

# UNTENABLE SITUATION AT CANADIAN HERITAGE:

**NO** to the planned  
decrease to the Canada  
Arts Presentation Fund

**NO** to abandoning  
Canadian performing  
arts presenters, festivals  
and events

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A brief for the House of Commons Standing Committee on Finance

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July 2023



**FAME**  
FESTIVALS AND MAJOR EVENTS  
FESTIVALS ET ÉVÉNEMENTS MAJEURS  
CANADA

## **Recommendations:**

- 1. In order to avoid an anticipated 25% decrease to the Canada Arts Presentation Fund (CAPF) as of April 1, 2024, and a 40% decrease to Building Communities Through Arts and Heritage (BCAH) as of April 1, 2026, make permanent the additions made to the base budget of these programs in 2019–2020 (+\$8 M/year to CAPF, + \$7 M/year to BCAH).**
- 2. To make a necessary historical catch-up and prevent the programs from being, in constant dollars, less funded than they were under the Conservative government in 2008, despite having more clients today, add an additional \$30M (\$21M to CAPF and \$9M to BCAH).**

**Festivals and Major Events Canada**, also known by the acronym FAME, has a direct and affiliated membership of over **500 members** of all sizes, in **nine provinces** across the country.

The coalition works closely with the **Regroupement des événements majeurs internationaux** (RÉMI), which consists of some 30 major events in Quebec, as well as with the following organizations: **Ontario Festival Industry Taskforce** (OFIT), **Événements Attractions Québec** (ÉAQ), **Event Atlantic**, **Atlantic Presenters Association** (APA), **Ottawa Festival Network** (OFN) and the **City of Charlottetown**.

## Context

- The base budgets for two of Canadian Heritage's most important programs, Building Communities Through Arts and Heritage (BCAH) and the Canada Arts Presentation Fund (CAPF), **have not been reviewed for some fifteen years**, and were established by the Harper government;
- Since then, **the number of clients and their needs have increased** both organically and as a result of the recent surge in inflation;
- To mitigate the chronic underfunding of both programs, the Trudeau government added \$15M overall in 2019–2020, **but only did so for two years**.

The screenshot shows a news article from CBC News. The top navigation bar includes the CBC logo, a 'MENU' dropdown, a search bar, and a 'Sign In' button. The main navigation menu below the bar includes 'NEWS', 'Top Stories', 'Local', 'Climate', 'World', 'Canada', and a 'More' dropdown. The article is titled 'From travel woes to inflation, music festivals face most unpredictable summer yet' and is categorized under 'British Columbia'. The text discusses inflationary pressures and labor shortages. The author is David Friend from The Canadian Press, and the article was posted on July 19, 2022, at 4:54 PM EDT, with the last update on July 19, 2022.

The screenshot shows an article from 'VANCOUVER IS AWESOME'. The header features the website's logo and a navigation menu with three horizontal lines. The main title of the article is "'Everybody is at risk': Why can't Vancouver keep a music festival going?'. A subtitle below the main title reads 'There will be more cancellations, predicts industry expert.' The author is Andre Paine, and the article was published on August 8th, 2022, at 7:01AM.

The screenshot shows an article from 'Music Week'. The header includes the website's logo and a navigation menu with a 'LOGIN' button, a search icon, and a menu icon. The main title of the article is 'Why inflation has become the next big test for the festival sector'. Below the title, it says 'by Andre Paine' and 'August 8th 2022 at 7:01AM'.

## Building Communities through Arts and Heritage (BCAH)

- Of this \$15M, \$7M has in fact been extended three times for BCAH, through 2025–2026, **but that amount is not even enough to maintain pre-pandemic funding levels**;
- Clients who received \$99,800 from BCAH before the pandemic received 38% less this year, down to \$61,700 for 2023–2024, and **this downward trend is only gaining momentum**. No event is receiving

In terms of the dollar volume of demand, the total amount requested increased from \$47.8 million in 2015-16 to \$64.5 million in 2020-21 (Table B-3). Demand increased the most for the Local Festivals component, from \$37.9 million in 2015-16 to \$54.3 million in 2020-21. (...)

Several BCAH funding recipients indicated that this funding is very important, as federal support enables local organizers to leverage funding from local municipalities and other sources. (...)

The scheduled ending of supplementary funding could lead to challenges.

The supplementary funding has been beneficial to recipients and has allowed for more continuity in funding for the larger recipient organizations. However, it has been difficult for recipients to

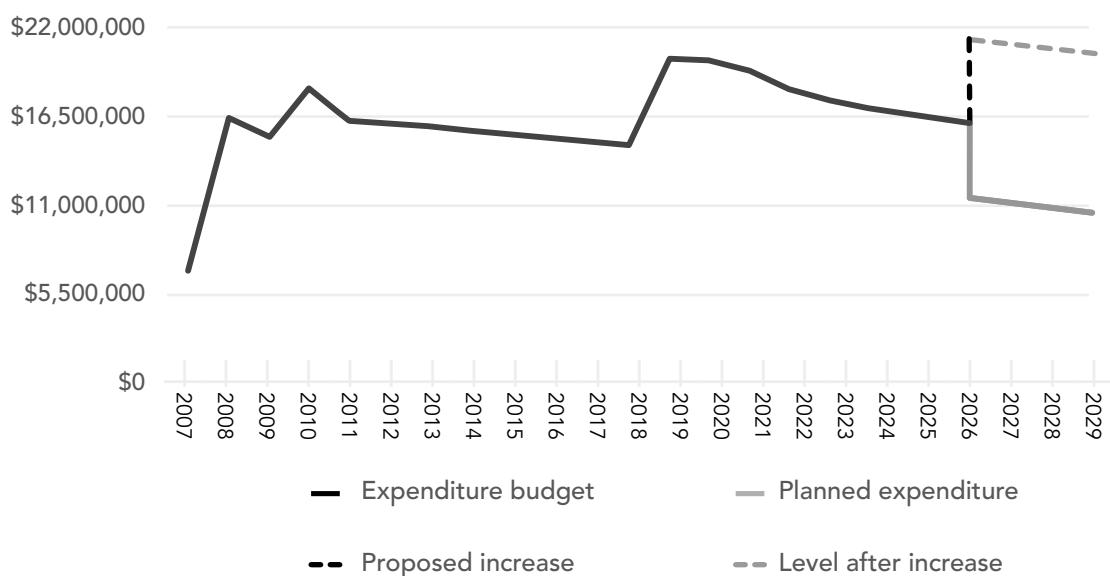
the \$200,000 maximum specified by the program (in practice, \$99,800 has become this year's maximum);

- By March 2024, BCAH funding levels in constant dollars (accounting for inflation) will be only 6% higher than in 2008, when the program was implemented. Between 2008 and 2023, inflation represented 37%.

plan for the additional funding, due to challenges faced by the Program in confirming approved supplemental amounts. More stable funding to the Program could provide greater stability. PCH key informants expressed concern with the end of temporary funding, as the \$7 million in supplementary funding for Local Festivals is scheduled to end on March 31, 2024 [editor's note: now extended to March 31, 2026]. While PCH managers are supportive of being able to fund all eligible applications, they noted that if demand continues to grow without increases to the Program's budget, then the amount of funding per project would decrease.

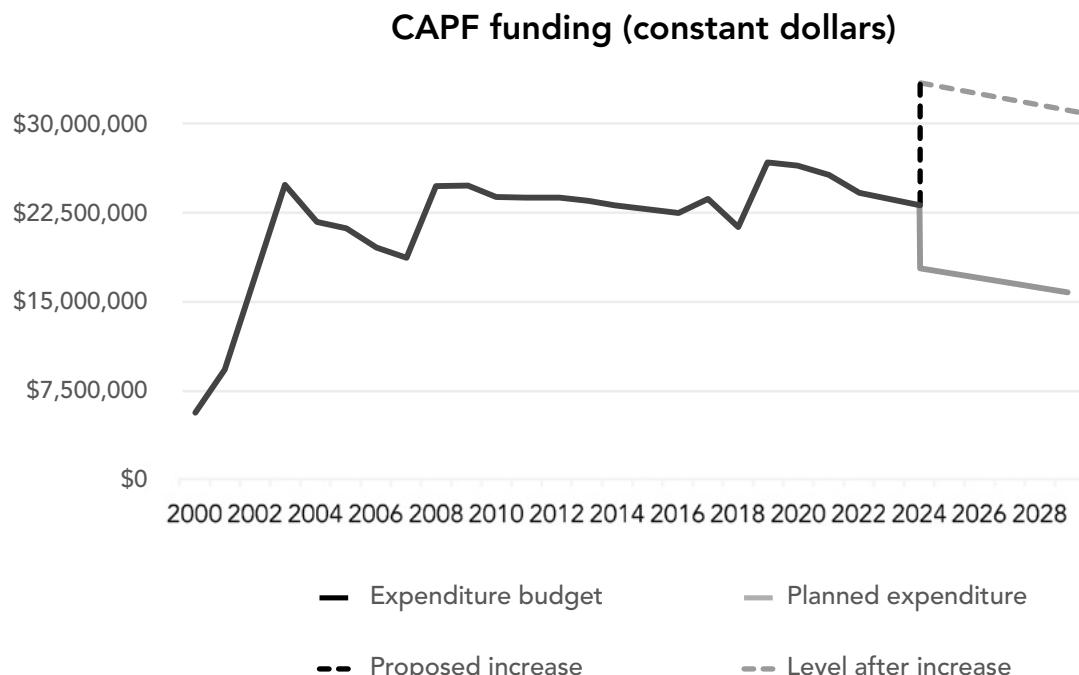
Source: <https://www.canada.ca/en/canadian-heritage/corporate/publications/evaluations/evaluation-building-communities-arts-heritage.html>

**BCAH funding (constant dollars)**



## Canada Arts Presentation Fund (CAPF)

- For CAPF, the one-off \$8M increase to the base budget in 2019–2020 has not been extended beyond 2023–2024, prompting concerns that current clients will experience **cuts of 25%** or more starting next spring, when the budget falls from around \$40M to around \$32M;
- If nothing is done between now and the next fiscal year, the CAPF budget for 2024–2025 will reach a **20-year low** (9% less than when it was created in 2003, in constant dollars);
- The investments recommended by FAME and other organizations would result in the CAPF budget being 38% higher than in 2003, while inflation over this period has been over 53%;
- Between 2018–2019 and 2021–2022, the number of clients supported by CAPF rose from 692 to 781, an increase of 13%.



## OTHER

- Concurrently, since 2016, the federal government has invested considerable sums in support of arts and culture:
  - Between 2016 and 2021, the government doubled the budget of the Canada Council for the Arts, from \$182M to \$360M per year.
  - In 2017, the government invested \$300M over 10 years in the Canada Cultural Spaces Fund.
  - In 2018, the government invested \$125M over 5 years to implement the Creative Export Strategy.
  - However, support for the performing arts sector and its dissemination in the domestic market remains the weak link in the federal funding and cultural policy framework.
- Over 1,500 clients are supported by Canadian Heritage's two major programs. These include venues, events and festivals.

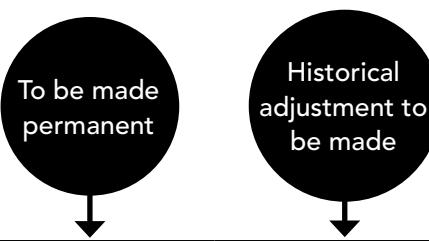
FAME therefore makes the following two recommendations:

#### RECOMMENDATION 1

In order to avoid an anticipated 25% decrease to the Canada Arts Presentation Fund (CAPF) as of April 1, 2024, and a 40% decrease to Building Communities Through Arts and Heritage (BCAH) as of April 1, 2026, make permanent the additions made to the base budget of these programs in 2019–2020 (+\$8 M/year to CAPF, + \$7 M/year to BCAH).

#### RECOMMENDATION 2

To make a necessary historical catch-up and prevent the programs from being, in constant dollars, less funded than they were under the Conservative government in 2008, despite having more clients today, add an additional \$30M (\$21M to CAPF and \$9M to BCAH).



Program	Base annual funding in 2018–2019	Additional investments in 2019	Recommended increases in 2023	Level of funding after increases
Canada Arts Presentation Fund	\$32.5M	\$8.0M*	\$21.0M	\$61.5M
Building Communities through Arts and Heritage	\$17.7M	\$7.0M**	\$9.0M	\$33.7M
<i>Total</i>	\$50.2M	<b>\$15.0M</b>	<b>\$30.0M</b>	\$95.2M

\* Will expire on March 31, 2024 if no action is taken

\*\* Expires on March 31, 2026