



Sound Policy: Increasing Funding for Ontario's Live Music Industry

Ontario pre-budget recommendations from the
Canadian Live Music Association

January 31st, 2024



KEY RECOMMENDATIONS

1. Increase the **Ontario Music Investment** Fund to **\$25M** to help artists grow and live music businesses compete.
2. Increase the **Experience Ontario** program to **\$50M** to support tourism activity and major festivals and events.

BACKGROUND

The Canadian Live Music Association (CLMA) represents the stages upon which our artists stand, both indoors and out, and the workers and supply chains that surround them. The CLMA gives a voice to “the people behind live music” working to entrench the conditions for concerts to thrive. Our members include venues, concert promoters, regional music festivals, performing arts centres, production crew, and many more workers that complete this industry. In addition to playing a vital role for artists, **live music** activity helps to **build vibrant cities** and drive destination development. It creates value in multiple ways including job creation, economic impact, tourism development, and city brand building.

A thriving live music economy contributes infinite touristic, social, and cultural benefits to Ontario. But more importantly, live music infrastructure and workers are essential to an artist’s ability to grow their careers. Before the Global Pandemic, the live music industry contributed upwards of **\$3 billion to Canada’s GDP** and supported **72,000 jobs**. Today more than ever, the industry itself is the lifeblood for our performing artists. Touring and live performance can represent an estimated 75% or more of an artist’s earned revenue. “Performers generate an estimated 75% of their income from live events and touring (compared to less than a third in the 1990’s).”¹

However, inflation, a chaotic supply chain, ongoing labour challenges, costs of goods and services and upended consumer buying and attendance patterns are putting the livelihood of artists, venues, and workers across Ontario at risk. **Independent venues** and **festivals** especially play a **crucial role** in the development of Ontario’s music, nurturing local talent, providing a platform for artists to build their careers and develop their music and their performance skills.

To leverage the major potential Ontario’s live music industry represents, the CLMA urges government to increase funding to both the Ontario Music Investment Fund (OMIF) and the Experience Ontario program in Budget 2024, to support growth and strengthen all concert activity, especially in the SME and non-profit community on behalf of Ontario’s artists and live music workers.



¹ [2021 Study of the economic impacts of music streaming on the Canadian music industry](#), June 2021

BACKGROUND

Ontario's live music industry is a closely connected ecosystem. SME activity is as intersectional to larger, international success as it is grassroots and community success. The work of **Ontario's live music industry** helps to ensure artists can **grow** and workers can be **employed**. Concerts, while extraordinary social and cultural experiences, are also artists selling tickets, and workers working. All "rungs" in the ecosystem (or "venue ladder") are crucial to the sector's value proposition and the future success of artists. The OMIF and Experience Ontario programs support some of the value chain, but urgently require new investment and expansion.

Large-scale concert activity is thriving in Canada and around the world, and its potential for impact on tourism in Ontario is both growing and infinite. A recently released report from Technavio showed that 650 million tickets were sold world-wide in 2023 and estimated that the size of the global live music industry will increase by 6.9% – or \$7.4-billion US dollars – by 2027. 33% of that growth is projected to originate from within North America.²

The UK, a leader in the global music economy, saw music tourism spending in 2022 (at a time when many other countries were barely reopened, if at all) increase to \$8.6 billion US dollars.³

Today? Music tourism has a compounded annual growth rate of 9%, and by 2033 is projected to have a market value of \$14 billion USD.⁴ In order for Ontario to better benefit, it must address current challenges and barriers to growth faced by especially small/medium sized live music companies and organizations.

By harnessing the value and power of live music activity, the government can swiftly and affordably capitalize on the numerous benefits it delivers for the people of Ontario.

² [Live Music Market Analysis North America, Europe, APAC, South America, Middle East and Africa - US, Japan, UK, Germany, France - Size and Forecast 2023-2027](#), Technavio, November 2023

³ [Music Pulls In Over 14 Million Tourists And £6.6 Billion Of Spending As Harry Styles And Dua Lipa Help Attract Fans To The UK](#), July, 2023

⁴ [Music tourism gaining ground around the world, likely to reach USD 14 bn by 2033: FMI report](#), September, 2023



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Recommendation 1

Increase the Ontario Music Investment Fund (OMIF) to \$25M

The [OMIF](#) administered by Ontario Creates is a vital and essential component of business development for the sector with demonstrated impact. The fund is designed to provide targeted economic development investment to the province's vibrant and diverse music industry.

The OMIF supports Ontario music companies with strong growth potential to maximize return on investment and create more opportunities for emerging artists to record and perform in Ontario.

In 2019 the government reduced the Ontario Music Investment Fund from \$15M to \$7M. The decrease has greatly widened the **opportunity gap** the sector represents for the province and has directly contributed to Ontario falling behind both other countries⁵ who are aggressively investing in their live music ecosystems and infrastructure.

Ontario, which is home to one of the most **popular tour destinations in the world** (the City of Toronto⁶), invests significantly less than other provinces, for example British Columbia.⁷ More than four years after the OMIF was slashed, the Ontario industry continues to lag further behind as a result of a deficit of strategic policy and investment. The lack of investment is dampening sector and artistic innovation, export activity and wide-ranging economic impact especially when compared to Ontario's film and television sector which benefits from substantial tax credit, grant, and loan programs and policies structured to incentivize and stimulate increased production.

⁵ [£5 million boost to grassroots music as Arts Council England delivers new music funding for Department for Culture, Media and Sport](#), Arts Council England, November 2023

⁶ [Toronto Named The World's Most Popular World Tour Destination](#), Billboard Magazine, November 2023

⁷ [Province provides timely support for fairs, festivals, events](#), BC Government News, February 2023

Government should work more closely with the music industry to quantify and leverage concert activity through more comprehensive investment strategies and in so doing address the significant potential live music businesses represent for and to the province - and artists, economically, socially and culturally.

A \$25M OMIF would **immediately** be able to:

- Support **additional** live music companies with strong growth potential by:
 - Providing investment to drive long-term growth; and,
 - Maximizing ROI and enhancing opportunities for emerging talent.
 - Strengthen support at critical stages in the careers of artists.
- And would enable **more** SME's and non-profits in the sector to better:
 - Optimize revenue, profits, job creation, private investment, and tax revenue.
 - Produce and disseminate more intellectual property (content) which may be owned and consumed domestically and exported, leading to sustained revenues and jobs in the province.
 - Attract and encourage more private sector investment.
 - Simulate greater economic activity in all parts of the province.
 - Increase competitiveness and the profile and prestige of Ontario on the world stage as the next generation of breakthrough artists are discovered and developed to their full potential.

Increased, targeted investment into Ontario's SME's in the live music space through the OMIF optimizes the industrial pipeline. Historically, and in part due to decreased funds, the OMIF has lacked the ability to invest in the live music ecosystem more strategically. All live music industry entrepreneurs undertaking activities that are known to be central to the development of Canadian artists, musicians, and workers, as well as the economy, **such as live music venues and others should be eligible to apply to the OMIF.**



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Recommendation 2

Increase the Experience Ontario program to \$50M annually.

Like the OMIF, the Experience Ontario program is essential to the festival and live event ecology, directly **enabling increased tourism spending** and positive economic impact at community, regional, and provincial levels. The program, with a current envelope of approximately \$20M, received increases of \$30M for two concurrent years (2021, 2022 for a total of \$50M) to stimulate provincial travel/tourism activity during COVID and in-turn allowing for a sizeable increase in successful applicants representing activities and events right across the province. This added investment helped Ontario to see the generation of \$38B in tourism receipts in 2023 at a time when traditional/other economic strategies failed outright due to pandemic impacts.⁸ However for the 2023, and again the 2024 iterations of the program, the funding was returned to its pre-COVID amount, rendering hundreds of viable projects (and their cumulative potential for impact) ineffective or impossible to execute in the absence of a government partnership.

Experience Ontario is essential as one of *the only* programs providing support for festivals and events with a **tourism economic impact to motivate visitors to discover Ontario**. Funded activities connect people with local experiences and increase tourism spending. Support goes to projects encouraging people to travel to experience events in-person and celebrate Ontario.

The projects draw tourists and increase visitor spending through innovative programming in partnership with businesses and community partners, and they provide **job opportunities** for Ontarians in the tourism, culture, and entertainment sectors.

⁸ [Tourism research statistics](#), Ontario Government

CONCLUSION

As we observe upward trends globally in music tourism, government should act quickly to increase both the OMIF and Experience Ontario to stabilize and **leverage Ontario's global competitiveness in the sector, and to harness the palpable benefits live music represents for Ontarians and visitors alike.** Not doing so will result in audiences, visitors and artists making decisions that don't include Ontario - a reality we are already seeing as the sector contracts due to deficiencies in visionary policy and investment.

This is the opportunity gap, and ours to close together for our live music workers, and most importantly, the Ontario artists of today and tomorrow.

We appreciate the opportunity to submit this brief, and thank the government for its due consideration.

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