



Professional Association of Canadian Theatres (PACT)
Submission to the Standing Committee on Finance
Pre-budget consultation
31 July 2015

Introduction

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 suggestions will strengthen the contribution Canada's diverse professional theatre sector makes to our communities and our country. With professional theatre organizations in rural and urban environments 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 the coherence and strength of the recommendations put forward.

Recommendation 1

To leverage job growth through the arts and culture sector, PACT recommends increasing the Canada Council for the Arts' Parliamentary appropriation by \$35 million to \$217 million in 2016 with a long-term goal of reaching \$300 million.

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

Many individual artists and arts organizations, particularly emerging ones, have not been able to access Canada Council funding due to insufficient resources – this despite acknowledged artistic merit in many cases. In 2013-14, nearly 15,000 grant applications were received while

only 5,811 were successful¹. *A significant number of these unsuccessful applications are deemed worthy and would contribute meaningfully to Canada's arts sector.*

A modest 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.²
- Two-thirds of Canadians believe that that theatre helps to attract business to communities.³

Recommendation 2

To develop Canada's international market access for the cultural sector, PACT recommends investing \$25 million in programs to strengthen international access, support trade and enhance 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.

Case study: 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. This year in particular, the arts and cultural component of the 2015 PanAm and Parapan Am Games - Panamania - has drawn world-wide attention, in part due to the calibre of its theatre offerings, including *It Comes in Waves*, *Betroffenheit*, *Obeah Opera* and *PUSH! Real Athletes, Real Stories, Real Theatre*, a story that traces the history of the Paralympic movement. Recognizing that almost two-thirds of Ontario's overseas tourists engage in an arts or cultural activity⁴, it follows that Panamania has contributed to the 26,000 jobs and \$3.7 billion economic boost the overall Games provided Ontario.⁵

¹ <http://canadacouncil.ca/~media/files/research%20-%20en/2013-14%20provincial%20profiles/coprporate%20scorecard%20-%20en.pdf>

² <http://pact.ca/Advocacy/Professional-Theatre-in-Canada.aspx>

³ Ibid.

⁴ <http://www.arts.on.ca/AssetFactory.aspx?did=8780>

⁵ <http://news.ontario.ca/opo/en/2015/07/pan-am-games-a-gold-medal-win-for-ontario.html>

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.

The vast majority of theatre companies in Canada are registered charities. 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, an initiative driven by the Government of Canada, demonstrate the significance small but important policy changes can have for organizations like theatre. Thank you!

As we look forward, theatres appreciate that they need to continue to build 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 and private shares, announced earlier this year. The Stretch Tax Credit would be of particular benefit to middle-income 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 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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