

**Brief for the Pre-budget Consultations
In Advance of the Next Federal Budget**

The Groupe des onze

August 5, 2020

Recommendations

Recommendation 1: That the government expand the Canada Emergency Wage Subsidy (CEWS) to include arts spending by cultural organizations recognized by the Canada Council for the Arts.

Recommendation 2: That the government create a special fund to help the performing arts and museums sector by purchasing tickets that were not sold due to social distancing measures related to COVID-19.

Recommendation 3: That the government create a special matching fund with the provinces in order to revitalize Canada's arts and culture industry.

Recommendation 4: That the government temporarily expand the criteria of the Endowment Incentives component of the Canada Cultural Investment Fund to include donations for ongoing operations in an effort to encourage Canadians to support the arts and culture industry.

About the Groupe des onze

The Groupe des onze (G11) is a collective of 12 major cultural institutions in Montreal:

- Les Grands Ballets
- Maison Théâtre
- Montreal Museum of Fine Arts
- Opéra de Montréal
- Orchestre métropolitain
- Orchestre Symphonique de Montréal
- Bougie Hall
- Théâtre du Nouveau Monde
- TOHU
- Bibliothèque et Archives nationales du Québec*
- National Film Board of Canada*
- Place des Arts*

**Bibliothèque et Archives nationales du Québec, the National Film Board of Canada and Place des Arts have withdrawn from this initiative given their status as publicly funded organizations.*

Ten years ago, Montreal's major cultural institutions joined forces to broaden the influence of local arts and culture. Thus the G11 was born. This informal partnership led to interesting discussions about best practices and propelled the launch of joint projects to support education, new generations of artists, the democratization of culture, inclusivity and the promotion of local artists around the world.

The impact of COVID-19 on major cultural institutions

In March 2020, major cultural institutions had to cancel, without notice, their entire calendars of events due to orders prohibiting public gatherings. For the nine members who have signed this brief, this represents an average revenue loss of 22% for the 2019–2020 season alone, compared to projected earnings. The breakdown of lost revenue for these members is as follows:

- \$16.5 million in ticket and subscription sales;
- \$3.1 million in artistic product sales (e.g. art sales, talent fees and touring revenue);
- \$8.2 million in donations and sponsorships; and
- \$4.2 million in other revenue.

Although the pandemic has adversely impacted all arts and culture stakeholders, large institutions have been hit particularly hard because they manage significant assets (e.g., infrastructure such as halls and pavilions) and vast artistic and administrative teams, thus limiting their ability to reduce short-term costs.

Admittedly, large institutions were able to take advantage of the extraordinary measures introduced by the federal government, including the advance payment of funds by the Canada Council for the Arts and the wage subsidy. Nonetheless, we are still concerned for the 2020–2021 season because our financial projections indicate a total deficit (for the nine institutions) of \$26.6 million.

Why support major cultural institutions in Montreal and across Canada?

Not only has the arts and culture industry been among those hardest hit by lockdown and social distancing measures in Canada, but it will also be one of the last to bounce back. Canadians are legitimately concerned about the health risks of COVID-19 and as a result are less likely to visit art venues (performance and concert halls, museums, etc.) for the next several years. This is especially the case since some of our patrons are seniors, who are at greater risk.

As a result, it is vitally important that the federal government support the arts and culture industry so that artists, artisans, cultural workers and institutions, both large and small, can emerge from this crisis unscathed. Failure to do so will result in a string of bankruptcies and closures, causing talented individuals to flock to other, less affected industries. Should this happen, it will take, at the very least, a generation to rebuild that lost expertise.

Major cultural institutions play a crucial role in Canada's arts ecosystem. The brief's nine signatories alone account for \$31 million in annual arts spending, resulting in more than 4,000 contracts with artists and nearly 2,000 with cultural workers. In addition, the scale of our activities has helped build a world-class network of arts schools, since we provide job opportunities for both graduates and instructors. We also develop and maintain the often highly sophisticated expertise of various arts-related professions.

Above all, major cultural institutions, through their local profiles, serve as a gateway to culture for the general public. In Montreal, for example, somebody who attends only one symphony concert per year will probably go hear the Orchestre Symphonique de Montréal (OSM) or the Orchestre métropolitain; someone who visits only one museum per year will probably go to the Montreal Museum of Fine Arts; and a child introduced to theatre will probably attend the Maison Théâtre and then, as an adult, the Théâtre du Nouveau Monde.

In addition, the global profile of these major institutions helps showcase our society's values internationally, foster dialogue between nations and attract tens of thousands of tourists to our cities, a major driver of economic development.

Supporting Canada's major cultural institutions is tantamount to supporting the country's entire arts and culture ecosystem, in addition to keeping its large cities vibrant.

Our recommendations for the federal government

People who live in large cities, particularly Montrealers, are among those hardest hit by COVID-19. We cannot afford to compound their suffering by allowing our major cultural institutions, which help make up the life and soul of our cities, to disappear. We are therefore asking the federal government to introduce three extraordinary measures:

1. That the government expand the Canada Emergency Wage Subsidy (CEWS) to include arts spending by cultural organizations recognized by the Canada Council for the Arts.

It will be up to the government to determine the appropriate criteria. We recommend limiting this measure to arts spending for Canadian artists, and capping support at a reasonable amount based on straightforward expense categories (e.g., exhibitions, artists, solo artists).

2. That the government create a special fund to help the performing arts and museums sector by purchasing tickets that were not sold due to social distancing measures related to COVID-19.

The fund would reimburse a portion of the ticket sales lost due to public health measures introduced across Canada. Funding amounts could be calculated based on the ticket sales history of various cultural organizations, on the condition that they had a calendar of events prepared for the 2020–2021 season.

3. That the government create a special matching fund with the provinces in order to revitalize Canada's arts and culture industry.

This fund would be the continuation of the emergency fund created by the federal government at the start of the pandemic and would act as a stimulus fund to help the provinces and territories support local arts and culture industries based on their specific requirements, with the full weight of federal funding.

4. That the government temporarily expand the criteria of the Endowment Incentives component of the Canada Cultural Investment Fund to include donations for ongoing operations in an effort to encourage Canadians to support the arts and culture industry.

Endowment Incentives was created to encourage private donors to contribute to the endowment funds of not-for-profit, professional arts organizations, and has enabled several large institutions to create funds with a much longer-term perspective. Given the urgency of the situation, incentives for donors should be temporarily expanded in order to encourage more donations for ongoing operations.