

*Funding reduced by one-third and \$22.5M cut
without appropriate budgetary measures:*

PREVENTING THE WORST FOR CULTURAL PRESENTERS RIGHT NOW

A brief to the House of Commons Standing Committee on Finance
as part of the pre-budget consultations

July
2025

FAME
FESTIVALS AND MAJOR EVENTS
FESTIVALS ET ÉVÉNEMENTS MAJEURS
CANADA

Credit: Beaches International Jazz Festival

Recommendations:

1. a) Renew and integrate the additions made to the Canada Arts Presentation Fund since 2019–2020, currently \$15.5M per year, into the program's base budget; renew and integrate the additions made to the Building Communities Through Arts and Heritage program since 2019–2020, currently \$7M per year, into the program's base budget.

b) Simultaneously adjust these investments to account for the growing number of clients, inflation and the sharp increase in operating costs since the pandemic (for example, by ensuring that the \$15.5M addition for the CAPF increases to \$21M and that the addition for BCAH increases from \$7M to \$9M).

c) If annual investments are not integrated into the base budgets, renew them for four or five years in order to eliminate uncertainty, provide a degree of predictability and put an end to the near-perpetual cycle of representation that has prevailed in the sector for more than five years.
2. Establish a Canadian event and music tourism program with a \$60M annual budget to promote the growth and attractiveness of the sector, along with an action plan aimed at increasing domestic and international tourism revenue and economic benefits in turn.

Festivals and Major Events Canada, also known by the acronym **FAME**, has a direct and affiliated membership of over **500 members** of all sizes and types.

The coalition works closely with the **Regroupement des événements majeurs internationaux** (RÉMI), which consists of some 30 major events in Quebec, as well as with the following organizations: **Ontario Festival Industry Taskforce** (OFIT), **Événements Attractions Québec** (ÉAQ), **Event Atlantic**, **Atlantic Presenters Association** (APA), **BC Music Festivals Collective** (BCMFC), **Ottawa Festival Network** (OFN) and the **City of Charlottetown**.

Context

In connection with the first recommendation

- **The base budgets** for two of Canadian Heritage's most important programs, Building Communities Through Arts and Heritage (BCAH) and the Canada Arts Presentation Fund (CAPF), **have not been reviewed for some fifteen years**, and were established by the Harper government at \$17.7M for the former and \$32.5M for the latter.
- Since then, **the number of clients and their needs have increased** both "organically" and as a result of the recent surge in inflation.
- To mitigate the chronic underfunding of both programs, the Trudeau government has been adding sums every year since 2019–2020 that **have not been integrated into the base budgets**. At present, until the end of the 2025–2026 fiscal year, these sums are \$15.5M for the Canada Arts Presentation Fund and \$7M for Building Communities through Arts and Heritage.
- If nothing is announced in the budget, these two programs will lose \$22.5M of the approximately \$73M they have had for the past two years, or nearly one third of their total envelope, as of April 1, 2026. This would effectively reduce funding for these programs to 2007 levels, representing a decrease of nearly 50% in constant dollars. **In that case, the Carney government would be regrettably on par with the Harper government in terms of funding culture.**

In connection with the second recommendation


- More tourism revenue and economic benefits can be generated by focusing on festivals, events, and the music at the heart of them.
- A bipartisan bill was submitted to the US Congress at the end of 2024: the American Music Tourism Act. It makes it mandatory to identify locations and events in the United States that are important for music tourism, and to promote travel and domestic tourism to these locations and events.
- It is estimated that **it now costs 30% to 40% more to organize an event comparable to one held in 2019**. If the pandemic can be likened to a major earthquake, what has followed in the sector is a tsunami.
- In Canada, festivals and events that present all or part of their activities free of charge are particularly hard hit, as are those that rely proportionally more heavily on grants and sponsorships, since **this type of revenue has not kept pace with the growth in expenses**, leaving organizations with operating deficits or facing budget decisions that jeopardize the very development, growth and attractiveness of their festivals and events.
- Over the past fifteen years, specific programs for festivals and events, as well as tourism and economic programs, have helped develop the sector and increase its attractiveness and competitiveness. However, whether it's the Marquee Tourism Events Program (MTEP) (\$100M over two years), the Canadian Experiences Fund, the Major Festivals and Events Support Initiative (MFESI) (\$200M over two years) or even the Tourism Growth Program (TGP), these programs have been **short-lived** and, thus, have not had the lasting effect we might have hoped for.
- Simultaneously, the budgets for the main programs currently supporting festivals and events at Canadian Heritage - **the Canada Arts Presentation Fund (CAPF) and Building Communities Through Arts and Heritage (BCAH) - are no longer able to keep up with demand**. In the case of BCAH, for example, the maximum amount received decreases from year to year, despite additional funding being added to the base budget.

Events that have been cancelled or have disappeared in recent months

- **British Columbia**
 - Ambleside Music Festival
 - Okanagan Military Tattoo
 - Kispiox Valley Music Festival
 - Vancouver Mural Festival
 - Vancouver Island Music Festival
- **Alberta**
 - Grande Prairie International Street Performers Festival
 - Edmonton Blues Festival
- **Saskatchewan**
 - Regina Folk Festival
- **Manitoba**
 - Vita and Area Winter Festival
- **Ontario**
 - Wordstock Sudbury Literary Festival
 - Songscape Music Festival
 - Kensington Pedestrian Sundays Festival
 - Paint the Town Red
 - Chesterville's annual Carnival
 - Kingston writer's Festival
 - Sugar Shack TO festival
 - Ribfest in downtown Peterborough
 - Folklore Festival
 - West Coast Blues Festival
 - Kemptville Live Music Festival
- **Quebec**
 - Woodstock en Beauce
 - VodFest
 - Shredfest
 - Festival du Gros Gras
 - Festival des Paspayas
 - Festival des Hivernants
 - Festi-Grîles
- **Nova Scotia**
 - Whirligig Festival

RECOMMENDATION 1

- a) Renew and integrate the additions made to the Canada Arts Presentation Fund since 2019–2020, currently \$15.5M per year, into the program's base budget; renew and integrate the additions made to the Building Communities Through Arts and Heritage program since 2019–2020, currently \$7M per year, into the program's base budget.
- b) Simultaneously adjust these additions to account for the growing number of clients, inflation and the sharp increase in operating costs since the pandemic (for example, by ensuring that the \$15.5M addition for the CAPF increases to \$21M and that the addition for BCAH increases from \$7M to \$9M).
- c) If annual additions are not integrated into the base budgets, renew them for four or five years in order to eliminate uncertainty, provide a degree of predictability and put an end to the near-perpetual cycle of representation that has prevailed in the sector for more than five years.

Program	Base annual funding since 2008	 Projected additional annual investments until the end of 2025-2026	Total funding until 2025-2026
Canada Arts Presentation Fund	\$32.5M	\$15.5M	\$48M
Building Communities Through Arts and Heritage	\$17.7M	\$7M	\$24.7M
Total	\$50.2M	\$22.5M	\$72.7M

- Over the past several years, FAME has called for the two programs to have **a combined base budget of \$95.2M**, but today they have around \$73M, made up of base budgets and one-off investments.
- The **base budgets** for two of Canadian Heritage's most important programs, Building Communities Through Arts and Heritage (BCAH) and the Canada Arts Presentation Fund (CAPF), **have not been reviewed for some fifteen years**, and were established by the Harper government. By operating outside the budget and on a one- or two-year cycle, the federal government is condemning the cultural community to a perpetual cycle of representations to renew funding. This practice also puts these investments at greater risk once they come to an end, with or without a change of government.

RECOMMENDATION 2

Establish a Canadian event and music tourism program with a \$60M annual budget to promote the growth and attractiveness of the sector, along with an action plan aimed at increasing domestic and international tourism revenue and economic benefits in turn.

- This program would enhance the federal government's involvement in festivals and events, by **adding recognition of the economic and tourism value of festivals and events** across Canada, in addition to Canadian Heritage's recognition of strictly cultural and social criteria. It would become a tool for recognizing tourism performance, as well as a **powerful engine for growth, promoting the attractiveness of festivals and events both domestically and internationally**.
- Among other things, the program would support a category of festivals and events that are not recognized by Canadian Heritage, whether they be primarily entertainment or sporting events, those that are for-profit, or any others that are excluded by the Department; it would add other assessment criteria and new, different funding for those already supported by Canadian Heritage.
- This program could include components and levels, and would be tailored to the needs of **festivals and events of all sizes with growth potential and the ability to attract more domestic and international tourism**.
- Funding awarded through this program should be primarily for **festival operations**, although it may require the presentation of a growth or development plan, a business plan or a strategy to enhance the festival's attractiveness and tourism performance. Consideration would be given to attendance, participant origin and, ultimately, results. We're not talking here about a program based on new projects requiring investments that too many organizations are unable to make.
- Support for festivals and events has a multiplier effect on tourism: it has been shown that out of every dollar spent by a participant, **\$0.25 goes towards accommodations and \$0.33 goes towards dining**, not to mention transportation and other categories. Many communities and commercial arteries generate income comparable to a full year's revenue during a single short festival or event.
- With **economic impact studies**, festivals and events are in a position to assess actual progress.
- FAME estimates that **the festivals and events sector generates over \$1B in GDP across Canada**.
- In a regional development agency like Canada Economic Development in Quebec, **it would be worthwhile to see how this new program could be articulated in relation to existing efforts**, and to a lesser extent, to do the same in other regional development agencies in Canada.

NEW CANADIAN STUDY ON THE IMPACT OF LIVE MUSIC

The Canadian Live Music Association (CLMA) unveiled the results of a new study, on January 30 in Toronto, titled *Here and Now: understanding the economic power and potential of Canada's live music industry*. This study shows that in 2023 alone, the Canadian live music industry generated \$3.73 billion in tax revenue and \$10.92 billion in gross domestic product. Of the latter amount, \$8.92 billion was attributable to tourism surrounding live music-related activities.