

Minister  
of Canadian Heritage



Ministre  
du Patrimoine canadien

Ottawa, Canada K1A 0M5

October 20, 2022

The Honourable Dr. Hedy Fry, PC, MP  
Chair of the Standing Committee on Canadian Heritage  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Dr. Fry:

Pursuant to Standing Order 109 of the House of Commons and on behalf of the Government of Canada, I am pleased to provide you with the Government Response to the Report of the Standing Committee on *Arts, Culture, Heritage, and Sport Sector Recovery from the Impact of COVID-19*.

The Government is grateful to the members of the Committee for their ongoing focus on the recovery of the arts, culture, heritage, and sport sectors. Furthermore, the organizations and individuals who collaborated with the Committee by submitting briefs and appearing as witnesses must be acknowledged: their input was and is invaluable. The Government echoes the Committee in its view that the artists, athletes, and cultural workers in these sectors have demonstrated tremendous resilience over the past few years.

The Government has made historic investments to sustain these sectors, through the immediate impacts of COVID-19 and to position them for long-term competitiveness and growth. While significant progress on recovery has been made, as of Q1 2022, recovery in certain areas remains uneven. Despite signs of some growth in the heritage, libraries, and live performance sub-sectors, GDP levels in these sub-sectors remain below pre-pandemic levels, and the latter is lagging in terms of job growth. Meanwhile, other sub-sectors, such as audio-visual and interactive media, as well as visual and applied arts have surpassed pre-pandemic levels, both in terms of GDP and jobs.<sup>1</sup>

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<sup>1</sup> As of Q1 2022, [National Culture Indicators](#), Statistics Canada.

Continued recovery of all these sectors is critical. This is not only because it will benefit the 766,196<sup>2</sup> workers employed in these sectors, but also because of the importance of these sectors to Canada's economy and society. These sectors are economically diverse. They are crucial for both national GDP and local economies, and they are defining elements of Canada's trade relationships, tourism industry and diplomatic activities. The pandemic has highlighted the importance of the arts, culture, heritage, and sport sectors in bringing people together and celebrating the vitality of our country and its diverse regions and communities. These sectors remain critical to social transformation in response to a range of issues, such as reconciliation, systemic racism, and climate change.

The Government agrees with the Committee's assessment that the loss of workers, supply chain complications, audience hesitancy and challenging public health conditions have contributed to a delayed recovery for some sectors, and that the pandemic has disproportionately impacted marginalized communities as well, including within the sectors studied by the Committee. Many organizations and business models in the arts, culture and heritage sectors also struggled for viability during the pandemic, due to underlying economic pressures, core business interruptions and widespread public health restrictions causing loss of revenue from live events.

In this context, the Government shares the Committee's view that a complete recovery across Canada's arts, culture, heritage and sport sectors may take further time. Many sectors – particularly those hardest hit – may need continued support in their recovery, especially to foster long-term competitiveness and growth. As well, the Government agrees that additional measures are required, in particular for marginalized and equity-deserving communities in these sectors.

Throughout COVID-19, to ensure that supports provided respond to the needs and priorities of Canadians, the Government has met with and listened to representatives from across sectors. In Fall 2020, my predecessor, Minister Steven Guilbeault, held events seeking the views of over 4,000 participants to understand how the Government could best support sectors to build a stronger and more equitable recovery for Canadians.

Delivering on my 2021 mandate letter commitment to “[h]old[...] a national summit on plans to restart and position the arts, culture and heritage sectors for the future,” I also led the *National Culture Summit: The Future of Arts, Culture and Heritage in Canada* from May 2 to May 4, 2022. The Summit brought together and mobilized leaders and participants from across the country from the arts, culture, and heritage sectors. Together, we held a national conversation on resilience, sustainability and the transformation of the arts, culture, and heritage sectors across Canada. Approximately 400 people attended the Summit in person at the National Arts Centre in Ottawa, and over 1,000 people from across the country participated online.

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<sup>2</sup> As of Q1 2022, [National Culture Indicators](#), Statistics Canada.

Drawing on these engagements, I would like to outline significant Government actions in four thematic areas that align with both the Committee's recommendations as well as the Summit's key themes. I would also like to expand on what we have heard in these engagements that can help guide future actions in these areas, namely: 1) promoting long-term competitiveness and growth; 2) the role of digital platforms in arts, culture, and heritage sectors; 3) helping the hardest-hit sectors recover, including through the return of visitors and audiences; and 4) ensuring equitable and inclusive arts, culture, heritage and sport sectors.

### **THEME 1: PROMOTING LONG-TERM COMPETITIVENESS AND GROWTH (Recommendations 3, 5, 6, 7b, 8, 11)**

The Government acknowledges the Committee's recommendations concerning increased and extended measures to address the needs of arts, culture, heritage, and sport sectors, including with respect to supplemental investments, and other supporting strategies such as tax measures, employment insurance for self-employed workers, as well as cultural infrastructure. In line with its previous responses, the Government also agrees that modernization of the Canadian Museum Policy is required to support museums for their recovery and long-term sustainability. A range of ongoing measures that are well-aligned with these recommendations are currently in place and the Committee's recommendations will continue to inform actions to promote long-term competitiveness and growth for these sectors.

#### **Supplemental investments between 2020-21 and 2022-23**

In line with the Committee's recommendations concerning additional support and stimulus funds, and as outlined in the report, the Government has already provided historic levels of supplemental support, first to sustain the arts, culture, heritage and sport sectors through the closures and impacts of the pandemic, and subsequently to position them for long-term competitiveness and growth as recovery continues.

At the onset of the pandemic, the COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations ('Emergency Support Fund') provided \$500 million for one year (2020-21) of immediate support through a number of programs delivered by Canadian Heritage and Portfolio organizations. The Fund provided critical and immediate support to over 10,000 organizational recipients. The 2020 Fall Economic Statement then provided Canadian Heritage and the Canada Council for the Arts a further \$181.5 million over one year (starting in 2021-22) for arts and live events to fund projects that would incentivize the short-term contracting of cultural workers. Funding went to festivals large and small, to support live music as well as to individual creation and production projects undertaken by artists and arts groups. The Short-Term Compensation Fund for Canadian Audiovisual Productions, administered by Telefilm Canada, was introduced in Fall 2020 and subsequently extended to March 31, 2023, with a current envelope in 2022-23 of up to \$150 million.

Budget 2021 included further major infusions of funding for the arts, culture, heritage, and sport sectors. As outlined in the report, this totalled an unprecedented \$1.9 billion in new supports, including \$300 million over two years for the Recovery Fund for Arts, Culture, Heritage, and Sport Sectors ('Recovery Fund') and \$200 million over two years for the Reopening Fund to support local festivals, community cultural events, outdoor theatre performances, heritage celebrations, local museums, amateur sport events, and more. Recovery and Reopening Fund investments began in 2021-2022 and will continue throughout 2022-23.

In 2021-2022, Canadian Heritage provided \$133.2 million to eligible recipients through the Recovery Fund, and \$54.2 million to eligible recipients through the Reopening Fund, with the majority of delivery programs spending 100 per cent of their budget for the fiscal year. This funding supported nearly 1,200 heritage organizations to continue to care for their heritage collections; provided targeted recovery support for Canadian not-for-profit organizations in the professional arts presentation sector that operate their own venues; supported sport events such as Triathlon Canada's 2022 International Triathlon Union World Triathlon Sprint and Relay Championships and Cycling Canada's 2022 Union Cycliste Internationale's Nations Cup; and sustained local festivals from the Vancouver Dragon Boat Festival to the Fêtes de la Nouvelle-France. It helped sustain film festivals across Canada, including the Toronto Reel Asian International Film Festival, the Festival du cinéma international en Abitibi-Témiscamingue and Cinéfranco, and the Vancouver International Film Festival and Vancouver Asian Film Festival; it supported cultural spaces including La Société du Monument Lefebvre Inc., Cité des arts du cirque, the Northern Arts and Cultural Centre, and the Intrepid Theatre Company Society. And as investments continue throughout the current fiscal year, it will continue to support investment in hundreds of other communities and thousands of organizations across Canada.

The Department of Canadian Heritage, in collaboration with Portfolio delivery partners, is also conducting surveys of recipients of the Recovery and Reopening Funds. Initial results are expected in Fall 2022 and will enable the Government to not only measure the efficacy of this COVID-19 relief measure but also make evidence-based decisions to support the recovery and long-term growth and competitiveness of the arts, culture, heritage, and sport sectors.

The significant investments from Budget 2021 were reinforced by the additional support introduced in Budget 2022, totalling \$322.3 million over five years (starting in 2022-23) for Canadian Heritage and Portfolio organizations, which will support the arts, culture and heritage sectors hardest hit by the Omicron wave of COVID-19.

Together, these investments have resulted in unprecedented levels of federal support available the arts, culture, heritage, and sport sectors in recent years. For instance, the non-profit performing arts industries saw the largest increase in public sector grants to date in 2020, up 32.7% from 2018, with the primary driver of this growth being federal grant funding, which reached an all-time high in 2020 and made up 48.3% of total public sector grants. This funding included supplementary COVID-19 support programs in 2020, such as the Canada Emergency Wage Subsidy, the Emergency Support Fund and advance funding from the Canada Council for the Arts to help organizations meet financial challenges.

In addition to enhanced investments, the Committee also recommended other policy tools (specifically tax credits) as a means of providing targeted support for workers in the hardest-hit sectors. Support via tax credits is currently provided in select circumstances for specific sub-sectors, such as the Canadian Film or Video Production Tax Credit (CPTC) and the Film or Video Production Services Tax Credit (PSTC) for the film and video production industry. The CPTC provides Canadian production corporations with a refundable tax credit of 25 per cent of eligible labour expenditures, and the PSTC provides eligible production corporations that do not have sufficient Canadian content with a refundable tax credit of 16 per cent of qualified Canadian labour expenditures. Three tax measures were also introduced in Budget 2019 to support Canadian journalism: a refundable 25 per cent tax credit on salary or wages paid to eligible newsroom employees, a non-refundable 15 per cent tax credit on amounts paid by individuals for eligible digital news subscriptions and, finally, the creation of registered journalism organizations as a new category of “qualified donees.” The Government is continually reviewing tax proposals and recognizes the need to ensure the existing tax system is as fair and current as possible. In this respect, the Committee’s recommendations regarding tax credits are appreciated.

## **Supporting workers and organizations**

The Committee's Report also speaks to the precarity of self-employed workers in the arts, culture, and heritage sectors, and the need for predictability for both organizations and workers.

As emphasized by participants at the National Culture Summit, these issues pre-date the pandemic, but were aggravated because of COVID-19. Summit participants highlighted the critical importance of programs such as the Canada Emergency Response Benefit, the Canada Emergency Wage Subsidy and the Emergency Support Fund, as well as funding dispersed through Budgets 2021 and 2022. This support from the Government allowed many organizations to stay afloat and persevere during the public health restrictions that occurred between March 2020 and early 2022. Participants also emphasized the need for further supports, given the uneven recovery and ongoing challenges, and brought forward many proposed ideas. These ideas range from support to deal with the shift to a digital marketplace during COVID, to income averaging for artists and a Universal Basic Income for artists and cultural workers. It was suggested that all these initiatives could provide a stable source of revenue for artists and cultural workers, who must often grapple with unpredictable employment and a lack of social support benefits.

In recognition of these challenges, the Government has taken steps to provide greater predictability and support for new generations of cultural workers and emerging artists.

Funding for individual artists is undertaken through the Canada Council for the Arts as well as other Canadian Heritage Portfolio organizations. In particular, the Council has instituted measures for targeting support to new and emerging artists. For example, the Council's Creating, Knowing and Sharing: The Arts and Cultures of First Nations, Inuit and Métis Peoples program created an Aspiring Artist applicant profile to target support to emerging and aspiring Indigenous artists. As part of the \$181.5 million over one year (starting in 2021-22) mentioned earlier that was provided in the 2020 Fall Economic Statement for arts and live events, the Council delivered \$66 million in emergency support funding through its Explore and Create program, which primarily supports individual artists and groups to create, produce and disseminate artistic works. This infusion created many jobs for artists and cultural workers, as well as contributed to the artistic development of grant recipients in many different ways, including the creation of ambitious new works, the completion of longstanding projects, as well as the digitization of their practices. In addition, the Council also makes it easier for artists to apply for their first grant with a new and early career artist applicant profile.

Recent supports for arts and culture workers in precarious conditions have included: \$40 million over one year (2021-22) announced in the 2020 Fall Economic Statement for the Support for Workers in Live Arts and Music Sectors Fund, which supported live arts and music events, in person or online, and incentivized short-term contracting of artists, technicians, other supporting workers and service providers; and \$50 million over one year (2022-23) announced in the 2021 Fall Economic Statement for the Canada Performing Arts Workers Resilience Fund, which invests in sector-led and -delivered initiatives to provide financial and other supports to independent and self-employed workers in the live performance sector.

As well, the Government is exploring various options to expand its support to self-employed workers, including those in arts and culture. Employment and Social Development Canada is undertaking this work in support of the 2021 mandate letter commitment of the Minister of Employment, Workforce Development and Disability Inclusion to bring forward a longer-term plan to modernize Employment Insurance.

To hear from Canadians and inform the development of this plan, Employment and Social Development Canada held consultations over two phases in 2021 and 2022 on modernizing the Employment Insurance program. These comprehensive Employment Insurance consultations included a national online survey with over 1900 respondents, receipt of over 160 written submissions, and over 30 national and regional roundtables held with more than 200 stakeholders. As part of the consultations, there were three specific stakeholder roundtables related to self-employed workers on December 14, 2021, and June 22 and June 23, 2022, and also a workshop with experts in March 2022. These discussions focused on the income support needs of the self-employed, developing flexibilities within the existing Employment Insurance system to better accommodate self-employed workers, and the possibility of establishing a new income support benefit for self-employed workers.

Participants from the arts and cultural sectors played an important role in these discussions, ensuring that the concerns of workers in the sector were heard. The Government will release a long-term plan on the future of Employment Insurance, building on results from consultations and lessons learned from the COVID-19 pandemic.

### **Continuing the work to review the Canadian Museum Policy**

At the National Culture Summit, heritage sector representatives noted that although some museums were able to pivot to offer online exhibitions, tours, or other programming at the onset of the pandemic, many other institutions were struggling and required more support and funding to ensure the accessibility of their collections to all Canadians, including through a renewed Canadian Museum Policy.

Building on its response to the 2018 Standing Committee for Canadian Heritage Report *Moving Forward – Towards a Stronger Canadian Museum Sector*, and noting that the heritage sector remains deeply impacted by the ongoing impacts of the pandemic, the Government continues its work to review the Canadian Museum Policy, and anticipates launching public consultations in the fall of 2022 to gather heritage sector perspectives, including on supporting both the recovery and long-term sustainability of the museum sector.

### **Supports for cultural infrastructure**

The Committee also highlighted the importance of cultural infrastructure and the financial issues that art and heritage organizations face. This was especially the case in respect to maintenance, compounded by recent challenges such as labour shortages, supply chain issues and inflation. This builds upon previous feedback from stakeholders in the arts, culture, heritage, and sport sectors who have emphasized that infrastructure investments or supports to venues are needed so equity-deserving groups can continue to have access to affordable space, training, and capacity-building, and that support for long-needed reinvestment in sport and recreational infrastructure is required.

The Government currently supports cultural infrastructure through the following programs:

- The Canada Cultural Spaces Fund at Canadian Heritage contributes to improved physical conditions for arts- and heritage-related creation, collaboration, presentation, preservation, and exhibition, and increases and improves access for Canadians to arts and culture. Building on Budget 2017 investments of \$300 million over 10 years (starting in 2018-19) in the Canada Cultural Spaces Fund for the Investing in Canada Plan, the Fund was also provided \$15 million for one year in 2021-22 (COVID Safe Reopening) and \$16 million over two years starting in 2021-22 (COVID Cost Overruns) through Budget 2021.
- The Community Spaces Fund at Canadian Heritage provides funding to official language minority communities to build new community and cultural spaces, renovate and upgrade infrastructure and multi-purpose spaces in more community centres not attached to educational institutions. Since 2019, it has invested nearly \$6 million in 18 new community infrastructure projects located in 15 communities across the country, including \$3.5 million in 2020-2021, with funding coming from the Action Plan for Official Languages.



- The Investing in Canada Infrastructure Program at Infrastructure Canada is a \$33 billion investment for a wide range of projects prioritized by provinces and territories, and which may include community, cultural and/or recreational initiatives. As announced in Budget 2017, the Investing in Canada Infrastructure Program had committed \$1.3 billion over the next decade in support for cultural and recreational infrastructure.
- The Cultural Spaces in Indigenous Communities Program at Crown-Indigenous Relations and Northern Affairs Canada is a new contribution program that supports Indigenous communities in re-establishing and revitalizing cultural spaces. The program offers opportunities for Indigenous women, girls and 2SLGBTQQIA+ individuals to access culture and language, and strengthen identities. Budget 2021 announced \$108.8 million over two years for the program, starting in 2021-2022.

Those cultural infrastructure programs are complemented by bilateral federal-provincial/territorial agreements that support social infrastructure, including cultural facilities.

The Government thanks the Committee for its recommendations related to cultural infrastructure and will consider them further in future policy decisions.

## **THEME 2: THE ROLE OF DIGITAL PLATFORMS IN ARTS, CULTURE AND HERITAGE SECTORS (Recommendation 1)**

The Government agrees with the Committee that digital tools have been vital to arts, culture, and heritage organizations, both as part of their regular activities and in response to a need to pivot their business practices due to the pandemic, and that support to facilitate this digital transition as the recovery continues is essential where appropriate.

Arts, culture, and heritage participants at the National Culture Summit also noted that the digital transition presented an opportunity to share more content and programming. Going digital allowed some organizations to reach out to different audiences and communities as well as to open access to new domestic and foreign markets. Others pointed out that the hybrid model can be twice the work without additional support, and that barriers exist in accessing new technologies, both in terms of digital literacy and digital infrastructure.

Also cognizant of these needs, the Government is considering avenues to further Canada's digital transformation, including potentially through a new audio-visual policy framework. The Government recognizes that what happens online influences what happens everywhere else, on Canada's stages, at festivals, in museums, public libraries, in the streets, and in communities.

Accordingly, it has introduced two bills: Bill C-11, the *Online Streaming Act*, for online platforms to contribute to the creation and distribution of Canadian works as well as broadcasting policy objectives alongside traditional broadcasters; and Bill C-18, the *Online News Act*, to implement revenue sharing when online platforms feature material by Canadian news media. The Government is also planning a future bill on online safety, to foster safe and respectful spaces online while respecting freedom of expression.

The Government has also supported arts, culture, and heritage sector organizations in developing the tools to engage in the digital world, including in building websites and digital supports, and in being responsive to the cultural and social changes brought about by the digital transition. This support has been rolled out through many current Canadian Heritage programs and Portfolio organizations, as well as through additional initiatives. For example:

- **Digital initiatives**, which provide support for museums and Portfolio organizations to enable a greater access to their collections for all Canadians. Examples include the Digital Access Component of the Museums Assistance Program, Telefilm Canada's *Canadian Cinema – Reignited* initiative, and \$25 million over three years (starting in 2022-23) provided in Budget 2022 to Library and Archives Canada for the digitization of millions of documents relating to the federal Indian Day School System.
- **Digital promotional strategies** such as digital marketing, social media, mobile applications, new market expansion measures, initiatives to optimize online sharing and public accessibility, such as through building websites, platforms and other online purchasing sites are in some cases funded by existing programs as part of eligible projects or activities. Examples include the Canada Cultural Investment Fund, the Canada Arts Presentation Fund, the Canada Arts Training Fund, the Local Festivals component of the Building Communities through Arts and Heritage program, the Canada History Fund, the Canada Music Fund, the Canada Book Fund and the Canada Periodical Fund. In addition, several Telefilm Canada programs have bolstered support for the audiovisual industry on digital initiatives.
- **Initiatives for the creation of digital content** are being developed to fill a gap in more traditional programming. For example, the New Media program at the Indigenous Screen Office, which is funded by Canadian Heritage, currently provides support to Indigenous screen-based content creators to produce new media projects (game design, augmented reality/virtual reality/extended reality, apps, podcasts and narratives audio/visual immersive projects). In addition, the Canada Council for the Arts' Digital Now Initiative funded groups, collectives and arts organizations to adapt existing works or create new ones to be shared online with various audiences.

- **New program components for increasing capacity** are currently being implemented through support from Canadian Heritage and Portfolio organizations. For example, the Digital Generator and Digital Greenhouse components of the Canada Council for the Arts' Strategic Innovation Fund (2021-26) support short-term projects that leverage digital technology to address sectoral and digital challenges.

In addition to these existing measures, the Government will consider the Committee's recommendations on strategies to further support the ongoing digital transition in its ongoing efforts to support arts, culture, and heritage organizations in navigating the digital transition.

### **THEME 3: HELPING THE HARDEST-HIT SECTORS RECOVER, INCLUDING THROUGH THE RETURN OF VISITORS AND AUDIENCES (Recommendations 2, 7, 7a, 9, 10, 10a, 10b, 10c, 10d)**

The Government acknowledges the Committee's recommendations on supporting the hardest-hit sectors, including commercial theatre, live events, and festivals. The Government also acknowledges that the impacts of COVID were disproportionately damaging for the performing arts and heritage sectors, which rely on in-person audiences and/or visitors. Below are several significant, targeted, and time-limited measures that have supported the hardest-hit sub-sectors, a number of which are still supporting these sub-sectors in their recovery. The Government will also continue to monitor conditions in these sectors to inform appropriate next steps.

#### **Support for commercial theatre, live events, and festivals, and performing arts workers**

Stakeholders from the commercial theatre, live events and festivals sectors have echoed the message that their situation remains challenging, despite the recovery from the pandemic underway in some other sectors. As outlined by the Committee's Report, they have had to grapple with prolonged periods of audience uncertainty. Reluctance to return to in-person events, alongside a volatile public health environment, also delayed economic recovery for many organizations.

In order to meet the particular needs of the hardest-hit sectors, the Government has introduced a number of broad-based as well as targeted interventions to support performing arts organizations, sector workers, and festivals and events.

As it concerns the commercial theatre sector, Budget 2022 announced \$12.1 million over two years (starting in 2022-23) to the National Arts Centre to support the creation, co-production, promotion, and touring of productions with Canadian commercial and not-for-profit performing arts companies. This will include, as announced at the National Culture Summit, funding for the relaunch of *Come from Away*.

In addition, performing arts companies are also able to access ongoing federal funding programs such as the Canada Cultural Investment Fund, which funds collaborative projects and provides matching funds to donations for endowment funds.

To support workers in these hard-hit sectors, as noted earlier, the Canada Performing Arts Workers Resilience Fund is currently providing direct funding to independent, self-employed workers in the live performing arts sector who are experiencing financial hardship, and the Support for Workers in Live Arts and Music Sectors Fund stimulated short-term contracting of workers in these sectors. In addition, Budget 2021 allocated \$6 million over two years, starting in 2021-22, to the National Arts Centre to support collaborations with equity-deserving groups to help relaunch the performing arts sector.

In terms of support for festivals, current funding is provided through the Canada Arts Presentation Fund and the Local Festivals component of the Building Communities through Arts and Heritage program at Canadian Heritage. Additional time-limited resources, which will continue until the end of 2023-24, have been provided to those programs in previous Budgets and in the 2020 Fall Economic Statement, as stated above.

The Major Festivals and Events Support Initiative was announced in Budget 2021 to provide \$200 million over two years (starting in 2021-22) as a COVID relief and recovery support for major festivals and events. Delivered by four of Canada's Regional Development Agencies (Canada Economic Development for Quebec Regions, Federal Economic Development Agency for Southern Ontario, Prairies Economic Development Canada and Pacific Economic Development Canada), it complements Canadian Heritage support for smaller festivals and events. While most Regional Development Agencies do not support festivals and events through their core programs, a total of 21 major festivals and events projects have been approved under this time-limited initiative, covering 22 major festivals and events including the Pacific National Exhibition, the Calgary Stampede, the Montreal International Jazz Festival, and the Canadian National Exhibition in Ontario. The Regional Development Agencies are no longer accepting proposals under the Major Festivals and Events Support Initiative.

The Committee's recommendations pertaining to continued investments for festivals and events will be taken into consideration in future policy decisions regarding support for community development, economic recovery and future stability.

### **Fostering a return of visitors in the hardest-hit sectors**

The Committee's recommendations focus on the need to address the lingering effects of the pandemic on the hardest-hit sectors, including those reliant on live audiences. As both the Committee Report and stakeholders note, challenging public health conditions, rising inflation, and a general environment of unpredictability present immense challenges for live events.

In recognition of these challenges, the Government has created several programs to both support sectors through the immediate precarity of the pandemic and help relaunch in-person events. In June 2022, the Government commenced disbursement of \$50 million over one year through the Canada Arts and Culture Recovery Program, delivered through existing programming. This investment provides critical support to Canadian arts, culture and heritage organizations that have experienced revenue losses due to public health restrictions, capacity limits and hesitancy of audiences to return.

The Government is also committed to supporting the return of audiences and the rebuilding of revenue streams for organizations that rely on in-person attendance. Recent and ongoing investments with an emphasis on a return to live events include the Reopening Fund, which focuses on supporting live events and in-person culture and sport activities and is continuing throughout 2022-2023; the Celebrate Canada program; the Community Sport for All Initiative; and Telefilm Canada's *Retour Au Cinema* initiative, among others.

Canadian Heritage will continue to work with sector partners to support the return of audiences and visitors. For example, museums consistently rate highest in safety among visitor attractions, and Canada's national museums, with government support, are reintroducing on-site programs, events, and temporary exhibitions to encourage people to come and experience their institutions in person. Relevant programs include the provision of supports for a safe return to regular programming at the national museums, among others.

The Government will continue to monitor conditions in the hardest-hit sectors that depend on in-person attendance. As part of ongoing updates of policies and programs, Canadian Heritage will investigate how the recommendations put forward in the Committee's Report can guide these future actions.

**THEME 4: ENSURING EQUITABLE AND INCLUSIVE ARTS, CULTURE, HERITAGE AND SPORT SECTORS (Recommendations 4, 4a, 4b, and 4c)**

The Government agrees with the Committee’s assessment of the barriers faced by diverse and equity-deserving communities in the arts, culture, heritage, and sport sectors, and agrees that it is critical to address the pandemic’s disproportionately acute impacts on marginalized communities in Canada, including low-wage workers, young people, racialized workers, Indigenous Peoples, and women.<sup>3</sup> In this regard, the Government acknowledges the relevant recommendations related to increasing overall investment and accessibility to funding for historically marginalized communities and organizations and considering the unique circumstances of diverse communities in accessing COVID supports. Significant relevant work is under way to address these recommendations, and they will continue to be considered in decision-making and engagements on potential avenues of future action.

Concerns and issues raised in this report regarding disproportionate pandemic impacts on marginalized and Indigenous communities, including barriers to accessing government supports, are also reinforced by ongoing feedback from stakeholders, including at the National Culture Summit. Summit participants also highlighted a lack of members from diverse backgrounds serving on boards of arts organizations and cultural institutions in a leadership capacity across the country. They underscored the need for more meaningful participation and concrete action from non-Indigenous Canadians in efforts toward reconciliation and decolonization, language disparities causing barriers to the inclusion of Francophone audiences and markets on major tech platforms and placing greater pressure on Quebec artists, and a distinct gap in available data – especially when it comes to minority groups, Indigenous artists, Black cultural workers and other groups and audiences within Canada’s arts, culture, heritage and sport sectors.

In response to this input and to the issues outlined above, the Department of Canadian Heritage and Portfolio partners are already implementing multiple measures to increase overall investment and accessibility to funding for historically overlooked and marginalized organizations and communities, across the suite of programs and policies currently in place. While the Government recognizes that this is only the beginning, significant progress has been made to enhance the equity of its full programming suite.

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<sup>3</sup> The Labour Force Survey shows that while 7.4% of white Canadians were unemployed in 2020, the unemployment rate for Black Canadians and Indigenous Peoples was 75% higher. Similarly, the unemployment rate for Asian and other racialized Canadians was 66% higher than their white counterparts.

Recent Budget 2022 commitments include: \$22.5 million over five years (starting in 2022-23) and \$5 million ongoing to the Canada Arts Training Fund to both support the arts sector's recovery and address historic inequities in funding levels for Indigenous and racialized arts training organizations; \$9.2 million for one year (2022-23) to the Canada Council for the Arts under the Canada Arts and Culture Recovery Program to support some 200 organizations from Indigenous, culturally diverse, Deaf and disability and official-language minority communities that are currently receiving core grants and have been affected by the pandemic; and \$15 million for one year (2023-24) to support diverse and local stories in news media via the Changing Narratives Fund and the Local Journalism Initiative. More broadly, the Government has committed \$85 million over four years (starting in 2022-23) to support work on a new Anti-Racism Strategy and the development of a National Action Plan on Combatting Hate. To push back against religious discrimination, hateful rhetoric, and racism at home and abroad, the Government also committed \$5.6 million over five years (starting in 2022-23) and \$1.2 million ongoing to Canadian Heritage to support the Special Envoy on Preserving Holocaust Remembrance and Combatting Antisemitism as well as the new Special Representative on Combatting Islamophobia.

Within the sport sector, the Community Sport for All Initiative supports organized sport and helps community organizations kick-start local organized sports that are accessible to all. This funding seeks to remove barriers to participation in sport programming for equity-deserving groups, (in particular, Black, Indigenous, racialized, 2SLGBTQI+, low-income, persons with disabilities, and newcomers) to increase participation and retention in sport. This will help to recover some of the participation lost as a result of COVID.

The Government is also concerned with building back the sport sector so that it is more inclusive and welcoming. Budget 2022 provided an investment of \$16 million over three years (starting in 2022-23) to support actions to create a safer sport system. This includes support for the Office of the Sport Integrity Commissioner (the new Independent Safe Sport Mechanism), which will be mandatory for all national sport organizations by April 2023. It is an important step to make sport safer and more inclusive by providing a clear and reliable way for all participants in sport to report incidences of maltreatment. Budget 2022 also provided \$20 million over five years (starting in 2022-23) to support Indigenous sport leadership and increase culturally relevant sport programming for Indigenous children and youth. In addition, Budget 2021 provided \$14.3 million over five years (starting in 2021-22) and \$2.9 million annually ongoing to ensure that Indigenous women, girls and 2SLGBTQI+ people have access to meaningful sport activities through the Sport for Social Development in Indigenous Communities initiative.

To address historical and ongoing issues of equitable access across a broad range of programs, the Equity, Diversity and Inclusion Review is a two-year project at Canadian Heritage that aims to identify and address systemic barriers faced by equity-deserving communities in accessing departmental programming. A final report of the Review's findings will be available in 2023 and will inform future work to reduce systemic barriers such as those cited by the Committee's Report. In addition, through data collection efforts under the Recovery and Reopening Funds recipient surveys, the Department is seeking to assess impacts of funding on equity-deserving communities, as well as the representation of these communities in the leadership of recipient organizations. The surveys will also allow for disaggregated data to make intersectional analysis possible (such as by identifying barriers to accessing programs faced by equity-deserving communities).

In addition to working to improve access to new and future sources of funding, Canadian Heritage and Portfolio organizations are also working on an ongoing basis to ensure that their existing programs reach the full diversity of the Canadian population. Actions include:

- **Dedicated funding within existing programs for Indigenous, marginalized, underserved and official language minority communities**, with several programs administered by Canadian Heritage and Portfolio organizations allocating specific funding for underserved, marginalized and official language minority communities, inclusive of Indigenous, 2SLGBTQI+, racialized and disability communities. Examples include the Canada Media Fund; the Building Communities Through Arts and Heritage program; emergency funding disbursed by Telefilm Canada as part of funding to support the viability of Canadian arts, culture and heritage organizations; and the Creating, Knowing and Sharing: The Arts and Cultures of First Nations, Inuit and Métis Peoples program at the Canada Council for the Arts, among others.
- **Changes to terms and conditions and eligibility requirements for existing programs**, where Canadian Heritage and Portfolio organizations are making changes to existing terms and conditions and eligibility requirements for programs to broaden eligibility and better support marginalized, historically underserved, and Indigenous communities. Examples include the Museums Assistance Program; the Building Communities Through Arts and Heritage Program; the aforementioned Community Sport for all Initiative component of the Sport Support Program; the Canada Periodical Fund; and the Canada Music Fund. In addition, the Canada Council for the Arts has committed to increasing access to equity-deserving groups as part of its 2021-2026 Strategic Plan.



- **Partnerships with Indigenous communities in Canada**, with several programs designating specific funding for partnerships with Indigenous communities, artists, and creators. For example, the Canada Council for the Arts has recently launched co-delivery initiatives with the Inuit Art Foundation and the Government of Yukon, in the spirit of Indigenous sovereignty and self-determination. In addition, investments of \$453.1 million over five years (starting in 2021-22) and \$4.9 million per year ongoing were provided in Budget 2021 for initiatives that respond to the culture-related commitments of the *Federal Pathway to Address Missing and Murdered Indigenous Women, Girls and 2SLGBTQQIA+ People*, which is the federal contribution to the *National Action Plan: Ending Violence Against Missing and Murdered Indigenous Women, Girls, and 2SLGBTQQIA+ People* (MMIWG2S+ National Action Plan). Culture-related initiatives include support for Indigenous languages (led by Canadian Heritage), the Indigenous Screen Office (through funding from Canadian Heritage), digitization of Indigenous traditional knowledge and records (led by Library and Archives Canada), and the Cultural Spaces in Indigenous Communities Program (led by Crown-Indigenous Relations and Northern Affairs Canada), as mentioned above, while other relevant initiatives include funding for the Sport for Social Development in Indigenous Communities component of the Sport Support Program (led by Canadian Heritage, also mentioned above).

The actions provided above are a starting point. The Government can and will build on these initiatives with more action, to help foster safe, inclusive, and equitable arts, culture, heritage and sport sectors for everyone. In addition to the Committee's recommendations, the Government is also engaging directly with communities to learn more about their priorities and recommended next steps. For example, the consultations to develop a National Action Plan on Combatting Hate, the priorities reflected in the MMIWG2S+ National Action Plan and the Federal Pathway, as well as efforts to facilitate the engagement of young people in consultations, will continue to inform and guide the Government in its efforts to ensure that the arts, culture, heritage and sport sectors reflect the full diversity of Canada's communities, and foster a safe, inclusive, and equitable environment for all.

## CONCLUSION

As I outlined at the National Culture Summit, throughout the pandemic, these sectors found ways to share access to their collections, their exhibitions, and their performances with audiences across Canada and the world, bringing us together and sharing our stories in a difficult time. These sectors were here for us, providing meaning, comfort and belonging amidst change and uncertainty. And, in turn, the Government remains committed to supporting Canada's artists and cultural and heritage workers and their institutions and organizations in exploring areas of growth and change moving forward.

Canada's arts, culture, heritage, and sport sectors will continue to face the challenges outlined by the Committee in the months and years to come. The Government will use this Report, and continued engagement with our stakeholders and partners, to help build arts, culture, heritage, and sport sectors that reflect the vibrant diversity and enduring values of Canadian society, and that can grow and compete for the long term, at home and abroad.

On behalf of the Government, I would like to conclude by thanking the Committee once again for its in-depth examination of the lingering impacts of the COVID-19 pandemic and the need for timely and well-conceived recovery measures. I appreciate your dedication as parliamentarians to improving the lives of all Canadians, and to ensuring the viability and long-term growth of Canada's arts, culture, heritage, and sport sectors.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pablo Rodriguez', with a stylized, overlapping loop structure.

The Honourable Pablo Rodriguez, P.C., M.P.

c.c.: The Honourable Chrystia Freeland, P.C., M.P.  
The Honourable Dominic Leblanc, P.C., M.P.  
The Honourable Harjit S. Sajjan, P.C., M.P.  
The Honourable Carla Qualtrough, P.C., M.P.  
The Honourable Ahmed Hussen, P.C., M.P.  
The Honourable Ginette Petitpas Taylor, P.C., M.P.  
The Honourable Filomena Tassi, P.C., M.P.  
The Honourable Marc Miller, P.C., M.P.  
The Honourable Dan Vandal, P.C., M.P.  
The Honourable Pascale St-Onge, P.C., M.P.