



Professional Association of Canadian Theatres (PACT)
Submission to the Standing Committee on Finance
Pre-budget consultation
19 February 2016

Executive summary

The Professional Association of Canadian Theatres (PACT) is pleased to have the opportunity to respond to the Standing Committee on Finance's invitation for recommendations for the Government of Canada's 2016 budget. Our recommendations acknowledge the Government of Canada's commitments to the creative sector and will strengthen the contribution Canada's diverse professional theatre sector makes to middle-class jobs, our communities and our country. We thank the Government of Canada for this recognition.

Recommendations

To support middle-class jobs and to leverage economic growth through the arts and culture sector, PACT fully supports the Government of Canada's pledge to double the funding committed to the Canada Council for the Arts. This is a longstanding request of Canada's arts sector and we sincerely thank the Government of Canada for acting on it.

PACT supports the Government of Canada plans to restore \$25 million in funding to develop Canada's international market access for the cultural sector. Thank you. We look forward to working with government to develop programs that will result in strengthened international opportunity, greater trade opportunities and an enhanced Canadian reputation on the world stage.

Brief

Introduction

The Professional Association of Canadian Theatres (PACT) is pleased to have the opportunity to respond to the Standing Committee on Finance's invitation for recommendations for the Government of Canada's 2016 budget. Our recommendations acknowledge the Government of Canada's commitments to the creative sector and will strengthen the contribution Canada's diverse professional theatre sector makes to middle-class jobs, our communities and our country. At the same time, our suggestions will help drive the cultural sector forward as it adapts to the opportunities of a digital economy. With companies in towns and cities across the country, including the North and Aboriginal communities, professional theatre makes a measurable, positive impact for Canadians from all walks of life and backgrounds.

Our submission is aligned with others in the cultural sector, demonstrating, we believe, the coherence and strength of the recommendations put forward.

Recommendation 1

To support middle-class jobs and to leverage economic growth through the arts and culture sector, PACT fully supports the Government of Canada's pledge to double the funding committed to the Canada Council for the Arts. This is a longstanding request of Canada's arts sector and we sincerely thank the Government of Canada for acting on it.

As Canadian Heritage Minister Mélanie Joly has stressed and the Canada Council notes, art is serious business. Canada's cultural GDP is almost \$50 billion, creating 647,000 jobs or 3.7% of total Canadian employment. Theatre is one part of this important and growing sector.

The Government of Canada's current investment in the Canada Council for the Arts makes an important strategic investment in the operation of many, but not all, theatre companies across the country. This support leverages the other critical revenue from corporations and private donors, ticket-buyers and audience members and other levels of government.

With the promised new resources, PACT is optimistic that federal contributions will enhance access to Canada Council funding programs and increase the level of contributions to help theatre companies to remain healthy, increase sustainability and ensure this human resource heavy industry thrives.. The increased federal investment will offer an important lynch pin to innovation, embracing the digital economy and creative risk-taking, elements that are critical to a vibrant, attractive theatre sector.

Many individual artists and theatre companies, particularly emerging ones from Canada's rich diverse and Aboriginal population, have not been able to access Canada Council funding due to insufficient resources – this despite acknowledged artistic merit in most cases. The promised investment in the Canada Council for the Arts will translate into better access to scarce resources at the Canada Council and result in more jobs and strengthened communities across Canada. Canadians understand the benefit of these investments:

- Eight out of ten Canadians say that live theatre is important to making communities vibrant places to live.¹
- Two-thirds of Canadians believe that that theatre helps to attract business to communities.²

Recommendation 2

PACT supports the Government of Canada plans to restore \$25 million in funding to develop Canada's international market access for the cultural sector. Thank you. We look forward to working with government to develop programs that will result in strengthened international

¹ <http://pact.ca/Advocacy/Professional-Theatre-in-Canada.aspx>

² Ibid.

opportunity, greater trade opportunities and an enhanced Canadian presence and our reputation on the world stage.

Canada enjoys innovative, creative theatre that is in demand well beyond our borders. There is an international market for the best and most exciting works that Canadian companies produce. When companies have the ability to bring plays and works to other parts of the world, they create jobs, diversify revenue and contribute to economic growth in their own communities. They support other business goals by enhancing our country's reputation.

Theatre Smith-Gilmour is a Toronto-based theatre company with an international scope. It has established a reputation as a company synonymous with inventive, physical award-winning productions featuring new Canadian writing alongside revitalized interpretations of classics and has toured China on multiple occasions. Theatre Smith-Gilmour, like acclaimed colleague organizations, Alberta's Old Trout Puppet Theatre and Nova Scotia's theatre for young people, Mermaid Theatre have established relationships as performers and cultural ambassadors across the world. But these tours have not been without financial challenges and increased support to these activities will ensure Canadian stories and Canadian culture take their place on the world stage.

International presence for Canada's best theatre also creates excitement about the vast array of cultural opportunities in our country, attracting foreign visitors and tourists. Last year in particular, Panamania, drew world-wide attention, in part due to the caliber of its theatre offerings, including *Gimme Shelter*, *Obeah Opera* and *PUSH! Real Athletes. Real Stories. Real Theatre*, a story that traces the history of the Paralympic movement.

Recommendation 3

The Professional Association of Canadian Theatres joins with Imagine Canada and others across the charitable sector to recommend that the Government of Canada work with Canada's not-for-profit and charitable sector to improve the capacity and sustainability of the sector. This includes measures like access to business services currently inaccessible and the implementation of the proposed Charitable Donation Stretch Tax Credit.

The vast majority of theatre companies in Canada are registered charities or not-for-profit companies. As they seek to diversify and expand their revenue sources, new tools and opportunities are always being sought. Measures like the reduction of credit card fees for charitable organizations demonstrate the significance small but important policy changes can have for organizations like theatre.

As we look forward, theatres appreciate that they need to continue working with the Government of Canada to build capacity, strengthen their private donor base and increase the level of giving.

The proposed Stretch Tax Credit for Charitable Giving would build on other recently implemented tax measures, like the 2015 enhancements to the Capital Gains Exemption for charitable gifts of real estate, announced earlier this year. The Stretch Tax Credit would be of particular benefit to middle-class Canadians, whom represent the vast majority of our audience but not our donors. This group is critical for theatre companies to turn into active donors.

Recognizing that arts organizations have a demonstrated record of leveraging tax measures to full advantage, we believe measures like the Stretch Tax Credit will provide benefit to both Canadian audiences and theatres. This tax credit would contribute to the economic activity of Canadian theatres, supporting jobs and strengthening communities.

About PACT

PACT, the Professional Association of Canadian Theatres, is the collective voice of professional Canadian theatres, a leader in the performing arts community and a devoted advocate of the value of live performance. With its members made up of 150 professional English language theatre companies operating in communities across the country, PACT also works with colleague organizations with their own memberships – both French and English – representing hundreds of other professional theatres and theatre artists. PACT’s members are diverse, ranging from the largest performing arts organization in Canada to smaller theatre companies that serve their audiences in a wide variety of communities from coast to coast to coast.

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