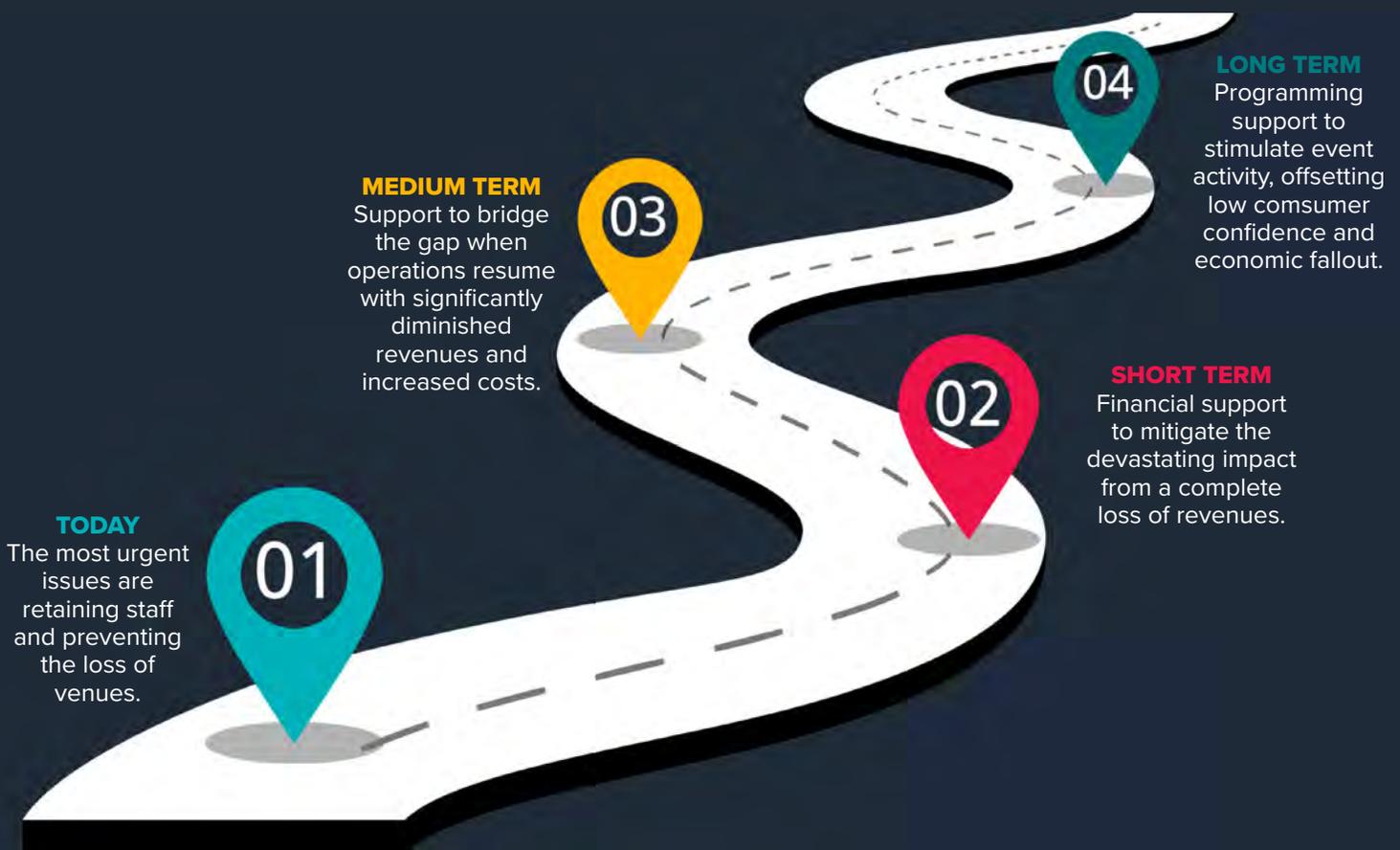


# A Roadmap for Recovery: Rebuilding Nova Scotia's Live Performance Sector

Presented by the Nova Scotia Live Performance Recovery Coalition





**Investing in the culture sector in Nova Scotia is investing in Nova Scotia's economic recovery. We want more than to 'get back to normal'. This pandemic has presented an unprecedented opportunity to reposition and prioritize the culture sector as having an integral role in the province. In alignment with the provincial development strategies outlined in the One Nova Scotia report, harnessing the vitality of the creative and cultural sector and its enormous potential will make Nova Scotia a better place to live, work, and visit."**

*- Creative Nova Scotia Leadership Council (Building Back Better Report)*

# Executive Summary

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This report outlines immediate actions the province of Nova Scotia can take to affect significant and meaningful change in the live performance sector while also creating positive and long-term economic and societal growth in a post-pandemic world.

This work aims to serve as a complement to the Building Back Better report delivered by our colleagues at the Creative Nova Scotia Leadership Council (CNSLC) and Arts Nova Scotia (ArtsNS) by making specific recommendations based on their findings.

The live performance sector in Nova Scotia is a critical economic building block for the province according to the Culture Satellite Account:

- Culture contributes roughly 3% to Nova Scotia's GDP (\$989M in 2020)
- Culture accounts for nearly 3% of the total number of jobs in the province (more than 14,000 in 2020), employing more people than farming, fishing, and forestry combined.

**Nova Scotians overwhelmingly agree that culture provides substantial benefits to their wellbeing.**



We know that culture is a key driver to attract visitors and new residents from outside of Nova Scotia as well as new residents to the province.

The live performance sector has suffered tremendous hardship throughout the COVID-19 pandemic. Over the last two years, we have seen drastic reductions to income, workforce, and wellbeing. The sector has endured repeated and prolonged closures, layoffs and terminations, the loss of highly professionalized staff, and alarming impacts on mental health. Federally, the performing arts have been categorized as a “hardest hit” tourism and hospitality sector. We assert that the performing arts should be also given this status provincially.

The following report will present investment recommendations founded on three key points which include:

- 1. LIFELINE:** The live performance sector in Nova Scotia must be provincially recognized as a “hardest hit sector” that requires critical emergency investment in the current fiscal year to bridge the gap to the recovery phase of the pandemic crisis.
- 2. RECOVERY:** The Operational Support for Cultural Organizations Program has not seen a budget increase in over 20 years. Since then inflation has grown 50% and continues to grow as a result of the pandemic.
- 3. BUILD BACK BETTER:** New investment in equity, diversity and inclusion initiatives, sponsorship matching, live presentation programs, human resources, and consumer confidence marketing projects will stimulate an efficient, robust and meaningful recovery.

Rather than simply recover, the overarching theme of the report is to spearhead creative strategies and leverage partnerships across government and the private sector to arrive at a more vibrant, inclusive, and sustainable live performance sector in a post-pandemic world.

# A Sector in Crisis

In 2020, the live performance sector was directly affected by federal and provincial government measures put in place to control the spread of COVID-19. From the onset of the COVID-19 pandemic in Canada in March 2020, government restrictions led to the cancellation or postponement of shows across all provinces, greatly limiting most business operations.

On January 24, 2022, Statistics Canada released their first economic report on the live performance sector since 2018, painting a stark picture of the effects of COVID-19 and associated shutdowns and putting revenues at their lowest since first tracking the data in 2014 due to the impacts of COVID-19.

- Losses in operating revenues outpacing those of operating expenses (-\$635.4 million).
- Operating profit margin for the industry fell 2.6 percentage points to 10.4% in 2020.

From its last report in 2018, StatsCan reports a 31% drop in operating revenue (\$1.8 billion) putting industry revenues at their lowest since StatsCan began tracking the data in 2014. Further, for-profit companies have been hit hardest with operating revenues dropping 40%. Non-profit counterparts have experienced a drop in revenue of \$166.3 million.

Because of pandemic-related restrictions, non-profit performing arts companies saw their number of performances and attendees decline by approximately half from 2018 to 2020.

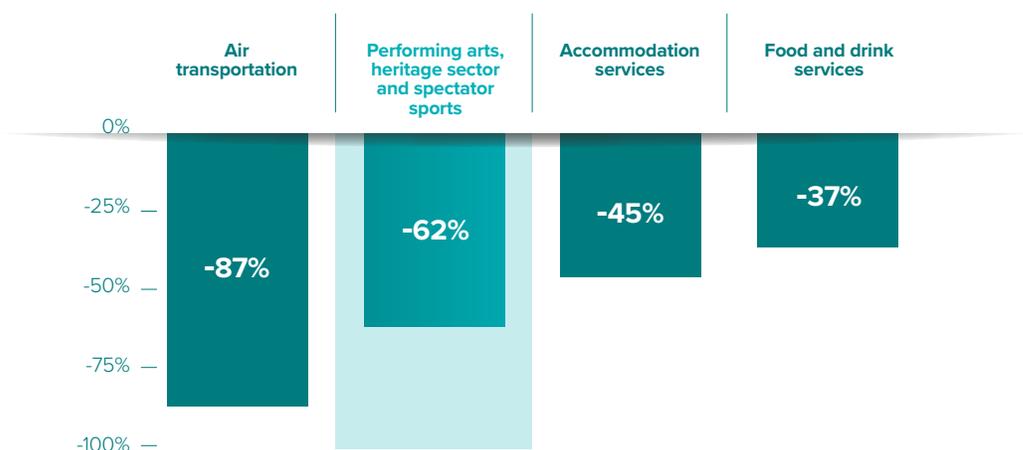
- Cancellations and audience-related restrictions amid lockdowns led to large drops in performance revenues (-\$166.3 million).
- 87.3% of the decline concentrated in single ticket sales (-\$113.7 million) and subscription sales (-\$31.0 million).

With rolling restrictions throughout much of the year, live performance sector operators continued to face extremely challenging conditions in 2021. The extent of the bounce back will vary across the performing arts industries, as evolving conditions during critical operating dates and limited opportunity for in-person events for most of 2021 will likely push any appreciable recovery to a later time.

The entire sector is once again shut down by a fifth wave due to the Omicron variant. Music, theatre, dance; private and public sector presenters - we must all work with the Province of Nova Scotia and the Department of Communities, Culture, Tourism, and Heritage (CCTH) to negotiate the resources and tools needed for survival and an efficient recovery as we emerge into the endemic stage of this crisis.

## GDP change in four subsectors hardest hit by the pandemic

Percentage change, from Feb. 2020 to Dec. 2020



Source - Statistics Canada

<https://www150.statcan.gc.ca/n1/daily-quotidien/220124/dq220124b-eng.htm>

# Key Point #1 - Lifeline

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The live performance sector has suffered tremendous hardship throughout the COVID-19 pandemic. Over the last two years, we have seen drastic reductions to income, workforce, and wellbeing. The sector has endured repeated and prolonged closures, layoffs, and terminations, the loss of highly professionalized staff, and alarming impacts on mental health.

Federally, the live performance sector has been categorized as a “hardest hit” tourism and hospitality sector. We assert that the live performance sector should be also given this status provincially. As we transition to the recovery phase of the pandemic, we are still very much in an emergency situation. Emergency public investment is required to bridge our sector through the Omicron wave and into a strong and efficient recovery.

Organizations from all disciplines within our sector have communicated the need for immediate emergency funding in the current fiscal year to assist with financial strains emanating from ongoing gathering restrictions that have resulted in reduced capacity limits and cancellations.

On April 27, 2021, the Government of Nova Scotia introduced new pandemic restrictions as a response to the third wave of COVID-19. This along with the subsequent phased reopening plan, which was delayed by the fourth wave of COVID-19, resulted in ongoing gathering limits and the cancellation of many annual signature events and festivals for the second year in a row.

To date, there has been no indication of forthcoming emergency financial support for the cultural sector as we quickly approach the fiscal 2021/2022 year end. It is important to note that emergency operational assistance was made available in the fiscal year prior. On November 5, 2020, the province announced a \$2.1 million emergency operations fund to keep operations going, adapt spaces, and/or generate activity under the current public health guidelines.

With a second full year of reduced capacity limits due to gathering limits and outright event cancellations, additional emergency operational support for cultural organizations is required for the current fiscal year.

Without emergency operations support in the current fiscal year, many organizations and events in Nova Scotia will not survive to see the recovery phase of the pandemic. This is still very much an emergency situation.

## Key Point #1 Investment Recommendations

- A one-time \$2.1 million emergency investment in the current 2021/2022 fiscal year.
- For-profit and non-profit eligibility.
- Based on demonstrated financial need, with a goal of bridging organizations from the emergency into the recovery phase of the crisis.
- Administered by the Department of Communities, Culture, Tourism and Heritage.

## Key Point #2 - Recovery

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The Province of Nova Scotia's Operational Support for Cultural Organizations Program has not seen an increase in investment in over 20 years. Since then, inflation has grown 50% and continues to rise at an alarming rate as a result of the pandemic. New public investment for this critically important program is long overdue. Additional operational resources for cultural organizations will be a game changer in the post-pandemic road to recovery.

Many organizations receive less than 10% of their budgets from this program. A modest, permanent increase would ensure this important sector is more sustainable and boost their overall contribution to Nova Scotia's GDP and economic recovery.

- Pre-pandemic average annual inflation rate: 1.89%
- Accumulated inflation rate: 48.06%
- A basket of goods that cost \$100 in 2000 cost \$148 in March 2020.

In the recent CNSLC/ArtsNS report titled Building Back Better: A Vision for Culture Sector Recovery, nearly 200 stakeholders identified an increase to operational funding as the number one priority for helping the sector recover as we enter the endemic stage of the COVID-19 crisis. Doing so, the report states, "emphasizes growth, creativity, better partnerships, and enhancement of quality of life for sector professionals and, indeed, for all Nova Scotians."

### Key Point #2 Investment Recommendations

Currently, the province allocates \$2,101,500 to Operating Assistance for Cultural Organizations. The recommendation is an immediate \$1.5 million increase in Fiscal Year 2022/2023 to the program with annual indexing to ensure the program keeps in step with inflation.

- \$1.5 million investment increase in Fiscal Year 2022/2023.
- Annual indexing to ensure investment is in step with inflation.
- \$1.53 million investment in Fiscal Year 2023/2024
- \$1.56 million investment in Fiscal Year 2024/2025
- \$4.59 million investment over three years

With CCTH infrastructure and distribution formulas already in place, these funds could be quickly distributed to create an immediate and meaningful impact.

## Key Point #3 - Build Back Better

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Rather than simply recover, our goal must be to spearhead creative strategies and leverage partnerships across government to arrive at a more vibrant, inclusive, and sustainable sector. New investment in equity, diversity and inclusion initiatives, a sponsorship matching program, live presenters assistance programs, consumer confidence building marketing projects and human resource development assistance will not only stimulate the post-pandemic recovery but also facilitate the rebuilding of a much improved sector for all.

### Equity, Diversity, and Inclusion (EDI) Investment

It has been strongly highlighted that emerging artists, and those from underserved communities, have been disproportionately affected by the pandemic. This challenge must continue to be fully explored in the formulation of recovery strategies for the live performance sector.

Further to the CNSLC's observation that "a financial influx from government would help advance and expedite [equity, diversity, and inclusion]," we propose a \$1 million investment over three years in EDI programming. This investment would be spread across the Department of Communities, Culture, Tourism and Heritage entire suite of culture division programs.

An EDI working group should be struck through our partners at the Creative Nova Scotia Leadership Council, with representation from throughout the sector, working with senior department leadership. Direct consultation with EDI practitioners on the front line will ensure that program modifications and new programs created are responsive to the sector's EDI needs and opportunities.

### Sponsorship Matching Program

Across the sector, sponsorship investment has been drastically reduced by the ongoing COVID-19 pandemic and related cancellations. It is being estimated that we should expect to see a loss of sponsorship in the magnitude of 75%.

Even when the epidemiology permits events to restart, a dramatic loss of sponsorship may hamper the decisions of our key presenting organizations to restart.

While emergency funding is critical to the immediate operational stability of organizations, this is an example of a situation where the impacts will be felt for several years, longer-term recovery programs are needed.

We recommend the province implement a sponsorship matching program of \$1.75 million over the next three years. This is a core building block for live performance sector viability. It will help rebuild confidence with sponsors and help bridge finance the sector until sponsorship levels recover.



### Live Presenters Support Program

It is recommended that the Music Nova Scotia Community Presenters Program be extended to a three-year term with an increased overall budget of \$1.5 million over three years. This will allow for a temporary subsidy

## Key Point #3 - Build Back Better cont.

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of up to 75% (with capacity restrictions at 25%) that would scale down to align with restrictions imposed by public health.

Additionally, eligibility should broaden beyond music-presenting non-profits to include festivals, private sector presenters, theatres, and dance organizations.

### Marketing and Consumer Confidence

Live performance products, experiences, and events are central to Nova Scotia's tourism sector. Visitors and Nova Scotians alike seek authentic musical, theatre and dance to enrich sightseeing, business, and visiting-friends-and-relatives travel.

With the expansion of Communities, Culture and Heritage to Communities, Culture, Tourism and Heritage, we have – for the first time in many years – the incredible advantage of ensuring the performing arts can complement ongoing tourism development and marketing.

In the spirit of this new partnership, We are proposing a \$3 million over three-years marketing campaign modelled on the International Years of Music, staged in 1996 through 1998. The Celtic Colours International Festival, Stan Rogers Folk Festival and New Glasgow Riverfront Jubilee are just a few examples of signature festivals that were launched during the original International Years of Music. All three will be celebrating their 25th anniversary in 2022.

- **Start-up/Seed Funds**

Many great event ideas require a relatively modest investment to get off the drawing board. This provincial investment can often trigger municipal and federal matching. A \$30-50K provincial investment can quickly leverage a \$100K budget and get a new event solidly underway. As a point of reference, the Stan Rogers Folk Festival was started with a \$30K start-up investment through the 1996 International Years of Music program.

- **Regional Marketing**

The pandemic has taught us all a valuable lesson. The marketplace with a 200km radius of our organizations/venues is absolutely critical to our success. It doesn't replace international marketing, but it delivers a core audience and the energy and excitement required to attract international visitors. Over the past two years, and perhaps for the next year or two, we can expect travel restrictions and/or hesitancy, limiting international visitors. Regional marketing assistance will be essential to a vibrant recovery and achieving our goal of landing in a better place culturally and economically post pandemic.

- **Launch/Growth-Focused Infrastructure Development**

Our tourism industry is heavily dependent on our signature events re-starting. As beacons of resiliency, many of our major events are formulating recovery strategies that will see them changing formats post-pandemic, re-scaling audiences and achieving growth. It will be a tremendous boost to the sector if CCTH has a program and budget to fund growth-focussed infrastructure development. We suggest a group of tourism and cultural sector leaders be assembled to brainstorm and collaborate with CCTH on setting goalposts for program development under the International Years of Performance concept.

# Key Point #3 - Build Back Better cont.

## Human Resource Development

Organizations and companies in Nova Scotia's live performance sector are shouldering the labour force impacts of the pandemic on a daily basis. Many have lost team members, who have sought more stable employment in other sectors.

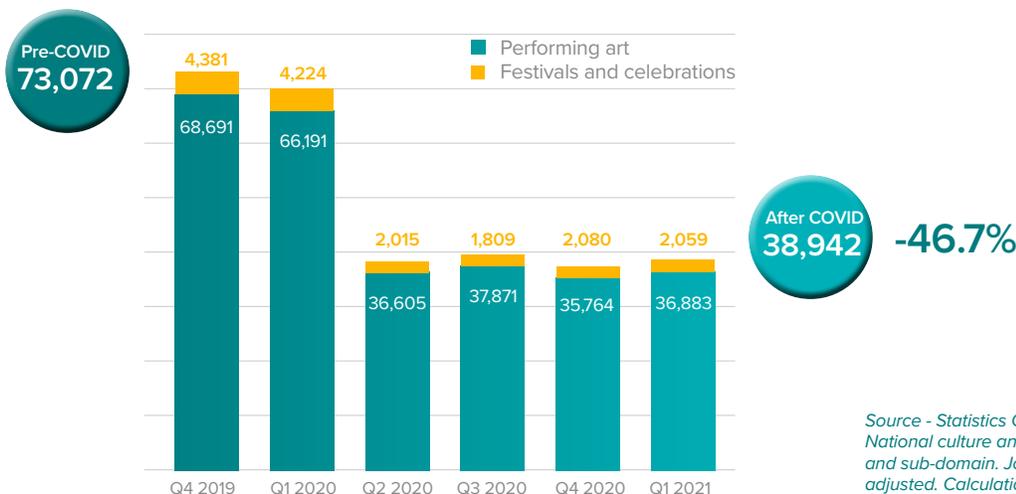
A prevailing worry across the live performance sector is that when restrictions ease, the workforce will not be there to match the demand. "Many fear that a large part of this pool of highly specialized talent, who are crucial to the day-to-day activities of the sector, will not return," writes the CNSLC and ArtsNS. In fact this is already evident even with only a small percentage of the events having returned across the province.

The initiation of a cultural internship program, empowering sector companies and organizations to hire new employees with 75% cost sharing for a one year term will create hundreds of opportunities for new entrants into the sector, while helping organizations and companies overcome pandemic driven staff shortages.

### Key Point #3 Investment Recommendations

- Equity, Diversity and Inclusion initiatives - \$1 million over three years (CCTH admin across entire suite of programs)
- Sponsorship Matching Program - \$1.75 million over three years (CCTH admin)
- Live Presenters Support Program - \$1.5 million over three years
- Marketing and Consumer Confidence Program - \$3 million over three years (CCTH admin)
- Human Resource Development Program - TBD

### Jobs in the Live Performance Domain



Source - Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain. Jobs, quarterly, seasonally adjusted. Calculations by CAPACOA.

# Summary of Recommended Investment

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**LIFELINE:** \$2.1 million (fiscal year 2021/2022 only)

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**RECOVERY:** \$4.59 million over three years (fiscal years 2023, 2024, 2025)

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**BUILD BACK BETTER:** \$7.25 million over three years (fiscal years 2023, 2024, 2025)

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**TOTAL INVESTMENT: \$13.94 MILLION (\$3.49 MILLION PER FISCAL YEAR)**

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## Closing Statement - We Are Stronger Together

This draft document was compiled over the past six months to summarize recovery discussions happening on many sector recovery calls. The research/writing team included representation from the music, theatre, festivals and performing arts centre tiers of the sector. While the team worked to reflect content of larger sector discussions occurring over the past six months, we recognize we are only a small representation of our sector and are seeking input from our colleagues across the live performance sector.

deCoste Performing Arts Centre  
Music Nova Scotia  
Theatre Nova Scotia  
Royal Nova Scotia International Tattoo

This document is a starting place, meant to stimulate discussion, and solicit input from across the live performance sector. This is our opportunity to shine a bright light on our challenges as we near the two year point in the pandemic. Additionally, and importantly, it is an opportunity for us to work towards consensus and identify the support we need to stage a strong live performance sector recovery. Please add your voice, experience, and support to this discussion.

This document is not intended to be a finished product and will conclude with a list of organizations who have been consulted and have endorsed the observations and recommendations herein. We welcome you to join this growing coalition.