the Hot Docs Festival, and DOC itself, where revenues have disappeared with the shuttering of the economy.

In response DOC also pivoted and immediately started researching the impact on our community, as well as delivering online information webinars to our members on issues related to COVID 19 to help them navigate this unprecedented storm.

In April 2020, DOC released the DOC COVID Impact Study³ polling our membership to survey the impact of the pandemic on their business and lives. Here is a sample of our findings:

- The majority of respondents stated they were experiencing high levels of uncertainty and stress regarding their current and future projects. Concerns cited included the continued viability of their projects; the stability of current commitments; and the disruption of distribution plans and strategies.
- Travel restrictions, COVID-exclusions on insurance policies and anticipated increases in production and post-production costs owing to new health and safety protocols were all cited as major concerns moving forward.
- Due to the freelance, self-employed and cyclical nature of the industry, very few production companies indicated they were eligible for federal COVID Relief Funding, including the Heritage funds distributed by the Canada Media Fund and Telefilm Canada (33%); CEBA interest free loans (26%); CEWS wage subsidy (9%); and CERCA rent relief (7%)
- Respondents also identified a range of concrete financial and funding supports that would help to bridge them over this period.

Looking Ahead

With the release of the *Film and TV COVID 19 Health and Safety Guidelines* by the Section 21 Film and Television Health and Safety Advisory Committee of the Ontario Ministry of Labour, Training and Skills Development on June 26⁴, it's possible to see a runway back to business in the "next normal". It's also clear that adherence to the

³ [DOC, April 2020](#)

⁴ [Section 21 Film and Television Health and Safety Advisory Committee of the Ontario Ministry of Labour, Training and Skills Development, June 26, 2020](#)

guidelines will take real commitment on the part of everyone, and will create additional cost and time pressures.

We would like to commend the government for actions taken to date that have made Ontario an emerging model for recovery from the pandemic. As we enter Stage Two and Stage Three we now have to focus on what will get the citizens of the province back to work safely and within that, how to re-build the creative industries that are so important to the province's economic and cultural bottom line.

As noted above, some of the key issues facing the Ontario documentary industry include:

- Sustaining business continuity in the face of reduced/no revenue;
- Disruption and ongoing viability of current and future projects;
- The economic impact of delayed and disrupted production on sector spending and job creation;
- Additional unfinanced costs of production and post-production due to COVID disruptions, delays and cancellations and health and safety protocol implementation going forward;
- Inability to travel for production or business;
- COVID exclusion on insurance policies creating high levels of risk and possible barriers to new business;
- Overall impact on the documentary ecosystem due to the industry's sudden contraction, including roadblocks for emerging filmmakers' career development and disproportionate impacts on diverse and structurally marginalized voices.

DOC Ontario recommends that the government take immediate action to address these issues. The following is a menu of suggested initiatives that the government could implement to efficiently support the recovery of the Ontario documentary industry. The mechanisms to do so are already in place, creating a strategic opportunity for the rapid intervention that industry needs.

RECOMMENDATIONS

1) COVID Relief Funding via Ontario Creates

Ontario Creates is the highly successful cultural industries development agency that falls under the Ontario Ministry of Heritage, Tourism, Sport, and Culture Industries.

It has a dedicated and knowledgeable staff that understands the industry and has the capacity to develop and deliver a rapid response to the current crisis. DOC Ontario recommends that the government allocate additional financial resources to Ontario Creates starting in the 2020-2021 fiscal year to support the following list of proposed interventions:

- **Special COVID Relief Funding** to all eligible Ontario film and TV production companies that can demonstrate financial hardship and loss of revenues due to business disruption caused by COVID 19. This would include companies that were not eligible for CMF and Telefilm Relief Fund support from Heritage Canada.
- An **immediate and substantial increase to the Ontario Creates Film Fund** that supports feature documentary production. This would allow for more project development funding while production and the marketplace is recovering; and allow for larger production budget investments to address marketplace uncertainties and the increased costs of production caused by COVID 19;
- **Additional funding for the Ontario Creates Industry Development Program** to support the recovery and ongoing activities of Ontario-based trade, event and festival organizations to deliver vital professional and industry development programming to support Ontario's cultural entrepreneurs;
- **Sustained funding for the Ontario Creates Diversity Initiative** that allows the agency to address the unique barriers to access experienced by racialized and other underrepresented communities;

2) Adjustments to the Ontario Film and Television Tax Credits

The Ontario Film and Television Tax Credits have been critical to the success of the Ontario film and TV industry and play just as critical a role for the documentary sector, providing stable and effective funding to assist in project financing. Studies show that for every \$1 million in tax credits spent between 2014 and 2018, 109 direct and spin-off jobs were created and \$7.4 million was contributed to provincial GDP.⁵

⁵ "Ontario's Screen-based Industry: An Economic Profile for 2018," prepared by NGL Nordicity Ltd. for FilmOntario, October 2018.

DOC Ontario recommends that the government take action to amend the Ontario Film and Television Tax Credit (OFTTC) to support Ontario's domestic producers with the following:

- Due to disruptions in the marketplace DOC Ontario recommends that the government make a project qualifying adjustment that would allow **an exemption from the currently exclusive dependence on theatrical release and prime time TV broadcast requirements as tax credit triggers** to include streaming and other platforms that deliver content to Ontario taxpayers (this would also align with current CAVCO requirements);
- Ontario producers will be dealing with the increased bottom line costs of COVID disruption and health and safety protocol implementation going forward. This will include specific new categories of costs that don't currently exist, like COVID Supervisors; compounded costs of production and post-production activities that will require enhanced health and safety measures across all departments; and longer schedules to allow for rigorous planning and implementation, distancing, sanitation, and other factors. To compensate for the increased costs due to COVID, **DOC Ontario recommends either that the OFTTC include a new 100% tax credit on clearly identified eligible Ontario labour costs that are COVID-related; or that the OFTTC simply be raised from its current level of 35% to 40% of qualifying Ontario labour expenditures, effective March 15, 2020.**
- Ontario documentary productions venture out into the world to tell important global stories. Due to travel restrictions filmmakers and crews are currently limited in their ability to capture essential scenes for their films outside of Ontario and producers will need to engage remote crews. **DOC Ontario recommends that the OFTTC include a new COVID exception to raise or remove the 25% eligibility cap on non-Ontario expenses or to put into place a deeming policy for non-Ontario labour contracted due to travel restrictions.**

3) COVID Insurance

Since the spread of COVID into Canada, insurance underwriters have excluded COVID-related claims from new production insurance policies, creating an untenable risk management issue for producers. The Canadian film and TV industry, led by the CMPA, is working to develop a new paradigm for production insurance that would allow continued coverage for COVID and communicable disease occurrences through an industry-led, private/public COVID insurance partnership. This proposed market-based solution would see government serve as a backstop for COVID-19 insurance claims. If adopted, producers would pay

premiums to access COVID-19 coverage, which would go into a dedicated pot to pay for potential claims. Government would only contribute financially if the funds generated through the sale of the policies was insufficient to cover the claims made.

- **DOC Ontario recommends that the Ontario Government become a partner in the insurance program to underwrite any COVID-related occurrences** that could otherwise shut productions down and force producers out of business.

DOC Ontario would like to thank the government for the opportunity to submit this intervention and for its ongoing support of the film and TV industries of which the documentary sector is a vital part in delivering the Ministry of Heritage, Tourism, Sport and Culture Industries' double bottom line. We are all in this together and look forward to continuing to build on the success of our industry with the ongoing support of the Province of Ontario.

Should you require further information or clarification on any of the comments submitted here, please do not hesitate to be in touch with DOC Ontario.

Sincerely yours,

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