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CANADA

ARTS, CULTURE, HERITAGE, AND SPORT SECTOR RECOVERY FROM THE IMPACT OF COVID-19

Report of the Standing Committee on Canadian Heritage

Hon. Hedy Fry, Chair

**JUNE 2022
44th PARLIAMENT, 1st SESSION**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON CANADIAN HERITAGE

has the honour to present its

THIRD REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the challenges related to the recovery of the arts, culture, heritage, and sport sectors, which have been deeply impacted by the COVID-19 pandemic and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada support the digital transition of arts, culture, and heritage organizations, including through the use of small pivot grants (micro-grants) for projects such as building websites and digital supports..... 31

Recommendation 2

That the federal government support the commercial theatre sector by providing access to return to theatre support modeled on the Canadian Film or Video Production Tax Credit, as well as COVID-19 recovery funding, to support the sector in its recovery and long-term sustainability. 32

Recommendation 3

That the Government of Canada overhaul its National Museum Policy to support both the recovery and long-term sustainability of the museum sector. 32

Recommendation 4

That the Government of Canada improve equity and inclusion in its COVID-19 recovery funding by:

- **increasing the overall investment and accessibility to funding for historically overlooked and marginalized organizations, such as Indigenous and Black arts organizations and artists; and**
- **simplifying and accelerating application and assessment processes at the Canada Council for the Arts and Canadian Heritage to make them more accessible to organizations that have not historically received assistance.**

- **consider the unique circumstances of organizations that serve official language minority communities, racialized, Indigenous, LGBTQ2+ and remote communities to ensure they are able to access COVID-19 supports equitably..... 32**

Recommendation 5

In helping to alleviate the financial impacts of the COVID-19 pandemic on Canadian not-for-profit professional arts and heritage organizations, and recognizing the aging of existing cultural infrastructure and spaces, that the Government of Canada:

- **increase the funding available under the Canada Cultural Spaces Fund; and**
- **look at the long-term effects the pandemic has had on cultural infrastructure and provide strategic investments to address them. 32**

Recommendation 6

That the federal government accelerate the reform of the Employment Insurance program to expand eligibility to self-employed workers, particularly those in the cultural and artistic field, in order to address the lack of a society safety net as evidenced by the COVID-19 pandemic..... 33

Recommendation 7

That the Government of Canada:

- **extend emergency relief and re-opening support programs to the hardest-hit sectors until public health measures have been lifted and consumer confidence has been fully restored; and**
- **reinvest additional support and stimulus funds into the existing funds of Canadian Heritage, the Canada Council for the Arts, the National Film Board of Canada and the Canadian Broadcasting Corporation to support the cultural industry. 33**

Recommendation 8

That the federal government use tax relief and tax credits, where appropriate, as a key strategy for supporting arts, culture, heritage and sport organizations..... 33

Recommendation 9

That, when safe to do so, the federal government make significant efforts to encourage Canadians to return to live arts, culture, heritage and sporting events. 33

Recommendation 10

That the Government of Canada put in place permanent funding to support festivals and events that contribute to new cultural and economic growth by:

- **making permanent the investments made in 2019–2020 and 2020–2021, which were then extended by the Fall Economic Statement 2020 for 2021–2022 and by Budget 2021 for 2022–2023 and 2023–2024 (an increase of \$8 million/year for the Canada Arts Presentation Fund and \$7 million/year for the Building Communities Through Arts and Heritage Program);**
- **adding, as of 2022–2023, \$30 million in new funding for these programs (\$15 million each);**
- **establishing a mechanism to index program funding over the next five years that takes into account inflation and the growing number of festivals and events to be supported; and**
- **extending the Major Festivals and Events Support Initiative announced for 2021–2023 in Budget 2021 until 31 March 2024, adding \$100 million in new funding and expanding access to festivals and events with an annual revenue exceeding \$5 million. 33**

Recommendation 11

That the Government of Canada use various means to provide predictability for artists and creators, particularly by increasing the funding granted to the Canada Council for the Arts to target individual artists and the next generation of artists..... 34



ARTS, CULTURE, HERITAGE AND SPORT SECTOR RECOVERY FROM THE IMPACT OF COVID-19

INTRODUCTION

Context of the Study

On 31 January 2022, the House of Commons Standing Committee on Canadian Heritage (the Committee) agreed to the following motion:

That, pursuant to Standing Order 108(2), the Committee undertake a comprehensive study of four meetings of the challenges related to the recovery of the arts, culture, heritage, and sport sectors, which have been deeply impacted by the COVID-19 pandemic; that, as part of this study, the Committee:

- a) provide an overview of the current state of these sectors;
- b) identify existing issues that impede the recovery of these sectors;
- c) identify the issues these sectors face in obtaining the necessary infrastructure and spaces;
- d) assess the effectiveness of the federal government's support measures;
- e) consider additional solutions or measures to ensure the sectors' sustainable recovery and ensure that these sectors have access to and availability of the necessary tools and infrastructure to succeed now and in the future;

that the Committee report its findings and recommendations to the House; and that, the Minister of Canadian Heritage and departmental officials be invited to appear for no less than two hours on this topic.¹

¹ House of Commons, Standing Committee on Canadian Heritage (CHPC), [*Minutes of Proceedings*](#), 31 January 2022.



Pursuant to this motion, the Committee held five meetings and heard 33 witnesses between 2 and 28 February 2022. It also received six briefs. Witnesses included representatives from the arts, culture, heritage, sport, and event organization sectors, as well as public servants and the Minister of Canadian Heritage. The Committee would like to thank everyone who participated in its study as well as all the employees that made it possible.

This study is further to the report tabled during the 43rd Parliament: [*Impacts of the COVID-19 Pandemic on the Arts, Culture, Heritage and Sport Sectors*](#). Adopted in April 2021, it contained testimony from representatives from the different sectors under the umbrella of Canadian Heritage.

This follow-up report outlines the views of witnesses on the measures in place, particularly those announced after the Committee's previous report. As a reference, a summary of the previous study and the initial recommendations is provided. This report then focuses on the strengths and shortcomings of the measures, as well as what the witnesses believe is required to ensure the recovery of the arts, culture, heritage and sport sectors. Based on this testimony, the Committee also makes new recommendations to the government.

Previous Study of the Standing Committee on Canadian Heritage

The report looked at the economic impacts of the pandemic on the sectors and studied the federal government's initial response to the crisis and the new programs put into place. It also highlighted the increased use of digital technologies by artists and organizations and both the challenges and opportunities that arose.

Issues Raised by Witnesses During the Previous Study

Common issues could be identified in witnesses' testimony from all sectors. The main issue was, unsurprisingly, economic losses due to COVID-19: "Low or sometimes zero ticket sales and the cancellation of events and competitions have all had a major impact on the budgets and finances of the organizations that participated in the study."² Representatives from festivals raised the issue of the loss of related sales due to the cancellation of events. Another common issue was the impact of the pandemic on mental health of artists, workers and participants.

2 CHPC, [*Impacts of the COVID-19 Pandemic on the Arts, Culture, Heritage and Sport Sectors*](#), April 2021, p.10.

The report then looked at specific issues faced by each sector. Witnesses from performing arts and events explained that because programming can take several months, the timing of recovery would be longer. They also “expressed concern about the departure of artists and employees due to the uncertainty of contracts and delays in resuming cultural activities.”³

From the heritage sector, the Committee heard that “Several museums have had to close their doors and lay off staff.”⁴ The decrease in visitors and additional health and safety requirements also had an impact of their finances.

The Committee also heard from witnesses from the media and publishing industry. For them, the COVID-19 pandemic exacerbated an already existing crisis, particularly via the increased shift of advertising revenue to international digital companies and the “unexpected closure of bookstores, schools and libraries as well as the cancellation of book fairs.”⁵

Finally, the sports sector was concerned “about the precarious financial situation of local, provincial and national sports organizations,”⁶ as few of them were eligible for government support. In addition, the pandemic meant that the physical activity rate declined from an already low level, something which was particularly concerning for children.

Perspectives on Recovery During the Previous Study

During that study, witnesses were keen to share what they perceived to be the strengths and weaknesses of the federal measures to date. They qualified the emergency funding as “poorly distributed”⁷ and “insufficient.”⁸ Some witnesses also highlighted how the emergency funding was restricted to certain types of organizations and sectors.⁹

The report also brought to light what witnesses believe to be the federal government’s role post-pandemic and how it ought to contribute to the recovery of the arts, culture,

3 Ibid., p.13.
4 Ibid., p.14.
5 Ibid., p.16.
6 Ibid., p.17.
7 Ibid., p.18.
8 Ibid., p.19.
9 Ibid., pp.19-20.



heritage and sports sectors. Witnesses first addressed that as recovery will take time, different measures should be adopted in the short-, medium- and long-term. There was consensus around the need to extend and enhance the emergency funding, now and in the future.¹⁰ Some witnesses asked for the creation of new programs, while others favoured the extension of the current ones. In addition, some witnesses called for funding to be made available for operating costs, which have risen due to the pandemic.¹¹ Finally, the topic of health was raised, which prompted some witnesses to call on the federal government to further support both the mental health of the members of the different sectors as well as the physical health of Canadians through a public education campaign encouraging more physical activity.¹²

Additionally, witnesses raised two topics which were beyond the scope of the study, but which the Committee deemed necessary to relate for a better understanding of the situation faced by the arts, culture, heritage and sports sectors. First, the Fédération culturelle canadienne-française advised the Committee that the pandemic was “currently threatening more than 40 years of artistic and cultural development.”¹³ In their opinion, the emergency funding’s structure disadvantaged artists, creators and cultural workers in francophone and Acadian communities. Finally, other witnesses pointed out that the increased reliance on digital technologies during the pandemic highlighted the disparity in “access to high-speed, affordable Internet with a reasonable data allowance.”¹⁴ This was particularly true in rural and remote communities, as well as in northern Canada.

Recommendations Made During the Previous Study

In its report, the Committee made five recommendations to government:

The Committee recommends that the Department of Canadian Heritage strike a committee to study new funding models for organizations in the arts, culture, heritage, and sports sectors. Representatives of the cultural industry, including organizations representing official language minority communities, would be asked to sit on this committee. In addition, the

10 Ibid., p.25.

11 Ibid., p.26.

12 Ibid., p.27.

13 Ibid., p.28.

14 Ibid., p.29.

committee structure would take into account Canadian diversity in its membership.

...

The Committee recommends that the Government of Canada increase its use of advertising in traditional mediums, such as local, regional, and national newspapers rather than on platforms of international digital companies.

...

The Committee recommends that the Government of Canada increase support for local sports organizations that are struggling due to the COVID-19 pandemic.

...

The Committee recommends that the Government of Canada create a community sport and recreation recovery fund to ensure that the parks and recreation sector, as well community sports organizations, are able to contribute to Canada's post-pandemic recovery.

...

The Committee recommends that the Government of Canada create programs to both encourage Canadians to be active and ensure that all Canadians can access physical activity and recreational programs during and after the pandemic.¹⁵

STATUS OF THE ARTS, CULTURE, HERITAGE AND SPORT SECTORS

Measures Implemented by the Government of Canada

Since the beginning of the COVID-19 pandemic, the Government of Canada has implemented a series of measures to support the arts, culture, heritage, and sport sectors. The Committee's previous report described the measures in place between March and October 2020.

15 *ibid.*, p.1.



Additional measures announced since include an initial \$50 million for the creation of the [Short-Term Compensation Fund for Canadian Audiovisual Productions \(STCF\)](#) to compensate for the negative effects of the COVID-19 pandemic on the audiovisual production sector.¹⁶ The STCF was extended twice, most recently on 11 February 2022, and is now set to end on 31 March 2023.¹⁷ In total, \$150 millions have been allocated to the fund.

On 2 March 2021, the then Minister of Canadian Heritage and the Canada Council for the Arts announced details of the implementation of \$181.5 million in new funding for the live arts and music sectors for 2021-2022. These funds were first announced on 30 November 2020 as part of the [Fall Economic Statement 2020](#). The funding was distributed as follows:

- A one-year renewal of previous funding for a total of \$25 million:
 - [Building Communities Through Arts and Heritage](#) (\$7 million);
 - [Canada Arts Presentation Fund](#) (\$8 million); and
 - [Canada Music Fund](#) (\$10 million).
- An amount of \$116.5 million to be distributed by the Canada Council for the Arts:
 - Funding for the [Digital Now](#) initiative to help artists share their content with audiences (\$50.5 million); and
 - Funding for the [Explore and Create](#) program to stimulate research and the production of new work (\$66 million).

16 Department of Canadian Heritage, [Government of Canada Announces Temporary Measure to Compensate for the Lack of Insurance Coverage for Production Stoppages due to Confirmed COVID-19 Cases on Film Sets in the Audiovisual Industry](#), 25 September 2020.

17 For more information on the STCF, see: Department of Canadian Heritage, [The government extends and increases compensation to the audiovisual sector for production stoppages caused by COVID-19](#), 10 February 2021; Department of Canadian Heritage, [The Government of Canada Increases Support for the Audiovisual Sector for Production Stoppages Caused by COVID-19](#), 21 May 2021; and Department of Canadian Heritage, [Government of Canada extends support for the audiovisual industry to cover costs related to production stoppages due to COVID-19](#), 11 February 2022.

- New funding for the [Support for Workers in Live Arts and Music Sectors Fund](#) (\$40 million).¹⁸

Also in March 2021, the federal budget outlined \$1.9 billion in funding until 2025–2026 “to help support the recovery and reopening of the arts, culture, heritage and sport sectors.”¹⁹ Two new funds were created with this funding.

The [Recovery Fund for Arts, Culture, Heritage, and Sport Sectors](#) was established to provide \$300 million over two years. Its first stream, “Reinforcing Recovery Foundations” is dedicated to organizations that are still struggling with operational viability due to the pandemic. The second stream, “Investing in the Recovery” is funding for organizations and individuals in the arts, culture, and heritage sectors “to help build organizational resilience and pursue business innovation and transformation.”²⁰

In addition, \$200 million was granted over two years to the [Reopening Fund](#) “to support Canada’s festivals, cultural events, outdoor theatre performances, heritage celebrations, local museums [and] amateur sport events.”²¹

According to the documents the Department of Canadian Heritage submitted to the Committee, approximately \$1.265 billion has been spent or committed to support the arts, culture, heritage, and sport sectors since the pandemic began. Table 1 shows the budget breakdown by program and organization since the beginning of the pandemic. Department of Canadian Heritage representatives anticipated that they would be able to spend the funding allocated to the Department by the end of the current fiscal year.²²

18 Department of Canadian Heritage, [Supporting Arts and Live Events Workers in response to COVID-19](#), 2 March 2021.

19 Department of Canadian Heritage, [Backgrounder – Continued Support for Arts, Culture, Heritage and Sport Sector Organizations](#), 28 June 2021.

20 Ibid.

21 Ibid.

22 CHPC, [Evidence](#), 28 February 2022, 1645 (David Dendooven, Assistant Deputy Minister, Strategic Policy, Planning and Corporate Affairs).



Table 1—Amounts Committed by the Department of Canadian Heritage to Support the Arts, Culture, Heritage and Sport Sectors in Response to COVID-19, 2020–2023 (\$ millions) (as of 4 March 2022)

Programs and Organizations	Emergency Support Fund (17 April 2020)	Additional Measures (2 March 2021)	Recovery Fund—Budget 2021 (28 June 2021)	Reopening Fund—Budget 2021 (28 June 2021)
Support for arts and music organizations that do not usually receive funding from PCH	12.8	N/A	N/A	N/A
Building Communities Through Arts and Heritage	5.34	12	N/A	12
Canada Arts Presentation Fund	10.46	28	5	30
Canada Arts Training Fund	5.74	N/A	5	N/A
Canada Book Fund	10.54	N/A	11.4	N/A
Canada Media Fund	92.25	N/A	15.5	N/A
Canada Music Fund	29.16	25	N/A	7
Canada Periodical Fund	63.82	N/A	31.5	N/A
Local Journalism Initiative	N/A	N/A	10	N/A
Support for radio and television broadcasters	27.09	N/A	N/A	N/A
Support for audiovisual, digital production and publishing organizations	32	N/A	N/A	N/A
Digital Citizen Initiative	3.5	N/A	N/A	N/A
Harbourfront Centre Funding Program	1.25	N/A	20	N/A
Compensation Fund for Canadian Audiovisual Productions	N/A	100	N/A	N/A
Cultural Investment Fund	N/A	N/A	3.5	N/A
Canada Cultural Spaces Fund	N/A	N/A	16	N/A

Programs and Organizations	Emergency Support Fund (17 April 2020)	Additional Measures (2 March 2021)	Recovery Fund—Budget 2021 (28 June 2021)	Reopening Fund—Budget 2021 (28 June 2021)
Initiatives associated with Creative Export Canada	N/A	N/A	9.65	N/A
Commemorate Canada	N/A	N/A	N/A	54
Museums Assistance Program	48.23	N/A	N/A	41
Arts and culture organizations serving official language minority communities	1.06	N/A	5	1.5
Sport Support Program	34.5	N/A	66	N/A
Sport Support Program—Bilateral agreements with provinces and territories	32.5	N/A	N/A	N/A
Athlete Assistance Program	5	N/A	N/A	N/A
Hosting Program	N/A	N/A	17	13
Canada Council for the Arts	55	116	50	25
Telefilm Canada	29.76	N/A	25	10
Total	500.0	281	290.55	193.5

Source: Department of Canadian Heritage, Canadian Heritage COVID-19 Recovery Measures (document sent to the House of Commons Standing Committee on Canadian Heritage). Amounts have been rounded.

According to Public Accounts of Canada 2021, some of the money allocated was unused in the 2020-2021 fiscal year. This included \$362,143 in unmade contributions in support of the Building Communities through Arts and Heritage Program, \$1,909,213 in unmade contributions to the Canada Book Fund, \$4,497,272 in unmade contributions to the Sport Support Program, \$10,480,873 in unmade contributions to the Hosting Program, and \$51,447,122 in lapsed funding to Telefilm Canada²³.

Lastly, it is worth noting the [Major Festivals and Events Support Initiative](#), which falls under Innovation, Science and Economic Development Canada. This initiative will

²³ Government of Canada, "[Volume II: Details of Expenses and Revenues](#)," *Public Accounts of Canada 2021: Volume II*.



provide \$200 million over two years to help major events and festivals survive and recover. The funding will be delivered by federal regional development agencies.²⁴

Issues Raised by Witnesses

According to the evidence heard by the Committee, many issues raised during the previous study and mentioned above are still ongoing. The Committee refers readers to the previous report for a more in-depth analysis of these issues. The sections below focus on the new points raised by witnesses.

Exodus of Workers

Witnesses were eager to discuss how the pandemic has negatively affected workers in the arts and culture sectors, and the risk that workers will leave if conditions do not improve. Sophie Prigent, President of the Union des artistes, shared her concerns with the Committee:

Too many people are saying they intend to change careers. However, it is they, the creators, who form the core of our culture, who are the soul of our society. Without creators, there is no culture. Without creators, there are no future artists.²⁵

Rachel Morse, Co-chair of the Conseil québécois du théâtre, shared that point of view, explaining:

Needless to say, the fifth wave was a real blow to the professionals in the sector, who thought they could finally start thinking about the future. This unfortunate situation only accentuated a feeling that had become permanent among the people in the sector, namely the fact that their profession was hanging by a thread.²⁶

Frédéric Julien, Director of Research and Development at the Canadian Association for the Performing Arts, relayed the concerns of his association's members. He said that many casual and contract workers, who have been greatly affected by layoffs during the

24 Department of Canadian Heritage, [Backgrounder – Continued Support for Arts, Culture, Heritage and Sport Sector Organizations](#), 28 June 2021.

25 CHPC, [Evidence](#), 9 February 2022, 1615 (Sophie Prigent, President, Union des artistes).

26 CHPC, [Evidence](#), 14 February 2022, 1600 (Rachel Morse, Co-chair, Conseil québécois du théâtre).

pandemic, “may have taken full-time jobs in other sectors where salaries can keep up with the increasing cost of living.”²⁷

Exodus of Participants

Allison Sandmeyer-Graves, CEO of Canadian Women and Sport, raised a particular concern of the sport sector, noting that “there is a high dropout rate of youth from sport during adolescent years—among both girls and boys.”²⁸ She cited research carried out by her organization showing that one in four girls are considering not returning to sport after the pandemic.²⁹

In a brief submitted to the Committee, Special Olympics Canada outlined various ways the COVID-19 pandemic had affected the organization, including a sharp drop in registration:

- The number of registered athletes decreased by nearly half between 2019 and 2021, from 49,626 to 25,109; and
- The number of registered volunteers dropped significantly as well, from 21,932 to 13,481 over the same period.³⁰

Audience Hesitancy and Ongoing Changes to Government Mandates

Over recent months, due to the state of the pandemic, political announcements have led to frequent closures and re-openings of venues and activities. Whether provincial or federal, these decisions greatly affected witnesses who appeared before the Committee. In addition, this situation affected audiences, who felt hesitant in returning to in-person settings.

Echoing what other witnesses have said before, Scott Ford, Executive Director of SaskTel Centre, reminded the Committee that “The live sports and entertainment industry was

27 CHPC, *Evidence*, 2 February 2022, 1540 (Frédéric Julien, Director, Research and Development, Canadian Association for the Performing Arts).

28 CHPC, *Evidence*, 14 February 2022, 1645 (Allison Sandmeyer-Graves, Chief Executive Officer, Canadian Women and Sport).

29 Ibid., 1555.

30 Special Olympics Canada, *Written Submission for Standing Committee on Canadian Heritage*, 14 February 2022.



the first to shut down and certainly it will be the last to open without restrictions.”³¹
Alex Mustakas, Artistic Director and CEO at Drayton Entertainment, told the Committee:

We try to maintain as much hope as possible, so we look forward to an opening only to be dashed with it closing again. The consistency isn't there. I understand it to some extent, but I truly believe that we have to align the messaging, for not only our own staff and our arts workers, but our audiences as well.³²

Boomer Stacey, Executive Director of the Professional Association of Canadian Theatres, explained the effects on the theatre industry:

We are not a light switch industry. From artistic development to performing on stage in front of an audience, it can take months to years to achieve. Even with a predetermined line-up of productions waiting to happen, from contracting, hiring and rehearsing to actual opening night takes at minimum a month, with additional time for marketing and box office. Lockdowns, local restrictions and capacity limits all affect when that clock starts in production. We don't have products sitting on a shelf ready to go.³³

Kendra Bator, associate general manager of Mirvish Productions, brought forward the notion of risk and how it affects activities:

Commercial theatre is always a risky endeavour because it is all private capital and because you do rely solely on box-office income to not only meet your weekly needs, but to return that initial capital. We're facing increasing risk because of rolling shutdowns that are happening in other markets because of COVID-19 illness. They're having to shut down for a week or more at a time and then reopen.

...

There's more and more risk, but fewer and fewer assurances that we'll be able to continue operating. If you add capacity restrictions on top of that, the entire endeavour really does just crumble because we need the opportunity to operate at a hundred per cent to be able to meet our weekly needs.³⁴

Witnesses explained that some of the language federal politicians have used has caused fear in people and a hesitancy to reengage in the arts and sports, both as participants and audience members. Regarding the hesitancy of people to fill arena seats as a direct

31 CHPC, [Evidence](#), 2 February 2022, 1605 (Scott Ford, Executive Director, SaskTel Centre).

32 CHPC, [Evidence](#), 2 February 2022, 1720 (Alex Mustakas, Artistic Director and Chief Executive Officer, Drayton Entertainment).

33 CHPC, [Evidence](#), 9 February 2022, 1610 (Boomer Stacey, Executive Director, Professional Association of Canadian Theatres).

34 CHPC, [Evidence](#), 9 February 2022, 1620 (Kendra Bator, Associate General Manager, Mirvish Productions Ltd.).

result of fearful language used by politicians around COVID-19, Terry Huisman, General Manager for Business Operations at the Lethbridge Hurricanes Hockey Club, told the committee, “I think that has a huge bearing on how we operate. We saw that from the start of the season, when we saw a significant drop in our attendance. There was a lot of uncertainty.”³⁵

Regarding recent re-opening announcements, Ms. Prigent explained:

Although masks and vaccine passports will still be mandatory, we'll still be able to fill our venues. We definitely think that's a good thing. However, we won't necessarily fill theatres simply because we can. That's why I mentioned the promotional campaign. In the past two years, people have become used to spending their money on culture in different ways, via digital platforms. We'll have to become extremely appealing and seduce pre-pandemic audiences into coming back.³⁶

For Mr. Huisman, clearer guidelines from the political decision-makers will “see some more comfortableness of people moving in and out of our arena.”³⁷

Issues Associated with Supply Chains

During the study, witnesses explained that they were experiencing difficulties with supply chains, which has caused problems when they want to reopen.

Erin Benjamin, President and CEO of the Canadian Live Music Association, told the Committee about the “crushing impact” of the pandemic on the supply chain, which she said affects artists, entrepreneurs and Canada’s reputation as a live music market.³⁸ Meanwhile, Alica Hall, Executive Director of the Nia Centre for the Arts, told the Committee that construction costs have increased significantly due to the pandemic, which forced her organization to dip into its savings to be able to open its doors in the fall of 2021.³⁹

35 CHPC, *Evidence*, 7 February 2022, 1630 (Terry Huisman, General Manager, Business Operations, Lethbridge Hurricanes Hockey Club).

36 CHPC, *Evidence*, 9 February 2022, 1635 (Sophie Prigent).

37 CHPC, *Evidence*, 7 February 2022, 1630 (Terry Huisman).

38 CHPC, *Evidence*, 9 February 2022, 1600 (Erin Benjamin, President and Chief Executive Officer, Canadian Live Music Association).

39 CHPC, *Evidence*, 2 February 2022, 1655 (Alica Hall, Executive Director, Nia Centre for the Arts).



Kelly-Ann Paul, President and CEO of the Canada Games Council, explained that costs had gone up for her organization since the beginning of the COVID-19 pandemic:

Food costs and supply chain issues are having a big impact on the ability to deliver the Canada Games within the existing operating budget. The cost of insurance has gone up. The cost of transportation has gone up substantially, and medical expenses have increased largely due to the pandemic and the additional safeguards required to make sure that everyone participating in the games is healthy.⁴⁰

Economic Losses

It came as no surprise when witnesses told the Committee that successive waves of the COVID-19 pandemic were accentuating their economic losses. Over the course of the study, some witnesses also discussed the links between cultural industries, tourism and the economy.

Mr. Mustakas told the Committee that his own theatres have an economic impact of “over \$82 million” in southwestern Ontario.⁴¹ Meanwhile, Michael Rubinoff, a producer and member of the Canadian Commercial Theatre League, gave the example of the internationally renowned musical *Come From Away* and the significant impact it has had on tourism in Newfoundland and Labrador.⁴²

Ms. Benjamin summarized the situation as follows:

The North American concert market was projected to see \$5 billion in ticket sales alone in the beginning of 2020. It’s a massive, mega-billion dollar industry. All of that money will be gone. We will lose the opportunity to intersect with all of the other businesses we connect with so well—hospitality, travel, tourism, the Uber, the corner store, the parking lot, the public transportation we take to attend these concerts, and the restaurants where we eat when we get to them.⁴³

40 CHPC, [Evidence](#), 7 February 2022, 1600 (Kelly-Ann Paul, President and Chief Executive Officer, Canada Games Council).

41 CHPC, [Evidence](#), 2 February 2022, 1615 (Alex Mustakas).

42 CHPC, [Evidence](#), 9 February 2022, 1625 (Michael Rubinoff, Producer, Canadian Commercial Theatre League, As an Individual).

43 CHPC, [Evidence](#), 9 February 2022, 1640 (Erin Benjamin).

Reliance on Online Tools

Like in the previous study, the Committee heard about how the sectors had to quickly pivot to online programming to reach audiences and participants who could not longer be present in person.

Mr. Mustakas explained how online efforts have, since the pandemic, been essential to the continuity of his organization:

We reached out to our stakeholders and our audience. We held one very successful campaign, an online fifty-fifty. In a year we brought in over \$800,000 that helped sustain us. That showed proof of commitment by our stakeholders who want us to survive, who want us to come back. ... Back in late 2020, we created online, 10-week, hour-long episodes to stay connected with our audience. The first one was free. I think we had about 5,000 viewers per episode. This week we just launched a sequel to it, but this time we're charging \$15. Unfortunately, it dropped to 500 subscribers from the 5,000 who accepted it for free. We have tried innovative ways to stay connected. Other than as a lifeline to our operations, I'm really worried about behaviour changing, pattern of behaviour changing and losing stakeholders who have been with us for 30 years.⁴⁴

Witnesses from the museum sector reminded the Committee of their online efforts. As explained by Heather George, curator and member of the Canadian Museums Association, "Museums provide a value of \$1.2 billion a year in educational benefits and \$277 million in value of online visits."⁴⁵ Shelley Falconer, President and CEO of the Art Gallery of Hamilton, added that going online helped them remain connected to the community:

... our ongoing commitment to community engagement remains powerful. We were one of the first galleries to quickly pivot to online programming, supporting a number of the curriculum educational needs with very close relationships with our local school boards.⁴⁶

LOOKING FORWARD: SUSTAINED RECOVERY

As the worst of the crisis appears to be in the rear-view mirror, the Committee focused on finding solutions to support the arts, culture, heritage and sport sectors during the transition phase. Witnesses were therefore invited to share, on the one hand, their comments on the measures in place and, on the other hand, their recommendations for

44 CHPC, *Evidence*, 2 February 2022, 1715 (Alex Mustakas).

45 CHPC, *Evidence*, 7 February 2022, 1605 (Heather George, Curator, Canadian Museums Association).

46 CHPC, *Evidence*, 14 February 2022, 1545 (Shelley Falconer).



new recovery measures. The sections below outline what witnesses had to say on these topics.

Improving Existing Measures

The vast majority of witnesses commented on the measures and funds established by the federal government during the pandemic. In most cases, they thanked the government for these measures, but still had suggestions for improvements.

Additional Funds

Witnesses agreed that the funding, although lifesaving in some cases, was insufficient overall and should be increased to meet needs. Depending on their sector, witnesses identified different programs and funds as priorities.

Two of these priority programs for additional funding were the Canada Arts Presentation Fund and the Building Communities Through Arts and Heritage program. As explained by Martin Roy, CEO of Festivals and Major Events at Regroupement des événements majeurs internationaux: “In a nutshell, the idea would be to settle funding for festivals and events once and for all by making the 2019 investments permanent, renewing them every year for now until 2024 and, yes, once again injecting a little money.”⁴⁷

Mr. Julien further added:

These two programs make it possible to have more activity in our communities, which, of course, benefits all performing arts actors. They could certainly benefit from an additional injection of funds, as my colleague Mr. Roy mentioned earlier. There were long-awaited investments in 2019 that have since been renewed on a piecemeal basis. I think it would be appropriate to reconsider the level of funding for these programs, particularly to increase the diversity of their recipients.⁴⁸

The Canadian Arts Coalition recognized that the wage, rent and income subsidies were invaluable, and mentioned the support of the Canada Performing Arts Workers Resilience Fund in particular.⁴⁹

47 CHPC, *Evidence*, 2 February 2022, 1600 (Martin Roy, Chief Executive Officer, Festivals and Major Events, Regroupement des événements majeurs internationaux).

48 CHPC, *Evidence*, 2 February 2022, 1725 (Frédéric Julien).

49 CHPC, *Evidence*, 7 February 2022, 1625 (Sarah J.E. Iley, Member of Steering Committee, Canadian Arts Coalition).

Witnesses in the museum sector called for additional funding for the Canada Cultural Spaces Fund,⁵⁰ expanded eligibility criteria for the Canada Cultural Investment Fund⁵¹ and the development of a new national museum policy.⁵²

Mr. Roy explained that the Major Festivals and Events Support Initiative did not meet his members' expectations:

Many of our members also feel there have been injustices, or at least a lack of understanding. The government chose to support major festivals with the initiative I just mentioned. They chose to entrust Canadian Heritage with everything else, that is, all events generating under \$10 million in annual revenue. That means that the initiative supports about 25 events and over 1,000 events are supported by Canadian Heritage, where together they can rely on much less than \$200 million. That's pretty lopsided, to say the least. It is not that the initiative has too much money. There is quite simply not enough money at Canadian Heritage.⁵³

Annick Charette, President of the Fédération nationale des communications et de la culture, called for artists to receive additional support and, more importantly, to have access to that support, explaining that "This must be done through consistent accountability that ensures that the public funds invested reach the creators' pockets, which is not always the case."⁵⁴

Access Issues

Some witnesses criticized the fact that many emergency measures were unavailable to them and that "barriers to entry" remain.⁵⁵ As the Canadian Commercial Theatre League and Mirvish Productions explained in their joint brief:

The commercial theatre sector raised concerns with Canadian Heritage that the commercial theatre sector was ineligible for emergency relief under the fund. Despite months of meetings with ministers, members of parliament, political and department staff, explaining the dire nature of

50 CHPC, *Evidence*, 14 February 2022, 1630 (Shelley Falconer, President and Chief Executive Officer, Art Gallery of Hamilton).

51 CHPC, *Evidence*, 14 February 2022, 1555 (Alexandra Badzak, President, Canadian Art Museum Directors Organization).

52 CHPC, *Evidence*, 7 February 2022, 1605 (Heather George).

53 CHPC, *Evidence*, 2 February 2022, 1600 (Martin Roy).

54 CHPC, *Evidence*, 7 February 2022, 16150 (Annick Charette, President, Fédération nationale des communications et de la culture).

55 *Ibid.*, 1645.



the situation, the commercial theatre sector remains ineligible for any support from Canadian Heritage.⁵⁶

As a result, they recommended that commercial theatres be granted access to support measures for which they are currently ineligible, and that this access be made retroactive to March 2020.⁵⁷

Like in the previous Committee study, criticisms were made about access to funding through the Canada Council for the Arts. It appeared to some as though, in the interest of making funds available more quickly, previous recipients were given an advantage in obtaining funding. As Mr. Stacey explained, that could lead to a two-tier recovery:

I'll say quickly that there are so many companies across the country that can't access that funding because they traditionally haven't had access to it. Those that have received funding in the past are much more likely to get that money, so companies that were already behind prepandemic are further behind now.⁵⁸

Ms. Hall also pointed out some gaps in the distribution of funding:

[T]hese programs have not necessarily benefited arts organizations that are in the midst of building or that started building before or during the pandemic because eligibility often requires that an organization show a drop in revenue, whereas for many arts organizations that started construction, the revenue they're worried about, like ours, is about future revenue.⁵⁹

Regarding the Reopening Fund, M. Roy deplored that the money promised "remains inaccessible" and that "[f]estivals still have no idea what they will be able to submit or when, and it's four or five months from the beginning of the season, and almost a year after the budget."⁶⁰

Eligibility and Flexibility

Echoing what was shared during the 43rd Parliament, witnesses said that the effects of the pandemic would be felt long into the future, which is why they recommended that measures be extended.

56 Canadian Commercial Theatre League and Mirvish Productions, *Brief*, 4 February 2022, p. 2.

57 Ibid.

58 CHPC, *Evidence*, 9 February 2022, 1625 (Boomer Stacey).

59 CHPC, *Evidence*, 2 February 2022, 1555 (Alica Hall).

60 CHPC, *Evidence*, 2 February 2022, 1600 (Martin Roy).

However, witnesses did not all agree on the length of time that assistance programs should be in place. Some, like Mr. Huisman, believe that an extension of 6 to 12 months would be sufficient.⁶¹ Mr. Julien said the recovery “won’t end in 2023,” and suggested extending government support into the 2024–2025 fiscal year.⁶² Mr. Roy agreed, and suggested using “prorated budgets” to deliver this financial assistance.⁶³

The Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) believes that the funds and measures should be extended “for as long as necessary to keep our industry open, or until a permanent alternative solution is implemented.”⁶⁴ This opinion was shared by John Morgan Lewis, International Vice-President and Director of Canadian Affairs at the International Alliance of Theatrical Stage Employees.⁶⁵ Ms. Charette summarized this point of view thusly: “The special assistance for cultural workers should be maintained until there is a solid, documented, and quantified indicator of the recovery of the culture sector.”⁶⁶

In addition, witnesses called for more flexible eligibility criteria for the various assistance programs so that the unique nature of the arts, culture, heritage and sport sectors is taken into account and funding makes it into the hands of those who need it. According to Ms. Charette:

People in the community generally agree that things could be simplified. We understand that civil servants must ensure the proper use of public funds, but sometimes there are many barriers to entry. This discourages people from applying. We need to engage the cultural community. Only artists and craftspeople can revive the activities of the community, but to do so, they must be rallied and motivated to do so.⁶⁷

Mr. Stacey, the Canadian Commercial Theatre League, and Mirvish Productions all shared this opinion.⁶⁸ Mr. Mustakas also said he was in favour of increased flexibility and

61 CHPC, [Evidence](#), 7 February 2022, 1630 (Terry Huisman).

62 CHPC, [Evidence](#), 2 February 2022, 1730 (Frédéric Julien).

63 CHPC, [Evidence](#), 2 February 2022, 1600 (Martin Roy).

64 CHPC, [Evidence](#), 7 February 2022, 1555 (Eleanor Noble, National President, Alliance of Canadian Cinema, Television and Radio Artists).

65 CHPC, [Evidence](#), 2 February 2022, 1550 (John Morgan Lewis, International Vice-President and Director of Canadian Affairs, International Alliance of Theatrical Stage Employees).

66 CHPC, [Evidence](#), 7 February 2022, 1645 (Annick Charette).

67 Ibid.

68 See: CHPC, [Evidence](#), 9 February 2022, 1705 (Boomer Stacey), and Canadian Commercial Theatre League and Mirvish Productions, [Brief](#), 4 February 2022, pp. 4–5.



extending assistance measures “to bring back more workers and position us for recovery.”⁶⁹

Some witnesses told the Committee that certain types of organizations were excluded from some of the emergency measures. To address this gap, Mr. Roy recommended creating a complementary program “to support events and festivals based on their contribution to tourism and the economy, specifically Canadian festivals and events that are not cultural in nature and do not receive support from Canadian Heritage.”⁷⁰ Sarah J.E. Iley, of the Canadian Arts Coalition, and Alexandra Badzak, President of the Canadian Art Museum Directors Organization, called for their organizations to be eligible for measures dedicated to tourism.⁷¹

Meanwhile, Ms. Sandmeyer-Graves recommended that the federal government “strengthen and expand mechanisms for providing funding to community sport”⁷² now and into the future.

New Recommended Measures

Beyond suggestions to improve existing emergency measures, witnesses also made recommendations for new measures to be implemented. The sections below group together the most common recommendations made over the course of the study.

Ticket Reimbursement Program

Some suggested the creation of a program to reimburse event tickets, similar to the one created by the Conseil des arts et des lettres du Québec during the pandemic.⁷³

As Mr. Julien explained:

There is a lot of uncertainty ahead of the sector in terms of possible further waves of the pandemic, in terms of audience hesitancy. Even though venues are allowed to reopen at full capacity, we know for sure it will take a while before we can fill those venues as we did fill them before the pandemic. Any kind of program that would be

69 CHPC, [Evidence](#), 2 February 2022, 1545 (Alex Mustakas).

70 CHPC, [Evidence](#), 2 February 2022, 1600 (Martin Roy).

71 See: CHPC, [Evidence](#), 7 February 2022, 1625 (Sarah J.E. Iley); and CHPC, [Evidence](#), 14 February 2022, 1555 (Alexandra Badzak).

72 CHPC, [Evidence](#), 14 February 2022, 1555 (Allison Sandmeyer-Graves).

73 For more information, see: Conseil des arts et des lettres du Québec, [Mesure particulière à la diffusion de spectacles québécois](#) [AVAILABLE IN FRENCH ONLY].

flexible enough to make up for that gap in earned revenues for the sector would absolutely help.⁷⁴

Since most of its members are in Quebec, the Union des artistes was able to comment on the advantages of the provincial measure. According to Ms. Prigent, making this measure permanent would help “ensure a more lasting recovery.”⁷⁵

According to Jacoba Knaapen of the Canadian Arts Coalition, creating a measure like this at the federal level would be a tool “that’s critical” to the recovery.⁷⁶

Modernizing the Employment Insurance Program

The matter of expanding eligibility for Employment Insurance to self-employed workers and independent contractors, which accounts for many of the workers in the arts, culture, heritage and sport sectors, was also mentioned during the Committee’s study.

According to Ms. Prigent, this type of measure is essential to ensure that sectors can reopen:

It is essential that we create a social protection plan for artists and ensure that atypical and contractual workers are entitled to an adequate social safety net when a crisis such as this occurs or when economic challenges resulting in income losses arise.⁷⁷

Eleanor Noble, National President of ACTRA, said an expanded Employment Insurance program would be beneficial for industry workers, addressing “the needs of a modern economy.”⁷⁸ During their appearances before the Committee, Ms. Iley and Mr. Lewis also said they were in favour of this measure.⁷⁹

Ms. Morse believed it is important to modernize Employment Insurance, because in order to support the sector, it “must be able to offer healthy and competitive working

74 CHPC, [Evidence](#), 2 February 2022, 1710 (Frédéric Julien).

75 CHPC, [Evidence](#), 9 February 2022, 1655 (Sophie Prigent).

76 CHPC, [Evidence](#), 7 February 2022, 1650 (Jacoba Knaapen, Member of Steering Committee, Canadian Arts Coalition).

77 CHPC, [Evidence](#), 9 February 2022, 1615 (Sophie Prigent).

78 CHPC, [Evidence](#), 7 February 2022, 1555 (Eleanor Noble).

79 See: CHPC, [Evidence](#), 7 February 2022, 1625 (Sarah J.E. Iley); and CHPC, [Evidence](#), 2 February 2022, 1710 (John Morgan Lewis).



conditions.”⁸⁰ Lastly, Ms. Charette was also of the opinion that this measure should be implemented.⁸¹

Tax Credit Program for Performances

Some witnesses called for a new tax credit to support event organizers. In their joint brief, the Canadian Commercial Theatre League and Mirvish Productions made the following recommendation:

Implement a tax Credit/Rebate program in similar scope to the existing Canadian Film or Video Production Tax Credit ..., a refundable tax credit on labour expenditures and production costs for live productions produced, co-produced or presented by Canadian-based companies.⁸²

When he appeared before the Committee, Mr. Rubinoff added: “that tax credit would make an enormous difference to getting Canadian stories not only on our stages but launching them around the world.”⁸³

Mr. Lewis also referred to the existing Canadian film or video production tax credit, adding that its benefits are clear.⁸⁴ Ms. Prigent said that this new tax credit could be one of the forms of assistance to implement.⁸⁵

Support for Returning to Live Events

During the Committee’s previous study, the matter of returning to live events was raised on many occasions. Referring to survey results, witnesses explained that audiences would need time before they were willing to return to in-person performances.

Echoing this point, witnesses during this study added that they believe a new government program is necessary to encourage this return and reassure members of the public when it is safe to do so. As Mr. Julien explained:

80 CHPC, [Evidence](#), 14 February 2022, 1600 (Rachel Morse).

81 CHPC, [Evidence](#), 7 February 2022, 1710 (Annick Charette).

82 Canadian Commercial Theatre League and Mirvish Productions, [Brief](#), 4 February 2022, p. 6.

83 CHPC, [Evidence](#), 9 February 2022, 1625 (Michael Rubinoff).

84 CHPC, [Evidence](#), 2 February 2022, 1555 (John Morgan Lewis).

85 CHPC, [Evidence](#), 9 February 2022, 1655 (Sophie Prigent).

Shared leadership and direct government assistance will be needed to rebuild consumer confidence. We have to shift the public perception of a live performance from a hazardous activity, as it currently stands, to a healthy and positive activity.⁸⁶

Mr. Mustakas shared his view as follows:

[I]t's imperative that the government launch a comprehensive marketing, communications and PR strategy that alleviates the fear and stigma many Canadians will feel upon a return to social events. We need a message of positivity, of respect and of kindness, as many need help getting out of that rabbit hole of the deepest, darkest depths of despair.⁸⁷

Mr. Roy, meanwhile, called to “remove the stigma”⁸⁸ from arts and entertainment and encourage the public to return to attending events in person. Ms. Hall, Ms. Prigent and Mr. Ford each underscored that the federal government and public health organizations have a role to play in encouraging audiences to return.⁸⁹

Ms. Morse pointed out the need to reassure seniors, in particular: “They were told that the virus was more dangerous for them than for other age groups, and they were asked to stay at home. We will certainly have to do a lot of work to restore the confidence of these audience members.”⁹⁰

Ms. Falconer pointed out a similar need for her institution:

[O]ur younger audiences are much more ready to come back. We do find it more challenging ... with the older audiences. They're quite reluctant to be in crowds. In fact, we've been reaching out directly to quite a few of them and offering to bring them in when the gallery is closed to the public, so they can feel secure.⁹¹

While she supported a government campaign to encourage members of the public to attend events in person, Aubrey Reeves, President and CEO of Business / Arts, told the Committee that it is important for the cultural industry to be in charge:

In terms of being able to start that messaging around the safety of these venues, I think there are a couple of things to keep in mind. One, the arts community knows their own

86 CHPC, [Evidence](#), 2 February 2022, 1540 (Frédéric Julien).

87 CHPC, [Evidence](#), 2 February 2022, 1550 (Alex Mustakas).

88 CHPC, [Evidence](#), 2 February 2022, 1625 (Martin Roy).

89 See: CHPC, [Evidence](#), 2 February 2022, 1555 (Alica Hall); CHPC, [Evidence](#), 2 February 2022, 1640 (Scott Ford); CHPC, [Evidence](#), 9 February 2022, 1615 (Sophie Prigent).

90 CHPC, [Evidence](#), 14 February 2022, 1630 (Rachel Morse).

91 CHPC, [Evidence](#), 14 February 2022, 1625 (Shelley Falconer).



audience. If there are funds to be dedicated to marketing and PR efforts, I think it should be an industry-led approach so that those funds can be allocated and targeted at niche audiences.⁹²

Similarly, Mr. Stacey called for theatre owners and operators to be able to choose how many tickets to sell for each show, explaining that some audience members may prefer to attend a show offered at 50% capacity rather than a full house.⁹³

In the sport sector, similar requests were made by Mr. Huisman and Ms. Paul, who both called for increased media awareness and a publicity campaign.⁹⁴

In addition, some witnesses told the Committee that, beyond encouraging Canadians to attend events, a campaign is also needed to encourage them to be more active. As Ms. Sandmeyer-Graves explained:

I think we want to be encouraging people to be active. We want to be encouraging people to re-engage and resume their participation. As much as possible, I think, the sport system has done a wonderful job of responding to the restrictions and to adapting and ensuring that things are safe. We now need to inspire confidence in people to return.⁹⁵

To achieve that goal, Sharon Bollenbach, CEO of Special Olympics Canada, recommended encouraging people to return to sport by emphasizing “that it has physical health benefits and mental health benefits.”⁹⁶

Specific Support for Diverse Communities

Witnesses described the barriers that diverse communities face. They believe a more equitable approach could help these communities overcome them.

92 CHPC, [Evidence](#), 9 February 2022, 1630 (Aubrey Reeves, President and Chief Executive Officer, Business / Arts).

93 CHPC, [Evidence](#), 9 February 2022, 1705 (Boomer Stacey).

94 CHPC, [Evidence](#), 7 February 2022, 1605 (Kelly-Ann Paul). See also: CHPC, [Evidence](#), 7 February 2022, 1700 (Terry Huisman).

95 CHPC, [Evidence](#), 14 February 2022, 1645 (Allison Sandmeyer-Graves).

96 CHPC, [Evidence](#), 14 February 2022, 1650 (Sharon Bollenbach, Chief Executive Officer, Special Olympics Canada).

During her appearance before the Committee, Barbara Kaneratonni Diabo, Chair of the Grand Council of the Indigenous Performing Arts Alliance, explained how this situation is affecting Indigenous artists:

Many of our artists echoed the same challenges as non-indigenous artists' voices, for example, lack of work, financial struggles, depression, feeling unsafe, general insecurity and feeling isolated. Some additional challenges were the loss of connection to community and culture, less support, fewer resources and opportunities available in more isolated indigenous communities, misunderstanding or ignorance of our art and culture that weakened support for us and difficulty living and navigating in a colonial system in fear of being forgotten.⁹⁷

Citing a study carried out by her organization, Ms. Kaneratonni Diabo told Committee members, "Only 29% of our respondents said they had personally accessed government or program-level support."⁹⁸

Mr. Stacey explained that funding is more limited for diverse artists:

We're seeing a huge increase in the prominence of culturally diverse BIPOC companies, queer companies, companies that are artists who traditionally have been marginalized and are having a challenge accessing funds on a sustainable level.⁹⁹

Similarly, Ms. Hall pointed this out to the Committee:

The other issue is around the administration of these funding programs through organizations like the Canada Council. Nia Centre is one of the few Black arts organizations that is supported with core operating funding through the council, but historically, Black arts organizations haven't been funded through such organizations because we're not necessarily seen as traditional arts infrastructure. When we think of traditional arts and high arts, we think of opera, theatre and ballet, yet in the past decade we've seen incredible artists come out of our city and put Canada on the world map.¹⁰⁰

Finally, regarding the effects of limited access to broadband Internet, Ms. Kaneratonni Diabo made the following observation about Indigenous artists and communities:

97 CHPC, *Evidence*, 14 February 2022, 1605 (Barbara Kaneratonni Diabo, Chair, Grand Council, Indigenous Performing Arts Alliance).

98 Ibid.

99 CHPC, *Evidence*, 9 February 2022, 1705 (Boomer Stacey).

100 CHPC, *Evidence*, 2 February 2022, 1555 (Alica Hall).



Regarding Internet, how can we be competitive? How can we even start to involve ourselves in this transformation in which so many people are going virtually now, when so many communities can't even have that access? It would be so important to have that access and to be able to bring it and at least have that competitive edge as everyone else does.¹⁰¹

CONCLUSION AND RECOMMENDATIONS

Over the course of this follow-up study on the effects of the COVID-19 pandemic on the arts, culture, heritage and sport sectors, the Committee learned that the artists, athletes and workers in each of these sectors have demonstrated great resilience over the past two years. However, it has not been easy for all to get the support they would like to see from the federal government.

Thanks to the many witnesses who appeared as part of these two studies, it became clear to the Committee that getting back to normal will not happen right away or automatically. That is why the Committee is making recommendations to provide more funding over a longer period to ensure that these sectors can experience a sustainable recovery. Furthermore, the Committee recognizes that some gaps remain in the funding allocated by the Department of Canadian Heritage, and it recommends addressing these gaps so that funding is more inclusive and fairer.

The Committee further asks for current programs to be modernized to better address the needs of ever-changing sectors, particularly through an increased focus on infrastructure and digital solutions. It also addresses the issue of audience confidence by calling on the federal government to encourage their safe return to live events while supporting the sectors with specific measures until then. Finally, the Committee looks to financial measures such as tax relief and credits as one of the strategies required to ensure the recovery.

Therefore, the Committee recommends:

Recommendation 1

That the Government of Canada support the digital transition of arts, culture, and heritage organizations, including through the use of small pivot grants (micro-grants) for projects such as building websites and digital supports.

101 CHPC, *Evidence*, 14 February 2022, 1655 (Barbara Kanerattoni Diabo).

Recommendation 2

That the federal government support the commercial theatre sector by providing access to return to theatre support modeled on the Canadian Film or Video Production Tax Credit, as well as COVID-19 recovery funding, to support the sector in its recovery and long-term sustainability.

Recommendation 3

That the Government of Canada overhaul its National Museum Policy to support both the recovery and long-term sustainability of the museum sector.

Recommendation 4

That the Government of Canada improve equity and inclusion in its COVID-19 recovery funding by:

- **increasing the overall investment and accessibility to funding for historically overlooked and marginalized organizations, such as Indigenous and Black arts organizations and artists; and**
- **simplifying and accelerating application and assessment processes at the Canada Council for the Arts and Canadian Heritage to make them more accessible to organizations that have not historically received assistance.**
- **consider the unique circumstances of organizations that serve official language minority communities, racialized, Indigenous, LGBTQ2+ and remote communities to ensure they are able to access COVID-19 supports equitably.**

Recommendation 5

In helping to alleviate the financial impacts of the COVID-19 pandemic on Canadian not-for-profit professional arts and heritage organizations, and recognizing the aging of existing cultural infrastructure and spaces, that the Government of Canada:

- **increase the funding available under the Canada Cultural Spaces Fund; and**
- **look at the long-term effects the pandemic has had on cultural infrastructure and provide strategic investments to address them.**



Recommendation 6

That the federal government accelerate the reform of the Employment Insurance program to expand eligibility to self-employed workers, particularly those in the cultural and artistic field, in order to address the lack of a society safety net as evidenced by the COVID-19 pandemic.

Recommendation 7

That the Government of Canada:

- **extend emergency relief and re-opening support programs to the hardest-hit sectors until public health measures have been lifted and consumer confidence has been fully restored; and**
- **reinvest additional support and stimulus funds into the existing funds of Canadian Heritage, the Canada Council for the Arts, the National Film Board of Canada and the Canadian Broadcasting Corporation to support the cultural industry.**

Recommendation 8

That the federal government use tax relief and tax credits, where appropriate, as a key strategy for supporting arts, culture, heritage and sport organizations.

Recommendation 9

That, when safe to do so, the federal government make significant efforts to encourage Canadians to return to live arts, culture, heritage and sporting events.

Recommendation 10

That the Government of Canada put in place permanent funding to support festivals and events that contribute to new cultural and economic growth by:

- **making permanent the investments made in 2019–2020 and 2020–2021, which were then extended by the Fall Economic Statement 2020 for 2021–2022 and by Budget 2021 for 2022–2023 and 2023–2024 (an increase of \$8 million/year for the Canada Arts Presentation Fund and \$7 million/year for the Building Communities Through Arts and Heritage Program);**

- **adding, as of 2022–2023, \$30 million in new funding for these programs (\$15 million each);**
- **establishing a mechanism to index program funding over the next five years that takes into account inflation and the growing number of festivals and events to be supported; and**
- **extending the Major Festivals and Events Support Initiative announced for 2021–2023 in Budget 2021 until 31 March 2024, adding \$100 million in new funding and expanding access to festivals and events with an annual revenue exceeding \$5 million.**

Recommendation 11

That the Government of Canada use various means to provide predictability for artists and creators, particularly by increasing the funding granted to the Canada Council for the Arts to target individual artists and the next generation of artists.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Canadian Association for the Performing Arts Frédéric Julien, Director Research and Development	2022/02/02	3
Drayton Entertainment Alex Mustakas, Artistic Director and Chief Executive Officer	2022/02/02	3
International Alliance of Theatrical Stage Employees John Morgan Lewis, International Vice-President and Director of Canadian Affairs	2022/02/02	3
Nia Centre for the Arts Alica Hall, Executive Director	2022/02/02	3
Regroupement des événements majeurs internationaux Martin Roy, Chief Executive Officer Festivals and Major Events	2022/02/02	3
SaskTel Centre Scott Ford, Executive Director	2022/02/02	3
Alliance of Canadian Cinema, Television and Radio Artists Lisa Blanchette, Director Public Affairs and Communications Eleanor Noble, National President	2022/02/07	4
Canadian Arts Coalition Sarah J.E. Iley, Member of Steering Committee Jacoba Knaapen, Member of Steering Committee	2022/02/07	4

Organizations and Individuals	Date	Meeting
Canada Games Council Kelly-Ann Paul, President and Chief Executive Officer	2022/02/07	4
Canadian Museums Association Heather George, Curator Michael Wallace, President	2022/02/07	4
Fédération nationale des communications et de la culture Annick Charette, President	2022/02/07	4
Lethbridge Hurricanes Hockey Club Terry Huisman, General Manager Business Operations	2022/02/07	4
As an individual Michael Rubinoff, Producer Canadian Commercial Theatre League	2022/02/09	5
Business / Arts Aubrey Reeves, President and Chief Executive Officer	2022/02/09	5
Canadian Live Music Association Erin Benjamin, President and Chief Executive Officer	2022/02/09	5
Mirvish Productions Ltd. Kendra Bator, Associate General Manager	2022/02/09	5
Professional Association of Canadian Theatres Boomer Stacey, Executive Director	2022/02/09	5
Union des Artistes Sophie Prigent, President	2022/02/09	5
Art Gallery of Hamilton Shelley Falconer, President and Chief Executive Officer	2022/02/14	6
Canadian Art Museum Directors Organization Alexandra Badzak, President Jean-François Bélisle, Vice-President	2022/02/14	6
Canadian Women and Sport Allison Sandmeyer-Graves, Chief Executive Officer	2022/02/14	6

Organizations and Individuals	Date	Meeting
Conseil québécois du théâtre Rachel Morse, Co-Chair	2022/02/14	6
Indigenous Performing Arts Alliance Barbara Kanerattoni Diabo, Chair Grand Council	2022/02/14	6
Special Olympics Canada Sharon Bollenbach, Chief Executive Officer	2022/02/14	6
Department of Canadian Heritage David Dendooven, Assistant Deputy Minister Strategic Policy, Planning and Corporate Affairs Isabelle Mondou, Deputy Minister Joëlle Montminy, Senior Assistant Deputy Minister Thomas Owen Ripley, Associate Assistant Deputy Minister Hon. Pablo Rodriguez, P.C., M.P, Minister of Canadian Heritage	2022/02/28	8

APPENDIX B LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

43rd Parliament – 2nd Session

Organizations and Individuals	Date	Meeting
Department of Canadian Heritage David Dendooven, Assistant Deputy Minister Strategic Policy and Corporate Affairs H��l��ne Laurendeau, Deputy Minister Jean-St��phen Pich��, Senior Assistant Deputy Minister Cultural Affairs	2020/10/30	3
Diversified and Event-Funded National Sports Organizations Katherine Henderson, Chief Executive Officer Curling Canada	2020/11/23	7
Fringe Theatre Adam Mitchell, Executive Director	2020/11/23	7
Orford Music Wonny Song, Executive and Artistic Director	2020/11/23	7
Regroupement des ��v��nements majeurs internationaux Martin Roy, Chief Executive Officer Festivals and Major Events	2020/11/23	7
Segal Centre for Performing Arts Lisa Rubin, Executive and Artistic Director	2020/11/23	7
Union des Artistes Sophie Pr��gent, President Pascale St-Onge, President of F��d��ration nationale des communications et de la culture	2020/11/23	7

Organizations and Individuals	Date	Meeting
Association des médias écrits communautaires du Québec Yvan Noé Girouard, Director General	2020/11/27	8
Association québécoise de l'industrie du disque, du spectacle et de la vidéo Solange Drouin, Vice-President and Executive Director Public Affairs	2020/11/27	8
Drayton Entertainment Alex Mustakas, Artistic Director and Chief Executive Officer	2020/11/27	8
Music Canada Patrick Rogers, Vice-President Corporate Affairs	2020/11/27	8
News Media Canada John Hinds, President and Chief Executive Officer	2020/11/27	8
Rosebud Centre of the Arts Bob Davis, General Manager Old Trout Puppet Workshop, Volunteer Board Governor Paul Muir, Education Director	2020/11/27	8
Arts Commons Alex Sarian, President and Chief Executive Officer	2020/11/30	9
Canadian Association for the Performing Arts Frédéric Julien, Director Research and Development	2020/11/30	9
Catherine C. Cole & Associates Catherine C. Cole, Principal Consultant	2020/11/30	9
ParticipACTION Elio Antunes, President and Chief Executive Officer	2020/11/30	9
Regroupement des festivals régionaux artistiques indépendants Clément Turgeon Thériault, Director General	2020/11/30	9
Réseau indépendant des diffuseurs d'événements artistiques unis Julie-Anne Richard, Director General	2020/11/30	9

Organizations and Individuals	Date	Meeting
Calgary Stampede Dana Peers, President and Chairman of the Board	2020/12/04	10
Canadian Olympic Committee David Shoemaker, Chief Executive Officer and Secretary General	2020/12/04	10
Canadian Parks and Recreation Association Cathy Jo Noble, Chief Executive Officer Mike Roma, President	2020/12/04	10
Carnaval de Québec Mélanie Raymond, General Director	2020/12/04	10
Fédération culturelle canadienne-française Marie-Christine Morin, Executive Director Martin Théberge, President	2020/12/04	10
Qaggiavuut! Nunavut Performing Arts Society Pitseolak Pfeifer, Executive Director	2020/12/04	10

APPENDIX C LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Canadian Art Museum Directors Organization

Canadian Association for the Performing Arts

Canadian Commercial Theatre League

Canadian Parks and Recreation Association

Mirvish Productions Ltd.

Professional Association of Canadian Theatres

Special Olympics Canada

APPENDIX D LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

43rd Parliament – 2nd Session

Access Copyright

Alberta Ballet School

Arts Umbrella

Association of Canadian Publishers

Atelier lyrique de l'Opéra de Montréal

Atlantic Ballet Atlantique Canada

Banff Centre for Arts and Creativity

Beaverbrook Art Gallery

Black Theatre Workshop

Canada's Music Incubator

Canada's National Ballet School

Canada's Royal Winnipeg Ballet School

Canadian Actors' Equity Association

Canadian Association for the Performing Arts

Canadian Association of Fairs and Exhibitions

Canadian Dance Assembly

Canadian Endurance Sports Alliance

Canadian Museums Association

Canadian Opera Company

Centre for Indigenous Theatre

Dancer Transition Resource Centre

Debajehmujig Theatre Group

Directors Guild of Canada
École de danse contemporaine de Montréal
École nationale de l'humour
École supérieure de ballet du Québec
En'owkin Centre
Fédération culturelle canadienne-française
The Korean Dance Studies Society of Canada
Literary Press Group of Canada
Lunenburg Academy of Music Performance
Medalta
MT Space
Les Muses : Centre des arts de la scène
National Academy Orchestra of Canada
National Circus School in Montreal
National Theatre School of Canada
National Youth Orchestra of Canada
Native Earth Performing Arts
ParticipACTION
Professional Association of Canadian Theatres
Qaggiavuut! Nunavut Performing Arts Society
Rosebud Centre of the Arts
Royal Conservatory of Music / Glenn Gould School
School of Contemporary Dancers
The School of Toronto Dance Theatre
Soulpepper Theatre Company
Stratford Festival
Symphony New Brunswick
théâtre l'Escaouette
Theatre New Brunswick
Théâtre populaire d'Acadie

Yukon Arts Centre

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 3, 7 to 12 and 23](#)) from the 43rd Parliament, 2nd Session and ([Meetings Nos. 3 to 6, 8, 12, 15 and 33](#)) from the 44th Parliament, 1st Session is tabled.

Respectfully submitted,

Hon. Hedy Fry, P.C. M.P.
Chair

RECOVERY OF THE ARTS, CULTURE, HERITAGE AND SPORT SECTORS FOLLOWING THE COVID-19
PANDEMIC

SUPPLEMENTAL OPINION OF THE CONSERVATIVE PARTY OF CANADA

The Conservative Members of the Standing Committee on Canadian Heritage are grateful to the witnesses who appeared before the committee to share their experiences and recommendations regarding the Government of Canada's response to the COVID-19 Pandemic and the impact on the arts, culture, heritage, and sport sectors.

However, the Official Opposition is disappointed that rather than providing a thorough analysis of how impactful the emergency relief funds were in supporting workers in the arts, culture, heritage and sport sectors, the majority of Members on the Committee chose to use this study as a tool to advocate for a variety of loosely related policy proposals.

Conservatives are concerned that many of the recommendations included in the report call for further increases to government spending.

Conservatives recognize that if the arts, culture, heritage, and sport sectors are to recover from COVID-19 and have a vibrant future, it is imperative each of these sectors be financially stable without the need for government subsidies.

Conservatives are further concerned that more than two years after the introduction of COVID-19 into our lives, the majority of Members on the Committee continue to advocate for emergency relief funds rather than a strategy which would support the economic recovery of the arts, culture, heritage, and sport sectors.

In his written response to the Committee, David Dendooven, Assistant Deputy Minister, Strategic Policy, Planning and Corporate Affairs at the Department of Canadian Heritage, indicated that the Government has already spent \$405,403,388.96 since the beginning of the pandemic.

Yet, the witnesses representing the arts, culture, heritage, and sport sectors explained to the committee that many problems persist. It is clear to Conservatives that government spending is not an effective long-term solution.

Despite the overwhelming evidence received by witnesses calling on the Government of Canada to support the economic self-sufficiency of the industry, many of recommendations in the report call for continued financial support from the government. The suggestions that funding be extended or be made permanent are not in the interests of healthy, fair, or competitive industries.

Furthermore, Conservatives are disappointed the majority on the Committee chose to recommend increased spending to existing programs rather than focus on solving the ongoing

equity problems faced by Canada's overlooked and marginalized artists including Indigenous and Black artists.

It is concerning that many of the recommendations made by the Committee call on the Government to invest more money in the same institutions which have a history of ignoring systemically marginalized individuals and communities.

Lastly, Conservatives are concerned that the report calls for increased funding to the Canada Council for the Arts. Witnesses were especially critical the Liberal Government's continued practice of distributing funds through the Canada Council for the Arts as it has a history of distributing tax-payer money to only a select number of organizations. Conservatives believe it is a mistake for the Committee to recommend providing further dollars to this institution.

Conservatives are disappointed this study and this report were not as useful as it should have been.

Rather than provide specific and useful recommendations to improve government policies and programs, the majority of Members on the Committee chose to promote a continuation of inefficient government spending. More spending will neither help the arts, culture, heritage, and sport sectors recover from COVID-19 nor promote the development of modern, fair, and competitive industries.