

YOUR LOGO

**Submission for
Federal Government
Fall Fiscal Update, 2023**

FROM: Name of Organization

Contact Info

Attention:

Deputy Prime Minister and Minister of Finance
The Honourable Chrystia Freeland
chrystia.freeland@fin.gc.ca

Ministry of Canadian Heritage
The Honourable Pascale St-Onge
hon.pascale.st-ongepch.gc.ca

YOUR MP

Recommendation

That the government allows for **IMMEDIATE and FULL loan forgiveness** on a sectoral basis for theatres and other not-for-profit organisations who received support from the Canada Emergency Business Account (CEBA).

Submission

About you or your organisation's connection to culture or non-profit milieu in Canada

Our sector – especially in live theatre - has been the hardest hit during the COVID-19 pandemic and we need urgent innovative approaches to the sector (at least) to help continue our recovery.

Our recommendation is to use a sectoral approach to the last pandemic support, and to completely forgive the Canadian Emergency Business Assistance (CEBA) loan taken by so many of our colleagues as a way to weather the COVID-19 storm.

In a survey undertaken in the early part of 2023, representing arts organisation from BC to NS, over 87% had taken out the CEBA loan to help them weather the effects of COVID. That same number has not yet been able to full repay the loan and listed the following primary reasons:

- It will reduce the number of employees we can hire
(note: in a time of staffing challenges and leadership burnout)
- It will reduce the number of artists we can hire
(note: in a time of diminished opportunities for artists and depletion of the sector)
- It will reduce the scope of the programs/performances we can offer
- It will reduce pay raises to bring our wages up for employees or artists.
- We have already not hired the staff we need and it has reduced the programs we can offer because we have been holding that money to pay back at this point.
- It would reduce all operations if we were to repay
- We had to get rid of our office space in order to continue operations. We also had to make our employee part time in order to continue operations
- It removes a buffer during a challenging time - all other supports are ending, while audiences remain below historical levels. Things are looking very hard for this year, and next.

- We had a massive deficit last year and will have another one this year and repaying the loan is going to significantly impact our cash flow
- CEBA has been a huge help. So many of the extra supports that were available during Covid have ended, and yet we are facing much higher costs across the board and smaller audiences post-Covid. CEBA forgiveness would be a huge help in addressing the significant expense/revenue gap facing most arts organisations.
- With this loan we were able to keep our doors open throughout some of the hardest times through the pandemic, having to repay it will end up hurting our programming and any financial stability we had.

Canada's non-profit and arts sectors are vital to the health and well-being of our communities and to our vision of Canada as a vibrant, attractive country both to live in and immigrate to. While we are resilient, the pandemic has exhausted us, and we need hope and forward thinking to revitalise the sector. While the following is from a NS report on the arts, its findings and recommendations may be applied across the country and to the non-profit sector as a whole which exists to serve our communities.

"Our 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. We were the first to shut down and will be the last to fully reopen. Federally, the sector has been categorized as "hardest hit."

[While] the culture sector [has] greatly suffered as a result of COVID-19...culture [has] played an essential role in helping people through the pandemic...Perhaps now more than ever, we find ourselves in a moment where the public understands that culture is an intrinsic and necessary part of our daily lives.

From the introduction to [Building Back Better: A Vision for Culture Sector Recovery in Nova Scotia \(BBB\)](#)

Cultural and Non-Profit workers who work with organisations in this country are rooted in our communities and dedicated to creativity and innovation for and with the larger community. We are an integral piece of making Canada stronger and ready for the future, but we need help and we need it now.

While CEBA loan forgiveness is not going to eliminate the entire effect of the COVID-19 pandemic and inflation, it will begin to pave the way for a more stable arts and culture and non-profit sector.

Together with the Federal Government, forgiving the CEBA loan immediately on a sectoral basis within the fall fiscal update will help us reduce the incredible stress for non-profits of the impacts of COVID and inflation, to retain talent in the sector and mentor the next generation. While the pandemic supports are gone, the effects of COVID and the current inflationary pressures (including housing for our workers) on Arts and non-profits continue unabated. Simply delaying the problem to January or a year into the future will not help the non-profit sector enough and we will see losses of jobs, contracts, programming and community engagement and significant stress on non profit leaders.

We recognise that the Federal government is also under financial strain but a sectoral approach will allow those who shore up every aspect of community life - and help Canada create and communicate our national identity - are supported through this recovery in an appropriate way, separate from for-profit enterprise.

The non-profit and arts sectors are built to support our communities across Canada and this is an immediate way to provide support that is urgently needed.

Thank you for your consideration.