



Professional Association of Canadian Theatres (PACT)  
Submission to the  
Standing Committee on Finance  
Pre-budget consultation  
August 2014

## Executive Summary

PACT welcomes the opportunity to make recommendations to the Standing Committee on Finance 2014 pre-budget consultations. Our recommendations are aligned with others in the cultural and charitable sector.

PACT recommends increasing the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015, with a long-term goal of reaching \$300 million.

- This will result in positive social, cultural and economic impacts contributing to vibrant, prosperous communities. It will create jobs.

PACT supports the recommendation of the Canadian Arts Coalition to establish a \$25 million pilot program, over three years at the Department of Foreign Affairs, Trade and Development, to enhance our reputation on the world stage in time for Canada's 150th birthday.

- When companies have the ability to bring plays to other parts of the world, they create jobs and diversify revenue, contributing to greater economic growth in their communities. This measure would enhance Canada's reputation on the world stage.

The Professional Association of Canadian Theatres joins with Imagine Canada and others across the charitable sector to recommend that the Government of Canada implement the Charitable Donation Stretch Tax Credit.

- This measure would result in increased citizen engagement and greater capacity and resilience in the theatre sector.

On behalf of its almost 150 members across Canada, PACT thanks the Finance Committee for its serious consideration of measures to support the arts sector. In particular, we acknowledge and thank you, and the Government of Canada, for the decision earlier this year to renew and make permanent important Canadian Heritage programs that support the vibrant performing arts sector.

## Introduction

The Professional Association of Canadian Theatres (PACT) welcomes the opportunity to make recommendations to the Standing Committee on Finance 2014 pre-budget consultations. We believe this process is an important part of public policy-making in Canada that leads to meaningful results for Canadians. As we approach our country's sesquicentennial in 2017, the Committee has an opportunity to make recommendations leading to important legacies.

Economic Action Plan 2014 already implemented measures that will strengthen the legacies of Canada's performing arts sector. The renewal and making permanent of important Department of Canadian Heritage programs will increase the capacity of the arts sector, leading to more resilient companies and better results for Canadians. These programs include the Canada Cultural Investment Fund and Canada Cultural Spaces Fund, both of which benefit the Canadian theatre sector and its audience. Thank you for the Committee's consideration of this recommendation in the past and the Government's decision to renew these programs.

This year, PACT's submission focuses on two of the priority themes identified by the Finance Committee:

- Ensuring prosperous and secure communities, including through support for infrastructure.
- Maximizing the number and types of jobs for Canadians.

With eight of ten Canadians believing that live theatre is important to making communities vibrant places to live<sup>1</sup>, we believe that our three recommendations speak directly to the interests of the committee.

### Recommendation 1

*PACT recommends increasing the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015, with a long-term goal of reaching \$300 million.*

Federal government investment in the Canada Council for the Arts is a strategic, important part of its support to the cultural sector. The Canada Council's investment in theatre companies leverages other revenue streams, such as contributions from corporations and individuals and ticket sales, and from provincial and local arts councils. Typically, federal support ranges from one to two percent of overall revenue for the largest companies, to approximately ten percent for smaller regional companies.

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

Government of Canada support, through the Canada Council for the Arts, is critical to the sustainability of Canadian theatres. A modest enhancement in this investment will translate into better results overall, resulting in enhanced benefits that will contribute to vibrant prosperous communities across Canada. These benefits come in many forms, having social, cultural and economic impacts.

*From the very beginning Flin Flon has been an advocate of live theatre, in local creation as well as welcoming professional tours. For isolated communities such as ours, theatre is one of the things that excites, inspires and binds us together and is essential to our sustainability. (Crystal Kolt, Cultural Coordinator, Flin Flon Arts Council.)*

An investment in the Canada Council for the Arts will increase the number and quality of jobs in the cultural sector.

*The Stratford Festival is a catalyst for the tourism industry in Stratford, generating \$145 million in economic activity and 3,000 full-time jobs. The theatre is also a key selling feature for other business sectors that are drawn by the vibrant cultural scene and the quality of life that it offers to its work force. (Dan Mathieson, Mayor of Stratford)*

Recent research from a Nanos Research survey conducted in early 2014 affirms these comments:

- ✓ Two-thirds of Canadians believe that theatre helps to attract business to communities.

As Canada looks to 2017, there is even more reason to support investment in the arts. Cultural and artistic legacies last. They provide meaningful ways that Canadians can recognize the success of our country's 150-year history.

- ✓ Seventy-seven percent of Canadians are in favour of additional investment in theatre to celebrate Canada's 150th birthday.<sup>2</sup>

## Recommendation 2

*PACT supports the recommendation of the Canadian Arts Coalition to establish a \$25 million pilot program, over three years at the Department of Foreign Affairs, Trade and Development, to enhance our reputation on the world stage in time for Canada's 150th birthday.*

Canada boasts innovative, creative theatre. There is a market beyond our borders for the best and most exciting works that our companies are producing. When companies

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<sup>2</sup> *Ibid.*

have the ability to bring plays to other parts of the world, they create jobs and diversify revenue, contributing to greater economic growth in their own communities.

As important, an international presence for our best theatre works creates excitement about the vast array of cultural opportunities and offerings in Canada. This attracts tourists, supporting an important sector of our economy. In Ontario alone, a recent study found that American arts and culture overnight tourists represent two fifths (2.2 million) of all overnight tourists to the province. Almost two thirds (63%) of Ontario's overseas tourists engaged in an arts or cultural activity.<sup>3</sup>

- ✓ Eighty percent of Canadians say that theatre makes communities more attractive to visitors.<sup>4</sup>

### 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 implement the Charitable Donation Stretch Tax Credit.*

Donations account for approximately one quarter of a typical theatre company's revenue. Not surprisingly, for some larger companies donations are a significantly more important revenue stream. The need to continually seek to expand this is constant. Like other organizations throughout the charitable sector, theatres are looking for ways to attract new donors and increase the level of giving for current ones.

While the level of donation to the cultural sector is marginally increasing, the number of new donors is not.<sup>5</sup>

The proposed Stretch Tax Credit for Charitable Giving would build on the recently implemented Super Tax credit and encourage Canadians to increase their charitable giving, particularly those in the middle income brackets. This would result in increased citizen engagement and greater capacity and resilience in the theatre sector.

Recognizing that arts organizations have a demonstrated record of leveraging such measures to full advantage, we strongly recommend the implementation of the proposed Stretch Tax Credit for Charitable Giving. It would contribute to increased economic activity of theatres, thus supporting the Government of Canada's jobs and growth agenda.

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<sup>3</sup> <http://www.arts.on.ca/AssetFactory.aspx?did=8780>

<sup>4</sup> *Ibid.*

<sup>5</sup> <http://www.hillstrategies.com/content/volunteers-and-donors-arts-and-culture-organizations-canada-2010>

## A note on PACT

PACT is the collective voice of professional Canadian theatres, a leader in the national performing arts community, and a devoted advocate for the value of live performance.

We represent almost 150 professional for-profit and charitable theatre companies operating in English-language communities across the country. Our members are diverse, ranging from the largest performing arts organization in the country to smaller theatre companies that serve their audiences in communities coast to coast to coast.

Since 1979 PACT has convened theatre practitioners (both artistic and administrative) to discuss important issues of the day and to work together to create innovative solutions. PACT is a responsive organization, cognizant of the needs of our members and offering programs and services that benefit our community such as the Human Resources in Canadian Theatre report, and our annual professional development programs.

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