



CANADIAN ASSOCIATION
FOR THE PERFORMING ARTS
ASSOCIATION CANADIENNE
DES ORGANISMES ARTISTIQUES

Relaunching the live performance ecosystem after the COVID-19 pandemic

Submission presented by CAPACOOA (Canadian Association for Performing Arts / Association Canadienne des Organismes Artistiques) in advance of the 2022 Federal Budget.

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Summary of recommendations

Priority recommendation

Base programming support

1. That the government make permanent the two-year supplementary investments in the *Canada Arts Presentation Fund* and the *Building Communities through Arts and Heritage* program, first announced in the 2019 budget and extended in the 2021 budget.
2. That the government increase the base funding of these programs by another 25%.

Other recommendations

Support to rebuild on new grounds

3. That the government provide project funding in the amount of \$50 million over four years to support the rebuilding of a more resilient, innovative, equitable and sustainable arts sector.
4. That the government invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.

Capital funding

5. That the government invest \$30 million over three years towards pandemic retrofitting capital investments for live performance venues, including HVAC and touchless devices.

Labour support

6. That the government introduce a new, tailored wage and fixed cost support program to be established at the earliest opportunity for Canada's hardest hit businesses to ensure their survival into the fall and winter seasons.
7. That the government introduce a new form of income support to ensure self-employed workers in the arts sector continue to receive basic support throughout the recovery and beyond.

Background information

The live performance sector¹ was abruptly and disproportionately impacted by the COVID-19 pandemic. It was among the first sectors to be shut down by public health authorities, and it has yet to fully reopen. One year after the beginning of the pandemic, economic indicators for the live performance domain are essentially at the same level as at the worst of the pandemic.

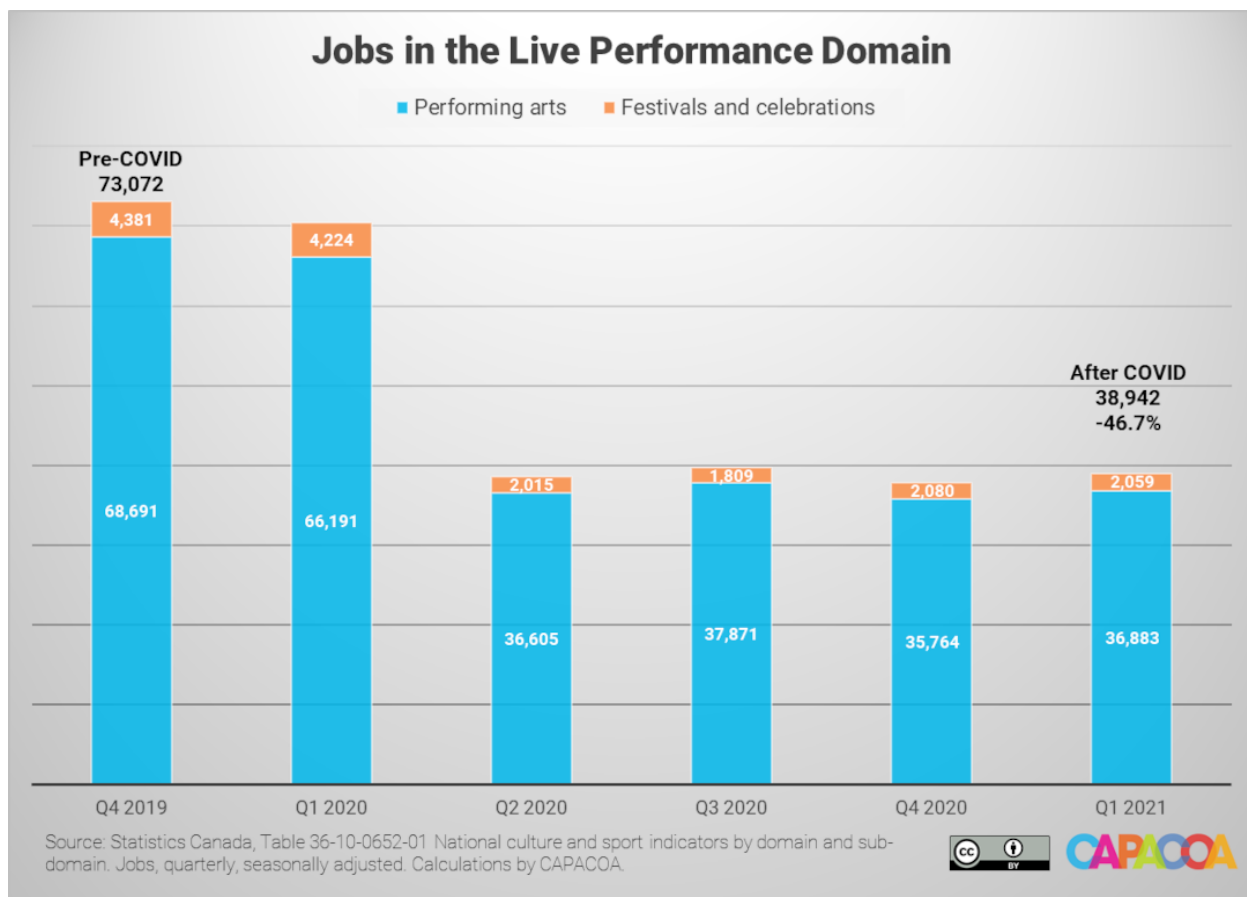


Before the pandemic, the GDP of the live performance domain was \$3.1 billion. In the first quarter of 2021, it had shrunk to \$1.1 billion.² **In terms of real GDP, the live performance domain remains 62.9% away from full recovery.**³

¹ The live performance domain includes the performing arts and live concerts, as well as multidisciplinary events such as celebrations and festivals. The domain also includes facilities dedicated to live performance such as theatres or concert halls. The live performance domain is contained within [NAICS 711 "Performing arts, spectator sports and related industries"](#). Formal definitions and mapping to NAICS are available in the [Conceptual Framework for Culture Statistics 2011](#).

² Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain, Gross Domestic Product (current price), Q4 2019 (annualized) and Q1 2021 (annualized).

³ Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain, real GDP (constant 2012 price), Q4 2019 compared to Q1 2021. [Calculations by CAPACOA](#).



Before the pandemic, the live performance domain employed 73,072 artists and cultural workers. **In the first quarter of 2021, employment had fallen 46,7% to 38,942 workers.**⁴

Even when restrictions are fully lifted, the recovery will be slow. Under normal circumstances, live performance series are booked 12-24 months in advance. This is the time frame for the recovery of the sector: lifting of all restrictions on gatherings + at least 12 months. With the fourth wave of the pandemic dawning upon us, it will take until 2024 for the sector to fully recover.

⁴ Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain. Jobs, seasonally adjusted, Q4 2019 compared to Q1 2021. [Calculations by CAPACOA.](#)

Detailed recommendations

Base programming support:

1. **Make permanent the supplementary investments from the 2019 budget in the Canada Arts Presentation Fund and in the Building Communities through Arts and Heritage program;**
AND
2. **Increase the base funding of these programs by another 25% to allow these programs to accept new clients from equity deserving groups.**

Supplementary investments from the 2019 budget were made in response to long-standing requests for program increases. In the case of the Canada Arts Presentation Fund, the \$8 million it received barely made up for inflation since the program’s previous increase, in 2007. This funding is not recovery support; it is base programming funding which should be made permanent.

In the last and current fiscal years, these supplementary resources were used to admit new clients, notably from equity deserving groups. The integration of equity deserving groups in these programs is a welcome and necessary change (which CAPACOA advocated for in its previous submissions). However doing so using base funding meant that certain current program clients saw their funding falling back to 2018 levels.

The domestic touring and presenting sector needs predictable funding to plan longer, more cost- and carbon-effective tours. Moreover, ongoing enhanced support to series presenters supported by the CAPF will increase the number of year-round performing arts offerings for local consumers and tourists alike.

Program	2019-2020 Base Funding	2019 Supplementary Funding	2022 Recommended 25% Increase	Total Requested Amount
Canada Arts Presentation Fund	\$32.5 M	\$8.0 M	\$10.0 M	\$18.0 M
Building Communities through Arts and Heritage	\$17.7 M	\$7.0 M	\$6.0 M	\$13.0 M
<i>Total</i>	<i>\$50.1 M</i>	<i>\$15 M</i>	<i>\$16 M</i>	<i>\$31 M</i>

Cost: \$31 million per year (ongoing)

Support to rebuild on new grounds:

- 3. Provide project funding in the amount of \$50 million over four years to support the rebuilding of a more resilient, innovative, equitable and sustainable arts sector.**
- 4. Invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.**

As highlighted in the Minister of Canadian Heritage's [recovery framework](#), performing arts organizations have to reinvent themselves while continuing to deliver on their core mission. Project funding is needed for strategic activities that would support their transformation, including experimenting with new business models, implementing inclusive policies and programming, and any other transformative activities beyond regular programming. Such a program could have two streams: one stream for collective impact projects (single or multi-year funding), and one simplified stream for individual projects (single year funding only). A more elaborate policy proposal is available upon request.

Research conducted in France, in Canada, and in the United Kingdom⁵ suggests that descriptive metadata, made available as five-star open data, could enhance the digital discoverability of live performance offerings. The live performance sector has not been as quick as other sectors in the adoption of metadata standards (and other opportunities arising from the Web of linked open data). Several activities are underway across the live performance domain to close the gap, but we need more resources to scale vertically (building a capacity to collect more event metadata, in real time) and horizontally (providing feeds of event metadata to other sectors, such as tourism).

Cost: \$50 million over four years
\$10 million over five years

Capital funding:

- 5. Invest \$30 million over three years for pandemic retrofitting capital investments in live performance venues, including HVAC and touchless devices.**

Whether for the current pandemic or the next one, operators of live performance venues will need to renovate their buildings so as to minimize risks of contagion on high-touch surfaces or airborne.

Cost: \$30 million over three years

⁵ Ahselford, R., Piper, L., Proctor, B. Reinikainen, E., Richards, A (2019), [Could Open Data Help Arts and Culture Listings? A Discovery Report](#), Nesta and The Satori Lab. Further sources are cited in: Estermann, B. and Julien, F. (2019), [A Linked Digital Future for the Performing Arts: Leveraging Synergies Along the Value Chain](#), CAPACOA in cooperation with the Bern University of Applied Science.

Labour support:

- 6. Introduce a new, tailored wage and fixed cost support program to be established at the earliest opportunity for Canada's hardest hit businesses to ensure their survival into the fall and winter.**
- 7. Introduce a new form of income support to ensure self-employed workers in the arts sector can receive basic support when they need it, throughout the recovery and beyond.**

With half of the sector's labour force out of work as of the first quarter of 2021, the live performance sector is clearly not out of the woods yet.

CAPACOA endorses the recommendations of the Coalition of Hardest Hit Businesses, as well as the recommendation of the Canadian Arts Coalition.

Other policy areas:

Reopening of the live performance sector

Between the Fall Economic Statement and the 2021 Budget, the federal government invested \$1.9 billion to support the [recovery and reopening of the arts, culture, heritage and sports sectors](#). We are thankful for this generous support, which is making a big difference across the cultural sector as it is currently being rolled out.

We would nonetheless like to point out a few elements, which could help inform future policy decisions regarding the reopening of the live performance domain:

- It's not clear that funding is being allocated where the needs are the greatest. While festivals did receive significant targeted support, the performing arts sub-domain received comparatively much less support. Yet, both sub-domains were equally impacted by the pandemic and were by far the hardest hit as of the first quarter of 2021.⁶ The federal government should monitor the recovery of the hardest hit sectors and consider additional reopening support in 2023-2024 for the sub-domains that haven't fully recovered.
- Of all live performance activities touring will be the last one to resume. Touring of theatre, dance and circus production can require up to 18-24 months of planning. Moreover, touring agents and managers that aren't supported by the Canada Music Fund haven't seen any sector-specific support since the beginning of the pandemic. These

⁶ Between the last quarter of 2019 and the first quarter of 2021, the real GDP variation of the performing arts and the festivals and celebrations sub-domains was -63.1% and -60.8%, respectively. The third hardest hit sub-domain was cultural heritage, at -36.3%. A full table of real GDP variation by sub-domain is available at: <https://capacoa.ca/en/2021/07/closer-look-at-hardest-hit-nci-q1-2021/#gdp-subdomain>
Source: Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain.

organizations are in a state of extreme precarity. Further support for touring activities in 2023-2024 should be considered.

- Consumer surveys are finding there is a certain chill among Canadians about returning to indoor performances.⁷ These surveys also suggest that vaccination is key to reassuring audiences. Additional marketing resources have been allocated as part of the Reopening Fund, which is a very wise decision. However, this may not be sufficient.
 - Should provincial governments decide to implement proof of vaccination as a strategy for allowing a safe reopening of businesses, federal coordination may be required to enable Canadian culture goers to enjoy cultural activities everywhere in the country.
 - In addition, the federal government may want to consider a nation-wide campaign to encourage Canadians to take part in arts and cultural activities.

Incentivizing charitable giving

Donations have helped performing arts organizations weather the pandemic, and they will continue to play an important role during the reopening phase. Any policy intervention to incentivize donations would be welcome. For example the Endowment Fund component of the Canada Cultural Investment Fund, a donation-matching program, has not had any funding increase for several years now. Other proposals, such as eliminating the capital gains tax on charitable donations of private company shares and real estate to registered charities could encourage major donations.

Fiscal fairness

In our last pre-budget submission, CAPACOA asked the federal government to “intensify efforts to collect sales tax and income tax from multinational corporations that conduct e-commerce in Canada.”

We applaud the important steps forward taken by the federal government since then:

Since the 2020 Fall Economic Statement, the federal government is moving ahead with requiring multinational digital giants to GST/HST.

OECD member countries agreed on a two-pillar plan to impose a minimum income tax rate of 15% on the profits of multinational corporations.

As to fairness for cultural industries operating digital platforms, we encourage the government to move ahead with the adoption and implementation of Bill C-10, *An Act to amend the Broadcasting Act and to make related and consequential amendments to other Acts*.

⁷ 12% of Canadians say they will “wait 6 months or longer after businesses, government and cultural organisations are reopened and following public health guidelines”. Another 28% is “not sure”. Nanos Research (2021), [Arts Response Tracking Study, Wave 5](#) (June 2021), commissioned by Business/Arts and the National Arts Centre.

Other budget recommendations

There is no single way out of the pandemic. A successful recovery will require a range of budgetary and policy interventions. CAPACOA's recommendations are exhaustive, but they are not exclusive. Many other associations have put a lot of thought and care in designing their own recommendations, many of which could be implemented alongside CAPACOA's recommendations.

About CAPACOA

The Canadian Association for the Performing Arts / l'Association canadienne des organismes artistiques (CAPACOA) is a national arts service organization for the performing arts touring and presenting community. CAPACOA represents 150 professional for-profit and not-for-profit presenters, festivals, presenter networks, artistic companies, agents, managers and other stakeholders working across the presenting and touring sector in Canada. Collectively, our network members represent nearly 2000 professional and volunteer organizations, associations and companies. CAPACOA's mission is to cultivate a vibrant, healthy and equitable performing arts ecosystem, from artists to audiences.