



# **WRITTEN SUBMISSION FOR THE PRE-BUDGET CONSULTATIONS IN ADVANCE OF THE UPCOMING FEDERAL BUDGET**

**CANADIAN LIVE MUSIC ASSOCIATION  
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# KEY RECOMMENDATIONS

## Recommendation 1

That the government support the long-term capacity of the live music sector and implement a permanent **\$50m Canadian Live Music Support Fund**.

## Recommendation 3

That the government implement permanent funding to support **festivals and events** for a new cultural and economic resurgence.

## Recommendation 2

Building on the Finance Committee's recommendations, that the government establish an **industrial strategy for the creative industries** to ensure sector growth and maintain global competitiveness.

## Recommendation 4:

That the government **provide qualified and limited financial support to live music, tourism, travel, hospitality, and events businesses** with significant revenue losses from September 2021 to May 2022.

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## | BACKGROUND

The Canadian Live Music Association (CLMA) represents the stages upon which our artists stand, both indoors and out, and the supply chain that surrounds them – we are behind the people *behind* live music. From small venues to Canada’s large-scale concerts, arenas and festivals, to performing arts centres, talent agents, production crew, freelance service providers, suppliers and many others.

Indeed Canadian creative industries, like live music, are a global success story. Accounting for **\$53.1 billion** or **3% overall of GDP**, more than **666,500 Canadians** are directly employed in the creative industries, with countless spinoff jobs that significantly contribute to the economy. These industries — which include the music, book, magazine, screen-based media, interactive media, broadcasting, performing arts and digital sectors in addition to associated subsectors — is a key economic driver undergoing significant change, with numerous opportunities and enormous potential.

**Live music plays a vital role** in creating vibrant cities, driving value in multiple ways, including job creation, economic impact, tourism development, city brand building and artistic growth. Pre-COVID, live music was the largest single driver of the music industry. This vibrant industry contributed upwards of **\$3 billion to Canada’s GDP and supported 72,000 jobs** – the lifeblood for many of our artists... for whom touring and live performance was their primary source of revenue.

***“Business is not as usual. We will not see a return of customers in the core for the rest of 2021. True recovery will take time. Government support is essential for this rebuilding period and into the future.”<sup>1</sup>***

We are a business based on full (or close-to-full) capacity. We hope – as vaccinations increase – that the easing of restrictions will allow for increased capacity, and therefore greater opportunity to earn much needed revenue, rehire + hire employees and of course, put artists back on stage. We can’t wait to bring live music fully back to fans, but continue to need governments to recognize the ongoing hardships faced by those who have been, and remain, hardest hit by the pandemic.

<sup>1</sup> CLMA Member Survey, June 2021

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We support, and work to amplify, any and all additional efforts that call to help artists directly in these times of extreme need. As we work together toward recovery and rebuilding, we acknowledge both the efforts made by governments and other associations on behalf of our sector and the long road ahead.

*The CLMA supports and acknowledges the Tourism Industry Association of Canada (TIAC), the Hotel Association of Canada, Music Publishers Canada, and Festivals and Major Events Canada (FAME). We are pleased to provide the following recommendations for consideration as part of Canada's economic recovery plan.*

## | KEY RECOMMENDATIONS

While Canadians and most businesses will feel like their lives are returning to normal this summer and fall, our sector reflects a very different picture. The punishing impact of closures on the **hardest hit** sectors, like live music, remains critical: capacity restrictions and social distancing requirements have forced many venues to remain shuttered to prevent even greater financial loss; decisions to cancel concerts, tours and festivals had to be made earlier this year; and regular business travel will be slow to return as Canadians and corporations cautiously resume face-to-face business activity *perhaps* starting this fall or in early 2022.

Since the onset of the COVID-19 pandemic, our industry has been in full compliance with regulations, which has effectively meant the shuttering of our venues and operations for the last 18 months. We have done so in recognition that the COVID-19 pandemic will only be conquered through collective civic effort and sacrifice. Health and safety measures are imperative to help rebuild consumer confidence and restore businesses of all sizes. Live music businesses have complied with all public health regulations, with many leading the way<sup>2</sup> by developing, sharing and implementing rigorous safety measures to ensure the health and safety of their employees, their artists and their crews. The sector is deeply committed to continuing compliance as the pandemic evolves.

We ask that the Canadian government continue to acknowledge and support live music as an integral component of the the country's economic recovery. A thriving live music economy not only contributes enormous touristic, social, and cultural benefits to our country, but is essential to our quality of life as Canadians.

The following recommendations will support the live music and Canadian economy to ensure we, as a country, are positioned to thrive in the coming months and years.

<sup>2</sup> <https://www.manula.com/manuals/ryerson-university/lights-on-venue-guide/1/en/topic/introduction>



## 1. Long-term capacity rebuilding of the live music sector via permanent \$50m Canadian Live Music Support Fund

Such a fund will:

- Get people, and artists, back to work and keep them there, both for and non-profit companies/organizations
- Provide financial assistance for pandemic retrofitting capital investments in live performance venues: help venues manage the cost of implementing public health measures such as installing new HVAC systems, plexiglass barriers, cleaning supplies and hiring personnel related to standardizing best practices, etc.
- Support innovative marketing partnerships to build consumer confidence and welcome Canadians back to live music
- Support the future of tourism broadly, and cultural tourism specifically, across Canada
- Support all primary live music stakeholders who play a meaningful and demonstrable role in the local/regional/national sector, including all companies that help to drive the careers of **Canadian artists**
- Support the production and technical community who are *fundamental* to the live music ecosystem.

## 2. Establish an industrial strategy for the creative industries to ensure sector growth and maintain global competitiveness

The government's own **Economic Strategy Tables on Digital Industries** noted in its report that: "To fully capture the potential of Canadian creative firms, we recommend the creation of a **dedicated creative industries forum** as a next step."

We urge the Government of Canada to implement this, and Recommendation 80 from the Standing Committee on Finance's report *Canadian Ideas: Leveraging Our Strengths* from February 2020: "Urgently assemble an Economic Strategy Table on Creative Industries to unlock the full innovative potential of these sectors, produce world class content, and share its creative works both at home and abroad."

*This 'whole of government lens' on the creative industries is needed, now more than ever, and will significantly contribute to Canada's post-pandemic economic recovery.*



### 3. Implement permanent funding to support festivals and events for a new cultural and economic resurgence by:

1. Making the two-year supplementary investments in the Canada Arts Presentation Fund and the Building Communities through Arts and Heritage program, first announced in the 2019 budget and extended in the 2021 budget, **permanent**.
2. **Adding** another \$30 million to these programs (\$15 million each) starting in 2022-23;
3. Providing an **indexation mechanism** for the programs for the next five years that takes into account inflation and the growing number of festivals and events to be supported;
4. Creating a **new “complementary” program within Economic Development** (and the agencies) that will support festivals and events by virtue of their contribution to tourism and the economy, particularly festivals and events that are not “cultural” and are not supported by Canadian Heritage, and allocating \$25 million per year to this program.

We recognize the exceptional support that was provided by the Government of Canada during the COVID-19 crisis. But this one-time support responded to an immediate need related to the inability of festivals and events to bring people together and, as a result, to keep these organizations running on a regular basis. This support will come to an end in the next few months; it becomes even more important to secure the future of the regular programs.

### 4. Pandemic Relief: Live Music, Tourism, Travel, Hospitality, and Events Business & Employee Survival Program

We are grateful for the government’s efforts to protect public health and our economy. If not for government support programs such as the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Rent Subsidy (CERS), and the Canada Recovery Benefit (CERB/CRB) over the past 17 months, many more of our live music businesses would already have permanently closed their doors and ceased operations; many more skilled workers - including artists - would have exited the industry to seek employment elsewhere.

Already encumbered by debt and facing more months of little or no revenue, help with fixed costs for these businesses is essential to maintain employment and solvency. If certain segments do well, they will not need, nor be eligible for support. This is already built into the sliding scale approach of the CEWS and CERS programs.



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But for those businesses directly tied to international travel, business events and business travel, as well as concerts, major festivals, fairs, events and other experiences that need much more lead time to plan, they won't return spring of 2022 at the earliest, and will need a bridge to get there.

*"WITHOUT any further federal support, our doors will be closed in months. We have borrowed debt to survive the last 18 months with zero revenue from live events. We cannot sustain another 12 months until live returns to normal, pre covid levels."<sup>3</sup>*

We are asking that the government provide **qualified and limited financial support** to live music, tourism, travel, hospitality, and events businesses with significant revenue losses from September 2021 to May 2022. Keeping these businesses alive means keeping in place the critical infrastructure that supports our live music ecology, communities and event businesses in Canada, and the unique local attractions that enhance our visitor experience. The CLMA is a member of the coalition of hardest hit businesses, and its members represent an integral sector of our economy; one that will drive significant economic activity in 2022 as Canadian travel and tourism build back to pre-pandemic levels.

## | CONCLUSION

Live music and events, like all creative industries, not only support Canadian culture and identity at home and abroad, but also invest in creators and communities from coast to coast to coast. Helping the small and large businesses that make up the sector overcome challenges, especially as a result of the COVID-19 pandemic, and capitalize on opportunities abroad will help grow exports, make Canada globally competitive and ensure our economy is diversified.

Live music is a KEY component and driver of local, regional, national and international tourism. The sector drives job creation and economic growth, and above all, provides opportunities for our artists who need them.

The CLMA strongly supports all submissions from TIAC, HAC, MPC, CAPACOA, FAME and others from those of us in the **#HardestHit** sectors.

Live music and events can stabilize, and contribute powerfully, with strategic support.