



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

Introduction

The Professional Association of Canadian Theatres (PACT) is pleased to have the opportunity to contribute to the Standing Committee on Finance's pre-budget consultations. As it considers Budget 2017, the Committee is seeking ideas and recommendations to help individual Canadians, strengthen businesses and ensure communities are able to advance our country's economic growth. Professional theatre, and the arts more generally, have a role to play in achieving the goals we all share.

The rich and diverse spectrum of theatre in Canada enriches the lives of Canadians and our communities economically, socially and culturally. Canadians recognize this. In a recent poll

- Eight out of ten respondents agreed that live theatre makes communities vibrant places to live.
- Two-thirds of people who participated say they understand that theatres support and attract business to communities, contributing to our country's prosperity.<sup>1</sup>

Economically, professional theatre is part of Canada's \$54 billion cultural GDP.

In its most recent budget, the Government of Canada recognized the importance of the arts in driving our country's economy. The unprecedented action to significantly increase investment in the Canada Council for the Arts and other programs at the Department of Canadian Heritage will have a far-reaching and profound impact on not only Canadian artists and arts organizations, but on our cultural and national economy. Like more traditional sectors, we are poised to make an even greater contribution to our country, for Canadians.

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

The Professional Association of Canadian Theatres, and its members, thank the Government of Canada and all parliamentarians for the investment in the Canada Council for the Arts and recognizing the potential the arts, including professional theatre, offer our country. We also welcome the commitment to heightening our country's cultural presence abroad and improved cultural infrastructure.

Going forward, our recommendations build on the commitment that the Government of Canada has made to Canadian artists, arts organizations and our cultural economy. They seek to address and support important policy themes, including truth and reconciliation, enhanced diversity and strengthening Canada's global presence in an affirmative way.

In so doing, our recommendations will also strengthen Canada's diverse professional theatre sector and the contribution it makes to quality jobs and prosperity in our communities and our country. With theatre companies in towns and cities across the country, including the North and Indigenous communities, professional theatre is poised to make an even greater measurable, positive impact for Canadians.

### Recommendation 1

The Professional Association of Canadian Theatres recommends to the Standing Committee that the five-year investment plan to increase the Canada Council for the Arts annual budget by \$180 million, to \$360 million, be sustained and fully-realized.

The unprecedented investment in the Canada Council for the Arts comes at a time when the arts are poised to make an even bigger contribution to Canada's GDP and help drive the innovation that will allow our economy to thrive. The country's cultural GDP, which has grown from \$47 billion in 2007 to over \$54 billion at last count, is an increasingly important factor in Canada's success. As Canadian Heritage Minister Mélanie Joly has noted, it is bigger than agriculture, forestry, and fishing combined.

Our cultural sector creates jobs, with the employment estimate at 630,500 in 2014, or 3.5% of all jobs in the country. At PACT, some of our members employ over 1,000 artists, production staff, technicians, back- and front-of-house staff, among others. This does not include related but ancillary employment at suppliers, restaurants, etc. In smaller communities, theatres often offer important seasonal employment that drives tourism across the country.

Through the Canada Council for the Arts, the Government of Canada makes an important strategic investment in the operation of many, but not all, theatre companies across the country. To date, federal contributions to a theatre company typically range from 1-2% of overall revenue for the largest companies to approximately 10% for

smaller ones. This federal investment offers an important lynch pin to innovation and creative risk-taking, elements that are critical to a vibrant, attractive theatre sector.

That said, historically many theatre companies have not been able to access Canada Council funding. This is particularly challenging for the growing number of Indigenous and culturally specific theatre companies emerging to reflect and speak to the demographics of our changing population.

The sustained investment in the Canada Council for the Arts promised by the Government of Canada will hopefully see much needed additional resources available to theatre companies and the arts more generally, resulting in more jobs and strengthened impact for Canadians across the country. It will allow us to better contribute to reflecting our diversity and contributing to the healing required of truth and reconciliation.

It follows that the Professional Association of Canadian Theatres recommends to the Standing Committee that the five-year \$180 million investment plan for the Canada Council for the Arts be sustained and upheld in the fiscal plan going forward.

### Recommendation 2

PACT recommends that the two-year \$25 million (\$10 million, 2016-17 + \$15 million, 2017-18) program to strengthen Canada's global cultural presence and international market access announced in 2016 be extended and made permanent.

The Government of Canada recognizes the potential contribution and economic impact of a robust cultural presence beyond our borders. It will enhance our reputation around the world and boost the development of new markets not only for cultural products, but other high-value services and commodities Canada exports. This is a welcome development, one aligned to longstanding recommendations of PACT in its recommendations to the Standing Committee on Finance over the past number of years.

When theatre 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.

In working with and consulting with our members, we know that international market development takes time. The planning horizons to develop new relationships and potential audiences extend over years, not months. To fully realize the impact and opportunities offered by the new federal investment will take more than two years.

Further, international relationships must be sustained. This comes with costs, such as participating in international cultural marketplaces, artist exchanges, etc.

These factors, and more, have been shared with the Departments of Canadian Heritage and International Trade through consultation mechanisms we welcome. Furthermore, the Canada Council for the Arts is increasing investment in a heightened international presence for Canadian artists through its new funding model. We are optimistic that the dialogue which we are currently engaged in will lead to positive, high impact federal programs to support Canadian cultural presence abroad.

In summary though, we know that to fully seize the opportunities offered by the Government's investment in expanding global access for the cultural sector will require more than two years. For this reason, we recommend making this budget measure permanent.

### Recommendation 3

PACT recommends a sustained increased investment in cultural infrastructure, particularly Cultural Spaces Canada.

The 2016 federal budget provides a time-limited two-year top-up to the matching cultural infrastructure program, Cultural Spaces Canada. The new Building Canada Fund also provides the ability to include cultural infrastructure. Not least, there is limited additional one-time support through Canada 150 programs. Like the other federal investments announced this year, PACT welcomes the increased resources to this program.

Cultural Spaces Canada provides matching, relatively small-scale, funding to the cultural sector. To date, it has been helpful in supporting the purchase of specialized equipment and small renovations to cultural facilities, including theatres, across the country. Many have used funds from Cultural Spaces Canada to address accessibility issues (though it's important to note that many more remain).

A significant challenge of the Cultural Spaces Canada program is the requirement for matching funds. PACT understands and supports the need for the Government of Canada to leverage its support this way. Securing the match however is a challenge, particularly for small organizations where provinces have not stepped up to provide matching financial support – a mainstay of most infrastructure programs. This means that, for the most part, the match must be raised from private sources, a lengthy process. The challenge is greater for small companies, particularly those from diverse communities with no history of this kind of program.

It remains to be seen how cultural infrastructure is incorporated into the Building Canada agreements currently being negotiated with the provinces. Some provinces have not provided for cultural infrastructure within the Building Canada agreements.

The Canada 150 funds, while welcome, provide a momentary easement of ongoing challenges. They do not provide sustained adequate cultural infrastructure renewal.

For all these reasons, it is unlikely that many cultural organizations, particularly those in smaller more diverse communities, will be able to take advantage of the two-year top up to Cultural Spaces Canada, the renewed Building Canada funds, the Canada 150 programs – this despite a recognized and substantial deficit in cultural infrastructure renewal.

Recognizing this, the Professional Association of Canadian Theatres recommends that the Government of Canada's top up investment in Cultural Spaces Canada be extended beyond two years. Further, we recommend that the Government of Canada strongly encourage provinces to provide adequate cultural infrastructure renewal through matching support.

#### 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.

We represent almost 150 professional theatre companies operating in English-language communities across the country. Our 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.

#### Submitted by:

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