



CANADIAN ASSOCIATION  
FOR THE PERFORMING ARTS  
ASSOCIATION CANADIENNE  
DES ORGANISMES ARTISTIQUES

## Performing arts for all Canadians

Written Submission for the Pre-Budget Consultations in Advance of  
the 2024 Federal Budget.

By CAPACOOA (Canadian Association for Performing Arts / Association  
Canadienne des Organismes Artistiques)

August 3, 2023

Contact person:

Sue Urquhart, Executive Director  
[sue.urquhart@capacoa.ca](mailto:sue.urquhart@capacoa.ca)

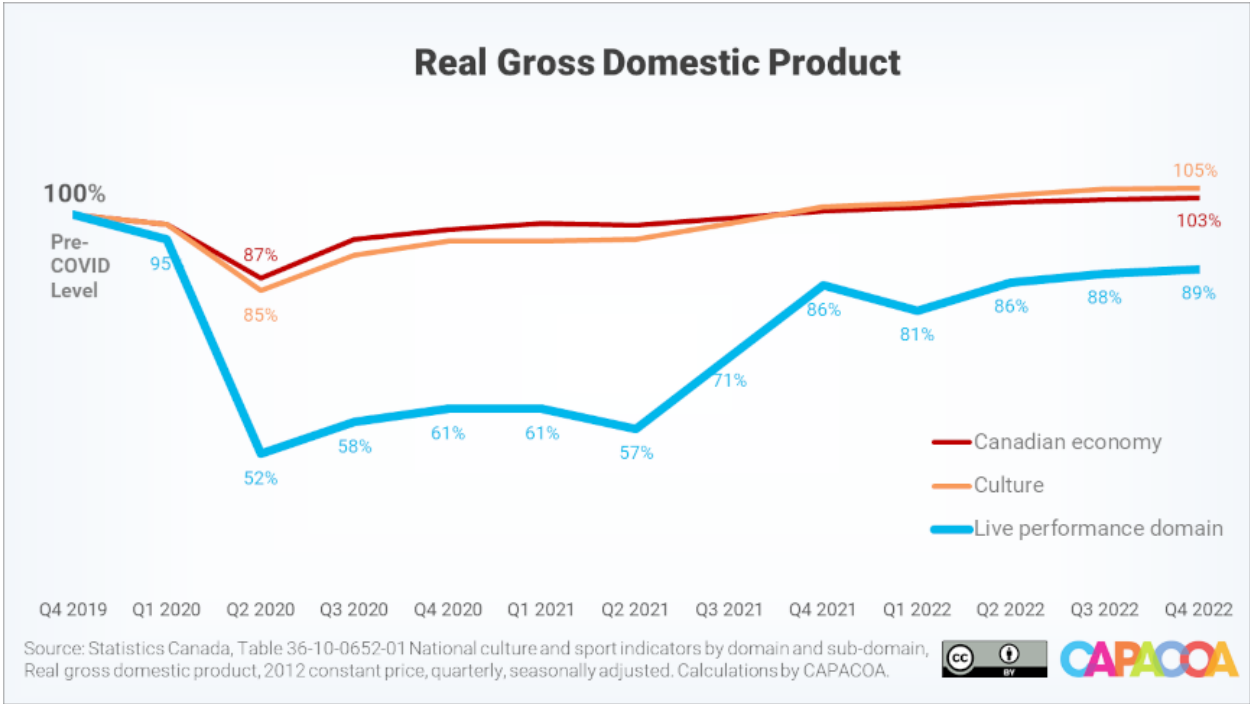
200-17 York Street  
Ottawa, Ontario K1N 5S7

# Summary of recommendations

1. That the government permanent the supplementary investments of \$8 million per year in the Canada Arts Presentation Fund (CAPF) and and \$7 million per year in the Building Communities Through Arts and Heritage (BCAH) program, first announced in the 2019 budget and subsequently extended in the 2021 and 2023 budgets.
2. That the government invest an additional \$30 million per year 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.

# Economic and social context

The live performance sector<sup>1</sup> was among the hardest hit by the COVID-19 pandemic. It is also among sectors that have not fully recovered from the pandemic, and that face particular challenges in reengaging with Canadian audiences.



According to Statistics Canada’s National Culture Indicators<sup>2</sup>, as of the last quarter of 2022, the nominal GDP of the live performance domain reached \$2.9 billion (annualized). However, taking inflation into account, real GDP for the live performance domain was still 11.0% away from its pre-pandemic level.

Many factors can explain this slow recovery.

Performing arts organizations continue to experience challenges with attracting existing or new customers back to live events.<sup>3</sup>

<sup>1</sup> 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](#).

<sup>2</sup> Statistics Canada, [Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain](#). Calculations by CAPACOA.

<sup>3</sup> Arts, entertainment and recreation businesses are considerably more likely than other industries to report obstacles in attracting new or returning customers (28.7% compared to 19.1%). Statistics Canada, Canadian Survey on Business Conditions, first quarter 2023. [Data analysis by CAPACOA](#).

As of December 2022, 72% of Canadian culture goers had returned to in-person performances, but another 23% were still hesitant and 5% said they would never return.<sup>4</sup> The ARTS Survey also observed a desire among Canadians to attend more in 2023, but an intent to spend less than they did in 2022.<sup>5</sup>

Canadians' intended and actual spending for live performances is partly circumstantial. With persistently high inflation rates and record-level housing prices, Canadian households continue to have limited disposable income to buy tickets to a show or attend a festival.

Several other factors are at play. Consumer and industry surveys underline a rising prevalence of last-minute sales trends<sup>6</sup>, of increased volatility (venues are either full or empty, there is no longer a middle ground)<sup>7</sup>, and of reduced demand for lesser-known artists and artistic works.<sup>8</sup> These behavioural changes are a consequence of new leisure habits developed during the pandemic. There are also generational and algorithmic factors to take into account.<sup>9</sup>

The live performance sector needs ongoing and expanded support from the federal government to adapt to these recent changes in consumer behaviours, 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.

---

<sup>4</sup> Nanos Research, [Arts Response Tracking Survey, December 2022 edition](https://www.businessandarts.org/resources/arts-response-tracking-study/), commissioned by Business/Arts and the National Arts Centre. Retrieved February 10, 2023, from:

[http://www.businessandarts.org/resources/arts-response-tracking-study/](https://www.businessandarts.org/resources/arts-response-tracking-study/)

<sup>5</sup> 25% of culture goers intend to attend more, 18% intend to attend less; 18% intend to spend more, 24% intend to spend less. Nanos Research, [Arts Response Tracking Survey, December 2022 edition](https://www.businessandarts.org/resources/arts-response-tracking-study/).

<sup>6</sup> Nanos Research, [Arts Response Tracking Survey, October 2022 edition](https://www.businessandarts.org/resources/arts-response-tracking-study/).

<sup>7</sup> Based on aggregated box office data collected by the Government of New Brunswick.

Benjamin Broucke, *Performing Arts in Canada: Where are the audiences?*, webinar hosted by Orchestras Canada on November 16, 2023. Retrieved February 10, 2023, from <https://oc.ca/en/resource/performing-arts-in-canada-where-are-the-audiences/>.

<sup>8</sup> Alan Brown, *Performing Arts in Canada: What Are Audiences Telling Us?*, webinar hosted by Orchestras Canada on November 25, 2022. Retrieved February 10, 2023, from: <https://oc.ca/en/resource/performing-arts-in-canada-what-are-audiences-telling-us/>.

<sup>9</sup> Ibid.

# Detailed recommendations

**Predictable and enhanced programming support:**

1. **Make permanent the supplementary investments of \$8 million per year in the Canada Arts Presentation Fund (CAPF) and and \$7 million per year in the Building Communities Through Arts and Heritage (BCAH) program, first announced in the 2019 budget and subsequently extended in the 2021 and 2023 budgets;**  
**AND**
2. **Invest an additional \$30 million per year 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.**

<b>Program</b>	<b>2019-2020 Base Funding</b>	<b>2019 Supplementary Funding</b>	<b>2023 Recommended Increases</b>	<b>Funding level after increases</b>
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>

**Total requested amounts: \$15 million per year + \$30 million per year, ongoing.**  
*We are proposing that the increases be gradually rolled out over a three-year period.*

These two programs have not received the same attention from the federal government as other funding sources, such as the Canada Council for the Arts. As demonstrated below, their funding envelopes have not kept up with inflation. Consequently, program clients are supported at a much smaller percentage of their budget today than they initially were when these two programs were rolled out.<sup>10</sup> The supplemental 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, these programs saw an additional influx of new clients, many from underserved communities.

---

<sup>10</sup> The CAPF can fund up to 25% of eligible project costs. However, according to data provided by Canadian Heritage, the average CAPF grant or contribution only represented 5.72% of total project costs in 2021-2022 (even including the supplementary funding).

## Number of projects funded by each program <sup>11</sup>

<b>Fiscal year</b>	<b>CAPF, all components</b>	<b>BCAH, Local festival components</b>
2018-2019	692	712
2019-2020	731	726
2021-2022	781	793

These new clients and long-term program clients expect – legitimately so – ongoing and predictable support. However, this will not be possible within the current budget plan. The 2023 federal budget extended supplemental funding for BCAH for another two years, but supplemental funding for CAPF will be sunsetting as of March 31st, 2024.

Already, we are already witnessing funding cutbacks of up to 50% among CAPF clients in the 2023-2024 fiscal year. Things could get much worse in 2024-2025 should the federal government sunset the 2019 supplemental funding:

- Organizations will be forced to dramatically reduce the scope of their programming or else to incur deficits;
- Entire tours may be jeopardized;
- The economic impact will be felt across the entire value chain – touring agents, artistic companies, individual artists, technicians – all will suffer from these program cuts.

## Impact of federal investments in the live performance sector

Federal support from CAPF and BCAH, even though it only pays for a small proportion of live performance expenses, makes a profound difference. Here are selected testimonials from a survey conducted by CAPACOA in June.

“Our organization has increased in budget by a factor of 350% since we started receiving CAPF grants. ... CAPF plays a crucial role in helping us to present diverse, original, challenging, and less commercial works of art.”

– King's Theatre Society, Nova Scotia

“The supplemental funding played an instrumental role in our ability to continue providing quality work opportunities to artists during the pandemic, and allowed us to cope with a huge cost increase to artist fees and travel for our 2023 festival.”

– Sled Island Music & Arts Festival, Alberta

---

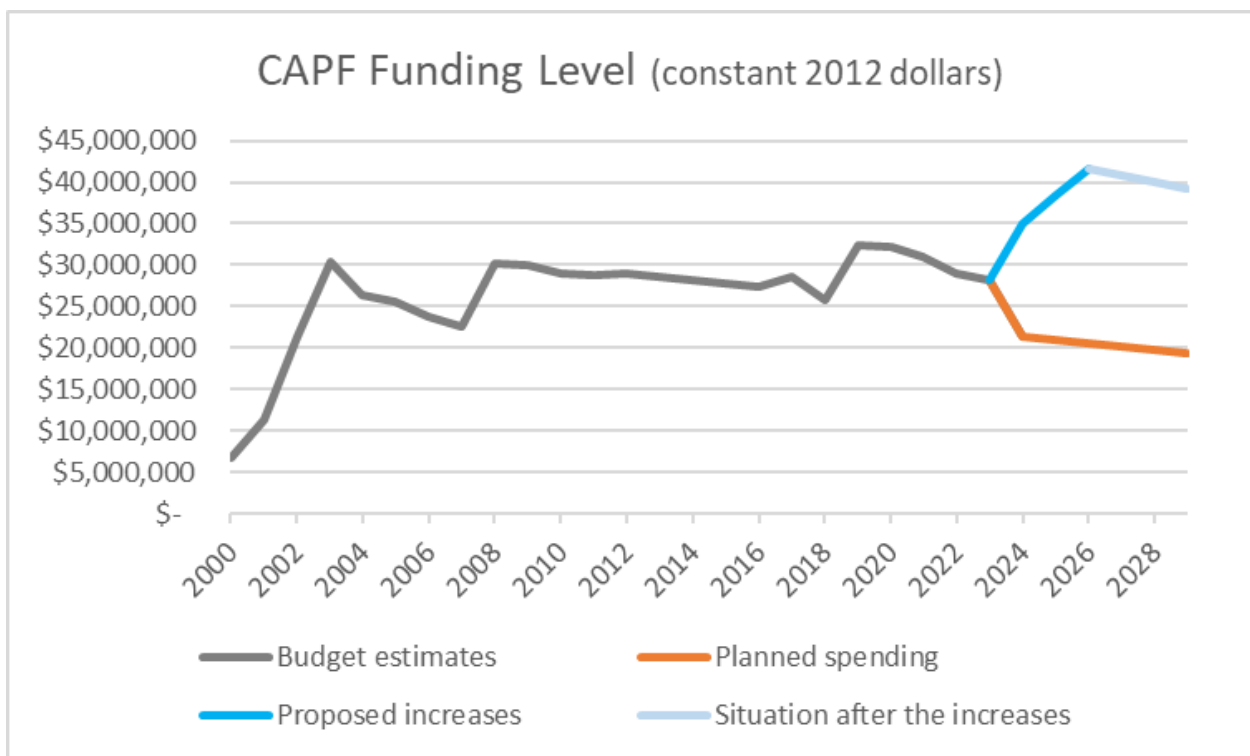
<sup>11</sup> The number of projects (not clients) funded by the CAPF grew from 692 in 2018-2019 to 781 in 2021-2022. Source : data provided by Canadian Heritage. The number of local festivals funded by BCAH grew from 712 in 2018-2019 to 793 in 2021-2022. Source : Canadian Heritage, [Departmental Results Reports](#).

“Supplemental funding from CAPF had a transformative effect on our organization coming out of the pandemic. It allowed us to stage one of Toronto's first in-person music festivals since COVID in summer 2021, which for many was their first cultural event in over 18 months. It allowed us to make a strong recovery in attendance when venues opened at full capacity in 2022.”

– Wavelength Music, Ontario

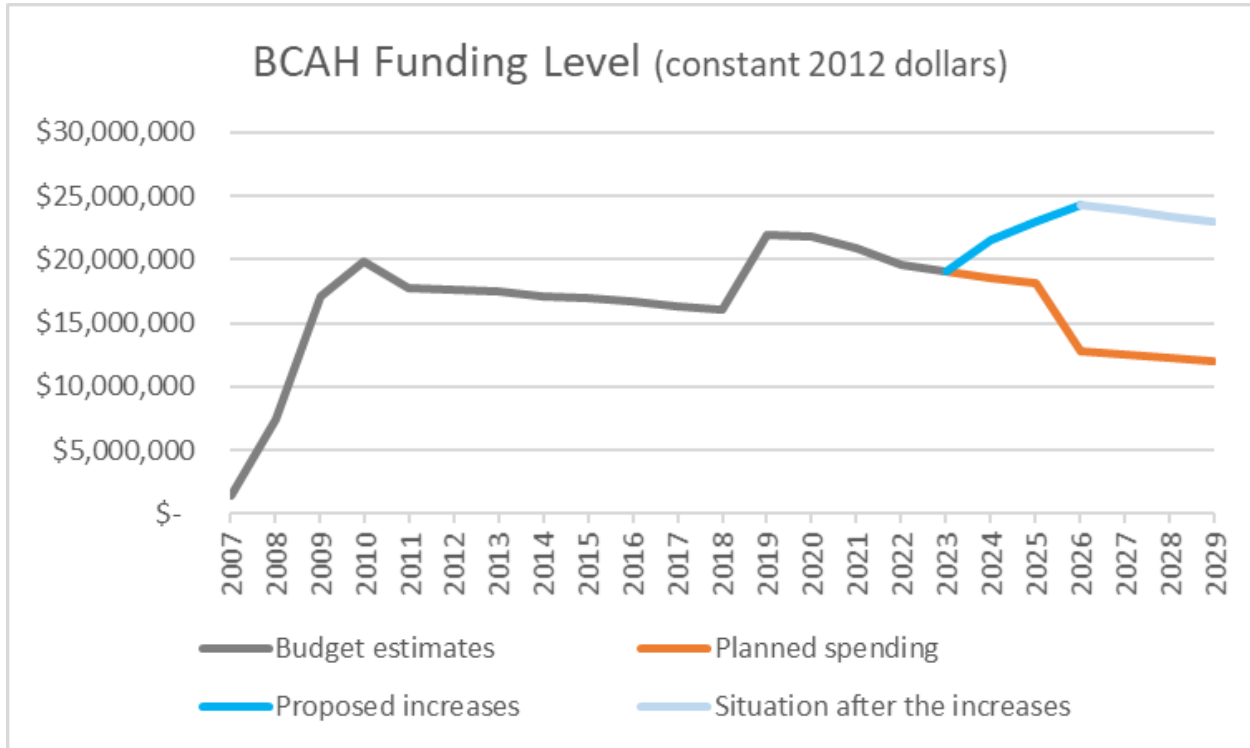
## Funding levels over time

The two tables below show each program’s funding level over time, including the 2019 supplementary funding. The amounts are in constant 2012 dollars to take into account the effect of inflation.<sup>12</sup>



- As of April 2023, in constant dollars (i.e., taking inflation into account), the program's funding level was 3.0% lower than in 2003, when the program was first fully rolled out. When the supplemental funding sunsets, in April 2024, it will drop 25% below the 2003 level.
- The #FutureOfLIVE recommended increases would bring the CAPF’s base funding 37% above its inception level, by April 2026.

<sup>12</sup> 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.



- Note: Component III (Legacy Funds) was rolled out one year after component I (Local Festivals) and component II (Community Anniversaries) which led to exceptional parliamentary credits in 2010-2011. The “base” parliamentary credits were reached in 2011-2012, at \$17,655,000, and have been at the level ever since.
- As of April 2023, in constant dollars (i.e., taking inflation into account), the program's funding level was still 8% higher than in 2011-2012, when all three program components were first fully rolled out. However, when the supplemental funding sunsets, in April 2026, the program’s funding will drop 28% below the 2011-2012 level.
- The #FutureOfLIVE recommended increases would bring BCAH’s base funding 37% above its inception level, by April 2026.



## Strategic considerations

The rationale for increasing these programs isn't purely economical. It is also 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 Tourism Growth Strategy.<sup>13</sup>

## 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.

---

<sup>13</sup> 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/>.

# Organizations endorsing these recommendations

The following partner associations have submitted their own pre-budget brief with the same recommendations:

- Festivals and Major Events
- Canadian Live Music Association
- Association professionnelle des diffuseurs de spectacles - RIDEAU
- RADARTS
- Manitoba Arts network
- Ontario Presents

The following partner associations have formally endorsed these recommendations:

- BC Touring Council
- Conseil culturel et artistique francophone de la C.-B.
- Arts Touring Alliance of Alberta
- Organization of Saskatchewan Arts Councils (OSAC)
- Conseil culturel fransaskois
- Réseau des Grands espaces
- Réseau Ontario
- REFRAIN - Regroupement des festivals régionaux artistiques indépendants
- Atlantic Presenters Association
- The CanDance Network
- Jazz Festivals Canada