

Budget 2022:  
Will it have an impact?

## Federal Budget Analysis

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**MASS** culture **MOBILISATION** culturelle

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### **Introduction**

Federal budgets are monumental documents that capture a moment in time. Budget 2022 was bound to pale in comparison to Budget 2021 which included stimulus for the arts unlike we had seen in generations. As a result, it is difficult to compare Budget 2022 to past spending on arts and culture because we are in unprecedented times.

A decade ago, the arts sector would have been enthusiastic about the investments in training and the language around the importance of Indigenous ways of knowing. A decade ago, the charitable sector would have been overjoyed to be included because a Budget is about the government's priorities and it is encouraging to make the cut. Even though COVID is not over, it appears that the federal government is ready to turn the page. It feels like the window for a once-in-a-lifetime investment in arts and culture is closing. In this analysis, we want to examine the Budget under the umbrella of short-term recovery - but we also want to consider what a growth budget would look like for our sector at this pivotal time.

In brief, Budget 2022 invested in the arts sector's ongoing recovery from the COVID 19 pandemic as part of the hardest hits industries; this Budget saw a predictable investment in more than thirty national training institutes through the Canada Arts Training Fund to "address historic inequities in funding" for Indigenous and racialized arts training organizations, lastly, this Budget saw a huge investment in the National Arts Centre and its programming. Our first question was: how does Budget 2022 invest in equity-seeking artists and arts organizations?

Last year's Budget Analysis, by Naomi Stokes and Ben Dick, focused on equity-seeking communities missed in Budget 2021. In comparison to last year, Budget 2022 does go slightly further with its nods and signals. There is significant investment in disaggregated data over the next five years which will be pivotal to gather information on equity-seeking groups. There are several steps towards Indigenous sovereignty and the recognition of the need for Indigenous training. There is targeted funding for anti-Black racism, Islamophobia prevention, and anti-Semetic programs and initiatives. But on the other hand there is \$12.1 million for the National Arts Centre - the crown corporation that has been an instrument of colonialism. This Budget drifts away from growth in favour of compromise and federalism - taglines of a Liberal government.

Like a self-proclaimed ally, the federal government has absolutely pushed the needle on gender equality, racial equity, queer rights, and Indigenous sovereignty. But remember that the bar left by the last government, in 2015, was very low. This government also continues to invest in the status quo as long as those institutions signal a willingness to change. This budget is a masterclass in compromise. Let's look deeper into arts and culture funding specifically.

### **Boom and Bust: Get me off this ride**

Since the 1990s the non-profit arts sector has been on a rollercoaster of boom and bust. As a result, there has been a catch-up mentality. The sector assumes that Liberals will spend and Conservatives

will cut - but it is important to recognize that there were incremental investments in the arts during Conservative rule, and significant cuts to the Canada Council during Liberal rule. No federal government is winning elections based on their arts platform, even though we represent 3.5% of the GDP and are bigger than the forestry industry. As 2022 marks the seventh year of this federal Liberal government, it is paramount for advocates to remember that the arts sector has friends on both sides of the aisle. The pretense of 'boom and bust' does not accurately reflect the state of our industry. Pockets of the industry, especially music, film, and television, have seen incredible growth in the last thirty years. The growth in our sector has had more to do with audiences and innovative ways of reaching them than government investment. But for the non-profit side of the sector, government investment can be pivotal for growth. The sector often employs a "have versus have-not" dichotomy because we are constantly in competition with each other.

Keep the theme of boom/bust and growth in mind as you scrutinize this year's federal investments. We will return to these questions in the conclusion. A note about this analysis: the intention of the authors is to inspire more than just observation, but action. As a result, we have included Calls to Action at the end of each section.

### ***Investment in Recovery***

In 2021, the federal government made a historic commitment to the arts by dedicating \$250 million to recovery funds in the 2022/23 fiscal year. This year's budget added another \$50 million to those funds to round it up to an even \$300 million. On the surface, this is a much-needed injection of cash to keep arts organizations afloat, but the industry is not a monolith.

Some sub-sectors of the industry are thriving and others are shrinking. The film industry was granted the ability to keep working during lockdowns with COVID protocol officers and daily testing of workers in place. As a result, that part of the arts and culture sector thrived. But of course, any employer that operated a venue like a gallery or theatre was subject to lockdowns based on provincial regulations. Since March 2020, CAPACOA has offered monthly accounting of the losses in the sector via the National Cultural Indicators - especially the loss of workers. (Please check out [CAPACOA's work](#).) We asked Frédéric Julien of CAPACOA about the recovery funding included in Budget 2022: "In absolute terms, \$300 million is a significant amount - especially considering that the annualized culture GDP in the last quarter of 2021 was \$753 million above its pre-pandemic level. But this annualized culture GDP number hides dramatically different situations across culture domains and sub-domains. The GDP of audio-visual and interactive media is now \$1.8 billion above its pre-pandemic level, the live performance domain is still \$1.2 billion below its pre-pandemic GDP. Other culture sub-domains that lag behind include newspapers (- \$266 million), periodicals (-\$131 million), cultural heritage (-\$109 million), and original visual arts (-\$26 million)."<sup>1</sup> At this point in time (two months after the release of the budget), the government has not yet specified how that additional \$50M will be directed at the Canada Council for the Arts, Department of Canadian Heritage, and Telefilm. As a result, it is difficult to assess this investment.

Like much of Budget 2022, the spirit of the investment is wonderful, but the devil is in the details. The sector needs to see the details.

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<sup>1</sup> Source: Statistics Canada, Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain, nominal gross domestic product, quarterly, annualized. Release date: 2022-04-14.

## **Calls to Action:**

### **Collective Action**

1. Keep asking questions.
2. Follow up with the Canada Council for the Arts, Department of Canadian Heritage, and Telefilm. Ask where the recovery funding is going?
3. Ensure that advocates talk to the Minister of Canadian Heritage to confirm he truly understands which parts of the sector are the hardest hit.

### **What Can I Do?**

1. Amplify IBPoC voices. Equity-seeking artists and organizations have suffered tremendously throughout the pandemic. Privileged artists need to amplify those voices.
2. Phone a friend. Check in on every artist you know, ask how they are doing.
3. When recovery funding is available, share the information *widely*. The window to this type of time-sensitive money is often small. Be sure your network knows about it.

## ***Investment in Training as the cornerstone of our sector***

The Canadian Arts Training Fund (CATF), administered by the Department of Canadian Heritage, was established in 2001 ([source](#)) by the Canadian Federal Government to “provide financial support for the ongoing operations of Canadian arts organizations that specialize in training artists for professional national or international artistic careers, at the highest levels.” ([source](#)) This program currently supports approximately 36 training schools and distributes approximately \$22.5 million in grants, an amount which has not changed since 2009. Due to this freeze in funding, it has become more and more difficult for artist training organizations to access CATF funds, as any new member to the program would lead to a deduction of funds for those already in the program.

As a result, representatives from the organizations currently in the Canadian Arts Training Fund came together in 2017 to create The CATF Advocacy Committee, an ad hoc committee of peers that organize to share resources in order to better advocate for their needs. In the lead up to the 2021 Budget, the CATF Advocacy Committee asked for an increase of \$4 million dollars to the fund, with a scaled increase to \$10 million annually over the next 3 years and organized a letter writing campaign in support of it.

While this increase was not granted that year, this year the 2022 Federal Budget announced that the Government of Canada would be providing supplementary funding to CATF, consisting of a \$5 million increase ongoing, as well as a \$22.5 million increase over a period of five years. It is important to note that these increases have been earmarked specifically for the dual purposes of “continuing to support the arts sector’s recovery from the COVID-19 pandemic” as well as “to address historic inequities in funding levels for Indigenous and racialized arts training organizations”.

Since the wording can leave the interpretation of this action point vague at best, this begs the question of how this increase in funding will be distributed and if this will lead to an increase of art organizations that benefit from CATF? As of writing (June 2022), there is no clarity on how this money will be distributed by the Department of Canadian Heritage. In conversation with community leaders, the consensus seems to be that the \$5 million will be added to the CATF envelope, raising it to \$27.5 million annually, and \$22.5 million will be distributed over 5 years in grants specific to COVID-19 recovery and historically underfunded indigenous and racialized organizations.

An ideal disbursement of these funds would include a significant investment in creating space within the CATF program for institutions that have not inherited western, patriarchal, and colonial systems, and for institutions that are IBPoC administered, taught, and led. This funding could also focus on

deepening the education surrounding arts management and administration for IBPoC artists within the training programs that CATF funds. A focus on teaching arts management and administration could help not only diversify an artist's revenue stream, but also empower them to take on senior, managerial, and leadership roles in their career paths, leading to an increase in IBPoC representation in the upper management of the cultural sector.

## **Calls to Action:**

### **Collective Action**

1. Support CATF Advocacy Committee in their advocacy effort. Training institutes are the backbone of our sector.
2. Connect with established arts training institutions to let them know that you are eager to see them working with IBPoC artists and educators. This investment is a long time coming, let's celebrate it.
3. Hold the Department of Canadian Heritage and the CATF program members accountable to ensuring equitable distribution of funds.

### **What Can I do?**

1. Challenge the value system of the arts in our culture - question why artistic training institutions are not seen as important contributors to our economy through the ever growing cultural sector and why critical funding for artistic training institutions are cut or withheld on the whim of the political party in power.
2. Celebrate artistic training programs for the work they do in the cultural sector, as they create a foundation for a strong professional arts ecosystem.
3. Observe who in your community does not have access to artist training programs and communicate these findings with your local training institutions.

## ***Investment in the National Arts Centre***

The Massey Report, published in 1951, recommended the creation of a national theatre. The dream of the National Arts Centre was spoken by Vincent Massey and others in 1951 and began to materialize soon thereafter. The National Arts Centre was funded as a Centennial of Confederation project as a gift to the nation. Ottawa's NAC opened in 1969, two years after the Centennial, and has struggled with its mandate since the beginning. A national theatre is ideal for a small and centralized European nation, but the model has not suited the regional, cultural, and language differences represented in the Canadian experience. (Don't get us started on the white supremacy and the settler erasure of Indigenous cultural expression.) The National Arts Centre followed the trend of the creation of nationalist flagship institutions in the performing arts like the National Ballet of Canada (founded in 1951) and the National Theatre School (founded in 1960). But the NAC was the first government created Crown corporation, alongside organizations such as the National Gallery of Canada (founded in 1880). The NAC is the product of a federal government in its attempts to promote a dominant national, colonialist, settler culture. It is a problematic institution for sure.

As a "federal cultural organization" and a Crown corporation, the National Arts Centre reports to Parliament through the Minister of Canadian Heritage and the money flows through that office. ([source](#)) The last major investment in the NAC was in 2015-17 when the building was renovated so that the public could better access the Centre from Elgin Street. Programmatically, the addition of Indigenous Theatre was a significant step forward for the NAC, officially opening in 2020. Indigenous Theatre did not receive additional funding from the Minister of Canadian Heritage, it

was part of the regular programming allotment from Parliament. So the NAC must have been overjoyed to read, "To complement previous initiatives, Budget 2022 proposes to provide \$12.1 million over two years, starting in 2022-23, to the National Arts Centre to support the creation, co-production, promotion, and touring of productions with Canadian commercial and not-for-profit performing arts companies." The only part of this investment we know anything about is the commercial performing arts reference.

On May 2nd, at the National Culture Summit in Ottawa, the Minister of Canadian Heritage, Pablo Rodriguez, triumphantly announced the return of the musical *Come From Away* to the National Arts Centre and beyond in 2024. Some of the \$12.1 million announced in Budget 2022 would support this touring production that would start in Ottawa and then move to Toronto. "Rodriguez said he and his team began working to bring the musical back to Canada after the show's record-breaking Toronto production, which ran for three years and 855 performances, abruptly shuttered in December 2021 due to pandemic-related concerns." ([source](#)) Once again, the federal government has swept in when other governments didn't. But this much-celebrated federal investment in commercial theatre is a first in recent history. Conventionally, the federal government directs its funding to the nonprofit portion of the industry. But certainly, the pandemic has expanded the government's interest in the success of business, both commercial and nonprofit.

Again, we are left with more questions than answers. Like the investment in the recovery and training, few details are available about exactly where these millions of dollars will be spent at the NAC.

## **CALL TO ACTION:**

### **Collective action**

- Ask for transparency from the NAC about how \$12.1 million is being spent
- Support advocacy groups asking difficult questions like: should the federal government be supporting commercial ventures?
- Big question: What is the role of the NAC in 2022?

### **What can I do?**

- Invite the Minister of Canadian Heritage to ALL the shows; if you like *Come From Away* Minister, you should come and see ...
- Enjoy an artistic experience and post on social media tag the Minister of Canadian Heritage (@pablorodriguez)
- Audition for *Come From Away*

## **What would growth look like?**

The last growth budget for our sector was 2016 with the arrival of the majority Liberal government. The long standing ask of the doubling of the budget of the Canada Council was recognized and implemented over five years from 2016-2021. Little did we know that a pandemic would impede the end of that historic investment. The arts sector is truly one of the hardest hit in the pandemic - first to close, last to recover. The pandemic has seen emergency injections into the sector to keep our institutions afloat, for better or worse. Now, more than ever, we need to see a growth budget for the sector.

A growth budget would cross disciplines and departments and truly see the value of the arts for the health of Canadians including funding for social prescribing and therapeutic artistic practices. A

growth budget would see a huge investment in the arts as part of a tourism plan. A growth budget would include a permanent and long-term investment in 2SLGBTQIA+, disabled, and racialized art making to tell the stories of Canada in the twenty-first century both at home and abroad. A growth budget is an investment in Canada's youth and their future. A growth budget would include an investment in seven generations of Indigenous story-telling. A growth agenda would lessen the Canada Council's role as arbiter of the sector and permit other funders the opportunity to support this pivotal sector. In other words, a growth budget would decentralize federal funding of the arts and make it a priority across departments.

The dream of a growth budget does not require a new Massey Report extolling the nation's new cultural policy. A growth budget demands action by many, not by few. Budget 2022 will have an impact in the places we care about if we speak up. Our industry has been invited to the party known as the federal budget process repeatedly over the last seven years, it is time to stand up and make some noise.

### **Asks:**

1. More investment in Indigenous artists via the Public Health Agency (because the arts supports Canadians' mental health), the Tourism Plan (because arts organizations drive tourism), Women and Gender Equality (because the work of artists is social justice work), Small Business (because the work of artists is business), and more.
2. Investment in Black artists via the Public Health Agency, Tourism, Women and Gender Equality, Small Business, and more.
3. Investment in artists with disabilities via the Public Health Agency, Tourism, Women and Gender Equality, Small Business, and more.
4. Create a guaranteed basic income program and pilot it with artists to ensure a livable wage.