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“[British Columbia] is the place for local arts and culture. People agree emphatically that funding for the arts should not be left up to private business and foundations, but should get a boost from local governments. Ninety-one per cent of B.C. residents praise the selection of [arts and cultural] events and activities in their community, and it’s the only region in Canada where there’s complete agreement with the idea that a vibrant cultural scene is great for the local economy.”

“We Know What You’re Thinking”

Darrell Bricker and John Wright of Ipsos Reid

The Professional Arts Alliance of Greater Victoria represents fifteen professional arts organizations in the Capital Regional District. The organizations represent a broad range of disciplines and budget sizes.

We feel that this is a time of crisis for the arts and culture sector in British Columbia, and that action must be taken to correct the situation.

Our key recommendations are as follows:

- That our government restore arts and culture funding to the \$19.5-million level of the 2008-09 budget; a level that is still well below the recommendations of past Finance Committees.
- That the British Columbia Arts Council's arms-length relationship with the province be maintained by funding it through the Ministry of Tourism, Culture and the Arts, not through gaming funds
- Direct Access Gaming grants must be fully restored and the 33% allotment for arts, culture, and other non-profit and charitable organizations be honoured.
- One-year funding commitments to arts and culture organizations through the Gaming and Policy Enforcement Branch at the Ministry of Housing and Social Development that were rescinded this year should be restored.
- We must maintain the multi-year funding program beyond the current three-year commitments.

The Current Situation

As the committee is aware, on the September 1, 2009, according to the service plan for the Ministry of Tourism, Arts and Culture, the province of British Columbia cut basic funding to Arts and Culture was cut from \$19.5 million 2008/2009 to \$3.6 million 2009/2010, an 82% cut in funding.

Overall funding to arts and culture through all sources including gaming will be cut from \$47.8 million in 2008/2009 to \$23 million 2009/2010. By 2011/2012 arts funding will be cut to \$3.67 million. Total cuts will be 85-92%.

The current cuts have given the cultural sector no time to adjust to the changes in funding. They have created instability and uncertainty in the sector, and if the current plans for dramatically larger future cuts remain, they will rip the heart and soul from community-based arts and culture organizations at precisely the time that government should be increasing its investment in this sector as part of economic stimulus.

Tough economic times are exactly the times when we should be supporting our communities and investing wisely.

No other province in Canada has reduced support for the arts sector at this time of economic uncertainty. In fact Ontario, Alberta, Quebec, Newfoundland and the federal government – all with similar, or worse, budgetary pressures - have increased their investments in the arts and culture sectors.

The economic, social, health, and educational benefits to our communities created by investing in arts and culture, by all levels of government, are well documented and supported.

Arts, heritage, and culture are recognized as government responsibilities, not a frill, by many nations around the globe and in the current global economic crisis, recognized as a powerful means to recovery and competitiveness in the unfolding future. President Obama has included this as a key part of his agenda in the United States.

The case for public investment in arts and culture

“I would also like to thank the BC provincial funding for the arts, something that is lacking at the moment if you’ve read your local newspaper... Without that funding, I don’t think that I would be standing here this evening.”

Kim Cattrall, in accepting her star on Canada’s Walk of Fame

Why should we fund the arts? How does this link to our economic health and vitality?

The best way to frame the answer is to say that public investment in the arts is the “R&D” of cultural spending -- the seed money that stimulates the creative sector.

Many of the skills, attitudes, abilities of people who work in the creative industries depend on this seed money – which has an effect on industries not normally associated directly with arts and culture, such as architecture, design, new media, etc.

Public investment in the arts allows community-based arts organizations to leverage money from other sectors, and also leverages the social capital of thousands of volunteer hours of activity - resulting in healthier, happier, economically competitive, and livable communities.

Creative communities are leading the growth of the knowledge-based economy, and local cultural amenities attract tourists who spend more and stay longer in the communities they visit.

Public investment in the arts has a social impact as well. The arts represent diversity, education, thoughtfulness, creativity, enrichment, dialogue and debate – these are all public goods.

Public investment allows everyone – not just the rich -- to have exposure to first-rate art, ensuring that the arts touch the lives of as many people as possible.

Learning through the Arts, a three year national research study conducted by Queen's University concluded that involvement in the arts contributed to student achievement as much as 11 percentile points higher in math than their peers. Ninety per cent of parents reported that the arts motivated their children to learn. Teachers, parents, artists, and administrators talked about how the arts motivated children, referring to the emotional, physical, cognitive, and social benefits of learning in and through the arts.

According to the Conference Board of Canada, many educators also believe that creative activities provide positive learning experiences, such as:

- Helping to improve communication skills and promoting creative thinking
- Contributing to improved literacy and language development through libraries and reading programs
- Helping to develop information technology skills critical for employment in the knowledge economy as creative activities often involve information and communications technologies

Art programs for youth and seniors measurably improve the lives of participants, visibly fostering healthier communities and innovatively addressing issues of youth at risk and eldercare.

British Columbia in context

The Arts are a \$5.2-billion industry in B.C., employing 80,000 people. The sector has grown faster than the provincial economy.

Cutting funds to arts and culture of makes no economic or social sense, and we're already one of the worst-funded provinces in Canada. It's time to correct this mistake.

Provincial Government funding in British Columbia from all sources makes up an average of 7% of the operating budgets of performing arts organizations. *This is the lowest in Canada.* The national average is 13%. In Quebec, provincial funding accounts for 26% of a performing arts organization's budget.

To win its bid for the 2010 Olympics, the BC government boasted about the province's vibrant arts and culture scene. It claimed that culture was the "second pillar" of the Games. Now, just five months before the Olympics begin, the government cuts arts funding, and much more dramatically in the future. Not only will this tarnish BC's image in the eyes of the world, it will damage BC's arts sector beyond any chance of easy recovery.

“People come to BC not just because of the pretty mountains. They come here because they expect a place where society is both different and better. Haven't you noticed that when you say 'Vancouver' to people, their eyes light up? For foolish short-term reasons we're killing that light, and all the money in the world can't buy it back once it's gone. We become a parking lot with mountains and it doesn't have to happen.”

Douglas Coupland, author of *Generation X*

By the Province's own study *Socio – Economic Impacts of Arts and Cultural Organizations in BC: Grant Applicants to the BC Arts Council*, the return on public investment in the arts in the form of tax revenues is \$1.36 for every dollar invested.

Studies (Conference Board of Canada and Vancouver Cultural Plan 2007) conclude that every dollar the municipality spends on arts and cultural activity results in between 7 and 13 dollars in economic activity

The BC Ministry's service plan states that we require "culturally rich communities that contribute to making B.C. the best place on earth to live, work and play", and states that "British Columbia's arts, culture and creative sectors are diverse, dynamic and growing". The government's current actions do not support these statements nor recognize that the arts should be looked towards as a key player in troubled and transitional times. The government acknowledges the value of arts when it calls upon arts and culture organizations and artists to promote BC and to attract and secure contracts in economic trade, and this includes international events such as the Olympics.

In the government's own words

- “The integration of arts, culture and heritage experiences into B.C.'s tourism sector plays a central role in building B.C.'s tourism industry” – BC Tourism, Culture and Arts Service Plan
- “Thriving arts, culture and heritage sectors not only create a rich place to live and work, but are compelling attractions to visitors. Arts and culture are an integral part of the social fabric of a community, and heritage conservation contributes to environmental sustainability.” BC Tourism, Culture and Arts Service Plan
- “Our vibrant culture is a vital asset in drawing and retaining an increasingly mobile workforce to our province.” BC Tourism, Culture and Arts Service Plan

Gaming Revenues

It simply doesn't work to steal money from Peter to pay Paul in this sector.

That's precisely what's happening with the way that gaming funds have been used to come to the rescue of the BC Arts Council, and how gaming funds that should be earmarked for arts and other community organizations are being used for government general revenues.

Changing the allocation of the Gaming Funds represents a breach of the social contract made to those communities that accepted casinos or slot machines based on the promise that the funds from these organizations would then be funneled back into the arts and their communities.

In 1999, the province of BC entered into a "Memorandum of Understanding" with the BC Association of for Charitable Gaming to commit 1/3 of the annual BC Lottery Corporation revenues for the purpose of supporting licensed charities.

Although gambling profits are steadily rising, the BC government is failing to honour its 1999 promise to distribute 1/3 of the revenues received to non-profit groups and charities. In fact, the distribution to charities has fallen to 19%.

The government has recently claimed that the arts and culture sector were made "whole" by devoting gaming funds to the BC Arts Council.

However, in the current context, everyone in the arts and culture sector knows that it's a financial shell game going on when the Arts Council is funded through gaming revenues, because 44 per cent of arts and culture groups across the province that were funded by gaming last year receiving nothing at all this year

Our current concern is that the social capital and civil society is threatened if current trends in provincial funding continue unabated. Gaming funds must be used appropriately and in accordance with the social and moral contract under which British Columbians gave their government the mandate to generate revenues through gambling.

History of the relationship between the gaming industry, the citizens of BC and the government of BC:

Over the last hundred years, gambling as become generally accepted in Canada *as long* as the revenues are dedicated to charitable purposes that benefit communities.

- 1974 - the lottery program is established in this province with the stated purpose to support amateur sports, heritage activities and culture in BC;
- 1997 – the province's NDP government tries to take money from the charities to pay for its own tax-revenue funded health and education services; the BC Supreme Court tells them to give the money back to the charities;
- 1999 - the province of BC enters into a "Memorandum of Understanding" with the BC Association for Charitable Gaming to commit 1/3 of the annual BC Lottery Corporation revenues for the purposes of supporting licensed charities;
- 2001 -Although the BC Liberals promise during the 2001 election campaign not to expand gambling, they reverse their promise and allow a massive increase in

slot machines in casinos, horse tracks and bingo parlours transformed into “community gaming centres”;

- 2003-2009 -The BC Liberal government receives billions of dollars in gambling revenue, and expands gaming to increase profits, earning record profits – while BC has the highest rates of child poverty in the country due to chronic underfunding and cuts to social programs;
- 2008-2009 - The BC Lottery Corporation earns a gross of \$2.61 billion and net revenue of \$1.1 billion; The BC government’s shrinks its distribution to charities of gaming profits from 30% (2003/04) to 19%;
- 2009 – the BC Lottery Corporation raises its weekly spending limit for on-line bets from \$120 to \$10,000 per week – an increase of 8000%;

Although gambling profits are steadily rising, the BC government is failing to honour its 1999 promise to distribute 1/3 of the revenues received to non-profit groups and charities in order to benefit local economies and community health.

Despite steadily increasing revenues from gaming – and a recent dramatic expansion of internet gaming – the province is breaking the social contract that it assumed with the people of BC when it got into the gaming business; The charities and non-profit organizations that paved the way for wide-spread acceptance of gambling are being squeezed out of the gaming revenues by the provincial government, the biggest beneficiary of gaming revenue.

The investment made through gaming grants in our sector is often leveraged many times over to attract additional resources from other levels of government and the private sector. There is also ample evidence that arts and cultural organizations, like in other social profit sectors, leverage human social capital in the form of volunteers, social networking, and community engagement.

This year, the core investment to our sector provided by gaming grants has been completely withdrawn from 44% of cultural and arts organizations that had received grants in previous years. 370 arts and cultural groups across the province have been affected. For many, this is their only source of funding.

Forty-four percent is a staggering statistic. These groups lost 100% of their funding through gaming grants, and for many, this has meant crippling cuts of anywhere from 30-100% of their total provincial support. We still continue to collect data on the impacts on our sector.

Remember that these groups did not lose their funding due to poor performance or for not meeting criteria, but largely because their applications were received after the government freeze; 41% of regular gaming clients that applied earlier received their funding and the remaining 15% are those with multi-year agreements, which were restored. In the case of the arts and cultural sector, which is funded from gaming revenues as well as through the BC Arts Council, both ministries count the same \$10.9 Million as part of their support. This of course, cannot be true – which is it?

It must be remembered that the arts and cultural groups in this province are funded by these two sources for fundamentally different types of activity. The gaming funds are provided to support activities that engage the public and our communities, and that often

make arts and culture accessible to those who would otherwise not have that access, including those with low incomes, at-risk youth and seniors, and those who may not see themselves reflected in mainstream culture.

We are concerned that the provincial government is overlooking the fact that having a strong and healthy civil society, that is, non-profit social and charitable sectors, is especially important during difficult times. It makes our communities healthy, engaged, livable and visit-able. All of which are stated priorities for our government.

At the beginning of the Second World War, it was suggested to Prime Minister Winston Churchill that London's theatres and museums should be closed for the duration of the war. Churchill's response: "Good God, what are we fighting for?"

Conclusion

ProArt conducted a preliminary survey of how its membership will deal with funding cuts in order to determine the potential impact on the Victoria area. The findings indicate the following:

- More than 150 artists and arts administrators will be impacted, giving them fewer chances to practice and develop their craft
- The equivalent of at least 22 full-time positions will be lost
- One company alone says 300 hotel room nights will be lost because of cuts; if each of those rooms were to generate two restaurant visits, there will be 600 fewer meals served. Again, that's just one company.
- The Jazz Festival will cancel many free performances and workshops that normally entertain more than 35,000 people
- The Jazz Festival, The Victoria Symphony, and the Art Gallery of Greater Victoria all say they will eliminate or severely limit their outreach programs that take arts into the schools
- Many organizations say they will be postponing renovations, upgrades, and maintenance that would provide work for carpenters, masons, plumbers, and other trades people
- Reduced programming means fewer programs, flyers, and posters will be printed; fewer ads will be placed in newspapers, tv, and radio.
- Fewer sets will be built, which means fewer purchases at hardware and building supply stores
- The cuts to gaming alone mean hundreds of thousands of dollars will not be spent in this community

The Standing Committee on Finance has traditionally supported increasing funding to the B.C. Arts Council. Given the social and economic returns the arts sector has clearly demonstrated, we urge the Committee to strongly recommend the 2008-09 levels of funding through the Council and Gaming be maintained.

The ProArt Alliance represents:

The Art Gallery of Greater Victoria ♦ Ballet Victoria ♦ The Belfry Theatre ♦ Dance Victoria
Intrepid Theatre ♦ Kaleidoscope Theatre ♦ MediaNet ♦ The Open Space Arts Society
Pacific Opera Victoria ♦ Story Theatre ♦ Theatre SKAM ♦ The Victoria Conservatory of Music
The Victoria Film Festival ♦ The Victoria Jazz Society ♦ The Victoria Symphony