

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Writers Guild of Canada

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The Writers Guild of Canada (“WGC”) represents over 2,000 professional English-language screenwriters in Canada. They write the distinctly Canadian entertainment we enjoy on our televisions, movie screens, radios and digital platforms. The WGC recognizes the impact that the global recession has had and continues to have on the Canadian economy. However, we do not believe that budget cuts alone are enough to help Canadians weather the economic storm and in fact grow to our full potential. We need to build on our strengths and support those strengths that are economic drivers. Canadians have always been on the forefront of communications technology in order to bridge the distances in our country. Today Canadians and Canadian companies are recognized around the world as experts in creating content for digital platforms and for exploiting traditional content on all possible platforms. The federal government’s programs, including in particular the public/private partnership that funds the Canada Media Fund, have been instrumental in developing this world reputation. The WGC thanks the government for its support in making the Canadian Media Fund permanent but enhanced federal funding would allow the Canada Media Fund to support more original digital media projects (i.e. web series, videogames, mobile games, websites) and more convergent projects (digital media projects based on television programs), without impacting its essential funding of domestic television programs. More projects would employ more Canadians, help Canadian media companies to grow, build a domestic talent pool, meet Canadian audience demands and increase international sales. The WGC also requests that the federal government extend the Film or Video Production Tax Credit, which currently requires a theatrical distributor or broadcaster, to web series to act as a stimulus for both emerging and experienced talent who are finding new ways to both entertain and generate revenue through short form audio-visual content produced originally for the web. Some of the top web series winning awards and even earning revenues around the world were created in Canada by members of the WGC. Financial support through a labour-based credit would support the growing domestic talent pool and help to keep that talent in Canada.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

The two measures cited in the answer to the previous question, enhanced support for the Canada Media Fund and extending the Film or Video Production Tax Credit to web series, would both generate jobs within highly skilled sectors of digital media creation and distribution. The film and television sector generated 128,000 direct and indirect Full Time Equivalent jobs in 2010/11 (CMPA Profile 2011). The videogame sector alone employs 16,000 people over a wide range of job categories (Entertainment Software Association of Canada). Digital media projects create knowledge economy jobs such as screenwriter, interactive designer, illustrator and database programmer. More content would mean

more product to sell around the world. Enhanced domestic and international sales would stimulate the growth of small to medium sized enterprises. The spin-off effect of increased production would mean more work and more jobs in the community such as internet service providers, caterers and other suppliers. We do need to be careful though that federal programs go to the benefit of resident Canadians who pay taxes to the federal government. Programs aimed at promoting Canadian-resident businesses and a Canadian-resident talent pool should be structured to require that those Canadians involved in the project are resident in Canada. To base qualifications on citizenship, allow non-resident Canadians living in other countries to benefit from the programs, undermining the intent of the programs. We ask the federal government to also be mindful that when cutting federal funding, such as to Telefilm or CBC, the impact is far ranging and results in substantial job losses. Telefilm is trying hard not to reduce its funding of feature films but the fact is that there will be less money available and therefore fewer films produced. CBC's cuts to its appropriation has resulted in a loss of 650 jobs at CBC itself this year but many more from the independent production sector because the CBC will not be able to fund as many hours of programming.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The WGC is very familiar with the challenges of supporting an aging membership as 68% of WGC's membership is 45 or older. Peak earning years are between 45 and 55 and drop off substantially after 55. Experienced screenwriters who are at the top of their craft by 55 are overlooked by producers and broadcasters who are after the latest hot young talent for their projects. Increasingly, out of frustration, experienced screenwriters are turning to digital media and web series where they can create their own content, become their own producers and reach out directly to audiences without going through the broadcaster as gatekeeper. The award-winning web series "Ruby Skye, P.I." was created and produced by Jill Golick, experienced children's television screenwriter. Cheryl Wagner, one of the creators of international preschool hit "Big Comfy Couch", has recently produced a preschool web series "Bunny Bop". Funding for digital media and web series as mentioned previously would assist these creators in making the transition but these creators also need skills training to be able to translate their traditional storytelling skills to new platforms and distribution models. Digital media skills development does not need to be limited to young people and formal institutions but can and should be available as workshops that older workers can take to enhance their skills and assist them in making the transition to careers that can sustain them for decades to come.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

The WGC is not in a position, nor are many organizations, to judge who is facing the most challenges among Canada's population and business sector. What we can discuss are the distinct challenges faced by cultural workers. Unfortunately, during recessions, culture is too often seen as an unnecessary luxury which must be cut when in fact spending on culture can stimulate the economy. In 2010-11 in Canada the film and television industry generated \$7.46 billion in GDP but that kind of activity cannot be sustained throughout repeated cuts to federal funding. Cultural workers will lose jobs and either transition to non-cultural jobs or leave the country. We will lose our talent pool. This is a very real risk. Los Angeles is the WGC's second largest chapter of members after Toronto and growing. Federal funding as set out earlier, as well as continued support of Telefilm and the CBC, will keep Canada's audio-visual cultural sector healthy and at home. Meanwhile, for those cultural workers who continue to work in Canada, these past few years have been difficult ones for many of them. It is the nature of freelance creative work however, to have income fluctuate from year to year depending on the market, the economy and luck. Creators like screenwriters count on a good year making up for the bad years in between. But, they have to pay taxes on the good year in the same way as any individual who made that amount of money. Income-averaging rules for self-employed cultural workers would allow them to even out the fluctuations from year to year and not pay proportionately more taxes than if they had a steady, lower income. We would be happy to talk with the Standing Committee on Finance on any of the issues raised in this consultation.