



## **BACKGROUND**

### ***THE FATHERS OF CONFEDERATION BUILDINGS TRUST***

***Government of Canada, House of Commons, Finance Committee***

***Witness***

***JESSIE INMAN, CHIEF EXECUTIVE OFFICER***

*"[The Fathers of Confederation Memorial Building] is a tribute to those famous men who founded our Confederation. But it is also dedicated to the fostering of those things that enrich the mind and delight the heart, those intangible but precious things that give meaning to a society and help create from it a civilization and a culture."*

Prime Minister Lester B. Pearson in the presence of Her Majesty Queen Elizabeth II at the Opening Ceremonies for Confederation Centre of the Arts, October 6, 1964

The Fathers of Confederation Memorial Buildings, a National Historic Site since 2003, were constructed in Charlottetown, Prince Edward Island in 1964 as Canada's living memorial to honour the founding fathers of our great country and the Charlottetown Conference, which recently received a National Historic designation by the Government of Canada, on February 15, 2016. The Buildings cover a full city block, serves 250,000 visitors a year and for the past fifty years Confederation Centre of the Arts has successfully fulfilled Prime Minister Pearson's opening day dedication – it is truly a place where on a daily basis we inspire Canadians through heritage and the arts.

It is well documented that cultural experiences enrich our lives from almost every perspective, and Prime Minister Pearson was certainly on the right track in suggesting that Confederation Centre deliver more than a static memorial. In the intervening years, all who visited the Centre have benefitted from the arts and heritage programs. Research has confirmed that participating in the arts can improve physical and emotional health, enhance learning skills, and boost

community spirit. We also know that a thriving cultural sector is part of a healthy economy and we provide below specifics on Confederation Centre's economic impacts. Without doubt, culture is a primary pillar in Canada's sustainable development for the future.

## **About Confederation Centre of the Arts**

Major components of the memorial complex include:

- Five theatres (including one 1,100-seat Class A)
- Largest art gallery east of Montreal (17,000 pieces of visual art and artifacts in permanent collection)
- Mavor's Restaurant - seating 140 patrons (plus outdoor patio)
- Extensive meetings and conventions facilities
- The Showcase gift shop
- The Charlottetown Festival - presented June to September/October (including Anne of Green Gables–The Musical™, which is the world's longest-running annual musical)
- Arts education program serving over 500 child-visits per week, School of Performing Arts: post-secondary training delivered in cooperation with Holland College (music, dance, theatre, production)
- Arts outreach to schools during school season and camps during the summer
- Young Company summer performances and education program with participants from across Canada
- Live @ The Centre in-house production and theatre rentals (fall, winter and spring)
- Heritage program including: Confederation Players (troupe of actors portraying Fathers and Ladies of Confederation performing vignettes and leading walking tours); replica of Confederation Chamber (housed in Confederation Centre during conservation of Province House National Historic Site, managed in cooperation with Parks Canada); and the annual Symons Medal and Lecture.

Confederation Centre's Strategic Plan has several important goals (see appendix) but as CEO of Canada's memorial to the founding of our country, I am here today to address what is the most fundamental priority of all: to *Strengthen Internal Capacity*, principally by achieving financial stability. The Plan identifies two means to achieve this goal: increase government funding and try to sustain existing earned revenue. Financial stability for Confederation Centre has been an ongoing issue since the 1960s when in an unprecedented example of Canadian cooperation, all provinces and the federal government joined forces to create this national memorial – Canada's first national cultural institution.

Over the years, and again in 2015, Confederation Centre has demonstrated artistic excellence through top-quality Canadian performing and visual arts programming, but once again, in spite of our best efforts, the Centre is ending the year in a deficit situation.

I will mention just two of last season's top-quality projects. Confederation Centre Art Gallery led a group who were successful in bringing the historic Samuel Holland Map to PEI. The project involved many challenges beginning with the restoration of the map by the National Archives in the UK, and ending with its arrival in our Gallery where the 250-year old map attracted thousands of enthusiastic visitors.

Secondly, the 2015 production of the musical *Evangeline* was a significant achievement. First developed by Confederation Centre in 2013, a collaboration with Edmonton's Citadel Theatre allowed us to make a step change in the calibre of the production which was a resounding success in Edmonton in fall of 2015 - we fully expect to see it presented on more Canadian stages in coming years.

At the end of the 2015 season, it became apparent that Confederation Centre was facing another significant deficit, and on November 30, 2015 a request was submitted to Department of Canadian Heritage to increase our annual funding to \$5 million. This request was made only after careful consideration of our current (and past) financial situation, and I will now outline why our \$3 million status quo funding from Canadian Heritage is not sufficient to sustain Canada's national memorial. I will also provide detail on how financial stability will ensure that Confederation Centre will be able to continue to deliver the top-quality Canadian programming that "enriches the mind and delights the heart," to quote Prime Minister Pearson.

1. Firstly I must remind you that Confederation Centre was constructed by the Government of Canada with financial support from all Canadian provinces but no plan was put in place for ongoing operating funds. The Centre has struggled to survive ever since.
2. Due to insufficient federal funding over the past 51 years, the Centre has had an annual deficit 75% of the time and starts off each fiscal year by first paying down that deficit.
3. Confederation Centre currently earns approximately 65% of its operating revenue from programming and commercial operations. This proportion is opposite to all of its peer institutions which depend on government support for the majority of operating revenue.

4. The Centre receives a \$3 million annual contribution from Canadian Heritage, and approximately \$910,000 from the Province of P.E.I. For a few years other provinces contributed to Canada's national memorial - as much as \$432,000 in 1992 - but these contributions currently total less than \$75,000.
5. Because Confederation Centre depends to such a large degree on self-generated revenue, each year the operation faces a high level of risk. The deficit we are currently facing severely limits what the Centre can accomplish for the balance of this fiscal year and next.
6. Staff are demoralized by cuts to budgets, staffing, programming, and professional development. Travel is extremely limited and no pay increases are possible for many consecutive years. In spite of these challenges, our talented staff give their all to a cause they love, yet this does not diminish their anxiety. For example in January 2012 the building was forced to close for two weeks, resulting in a 4% pay cut across the entire organization.
7. The Centre has staff shortages in every department and staff are often required to work well beyond a 40-hour week.
8. In general, salaries are well below industry standards.
9. Every year our 51-year old complex faces increasing general maintenance needs. The Capital Improvement Fee collected on ticket sales doesn't come close to covering costs. Often the work must be completed on an emergency basis to ensure the safety of staff and visitors.
10. When the Centre gratefully receives funds from the federal and provincial governments for major infrastructure upgrades, it is usually a requirement for the Centre to contribute a minimum of 10% of the project budget. For example, on the current theatre upgrade, we must contribute a total of \$1.6 million. Since finding \$1.6 million in a deficit budget is impossible, we depend on fundraising. Our location in Canada's smallest province limits our ability to attract support from national corporations or individuals. So far, Confederation Centre has raised \$670,000 toward the required \$1.6 million.
11. Previous capital improvements have resulted in a capital debt of close to \$3 million, now sitting on our line of credit.

12. The Centre has a risk ratio that is opposite to all of our national peer cultural institutions funded under the auspices of Canadian Heritage. Confederation Centre receives **just 25% of its revenue from the Government of Canada** and generates 75% of its revenue from other sources; in comparison, the National Arts Centre in Ottawa receives **55% of its operational funding from the Government of Canada**.
13. The risk ratio between earned revenue and public funding for a nationally mandated cultural organization is far too high. It's unreasonable.
14. Confederation Centre receives \$12.00 per visitor from Canadian Heritage. The National Arts Centre receives \$32.54; Museum of History, \$42.65; Museum of Nature, \$66.39; National Art Gallery, \$141.39; Museum of Immigration, \$161.00 (based on 2012 data). Why should a national cultural institution that receives 250,000 visitors annually receive such a low "dollar per visitor" support compared to sister institutions?
15. Confederation Centre has a significant positive economic impact on Prince Edward Island and Canada. It employs 150 people year round, and more than 350 between May and October. Its economic impact adds 486 jobs to the provincial and Canadian economies. The incremental activity generates \$25 million and returns \$5.1 million in income tax to the federal government and \$2.7 million to the provincial government. As we are well aware, 600,000 people are employed in Canada's creative sector and this adds up to \$47.7 billion per year to the Canadian economy; ensuring ongoing success of these institutions is actually cost-effective.
16. Confederation Centre is Canada's living memorial to the Fathers of Confederation. It is inexplicable that this complex and the people working in it are subject to significantly inferior conditions relative to all other nationally mandated cultural institutions.

***Currently Confederation Centre does not run on a shoestring, it runs on a frayed thread.***

Now I will explain why a \$2 million increase in the Canadian Heritage annual contribution to Confederation Centre will allow us to survive and continue our great work:

- a. The Charlottetown Festival generates both the greatest financial risk and the largest source of revenue. The Festival needs an additional \$500,000 for

- productions and allow a contingency when revenue does not meet expectations.
- b. The Centre has a mandate to create new Canadian works in musical theatre. If we do not continue to push forward with productions like *Evangeline*, we will shrivel into the background from whence we came. The Centre needs a minimum of \$250,000 per year to conduct readings and workshops.
  - c. The Centre has seven vacant positions: 1 Heritage Officer, 1 Human Resources Manager, 2 Custodial staff, 1 Associate Curator, 1 Production and Education Coordinator and 1 Financial Officer. The total cost of these positions is \$360,000.
  - d. As mentioned above, the maintenance of this large complex requires progressively more repairs every year. An additional \$360,000 will provide for proper safety and care of the building.
  - e. The Centre's Information Technology is antiquated. Many of our computers still have space for a 3.5-inch floppy disk! We don't buy new computers, we buy computers that others have discarded; our computers are on average eight years old. We need an additional \$100,000 in our IT budget.
  - f. We can produce artistic excellence but what's the use if we don't have sufficient funds to market it. For example, this fiscal year we produced *Evangeline* – theatrical excellence at its best. But a small marketing budget meant that we were unable to effectively communicate that the caliber of this production far exceeded that of 2013. Since 1964, the entertainment offering on PEI has grown; we need to compete plus attract new audiences from off-Island. Our marketing budget must be increased by \$400,000 per annum.

Since November, I have made it my single priority to achieve financial stability for Confederation Centre. I have spoken with anyone who will listen to explain the dire situation at Canada's national memorial. I understand that our current Government of Canada has stated a strong commitment to arts and culture. I want your committee to know that the memorial to the founding of Canada is grossly underfunded. It is our sincere hope and expectation that this government will ensure equity in funding structure among the national cultural institutions in this country.

It is refreshing to know that the current government is committed to supporting arts and culture as a pillar of sustainable development. An increase in funding for Confederation Centre is necessary for our survival – no more. We have a truly

magnificent organization and we do great things. The funds will simply allow us to reduce risk, continue to develop first-class work like *Evangeline*, collaborate with other theatres, ensure exhibits from our Gallery collection are shown across the country, support arts education, and regularly fill the seats in the beautiful new theatre. We want to reach new markets, attract new patrons, and develop our outreach via technology. We want to grow our highly respected Symons Medal and Lecture and other heritage programs, maintain our aging complex properly, and hire the people we need instead of burning out those we have.

**Let us lead in demonstrating to the rest of our country and the world that the arts create healthy communities and culture is truly a pillar of sustainable development.**

**Let us celebrate Canada! Let us celebrate the Arts! This is the essence of Confederation Centre of the Arts and its national mandate stated by Lester B. Pearson upon opening the Centre in 1964.**

Respectfully submitted,

Jessie Inman  
Chief Executive Officer  
Confederation Centre of the Arts  
Office: 902-628-6131  
Cell: 902-394-7140  
E-mail: jinman@confederationcentre.com  
8 February 2016

## **Appendix**

a) Six goals of Strategic Plan:

- Cultivate relationships across Canada
- Foster creativity and collaboration in the arts
- Provide leadership in culture provincially, nationally, and internationally
- Enhance heritage programming
- Sustain existing and nurture new audiences through education, and collaboration
- Strengthen internal capacity

b) Summary of appeal to date:

Communications with Minister Joly; the Honourable Scott Brison, President of the Treasury Board of Canada; the Honourable Dominic LeBlanc; Sean Casey, MP for Charlottetown; Senator Percy Downe; Minister Lawrence

MacAulay; MP Wayne Easter; Robert Vessey, Chief of Staff to PEI Premier Wade MacLauchlan; Minister Doug Currie, provincial Minister responsible for culture; Charlottetown Mayor Clifford Lee and City Liaison on the CCOA Board of Directors, Mike Duffy, and Chief Administrator Officer, Donna Waddell; Cynthia White-Thornley, Director General of Heritage, in the Department of Canadian Heritage; Marc Lemay, Director General, responsible for the fund under which our contribution is given from Canadian Heritage; Caroline Séguin, Director of Policy, for Minister Joly. All colleagues inside the Department of Canadian Heritage have been kept apprised of these efforts.

As well our national board members have communicated with many of their contacts in their own communities: Janis-Sobey Hames, Board Member for Nova Scotia, wrote a letter to the Honourable Scott Brison, President of the Treasury Board of Canada, and MPs Andy Fillmore and Sean Fraser; Taleeb Noormohamed, Board Member for British Columbia, planned to contact Minister Joly, Gerry Butts and Graham Flack; Claude Métras, Board Member from Quebec, wrote to Minister Bibeau and subsequently met with her and he sent a letter to Pierre-Luc Dusseault, MP for Sherbrooke, who then sent a letter to Minister Joly on our behalf; Charles Scott, Board Member for Ontario, sent letters to MP Rob Oliphant requesting a meeting and also a letter to MP Seamus O'Regan; Chairman Wayne Hambly contacted our fourth liberal MP on PEI, Robert Morrissey.