



*the voice of opera in Canada / la voix de l'opéra au Canada*

# Opera.ca

## Written Submission for the Pre-Budget Consultations in Advance of the 2021 Budget

**Submitted to:**

The Standing Committee on Finance  
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## **Recommendation 1 – OPERA ORGANIZATIONS**

We ask that the government extend and **expand the Canada Emergency Wage Subsidy (CEWS)** for as long as government-mandated restrictions on gatherings of over 2,500 are in effect, plus a three-month period following the lifting of this restriction to allow time for the re-opening process

## **Recommendation 2 – OPERA ORGANIZATIONS**

We ask that the government **increase funding for cultural spaces and infrastructure** to allow for the capital revisions and retrofitting that will allow these spaces to re-open safely.

## **Recommendation 3 – OPERA ORGANIZATIONS**

Longer term, we ask that the government invest in a **capitalization strategy** for the arts that will help to build greater long-term resilience so that the sector has stronger balance sheets and is better positioned to withstand future shocks.

## **Recommendation 4 – OPERA ARTISTS**

We ask that the government **extend emergency benefits and assistance to self-employed opera artists workers** who do not benefit from CEWS as they are not employees, and also do not have access to regular E.I. benefits, and that this assistance be available throughout the slow and progressive recovery of the live performing arts sector.

Opera.ca appreciates the opportunity to submit a brief to the Standing Committee on Finance as part of its pre-budget consultations in advance of the 2021 budget.

Opera.ca is the voice of Canada's opera sector: the companies, artists, businesses, and organizations that bring opera to Canadians and beyond. Our members are an important part of their community - be that a community in a large urban centre or a smaller town or city. Through partnerships and collaborations among the cultural sector, with community organizations and businesses, we reach out to Canadians from coast to coast to coast.

Like other live performing arts, the pandemic has closed the opera sector since March 2020. This has had repercussions for arts organizations, the people employed at these organizations, as well as disastrous financial circumstances for opera artists. The closure of the opera sector will be a long and protracted one and will likely be one of the last sectors to re-open. Many companies in Canada are now planning for a full return in September 2021, a closure of over a year and a half.

The sector greatly appreciates the emergency funding provided to date to the sector through CEWS, CERB and the special funding through the Department of Canadian Heritage.

During this long period of closure and slow recovery and re-opening, Opera.ca makes the following recommendations to ensure the survival of organizations and artists, to rebuild the sector, and to put it on stronger footing for re-opening and for withstanding future crises.

## **Recommendation 1 – OPERA ORGANIZATIONS**

We ask that the government extend and **expand the Canada Emergency Wage Subsidy (CEWS)** for as long as government-mandated restrictions on gatherings of over 2,500 are in effect, plus a three-month period following the lifting of this restriction to allow time for the re-opening process.

There have been significant job losses in the arts and culture sector. According to the Labour Force Survey, employment was down 23.4% (that is 34,900 jobs) in "Performing arts, spectator sports and related industries" [NAICS 711] in June 2020 compared to June 2019.<sup>1</sup>

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<sup>1</sup> Statistics Canada, Labour Force Survey, June 2020. [Calculations and data reliability notes](#) by CAPACOA. Interpretation notes: The "Live Performance" domain is contained within NAICS 711 "Performing arts, spectator sports and related industries" and it accounts for roughly half of the labour force within NAICS 711.

Furthermore, during standard provincial re-openings of phase 1, 2 and 3 for other sectors, the live performing arts will not be able to fully re-open to pre-pandemic capacities. The mounting of an opera production requires a minimum timeline from notice of re-opening to opening night of three months. This would be an even lengthier timeline if it also included having to hire and train staff for the many required production functions backstage, front of house and administratively.

A special extension to this program will allow opera organizations to sustain core staff critical to the re-opening process and allowing the sector to get back on its feet faster.

## **Recommendation 2 – OPERA ORGANIZATIONS**

We ask that the government **increase funding for cultural spaces and infrastructure** to allow for the capital revisions and retrofitting that will allow these spaces to re-open safely.

Opera is the original multimedia experience combining operatic singing, theatrical speaking, and the accompaniment of live orchestra including wind instruments, and unfortunately combining the aerosols produced from all three. Performing arts activities produce aerosols at a much higher rate than simply talking. These aerosols can transmit the virus.<sup>2</sup>

For opera, it is difficult if not impossible to rehearse and present live opera at adequate distancing (6 x 6 feet) while also ensuring the safety of all the artists involved in the production.

In Canada, Opera is primarily held in venues with capacities in excess of 2000 seats, making the safety of audience members, also a concern.

As provincial guidelines gradually allow for re-opening and gatherings of 500 plus, the opera sector will slowly and carefully begin returning to producing, but only after existing cultural spaces have been retrofitted for safety of artists and audiences alike.

This recommendation is for infrastructure funding for cultural spaces in the sector to make the required revisions for these spaces to re-open safely. Some of these revisions and retrofits include costly items such as upgrades to hvac system to include HEPA filters, and increased air flow, touchless ticket scanning, software

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<sup>2</sup> International Coalition of Performing Arts Aerosol Study:  
<https://www.nfhs.org/media/4030003/aerosol-study-prelim-results-round-2-final.pdf>

to enable staggered entry, seating adjustments, touchless systems and upgrades to washrooms, as well as digital infrastructure in cultural spaces to allow for content capture and dissemination.

As well, as many infrastructure and capital funding programs are leveraged by provincial funding, we also encourage the government to work more closely with the provinces to level the playing field for equal support.

### **Recommendation 3 – OPERA ORGANIZATIONS**

Longer term, we ask that the government invest in a **capitalization strategy for the arts** that will help to build greater long-term resilience so that the sector has stronger balance sheets and is better positioned to withstand future shocks.

A well-capitalized arts organization has the ability to access the cash necessary to cover its short- and long-term obligations, to weather downturns in the external operating environment, and to take advantage of opportunities to innovate.<sup>3</sup>

The Endowment Incentives program of the Strategic Initiatives program at Canadian Heritage provides matching funding to arts organizations to build their endowments and to develop a long-term income stream from the interest on these endowed funds. Endowment capital is important to the longevity and stability of organizations, but it is not the only type of capital needed to be well-capitalized.

Two important precursors to endowment are Deficit elimination and Working/Risk capital. In a crisis, it is not uncommon to see arts organizations with both an endowment and a deficit.

Furthermore, through the lens of social justice and equity, it is important to recognize that not all organizations benefit from endowment capital equally. The larger the endowment, the larger the benefit. A more cohesive capitalization strategy that incentivizes building short and mid-range types of capital would allow for smaller and mid-sized organization to develop resilience equally.

We recommend four components of a cultural capitalization strategy for a more resilient and equitable sector:

1. The first component is for a federal **Donation Matching program**. In the short term, opera companies are predicting an overall drop in fundraising revenue, with no opera producing activity to drive donations, incentivizing

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<sup>3</sup> TDC Report: “Getting Beyond Break-Even; <http://tdcorp.org/wp-content/uploads/2014/03/GBB.pdf>

- private sector donations takes on greater importance. A federal matching program could help drive donations for opera companies in the short term and contribute to balanced operating budgets or surpluses.
2. Once a balanced budget is achieved, the second component is for **Deficit Elimination support** which could take the form of surplus matching funds to reduce or eliminate accumulated deficits over 2-3 years.
  3. The third component is for **Working Capital or Risk Capital support** which could take the form of awards based on continued balanced or surplus budgets. Working Capital or risk capital allows organizations to continuously adapt, to experiment and try new things, to take calculated risks while having the financial wiggle room for failure, an inevitable by-product of innovation.
  4. The fourth component is the **existing Endowment Incentives program at Canadian Heritage**, that helps stable and well-capitalized organizations build their next level of long-term capital, the endowment.

All four components would contribute to a more resilient and equitable arts sector, better able to withstand the next crisis when it hits.

## **Recommendation 4 – OPERA ARTISTS**

We ask that the government **extend emergency benefits and assistance to self-employed opera artists workers** who do not benefit from CEWS as they are not employees, and also do not have access to regular E.I. benefits, and that this assistance be available throughout the slow and progressive recovery of the live performing arts sector.

**The opera artist lives in precarious financial circumstances.** Opera artists are mainly self-employed workers, contracted per production. Unlike other live performing arts, it is unusual to have a core of opera artists on employment contracts. When the performance ends, so does the contract. Because they are self-employed, they do not have access to Employment Insurance.

The CERB benefits have been vital to these highly trained artists who specialize in operatic performances. The absence of opera production during the pandemic is having a devastating effect on them, as they have no income.

Opera.ca for its part, opened an Emergency Artist Fund, and in the two weeks leading up to the CERB benefits flowing in April 2020, we reached into our own net assets to dispense emergency support to opera artists in need of basic necessities. We have also applied for funding for a digital skills development program to be delivered over the next year to help artists better find jobs and market themselves in this transitional year.

We urge the government to partner with us in a program to support artists, either through a modification to E.I. to allow self-employed workers to access it, or through a basic income program as we work to provide emergency support and improve their longer-term marketability.

With the discontinuation of CERB, and its new replacement recently announced, it is important that the details of this new program when available include support for the self-employed artist.

We also support any and all other proposal for a Basic Income for the Arts including the [Ontario Basic Income for the Arts](#) and the [Make Arts Work program](#).