



March 23, 2020

The Honourable Lisa MacLeod
Minister of Heritage, Sport, Tourism and Culture Industries
438 University Avenue, 6th Floor
Toronto, ON
M7A 1N3

Dear Minister MacLeod,

First off, Interactive Ontario and the Interactive Digital Media (IDM) businesses and professionals that we represent, want to convey our gratitude to you and our government for taking prompt and decisive actions to protect the Ontario population and the business community during these unprecedented times.

The IDM sector was vibrant and growing before the COVID-19 crisis started. But since then, our businesses have experienced losses of contracts and unexpected expenses, just to name a few. We are particularly vulnerable as an emerging sector, with 36% of the companies that have been in operation for 5 years or less. In other words, many of our companies don't have the reserves to weather such a crisis and may not be able to keep their staff employed.

At this point of time and based on the information received from industry stakeholders, Interactive Ontario recommends the following **stimulus measures for fiscal 2020-2021** (specific to IDM):

1. Double the funds allocated to the **Interactive Digital Media Fund (IDMF) to \$20M**:
 - Increase the maximum contribution cap to 75% for the Production and Concept Definition programs;
 - Allow companies to apply for funding for live ops of IDM products (ongoing product development and community management).
2. Add **an additional \$5M to the IDMF for Marketing Support** for a total of **\$25M**:
 - Increase the maximum contribution for Marketing Support to \$250K.
3. Launch a new **\$25M Multi-Sectoral Fund** to support the creation of IDM applications in sectors most affected by the COVID-19 crisis such as Tourism, Cultural institutions (e.g. museums), Healthcare, and Education:
 - Fund projects that leverage the leading-edge expertise of the Ontario IDM sector to help stimulate the recovery and future growth of sectors most affected by the COVID-19 crisis.

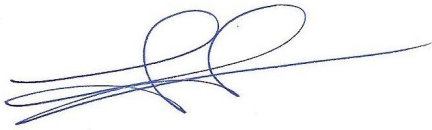
4. Accelerate processing time for the **Ontario Interactive Digital Media Tax Credit (OIDMTC)**:
 - Automatically approve low-risk files and/or companies with a track record of successful applications;
 - Ensure that the CRA is processing OIDMTC files promptly. According to several sources, the CRA has stopped processing files, which is of great concern to the industry.

Interactive Ontario also supports additional **relief measures** for Ontario businesses, particularly:

5. Urgently create a **temporary wage subsidy** of employee salaries that will help SMEs retain jobs – the IDM industry is dominated by SMEs:
 - The 10% temporary wage subsidy announced by the Federal government is commendable. However, it is so low that it will not help SMEs maintain jobs. Denmark has announced a 75% temporary wage subsidy and other countries are implementing similar measures.
6. Create a **Business Adjustment Fund** to help cover the cost of deploying work-from-home efforts for employees.

Interactive Ontario and the IDM industry are committed to working hand-in-hand with you and your team to refine any of the aforementioned measures and develop additional ones, as the situation evolves and we gather additional data. Please let us know what we can do to help move these recommendations forward.

Sincerely,



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cc:

Jeffrey Elliott, Chair of the board of directors of IO, and Co-Founder & CEO of TableRock Media.
Mary Sorrenti, Chair of IO's advocacy committee, and Vice President at Game Pill and VRGEN.