IN SEARCH OF THE CREATIVE ECONOMY

Analyses of the Provincial and Territorial 2015-2016 Budgets from the Perspective of Arts, Culture and Heritage

Presentation
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Background

- Analytical series on provincial/territorial cultural budgets

- Purposes:
  - Trace trends in cultural funding
  - Analyze the political, economic and social conditions influencing cultural funding

- Four annual editions:
  - *Flat-Lined but Still Alive* – 2012-13
  - *Gloom and Glee* – 2013-14
  - *Culture in the Balance* – 2014-15
  - *In Search of the Creative Economy* – 2015-16
Difficulties of comparative research

• Different definitions of “culture”
• Different cultural portfolios and different administrative structures
• Frequent changes in cultural portfolios
• Differing histories of cultural support (path dependency)
• Large variations in population and tax bases
Provincial/territorial fiscal and social trends – 2012-2016

• Increasing debt loads
• Continuing focus on deficit reduction through:
  o Expenditure restraint
  o Tax increases
  o Combination of the two
• Accelerating health care costs and aging populations (except in North)
• Collapse in revenues from oil and other commodities
Deficits, deficits, deficits

Figure 2 - Provincial and Territorial Budget balances
2015-16 (millions $)

AL
BC
MN
N&L
NB
NS
NVT
NWT
ON
PEI
QB
SK
YK
Debt, debt, debt

Figure 3 - Provincial and Territorial Net Debt Per Capita 2013-14

-3,162 8,529 13,706 17,200 15,406 15,655 19,737 22,230

AL BC MN N&L NB NS NVT NWT Ont PEI QB SK YK
Provincial/territorial cultural funding trends – 2012-2016

• Increasing use of tax credits to support cultural objectives

• Increasing tendency to link cultural support with tourism and special events/celebrations – e.g.
  o PEI 2014
  o Montreal’s 375th anniversary
  o Pan-Am Games in Toronto

• Tax credits and tourism central to several provincial/territorial strategies to diversity economies and invest in creative economy
In Search of the Creative Economy – 2015-2016

• Cultural expenditures explicitly linked to tourism, economic growth and creative economy in:
  o Newfoundland and Labrador
  o Alberta
  o Ontario
  o British Columbia
  o Nunavut
  o Yukon
• Media tax credits sweetened or extended in:
  o Québec
  o Newfoundland and Labrador
  o Manitoba
  o British Columbia

• Media tax credits narrowed or restructured in:
  o Ontario
  o Nova Scotia
Cultural industries highlights

• Ontario Music Fund made permanent with ongoing funding of $15 million annually
• New $10 million Film and Television Production Incentive Fund created in Nova Scotia
• Alberta Media Fund increased by 24%
• Newfoundland and Labrador Film Development Corporation capital budget increased by 10%
• New Nunavut creative industries strategy to be developed
Arts highlights

- Budget of Conseil des Arts et des lettres du Québec reduced by $2.5 million, but additional $24 million provided over two years for government cultural entities
- PEI Ministry of Tourism and Culture disbanded and cultural budget cut by 62%
- Alberta Foundation for the Arts to receive additional $5 million in 2016-17 and $10 million in 2017-18
- Saskatchewan introduced means-testing for tax credit on children’s culture and sport activities
- Arts support in most other provinces/territories flat-lined
Heritage highlights

• Québec allocated additional $13 million annually to museums sector

• New Brunswick increased operation funding for Beaverbrook Art Gallery and New Brunswick Museum

• Newfoundland and Labrador increased support for The Rooms and historical sites development

• Yukon to increase support to 11 museums and 7 First Nations cultural centres by 20% over two years

• Heritage support in most other provinces/territories flat-lined or reduced slightly
Concluding thoughts

• Provinces and territories attempting to take a longer-term view re: culture and the creative economy

• Funding situation for culture remains unstable:
  o Tax credits – efficacy and affordability under review
  o Major, one-time events (e.g. PEI 2014) no guarantee of ongoing support for cultural sector
  o Linkage of cultural funding to tourism and recurring cultural events may hold promise but transition from resource-based to creative economy may take some time
In Search of the Creative Economy

Thank you!

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