



ASSOCIATION FOR
OPERA IN CANADA

Written Submission

Pre-Budget Consultations in Advance of the 2023 Budget

Submitted to:

The Standing Committee on Finance
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Association for Opera in Canada (AOC) appreciates the opportunity to submit a brief to the Standing Committee on Finance as part of its pre-budget consultations in advance of the 2023 budget.

AOC 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.

Our recommendations are as follows:

Recommendation 1: We recommend a re-commitment to Canadian Heritage's Arts and Culture Recovery Program, with targeted multi-pronged funding to support the sector's recovery, and stimulate ticket buying among consumers.

Programs like Canadian Heritage's Arts and Culture Recovery Program should be provisioned to include a ticket-matching subsidy program, a cash back ticket-buyer stimulus program to incentivize ticket buying, and special COVID-related supports to offset the increased COVID-related costs associated with producing. Together, they will provide an essential support for opera companies' recovery as they experience audience hesitancy, increased COVID-related costs, and meet audience demands for innovative and new live experiences.

Recommendation 2: We recommend an expansion of the Endowment Incentives Program to become a broader Capitalization Incentives Program with an emphasis on building Risk Capital

We recommend an increase of \$40M annually to the Canadian Cultural Investment Fund (CCIF) to expand the current Endowment Incentives program to become a broader Capitalization Incentives program that would see federal investments matching *all* level of private, organizational giving to incentivize and build *all forms of capital* with a focus on risk capital, allowing the sector to invest in innovative, new programming and experiences, while also incentivizing capitalization among smaller, newer organization whose capital needs are more focussed on growth and development.

Recommendation 3: Project Funding for Innovation, Risk and Resilience

Provide project-based funding in the amount of \$150 million over 5 years to support the rebuilding of innovation and risk-taking especially those at the intersection of demand activities, like travel, tourism and dining. Such a program could be provisioned through existing programs such Strategic Initiatives at Canadian Heritage with its focus on partnership and collaboration with the private sector.

Recommendation 1: We recommend a re-commitment to Canadian Heritage's Arts and Culture Recovery Program, with targeted multi-pronged funding to support recovery across the production chain

Programs like Canadian Heritage's Arts and Culture Recovery Program should be provisioned to include a ticket-matching subsidy program, a stimulus program to incentivize ticket buying, and special COVID-related supports to offset the increased COVID-related costs associated with producing. Together, they will provide an essential support for opera companies' recovery as they experience audience hesitancy, increased COVID-related costs, and meet audience demands for innovative and new live experiences.

Ticket-Matching Program

Costs of producing opera from pure inflation as well as COVID-related expenses are rising faster than levels of audience confidence to return creating a critical imbalance. In a recent survey of members, 67% are currently experiencing lower than expected sales, indicating audience hesitancy to return despite implementing and communicating increased health and safety measures, and implementing mask mandates indoors. A ticket-matching program is needed to match ticket sales for live performing arts to compensate for reduced sales and pave the way for a confident opera sector recovery.

Audience Incentive Cash Back Program

Inflation has also hit audiences who are now choosier about their discretionary dollars. A government stimulus "Ticket to Recovery" program would further ensure a successful recovery for the opera sector. Ticket to Recovery program could be structured as an audience incentive cash back of 20% on entertainment and dining expenses over \$100. A similar subsidy program was recently announced in Australia.

COVID-Related Expense Supports

Aside from regular inflation affecting businesses and individuals alike, there are special extra costs associated with producing opera in these COVID-riddled times. A single case can still threaten to close an entire production. To mitigate this reality, opera companies now cast 2, sometimes 3 understudies for a single role to cover leads who might test positive for COVID and have to withdraw, dramatically increasing costs. Even offstage companies are contending with rising marketing costs with trends favouring single ticket sales over subscriptions. It is a well-known fact that the cost to re-acquire one subscriber is far less than the cost to sell a single ticket. After a prolonged closure, even the most loyal audiences require extra efforts and costs to entice them back into the theatres.

Recommendation 2: We recommend an expansion of the Endowment Incentives Program to become a broader Capital Incentives Program with an emphasis on building Risk Capital

There are well-known correlations between subscription buying and donations, so the decline in subscriptions buying behaviour has companies rightfully concerned. Programs that incentivize private giving are needed now more than ever.

We recommend an increase of \$40M annually to the Canadian Cultural Investment Fund (CCIF) to expand the current Endowment Incentives program to become a broader Capital Incentives program that would see federal investments matching *all* level of private, organizational giving to incentivize and build *all forms of capital* with a focus on working and risk capital, allowing the sector to invest in innovative, new programming and experiences, while also incentivizing capitalization among smaller, newer organization whose capital needs are more focussed on growth and development. Past models for building a Working Capital Program for the Arts exist such as The Creative Trust program from early 2000-2009 in Toronto.

Recommendation 3: Project Funding for Innovation, Risk and Resilience

Provide project-based funding in the amount of \$150 million over 5 years to support the rebuilding of innovation and risk-taking at the intersection of demand activities, like travel, tourism and dining. Such a program could be provisioned through existing programs such Strategic Initiatives at Canadian Heritage with its focus on partnership and collaboration with the private sector.

Due to uncertainty and lagging sales, companies are making programming choices with more predictable sales and manageable expenses at precisely the time that audiences are looking for innovative new experiences. The ability to take calculated risks artistically needs an infusion of targeted supports. Museums and galleries have seen the success of large scale, new immersive exhibits. What would an immersive opera experience look like? Project funding that supports critical innovation and experimentation would support the development of new highly-experiential versions of “going to the opera”.

Conclusion

The sector is united in its desire to recover from the setbacks of COVID19 , and greatly appreciates the opportunity to make recommendations on how the Government can enable this recovery.