



ASSOCIATION FOR  
OPERA IN CANADA

# Stimulating the Opera Economy

Written Submission

Pre-Budget Consultations in Advance of the 2025 Budget

**Submitted to:**

The Standing Committee on Finance  
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Recommendation 1: We support the recommendations made by the Canadian Arts Coalition that the Government of Canada permanently allocate at least 1% of its overall spending towards arts, culture, and heritage, which in 2025 will amount to an additional permanent investment of \$270 million into the arts, culture, and heritage sectors, via:

- a. \$140 million increase to the Canada Council for the Arts
- b. \$130 million increase to the Department of Canadian Heritage

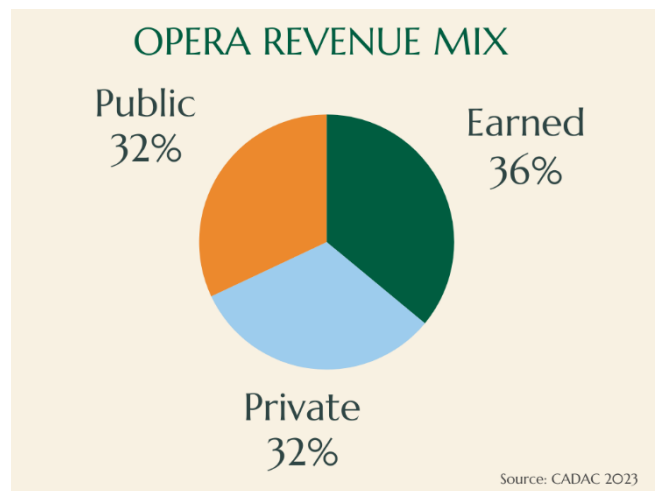
Recommendation 2: Recognizing our urgent labour force challenges, we recommend the Government of Canada study the implementation of a policy framework for a national Live Performing Arts Tax Credit. (LPATC).

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Our main recommendation that would be most effective in stimulating the opera economy is the investment of an additional \$270 million into the arts, culture, and heritage sectors, via the Canada Council for the Arts (\$140 million increase) and to the Department of Canadian Heritage (\$130 million increase)

a. \$140 million increase to the Canada Council for the Arts:

The opera economy consists of an inter-related system of producers, audiences (consumers/donors), and artists and arts workers, all contributing to the opera sector's positive investment into the life of Canadians and Communities.



In 2023, the average revenue mix for opera companies consisted of 36% Earned, 32% Private and 32% Public Revenue.

Earned revenues from box office receipts is still 11% away from returning to 2018 levels\*, and private revenue from charitable giving has remained relatively flat, and public funding from agencies like Canada Council for the Arts and Department of Canadian Heritage has not kept pace with the upwards pressure of inflation, on average, an average a 9% increase in expenses in the opera sector since 2018\*. Combine this with the need to keep ticket prices affordable, and to continuously innovate practices to rebuild audiences, a perilous gap is widening, limiting how opera companies can contribute and deliver on the social and civic impact of the arts for Canadians and communities.

\*Source: The CADAC 2023

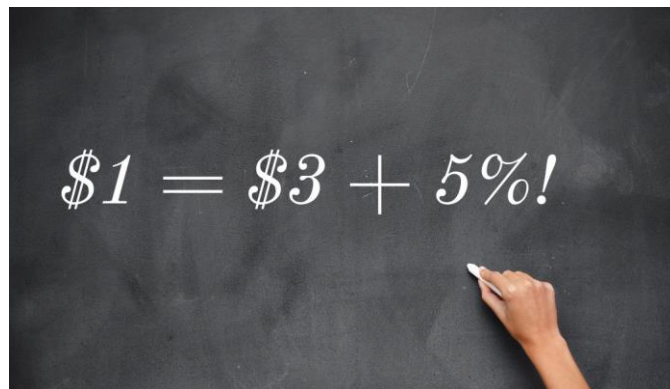
The investment with the broadest impact is one of \$140 million to the Canada Council for the Arts, broadly impacting the opera economy through its flow-through investment into Core or Operating funding for opera organizations, large and small. Core funding represents predictable, long-term funding, and as such creates stability for organizations and their communities.

b. \$130 million increase to the Department of Canadian Heritage:

PCH manages a suite of programs that are essential to the opera sector including Canada Arts Training Fund (CATF), Cultural Spaces, Creative Export, and the uniquely impactful and transformative Public/Private/Partnership program, The Canada Cultural Investment Fund (CCIF).

The CCIF's Endowment Incentives program provides matching funds for every dollar raised privately for Endowment funds, building financial resilience in the opera sector. On average, these endowed funds now contribute 5% of total opera company revenues annually\*. Through an investment of \$130M to the Department of Canadian Heritage, this program could be expanded to match dollars raised for Working Capital in addition to Endowment Capital, further stimulating charitable giving, and incentivizing financial resilience.

Working Capital is essential to smaller, new and diverse organizations which are not set up as institutions in perpetuity, and supports their growth, development and resilience. Highly successful past models for a Working Capital Program for the Arts exist such as The Creative Trust program which ran from early 2000-2009 in Toronto.



Working Capital differs from Endowed capital in that it is not externally restricted and can be accessed for strategic growth and opportunities. A federal investment

\*Source: The CADAC 2023

in a Capital Incentives program could potentially triple, leveraging an equal amount in private philanthropy and possibly another equal amount in matching funds if provinces would also follow suit (as they did in Ontario in the 2000s contributing to the Ontario Arts Foundation). Furthering the impact would be a potential 5% annual return on investment on any invested funds not accessed in a given year.

Recommendation 2: Recognizing our urgent labour force challenges, we recommend the Government of Canada study the implementation of a policy framework for a national Live Performing Arts Tax Credit. (LPATC)

The opera economy is an inter-related equation where the production, consumption, and distribution of opera in Canada works together to meet the needs of those working within the economy, artists and arts workers. In opera in recent years, this equation is off-balance.

Since the pandemic, the opera sector has been losing jobs. CADAC data for the sector show an overall workforce shrinkage of 22% since 2018\*. Stemming this “brain drain” and retaining talented, skilled workers in the opera sector is essential to its future success, vitality and resilience.

In general, the effect of tax credits is to lower the operating costs for organizations through a 25% labour cost rebate, that can then be re-invested into creating more, better paying jobs, stimulating other parts of the economy.

Multiple jurisdictions including Ontario, Quebec, Illinois, New York, and Ohio established some form of live performing arts tax credit program in their jurisdiction even before the pandemic.

A national group of key sector players have commissioned a report from Nordicity, one of Canada’s leading business consulting firms, and ask that the Government of Canada consult this work as part of a study of the implementation of a LPATC.

## Conclusion

The opera sector can fulfill its social contract of making a positive impact into the lives of Canadians and our communities, when its underlying economy is robust and in balance in terms of our productivity, our audiences, and the people whose livelihoods depend on this inter-connected system.

\*Source: The CADAC 2023

## Investment in the Opera Sector is an Investment in Canadian Life and Communities An Evidence-Based for Opera in Canada

Through its innovative Opera Civic Impact Framework, unique to the opera sector, AOC measures the collective civic impact of opera companies from coast to coast. Between 2021 and 2022, seven opera companies in Canada participated in data collection efforts, deploying a total of 400 surveys that were completed by participants and audience members attending the opera performances and programs during the pandemic.

### Findings:

1. Joy: 95% of survey respondents enjoyed the opera experience. Participants highlighted the opportunity to use their voices without judgment, and teachers found the interactions with participants gratifying.
2. Relatable: 61% of respondents felt that opera was more relevant than they originally thought, and 64% gained a deeper appreciation of opera as an art form.
3. Welcoming: 90% of respondents felt that the atmosphere at opera performances was warm, open, and inviting.
4. Well-being: 73% reported that attending the opera had a positive impact on their mental health and well-being. The opera experience was described as a means to escape the daily routine, allowing attendees to dream, imagine, and be transported into another realm.
5. Changing Hearts and Minds: 73% experienced strong emotional reactions during opera performances. 32% reported that the opera experience altered their worldview, while 41% felt motivated to engage in dialogue or action related to the covered topics.
6. Community Cohesion: Attending opera performances contributed to community cohesion, with 55% feeling more proud of their culture and/or community, 52% feeling more connected to their local community.