

# **The Sound of Recovery:**

## Leveraging the Economic, Social and Cultural Value and Power of Live Music

Submission presented by the Canadian Live Music Association (CLMA) as part of the Federal Tourism Growth Strategy consultation.

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*When COVID hit, we didn't know if the industry would survive. Businesses were closing, the forecast was devastating. Thanks to the passionate resilience of the sector and effective, multi-year, multi-layer support from government, we are still here.*

*And now?*

***Potential is everywhere.*** Today more than ever, live music is poised to play a vital role in driving our visitor economy, from coast to coast to coast.

*A thriving live music sector is the sound of true recovery in Canada, and music to the ears of all Canadians.*

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# Setting the (Next) Stage

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 promoters and performing arts centres, talent agents, production crew, freelance service providers, suppliers and many others including both for and non-profit companies and organizations.

Live music plays a vital role in creating vibrant cities and destination development, driving value in multiple ways including job creation, economic impact, tourism development, city brand building and artistic growth. Pre-COVID, the 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.

Looking more closely at the sector’s trajectory through COVID, nominal gross domestic product for the live performance domain increased 30.4% during the fourth quarter of 2021, reaching \$468 million. This is the second consecutive increase for a sector that hadn’t seen any recovery at all up until last summer. The live performance domain also welcomed 5,423 workers back.

However, while these increases are significant, we still have a long way to go to get reach a truly comprehensive recovery phase. At the worst of the pandemic, during the second quarter of 2020, the live performance real GDP (taking inflation into account) was 66.2% lower than during the last quarter of 2019. With this second consecutive increase, the live performance real GDP is now 40.1% away from its pre-pandemic level.<sup>1</sup>

With this submission we are asking the Canadian government to recognize, support – and leverage – live music as an integral pillar of this country’s visitor economy. A thriving live music economy not only contributes enormous touristic, social, and cultural benefits, but is essential to our quality of life as Canadians and most certainly, the careers of today’s – as well as our future – artists.

By acting on the following recommendations, and those you will receive from the Coalition of Hardest Hit Businesses, FAME, CAPACOA and others, the government can help ensure the Tourism Growth Strategy can, and will, achieve its goals. Achieving goals is an urgent ‘must’, and Canada’s live music sector is intent on leaning into priorities, new plans and strategic action with the Federal government and the broader stakeholder community for our collective future prosperity.

<sup>1</sup> [Encouraging Signs of Recovery for the Performing Arts](#), CAPACOA, April 2022

# Today's Reality

First and foremost, we would like to thank the government for the many life-saving supports created specifically for, and delivered to, our sector. After more than 30+ months of unprecedented challenges and extreme disruption, there can be no question that government relief programs are directly responsible for the survival of the majority of our companies, businesses and organizations. We couldn't have made it this far without you.

While venues, promoters, festivals, live events, artists and suppliers are grateful to be back at work this summer showcasing incredible Canadian artists for all the world to see, we are far from 'back to normal' – ticket sales and revenues continue to trend well below pre-pandemic levels (excluding blockbuster shows, CLMA members consistently report average declines in ticket sales of 30-50%, as well as 20% no-show rates since May 2022). Supply chain complications and inflation mean higher costs than ever to vulnerable, in many cases debt-laden, small and medium-sized businesses who are making every effort not to pass along those costs to fans. Consumer confidence is inconsistent at best, with some audiences still afraid to gather at all, indoors or out (compounded by growing fears of a looming "difficult fall season"). The labour crisis is resulting in scaled back or canceled events. Incomprehensibly expensive insurance rates continue to plague festivals and venues, some who have seen costs triple or worse.

These on-going impacts, taken together with what are unfair [historical funding inequities](#) (CLMA presentation to Standing Committee, Canadian Heritage, Feb 2022 16:00) found within Canadian Heritage policy and programs (e.g. the Canada Music Fund accepts applications from the broader independent commercial music industry with the exception of live music companies), mean the Canadian live music industry uniquely faces a myriad of complex and substantial issues – all hindering a more robust and timely recovery reality, and keeping at bay the many advantageous knock-on effects our activity creates cross-sectorally.

Thankfully, the power and potential of Canadian live music can be harnessed - affordably and quickly. By focusing on growth, investment and stabilization, live music will help lead the tourism economy, and Canada, back to its rightful place as the most incredible concert destination in the world – while reaping the benefits of all that comes of it. A new Federal Tourism Growth Strategy that establishes and leverages live music activity as a pillar of the visitor economy will help us to draw audiences back... from our local neighbourhoods and communities, and from around the Globe. These fans will come by car, plane, train and public transit. They'll eat in local restaurants and stay in near-by hotels. They'll shop in local stores. They'll post pictures of their favourite artists and stages, all helping to amplify and restore our Canadian brand. They'll take stories and incredible once-in-a-lifetime memories home with them – memories that are uniquely Canadian, experiences you can only have in that moment... when your favourite artist takes the stage in that iconic venue or at that international festival, with friends and family by your side.

Live music is the sound of recovery.

The following are recommendations from the CLMA on how we can do this critical work, together.

# Recommendations

**1.**

**Create a permanent “Canadian Live Music Investment Fund” (\$50M), to help commercial live music businesses drive domestic and international tourism through live concert and event activity**

**2.**

**Grants, Contributions and Tax, Credits: Provide increased funding for the presentation of performing arts, events in urban, rural, and remote communities, year-round**

**3.**

**Attract and Retain a Sustainable Tourism Workforce: Employing more Canadians in Tourism**

**4.**

**Help to foster an inclusive and regenerative Tourism Industry with help from live music.**

**1. Create a permanent "Canadian Live Music Investment Fund" (\$50M), to help commercial live music businesses drive domestic and international tourism through live concert and event activity.**

With some of the greatest and most diverse **year-round** entertainment assets existing in Canada today, the live music industry is an obvious partner when it comes to incentivizing not just cultural tourism, but tourism generally. It's what we do, it's what we've always done – whether you're coming from down the street or across the country. We are expert marketers, with decades of accumulated knowledge in understanding what sells, when, how and to whom – not to mention world-class curators when it comes to artistic excellence. Canada's live music industry was siloed pre-pandemic, often operating in isolation, or partial isolation, with a narrower vision of what success could mean. Those days are gone.

Today, COVID has finally helped to cement live music's rightful place in the tourism ecology. We are tourism stakeholders first, arts and culture second – tourism is where we belong and we are scalable. Be it the Legendary Horseshoe Tavern, or the mega Boots & Hearts country music festival. The missing link is a connective bridge to help foster and develop new relationships, to bring the traditional tourism space closer to live music companies... to explore and develop innovative ways of working together, to forge a deeper integration of experiences and offerings.

The Federal Tourism Growth Strategy should seek to include dedicated support for commercial live music companies to create new programming/offerings and to explore cross-sectoral partnerships to reimagine and leverage the potential of 'cultural tourism'. The program should be designed for companies seeking to build, establish and/or amplify live music offerings targeted specifically at attracting new audiences from new and diverse markets.

*[NB: Critical to understand is that currently, these businesses and other entrepreneurs in the live space are not eligible for Canadian Heritage programs, despite their extraordinary ability to intensify economic impact, both directly and indirectly. Today's funding framework categorically excludes essential spaces serving Canadian artists, which today especially, seems an obvious gap which the new strategy can address and capitalize upon.]*



**2. Grants, Contributions and Tax Credits: Provide increased funding for the presentation of performing arts events in urban, rural and remote communities, year-round**



The CLMA also represents many non-profit organizations and festivals who are (or could be) serviced by several programs at Canadian Heritage. The Federal government already has several programs that support the production and presentation of live performances. Two of these programs specifically focus on the presentation of festivals and performance series in hundreds of communities, from coast to coast, and could therefore be utilized in the Federal Growth Tourism Strategy:

- [Canada Arts Presentation Fund;](#)
- [Building Communities through Arts and Heritage.](#)

Additionally, we recommend the government:

- Establish a federal Tourism Infrastructure Fund for major projects.
- Incentivize investments in new assets or retrofits through programs similar to R&D tax credits.
- Allow for immediate capital cost allowance write-off of investments in new hard assets.
- Provide dedicated federal mortgage insurance on tourism assets to reduce the risk of private sector lending from Canadian financial institutions.
- Invest in tourism industry subsector assets and products through government grants and contributions
- As above, support festivals and events of all sizes with industry specific funding programs (such as a renewed Canadian Experiences Fund, a Major Festival and Events Support Initiative 2.0, increase the Canadian Arts Presentation Fund, Building Communities Through Arts and Heritage, and a revived Marquee Tourism Events Program, etc.)

### 3. Attract and Retain a Sustainable Tourism Workforce: Employing more Canadians in Tourism



The CLMA supports the following recommendations the Coalition of Hardest Hit Businesses:

#### Attraction and Retention

- **Launch targeted domestic recruitment campaigns** to attract and retain workers (**\$10M/year for three years**)
  - Information, tools, supports for three target groups: 1. Job Seekers, Employees, Students; 2. Employers; 3. Influencers and Intermediaries
  - Ancillary campaign: Promote post-secondary tourism programs to increase enrolment
- **Launch an Indigenous Workforce Strategy (\$5M/year)**

#### Training & Skills Development

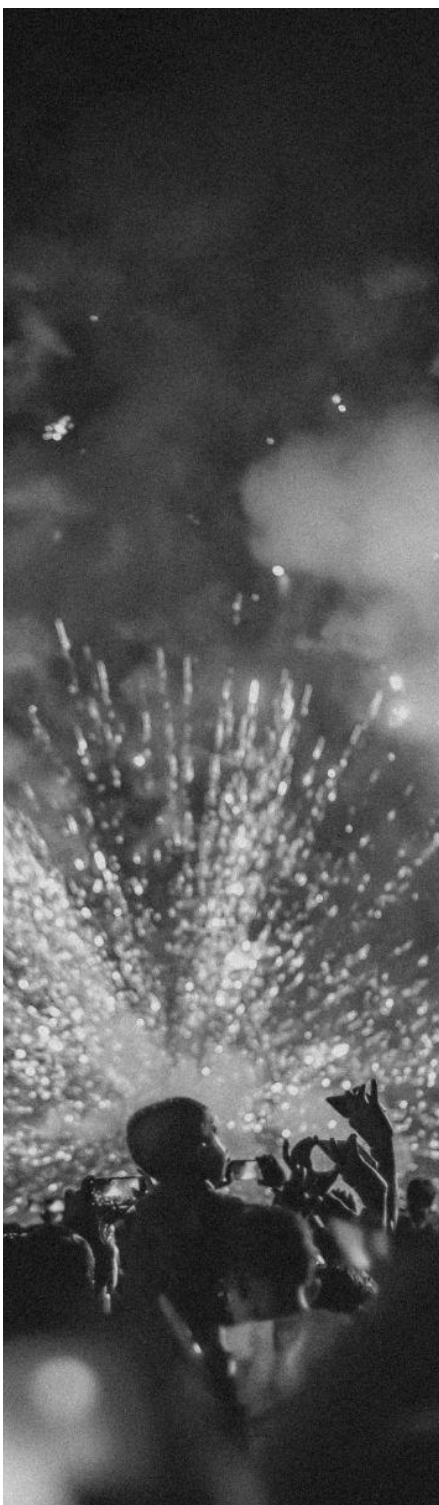
- **Increase number of tourism and hospitality high school programs (\$2M over two years)**
  - Update and expand Canadian Academy of Travel and Tourism
- **Modernize post-secondary tourism programs (\$2M/year for three years)**
  - Update curriculum, increase enrolment and types of programs, expand workplace integrated learning
- **Launch comprehensive national tourism ‘job ready’ (bridging) programs** targeting a diverse workforce, e.g. Youth, Indigenous Peoples, New Canadians, People with Disabilities (**\$25M over three years**)
- **Invest in skills development and training, including (\$2M/year for three years):**
  - Technology and tools to connect workers and jobs (ex. *Discover Tourism* website)
  - Resources for employers including performance management tools, compensation planning, hiring kits, etc.

#### Worker Mobility

- Tax credits for job seekers and students to relocate to another region for new employment opportunities
- Grants to subsidize employer-offered supports (ex. transportation, childcare)



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#### Student and Worker Engagement

- Changes to increase flexibility in the use of the EI system to encourage worker participation
- Introduce new program to enable student work experiences across Canada

#### Grow Canada's International Workforce

##### *Short-Term*

- **Prioritize and create efficiencies with Temporary Foreign Worker Program**
  - Expedite tourism applications
  - Eliminate LMIA and need to advertise, allow multi year TFWs, reduce costs
- **Adjust policies within existing federal and provincial streams to increase number of workers assigned to tourism jobs** (ex. increase allocation in PNPs, restructure points system for Canadian Experience Class and Federal Skilled Worker Class, ensure tourism occupations are prioritized in Municipal Nominee Programs)
- **Increase opportunities for international students:**
  - Increase hours international students are able to work to 40 hours/week
  - Allow students enrolled in language schools the right to work
  - Treat international students the same as domestic students for government-sponsored programs (ex. Student Work Placement Program)
  - Expand the International Experience Canada program

##### *Long-Term*

- **Create a Dedicated Tourism and Hospitality Immigration stream with a pathway to Permanent Residency**
  - Invest in a corresponding affordable housing strategy to support immigration growth targets

## 4. Help to foster an inclusive and regenerative Tourism Industry with help from live music



Closing the Gap<sup>2</sup>, new research from the CLMA released in March 2022, closely examines the impact and representation of Indigenous, Black and People of Colour live music workers. The study includes many recommendations for industry and government alike, including to *establish additional dedicated support for initiatives led by and serving IBPOC workers, emerging artists and enterprises, DIY/grassroots initiatives, and newcomers and dedicate funding for paid mentorship programs for newcomers and racialized workers, including personal professional skills development and training.*

### **Invest in tourism-specific training and skills development programs for equity-seeking groups**

- Provide a tax credit for businesses that develop specialized recruitment programs for equity-seeking groups.
- Invest in work-readiness programs including apprenticeships, education and training support for equity-seeking groups.

### **Support the Canadian tourism industry response to the Truth and Reconciliation Commission's Calls to Action**

- Invest in Indigenous tourism as a path to reconciliation through domestic marketing and awareness campaigns.
- Implement an *Indigenous Workforce Strategy* in partnership with the Indigenous Tourism Association of Canada.

The CLMA, with leadership from [Music Declares Emergency](#), believes in the power of music to promote the necessary cultural changes to create a greener, fairer, better future.

### **Invest in regenerative tourism**

- Create tourism/live music-specific grant programs for sustainable new projects and retrofits.

<sup>2</sup> [Closing the Gap](#), CLMA – March 2022

## Thank You

The unpredictability of today's environment is holding us back collectively from true recovery. The new Federal Tourism Growth Strategy is needed to foster long-term stability in the sector as we work together to harness the potential of live music for Canada's economic growth.

We thank Minister Boissonnault and his team for undertaking this essential and timely work and look forward to further exploring the contents and potential of this CLMA submission, together.



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