



CANADIAN ASSOCIATION
FOR THE PERFORMING ARTS
ASSOCIATION CANADIENNE
DES ORGANISMES ARTISTIQUES

Rekindling the spark between artists and audiences

Submission presented by CAPACOOA (Canadian Association for Performing Arts / Association Canadienne des Organismes Artistiques) in advance of the 2023 Federal Budget.

October 7, 2022

Updated October 19, 2022, to include the latest economic indicators

Contact person:

Sue Urquhart, Executive Director
sue.urquhart@capacoa.ca

200-17 York Street
Ottawa, Ontario K1N 5S7

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* (CAPF) and the *Building Communities through Arts and Heritage* (BCAH) program, first announced in the 2019 budget and extended in the 2021 budget.
2. That the government invest an additional \$30 million over three years in these two programs (\$21 million for CAPF and \$9 million for BCAH) to support the adaptation and growth of the live performance sector in the post-pandemic era.

A digital infrastructure to connect audiences to live performances

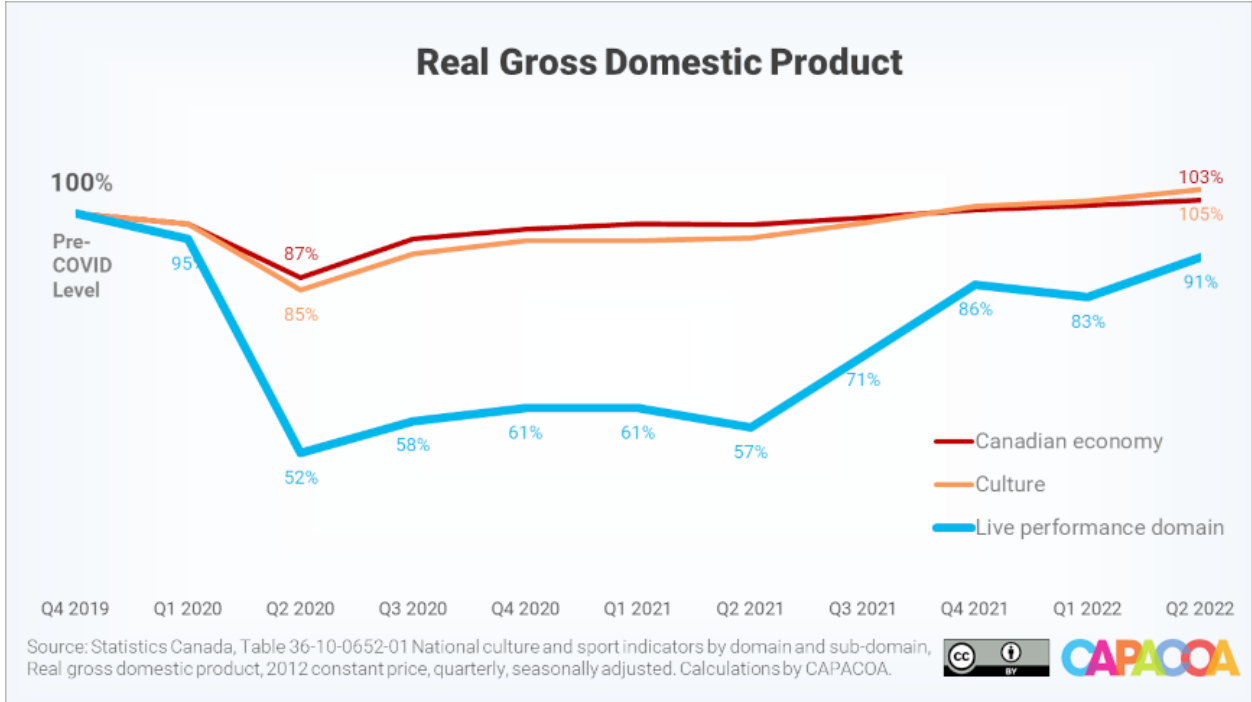
3. That the government invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.

Other recommendations

4. That the government modernize the employment insurance program to ensure self-employed workers in the arts sector can receive income support when they need it.

Background information

The live performance sector¹ was among the hardest hit by the COVID-19 pandemic. Even though the sector has seen positive signs of recovery throughout the second half of 2021, it was still 8.8 % away from a full recovery at the end of the second quarter of 2022 according to Statistics Canada’s National Culture Indicators².

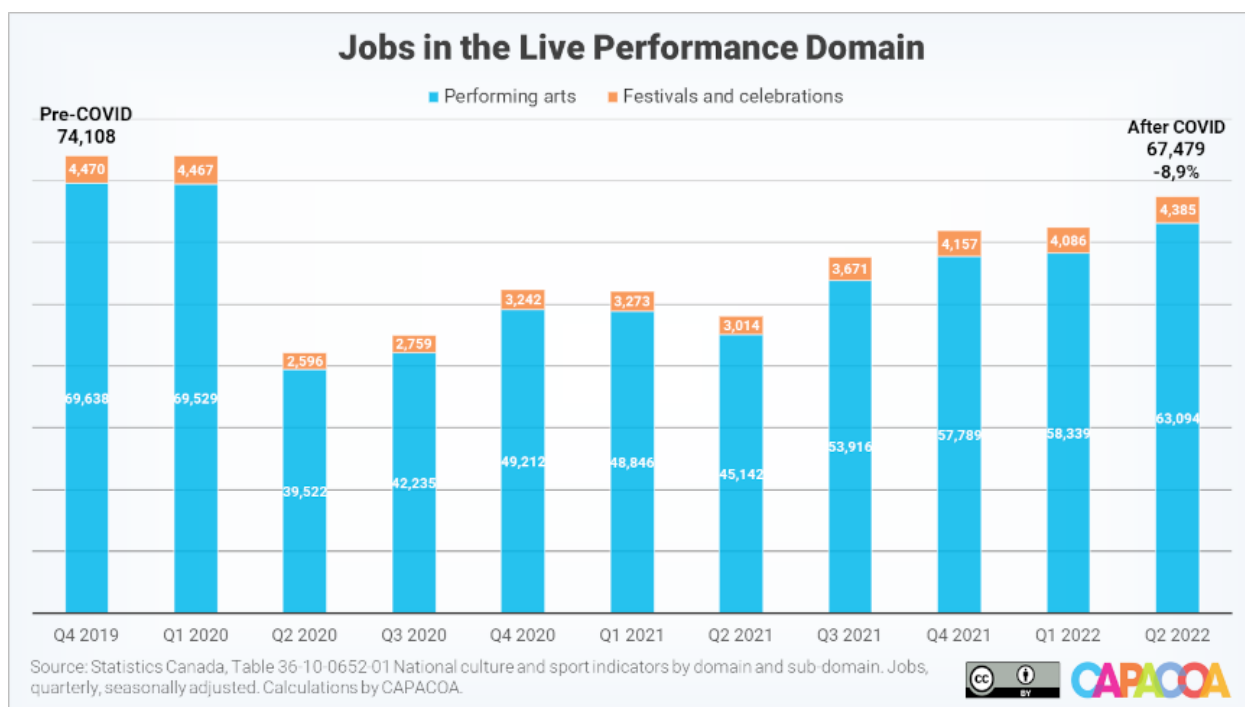


Employment has followed a similar pattern as gross domestic product and is now 12.3% away from a full recovery.³

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, real GDP (constant 2012 price), quarterly. [Calculations by CAPACOA](#).

³ Ibid.



In spite of these positive signs, the sector remains quite far from its pre-pandemic levels and continues to face a lot of uncertainty.

One major challenge every performing arts organization struggles with is attracting existing or new customers back to live events.⁴ As of June, only 48% Canadians had returned to in-person performances and 26% were still unsure as to when they might return.⁵ Furthermore, soaring inflation and interest rates throughout the summer are forcing many Canadians to reduce their spending for leisure activities. To make things more nerve-racking, consumer and industry surveys underline trends of increased volatility (i.e., a rising prevalence of last-minute sales) and reduced demand for lesser-known artists and artistic works.⁶

The live performance sector needs ongoing and expanded support from the federal government to adapt to these recent changes in consumer behaviours, in order to fully recover from the impact of the COVID-19 pandemic and to get back to a level of vitality where it contributes at its full potential to the Canadian economy and to the wellbeing of Canadians.

⁴ Arts, entertainment and recreation businesses are considerably more likely than other industries to report obstacles in attracting new or returning customers (27.3% compared to 16.7%). Statistics Canada, Canadian Survey on Business Conditions, third quarter 2022. [Data analysis by CAPACOA.](#)

⁵ Nanos Research, [Arts Response Tracking Survey, June 2022 edition](#), commissioned by Business/Arts and the National Arts Centre.

⁶ Alan Brown, Executive Briefing from the Audience Outlook Monitor, June 27, 2022. Accessed online at: <https://www.audienceoutlookmonitor.com/post/june-27-executive-briefing-with-alan-brown-goodbye-again-hello-uncertainty>

Detailed recommendations

Base programming support:

1. **Make permanent the supplementary investments from the 2019 budget in the Canada Arts Presentation Fund (CAPF) and in the Building Communities through Arts and Heritage program (BCAH);
AND**
2. **Invest an additional \$30 million over three years in these two programs (\$21 million for CAPF and \$9 million for BCAAH) to support the adaptation and growth of the live performance sector in the post-pandemic era.**

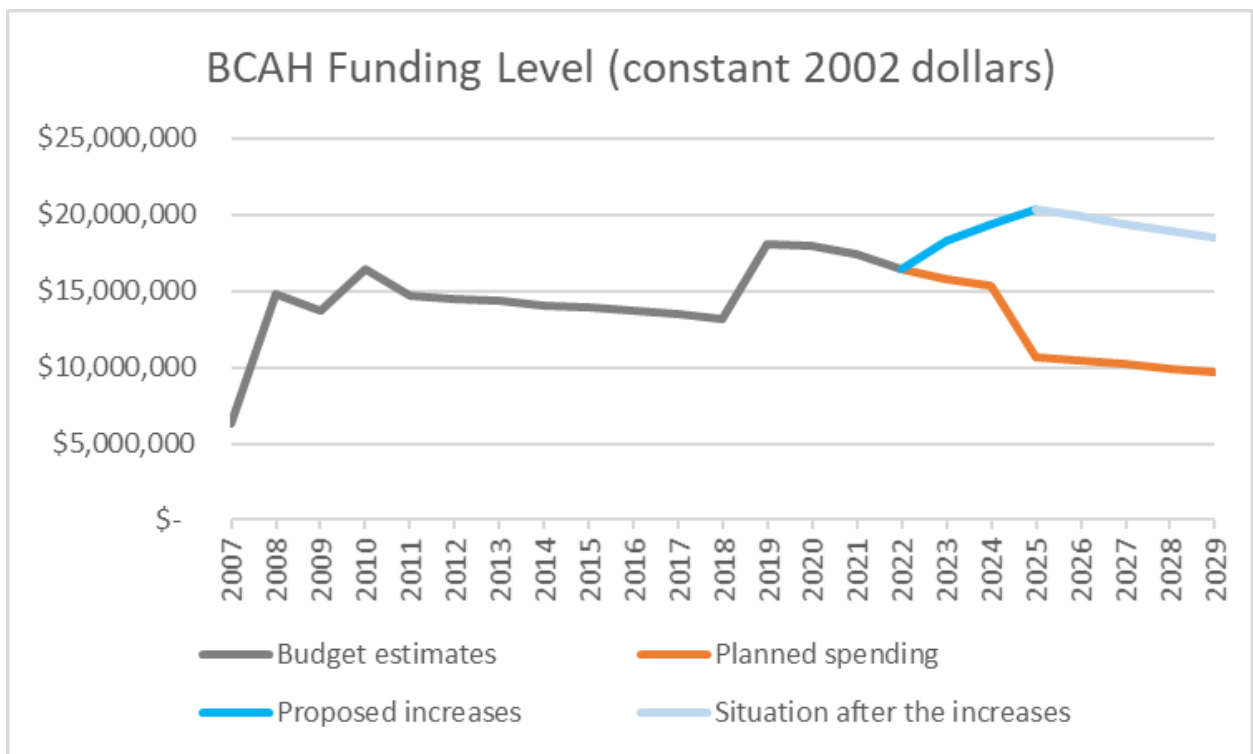
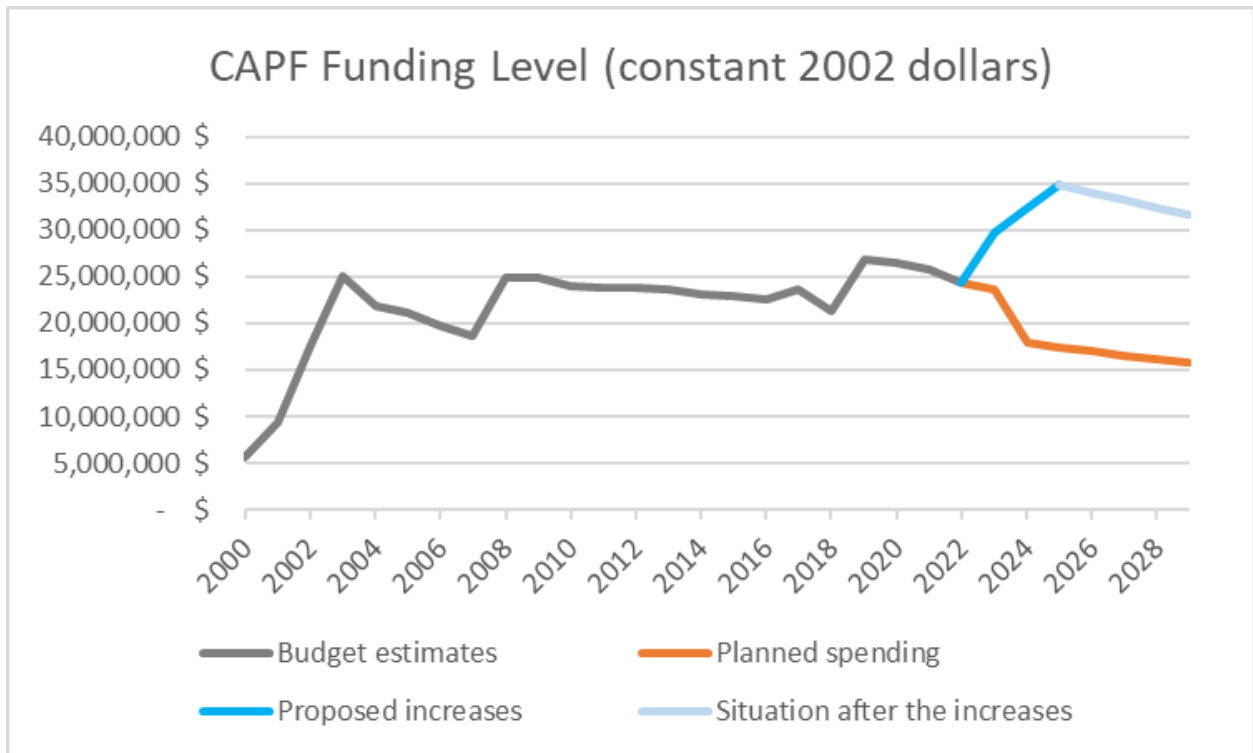
These two programs have not received the same attention from the federal government as other funding mechanisms. Therefore, they no longer have the same economic and cultural stimulus effect that they were intended to have upon their creation. Their funding envelopes have not kept up with inflation and program clients are consequently supported at a much smaller percentage of their budget today than they initially were when these two programs were rolled out. The supplementary investments from the 2019 federal budget were intended to compensate for inflation, but they also enabled equity-deserving organizations to finally get their fair share of funding after waiting long at the door. In addition, through the delivery of emergency and recovery funding, the CAPF saw a major influx of new clients, many from underserved communities, who had not previously benefited from the program. Some of these new clients will expect – legitimately so – ongoing support. Without additional funding, this will not be possible.

Number of program clients

Program	2006-2007	2018-2019	2019-2020	2022-2023
Canada Arts Presentation Fund	213 (Earliest fiscal year for which data is available)	236	330 (Increase following the supplementary funding)	841 (Increase related to the delivery of emergency/recovery funding)
Building Communities through Arts and Heritage	N/A	291	774	Data is not complete yet

Source: Canada, Open Government. Data deduplicated by CAPACOA. Accessed online on September 27 at <https://search.open.canada.ca/grants/>. Note: In this proactive disclosure data, multi-year clients are only counted once, during the first year of their grant or contribution. These counts are therefore not reflective of the number of projects supported per fiscal year. According to data obtained from Canadian Heritage, the number of projects (not clients) funded by the CAPF grew from 692 in 2018-2019 to 781 in 2021-2022.

Funding levels (budget estimates, planned spending, and proposed increases)



Sources: Canada, Secretary Board, Main and Supplementary Estimates; Canada, Finance Canada, Federal budgets; Canadian Conference of the Arts, Analyses of the Federal Budget; Statistics Canada, Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted.

The rationale for increasing these programs isn't purely economical. It is also circumstantial and strategic. As mentioned above, the live performance sector needs further support to adapt to changing consumer behaviours in the post-pandemic era and to rebuild a strong domestic market for Canadian artists. With this enhanced and predictable funding, the domestic touring and presenting sector will be able to plan longer and 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, which will support the federal government's Tourism Growth Strategy.⁷

Program	2019-2020 Base Funding	2019 Supplementary Funding	2023 Recommended Increases	Funding level after increases
Canada Arts Presentation Fund	\$32.5 M	\$8.0 M	\$21.0 M	\$61.5 M
Building Communities through Arts and Heritage	\$17.7 M	\$7.0 M	\$9.0 M	\$33.7 M
<i>Total</i>	<i>\$50.2 M</i>	<i>\$15 M</i>	<i>\$30 M</i>	<i>\$95.2 M</i>

A digital infrastructure to connect audiences to live performances:

3. Invest \$10 million over five years to accelerate the development of an open data infrastructure for the live performance sector.

Audiences' hesitancy to return to live performance can be explained by many factors: epidemiological, economic (especially with the rising cost of living), behavioural, and... algorithmic.⁸

All cultural consumption is mediated at some point by a digital device, and is therefore subject to some form of algorithmic recommendation. Algorithmic recommendation takes several inputs into account, starting with data describing the offer. This is where a major opportunity lies for the performing arts sector.

⁷ CAPACOA, *The Performing Arts and the Visitor Economy*, Submission presented as part of the Federal Tourism Growth Strategy consultation, July 2022. Available at: <https://capacoa.ca/en/research/tourism/>.

⁸ Julien, F. (2022, Sept. 16). *Factors having an influence on post-pandemic arts attendance*, [Panel presentation]. Contemporary Issues Facing the Arts and Culture Sector Today, online, University of New Brunswick. Speaking notes available at: https://docs.google.com/document/d/1IBq5COMrCazJvym0DLxIKkvUJVUpzldMcKNj_FdQDzg/edit?usp=sharing

Research conducted in France, in Canada, and in the United Kingdom⁹ converges towards the same finding and recommendation: descriptive metadata, made available as five-star open data, could enhance the digital discoverability of live performance offerings. Stakeholders of the live performance sector have already undertaken several activities in response to these recommendations: harmonized data models and open data applications are being developed. But sustained and predictable resources are needed to scale vertically (building a capacity to collect more event metadata, in real time), to scale horizontally (providing feeds of event metadata to other sectors, such as tourism), and to accelerate adoption by more performing arts stakeholders (emulating the service model of the Canadian Heritage Information Network).¹⁰

Cost: \$10 million over five years

Capital funding:

The live performance sector is thankful for the federal government investments in cultural infrastructures via the Invest in Canada infrastructure plan and the Recovery Fund. We do not estimate that further investments in the Canada Cultural Spaces Fund are needed at present.

Labour support:

4. Modernizing the employment insurance program to ensure self-employed workers in the arts sector can receive basic support when they need it.

CAPACOA wishes to echo this recommendation from the Standing Committee on Canadian Heritage report on the recovery from COVID-19.¹¹ Providing some form of income safety to stage technicians and lighting and sound designers would offset the uncertainty associated with self-employed work in the performing arts and would enable the sector to attract and retain the skilled workforce that it needs to put shows on stages.

CAPACOA also acknowledges and endorses the recommendations of the Festivals and Major Events, the Canada Live Music Association, Orchestras Canada and the Association for Opera in Canada.

⁹ 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.

¹⁰ The Canadian Heritage Information Network (CHIN), a Special Operating Agency within the Department of Canadian Heritage, assists Canadian museums in documenting, managing, and sharing information about their collections, which in turn ensures that this information is accessible now and in the future. More information at: <https://www.canada.ca/en/heritage-information-network.html>.

¹¹ Canada, House of Commons, [Standing Committee on Canadian Heritage, Arts, Culture, Heritage, and Sport Sector Recovery from the Impact of COVID-19](#), 44th Parliament, 1st Session, June 2022 (Chair: Hon. Hedy Fry)

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 120 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.