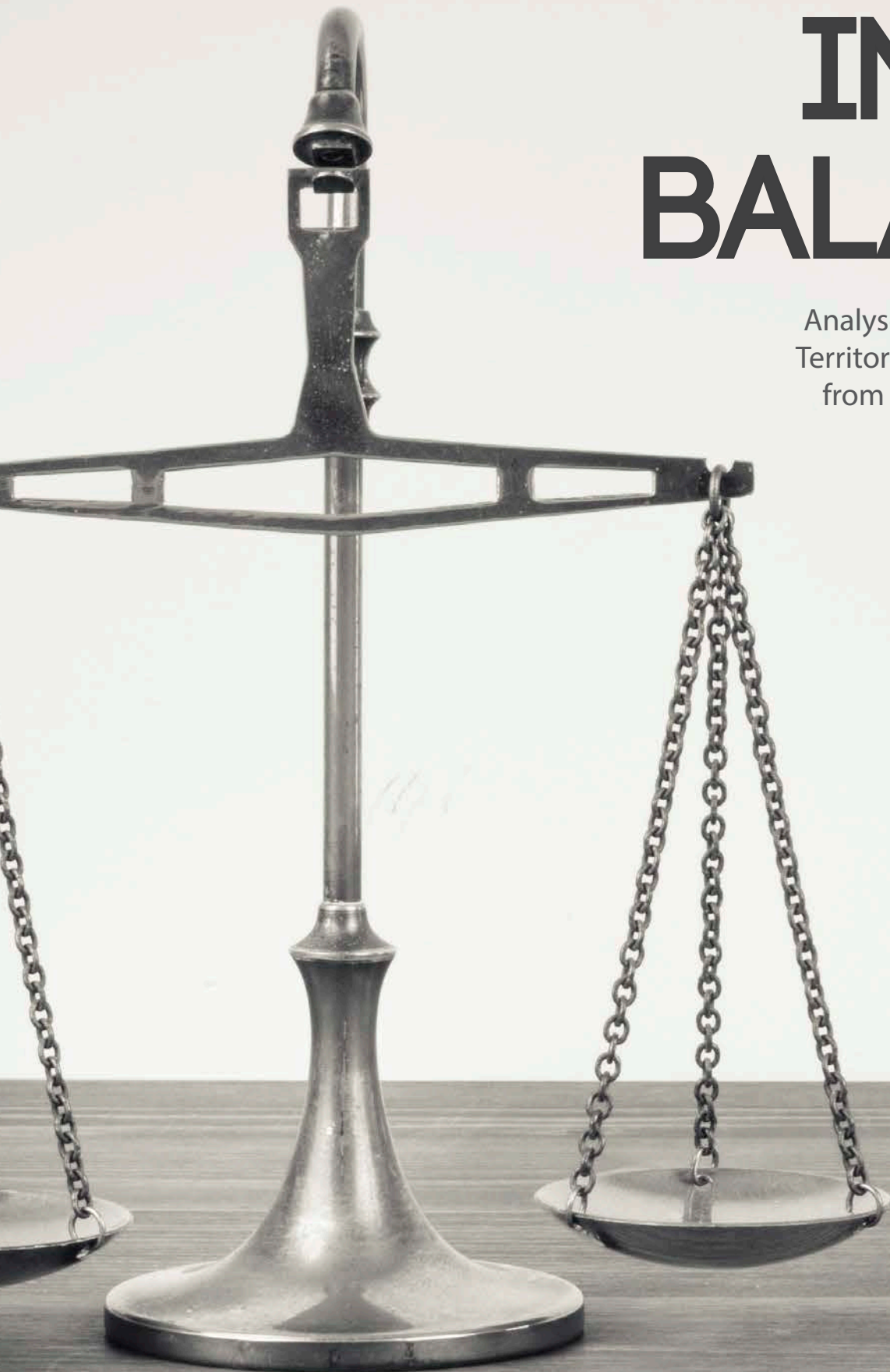


# CULTURE IN THE BALANCE

Analyses of the Provincial and  
Territorial **2014-2015** Budgets  
from the Perspective of Arts,  
Culture and Heritage

CENTRE ON GOVERNANCE,  
UNIVERSITY OF OTTAWA



## Notes

All provincial and territorial real GDP growth statistics were retrieved from <http://www.statcan.gc.ca/daily-quotidien/141105/dq141105a-eng.htm>

All figures on federal transfers as a percentage of provincial' and territorial revenues were retrieved from <http://www.fin.gc.ca/fedprov/mtp-eng.asp>

All provincial and territorial population figures were retrieved from <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm>

The views expressed in this analysis are those of the authors, and not those of the Centre on Governance or the University of Ottawa.

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## Foreword

I am happy to present to you the analyses of the 2014-15 provincial and territorial budgets from the perspective of arts, culture and heritage. This initiative was originally launched in 2012 by the Canadian Conference of the Arts (CCA) in partnership with the Centre on Governance. Unfortunately, the CCA was forced to suspend its operations in late 2012 due to the loss of the financial support it used to get from the Department of Canadian Heritage.

However, thanks to the volunteer work of M. Sharon Jeannotte, Senior Fellow at the Centre, and of Alain Pineau, former National Director of the CCA, and the collaboration of University of Ottawa students, we were able to produce a second abbreviated version of the Analyses in 2013, and are now pleased to present a third edition. While we are only now able to publish analyses of the 2014-15 budgets that were presented almost a year ago, this delay provides an opportunity to see how much the economic and political environments have changed in such a comparatively short period.

The intention from the beginning was to provide a trend analysis of how culture funding fares at the provincial and territorial levels of government: with this third set of analysis, we begin to have enough data to address this objective. All three annual analyses can be found on the Centre on Governance's website.

As I said last year, we are only too aware of the limitations of these analyses and of the many problems attached to doing inter-provincial and inter-territorial comparisons of cultural policies and programs. However, these analyses constitute the only compendium of the kind: their purpose is to fill as well as possible the gaps left by the cuts imposed by the government on Statistics Canada, the demise of its survey of *Government Expenditures on Culture* and the most unfortunate decision to put an end to the compulsory long-form census in 2010. We believe that even the narrow snapshot that we are able to provide on provincial and territorial support for culture will contribute to knowledge about the overall health of the sector.

Caroline Andrew  
Director, Centre on Governance  
University of Ottawa

February 2015



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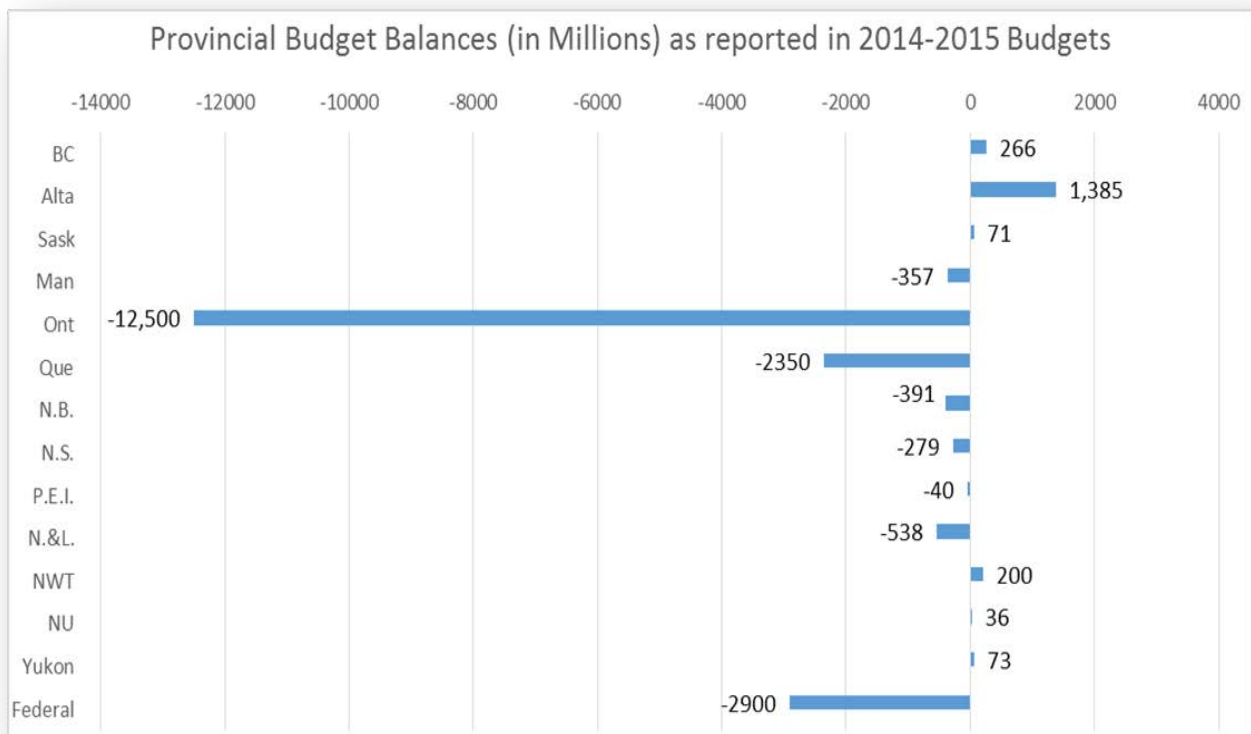


## Culture in the Balance – Overview

### Introduction

It is sometimes said that “a week is a long time in politics”. If a week is a long time, then a year is practically an eon. One of the (few) advantages of doing this review of provincial and territorial Budgets almost a year after they were tabled is the opportunity it provides to see how much has changed in such a comparatively short period with regard to both the political and the fiscal environment.

When the Budgets were pronounced in early 2014, several provinces and territories – most notably Alberta, Saskatchewan, and the Northwest Territories were predicting substantial budget surpluses. With the collapse of oil and commodity prices that occurred at the end of 2014, these optimistic outlooks were being recalibrated. The change in fiscal fortunes of the oil-producing provinces and territories brought them more in line with other Canadian jurisdictions, particularly Ontario and Québec, which were already facing substantial deficits (see chart below) at the beginning of 2014 and had already begun the hunt for savings. By the end of 2014, cost-cutting and restraint became the norm in most provinces and territories, and in many cases, cherished cultural programs or tax credits “hung in the balance” in both senses of the phrase. They were both in a precarious position and also risked being caught up in the general effort to restore fiscal balance.



## Context

In several provinces, upheaval in the economic sphere was accompanied by instability on the political scene. In Alberta, the former premier was forced to resign due to financial and other improprieties, and a new premier took over in September 2014. In Manitoba, five cabinet ministers resigned to protest what they called the “despotic leadership” of the premier. In Newfoundland and Labrador, the ruling party was forced to hold two leadership contests to replace the premier due to the expulsion or withdrawal of candidates. In Ontario, a scandal over gas plant cancellations did not prevent the Liberals from winning a surprise majority government during the 2014 election. And a similar surprise occurred in Québec with the election of a Liberal government after the collapse of the Parti Québécois re-election campaign.

Amid this instability, certain pressures remained similar to last year. All provinces and territories were facing rising health and education expenditures and were coping with the need to replace or upgrade aging infrastructure.

While stable growth was a mantra invoked by all the provincial and territorial governments, only some saw increases in their Gross Domestic Product (GDP). As Table 1 indicates, Nunavut posted the best GDP growth rate in 2013 at 11.2%, followed by Newfoundland and Labrador at 7.2%, Saskatchewan at 5% and Alberta at 3.8%. Only New Brunswick and Yukon experienced negative growth in 2013 at -0.5% and -0.9% respectively, but in some cases, such as Nova Scotia, the economy grew quite modestly at only 0.3% for the year. Over the 2011-2013 period, some provinces and territories have seen widely fluctuating growth rates, particularly in Newfoundland and Labrador, the Northwest Territories, and Nunavut. Alberta has seen GDP growth steadily decline over the same period, while Ontario, Québec and Manitoba have experienced more stable but modest GDP increases.

Added to the unpredictability of growth rates (now being compounded by falling commodity prices), in 2014-15 some provincial and territorial governments joined in Québec's traditional discontent about the level of federal transfer payments. Manitoba claimed that its population has been under-estimated by Statistics Canada, thereby lowering the amount it receives from the federal government. Ontario asserted that it was short-changed by \$641 million in federal transfer payments due to a modification in federal policy. Only the Northwest Territories appeared to be a “winner” in this area, gaining \$120 million in resource revenues from the federal government as a result of devolution of responsibility for resource management. However, the territorial government quickly became embroiled in a dispute about how much of this payment should go into a Heritage Fund for future generations.

As we have been tracking cultural budgets over the period in question, we were curious about whether fluctuations in GDP growth and transfer payments in the provinces and territories over three years bore any relationship to the percentage increase or decrease in their expenditures on culture. Therefore, we have provided on Table 1 a calculation of the percentage change in the Budget allocations for “cultural” ministries in each of the provinces and territories between 2011-12 and 2014-15. We have done so with some hesitation because **the caveats listed under the table must be kept in mind while reading it.**

**Table 1 – Provincial and territorial GDP growth, transfer payments, and changes in government cultural expenditures**

<b>Jurisdiction</b>	<b>GDP growth 2011 (%)</b>	<b>GDP growth 2012 (%)</b>	<b>GDP growth 2013 (%)</b>	<b>Federal transfer payments as % of total revenues – 2014-15</b>	<b>% change in “cultural” ministry budget 2011-12 to 2014-15</b>
<b>Alberta*</b>	5.7	4.5	3.8	12	9.4
<b>British Columbia</b>	2.8	2.4	1.9	13	-14.7
<b>Manitoba*</b>	2.1	3.3	2.2	23	28.6
<b>New Brunswick*</b>	0.6	-0.4	-0.5	33	-2.5
<b>Newfoundland and Labrador</b>	3.1	-4.5	7.2	9	10.3
<b>Northwest Territories</b>	-8.1	2.2	3.5	68	5.6
<b>Nova Scotia</b>	0.7	-0.3	0.3	33	10.0
<b>Nunavut*</b>	4.8	1.2	11.2	85	36.9
<b>Ontario*</b>	2.6	1.7	1.3	16	27.5
<b>Prince Edward Island</b>	1.6	1.0	2.0	34	51.8
<b>Québec*</b>	2.0	1.5	1.0	27	-1.8
<b>Saskatchewan*</b>	5.8	3.1	5.0	12	39.0
<b>Yukon</b>	4.3	2.6	-0.9	74	24.2

- The percentage changes **cannot be used as a basis of comparison between provinces and territories and illustrate only what has happened in each province.**

- Each province and territory **includes different aspects of culture in their “cultural” ministries** or portfolios and therefore **cannot be compared**. For example, some include libraries and tourism. Others include tax expenditures and lottery funding. Some include education and communities/local government.

- The percentage change **does not include cultural expenditures made by other government departments outside of the cultural portfolio** – e.g., cultural education funded by the Department of Education or economic development funds provided by other ministries.

- There have been **multiple reorganizations and re-calculations of the cultural portfolio** in some jurisdictions which have changed budget allocations from year-to-year:

- In Alberta in 2014, tourism and recreation were transferred to the cultural ministry.
- In Manitoba in 2014, Tourism and Consumer Protection were added to the Culture, Heritage and Sport Department;
- In New Brunswick, responsibility for tourism was added to the Department of Wellness, Culture and Sport in March 2012, and in September 2012 responsibility for wellness was removed, resulting in the Department of Tourism, Heritage and Culture;
- In Nunavut in 2013, responsibility for sport and recreation was transferred from the Department of Culture and Heritage to the Department of Community and Government Services;
- In Ontario in 2012, responsibility for sport was added to the Ministry to create a new Ministry of Tourism, Culture and Sport, and in 2012-13 the province began including the Ontario Cultural Media Tax Credits in its cultural budget calculations;
- In Québec in 2012, responsibility for status of women and the Charter of the French Language was removed from the Minister of Culture and Communications. In 2014, responsibility for the Charter was returned to Culture and Communications;
- In Saskatchewan, responsibility for tourism was removed from the Department of Parks, Culture and Sport in 2012.

**\* Denotes jurisdictions where re-organizations of the cultural ministry took place – see caveats above**



With all the caveats mentioned above, the conclusions that can be drawn from Table 1 are limited and ambiguous. Neither GDP growth nor level of transfer payments appear to be linked in substantial ways to changes in allocations for “culture”, however defined. Only in Alberta can one see GDP growth and cultural expenditure growth coinciding. In the remainder of the provinces the pattern is inconsistent. British Columbia’s fairly steady growth is not reflected in cultural expenditures, while Nova Scotia’s much lower growth rates have coincided with a respectable increase in cultural expenditures. In New Brunswick, both GDP growth and cultural spending have declined together, but somewhat surprisingly, in Québec a positive (if declining) GDP growth rate has not been matched by increases in cultural allocations. In provinces and territories with higher growth rates or transfer payments, higher allocations to the cultural ministries can usually be linked to other factors, such as high priority projects (e.g. Saskatchewan’s new stadium and PEI’s 2014 celebrations), additions of new responsibilities (e.g. tourism and consumer protection in Manitoba), inclusion of cultural expenditures previously omitted (e.g. Ontario’s Cultural Media Tax Credits), or inclusion of other “big ticket” expenditure items in the “cultural” ministry (e.g. education in the Northwest Territories and tourism in Alberta, Manitoba, Yukon, and Newfoundland and Labrador).

Clearly, in seeking to understand the motivations or incentives behind increased (or decreased) government allocations to culture, it is necessary to dig a little deeper. While it is increasingly difficult to get comparative provincial and territorial data on culture, the newly-minted [Canadian Cultural Satellite Account](#) has provided some overall statistics on the size and economic impact of the cultural sector on the Canadian economy as a whole. As Table 2 illustrates, the contribution of culture, as defined by Statistics Canada<sup>1</sup>, is substantial, and in some jurisdictions, such as New Brunswick, Newfoundland and Labrador, Prince Edward Island, Ontario, and Yukon, the Budgets explicitly linked investments in the cultural and cultural tourism sectors to future prosperity. The large capital allocation for a new stadium in Regina could also arguably be tied to this motivation. However, no regional breakdowns on the economic contribution of culture are currently available, and provincial and territorial governments have had to rely upon their own data-gathering exercises to determine the specific impact in culture in their jurisdictions. And amongst all provinces and territories, only Québec can rely on its own [Institut de la statistique](#), which publishes regular reports on arts, cultural industries and heritage.

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<sup>1</sup> Statistics Canada defines output as “those goods and services that are produced within an establishment that become available for use outside that establishment or in some special cases within the producing establishment” (*Canadian Culture Satellite Account 2010*, p. 8). It defines Gross Domestic Products (GDP) as “the output of an industry minus the value of intermediate inputs that were used up in the production of the culture goods and services” (*Canadian Culture Satellite Account 2010*, p. 9).

**Table 2 – Culture output, culture gross domestic product and culture jobs by domain - Canada 2010**

<b>Domain</b>	<b>Culture output (millions of dollars)</b>	<b>Culture GDP (millions of dollars)</b>	<b>Culture jobs (thousands of jobs)</b>
<b>Heritage and libraries</b>	1,833	781	19
<b>Live performance</b>	3,423	1,903	52
<b>Visual and applied arts</b>	20,585	10,157	168
<b>Written and published works</b>	20,248	10,032	143
<b>Audio-visual and interactive media</b>	29,552	14,797	125
<b>Sound recording</b>	1,402	568	13
<b>Education and training (all levels)</b>	4,552	3,400	52
<b>Governance, funding and professional support</b>	10,586	5,722	72
<b>Multi*</b>	990	481	4
<b>Total, culture</b>	<b>93,172</b> (3% of total economy)	<b>47,840</b> (3.1% of total economy)	<b>647</b> (3.7% of total economy)

SOURCE: [Canadian Culture Satellite Account, 2010](#) -

\* Multi domain includes culture industries not readily allocated to any single culture domain, such as the culture portion of convention and trade show organizers, internet publishing and broadcasting, and web search portal industries.

## Impact of provincial and territorial Budgets on the cultural sector

In view of the fiscal situation, some cultural stakeholders, such as the CEO of the Ontario Arts Council, were moved to observe that in “these times of cutbacks everywhere, maintaining funding at existing levels is a significant cause for celebration.”<sup>2</sup> Nevertheless, celebration was limited in most jurisdictions as overwhelming concerns about deficits and accumulated debt dominated provincial and territorial Budgets.

<sup>2</sup> Orchestras Canada, “[Good News for Ontario Arts Council Clients](#)”, April 23, 2014 - (accessed November 28, 2014)

A few brighter lights shone amid the general gloom. New Brunswick's new cultural policy document – [\*Creative Futures – A Renewed Cultural Policy for New Brunswick\*](#) – was released on June 20, 2014, and the Budget, which had been delivered a few months earlier, set aside an additional \$3 million to be invested in cultural initiatives in 2014-15. During the provincial election campaign, which took place during the late summer, a steady stream of cultural funding announcements were made and, although the incumbent Conservative government was not re-elected, the new culture minister reaffirmed the Liberal government's support for these initiatives, stating that "The wealth of talent within the province is astounding and sharing this talent is vital to our success as a creative province and also to our pride as a province".<sup>3</sup> In Prince Edward Island, the Department of Tourism and Culture's budget allocation increased by 7.8%, after increasing by 76% in 2013-14. This largesse was due to *PEI 2014*, an initiative intended to celebrate the 150<sup>th</sup> anniversary of the Charlottetown Conference that led to Confederation. Over 160 groups received grants, many of them for arts and culture projects related to the celebrations.

In the rest of the country, cultural funding remained relatively stable or increased slightly. The exceptions were Nunavut where there were small reductions in support for heritage core funding and a fairly significant decrease in contributions for Inuit language promotion, protection and implementation; the Northwest Territories where there were also reductions in Aboriginal language support; Nova Scotia which reduced funding for African Nova Scotian Affairs by almost 21%; and Ontario where spending on the Tourism and Culture Capital Program was down by 29%.

Much of the cultural community's apprehension following Budget announcements focused on what might be on the horizon, rather than on the current allocations. The largest source of unease related to plans in several jurisdictions to review media production tax credits. These affected mainly the cultural industries, as described in the next section. In some cases, such as Alberta, a new Social Innovation Endowment Fund (SIEF) with a cultural component that had been announced in the 2014-15 Budget was withdrawn due to the fiscal situation. As 2014 wore on, the sense of unease appeared to be intensifying, at least in the audiovisual sector.

### **Impact on the cultural industries**

The Budget items that elicited the biggest reaction from the cultural community were ones that had not yet had an impact on levels of support: namely, the reviews of media production tax credits announced by Nova Scotia, and Ontario. In Québec, audiovisual and other media producers were extremely negative about announced reductions in a whole series of business tax credits and changes in support for digital cultural production.

In Nova Scotia, a report prepared for the provincial government prior to the Budget, entitled [\*Charting a Path for Growth – Nova Scotia Tax and Regulatory Review\*](#), made a number of recommendations to reform the Film and Digital tax credits. With regard to the Film Industry

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<sup>3</sup> ["Updated touring and presenting program"](#) - News Release, NB Department of Tourism, Heritage and Culture, November 17, 2014

Tax Credit, the report suggested that the 5% frequent filming bonus be eliminated, and that the 10% eligible geographic area bonus be pro-rated to increase the further one gets away from Halifax. With regard to the Digital Media Tax Credit, it noted pressures coming from the industry to expand the definition of “interactive” used to qualify for the credit. However, the report suggested that this might not be possible, given the province’s fiscal situation. In addition, the report suggested eliminating the \$100,000 Marketing & Distribution allowance and excluding funding from government agencies from eligibility for the tax credit. The possibility of film tax credit cuts was received with apprehension by the film industry, with the chair of the Nova Scotia Motion Picture Industry Association stating that “Tax credits sustain an incredibly vibrant, sustainable economy here in Nova Scotia. ... The producers here leverage those tax credits into a multi-million dollar industry that employs thousands of people and attracts attention from all over the world.”<sup>4</sup>

In Ontario the Fall Economic Update announced a review of the scope and parameters of the Ontario Interactive Digital Media Tax Credit (OIDMTC), stating that it had grown at an unsustainable rate. The Minister of Tourism, Culture and Sport was quoted as saying “I think it would be responsible for this government to look at different incentives like our tax credits to the sector to ensure that the money is going to the right places.”<sup>5</sup>

In Québec, the Budget announced an investment of \$110 million to help finance Québec’s digital strategy. However, only \$2 million in 2014-15 and \$4 million in 2015-16 of this amount were allocated to the cultural budget, and the balance was slated to come from the *Plan Québécois des infrastructures*. More worrisome was the information buried within the supplementary Budget documents regarding a series of cuts in the refundable tax credits for the production of multimedia titles; design; labour expenditures by Québec film and video producers; regional productions; film production services of titles that do not satisfy the Québec content criteria; special effects and computer animation; film dubbing; sound recording production; the production of shows; eligible labour costs in the preparation, digital publishing and printing costs of books; and eligible labour costs in the production of multimedia environments or events staged outside Québec.<sup>6</sup> Although the fall economic update provided temporary relief with regard to the film and television tax credit, these cuts elicited a firestorm of negative reaction from within the Québec media production community and even from the Mayor of Montréal.<sup>7</sup>

Elsewhere in the country, the 2014-15 Budgets provided some slight improvements in media production tax credits. In British Columbia the Distant Location Tax Credit was extended to the Capital Region (Victoria). In Manitoba, the Book Publishing Tax Credit, which was scheduled to

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<sup>4</sup> Jacob Boon, “[Sobering times for Nova Scotia’s film industry – With government tax credits under review, the party could be over for province’s motion picture producers](#)”, *The Coast – Halifax’s website*, September 19, 2014 - (accessed December 4, 2014).

<sup>5</sup> Micheline McKay, “[What do this month’s fall economic statements mean for the cultural sector?](#)” *The Arts Advocate*, November 2014 - (accessed December 9, 2014)

<sup>6</sup> Details are provided in the Québec chapter of this publication and in [Budget 2014-2015 – Additional Information on the Fiscal Measures of the Budget](#), June 2014.

<sup>7</sup> CTV Montreal, “[Drinkers, smokers, civil servants to feel pinch in new Quebec budget](#)”, June 4, 2014 - (accessed December 29, 2014).

expire at the end of 2014, was extended to December 31, 2017. However, Manitoba also moved to put a \$30,000 cap on the maximum credit per book title under its Cultural Industries Printing Tax Credit and made other alterations to ensure originality of content.

Unlike last year, when Ontario announced its \$45 million Ontario Music Fund, there were only modest increases in other types of cultural industry support. The Alberta Media Fund received a \$5 million increase, and in Yukon, the Budget announced support for a number of film and sound recording projects as part of the territory's efforts to diversify its economy.

In Saskatchewan, *Creative Saskatchewan's* budget was increased by about 18%, but this was largely due to the transfer of administrative funding from the now-defunct SaskFilm. The launch of *Creative Saskatchewan* in 2013-14 as a replacement for SaskFilm and the province's Film Employment Tax Credit continued to be sore point within some segments of the cultural community. For example, many were unhappy that the feature film *Corner Gas, The Movie*, while filmed in Saskatchewan, employed mostly out-of-province professionals and had to be funded by Tourism Saskatchewan and the Ontario film tax credits with only limited support from Creative Saskatchewan.

### **Impact on the arts sector**

Most of the provinces and territories held the line on arts funding with a few notable exceptions.

As mentioned earlier, the announcement of New Brunswick's renewed cultural policy triggered a number of investments in the cultural sector. Measures in support of the arts included the establishment of the Premier's Task Force on the Status of the Artist and an investment of \$165,150 over two years to implement an arts and culture workforce development strategy. An investment in an updated touring and presenting program available to both anglophone and francophone arts groups was also announced.

In Prince Edward Island, the *PEI 2014* initiative had a large arts component. For example, one of the largest grants went to the Prince Edward Island Council of the Arts to commission new artworks that celebrate PEI 2014.<sup>8</sup> In addition, the budget of the Department of Tourism and Culture received a 7.8% increase, much of it linked to increased administrative costs for the celebrations.

Continuing the good news, the Saskatchewan Arts Board's budget was increased by 3%, and the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation, which provides funding for SaskCulture, was renewed for another five years. In Alberta, there was a \$1.1 million increase in the budget of the Alberta Foundation for the Arts. Alberta also provided almost \$9 million to cultural organizations to help them rebuild after the 2013 floods.

There was also some minor good news for the performing arts in the 2014-15 Budget in Newfoundland and Labrador, which announced special funding for St. John's to host the East Coast Music Week in 2015. However, there was a further minor decrease in the budget allocation for The Rooms, which took a large cut in 2013-14. As well, the budget of the

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<sup>8</sup> [PEI 2014 Fund -Large funds](#)

Newfoundland and Labrador Arts Council remained flat, and the allocation for arts and culture centres decreased by 5%.

Faced with its \$12.5 billion deficit, Ontario did not announce any major new investments in the arts sector. There was, however, a 29% decrease in the Tourism and Culture Capital Program, which provides capital repair and rehabilitation funding to 13 of the province's 21 tourism and cultural agencies and attractions. This reduction was due in part to a sharp decrease in the grants in support of culture from \$26.9 million in 2013-14 to \$11.1 million in 2014-15, as well as a reduction in the federal contribution to this program from \$8.9 million in 2013-14 to \$6.3 million in 2014-15. While support for the Ontario Cultural Attractions Fund was sharply reduced, there was a \$2.3 million increase in the allocation for the Festival and Event Attractions and Support Program, and a small investment was announced to bring the Juno Awards to Ontario in 2015.

Yukon's Budget announced a new Multicultural Event Fund, and operational funding for the arts increased by about 3%.

### **Impact on heritage sector**

On the whole, there were many more positive Budget announcements about the heritage sector than for the other cultural sectors.

Again, New Brunswick stands out as its Budget provided for a doubling of the operational base funding of the Beaverbrook Art Gallery; increased operational funding for the New Brunswick Museum, as well as money for renovations of its Exhibition Centre; increased funding for the Village Historique Acadien and the King's Landing Historical Settlement; support for the restoration of Loyalist House and the development of Fort Latour as a cultural tourism attraction; and increased support for the Council of Archives New Brunswick. As a result of this funding, the Main Estimates show an increase for Special Operating Agencies of 138%.

In Newfoundland and Labrador, there was a 175% increase in the allocation for historic site development and a 364% increase for special celebrations and events, mostly linked to activities commemorating the centenary of the First World War. The Budget also included an allocation for the province's bid to have Mistaken Point Ecological Reserve declared a UNESCO World Heritage Site.

In Nova Scotia, the largest change within the operational budget of the Department of Communities, Culture and Heritage was an 8.1% increase in the allocation for archives, museums and libraries. The Budget announced a capital investment of \$427,000 in regional libraries and museums, and there were also small capital allocations for repairs to the Fisheries Museum of the Atlantic and the Ross Farm Learning Centre buildings.

In Prince Edward Island, the Culture and Heritage Grants Program received a 10.4% increase, and the P.E.I. Museum and Heritage Foundation allocation rose by 5.4%.

Québec's Budget announced that as part of the 2017 celebrations of Montreal's 375<sup>th</sup> anniversary, \$100 million would be allocated to expand the Montreal Museum of Archaeology and History. In addition, there was a commitment of \$26.4 million to renovate Saint Joseph's

Oratory. These announcements were relatively well-received by the heritage community, as was the Budget's confirmation that previously announced infrastructure investments in Québec's national museums would be retained. However, operating budgets of these museums continued to be subject to restraint.

Ontario's Budget included a \$10 million investment over three years in information technology improvements for Ontario libraries as well as a small amount to commemorate the 400<sup>th</sup> anniversary in 2015 of Samuel de Champlain's passage through the province.

In the West, Alberta allocated additional support to the Royal Alberta Museum to help in the transition to its new facility in 2017. The Alberta Historical Resources Foundation also received a \$775,000 budget increase. In Manitoba and British Columbia, heritage budgets remained frozen or were reduced slightly. In Saskatchewan, support for heritage operations was cut by almost 8%, but the Royal Saskatchewan Museum's allocation increased by almost 5% and that of the Western Development Museum and the Saskatchewan Science Centre by 3%.

In the North, there were a few notable heritage developments. On the good news side, the Northwest Territories Budget announced a major capital investment in upgraded lighting systems for the Prince of Wales Northern Heritage Centre, and in Yukon, the archives operating budget increased by 6% and the Yukon Beringia Interpretive Centre's by 11%. Yukon also announced capital funding to expand the Archives vault and create a separate cold storage environment for photographs and films. In Nunavut, the long-promised construction of adequate archival facilities to preserve the territory's heritage was not a Budget item, but the Minister of Culture and Heritage promised in the legislature that his department was seeking space in Nunavut communities for heritage materials not requiring climate control.<sup>9</sup>

On the bad news side, the operating budgets for Yukon's heritage resources fell by almost 16% and for museums by over 4%. Aboriginal language funding in the Northwest Territories was also cut by 6%, and, as mentioned previously, in Nunavut grants and contributions for Inuit language promotion, protection and implementation fell by about \$1.5 million. However, the Nunavut Arctic College did receive an extra \$1 million for the establishment of an Inuit Language and Culture Centre of Excellence.

### **Other developments**

Major Budget announcements were made in three provinces with regard to charitable donations, which continues a trend noted in last year's analysis of encouraging greater private sector and personal support of the arts and heritage sectors, especially through the tax system.

In Ontario, there were tax policy revisions to bring Ontario's laws on the donation of ecologically sensitive land and certified cultural property in line with those of the federal government.

In Québec, the province allocated \$5 million from tobacco taxes to fund the *Fonds Avenir Mécénat Culture*, an initiative announced in the November 2012 Budget that is intended to

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<sup>9</sup> [Nunavut Hansard](#), Wednesday, June 11, 2014, p. 49 - (accessed January 13, 2015)



stimulate more private sector donations to the cultural sector by offering tax credits in the 25-30% range for large donations. The province also introduced a refundable tax credit for physical, artistic, cultural, and recreational activities for seniors.

In Alberta, the Budget announced a new \$1 billion Social Innovation Endowment Fund (SIEF) that would have offered support, through social impact bonds, for research, design, and testing of innovative funding models in the social and cultural domain. However, due to the fiscal crisis brought about the decline in oil revenues, the government repealed the legislation that created the SIEF in December 2014.

## **Trends and new developments in provincial and territorial support for culture**

In the context of deficit reduction, two trends in provincial and territorial support for culture stand out: tax credits and special celebrations.

Last year, in *Gloom and Glee: Analyses of the Provincial and Territorial 2013-14 Budgets from the Perspective of Arts, Culture and Heritage*, we noted the increased use of tax credits in support of cultural objectives. However, just how extensive and important are tax credits as a means of subsidizing Canadian culture? In an attempt to get an overview of the regime of media and other types of tax credits, such as those for charitable donations to culture and for children's arts activities, we have created an overview in Table 3 of the provinces and territories offering these types of support. As the table shows, tax credits are being used extensively by the provinces and territories for media production purposes, but also to encourage performing and visual arts production (in Québec), participation in arts and cultural activities by children (and seniors in Québec), and cultural donations.

Tax incentives for cultural production are not generally included in Budget expenditures (except by Ontario), but they likely represent a significant cost to provincial and territorial treasuries. While they are a frequent tool in the arsenal of jurisdictions wishing to diversify their economies or attract knowledge industries, as we have seen in Ontario, Québec and Nova Scotia, they are also a tempting target for cost-cutting as they tend to have a limited clientele and their loss is not likely to arouse widespread opposition. When Saskatchewan eliminated its film employment tax credit in 2012 and replaced it with a granting agency, Creative Saskatchewan, there was a huge negative reaction from the cultural community – one that reverberates to this day. There have been similar outcries in Québec, Ontario and Nova Scotia about the threat of tax incentive elimination or the reality of reduction, but it appears that those jurisdictions are prepared to risk a backlash if it helps balance the books.



**Table 3 – Types of cultural tax credits offered by provinces and territories - 2014**

Type of tax credit	AL	BC	Man	NL	NB	NWT	NS	Nu	Ont.	PEI	Que	Sask	YK
Computer animation		✓							✓		✓		
Digital and multimedia		✓	✓		✓		✓		✓		✓		
Film & video	✓	✓	✓	✓	✓		✓		✓		✓		
Sound recording									✓	✓	✓		
Book publishing		✓	✓						✓		✓		
Design											✓		
Shows (spectacles)											✓		
Children's arts participation		✓	✓						✓		✓	✓	✓
Seniors' arts participation											✓		
Cultural donations									✓		✓		

The second trend we have observed is the increasing tendency to tie cultural support to special celebrations and events. In Prince Edward Island, the year-long 2014 celebration pumped a significant amount of money into the arts and culture community. In Québec, the 2017 celebration of Montreal's 375<sup>th</sup> anniversary promises to do the same. However, much of this funding is tied to tourism and infrastructure development, which are often one-off projects that do not furnish the means of ongoing support for the sector. British Columbia, which hosted the Winter Olympics in 2010, announced in 2013 that it would continue its 2010 Sports and Arts Legacy Program in the form of an Arts Legacy endowment fund<sup>10</sup>, but it is an exception in this regard. When the *PEI 2014* fund was announced, members of the cultural community were enthusiastic, but also mused about what might happen after the festivities were over. These questions have not been substantively answered, although numerous small legacies resulted from the fund's investments. PEI's Premier was quoted as saying, however, that "I think if you are looking for a building legacy like a museum we'll probably look to 2017, to be quite frank."<sup>11</sup> It is difficult to say whether such optimism is justified. The pan-Canadian celebration of Confederation's 150<sup>th</sup> birthday in 2017 may indeed provide a boost in support for the arts,

<sup>10</sup> See [British Columbia 2013-14 Main Estimates](#), p. 68.

<sup>11</sup> David Stewart, "[What will be the 2014 legacy for P.E.I.?](#)", *The Guardian*, September 13, 2014. The Premier was referring to the 150<sup>th</sup> anniversary of Canadian Confederation in 2017.

heritage and culture, but it would appear that there will be some leaner years in the lead-up to that commemoration.

From the perspective of arts, culture and heritage, continuing, reliable, consistent support is generally preferable to fluctuating or sporadic funding. In the three Budget cycles that we have reviewed, good news (or at least an absence of bad news) tends to be received by the cultural community with little or no comment. However, when a rupture in funding or the termination of a useful program is announced, the outcry is deafening. Even the effectiveness of new agencies, such as *Creative BC* or *Creative Saskatchewan*, both launched in 2013, tends to be assessed on the basis of their continuity with previous program support. In British Columbia, *Creative BC* has been tasked with administering the media production tax credits and has not been the subject of widespread criticism by the creative industries. On the other hand, *Creative Saskatchewan*, as indicated in the Saskatchewan chapter of this publication, has been burdened both by the expectations of the Saskatchewan media production industry and the nature of its mandate, which is limited to providing grants and investment funding. As a result, many members of the film community have voted with their feet and left the province. Their departure cannot help but have a negative impact on the cultural vitality of the province and, perhaps, may serve as a message for governments that drastically alter their investments in the cultural sector. Culture may be a tempting target when balancing the books, but the minor short-term economies derived from cuts may have large negative repercussions in the longer-term.



## ALBERTA

Real GDP Growth: 3.8% (2013)

Revenue from Federal Transfers (percent of total): 12% (2014-15)

Population: 4,121,700 (2014)

## 2014

## Budget Overview

### Fiscal and Societal Context

- Alberta Finance Minister Doug Horner tabled the province's budget on March 6, 2014.<sup>1</sup> Five months after the release of the Budget, Premier Alison Redford was forced to resign due to financial and other improprieties, and a new Premier, Jim Prentice, was sworn in on September 15, 2014.
- Budget documentation noted somewhat presciently that "As a small, export-based economy, Alberta is susceptible to global risks, such as pipeline constraints, Eurozone economic troubles, and economic uncertainty in the U.S."<sup>2</sup>, but resource revenue at the time was still 6.7% higher than last year due to higher oil prices and a lower Canadian dollar.<sup>3</sup>
- One of the Budget assumptions was that the price of the oil barrel would average \$US 77. By mid-December 2014, however, oil prices had fallen by over 40% (to \$US 55) and one analyst estimated the Alberta government would miss out on about \$1.2 billion in revenues because of cheaper oil.<sup>4</sup> In 2013, by far the main export was crude petroleum, which constitutes 64.4% of Alberta's exports<sup>5</sup>
- The Building Alberta Plan is a major focus of the 2014 budget<sup>6</sup>
- Despite the floods that ravaged the south of the province in July 2013, budget 2014-2015 forecasted an operational surplus of \$2.6 billion<sup>7</sup>. Federal transfers for flood relief resulted in an increase, and Alberta Finance expected average annual revenue growth of 2.9% over the next three years<sup>8</sup>
- The Conference Board of Canada: "Following the surge in spending in 2013-14 as a result of flood assistance, program spending is projected to drop by 4.5 per cent in 2014-15"<sup>9</sup>
- In 2012, Alberta's GDP per capita was the highest of all provinces and territories, at \$80,200<sup>10</sup>

<sup>1</sup> [Budget Address 2014](#), Ministry of Finance, Government of Alberta (March 6, 2014)

<sup>2</sup> [Alberta Budget Overview](#), Government of Alberta,

<sup>3</sup> [Alberta balances budget, focuses on Albertans' priorities in Budget 2014](#)

<sup>4</sup> ["Oil price drop creates winners and losers"](#), Pete Evans, CBC News, December 2, 2014 (accessed December 2, 2014).

<sup>5</sup> [Highlights of the Alberta Economy 2014](#), Government of Alberta

<sup>6</sup> Ibidem

<sup>7</sup> Ibidem

<sup>8</sup> [Alberta finances are almost back in the black](#), PLANT, August 7, 2014

<sup>9</sup> Macdonald, Alicia, Daniel Fields, and Kip Beckman. Alberta Fiscal Snapshot: Promising (but Potentially Risky) Prospects. Ottawa: The Conference Board of Canada, 2014, p. 8

<sup>10</sup> [Economic results](#), Government of Alberta

- Between 2002 and 2013 Alberta's population grew by 26.5%, compared with the Canadian national average of 11%<sup>11</sup>. It is expected to grow to more than five million people in the next decade<sup>12</sup>
- The Alberta government continues advocating for the Canadian Energy Strategy, which looks to increase exports to Asia and supports upgrading in Alberta.<sup>13</sup>

### **Spending Highlights and Priorities**

- The budget will continue investment in health, education, support for municipalities, and vulnerable Albertans<sup>14</sup>
  - Over \$2 billion in direct transfers to municipalities
  - \$600 million increase for the operational expense of the health care system
  - \$6.5 billion resulting in a 3.2% increase in operational support for the K-12 school system, which is expected to grow by 3.0%<sup>15</sup>
- The capital plan will see \$19.2 billion invested into infrastructure projects over the next three years, including \$6.6 billion in 2014-15. Highlights include \$5.1 billion in municipal infrastructure, \$5 billion for the provincial highway network, and \$2.6 billion to build new healthcare facilities<sup>16</sup>.
- The 2014 Budget Speech highlights the surplus of \$2.6 Billion, some of which was to be put into the "savings" Fiscal Management Act set up in 2013<sup>17</sup>
- \$1.1 billion over the next three years will be dedicated to assist businesses and individuals with reconstruction and mitigation in the wake of the 2013 flood<sup>18</sup>
- No new taxes or tax increases<sup>19</sup>.
- Budget focuses on all levels of primary school care, including Kindergarten, with a 6.5B\$ investment in K-12 programs, reflecting the government's commitment to school funding.
- Budget 2014 will help First Nations develop economic opportunities for their people, as well as strengthening the voices of Aboriginal women through two Aboriginal Women's councils and other Aboriginal women's initiatives<sup>20</sup>.

<sup>11</sup> [Highlights of the Alberta Economy 2014](#), Government of Alberta

<sup>12</sup> [Budget Address 2014](#), Ministry of Finance, Government of Alberta (March 6, 2014)

<sup>13</sup> [Energy Business Plan 2014-17, Accountability Statement](#), Minister Diana McQueen, Feb.19, 2014

<sup>14</sup> [Alberta budget highlights](#), Government of Alberta, 2014

<sup>15</sup> Ibidem

<sup>16</sup> [The Building Alberta Plan, Budget 2014, Overview](#), Government of Alberta

<sup>17</sup> [Budget Address 2014](#), Ministry of Finance, Government of Alberta (March 6, 2014)

<sup>18</sup> [Budget 2014 commits to flood recovery and mitigation projects](#), Communiqué, Government of Alberta March 14, 2014

<sup>19</sup> [Alberta budget highlights](#), Government of Alberta, 2014

- Minister Horner outlined in the 2014 Budget Address that the Social Innovation Endowment would be one of two new innovation endowments established. The purpose of this fund is to “bring more capacity to the social service and culture sector to innovate and collaborate when resolving challenging social issues”<sup>21</sup>

## Impacts on the Cultural Sector

- The Alberta cultural sector had been relatively spared in the 2013 provincial budget. Overall, there was a 4% increase for all Heritage Programs. However, in real terms, funding remained flat.
- In Budget 2014, the Ministry of Culture’s budget was increased by \$14 million over the previous year.
- Budget 2014 provided:
  - A \$1.1 million increase to the [Alberta Foundation for the Arts](#) for a total budget of over \$29 million to support individual artists and arts organizations;
  - A \$5 million increase to the [Alberta Media Fund](#) for a total budget of \$24.9 million;
  - \$6.8 million in the Historic Resources Fund for the [Jubilee Auditoria](#);<sup>22</sup>
  - \$6.8 million in capital investments for cultural infrastructure projects;
  - An increase of \$1.6 million to preserve and conserve Alberta heritage, including \$600,000 to support the transition of the Royal Alberta Museum to its new facility in 2017; and a \$775,000 increase the Alberta Historical Resources Foundation budget to support historic organizations such as the Glenbow Museum and historical projects;
  - \$8.8 million to assist culture organizations facing increased programming and operational costs, as well as rebuilding expenses as a result of the 2013 floods;
  - 1.3 million for the Francophone Secretariat to help support the planning and delivery of quality French-language services and to support initiatives aimed at contributing to the development of growing francophone communities.<sup>23</sup>
  - Alberta’s library network budget was reduced by 1%

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<sup>20</sup> Ibidem

<sup>21</sup> [Budget Address 2014](#), Government of Alberta, March 6, 2014

<sup>22</sup> [Business Plan and budget](#), Ministry of Culture and Tourism, Government of Alberta, 2014

<sup>23</sup> Ibidem

- Effective September 15, 2014, areas of the former Tourism, Parks and Recreation ministry were integrated into other ministries. The tourism and recreation function became part of the new department of Culture and Tourism. This was to be reflected on the culture Alberta website.<sup>24</sup>

**Other measures that benefit the cultural sector:**

- The [Community Initiatives Program](#) and the [Community Facility Enhancement Program](#) reinvest lottery money into Albertan communities. The former's funding is increased by \$1 million to \$25.75 million; while the latter's remains set at \$38 million.
- The [Social Innovation Endowment](#) (SIEF) was established to bring new capacity to the social service and culture sector, signifying a commitment to creative collaboration.<sup>25</sup> This \$1 billion investment would have renewed and strengthened Alberta's cultural sector, supporting new ideas, risk sharing and creative collaboration with the non-profit sector<sup>26</sup>. However, due to the fiscal crisis brought about by the decline in oil revenues, the Alberta government repealed the endowment fund in December 2014 and announced that the amount earmarked for the SIEF and other endowment funds would instead remain in the Heritage Fund.<sup>27</sup>

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<sup>24</sup> [Alberta Culture and Tourism](#)

<sup>25</sup> [Budget Address 2014](#), Ministry of Finance, Government of Alberta (March 6, 2014)

<sup>26</sup> [Culture Alberta Annual Report 2014](#)

<sup>27</sup> Alberta Government News Release, "[Alberta's savings plan to be more transparent](#)", December 3, 2014.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *These reactions came before the collapse in oil prices in late 2014, which will have a significant negative impact on the province's financial plans to balance the Budget.*

Alberta Museums Association, [Membership Advisory: Government of Alberta Budget 2014](#) - (accessed November 24, 2014)

- The AMA noted with approval that the Ministry of Culture's budget had increased by \$14 million over the previous year and that \$1.6 million of this increase was going to the heritage sector, including \$600,000 to support the transition of the Royal Alberta Museum to its new facility in 2017, and \$775,000 more to the Alberta Historical Resources Foundation, which supports the Alberta Museums Association and other heritage organizations.
- It advised its members that part of the \$8.85 million allocated to Alberta Culture for flood recovery will be distributed by the AMA's Museum Flood Funding Program, which will work to minimize the effects of the 2013 floods on museum collections and to prepare institutions for future disaster planning.
- The Advisory also noted that the new \$1 billion Social Innovation Endowment Fund will become accessible in 2015-16 for cultural innovation partnerships that will lead to greater sustainability and collaboration among the cultural industries.

Visual Arts Alberta – CARFAC – Posting by Hendrik Slegtenhorst, "Culture and the Alberta Provincial Budget" (accessed November 21, 2014, but has since disappeared)

- The posting provided an overview of Budget highlights with regard to culture, taken from a statement by the Minister of Culture, Heather Klimchuk.
- These include an increase of \$1.1 million for the Alberta Foundation for the Arts, an increase of \$5 million to the Alberta Media Fund, an increase of \$1 million to the Community Initiatives Program, and an additional \$1.6 million for heritage.
- The \$8.8 million for mitigation of flood impacts, the \$6.8 million earmarked for cultural infrastructure and the \$1.3 million allocated to the Francophone Secretariat was also noted.
- The Liberal critic for culture was quoted as stating that the cultural budget had actually been reduced since there was no cost of living adjustment for inflation, and that film funding remains inadequate.
- Initial reactions from the PACE (Professional Arts Coalition of Edmonton) executive were "carefully positive" but noted that the additional resource allocation was "very modest".

Theatre Alberta – "News (Alberta): [Budget 2014 includes increase for Alberta Culture](#)", posted March 6, 2014 - (accessed November 24, 2014)

- The Budget highlights from Minister Klimchuk's statement were posted without comment.



MacEwan News – [“Government funding announced for new Centre for Arts and Communications”](#), March 12, 2014 - (accessed November 25, 2014)

- MacEwan University in downtown Edmonton announced that it will receive \$30 million under Alberta’s Budget 2014 over the next three years to construct a new academic building that will be home to the University’s visual and performing arts programs. It will be situated in the City’s emerging arts district and ‘will contribute to the growth of culture and the prosperity of Edmonton’.
- The president of the University indicated that “this signals a turning point for MacEwan University” as it will consolidate programs and services currently spread out over two other campuses.
- A link was provided to the Alberta government press release on this subject which indicated that this funding was provided under the Building Alberta Plan.

Kassie Burkholder, [“Alberta Budget 2014”](#), Blog post at Esplanade Arts and Heritage Centre website – (accessed November 24, 2014)

- In addition to reviewing the highlights of the 2014 Budget, the blog post comments extensively on the announcement of a new Social Innovation Endowment Fund (SIEF), which will be financed by a \$1 billion withdrawal from the Alberta Heritage Savings Fund over the next two years.
- The SIEF will offer support in three areas: research on social and cultural innovations, design and testing of innovative approaches and inventions, and identifying and testing new funding models.
- The blog notes that small businesses, cultural organizations and non-profits will have access to the SIEF to explore new ideas, although it is not without risk (i.e. that the ideas will fail). It adds that critics worry that the SIEF may be a way for the government to distance itself from social services by moving responsibilities to the non-profit sector.
- The lead ministries for SIEF funding will be Culture and Human Services.

Calgary Chamber of Voluntary Organizations,” [Alberta Budget 2014/15 – Implications for the Non-profit Sector](#)” at (accessed November 24, 2014)

- This report highlighted the Social Innovation Endowment Fund (SIEF), noting its three purposes (outlined above) and commenting that the ministries of Human Services and Culture will be taking the lead on establishing a governance structure for the Fund and consulting with stakeholders to establish priorities.
- It noted that a maximum of \$22.5 million will be available from the SIEF in 2015-16, \$45 million in 2016-17, and 4.5% of the value of the fund in subsequent years. It added that, while this was not a significant amount for Human Services, which has a \$4 billion annual budget, it was quite significant for Culture, with an annual budget of \$157 million.
- It commented that the investments will be in the form of social impact bonds (SIBs), which are controversial inasmuch as private investors will be financing these social and cultural innovations to earn a profit and risk losing money if the innovation fails.
- The report also reviewed several Budget announcements having an impact on the cultural sector, noting that the Community Initiatives Program had been given a \$1 million increase, while the “Other initiatives” Program had been reduced by \$1million,

and that overall Community and Voluntary Support Services was down by 22% since 2012-13 due to the elimination of the Community Spirit donation matching program.

- It noted with approval the 4% increase to the Alberta Foundation for the Arts and the 25% increase to the Alberta Media Fund.
- While the Community Facility Enhancement Program budget was frozen at \$38 million, community infrastructure continues to deteriorate and will only be partially offset by the \$8.9 million allocated for flood recovery.
- It noted that Alberta's library network budget had been reduced by 1% and that stagnant funding was having a negative effect on employee recruitment and retention, and on quality of service.

Caroline Davis, Blog post, "[5 Things to Know About the New Alberta Social Innovation Endowment](#)", March 14, 2014 – (accessed November 24, 2014)

- This blog post says that the first thing to know about the SEIF is that, at \$1 billion, it will be the largest social innovation fund in Canada.
- The third thing to know is that the focus is very broad and, notably, culture is included in the working definition of social innovation. This is unusual in that historically arts funding has been kept separate from social services funding. The author does not speculate further on the implications, except to say that overall there will be more funding available.

Cadence Mandybura, Blog post, "[Funding Available: Alberta Arts Flood Rebuild Fund](#)", April 1, 2014 - (accessed November 21, 2014)

- The blog announced that applications to the Alberta Arts Flood Rebuild Fund would be accepted until April 30, 2014.
- Organizations and artists from all regions of the province were eligible to apply.
- The Fund would cover all needs, including capital costs, not covered by other disaster recovery programs.
- The total amount available was \$325,000, provided by the Government of Alberta, the Calgary Foundation, Suncor Energy Foundation, the Alberta Foundation for the Arts, Calgary Arts Development, and donations from other contributors.

Alberta Urban Municipalities Association (AUMA), *AUMA Questions Budget 2014* - (accessed November 21, 2014)

- The AUMA provided a briefing for its members in a question and answer format. Question 13 asks "How is the Province supporting (sic) urban municipalities supporting their social infrastructure, their arts and cultural community and their citizens' recreation activities and programs?" The answer discussed a funding program not included under the cultural portfolio – the Municipal Sustainability Initiative (MSI) which provides capital funding to non-profits for infrastructure, including for cultural and community centres, convention centres, performing arts facilities, museums and art galleries.

- \$20 million from the MSI program was allocated to the Alberta Community Partnership to support municipalities in the planning and implementing of new and enhanced municipal services, including culture and recreation.
- The MSI is administered by the Municipal Affairs ministry.

## Government of Alberta

### Main Estimates<sup>28</sup>

(In thousands of dollars)

<b>PROGRAM EXPENSE</b>	<b>2014-2015 Estimate</b>	<b>2013-14 Budget</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Aboriginal Relations</b>	205,861	173,331	158,980	144,004
<b>Agriculture and Rural Development</b>	632,769	559,674	571,031	562,199
<b>Culture</b>	157,473	141,269	155,457	142,707
<b>Education</b>	4,238,760	4,015,822	4,047,344	4,038,443
<b>Energy</b>	427,397	246,762	263,629	229,880
<b>Innovation and Advanced Education</b>	2,705,983	2,556,993	2,676,694	2,587,977
<b>Environment/Sustainable Resource Development</b>	493,777	442,485	702,552	680,338
<b>Executive Council</b>	48,397	46,209	45,724	46,962
<b>Health</b>	18,247,509	17,394,834	16,790,151	15,362,866
<b>Human Services</b>	4,088,968	3,792,959	3,779,916	3,813,635
<b>Infrastructure</b>	551,042	507,654	482,479	466,727
<b>Intergovernmental, International</b>	39,410	36,981	28,527	22,643
<b>Jobs, Skills, Training, and Labour</b>	166,797	140,778	143,780	NA
<b>Justice and Solicitor General</b>	1,246,014	1,194,945	1,190,448	1,116,030
<b>Municipal Affairs</b>	423,235	409,679	399,344	598,088
<b>Service Alberta</b>	295,483	302,318	300,014	279,303
<b>Tourism, Parks and Recreation</b>	170,471	154,671	156,577	148,243
<b>Transportation</b>	512,720	478,126	471,367	436,066
<b>Treasury Board and Finance</b>	127,068	125,311	114,621	111,547
<b>DEBT SERVICING</b>				
<b>Treasury Board and Finance</b>	4,301	6,221	8,695	11,795
<b>TOTALS</b>	<b>34,783,435</b>	<b>32,727,022</b>	<b>32,487,430</b>	<b>30,799,453</b>

<sup>28</sup> [Government Estimates](#), Government of Alberta, 2014-15

## Government of Alberta Ministry of Culture

### Voted Expense by Program<sup>29</sup>

(In thousands of dollars)

Program	2014-2015 Estimate	Difference Dollar Value and Percentage	2013-14 Budget	2012-2013 Actual
<b>Ministry Support Services subtotal</b>	<b>10,508</b>	<b>559 5.6%</b>	<b>9,949</b>	<b>8,825</b>
<b>Creative Industries</b>				
Program Support	660	5 0.7%	655	413
Arts	1,425	10 0.7%	1,415	2,034
Alberta Film Commission	-	-	725	462
Cultural Industries	1,250	10 0.8%	1,240	1,099
Alberta Media Fund	24,910	5000 25.1%	19,910	25,289
Assistance to the Alberta Foundation for the Arts	28,050	1125 4.2%	26,925	26,925
<b>Subtotal:</b>	<b>56,295</b>	<b>6,150 12.3%</b>	<b>50,145</b>	<b>55,760</b>
<b>Community and Voluntary Support Services</b>				
Program Support	920	5 0.5%	915	614
Community Engagement	11,250	90 0.8%	11,160	10,588
Community Spirit Donation Grant Program	-	-	-	15,500
Community Facility Enhancement Program	38,000	0 0.0%	38,000	43,400
Community initiatives Program	25,750	1000 4%	24,750	21,456
Other Initiatives	2,100	600 -22%	2,700	3,238
<b>Subtotal:</b>	<b>40,020</b>	<b>495 1.2%</b>	<b>39,525</b>	<b>51,396</b>

<sup>29</sup> 2014-15 [Government Main Estimates](#), Ministry of Finance, Government of Alberta. March 6, 2014.

Note: [The Culture Business Plan 2014-2017](#) on Page 22 shows different estimates for 2014-2015

<b>Program</b> (‘000)	<b>2014-2015 Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2013-14 Budget</b>	<b>2012-2013 Actual</b>
<b>Heritage</b>				
Program Support	1,445	10 0.7%	1,435	1,213
Royal Alberta Museum	9,495	675 7.6%	8,820	7,804
Royal Tyrrell Museum	2,740	25 0.9%	2,715	2,495
Historic Sites and Other Museums	10,850	85 0.8%	10,765	10,524
Provincial Archives of Alberta	3,075	30 1%	3,045	3,056
Historic Resources Management	5,160	45 0.9%	5,115	4,728
Assistance to the Alberta Historical Resources Foundation	9,190	775 9.2%	8,415	8,415
<b>Subtotal</b>	<b>41,955</b>	<b>1,645 4.1%</b>	<b>40,310</b>	<b>38,235</b>
<b>Francophone Secretariat subtotal<sup>30</sup></b>	1,345	5 0.4%	1,340	1,241
*Heritage Infrastructure	2,000	0 0.0%	2,000	2,010
*Support for Cultural Infrastructure	6,800	(5,800) – 46%	12,600	26,600
Cantos Music Foundation	-	-	6,000	3,500
<b>Totals</b>	<b>183,928</b>	<b>18,311 11%</b>	<b>165,617</b>	<b>178,540</b>

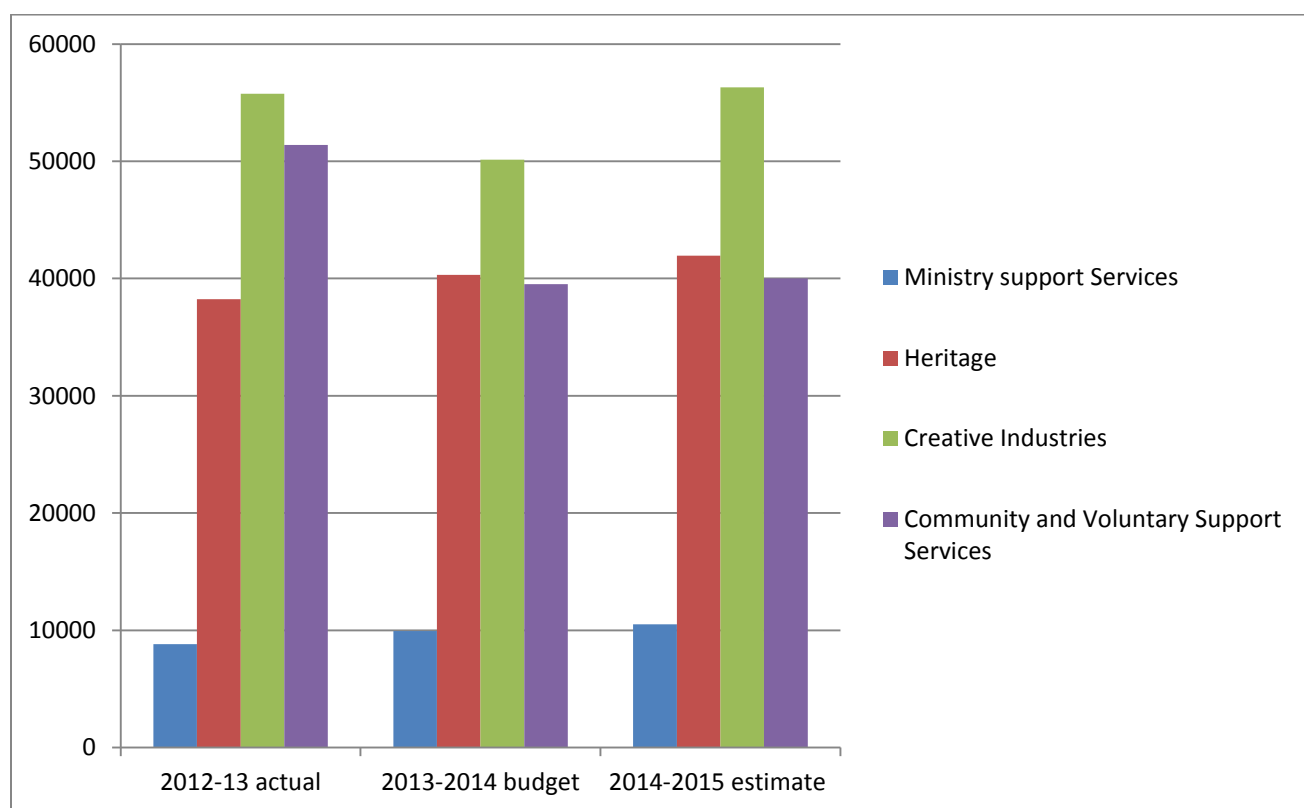
\* In the 2012-13 document, Heritage Infrastructure and Support for Cultural Infrastructure were included under operational expense, however in the 2013 document, they are listed under capital spending

<sup>30</sup> [Statistics, Alberta's Francophone community](#), Ministry of Culture and Tourism, Government of Alberta. French is the mother tongue of approximately 81,085 Albertans. According to the 2011 Census information, Alberta's Francophone population is growing faster than any French-speaking population in Canada. The Francophone population grew by approximately 18% since 2006. According to the 2006 Census data, 390,895 (12%) Albertans were French descendants.

## Ministry of Culture

### Expenses<sup>31</sup>

Operational Expenses Vote per Program (total) from 2012-2015 (actual, budget and estimate) in thousands of dollars



<sup>31</sup> All data retrieved from [The Culture Business Plan 2014-2017](#)

## Government of Alberta Financial Entities<sup>32</sup>

(in thousands of dollars)	Expense	2014-2015 Estimate	2013-14 Budget	2012-13 Actual	2011-12 Actual
Alberta Historic Resources Fund	Jubilee Auditoria	6,874	6,839	5,430	5,145
	Promotion and Presentation	4,570	4,710	2,975	3,119
	Interpretive Programs and Services	3,939	3,939	4,674	4,546
	Provincial Archives	120	120	165	166
	Other Initiatives	480	480	519	471
	<b>Sub Total</b>	<b>15,983</b>	<b>16,088</b>	<b>13,763</b>	<b>13,447</b>
Alberta Foundation for the Arts	Support to Arts Organizations	22,784	21,759	21,577	22,124
	Support to Individual Artists	4,971	4,871	4,496	5,252
	Administration	1,279	1,275	1,108	907
	<b>Sub Total</b>	<b>29,034</b>	<b>27,905</b>	<b>27,181</b>	<b>28,283</b>
Alberta Historical Resources Foundation	Glenbow Museum	3,776	3,176	3,176	2,781
	Heritage Preservation Partnership Programs	2,575	2,635	2,800	2,781
	Support for Provincial Heritage Organizations	2,230	2,145	2,188	2,239
	Municipal Heritage Programs	555	555	515	530
	Heritage Markers Program	120	81	80	100
	Administration	250	150	256	244
	<b>Sub Total</b>	<b>9,506</b>	<b>8,742</b>	<b>9,015</b>	<b>8,860</b>
Government House Foundation	Public Relations	31	31	60	22
	Collections Acquisitions	3	3	7	4
	Conservation of Collections	3	3	7	3
	Administration	12	12	19	20
	<b>Sub Total</b>	<b>49</b>	<b>49</b>	<b>93</b>	<b>49</b>
Wild Rose Foundation	<b>Sub Total</b>	<b>593</b>	<b>583</b>	<b>259</b>	<b>674</b>

<sup>32</sup>2014-15 [Government Main Estimates](#), Ministry of Finance, Government of Alberta. March 6, 2014,



## Government of Alberta

### Alberta Lotteries Fund Estimates Culture and Community Spirit<sup>33</sup>

Total value for 2013-14 **\$1.485 billion**

(in thousands of dollars)	<b>2014-2015 Estimate</b>	<b>2013-14 Budget</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Alberta Media Fund</b>	24,901	19,910	25,289	15,802
<b>Assistance to Alberta Foundation for the Arts</b>	28,050	26,925	26,925	27,925
<b>Community Engagement</b>	-	-	-	414
<b>Community Initiatives Program</b>	25,750	24,750	21,456	22,026
<b>Other Initiatives</b>	2,100	2,700	3,238	5,610
<b>Community Spirit Donation Program</b>	-	-	15,500	15,475
<b>Community Facility Enhancement Program</b>	38,000	38,000	43,400	39,647
<b>Support for the Cantos Music Foundation</b> <sup>34</sup>	-	6,000	16,000	-
<b>Assistance to the Alberta Historical Resources Foundation</b>	9,190	8,415	8,415	7,875
<b>Support to Cultural Infrastructure</b>	-	-	15,500	10,000
<b>Total</b>	<b>128,000</b>	<b>120,700</b>	<b>160,930</b>	<b>144,774</b>

<sup>33</sup> 2014-15 [Government Main Estimates](#), Ministry of Finance, Government of Alberta. March 6, 2014,

<sup>34</sup> [Alberta 2013-16 Capital Plan, p. 70](#) As of February 2012, the Cantos Music Foundation became the National Music Centre.

## Special Projects

### **Royal Alberta Museum**

In 2011 the provincial and federal governments announced the Royal Alberta Museum, in Edmonton, would undergo a redevelopment. Early estimates for the project expected it to finish in 2016 and cost \$340 million. Construction began in October 2012, a month sooner than anticipated.<sup>35</sup> The 2014-15 Budget amended the opening date of the new facility to 2017.

The province is spending \$180 million over three years and the federal government will contribute \$122 million to the project.<sup>36</sup> Ledcor Design Build Inc. received the contract to build the new museum. In 2012/13 the project received \$59 million in funding and, according to the [2013-16 Capital Plan](#), will receive \$ 57 million during to this fiscal year (as opposed to the expected \$92 million forecast in the 2012-15 Capital Plan).<sup>37</sup>

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<sup>35</sup> “[Construction on Edmonton's new Alberta Royal Museum gets under way](#)” in Metro News, October 15, 2012.

<sup>36</sup> See “[Government of Canada invests in the New Royal Alberta Museum](#)”, November 16, 2011.

<sup>37</sup> Government of Alberta, [Fiscal Plan 2012-15 – Capital Plan](#)



## BRITISH COLUMBIA

Real GDP Growth (change): 1.9% (2013)

Revenue from Federal Transfers (percent of total): 13% (2014-2015)

Population: 4,631,300 (2014)

**2014**

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Michael de Jong tabled [British Columbia's fiscal 2014-15 budget](#) on 18 February 2014<sup>1</sup>.
- While BC's 2012-2013 deficit was more than \$1.146 billion, 2013-2014 fiscal year ended with a surplus of \$175 million. The three-year fiscal plan projected surpluses totaling \$841 million over the next three years<sup>2</sup>:
  - \$184 million in 2014-15;
  - \$206 million the following year; and
  - \$451 million in the third year
- However, British Columbia continues to feel the impact of the 2008-09 recession, as well as the general decline in economic growth internationally: "As a trading province, the impact of the recession upon our traditional markets, like the U.S., was immediate and the consequences for B.C. businesses and their employees was profound. (...) In fact, to continue meeting our targets, we will have to rely on more of that old-fashioned discipline that got us here in the first place." (Minister de Jong, Budget Speech 2014).
- The government projected economic growth of 2% per cent in 2014, 2.3 per cent the following year and 2.5 per cent in 2016.
- Total provincial debt was forecast at \$64.7 billion in 2014-15, \$66.9 billion in 2015-16 and \$68.9 billion in 2016-17<sup>3</sup>.
- Minister de Jong noted that over the past 10 years, BC has diminished its dependence on the US market and that in 2013, B.C. became the first foreign government to issue bonds into the Chinese Renminbi/Dim Sum market.

### **Spending Highlights and Priorities**

- Key objectives of the 2014 budget included:
  - job growth, skills training and education;
  - helping families build for the future; and
  - providing additional resources for those folks and families most in need.
- Accordingly, with the budget now balanced, the government provided \$350 million in new, additional funding over three years to support families, individuals and community

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<sup>1</sup> [Budget Speech 2014](#), Minister of Finance, Government of British Columbia

<sup>2</sup> Ibidem

<sup>3</sup> [Backgrounder 1 – Fiscal Plan 2014-15 - 2016-17](#), B.C. Ministry of Finance, February 18, 2014

safety. These included, among other expenses:

- \$243 million to maintain existing services for adults with development disabilities and their families;
  - \$15 million for children and youth with special needs;
  - \$15 million for increased RCMP policing costs;
  - \$6 million for legal aid-related services<sup>4</sup>.
- The B.C. Early Years Strategy is an eight-year government commitment to improve the accessibility, affordability, and quality of early-years programs and services for families with young children. Budget 2013 committed \$76 million to support the first three years of the strategy.
  - The Ministry of Health budget is increasing by \$2.5 billion over the course of the fiscal plan, an annual average growth rate of 2.6 per cent. By 2016–17, total health-care spending will reach \$19.6 billion — more than 42 per cent of all government spending<sup>5</sup>.
  - B.C. is investing \$65 million for environmental and economic development initiatives, including Liquefied Natural Gas development.
  - The fiscal plan includes contingencies of \$1.275 billion over three years, which provides notional allocations for public sector wage increases, as well as reserves of \$750 million over three years to guard against revenue volatility.

## Impact on Cultural Sector

- B.C. has more artists per capita than any other province. Artists make up more than 1 per cent of the labour force. B.C.'s creative sector employs more than 78,000 people and contributes \$5.2 billion to the provincial economy.<sup>6</sup>
- Among the four **Goals<sup>7</sup> of the Ministry of Community, Sport and Cultural Development**, one is dedicated to arts and culture and reads: "Communities are culturally rich and foster sustainable jobs, economic growth and a vibrant social fabric." This goal is broken down into 2 broad objectives:

**Objective 1 - Creative people, places, and experiences exist throughout B.C.**

### Strategies

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<sup>4</sup> [Backgrounder 1 – Fiscal Plan 2014-15 - 2016-17](#), B.C. Ministry of Finance, February 18, 2014

<sup>5</sup> [Reinforcing Economic Growth and Job Creation, Balanced Budget 2014 Highlights](#), B.C. Ministry of Finance, February 18, 2014

<sup>6</sup> [2014-15 – 2016-17 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2014

<sup>7</sup> Ibidem

- Raise awareness within B.C. of the importance of a creative environment and how it contributes to innovation and economic growth.
- Connect and engage communities from all regions and create awareness of our capital city as a special place of historic and cultural significance to the province.
- Build capacity for creative economic activities through improved public awareness; training; and support for artists, creators and creative organizations.
- Invest in a healthy not for-profit cultural sector through the BC Arts Council and Community Gaming Grants.
- Continue to engage stakeholders on gaming grant processes to effectively provide support to charities and not-for-profit groups.

**Objective 2: The next generation of skilled workers are creative, collaborative and innovative thinkers**

Strategies - Through BC Creative Futures:

- Build on existing expertise in the creative sector and fund projects that support new, innovative approaches to youth engagement in the arts.
- Prepare our children and youth to excel in the knowledge based economy through training skilled workers who will be creative, collaborative and innovative thinkers in alignment with the Skills and Training Plan.
- Increase access to scholarships and co-op placements in the arts and culture sector.
- Enable children and youth to participate in the arts both in the classroom and in the after school hours.
- Establish collaborative partnerships with community stakeholders and delivery agents throughout the province.

**Objective 3: British Columbia's arts and culture sector is vibrant, resilient and recognized for artistic excellence.**

Strategies

- Foster artistic excellence through investments in individual artists and grants to cultural organizations.
- Strengthen engagement in the arts by helping to build relationships between artists and their communities.
- Support the unique role of Aboriginal artists and communities in B.C.'s artistic and cultural life by investing in Aboriginal artists and cultural organizations.

- Develop the artistic and adaptive capacity of the sector.
- Engage audiences and artists reflective of the diverse demographics of the province
- Despite these lofty objectives and the return to a balanced budget, the government did not see fit to increase the budgets dedicated to arts and culture: the envelopes for Creative BC, Arts Culture and BC Arts Council and the BC Arts and Culture Endowment Special Fund remained the same as in the previous year. B.C. remains the province with the lowest cultural funding per capita.
- New programs announced in the 2013-2014 Budget like the Youth Engagement Pilot Program and the Early Career Development Program utilized increased funding to the BC Arts Council to support BC Creative Futures.
- Budget 2013 allocated \$60 million to continue the 2010 Sports and Arts Legacy Program, originally intended to provide \$30 million over 3 years when it began in 2010. \$18 Million will be allocated over three years under BC Creative Futures.<sup>8</sup>
- Budget 2014 included an additional measure for the film and television sector. The Minister of Finance announced that “we are taking steps to ensure that Vancouver Island is seen as an attractive production option. We are extending the Distant Location Tax Credit to the Capital Region, for any productions with principal photography beginning after today”.<sup>9</sup>

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<sup>8</sup> [Backgrounder, Fiscal Plan 2013-14 – 2015-16](#), Ministry of Finance, Government of British Columbia, February 2013

<sup>9</sup> [Budget Speech](#), February 18, 2014.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** The 2014-15 British Columbia Budget was described by the Finance Minister as a “boring, balanced budget”<sup>10</sup>, with few surprises either good or bad. As such, it failed to elicit much comment from the cultural community. However, there was a good deal of pre-Budget lobbying by the cultural community on specific issues that were not, in the end, included in the Budget.

Alliance for Arts and Culture, “[Standing Committee on Finance Seeks Input on 2014 Provincial Budget](#)”, October 3, 2013 - (accessed November 25, 2014)

- This blog post urged all members of the arts and culture community to participate in the consultations for the 2014-15 Budget.
- It outlined the recommendations made to the Committee at its Vancouver public hearing by Rob Gloor, executive director of the Alliance:
  - An increase in the appropriation for the BC Arts Council to \$32 million in 2014-15 with a further increase to \$40 million within two years;
  - The restoration of Community Gaming Grants to \$156 million with further increases in future years to provide essential funds to BC arts organizations and community programs not supported by the BC Arts Council;
  - An increase in the funding to Creative BC programs that support the creation, production and marketing of BC’s cultural exports;
  - The introduction of a cultural facilities infrastructure program to develop and maintain arts and culture venues in BC.

Lindsay Kines, “[Budget: Small surplus part of B.C.’s balanced \\$44.4 billion budget](#)”, *Times Colonist*, February 18, 2014 - (accessed November 25, 2014)

- The news item reported on the Budget announcement of a new film tax credit for the B.C. capital region, along with other highlights of the Budget.

Adrian Chamberlain, “[Budget: Film and TV tax credit extended to Greater Victoria](#)”, *Times Colonist*, February 18, 2014 - (accessed November 25, 2014)

- The article reported on the reaction of Victoria’s film commissioner, Kathleen Gilbert, to the Budget announcement on the new capital region film tax credit. She toasted the announcement with champagne and stated that the tax credit will boost film production in the Victoria area by 100%.
- She added that she is trying to attract new TV and film productions to Victoria, and the tax credit, along with the drop in the Canadian dollar, will aid her efforts.

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<sup>10</sup> CBC News, “[B.C. budget 2014: ‘Boring, balanced budget’](#)”, February 18, 2014 - (accessed November 25, 2014).



[“Greater Victoria film industry set to boom with tax credit in B.C. budget”](#), *Victoria News*, February 18, 2014 – (accessed December 5, 2014)

- The news item quotes Kathleen Gilbert as being “thrilled” by the Budget’s film tax credit announcement, which extended the 6% distant location regional tax credit to the Victoria area. The tax credit had been in effect since 2008 for all areas outside of the Vancouver lower mainland, except for Victoria.
- Because of the tax credit, Victoria’s film industry, which had generated \$20 million locally in 2006, has fallen to about \$7 million annually since then.
- Bruce Carter, CEO of the Greater Victoria Chamber of Commerce, said that the economic benefits from increased film production in the capital area would be felt by the restaurant, hotel, car rental, and construction industries.

Blaine Kylo, [“Video game developers want B.C. to renew Interactive Digital Media Tax Credit”](#), *Straightcom*, February 11, 2014 - (accessed August 19, 2014)

- The article reported on the efforts of DigiBC, an association of digital media and wireless companies, to extend the life of the Interactive Digital Media Tax Credit, which will expire on September 1, 2015. The tax credit amounts to 17.5% of eligible salary and wages involved in the creation of video games, educational software, and simulators.
- According to the B.C. Ministry of Finance, registrants for the tax credit have increased from 28 in 2011-12 to 52 in 2013-14,
- The NDP’s technology critic, George Heyman, said that the Liberals had promised to expand the tax credit, and the NDP would be looking to the 2014-15 Budget to see if this promise was kept.
- Howard Donaldson, president of DigiBC, said that for each person working in video games, two additional jobs are created. Donaldson added that informal surveys by DigiBC indicated that there are 3,250 fulltime employees in the video games industry.
- After Quebec increased its digital tax credit to 30% of all labour costs, employment in the video games industry doubled, and Donaldson stated that a 30% credit would do the same in B.C.
- James Hursthouse and John Lutz, who work in the industry, called for the tax credit to be amended to include work performed by contract employees and asked that the application fee for the credit be removed.
- Todd Tessier, CFO for Recon Instruments, a wearable technology company, characterized the Interactive Digital Media Tax Credit as “not a subsidy, but a competitive fiscal policy that is sustainable”.

[DigiBC Interactive Digital Media Tax Credit Town Hall Discussion](#), February 11, 2014 – (accessed December 5, 2014)

- This blog entry provided a recap of the town hall discussion, which was intended to collect information on the industry to take to the B.C. government to convince it to renew the IDMTC.
- Currently, there are no reliable figures on participation rates in the industry, but the target was to achieve a workforce of 5,000 workers. The industry is trying to foster long-term employment, with fewer short-term contractors. The aim is to support employment

throughout the province, not just in the larger centres. Currently, BC is paying to educate workers who then leave for elsewhere.

DigiBC, "[State of the BC Video Game Industry Town Hall](#)" – The IDMTC Extension & Enhancement Plan", September 25, 2014 – (accessed December 5, 2014)

- The 2014-15 Budget did not renew the IDMTC, and DigiBC therefore continued its public lobbying efforts into the fall.
- This event notice for a DigiBC town hall meeting states that an industry survey found that 1700 new jobs in the B.C. industry had been created between 2009 and 2013 and that 5,700 employees are now working in 142 companies in the video games sector. If the IDMTC is not renewed, the industry would be devastated.

Konstantine Roccas, "[B.C. games industry still anxious over tax credits](#)", *thethunderbird.ca*, October 27, 2014 - (accessed December 5, 2014)

- The news item reported that "B.C. game developers are relieved that the provincial government is looking to renew a lucrative tax credit that was due to run out in less than a year."
- This source of this optimism was a table in the government's *Budget and Fiscal Plan – 2014/15 to 2016/17* that shows the costs of the tax credit projected at \$50 million annually to 2016-17. The entry is footnoted as follows: "The Plan assumes that the cost of tax measures with sunset dates continue beyond their expiry dates." (p. 66). However, no official announcements had been made to date.
- The NDP's opposition spokesperson for technology, George Heyman, is quoted as saying that "The digital media industry offers a high likelihood of long term investment and the government needs to be aware of this so that BC doesn't lose the business like we did with the film industry."

B.C. Government and Service Employees' Union, *BC Budget 2014* – [Boring, Balanced and Bad News](#), February 21, 2014 - (accessed November 25, 2014)

- The union indicated very little had changed in the Ministry of Community, Sport and Cultural Development Service Plan, except for more language on accountability and "streamlining services". The only comment on the cultural part of the Ministry was to note steady funding at \$11.9 million for the Royal British Columbia Museum, which will cover only about 60% of its costs.
- In the section on the Ministry of Jobs, Tourism and Skills Training, the report noted among its key objectives, "supporting small business, tourism and creative sectors", but observed that the fiscal plan freezes funding for all these areas.

Pacific Association of Artist Run Centres, "[Response to the 2014 BC Budget and Ministry of Community, Sport and Cultural Development 2014/15 – 2016/17 Service Plan](#)", April 16, 2014 - (accessed November 25, 2014)

- The Association expressed regret that the 2014-15 Budget had not restored cultural funding to pre-2009 levels, including increasing the budget of the BC Arts Council and restoring the amount of money available to arts and culture organizations under the Community Gaming Grants. The Association considered this at odds with the Ministry's Objective 3.1: "Creative People, Places, and Experiences exist throughout B.C."
- It pointed out that B.C. is the province with the most artists per capita, but with the lowest cultural funding per capita and called on the government to use a small portion of the projected Budget surplus to progressively raise the BC Arts Council budget to \$28 million by 2016-17.
- It added that artist-run centres in BC received on average \$11,238 less public revenue than the Canadian average, which "creates a climate of precarity".
- While it supported the government's commitment to making art and culture accessible to the next generation of British Columbians, it expressed concern that these initiatives, which are aligned with the BC Creative Futures strategy, do not do enough to foster the development of artists and cultural producers.
- The Association pointed out that the BC Jobs Strategy does not identify the cultural sector and the creative industries as key sectors, expressing fear that if no incentives are created to keep trained artists and cultural workers in the province, BC will lose its young artistic labour force.
- It supported the establishment of a Select Standing Committee on Arts, Culture and the Creative Economy to consult with British Columbians on the sector's needs and on a future cultural policy framework.

## Government of British Columbia

### Main Estimates<sup>11</sup>

(In thousands of dollars)

<b>Ministry</b>	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Estimate</b>	<b>2011-12 Estimate</b>
Legislation	69,565	75,496	69,271	68,862
Office of the Legislature	48,619	47,311	46,471	45,819
Office of the Premier	9,008	9,008	9,008	9,008
Ministry of Aboriginal Relations and Reconciliation	82,275	82,702	80,365	80,030
Ministry of Advanced Education <sup>12</sup>	1,935,671	1,953,255	1,965,510	1,963,369
Ministry of Agriculture	79,733	79,307	68,143	65,771
Ministry of Children and Family Development	1,356,419	1,344,816	1,333,067	1,330,691
Ministry of Technology, Innovation and Citizens' Services <sup>13</sup>	514,404	527,008	531,173	581,500
Ministry of Community, Sport and Cultural Development	221,360	181,760 <sup>14</sup>	310,907	253,907
Ministry of Education	5,386,762	5,365,750	5,330,448	5,241,877
Ministry of Energy and Mines <sup>15</sup>	21,407	24,141	449,595	437,210
Ministry of Environment	133,692	129,135	128,045	129,947
Ministry of Finance	202,189	203,684	172,574	175,521
Ministry of Forests, Lands and Natural Resource Operations	591,283	561,343	601,313	589,602
Ministry of Health	16,936,070	16,550,698	16,177,479	15,732,924
Ministry of Jobs, Tourism and Skills Training	198,885	198,885	229,839	237,668
Ministry of Justice	1,155,166	1,139,891	1,110,949	1,044,705
Ministry of Natural Gas Development <sup>16</sup>	400,940	371,658	-	-
Ministry of Social Development and Social Innovation <sup>17</sup>	2,529,819	2,487,215	2,456,780	2,338,463

<sup>11</sup> [Main Estimates 2014-15](#), Ministry of Finance, Government of British Columbia,

<sup>12</sup> Name changed in 2014-15, formerly Ministry of Advanced Education, Innovation and Technology

<sup>13</sup> Reorganization in 2014-15, formerly Ministry of Citizens' Services and Open Government

<sup>14</sup> The overall decrease from 2012-13 is due to increased external recoveries.

<sup>15</sup> Reorganization in 2014-15, formerly Ministry of Energy, Mines and Natural Gas

<sup>16</sup> Reorganization in 2014-15, formerly part of Ministry of Energy, Mines and Natural Gas

<b>Ministry</b> (‘000)	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Estimate</b>	<b>2011-12 Estimate</b>
Ministry of Transportation and Infrastructure	812,293	812,278	806,921	806,922
Management of Public Funds and Debt	1,285,466	1,257,091	1,287,491	1,349,301
Other Appropriations	2,137,235	2,061,027	2,461,483	3,088,537
<b>Total</b>	<b>36,157,000</b>	<b>35,491,000</b>	<b>35,631,000</b>	<b>35,532,958</b>

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<sup>17</sup> Name changed in 2014-2015 from Ministry of Social Development

**Government of British Columbia**  
**Ministry of Community, Sport and Cultural Development<sup>18</sup>**

<b>Branch</b> (In thousands of dollars)	<b>2014-15 Estimated Net Expense</b>	<b>Difference Dollar Value and Percentage</b>	<b>2013-14 Estimated Net Expense</b>	<b>2012-13 Net Expense</b>	<b>2011-12 Net Expense</b>
<b>Local Government</b>	143,565 <sup>19</sup>	39,850 38.4%	103,715	249,865	201,389
<b>Integrated Policy, Legislation and Operations</b>	2,779	0 0%	2,779	2,811	1,849
<b>BC Film Commission<sup>20</sup></b>	-	-	-	-	862
<b>Arts, Culture, Gaming Grants and Sport<sup>21</sup></b>					
Creative BC	2,472	0 0%	2,472	2,222	-
Sport	20,662	-250 -1.2%	20,912	17,230	10,905
Arts, Culture and BC Arts Council	26,020	-264 -1%	26,284 <sup>22</sup>	10,066	10,050
Community Gaming Grants	1	0 0%	1	1	1
<b>Subtotal</b>	46,683	-250 -0.5%	46,933	29,519	20,956
<b>Transfers to Crown Corporations and Agencies</b>	11,866	0 0%	11,866	12,166	12,166
<b>Executive and Support Services</b>	5,825	-1 -0.02%	5,826	5,904	6,043
<b>BC Arts and Culture Endowment Special Account</b>	2,500	0 0%	2,500	2,500	2,500
<b>Physical Fitness and Amateur Sports Fund Special Account</b>	1,700	0 0%	1,700	1,700	1,700
<b>University Endowment Lands Administration Account Special Account</b>	6,442	0 0%	6,442	6,442	6,442
<b>Total</b>	<b>221,360</b>	<b>37,128 20.1%</b>	<b>184,232</b>	<b>310,907</b>	<b>253,907</b>

<sup>18</sup> [2014-15 – 2016-17 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2014

<sup>19</sup> Increase is due to the reinstatement of about \$40 million for Small Community Grants and Traffic Fine Revenue Sharing with local governments.

<sup>20</sup> BC Film Commission now included in Creative BC which amalgamated the BC Film Commission and BC Film and Media. See [Supplement to Estimates](#)

<sup>21</sup> Includes \$5.25 million going towards BC Creative Futures Initiative; see article ["Record Level BC Arts Council Budget for 2013-14"](#)

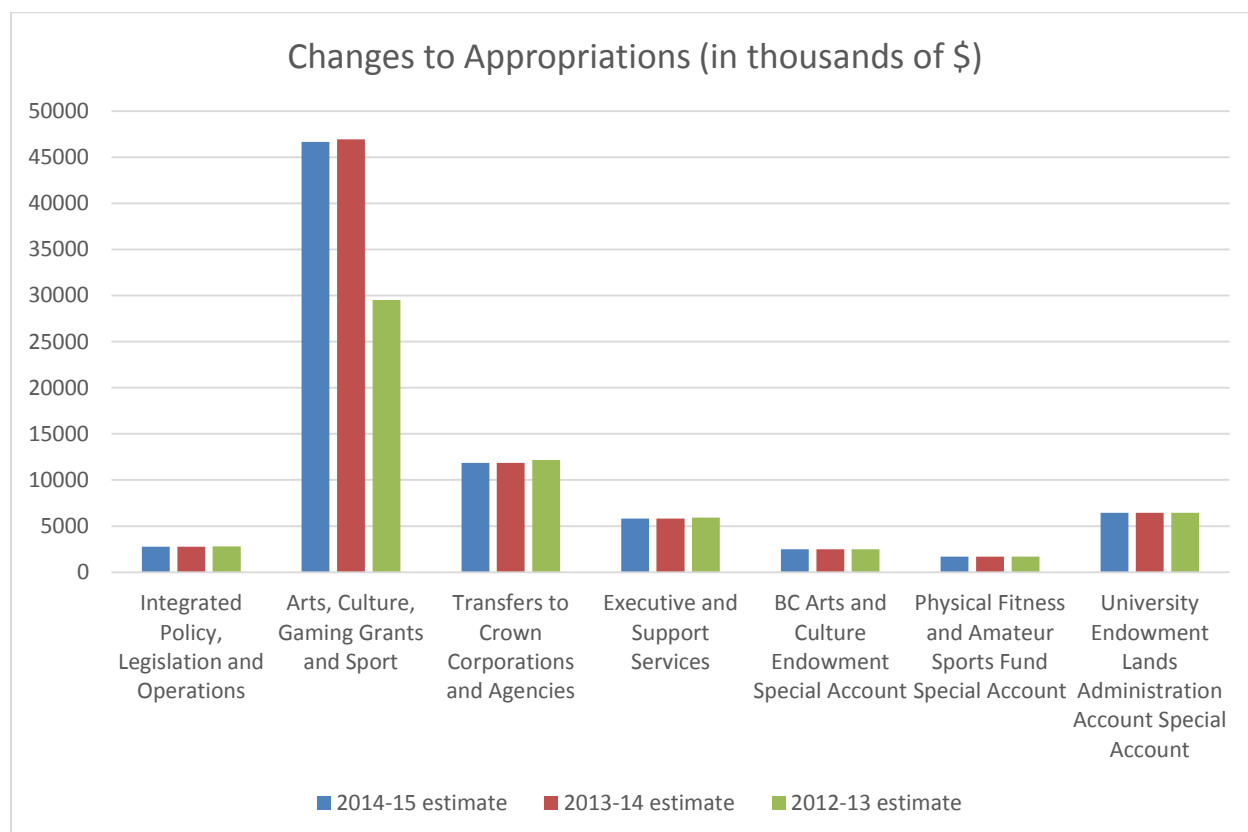
<sup>22</sup> In previous years, BC Arts Council was listed separately; the figure for 2011-12 does not include funding allocated to the BC Arts Council

## Government of British Columbia

### Ministry of Community, Sport and Cultural Development

#### Changes to Appropriations<sup>23</sup>

(In thousands of dollars)



<sup>23</sup> Since the 2013-14 appropriation for Arts, Culture, Gaming Grants and Sport now includes the budget of the British Columbia Arts Council.

## British Columbia Arts Council

### 2013/14 Financial Report<sup>24</sup>

Expenditures  
(Dollar Value)

<b>Grants and Contributions</b>	<b>2013/14 BCAC Base</b>	<b>2013/14 BC 150</b>	<b>2012/13 BCAC Base</b>	<b>2012/13 Sports and Arts Legacy</b>	<b>2012/13 BC 150</b>	<b>2011/12 Base</b>	<b>2011/12 Sport and Arts Legacy</b>	<b>2011/12 BC 150</b>
Professional Arts Development	17,268,925	11,225	6,736,999	5,871,736	4,165	6,756,996	5,834,995	6,000
Community Arts Development	80,000	1,752,500	100,000	396,264	1,170,735	106,000	424,078	1,168,697
Touring Programs	1,737,000	372,500	173,500	134,000	462,600	172,000	125,000	460,000
Arts Awards (Individuals)	2,214,585	13,775	616,000	190,000	512,500	576,500	215,000	515,000
Publishing Programs	549,491	0	304,493	158,000	0	319,462,	150,927	0
Administrative Costs	1,641,879	0	1,527,029	0	0	1,455,334	0	0
<b>Total</b>	<b>23,491,880</b>	<b>2,150,000</b>	<b>9,458,021</b>	<b>6,750,000</b>	<b>2,150,000</b>	<b>9,386,292</b>	<b>6,750,000</b>	<b>2,149,697</b>

<sup>24</sup>[British Columbia Arts Council Annual Report 2013-14](#)



## Government of British Columbia

### Children's Fitness Credit and Children's Art Credit<sup>25</sup>

Children's Fitness Credit	is a non-refundable tax credit of 5.06 per cent of eligible expenditures up to \$500 for each child, providing a benefit of up to \$25 per child
Children's Arts Credit	is a non-refundable tax credit of 5.06 percent of eligible expenditures up to \$500 for each child, providing a benefit of up to \$25 per child.

Introduced in the B.C. 2012 Budget: for both the Children's Fitness Credit and the Children's Arts Credit, eligible expenditures are those that qualify for the federal children's fitness and arts credits and are outside of school activities.<sup>26</sup>

### Film and Television Tax Credit<sup>27</sup>

The film and television tax credit is for eligible corporations that produce eligible film or video productions in British Columbia. The film and television tax program consists of five tax credits: basic tax credit, regional tax credit, distant location regional tax credit, film training tax credit and digital animation or visual effects tax credit. Budget 2014 expands the distant location regional tax credit to include the Capital Regional District for productions with principal photography that begins on or after February 19, 2014.

### Interactive Digital Media Tax Credit<sup>28</sup>

The interactive digital media tax credit (IDMTC) is for eligible registered corporations that develop interactive digital media products in B.C. after August 31, 2010 and before September 1, 2015. The credit is calculated as 17.5% of eligible salary and wages incurred in the tax year.

<sup>25</sup> [BC Personal Tax Credits](#), revised March 30, 2014

<sup>26</sup> [Backgrounder Budget 2012 – Tax Savings for B.C. Families, 2012](#) - Government of British Columbia

<sup>27</sup> [Film and Television Tax Credit](#), BC Business, Government of British Columbia

<sup>28</sup> [Interactive Digital Media Tax Credit](#), BC Business, Government of British Columbia

## Book Publishing Tax Credit<sup>29</sup>

The book publishing tax credit program applies to book publishing corporations that carry out business primarily in B.C. Eligible book publishers may receive a credit of up to 90% of the base amount of Support for Publishers contributions received in the tax year.

## Royal British Columbia Museum

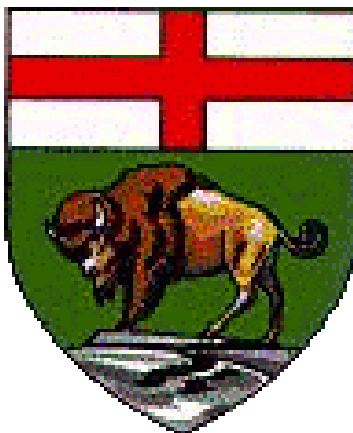
### Summary Financial Outlook<sup>30</sup>

(In millions of dollars)

	<b>2014-15 Forecast</b>	<b>2013-14 Budget</b>	<b>2012-13 Budget</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Revenue</b>					
Provincial Contribution	11.9	11.9	12.17	12.17	12.17
Admission Fees	4.25	4.25	4.05	4.07	3.03
Other Income	3.42	3.25	2.84	2.97	3.99
<b>Total Revenue</b>	<b>19.53</b>	<b>19.36</b>	<b>19.06</b>	<b>19.21</b>	<b>19.19</b>
<b>Total Expenses</b>	<b>19.43</b>	<b>19.26</b>	<b>18.96</b>	<b>19.15</b>	<b>19.15</b>
<b>Capital Expenditures</b>	<b>0.51</b>	<b>2.31</b>	<b>-</b>	<b>0.74</b>	<b>0.55</b>
Debt	0	0	0	0	0

<sup>29</sup> [Book Publishing Tax Credit](#), BC Business, Government of British Columbia

<sup>30</sup> [Royal British Columbia Museum Annual Report 2014](#)



## MANITOBA

Real GDP growth: 2.2% (2013)

Revenue from Federal Government Transfers (percent of total): 23% (2014-15)

Population: 1,282,000 (2014)

## 2014

## Budget Overview

### Fiscal and Societal Context

- Budget 2014 was delivered by the Honourable Jennifer Howard, Minister of Finance on March 6, 2014.
- 'In the midst of uncertainty, Budget 2014 takes a balanced approach, focusing on creating good jobs, growing our economy, and building new opportunities for young people<sup>1</sup>.
- Manitoba will not undergo harsh austerity, which was the approach taken in the 1990s when the economy last faced a major challenge. However, deficit reduction is a priority, and, as the *Winnipeg Free Press* observed, "Without a significant jolt in revenues, that's unlikely to happen."<sup>2</sup>
- Manitoba has one of the lowest unemployment rates in Canada (under 6%), just ahead of Saskatchewan and Alberta.
- Manitoba receives federal transfer payments equal to 24% of its revenues. Nevertheless, the province has an ongoing dispute with Statistics Canada over population figures, claiming that Manitoba's population has been underestimated by 18,000, which has the effect of lowering federal transfer payments.
- The NDP government has been very low in opinion polls as a result of its decision to raise the provincial tax to 8 % in Budget 2013. In November, a major crisis emerged within the NDP Cabinet and five senior ministers (including Finance Minister Jennifer Howard) resigned in protest against what they called the "despotic leadership" of Premier Selinger, who decided to cling to power. He was forced however to launch a leadership race which will culminate on March 8, 2015.
- The on-going crisis has led some observers to conclude that the NDP uncertainty could hurt Manitoba's economy.<sup>3</sup>

### Spending Priorities and Highlights<sup>4</sup>

- Motto of Budget 2014: Steady Growth, Good Jobs
- Priorities of 2014 Budget:
  - More opportunities for young people
  - Strong Infrastructure and growing economy
  - An even Better Place to Live
  - Health Care

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<sup>1</sup> [The 2014 Manitoba Budget Address](#), Hon. Jennifer Howard, Minister of Finance, March 6, 2014

<sup>2</sup> ["The deficit that won't go away"](#), *Winnipeg Free Press* - (accessed December 31, 2014).

<sup>3</sup> ["NDP uncertainty could hurt Manitoba's Economy"](#), Tom Brodbeck, *Winnipeg Sun*, Nov. 6, 2014

<sup>4</sup> [Budget 2014: Steady Growth, Good Jobs](#), Ministry of Finance, Government of Manitoba, March 2014.

- More efficient Government, better services
- Freezes or decreases were announced to the operating budgets of nine government departments, but the Department of Tourism, Culture, Heritage, Sport and Consumer Protection was spared.<sup>5</sup>

## Impacts on the Cultural Sector

- The budget of the Department of Tourism, Culture, Heritage, Sport and Consumer Protection showed a substantial increase (from about \$60.8 million in 2013-14 to \$85.9 million in 2014-15, but this was mainly due to the transfer of responsibility for sport and consumer protection to the department during the year.
- Overall, administration and financial management expenditures in the Department were up substantially (almost 11%), but expenditures for historic resources and cultural organizations were reduced slightly.
- The budgets of the Department's Arts Branch and the Manitoba Arts Council remained frozen at 2013-14 levels.
- Expenditures for public library services were up slightly.
- The 2014-15 Budget announced the extension of the Book Publishing Tax Credit, which had been scheduled to expire on December 31, 2014, to December 31, 2017. This refundable tax credit is equal to 40% of eligible Manitoba labour costs plus non-refundable author advances. An additional bonus equal to 15% of printing costs can be earned if an eligible book is printed on paper with a minimum of 30% recycled content. This will increase the tax expenditure by \$.6 million on an annual basis.<sup>6</sup>
- The Budget also announced that the Cultural Industries Printing Tax Credit was altered to cap the maximum credit at \$30,000 per eligible book title. At least 90% of the book must now be new material not previously published. In addition, if the book contains pictures and is not a children's book, the text portion must comprise at least 65% of the book, and the book must be sold through an established distributor. These measures will reduce the tax expenditure by \$.5 million on an annual basis.<sup>7</sup>
- Manitoba's Film and Television industry received a funding boost in 2014, with a \$590,000 investment from the Department of Jobs and Economy over two years in On Screen Manitoba<sup>8</sup>.

<sup>5</sup> [Budget 2014: Steady Growth, Good Jobs](#), Ministry of Finance, Government of Manitoba, March 2014. (Accessed January 5, 2015).

<sup>6</sup> Budget 2014 – [Budget Paper C – The Manitoba Advantage: More Affordable for Families and More Competitive for Businesses](#), p. C4 (accessed January 5, 2015).

<sup>7</sup> Budget 2014 – [Budget Paper C – The Manitoba Advantage: More Affordable for Families and More Competitive for Businesses](#), p. C4-5 - (accessed January 5, 2015).

<sup>8</sup> ["Manitoba's Film and Television Industry Receives Funding Boost"](#), News Release, Government of Manitoba, October 8, 2014 - (accessed January 5, 2015)

## Reactions to the Budget from the Cultural Sector perspective

**Contextual note:** *There was no published reaction from the cultural community to the Manitoba 3014-15 Budget, even from the book publishing industry which was the subject of the two tax credit changes described above. However, a number of consulting firms reported on them, including:*

- Ernst&Young, [Tax Alert, Issue No. 19](#), March 7, 2014
- Grant Thornton International Ltd., [“2014 Manitoba Budget”](#)
- FBC, [“2014 Manitoba Budget”](#)
- Deloitte, [“2014-2015 Manitoba budget highlights”](#), *Canadian tax alert*, March 6, 2014

## Government of Manitoba

### Main Estimates<sup>9</sup>

( in \$000)	2014-15 Expenditure	2013/14 Budget	2012/13 Budget	2011/12 Budget
<b>Sector/Department</b>				
<b>Health and Healthy Living (2014: Health)</b>	5,382,077	5,272,612	5,152,575	4,978,327
<b>Education</b>	2,430,348	2,368,658	2,320,854	2,248,421
<b>Family Services</b>	1,173,009	1,128,682	1,079,354	1,001,313
<b>Total Community, Economic and Resource Development</b>	2,231,062	2,180,418	2,180,270	2,066,507
<b>Justice and Other Expenditures</b>				
Legislative Assembly	44,324	42,500	40,181	55,284
Executive Council	2,679	2,679	2,622	2,827
Civil Service Commission	20,141	20,141	20,800	21,643
Culture, Heritage and Tourism		60,841	61,900	61,350
2014: Tourism, Culture, Heritage, Sport and Consumer Protection) <sup>10</sup>	85,912	85,773 <sup>11</sup>		
Employee Pensions and Other Costs	13,899	18,288	16,933	15,817
Finance	65,981	69,834	65,429	72,009
Immigration and Multiculturalism <sup>12</sup>		16,892	39,205	38,843
Labour and Immigration <sup>13</sup>	25,427	35,060	-	-

<sup>9</sup> [2014 Manitoba Estimates of Expenditure and Revenue](#), The Hon. Jennifer Howard, Minister of Finance,

<sup>10</sup> Consumer Protection was added to the new Tourism, Culture, Heritage, Sport and Consumer Protection Department from Health, where it was previously known as Consumer Affairs.

<sup>11</sup> It appears that the change and reorganization in department names was made halfway through the year, accounting for the existence of two departments (the restructured Tourism, Culture, Heritage, Sport and Consumer Protection, and the former Culture, Heritage and Tourism department).

<sup>12</sup> [2014 Manitoba Estimates of Expenditure and Revenue](#), Government of Manitoba.

Note: large cuts in Department of Immigration and Multiculturalism are the result of a significant reduction of financial assistance and grants (from \$30,065,000 in 2012-13 to \$8,662,000 in 2013-14).

<sup>13</sup> Immigration and multiculturalism have been moved to two new departments.

( in \$000)	<b>2014-15 Expenditure</b>	<b>2013/14 Budget</b>	<b>2012/13 Budget</b>	<b>2011/12 Budget</b>
<b>Sector/Department</b>				
Multiculturalism and Literacy <sup>14</sup>	21,170	21,170	-	-
Justice	533,384	507,064	462,946	426,263
Sport <sup>15</sup>		11,770	11,970	11,970
Enabling Appropriations	38,124	54,928	38,292	42,080
Other Appropriations	41,587	55,293	72,175	60,151
<b>Total Justice and other expenditures</b>	892,628			
<b>Debt Servicing Cost</b>	230,000	230,000	258,000	257,785
Program Portfolio Management Reviews <sup>16</sup>			(128,000)	
<b>Total</b>	<b>12,339,124</b>	<b>12, 098,883</b>	<b>11,823,506</b>	<b>11,360,590</b>

<sup>14</sup> Literacy was moved from Education.

<sup>15</sup> Sport was added to Tourism, Culture, Heritage, Sport and Consumer Protection.

<sup>16</sup> Reductions related to the 2012-13 Program Portfolio Management Reviews have been included in each department's forecast; the 2012-13 Budget In-Year Adjustments/Lapse includes \$128 million for Program Portfolio Management Reviews.



**Government of Manitoba**  
**Department of Tourism, Culture, Heritage, Sport and**  
**Consumer Protection**<sup>17</sup>

(In thousands of dollars)

Branch	2014-15 Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-2013 Estimate (Adjusted)	2011-12 Actual
<b>Administration and Finance</b> <sup>18</sup>	2,733	269 10.9%	2,464	2,440	2,505
<b>Tourism, Culture, Heritage and Sports Programs</b> <sup>19</sup>					
Culture and Heritage Programs Administration <sup>20</sup>	689	0 0%	689	699	
Grants to Cultural Organizations	9,663	-14 -1.4%	9,677	9,737	9,737
Manitoba Arts Council	8,748	0 0%	8,748	8,945	8,405
Heritage Grants Advisory Council <sup>21</sup>	-	-	-	411	411
Arts Branch	8,990	0 0%	8,990	9,198	9,178
Public Library Services	7,227	77 1.1%	7,150	7,150	7,114
Historic Resources	3,114	-56 -1.8%	3,170	3,221	2,867
Tourism Secretariat	1,332	47 3.6%	1,285	1,394	1,384
Sport Secretariat	431	-1 -0.2%	432 <sup>22</sup>		
Sport Manitoba	11,338	0 0%	11,338 <sup>23</sup>		
Travel Manitoba*	6,971	0 0%	6,971	7,113	7,113
<b>Sub Total</b>	<b>58,503</b>	<b>11,823 25.3%</b>	<b>46,680</b>	<b>47,457</b>	<b>46,907</b>

<sup>17</sup> [2014 Manitoba Estimates of Expenditure and Revenue](#), pp. 135-140, Government of Manitoba.

<sup>18</sup> Substantial increase is due to increased responsibilities for Sport and Consumer Protection

<sup>19</sup> Name changed to include sports

<sup>20</sup> The name changed from Executive Administration to Culture and Heritage Programs Administration in 2014-15. Reported last year as 'executive administration'. In 2011-12 it was not reported at all.

<sup>21</sup> Since 2012-13, the Heritage Grants Advisory Council has been included under Historic Resources.

<sup>22</sup> This amount has not been added to the total for 2013-14 as this new addition occurred halfway through the year as a result of the addition of Sport and Consumer Protection to the department.

<sup>23</sup> Same as above.

Branch	2014-15 Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-2013 Estimate (Adjusted)	2011-12 Actual
<b>Information Resources</b>					
Communications Services Manitoba*	4,258	111 2.7%	4,147	4,400*	4,407
Translation Services*	1,954	0 0%	1,954	2,016	2,016
Archives of Manitoba*	3,989	-1 -0%	3,990	4,012	4,012
Legislative Library	1,435	0 0%	1,435	1,420	1,420
<b>Sub Total</b>	<b>11,636</b>	<b>110</b> <b>0.9%</b>	<b>11,526</b>	<b>11,848</b>	<b>11,855</b>
<b>Costs Relating to Capital Assets</b>	<b>280</b>	<b>109</b> <b>63.7%</b>	<b>171</b>	<b>155</b>	<b>148</b>
<b>Transfer from Health (Consumer Protection)<sup>24</sup></b>	<b>(13,264)<sup>25</sup></b>				
<b>Total</b>	<b>72,509<sup>26</sup></b>	<b>-102<sup>27</sup></b> <b>-0.1%</b>	<b>60,841<sup>28</sup></b> <b>72,611</b>	<b>61,900</b>	<b>61,350</b>

\*Less Recoverable

<sup>24</sup> Previously referred to in Health as 'Consumer Affairs'

<sup>25</sup> This amount was added to the total for Tourism, Culture, Heritage, Sport and Consumer Protection and with the addition of Consumer Protection into this department in 2014-15. This amount has been subtracted from the total in the Estimates (85,912) to make comparison between 2013-14 and 2014-15 easier.

<sup>26</sup> Culture, Heritage and Tourism included Sport and Consumer Protection in these estimates. The grand total reflects Culture, Heritage, Tourism and Sport.

<sup>27</sup> This amount was transferred to Jobs and Economy

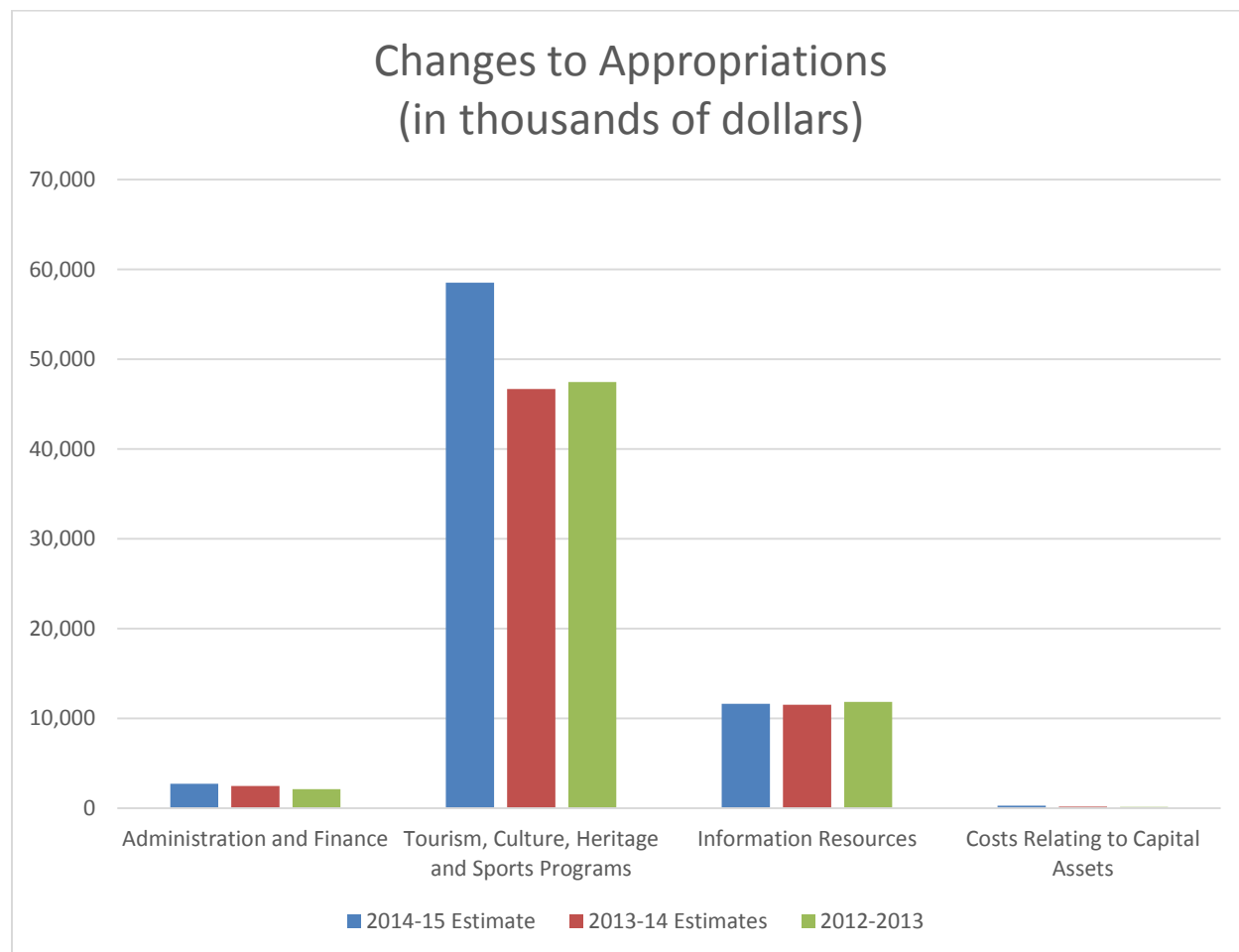
<sup>28</sup> This estimate was reported in the printed estimates for 2013-14, but the new total below includes the additions of Sport Manitoba and the Sport Secretariat. The figure below (72,611) is the figure used for comparison in purposes to calculate the difference in dollar value and percentage between the 2013-14 and the 2014-15 estimates.

## Government of Manitoba

### Department of Tourism, Culture, Heritage, Sport and Consumer Protection

#### Changes to Appropriations

(in thousands of dollars)



## Government of Manitoba

### Important Agencies

[Manitoba Arts Council](#) Since 1965 MAC has worked alongside the provincial government to provide artists with grants, awards, support and education. The MAC awards grants in many areas including visual arts, performance and touring, publishing, arts education, (ArtsSmarts and Artists in Schools), Aboriginal art, and general operating costs for community organizations.<sup>29</sup> In Budget 2014, the budget for the Manitoba Arts Council remained unchanged relative to 2013-14. It had decreased by 2.2% in 2012-13, dropping from \$8.9 million to \$8.7 million in 2013-14, which is still \$ 340,000 more than in 2011-12.

[Heritage Grants Advisory Council](#) The Council consists of 14 members with expertise in Manitoba's heritage, archaeology, ethnic composition, history and industries. The Council is responsible for advising the Minister in the allocation of funds from the Heritage Grants Program. The provincial government gave the Advisory Council \$411,000 for grant assistance in 2012-13, but Heritage Grants and Advisory Council expenses are not listed in the 2013-14 budget document. It still exists as a separate entity under the Historic Resources Branch; however, funding amounts for 2013-14 and 2014-15 are not broken out separately in the Estimates.

[Manitoba Film and Sound Recording Development Corporation](#) Also known as Manitoba Film & Music, the Film and Sound Recording Development Corporation is funded by the Department of Tourism, Culture, Heritage, Sport and Consumer Protection and is responsible for the wellbeing of the industry in Manitoba. Its responsibilities include allocating grant funding, administering relevant tax credits, and promoting Manitoba as a place for film and music production.<sup>30</sup> Manitoba's Film and Television industry received a funding boost in 2014, with a \$590,000 investment from the Department of Jobs and Economy over two years in On Screen Manitoba<sup>31</sup>.

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<sup>29</sup> [Manitoba Arts Council](#). (Accessed October 30, 2013)

<sup>30</sup> [Manitoba Film & Music](#). (Accessed October 30, 2013)

<sup>31</sup> "[Manitoba's Film and Television Industry Receives Funding Boost](#)", *News Release*, Government of Manitoba, October 8, 2014 - (accessed January 5, 2015)

## Government of Manitoba

### Department of Finance

#### **Tax Credits**<sup>32</sup>

**Cultural Industries Printing Tax Credit** awards eligible Manitoba based printers a 15% refund off the printing costs of Canadian authored non-periodical publications incurred on or after April 13, 2011. This tax credit was revised slightly in the 2014-15 Budget.

**Book Publishing Tax Credit** is worth 40% of eligible labour costs up to \$100,000 per publisher per year. There is an additional 15% environmental bonus for books published on recycled material. The tax credit is administered by the Canada Revenue Agency. The 2014-15 Budget extended this tax credit to December 31, 2017.

**Film and Video Production Tax Credit** is valued at 45% of eligible salaries for film or video production in Manitoba. There are additional bonuses for companies who frequently film in Manitoba and appoint Manitobans to prominent roles in the productions. Budget 2013 extended this credit to December 31, 2016. This Tax Credit is administered by the Manitoba Film and Sound Recording Development Corporation.

**Interactive Digital Media Tax Credit** is valued at 40% of the salaries paid to provincial residents in the development of approved interactive digital media projects. The tax credit is limited to \$500,000. Budget 2013 enhanced this credit and extended it until December 31, 2016. The main improvements to the program were as follows:

- Companies may claim up to \$100,000 in eligible marketing and distribution expenses that are directly attributable to that eligible project;
- Financial support from the Canada Media Fund that is recoupable or repayable will not be treated as “government assistance;”
- An eligible product that is developed under contract for an arm’s-length purchaser does not need to demonstrate the product will be resold or licensed by that arm’s-length purchaser
- A broader interpretation of the sale requirement will provide the province with added flexibility in determining which types of commercialization projects will be eligible.

### Children’s Arts and Cultural Activity Tax Credit

The Manitoba tax credit provides parents of children under 15 with a 10.8% non-refundable income tax credit on up to \$500 of eligible expenses per child. The Children’s Arts and Cultural Activity Tax

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<sup>32</sup> Manitoba. Finance. [Corporate Tax Credit](#)

Credit is administered by the Canada Revenue Agency.<sup>33</sup> Eligible programs must meet at least one of the following criteria<sup>34</sup>:

- Contribute to the development of creative skills or expertise in an artistic or cultural activity;
- Provide a substantial focus on wilderness and the natural environment;
- Help children develop and use particular intellectual skills;
- Include structured interaction among children where supervisors teach or help children develop interpersonal skills; or
- Provide enrichment or tutoring in academic subjects

### Cross Departmental Arts Education Programs

Department of Education

Department of Tourism, Culture, Heritage, Sport and Consumer Protection

Department of Healthy Living, Youth and Seniors

Arts Education Access Program - The Arts Education Access Program supports the development of arts education programs in under-served communities. The program provides financial assistance to community-based arts and cultural organizations and community service groups involved in delivering curriculum-based arts education programming to school-aged children and youth, in partnership with schools and educational institutions. Priority will be given to communities with the lowest levels of existing arts programming. Eligible applicants can receive up to \$10,000 in funding for art programs in conjunction with schools and educational facilities.

After School Arts Enrichment Program - The After School Arts Enrichment Program funds new and existing arts programming designed for students who do not normally have access to arts programs in their community. This competitive grant program (applicants are evaluated against all eligible applications) supports new or existing after-school arts instruction and activities. For the purposes of this program, "after school" refers to any instruction or activities occurring during weekday evenings, weekends, in-services or holidays. Projects that operate during school hours are not eligible for this program. Non-profit community organizations are eligible for up to \$5,000 in funding for arts programs intended for school aged children and youth without access to similar programs.

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<sup>33</sup> Government of Manitoba. Finance. [Personal Tax Credits](#).

<sup>34</sup> Canada Revenue Agency. [Prescribed Program](#).



## NEW BRUNSWICK

Real GDP Growth: -0.5% (2013)

Revenue from Federal Transfers (percent of total): 33% (2014-2015)

Population: 753,900 (2014)

**2014**

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Blaine Higgs delivered the Budget Speech on February 4<sup>th</sup> 2014<sup>1</sup>.
- The Department of Finance estimates real economic growth of 0.1% in 2013, down from 0.5% projected at budget last year. This estimate reflects weakened economic conditions.
- "Growth was impacted in 2013 by the closure of Brunswick Mine, the completion of several major projects and the need for sustainable budgets by all levels of government. Slower employment, weaker exports and flat consumer expenditures also constrained growth."<sup>2</sup>
- The minister anticipates a deficit of \$391.1 million for 2014-15, and projects deficits for each of the next three years. The province's multi-year plan forecasts a surplus of \$119 million for 2017-18<sup>3</sup>.
- On September 22, 2014 a new Liberal government was elected but no new Budget was tabled, except for a capital budget in December (see below).

### **Spending Priorities and Highlights<sup>4</sup>**

- Main Priorities:
  - Citizen engagement;
  - Freezing taxes; no major fee increases;
  - Putting government's culture of performance excellence to work for taxpayers;
  - Putting health dollars to work;
  - Putting accountability first;
  - Smarter management of government's human resources;
  - Multi-year plan toward balanced budgets<sup>5</sup>.

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<sup>1</sup> [Putting our Resources to Work – 2014-2015 Budget](#) Department of Finance, Government of New Brunswick, February 4, 2014.

<sup>2</sup> [Economic Outlook 2014-15](#), Department of Finance, Government of New Brunswick, February 4, 2014.

<sup>3</sup> [New Brunswick Budget 2014-15](#), Tax Alert- Canada, Ernst and Young.

<sup>4</sup> [Putting our Resources to Work – 2014-2015 Budget](#) Department of Finance, Government of New Brunswick, February 4, 2014.

<sup>5</sup> [News Release](#), Department of Finance, Government of New Brunswick



- Spending Highlights:
  - A five-year, \$80 million investment in innovation;
  - \$27 million for the New Brunswick Drug Plan;
  - \$7.2 million for a new Home First Strategy designed to keep seniors in their own homes;
  - Improvements to the Small Business Investor Tax Credit;
  - An increase of 3% in social assistance rates;
  - Increased funding for those supporting adult children with disabilities;
  - Funding to support the recommendations in New Brunswick's cultural policy.

### Impacts on the Cultural Sector

The Budget Speech contained this statement about culture:

“Our government is committed to a renewal of New Brunswick’s cultural policy over the course of this mandate. The Department of Tourism, Heritage and Culture has led that process to include wide public consultations as well as a stakeholder working group. The renewal is now in its final stages and this budget will provide the initial funding to support its recommendations.”<sup>6</sup>

The Department released *Creative Futures – A Renewed Cultural Policy for New Brunswick* on June 20, 2014, which announced that an additional \$3 million would be invested in cultural initiatives during the 2014-15 fiscal year.<sup>7</sup> In the Budget, total expenses of \$47,250,000 are shown for the Department, a 14% increase from the \$41,218 shown for 2013-14 (even though the department was re-organized over the course of the year, losing responsibility for sport). In December 2014, new capital budget estimates were released, allocating an additional \$2,564,000 to Tourism, Heritage and Culture, mainly for improvements to provincial parks, attractions, heritage sites, and visitor information centres.<sup>8</sup>

Over the course of 2014, a series of announcements were made by the Department of Tourism, Heritage and Culture, describing how the extra \$3,000,000 would be spent. These included:

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<sup>6</sup> [Putting our Resources to Work – 2014-2015 Budget](#), p. 16 - Department of Finance, Government of New Brunswick, February 4, 2014.

<sup>7</sup> [“Renewed cultural policy unveiled”](#), June 20, 2014 - and [“Cultural Policy Renewal – A message from the Minister”](#).

<sup>8</sup> [2015-2016 Capital Budget](#), p. 17 – Department of Finance, Government of New Brunswick, December 2014.

- A doubling of operational base funding for the Beaverbrook Art Gallery;<sup>9</sup>
- Investments to support an arts and culture workforce strategy;<sup>10</sup>
- Increased funding for the Village Historique Acadien;<sup>11</sup>
- Increased operational funding for the New Brunswick Museum and announcement of renovations to the museum's Exhibition Centre;<sup>12</sup>
- Funding for the restoration of Loyalist House and development of Fort Latour as a cultural tourism attraction;<sup>13</sup>
- Increased funding for the Council of Archives New Brunswick;<sup>14</sup>
- Increased funding for the Kings Landing Historical Settlement;<sup>15</sup>
- Establishment of a Community Cultural Places Program;<sup>16</sup>
- Establishment of a Premier's Task Force on the Status of the Artist;<sup>17</sup>
- An updated touring and presenting program making it available to both francophone and anglophone artists and organizations.<sup>18</sup>

The latter announcement, coming from the Premier's Office as well as from the Department of Tourism, Heritage and Culture, indicates that the commitment to increased support for the cultural sector was renewed by the new Liberal government with Premier Brian Gallant quoted as saying "Our government is committed to helping New Brunswick artists and arts organizations showcase their talents"<sup>19</sup>. The new culture minister, Bill Fraser, added that "The

<sup>9</sup> ["Provincial funding more than doubled for Beaverbrook Art Gallery"](#) – News Release, NB Department of Tourism, Heritage and Culture, June 27, 2014

<sup>10</sup> ["Investment of \\$165,150 to support arts and culture workforce strategy"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 3, 2014

<sup>11</sup> ["Increased funding announced for Village Historique Acadien"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 9, 2014

<sup>12</sup> ["Increased funding for New Brunswick Museum, request for proposals issued"](#) - and ["New Brunswick Museum received \\$1.1 million for Collections Centre improvement"](#) - News Releases July 11 and August 18, 2014, NB Department of Tourism, Heritage and Culture

<sup>13</sup> ["Funding announced for Loyalist House and Fort Latour"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 17, 2014

<sup>14</sup> ["Increased funding announced for archival activities"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 18, 2014

<sup>15</sup> ["Increased funding announced for Kings Landing Historical Settlement"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 21, 2014

<sup>16</sup> ["Community Cultural Places program announced"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 24, 2014

<sup>17</sup> ["Premier's Task Force on the Status of the Artist holds first meeting"](#) - News Release, NB Department of Tourism, Heritage and Culture, July 29, 2014

<sup>18</sup> ["Updated touring and presenting program"](#) - News Release, NB Department of Tourism, Heritage and Culture, November 17, 2014

<sup>19</sup> ["Updated touring and presenting program"](#) - News Release, NB Office of the Premier, November 17, 2014

wealth of talent within the province is astounding and sharing this talent is vital to our success as a creative province and also to our pride as a province”.<sup>20</sup>

The Liberal Party’s platform during the election had stated that “money spent on culture is an investment” and that “New Brunswick’s unique cultural mosaic is integral to our identity, our well-being and our economy”. Specifically, the Party pledged to ensure that the promotion of culture was at the heart of its agenda by:

- Accelerating the new provincial cultural policy and further enhancing support for this sector by increasing investment to implement these cultural support initiatives.
- Continuing the work of the task force on the status of the artist to ensure artists are properly recognized for their contribution to our society.
- Enhancing the viability of the cultural sector by encouraging exports of cultural products, including investment, increasing use of technology for purposes of information sharing and promotion and supporting efforts to increase training opportunities for members of the cultural community.
- Ensuring our tourism strategy maximizes the value of the cultural sector.<sup>21</sup>

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<sup>20</sup> [“Updated touring and presenting program”](#) - News Release, NB Department of Tourism, Heritage and Culture, November 17, 2014

<sup>21</sup> New Brunswick Liberal Party, [2014 New Brunswick Liberal Party Platform – Moving new Brunswick Forward](#), p. 17

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *The 2014-15 Budget elicited little reaction from the cultural community, which in February 2014 was still awaiting the results of the Cultural Policy Renewal. Even the series of funding announcements that took place after the release of Creative Futures went relatively unremarked. More of the cultural community's attention appears to have been focused on the September 2014 provincial election and on each party's position on arts and cultural development.*

Tammy Issacson, [New Brunswick and the Arts blog](#), July 4, 2014

- The author posted without comment the New Brunswick government's July 3, 2014 news release announcing \$165,150 to support the arts and culture workforce strategy, which was part of the funding attached to the *Creative Futures* cultural policy. There were no comments by readers.

ArtsLink New Brunswick, ["Province invests \\$165,150 for workforce strategy"](#), July 8, 2014

- ArtsLink New Brunswick posted the province's news release of July 3, 2014 without comment.

Council of Archives of New Brunswick. ["CANB Funding Announcement - Creative Futures - A Renewed Cultural Policy for New Brunswick"](#), Blog entry, July 2014

- The item reported on the \$10,000 granted to the CANB on July 18 and published excerpts from the "thank you" speech given by the archives advisor at the announcement ceremony:

"On behalf of the 40 plus archival institutions that make up the Council of Archives New Brunswick, I would like to say a sincere thank you to the Department of Tourism, Heritage and Culture for recognizing the work that we do to ensure that New Brunswick's documentary heritage is collected, preserved, and made available to the people of our province and beyond."

["2014 NB Election"](#), *NBFX Weekly Friday E-News*, September 12, 2014

- The article reported that the Association acadienne des artistes professionnel.le.s du Nouveau-Brunswick and ArtsLink NB had released a series of videos in which party leaders commented on arts and culture in New Brunswick.
- It also reported that both organizations had met with the parties to seek their position on the following:
  - Recognition of the artist as a professional (the Premier's Working Group on the Status of the Artist began its work in June 2014)
  - Revision of the New Brunswick Cultural Policy (adopted in June 2014)
  - A \$4 million increase to the budget for arts, culture and heritage in each of the next four years (an initial increase of \$3 million had been announced in the February 2014 Budget).

Kevin Lemieux, [“New Brunswick Arts Board details new budget and programs”](#), *The Brunswickan*, October 8, 2014

- The article reported that the New Brunswick Arts Board (artsnb) had received \$200,000 towards new programming under the new cultural policy, *Creative Futures*.
- Akoulina Connell, the executive director of artsnb was reported to be excited to have the money to invest in young talent by providing a one-time grant for equipment and infrastructure to new artists.
- She also stated that two of artsnb’s programs – Arts Scholarship and Artist in Residence – had had their budgets reduced at the beginning of 2014, but were now restored to their original funding level of \$300,000.

## Main Estimates<sup>22</sup>

<b>Department</b> (In thousands of dollars)	<b>2014-15 Estimates</b>	<b>2013-14 Estimate</b>	<b>2012-13 Revised</b>	<b>2011-12 Revised</b>
Agriculture, Aquaculture and Fisheries	37,164	39,882	40,755	46,518
Economic Development	140,179 <sup>23</sup>	101,373	100,401	88,306
Education and Early Childhood Development	1,110,847	1,074,592	1,073,062	1,060,618
Energy <sup>24</sup>	-	-	-	2,995
Energy Efficiency and Conservation Agency of New Brunswick	8,699	11,649	11,819	17,040
Energy and Mines	9,130	8,061	7,133	-
Environment and Local Government	141,903	139,497	140,151	154,470
Executive Council Office	17,274	18,370	17,941	21,058
Finance	18,023	18,949	18,706	18,926
General Government	801,776	862,873 <sup>25</sup>	686,165	632,397
Government Services	54,976	59,597	59,407	58,248
Health	2,613,308	2,538,815	2,568,258	2,542,690
Healthy and Inclusive Communities	19,327	17,301	15,549	*did not exist
Human Resources	3,514	3,973	4,048	*did not exist
Invest New Brunswick	17,638	14,638	10,607	2,975
Justice <sup>26</sup>	43,148	62,700	61,786	61,336
Legislative Assembly	30,001	21,659	26,451	21,151
Natural Resources	105,263	101,593	103,845	111,112

<sup>22</sup> [Government of New Brunswick. 2014. Main Estimates](#). Department of Finance, February 4, 2014.

<sup>23</sup> \$ 38,015,000 was included for economic development from 'special operating agencies', explaining the large spike from 2013-14 to 2014-15.

<sup>24</sup> Apparently, Energy and the mining section of Natural resources were combined in 2012-13, which accounts for the number discrepancy.

<sup>25</sup> The increase in 2013-14 was due mostly to an increase in legislated pension plans (+ \$42 M), consolidated entities (+ \$10 M), supplementary funding provisions (+ \$ 53 M) and provisions for losses (+ \$60 M)

<sup>26</sup> In 2014-15, this department is labelled 'Justice', instead of 'Justice and Attorney General' as in previous years, explaining the dramatic decrease. The Office of the Attorney General is now shown as a separate entity.

<b>Department</b> (In thousands of dollars)	<b>2014-15 Estimates</b>	<b>2013-14 Estimate</b>	<b>2012-13 Revised</b>	<b>2011-12 Revised</b>
Office of the Attorney General <sup>27</sup>	18,503	-	-	-
Office of the Premier	1,628	1,652	1,655	1,565
Post-Secondary Education, Training and Labour	602,564	604,341	581,988	565,599
Public Safety	163,991	147,581	159,633	133,426
Service of the Public Debt	685,000	664,000	666,500	668,000
Social Development	1,110,059	1,062,734	1,045,892	1,013,020
Tourism, Heritage and Culture <sup>28</sup>	47,250 <sup>29</sup>	37,632	40,003	48,411
Transportation and Infrastructure	872,489 <sup>30</sup>	272,296	273,273	284,068
<b>Total</b>	<b>7,919,660</b>	<b>7,930,758</b>	<b>7,730,648</b>	<b>7,536,889</b>

<sup>27</sup> See note 26.

<sup>28</sup> Was formerly known as Culture, Tourism, and Healthy Living Department

<sup>29</sup> Substantial additions from capital account, special purpose account, and special operating agencies this year. See estimates.

<sup>30</sup> Substantial contribution (521,407) from capital account, 1,750 from special purpose account, and 75,885 from special operating agencies

## Government of New Brunswick

### Department of Tourism, Heritage and Culture<sup>31</sup>

#### Main Estimates<sup>32</sup>

(In thousands of dollars)

<b>Division</b>	<b>2014-15 Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2013-14 Estimate (revised)</b>	<b>2012-13 Estimate</b>
Administration	2,783	386 16.1%	2,397	2,432
Parks, Heritage and Culture	25,600	3,065 13.6%	22,535	23,061
Marketing, Sales and Visitor Experience	12,835	243 1.9%	12,592	15,510
<b>Sub total</b>	<b>41,218</b>	<b>3,694 9.8%</b>	37,524	41,003
Capital Account	750	-500 - 40%	1,250	750
Special Purpose Account	820	55 7.2%	765	705
Special Operating Agencies	4,462	2,587 138%	1,875	1,009
<b>Total</b>	<b>47,250</b>	<b>5,836 14%</b>	<b>41,414</b>	<b>43,467</b>

<sup>31</sup> Government of New Brunswick. [2014-15 Main Estimates](#), Program Estimates for Department of Tourism, Heritage, and Culture. P. 173.

<sup>32</sup> The Department has been reorganized since last year's budget release – the divisions have changed names and thus cannot be compared across three years – the 2012-13 numbers have been taken from the 2013-14 document and have been reinstated to reflect reorganizations.



## Creative Futures: A Renewed Cultural Policy for New Brunswick<sup>33</sup>

In 2012 the provincial government launched an update of its 2002 cultural policy. On June 20, 2014, it released the results of two years of consultations – a new cultural policy entitled *Creative Futures*. In its news release, the government stated that there would be \$3 million invested in cultural initiatives during 2014-15 to begin to make the incremental investments needed to meet the objectives of the cultural policy. These included:

- Increasing operational funding for professional arts organizations;
- Increasing the operating grants to New Brunswick's key cultural institutions;
- Increasing funding for supporting professional artists through the New Brunswick Arts Board;
- Providing funding for enhanced First Nations engagement processes as it relates to archaeological resources;
- Creating the Community Cultural Places program, increasing funding for organized and arms-length built heritage advocacy, and increasing operational funding for community museums;
- Providing funding for activities related to community commemorations of historic events,
- Reinstating and expanding the touring and presenting program for New Brunswick arts organizations and presenters.<sup>34</sup>

The overall focus areas and goals outlined in the following table were supported an extensive list of key actions.

<b>Creative Futures: A Renewed Cultural Policy for New Brunswick - Overview</b>	
<b>Focus Areas</b>	<b>Goals</b>
Culture in Everyday Life	<p>1.1 Access to culture – All New Brunswickers will have the opportunity to enjoy and participate in a rich cultural life in their community.</p> <p>1.2 Identity and pride of place – Strengthen our identities as New Brunswickers through participation in arts, culture and heritage activity.</p> <p>1.3 Education and learning – The important role of arts and heritage in education is recognized and enhanced from early childhood through to post-secondary education and lifelong learning.</p> <p>1.4 Social development and wellness – Cultural engagement will play a key role in literacy, poverty reduction and communities-at-risk strategies, and in the mental and physical wellness and social development of New Brunswickers of all ages.</p>

<sup>33</sup> [Creative Futures: A Renewed Cultural Policy for New Brunswick](#), Province of New Brunswick, June 20, 2014

<sup>34</sup> ["Renewed cultural policy unveiled"](#), Government of New Brunswick News Release, June 20, 2014

Artists, Arts Organizations and Cultural Professionals	<p>2.1 The professional artist – Recognize and support the valuable contributions of the professional artists to the social and economic prosperity of the province. Increase educational opportunities for artists, and examine and improve the working conditions and the economic and legal status of the artist.</p> <p>2.2 Arts organizations – Strengthen New Brunswick arts organizations to encourage innovation, creation, production, presentation and support for creative activity.</p> <p>2.3 Cultural human resources – Develop and strengthen human resources in the arts and heritage sectors through education, training and professional development.</p>
Our Collective Heritage	<p>3.1 Cultural resource leadership – Provide leadership for, and stewardship of, New Brunswick's heritage and cultural resources.</p> <p>3.2 New Brunswick's natural heritage – Preserve, interpret and promote New Brunswick's natural heritage.</p> <p>3.3. Creating the built heritage of the future – Inspire a unique and contemporary built environment in New Brunswick.</p>
Culture and the Economy	<p>4.1 New Brunswick's creative economic sector – To galvanize the creative economic sector and transform the creative landscape of New Brunswick, the province will bring together creative minds from education, business, healthcare, technology, heritage and the arts. Together we will develop, support and strengthen initiatives to promote synergies and growth.</p> <p>4.2 Community economic development through culture – Revitalize communities by strengthening cultural identity and experiences and enhancing resources and infrastructure.</p>

## Government of New Brunswick Department of Economic Development

### Digital Media Development Program (DMDP)

Overview	To foster the provincial video game sector by investing in a company's ability to develop Intellectual Property. <sup>35</sup>
Eligibility	To be eligible the company must have a principal office in New Brunswick, develop games for entertainment or serious gaming and have annual revenues of less than \$20 million.
Level of Funding	Eligible companies can apply for a rebate of 30% of the salary costs of provincial employees up to \$500,000 per year.

## Department of Education and Early Childhood Development Artist-In-Residency School Program

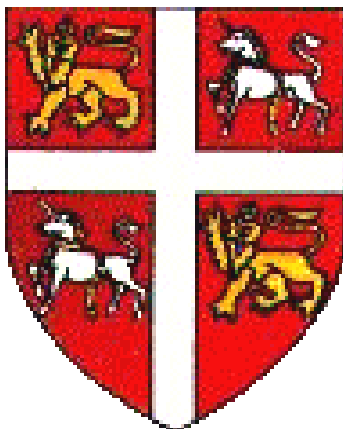
(In partnership with the Department of Tourism, Heritage and Culture)

Program Overview	The program funds collaborations between artists and schools to meet the objectives of the fine arts curriculum. <sup>36</sup>
Eligibility	Including but not limited to  Music  Dance  Theatre arts  Literature  Plastic arts

<sup>35</sup> Government of New Brunswick. [Digital Media Development Program. \(DMDP\)](#). Accessed December 28, 2014.

<sup>36</sup> Government of New Brunswick. [Arts – Professional Artists – Artist-In-Residency School Program Grant](#). Accessed December 28, 2014.

	Media arts including film and video
Level of Funding	Schools are eligible for up to \$3,000 per artist in residence. Each school district is limited to four artists per academic year.



## NEWFOUNDLAND AND LABRADOR

Real GDP growth: 7.2% (2013)

Revenue from Federal Transfers (percent of total): 9% (2014-15)

Population: 527,000 (2014)

**2014**

## Budget Overview

### Fiscal and Societal Context<sup>1</sup>

- The theme of the 2014-15 Budget, delivered by Finance Minister Charlene Johnson on March 27, 2014, was “**shared prosperity, fair society, balanced outlook**”.
- Once again, Newfoundland and Labrador led the provinces in economic growth during 2013, but growth was expected to slacken in 2014 due to lower levels of investment in the province’s natural resources.
- The deficit for the fiscal year ending March 31, 2014 was expected to be \$563.8 million, with a forecast deficit of \$537.9 million in 2014-15.
- These forecasts were based on the assumption that oil prices would average \$105US per barrel during 2014-15, when in actuality, the average price for Brent crude at the beginning of 2015 was about \$51 per barrel.<sup>2</sup>
- This situation had the effect of raising the projected deficit for 2014-15 to \$916 million, due to shrinking oil royalties. Net debt is now expected to reach \$10.3 billion by the end of the 2014-15 fiscal year.<sup>3</sup>
- On the political front, the governing Conservative party went through two leadership races in 2014 to replace Premier Kathy Dunderdale, who stepped down in January 2014. The new premier, Paul Davis, was finally chosen in September in the second leadership contest, after the first ended with the expulsion of one candidate and the withdrawal of two others. He is obliged to call an election by September 26, 2015, the anniversary of his appointment to the premiership.<sup>4</sup>

### Spending Priorities and Highlights<sup>5</sup>

Budget highlights included:

- \$50.6 million over five years to eliminate provincial student loans, replacing them with non-repayable grants;
- \$35.4 million for universal, full-day kindergarten;

<sup>1</sup> [Budget 2014 Speech](#), Finance Minister Charlene Johnson, March 27, 2014 - (accessed January 5, 2015).

<sup>2</sup> “[Brent crude oil falls to new five-year low](#)”, BBC News, January 6, 2015 - (accessed January 6, 2015).

<sup>3</sup> Sue Bailey, “[Deficit in Newfoundland and Labrador soars to \\$916 million amid falling oil prices](#)”, *The Canadian Press*, December 16, 2014 - (accessed January 6, 2015).

<sup>4</sup> Sue Bailey, “From blackouts to oil plunge, a bleak year for the Newfoundland and Labrador Tories”, *The Canadian Press*, December 29, 2014 - (accessed January 6, 2015).

<sup>5</sup> [Five Things to Know About Budget 2014](#) – Government of Newfoundland and Labrador - (accessed January 6, 2015).

- \$5.1 million to continue the post-secondary tuition freeze;
- \$42.5 million to support healthy child development and to enhance child care services for families with young children;
- \$200 million for a three-year municipal capital works program for high priority areas such as clean drinking water, road improvements and upgrades of wastewater systems;
- Over \$1 billion to encourage economic growth, and to spur innovation and entrepreneurship;
- As part of the \$1 billion to promote economic growth, the Budget also announced an additional \$4 million over the next two years for tourism marketing in order to “help promote our natural heritage, culture and history, and strengthen opportunities in the tourism sector for both residents and travellers alike.”<sup>6</sup>

### Impact on the Cultural Sector

The Budget Speech highlighted a number of ways that culture (linked to tourism) had increased the prosperity of the province:<sup>7</sup>

- Seasons 1 to 5 of the CBC’s television program, *Republic of Doyle*, created more than 1,300 full-time equivalent positions. The total expenditure on the five seasons amounted to \$111 million overall, and the government continued its investment in this production.
- In 2015, St. John’s will be the host of East Coast Music Week, and funding was provided in the Budget to support this event in order to foster and promote the careers of local music industry professionals.
- With regard to provincial historic sites, the Budget speech announced that the government would be allocating more than \$1 million under a new multi-year development plan for the sites, with \$175,000 for maintenance and upgrades in 2014-15. This funding will protect the Heart’s Content Cable Station and prepare for the 150th anniversary in 2015 of the landing of the first permanent telegraph cable connecting Europe and North America. The funding will also help maintain the Point Amour Provincial Historic Site in southern Labrador, home of the tallest lighthouse in Atlantic Canada.
- Budget 2014 included \$209,000 to assist in the completion of the bid to have Mistaken Point Ecological Reserve declared a UNESCO World Heritage site.

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<sup>6</sup> Government of Newfoundland and Labrador News Release, “[Investing Over \\$1 Billion to Support Economic Growth for the People, Families and Businesses of the Province](#)”, March 27, 2014 - (accessed January 6, 2015).

<sup>7</sup> [Budget 2014 Speech](#), Finance Minister Sharlene Johnson, March 27, 2014 - (accessed January 6, 2015).

- A significant amount was allocated to activities commemorating the centenary of the First World War, including funding to help 150 young people join veterans at the Newfoundland and Labrador memorials in Europe

There was a modest increase in the allocation of the Department of Tourism, Culture and Recreation to \$61,861,600.<sup>8</sup> Within the Department, there was:

- A 54% increase for tourism activities;
- A 175% increase for historic site development;
- A 364% increase for special celebrations and events;
- A 5% decrease for arts and culture centres.

Within the cultural agencies, there was:

- A 5% decrease in the capital allocation (for business financing) for the Newfoundland and Labrador Film Development Corporation, although the operating budget increased by about 1%;
- A small decrease in the allocation for The Rooms after significant cuts the year before;
- Virtually no change in the budget of the Newfoundland and Labrador Arts Council.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *There had been considerable lobbying by the cultural community prior to the 2014-15 Budget, but very little published reaction afterwards. This was in sharp contrast to the flood of commentary following cuts to the budgets of The Rooms and arts and culture centres in the 2013-14 Budget.*

VANL-CARFAC News Release, "[VANL-CARFAC Pre-Budget Submission 2014, March 14, 2014](#)" - (accessed January 5, 2015).

- In this news release, Visual Arts Newfoundland and Labrador-Canadian Artists Representation-Le Front des artistes canadiens (VANL-CARFAC) made five recommendations to the government prior to the publication of the 2014-15 Budget. They included:
  - Provide adequate funding to the Gallery of The Rooms (which after the budget cuts of 2013-14 was left without enough curators to adequately develop exhibitions by the province's contemporary artists);

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<sup>8</sup> Government of Newfoundland and Labrador, [Main Estimates 2014-2015](#), pp. 13.1-13.10 - (accessed December 18, 2014)



- Pay fees to self-employed artists and art workers for professional services provided to the Government of Newfoundland and Labrador (currently cultural workers sitting on provincial juries, committees and boards are unremunerated);
- Increase funding to the Newfoundland and Labrador Arts Council (to \$4 million from the current \$2.1 million to meet demand from artists and cultural organizations);
- Reinstate the market access and export component of the Cultural Economic Development Program (which was eliminated in 2013-14 due to a 10% cut to the Program);
- 1% of the costs of government building projects, including new building construction, major additions to existing building, park development projects, and new engineering structures such as bridges, should go toward public artwork.

Association of Heritage Industries – Newfoundland and Labrador, Blog entry, "[\*Sure Sign of Spring: Budget 2014\*](#)", April 1, 2014 - (accessed January 6, 2015).

- The blog entry stated that the Budget had had little impact on heritage, with funding to the Cultural Economic Development Program, The Rooms, provincial historic sites, and the Heritage Foundation remaining steady.
- It noted the \$1 million pledged by the government over several years for a long-term development plan for Provincial Historic Sites.
- It commented that there were no details in the Budget on the "many initiatives" planned as part of the province's First World War commemorations (except for the funding for young people to join veterans at overseas memorials).
- It also noted that heritage organizations might wish to consider applying for a Provincial Inclusion Grant (administered by the Department of Advanced Education and Skills) to make facilities and events more accessible to persons with disabilities.
- It suggested that with a provincial election on the horizon the heritage community might want to think about how increased funding for heritage could be justified.

Diane Crocker, "[\*Learning Through the Arts has run out of funding\*](#)", *The Western Star*, March 20, 2014 - (accessed January 6, 2015).

- The article quoted artist Chris Short, who had coordinated a *Learning Through the Arts* program in Western Newfoundland, that brought arts workshops to classrooms.
- She indicated that due to cuts to the Cultural Connections Program in 2013-14, the province had withdrawn its support of \$40,000. This program is administered by the Department of Education and Early Childhood Development.
- She added that the school district had also withdrawn the \$10,000 it had provided for the program.
- She characterized the end of the program as "devastating".

## Government of Newfoundland and Labrador Main Estimates<sup>9</sup>

(Dollar Amount)

Branch	2014-15			2013-14	2012-13	2011-12
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)	Revised (Net)	Forecast (Net)
Consolidated Fund Services	493,968,900	32,989,900	460,979,000	416,781,900	398,669,200	432,605,100
Executive Council	134,779,900	4,791,700	129,988,200	112,148,600	128,124,200	120,248,300
Finance	170,814,700	1,849,700	168,965,000	175,997,400	88,532,800	90,321,100
Public Service Commission	2,394,400	-	2,394,400	2,354,400	2,661,700	5,739,400
Service Newfoundland and Labrador	42,332,900	11,697,200	30,635,700	31,679,600	30,357,200	31,102,900
Transportation and Works	668,781,900	75,195,200	593,586,700	505,198,500	482,095,300	528,548,000
Legislature	24,822,600	334,500	24,488,100	22,710,600	23,786,300	27,753,800
Advanced Education and Skills	917,630,000	156,103,800	761,526,200	767,875,600	818,349,800	794,959,600
Environment and Conservation	38,851,900	8,872,000	29,979,900	23,215,800	35,613,100	41,978,000
Fisheries and Aquaculture	29,750,800	57,000	29,693,800	17,526,600	37,618,600	31,728,100
Innovation, Business and Rural Development	89,598,700	300,000	89,298,700	67,114,100	58,642,200	80,062,800
Natural Resources	658,472,400	12,191,400	646,281,000	619,645,600	360,502,300	151,049,800
Tourism, Culture and Recreation	66,590,800	4,729,200	61,861,600	60,566,800	58,059,000	59,733,300
Child, Youth and Family Services	204,185,400	13,544,800	190,640,600	168,258,300	163,377,800	168,552,700
Education	876,162,800	4,194,300	871,968,500	837,385,200	815,259,300	811,616,600
Health and Community Services	2,988,619,800	34,806,300	2,953,813,500	2,837,545,000	2,899,715,200	2,870,233,400

<sup>9</sup> Government of Newfoundland and Labrador, [Main Estimates 2014-2015](#), pp. 13.1-13.10 - (accessed December 18, 2014)

	<b>2014-15</b>			<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Branch</b>	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)	Revised (Net)	Forecast (Net)
Justice	249,586,100	13,362,800	236,223,300	230,593,000	239,728,100	233,677,700
Municipal Affairs	266,350,200	88,556,400	177,793,800	159,063,700	148,615,200	225,558,500
Newfoundland and Labrador Housing Corporation	41,494,600	-	41,494,600	46,792,600	56,123,600	52,439,300
<b>Total</b>	<b>7,965,188,800</b>	<b>463,576,200</b>	<b>7,501,612,600</b>	<b>7,102,453,300</b>	<b>6,845,828,900</b>	<b>6,757,908,400</b>

**Government of Newfoundland and Labrador**  
**Department of Tourism, Culture and Recreation**  
**Main Estimates**

<b>Branch</b> (Dollar Value)	<b>2014-15 Estimates</b>	<b>Difference Dollar Value And Percentage</b>	<b>2013-14 Revised</b>	<b>2012-13 Revised</b>	<b>2011-12 Forecast</b>
Minister's Office	324,700	4,700 1.5%	320,000	425,300	320,200
General Administration <sup>10</sup>	1,623,000 <sup>11</sup>	-9,412,400 -85.3%	11,035,400	6,650,400	5,276,200
Tourism	28,108,000 <sup>12</sup>	9,827,900 53.8%	18,280,100	18,211,300	18,933,500
Culture and Heritage <sup>13</sup>	6,146,200	8,200 0.1%	6,138,000	6,441,800	6,676,800
Arts and Culture Centres	2,326,300	-117,100 -4.8%	2,443,400	2,212,800	1,741,000
Newfoundland and Labrador Arts Council	2,115,900	4,800 0.2%	2,111,100	2,111,100	2,144,100
The Rooms Corporation of Newfoundland and Labrador	6,030,600	-7,700 -0.1%	6,038,300	6,999,200	7,215,700
Newfoundland and Labrador Film Development Corporation	707,100	8,100 1.2%	699,000	699,000	710,000
Historic Sites Development	275,000 <sup>14</sup>	175,000 175%	100,000	100,000	100,000
Special Celebrations and Events	1,001,000 <sup>15</sup>	785,200 <sup>16</sup> 363.8%	215,800	163,700	250,000
Nfld & Lab. Film Development Corporation (Capital)	4,500,000	-250,000 -5.3%	4,750,000	5,000,000	5,000,000
Recreation and Sport	8,703,800	245,600 2.9%	8,458,200	9,018,400	11,365,800
<b>Total</b>	<b>61,861,600</b>	<b>1,294,800 2.1%</b>	<b>60,566,800</b>	<b>58,059,000</b>	<b>59,733,300</b>

<sup>10</sup> Increase in 2013-14 mostly due to grants and subsidies for purchase, alteration and construction of capital assets.

<sup>11</sup> \$ 9,506,700 for grants and subsidies in 2013-14 was removed in 2014-15, accounting for the majority of the large decrease.

<sup>12</sup> Dramatic increase in grant and subsidies, now \$12,521,000 compared with \$4,621,000 in the previous year.

<sup>13</sup> Decrease mostly due to cuts in grants and subsidies

<sup>14</sup> Dramatic increase in supplies, purchased services, and operating accounts compared to previous year

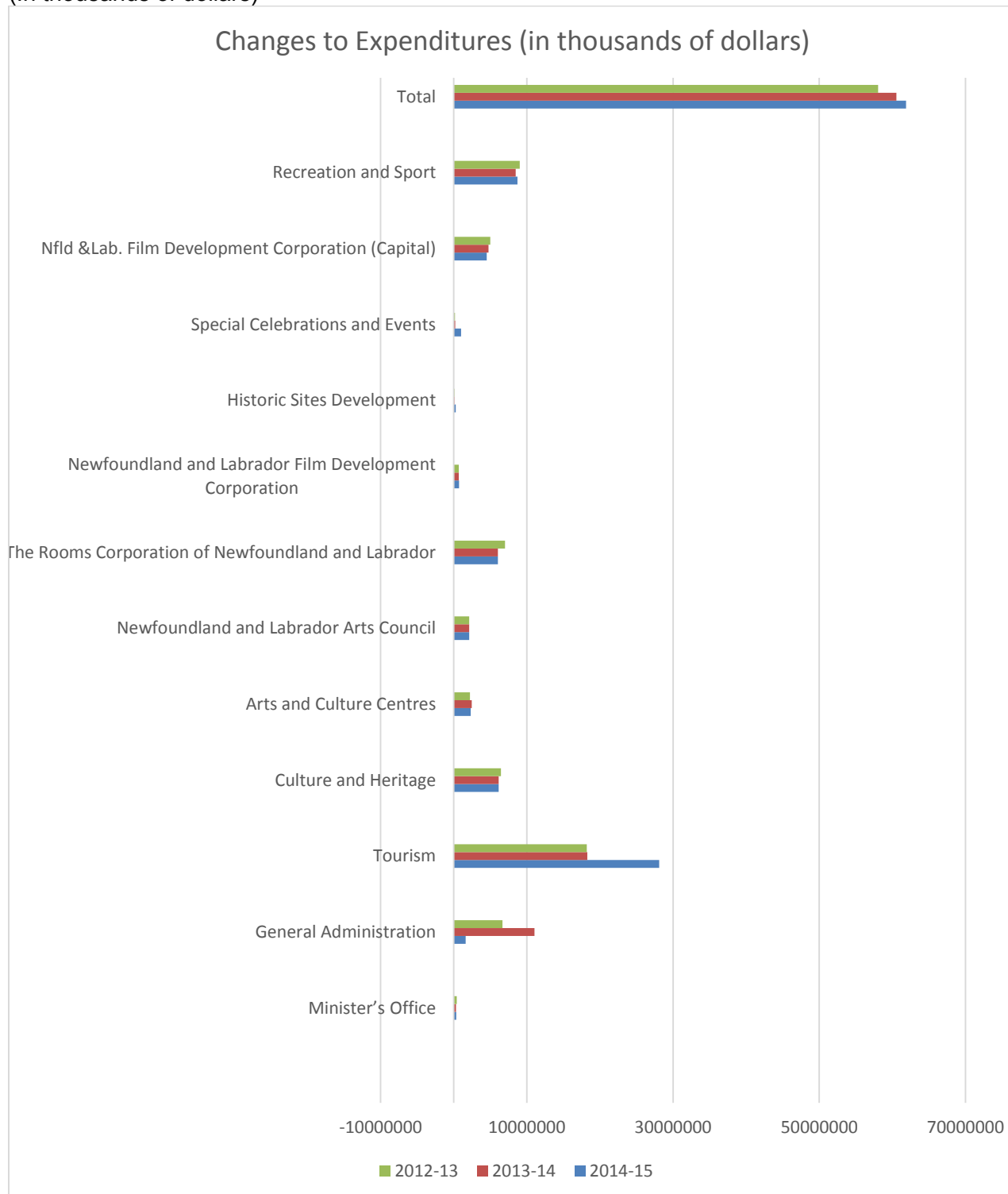
<sup>15</sup> Large increase in transportation and communication, dramatic increase in professional services, purchased services, operating accounts and grants and subsidies compared with the previous year

<sup>16</sup> This increase is most likely due to the beginning of the implementation of plans for the 2014-18 commemorations of World War I and of Newfoundland and Labrador Veterans.

## Government of Newfoundland and Labrador Department of Tourism, Culture and Recreation

### Changes to Expenditures

(In thousands of dollars)

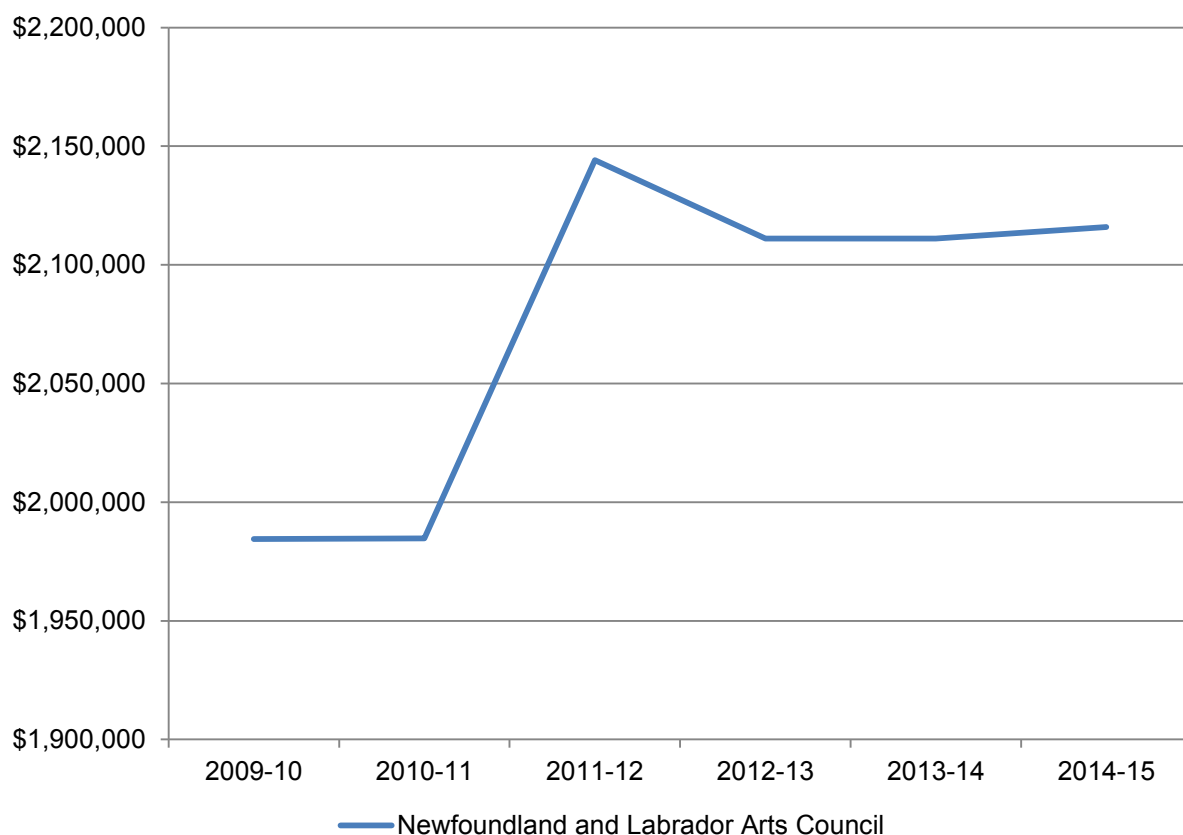


## Newfoundland and Labrador Arts Council

Newfoundland and Labrador Arts Council (NLAC) is a Crown Corporation responsible for administering grants and awards to artists and promoting dance, film, music, theatre, visual art and writing in Newfoundland and Labrador.

### NLAC Appropriations

(Dollar Value)



## Newfoundland and Labrador

### External Government-Supported Organizations

[Newfoundland and Labrador Film Development Corporation](#) promotes local film productions and markets the province's appeal as a film and television location to external producers. The NLFDC is responsible for administering the Film and Video Industry Tax Credit for the Department of Finance.

[The Rooms](#) encompasses the provincial [Archives](#), [Art Gallery](#) and [Museum](#) into a single cultural body. The [Labrador Interpretation Centre](#), [Logger's Life Provincial Museum](#), [Mary March Provincial Museum](#) and [Provincial Seamen's Museum](#) are included in the museum division of The Rooms.

[Heritage Foundation of Newfoundland and Labrador](#)'s mandate is to preserve the province's built heritage. The Foundation restores historic properties, designates Registered Heritage Structures, administers grants and plays an education role for the public. The Foundation has a special [Fisheries Heritage Preservation Program](#) dedicated to preserving buildings from the province's fishing industry.

[Provincial Historical Commemorations Program](#) recognizes the province's distinct tangible and intangible heritage, culture and traditional skills.

### Programs Administered in House

[Cultural Economic Development Program – Arts](#) – is designed to encourage the sector's economic stability by investing in professional artists, market capacity and the cultural tourism industry. Eligible sectors include visual arts, theatre, dance, literary arts, interactive digital media and music (festival funding only). Film producers can apply for funding for costs related to website development. The following changes were made to the Cultural Economic Development Program for 2013-14: applications from individuals, touring and/or market access projects and costs associated with website development were no longer eligible.

The [Cultural Economic Development Program – Book Publishers Assistance Program](#) invests in publishers with the potential for long-term sustainability in the province's literary sector. The program funds marketing, editing, design and professional development activities related to the production of eligible book categories.

The [Cultural Economic Development Program – Heritage](#) provides assistance to provincial museums, archives, historic sites and other heritage sites by supporting their economic potential. The heritage branch of the program funds two types of activities; operations and projects:

Operations	Costs incurred for exhibitions, public programs, salaries, professional services, travel, advertising and office costs
Projects	Any special non-reoccurring activities with a clear start and end date within the period of a year.

The [Arts and Letters Program](#): since 1951, the program has awarded authors from Newfoundland and Labrador literary prizes in several categories.

Senior Division		
<b>Literary Arts Section</b>	Poetry	Six awards of \$1,000
	Short Fiction	Five awards of \$1,000
	Non-Fictional Prose	Three awards of \$1,000
	Dramatic Script	Two awards of \$1,000
	French Literature	One award of \$1,000
<b>Musical Composition</b>	All genres	Four awards of \$1,000
<b>Visual Arts</b>	All genres	Fifteen awards of \$1,000
<b>Percy Janes First Novel Award</b>	For unpublished first novelists	One prize of \$1,500
Junior Division		
<b>Visual Art</b>	All genres	Ten awards of \$250
<b>Poetry</b>		Ten awards of \$250
<b>Prose</b>	Including short story, essay or dramatic script	Ten awards of \$250
<b>Musical Composition</b>		Four awards of \$250
<b>French Literary</b>		One award of \$250



[Film Tax Credit](#) – The Film and Video Industry Tax Credit – The refundable corporate income tax credit is worth the lesser of either 25% of the total eligible budget or 40% of the total eligible labour expenditures. In order to be eligible, productions must spend 25% of all wage costs on provincial residents. If there is no one in the province with the necessary skill set for the production, the resident clause can be waived if the non-resident acts as a mentor to a resident. In this situation 75% of the mentor's salary and 100% of the mentored resident salary can be applied to the tax credit.

[Cultural Connections program](#) - In 2005, the Department of Education and Early Childhood Development and the Department of Tourism, Culture and Recreation joined together to develop a provincial fine arts and cultural strategy for K-12 education in Newfoundland and Labrador: Cultural Connections. This initiative aims to increase the presence of cultural content in the school curriculum and foster links between the arts and school communities. The goals of Cultural Connections are as follows:

- Newfoundland and Labrador history and culture will be affirmed as a key feature of the K-12 curriculum.
- Students from the K-12 system will be encouraged to develop foundational skills in music, theatre, visual arts and creative writing, which may prepare them to aspire to professional training and career opportunities in the fine and performing arts
- Students will develop a critical awareness of the role of the arts in creating and reflecting heritage.
- Students, and those who witness their expression of the arts, will also come to respect the contributions of individuals and cultural groups to the arts, in local, national, and international contexts, and will recognize the value of the arts as a record of our human experience.
- Newfoundlanders and Labradorians, especially the younger population, will grow in their understanding and appreciation of the unique culture in Newfoundland and Labrador.



## NORTHWEST TERRITORIES

Real GDP Growth: 3.5% (2013)

Revenue from Federal Transfers (percent of total): 68% (2014-15)

Population: 43,600 (2014)

**2014**

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Michael Miltenberger tabled the Northwest Territories' fiscal 2014–15 budget on 6 February 2014.<sup>1</sup>
- The Northwest Territories has experienced below-average growth since the recession of 2008-9, but was anticipating a better trend in 2014 due to increase resource exploration activity, preconstruction work for a new diamond mine, and construction of the Inuvik to Tuktoyaktuk highway and the Mackenzie Valley Fibre Link.
- Over the past two years, the NWT has exercised fiscal discipline in order to generate surpluses to fund infrastructure. Spending restraint was to continue in 2014-15.
- The Budget projected an operating surplus of \$200 million in 2014-15.
- Stagnant population growth remains a concern as people leave for opportunities elsewhere, and this trend is expected to reduce economic growth in the medium-term.
- An important event in 2014 was devolution of responsibility for resource management over land, water, and resources from the federal government to the NWT government.
- Starting in 2014-15, the NWT will collect an estimated \$120 million in resource revenues, half of which will be offset against future transfers from the federal government, with 25% of the net fiscal benefit to be shared with Aboriginal governments.
- The Budget Address stated that resource revenues would not go to programs and services but to infrastructure and debt repayment.
- After the Budget was delivered, the Minister of Finance announced that, due to pressure from many members of the legislature, an increased amount of resource revenues (25%, instead of the originally-planned 5%) would be allocated to a Heritage Fund for future generations. This would have implications for the fiscal strategy that was outlined in the Budget, which had instead allocated a substantial amount of resource revenues to infrastructure projects and debt reduction.<sup>2</sup>

### **Spending Priorities and Highlights<sup>3</sup>**

- The Budget allocates \$59 million to fund the NWT's new responsibilities for the management of land, waters, and resources transferred from the federal government.
- A total of \$7.8 million will be invested in anti-poverty and health initiatives, including:

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<sup>1</sup> [Budget Address 2014-2015](#) – Government of the Northwest Territories, February 6, 2014 - (accessed January 9, 2015).

<sup>2</sup> J. Michael Miltenberger, "[Heritage Fund Allocation](#)", February 11, 2014 - (accessed January 9, 2015).

<sup>3</sup> [Budget 2014-15 Highlights](#) – Backgrounder, February 6, 2014 - (accessed January 9, 2015).

- \$2.6 million to provide healthy food to children and youth and for subsidized housing;
  - \$2.0 million in support of early childhood development initiatives;
  - \$2.6 million to treat addictions, cognitive impairments and mental health issues;
  - \$1.8 million for junior kindergarten in the smallest NWT communities.
- \$3.0 for initiatives to diversify the economy;
  - \$5.4 million for energy initiatives;
  - \$11.5 million to support long-term care facilities, ground and air ambulance and highway rescue capabilities, and community health initiatives.
  - The 2014-15 Budget did not include any new taxes.

### Impact on the Cultural Sector

- The allocation for the Department of Education, Culture and Employment increased by over \$5,000,000 in 2014-15. However, the largest budget increases went to toward the Early Childhood Development and Instructional and Support Services Programs.
- The allocation for the Culture and Heritage Program increased by 2.7% and for Public Library Services by 0.7%.
- The allocation for the Aboriginal Languages Program decreased by 6.2%, while that for Francophone Affairs increased by 1.3%.
- Grants and contributions for cultural activities remained stable, neither increasing or decreasing.
- There was a \$271,000 capital investment in upgraded lighting systems for the Prince of Wales Northern Heritage Centre in Yellowknife.

### Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *There was no published reaction from the cultural community to the 2014-15 Budget.*

## Government of the Northwest Territories

### Main Estimates

#### Operations Expenditure<sup>4</sup>

(In thousands of dollars)

Department	2014-15 Estimate	2013-14 Revised Estimate	2012-13 Actuals	2011-12 Actuals <sup>5</sup>
Legislative Assembly	18,989	18,241	18,096	19,265
Executive	11,563	27,002	14,079	14,578
Human Resources	23,636	22,465	21,295	42,123
Aboriginal Affairs and Intergovernmental Relations	9,195	8,755	7,622	7,395
Finance	210,630	177,784	161,764	107,218
Municipal and Community Affairs	99,451	98,729	94,342	91,842
Public Works and Services	108,915	106,983	98,165	93,531
Health and Social Services	391,929	365,479	373,956	360,217
Justice	124,955	116,383	114,671	106,736
Education, Culture and Employment	305,599	300,195	292,096	288,409
Transportation	126,161	120,199	123,029	111,922
Industry, Tourism and Investment	67,541	51,000	49,051	50,308
Environment and Natural Resources	87,528	86,059	82,033	72,042
Lands	26,830	-	-	--
<b>Total</b>	<b>1,612,922</b>	<b>1,499,274</b>	<b>1,450,199</b>	<b>1,365,586</b>

<sup>4</sup> [Main Estimates 2014-15](#), p. vii, Government of the Northwest Territories,

<sup>5</sup> [Main Estimates 2013-14](#), Government of Northwest Territories

## Government of the Northwest Territories

### Department of Education, Culture and Employment

#### ***Main Estimates – Education and Culture Program Delivery<sup>6</sup>***

(In thousands of dollars)

<b>Program</b>	<b>2014-15 Estimate</b>	<b>Difference Dollar Value And Percentage</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actuals</b>	<b>2011-12 Actuals</b>
Early Childhood Development	8,243	542 6.8%	7,719	7,583	6,231
Instructional and Support Services	4,155	559 15.5%	3,596	4,249	5,169
Inclusive Schooling	26,573	249 0.9%	26,324	26,195	26,411
Minority Language Education and Instruction	2,588	0 0%	2,588	2,615	2,990
Education Operations and Development	2,443	0 0%	2,243	5,459	2,300
NWTTA Professional Development Fund	1,967	51 2.7%	1,916	1,700	1,489
School Contributions	131,705	2,267 1.8%	129,438	123,016	121,529
Public Library Services	2,018	15 0.7%	2,003	2,061	2,096
Culture and Heritage	7,148	189 2.7%	6,959	6,881	6,382
Aboriginal Languages	6,727	-415 -6.2%	7,192	6,253	5,778
Aboriginal Language and Culture Education	8,237	141 1.7%	8,096	8,461	8,400
Francophone Affairs	2,686	35 1.3%	2,651	2,338	2,142
Adult and Postsecondary Education	36,723	777 0.3%	35,946	33,307	-
<b>Total</b>	<b>241,213<sup>7</sup></b>	<b>4,078 1.7%</b>	<b>237,135</b>	<b>230,118</b>	<b>190,917</b>

<sup>6</sup> [Main Estimates 2014-15](#), p.10-17. Government of the Northwest Territories,

<sup>7</sup> It would appear as though the elevated numbers for the past 3 years are a result of the Adult and Postsecondary Education being added into the total calculation. This was not the case in 2011-12.

## Department of Education, Culture and Employment

### Education and Culture Grants and Contributions<sup>8</sup>

(In thousands of dollars)

	2014-15 Estimate	2013-14 Estimate	2012-13 Actuals	2011-12 Forecast
<b>Grants</b>				
Community Broadcasting Grants	52	52	42	52
<b>Contributions</b>				
Aboriginal Language Broadcasting	370	370	370	170
Aboriginal Languages	4,816	4,189	2,797	4,228
Francophone Affairs	350	350	271	350
Minority-Language Education and Second- Language Instruction: French	2,401	2,401	2,545	2,374
Education Authority Contributions	152,033	150,682	146,238	148,399
NWTTA Professional Development Fund	1,967	1,916	1,916	1,620
Early Childhood Program	4,457	3,958	4,642	4,040
Healthy Children Initiative	2,110	2,110	1,775	2,110
Healthy Food for Children and Youth <sup>9</sup>	650	-	-	-
Community Library Services	763	763	763	763
Cultural Organizations	554	554	554	554
Cultural Projects	36	36	194	176
Heritage Centres	491	491	491	491
NWT Arts Council	500	500	480	500
Support to Northern Performers	181	181	179	181
New Northern Arts Programs	250	250	254	250

<sup>8</sup> [Main Estimates 2014-15](#), Government of the Northwest Territories, p. 10-17

<sup>9</sup> New program

In thousands of dollars)	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actuals</b>	<b>2011-12 Forecast</b>
Cultural Component of Sports Events	50	50	-	50
Literacy Funding <sup>10</sup>	2,356	1,996	1,882	-
College Contributions <sup>11</sup>	33,541	32,543	30,741	
Community Skills for Work	-	650	95	
<b>Total</b>	<b>207,928<sup>12</sup></b>	<b>168,853 203,392<sup>13</sup></b>	<b>167,037 199,660<sup>14</sup></b>	<b>164,991</b>

<sup>10</sup> This program was added to this department's estimates in the 2014-15 document.

<sup>11</sup> This program was also added to this department's estimates in the 2014-15 document.

<sup>12</sup> [Main Estimates 2014-15](#), Government of the Northwest Territories. This number is larger as it includes Literacy Funding and College Contributions which were added to the department's estimates in 2014-15.

<sup>13</sup> This is a revised total that includes the Literacy Funding and College Contributions which were not included in previous estimates – this facilitates comparisons.

<sup>14</sup> Revised total which includes literacy funding and college contributions.



## Education and Culture Infrastructure Expenditures

(Dollar Value)

<b>Project</b>	<b>2014-15 Capital Estimate<sup>15</sup></b>	<b>2013-14 Capital Estimate<sup>16</sup></b>	<b>2012-13 Capital Estimate<sup>17</sup></b>
Diamond Jenness Secondary School Renovation – Hay River	577,000	648,000	5,877,000
Sir Alexander Mackenzie & Samuel Hearne Secondary School Replacement – Inuvik	328,000	3,640,000	4,320,000
P.W. Kaeser High School Industrial Arts – Fort Smith	116,000	-	-
Mackenzie Mountain School Pellet Stove – Norman Wells	553,000	-	-
Charles Yohin School Upgrade – Nahanni Butte	-	197,000	273,000
Colville Lake School Upgrade – Colville Lake	-	-	
Ehtseo Ayha School Fuel Tank Replacement – Deline	-	-	119,000
Prince of Wales Northern Heritage Centre Gallery Development – Yellowknife <sup>18</sup>	-	-	46,000
Prince of Wales Northern Heritage Centre Technical Upgrades	182,000	-	-
Prince of Wales Northern Heritage Centre Lighting Systems	271,000		
Kaw Tay Whee School – Interior Works – Dettah	81,000	286,000	-
Student Information System Replacement Project – Territorial	126,000	519,000	761,000
<b>Total</b>	<b>2,234,000</b>	<b>5,290,000</b>	<b>11,496,000</b>

<sup>15</sup> [Main Estimates 2014-15](#), Government of the Northwest Territories.

<sup>16</sup> [Supplementary Estimates no. 2](#), 2013-14. p.12, Government of the Northwest Territories.

<sup>17</sup> [Supplementary Estimates no. 1](#), 2012-13. p.12. Government of the Northwest Territories.

<sup>18</sup> Technical upgrades for the centre

## Cultural funding in the Northwest Territories.

The Department of Education, Culture and Employment provides support to community museums, cultural, heritage and arts organizations, projects, and individuals. It manages archaeological site protection, conducts archaeological research, administers archaeological permits, participates in land use regulatory processes, administers the [Geographical Names and Territorial Historic Sites Program](#); and administers the NWT Archives and Museum Operations at the [Prince of Wales Northern Heritage Centre](#).

In combining education and culture, DECE makes it difficult to isolate spending supporting the arts. Arguably, many of the programs of the Ministry of Education, Culture and Employment touch culture and arts indirectly. Its funding for [Dene Language Programming](#), for instance, is undoubtedly a critical link in its cultural policy. The same thing could be said for its basket category of “Native Communications”, or its funding of [Community Library Services](#) or the [Community Literacy Development Fund](#).<sup>19</sup>

The [Northwest Territory Arts Council](#) was established August 1985, as an advisory board to the GNWT. The mandate of the NWT Arts Council is to promote the arts in the Northwest Territories. The Arts Council provides recommendations to the Minister of Education, Culture and Employment on financial awards for creative artistic projects in the visual, literary, media and performing arts, and on issues and policies associated with the arts and artists.

The policy establishing the NWT Arts Council and its original terms of reference can be found [here](#).

- The Department of Education, Culture and Employment administers the NWT Arts Council funding program for artistic projects, through the Community Programs Office, Division of Culture & Heritage.
- Members meet once per year to review applications.
- The annual budget for financial contributions is \$500,000.<sup>20</sup>

The NWT Business Development and Investment Corporation also has a Subsidiary Program that facilitates cultural development by investing in companies employing residents in small communities. In 2013-14, the Program operated five subsidiaries, including:

- Acho Dene Native Crafts
- Arctic Canada Trading Company
- Dene Fur Clouds
- Fort McPherson Tent and Canvas
- Ulukhaktok Arts Centre

These companies are mainly involved in producing and purchasing fine arts and crafts. In 2013-14, the Subsidiary Program supported 13.5 community employees and 144 cottage craft producers.<sup>21</sup>

<sup>19</sup> Dutil, Patrice, “Trending Upward”, [Flat-Lined but Still Alive – Analyses of the Provincial and Territorial 2012-2013 Budgets from the Perspective of Arts, Culture and Heritage](#), p. 184.

<sup>20</sup> [“About the NWT Arts Council”](#) - (accessed January 9, 2015).

<sup>21</sup> [2014-15 Corporate Plan](#), p. 4 and p. 15 - NWT Business Development and Investment Corporation, (accessed January 9, 2015).



## NOVA SCOTIA

Provincial Real GDP Growth: 0.3% (2013)  
Revenue from Federal Transfers (percent of total): 33% (2014-15)  
Provincial Population: 942,700 (2014)

**2014**

## Budget Overview

### **Fiscal Context**

- Finance Minister Diana Whalen tabled Nova Scotia's fiscal 2014-15 budget on 3 April 2014.<sup>1</sup>
- The budget speech in 2014 painted a drastically different financial picture from the one delivered in 2013. The province has gone from an estimated \$16.4 million surplus in April 2013 to the current expectation of a \$562 million deficit. However, compared to the other Canadian provinces and territories, as well as the federal government, this is a relatively normal-sized deficit.<sup>2</sup>
- Factors contributing to the 2013–14 deficit included:
  - increased utilization for social programs under the Department of Community Services;
  - one-time recognition of pension obligations;
  - Prior Year Adjustments;
  - lower-than-expected provincial source revenues;
  - reversal of a decision made by the previous government to change the timing of monthly income assistance payments<sup>3</sup>.
- Budget 2014-15 highlighted \$9.6 billion in revenues and \$9.9 billion in total spending.<sup>4</sup>
- Nova Scotia's net debt was estimated to be \$14.6 billion as of March 31, 2014. Interest payments on the debt were estimated to be \$878 million (9 per cent of the total budget).
- Health expenditures will reach \$4.1 billion (46.4 per cent of total departmental spending), and education expenditures will be \$1.2 billion (13.8 per cent of total departmental spending)<sup>5</sup>.
- Nova Scotia's population is decreasing, and average economic growth at 1.6% lags behind all other provinces.

### **Spending Priorities and Highlights**

Main Priorities highlighted in the Budget documents for 2014-2015 include:

- Families and Communities
- Health and Wellness

<sup>1</sup> [Budget 2014-15 Address](#), Government of Nova Scotia, April 3, 2014

<sup>2</sup> [Canadian Federal and Provincial Fiscal Tables](#), RBC, December 18, 2014.

<sup>3</sup> [Budget 2014-15 Address](#), Government of Nova Scotia, April 3, 2014.

<sup>4</sup> [Budget 2014-16](#), Finance and Treasury Board, Government of Nova Scotia. Note: the Nova Scotia government posts its budgets in two year cycles.

<sup>5</sup> [Budget 2014-15 Address](#), Government of Nova Scotia, April 3, 2014.

- Post-Secondary Education
- Economy
- Education
- Tax Measures

#### Spending Highlights:<sup>6</sup>

##### Strategic investments in education:

- Over the next four years, \$65 million will be invested in Nova Scotia's education system;
  - An additional \$3.5 million investment will bring total funding for early literacy to \$7.9 million;
  - \$1.3 million will be allocated for Early Intervention Programs for parents of children with special needs including children with autism;
  - Each school in the province will receive Student Support Grants consisting of \$5,000 plus \$1 per student for a total investment of \$2.2 million.
  - Operating grants to universities will increase by 1 per cent in 2014–2015. \$5 million will be invested in the Excellence and Innovation Program to encourage collaboration and partnership within the post-secondary system.
  - Effective January 1, 2014, the Graduate Retention Rebate will be eliminated.
- Budget 2014–15 maintained the Harmonized Sales Tax at 15 per cent.<sup>7</sup>
  - Budget 2014 directed over \$4 billion to health-care spending, a new record high.

### Impacts on the Cultural Sector

- The 2014-15 estimates show a 4.1% increase in communities, culture and heritage spending from the previous year.
- The largest increase was for Archives, Museums, Libraries Nova Scotia (8.1%) and for the offices of the Minister and Deputy Minister (4.1%).
- Culture and Heritage Development had more modest growth of 2.6%.
- The Department of Communities, Culture and Heritage constitutes only 1% of the province's capital budget.<sup>8</sup> Only two priority investment areas for culture are included in

<sup>6</sup> [Budget 2014-15 Address](#), Government of Nova Scotia, April 3, 2014.

<sup>7</sup> [Budget 2014-15 – highlights](#), Government of Nova Scotia, April 3, 2014.

<sup>8</sup> [Capital Plan 2013-15](#), Government of Nova Scotia.

the 2014-15 capital plan: repairs to the Fisheries Museum of the Atlantic and the Ross Farm Learning Centre Buildings.<sup>9</sup>

- The Budget also announced a capital investment of \$427,000 in regional libraries and locally managed museums.<sup>10</sup>
- **Support4Culture** programs announced in last year's Budget continue to support arts, culture, and heritage in communities across Nova Scotia. Funds are raised through the sale of designated ticket lottery products via the [Nova Scotia Provincial Lotteries and Casino Corporation](#), and the programs are managed by the Department of Communities, Culture and Heritage and Arts Nova Scotia. The web page lists the programs that make up Support4Culture<sup>11</sup>:
  - **Arts Programs** – Artistic Innovation, Creative Collaborations, artsVest, Atlantic Artist Residency, Arts Equity Fund
  - **Communities Programs** – Diversity and Community Capacity, Mi'kmaq Cultural Activities
  - **Culture and Heritage Sector Programs** – Heritage Development Fund (Built Heritage), One-time Emerging Culture and Heritage Initiatives, Community Arts Council / Artist-Run Centres Collaborations
  - **Departmental Programs** – Strategic Research, Interpretive Renewal Project, Marketing Campaign 4 Culture
- Other continuing support includes the Arts Equity Funding Initiative, announced in 2013-14, which is jointly supported by the Canada Council for the Arts and Arts Nova Scotia.<sup>12</sup> It is a three year initiative that provides funds for “artistic growth, development, production and dissemination, especially for groups that have historically faced barriers to accessing funding support.”

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** This was the first Budget of the newly-elected Liberal government, but some commentators were of the opinion that “the resemblance to the budgets of the previous NDP government are (sic) startling”.<sup>13</sup> An editorial in the *Halifax Chronicle Herald* suggested that the Budget was “the fiscal version of the Ivany report”, released in February 2014, which made a number of recommendations aimed at improving economic growth and productivity, and attracting more immigrants to the province.<sup>14</sup> In contrast to the positive comments on the 2013-14 Budget, which announced the Support4culture programs, this year's Budget and related measures elicited a more muted response.

<sup>9</sup> Ibidem.

<sup>10</sup> [Budget 2014-2015 Bulletin – Families and Communities](#), Government of Nova Scotia.

<sup>11</sup> [Support4Culture web page](#), Dpt. of Communities, Culture and Heritage.

<sup>12</sup> [Arts Nova Scotia Funding – Equity Funding Programs](#).

<sup>13</sup> Mariella Stephenson. “[Political band has changed, but song remains the same](#)”, *The Chronicle Herald*, April 3, 2014 - (accessed November 20, 2014).

<sup>14</sup> “[Editorial: Whalen budget a sober start](#)”, *The Chronicle Herald*, April 3, 2014 – (accessed November 20, 2014).

Laurel C. Broten, [Charting a Path for Growth – Nova Scotia Tax and Regulatory Review](#), November 2014, pp. 45-47.

- Although not officially part of the 2014-15 Budget, this report, authored by the former Minister of Education of Ontario for the new Liberal government of Nova Scotia, is relevant inasmuch as it was commissioned just before the Budget to make recommendations on the province's tax structure to better position Nova Scotia to address its demographic, fiscal, and economic challenges; and to evaluate regulations and fees against their impact on Nova Scotia's economic and business climate.
- Recommendation 1.13 addressed the reform of the Film and Digital tax credits and suggested that these tax credits should be better aligned with tax measures in other Canadian jurisdictions.
- With regard to the Film Industry Tax Credit, the report suggested that the 5% frequent filming bonus (on top of the base 50% credit on eligible salaries) be eliminated, and that the 10% eligible geographic area bonus (for filming outside Halifax) be pro-rated to increase the further one gets away from Halifax. It was also recommended that definitions of residency be aligned with those used by other provinces and that writers' fees and rentals be considered eligible expenses.
- With regard to the Digital Media Tax Credit, it was noted that pressures are coming from the industry to expand the definition of "interactive" which is used to qualify for the credit. However, the report suggested that this might not be possible, given the province's fiscal situation. To speed up processing, it was recommended that the tax credit be administered by Film and Creative Industries Nova Scotia, since Finance and Treasury Board officials did not have the expertise to evaluate interactive material. In addition, the report suggested eliminating the \$100,000 Marketing & Distribution allowance and excluding funding from government agencies from eligibility for the tax credit.
- In the longer run, the report recommended that "Industry and the province should use the period leading up to the sunset of the two credits in 2020 to determine the most effective tools to help grow the creative economy in Nova Scotia and transition the tax credits to departmental expenditure programs that are transparent, accountable, and focused on economic growth." (p. 47).

NDP News Release, "[Liberal promises to creative industries not as advertised](#)", May 12, 2014 – (accessed December 4, 2014).

- In this news release the NDP's Communities, Culture and Heritage critic, Lenore Zann, observed that before the election the Liberal Party had promised to expand the Film and Digital Media Tax Credits, but after the election put them under review (along with the rest of Nova Scotia's tax structure).
- She noted that on October 1, 2013, Stephen McNeil (now Premier of Nova Scotia) had promised to improve the tax credits and introduce a new sound recording tax credit valued at \$750,000 per year. These changes were to have taken effect in the 2014-15 Budget year, but did not.
- She stated that the loss of the Film Tax Credit would hurt Nova Scotia's creative economy.

CBC News, "[Film industry defends tax credit during review – Liberals assessing Nova Scotia program](#)", May 9, 2014 - (accessed December 4, 2014).

- The CBC reported that Nova Scotia's film community was worried that the government might cut the film and digital tax credits after a meeting with Review officials in April. The tax credits were worth about \$24 million in the 2012-13 tax year.



- Geoff D'Eon of Pilot Light Productions was quoted as saying that "Yes, the industry was concerned coming out of that meeting where we were described as a net loss."

CBC News, "[Film tax credit cuts would hurt Nova Scotia, says industry](#)", May 14, 2014 - (accessed December 4, 2014).

- After the CBC's May 9 story on the film industry's concern about the review of the film tax credit, it was flooded with e-mails from across the province.
- Dave Anderson of Village Sound said his company relied on the local film industry for 30% of its business.
- Mike Hall, an art director on local films, said that "All of the small businesses, the small corner stores, the little antique shops in Halifax – they all survive and are helped out through us."
- Both were concerned that cancelling the tax credit could turn business away from Nova Scotia.

Jacob Boon, "[Sobering times for Nova Scotia's film industry – With government tax credits under review, the party could be over for province's motion picture producers](#)", *The Coast – Halifax's website*, September 19, 2014 - (accessed December 4, 2014).

- The item quoted Marc Almon, chair of the Nova Scotia Motion Picture Industry Association, as saying that "an initial meeting between the review panel and film producers 'didn't go well' but that since then the Association's position paper had been taken into consideration.
- He noted that any changes to the credits might have a damaging effect on the local film industry, pointing out that "Tax credits sustain an incredibly vibrant, sustainable economy here in Nova Scotia. ... The producers here leverage those tax credits into a multi-million dollar industry that employs thousands of people and attracts attention from all over the world."

Digital Nova Scotia, "[Response to the Nova Scotia Tax and Regulatory Review Report](#)", November 21, 2014 - (accessed December 4, 2014).

- As the industry association for the digital industry, Digital Nova Scotia supported the Review's recommendation that Film and Creative Industries Nova Scotia be solely responsible for administering the tax credit, but indicated that it would require additional resources to do so.
- It also favoured consultations with the industry on necessary modifications to the film and digital media tax credits but did not comment on the specific suggestions for changes made in the Broten report.

Canadian Centre for Policy Alternatives, "[Nova Scotia Alternative Provincial Budget 2014 – A Budget for the 99% - Budget in Brief](#)", March 2014 - (accessed November 20, 2014).

- In the section on Arts, Culture and Heritage an additional \$9 million for the cultural sector was allocated. It was recommended that \$1 million of this be targeted at addressing the needs of African Nova Scotians and Aboriginal peoples.
- The remaining \$8 million would be invested in the arts, culture and heritage sectors to provide more money for research, collections at museums, grants to cultural non-profit organizations, core funding for professional artists, and a multi-year funding plan to strengthen these sectors.
- The Alternative Budget also recommended better collection of data on the creative economy and on the effectiveness of support programs in this area.



Larry Haiven, "[Nova Scotia: We Have Everything We Need to Succeed](#)", *Behind the Numbers* blog post, March 18, 2014 - (accessed November 20, 2014).

- In this tongue-in cheek post, the author questions whether Nova Scotia is really a basket case, as suggested in the Ivany report.
- He points out that Nova Scotia's GDP per capita is \$36,000, higher than that of Illinois, Nevada, Hawaii, New Hampshire, Pennsylvania, Italy, Singapore, Japan, Kuwait, and Spain.
- He notes that attractions such as Cape Breton's Celtic Colours draw tens of thousands of Canadian and international cultural tourists, and that the presence of filmmakers, musicians and artists attracts the film and TV industries.
- He also points to the success of the Atlantic Film Festival and the Atlantic Filmmakers Cooperative in nurturing local film talent.
- He suggests that the Nova Scotia Alternative Budget is a better reflection of the province's strengths and weaknesses than the gloomy view of official documents.

Stephanie Taylor, "[People before profit: critique of Nova Scotia's 'new economy'](#)" – Experts say 'quality of life' is missing from Ivany Report", *Halifax Media Co-op*, June 10, 2014 - (accessed November 20, 2014).

- The article reported on a roundtable held by the Canadian Centre for Policy Alternatives Nova Scotia which critiqued the Ivany report, *Now or Never: An Urgent Call to Action for Nova Scotians*, which was released in February 2014 and which was cited in many reports as the basis for the province's 2014-15 Budget.
- Christine Saulnier, director of the Centre's Nova Scotia office, viewed the Ivany report as problematic because it focuses purely on economics and the GDP and does not provide an accurate vision of other improvements that are needed.
- Several panelists suggested that better measures of progress would be the Canadian Index of Wellbeing or the Genuine Progress Index for Atlantic Canada.

## Government of Nova Scotia

### Main Estimates<sup>15</sup>

<b>Department and Service</b>	<b>2014-15 Estimate</b>	<b>2013-14 Forecast</b>	<b>2012-13 Forecast</b>
Agriculture	60,968	61,447	63,946
Communities, Culture and Heritage	61,256	58,862	57,305
Community Services	903,496	936,032	937,615
Economic and Rural Development and Tourism	141,607	138,395	176,106
Education and Early Childhood Development	1, 220,027	1, 111,196	1,118,807
Energy	32,085	30,336	29,568
Environment	26,484	24,893	24,734
Finance and Treasury Board	13,529	41,575	38,557
Fisheries and Aquaculture	9,622	9,043	8,798
Health and Wellness	4, 104,920	3, 914,956	3,850,723
Internal Services <sup>16</sup>	115,022	--	--
Justice	322,476	313,004	311,749
Labour and Advanced Education	348,420	367,820	346,688
Assistance to Universities	372,941	336,598	381,697
Municipal Affairs <sup>17</sup>	157,792	--	--
Natural Resources	89,242	85,072	99,500
Public Service	240,151	161,938	163,614
Seniors	1,862	2,002	1,871
Service Nova Scotia and Municipal Relations	--	264,031	275,909
Transportation and Infrastructure Renewal	402,489	435,236	420,744
Restructuring Costs	227,251	170,980	165,234
<b>TOTAL</b>	<b>8, 851,640</b>	<b>8, 463,416</b>	<b>8, 481,165</b>

<sup>15</sup> [Budget 2014-2015 Estimates and Supplementary Details](#), Government of Nova Scotia.

<sup>16</sup> New as of 2014-2015.

<sup>17</sup> New as of 2014-2015.

## Government of Nova Scotia

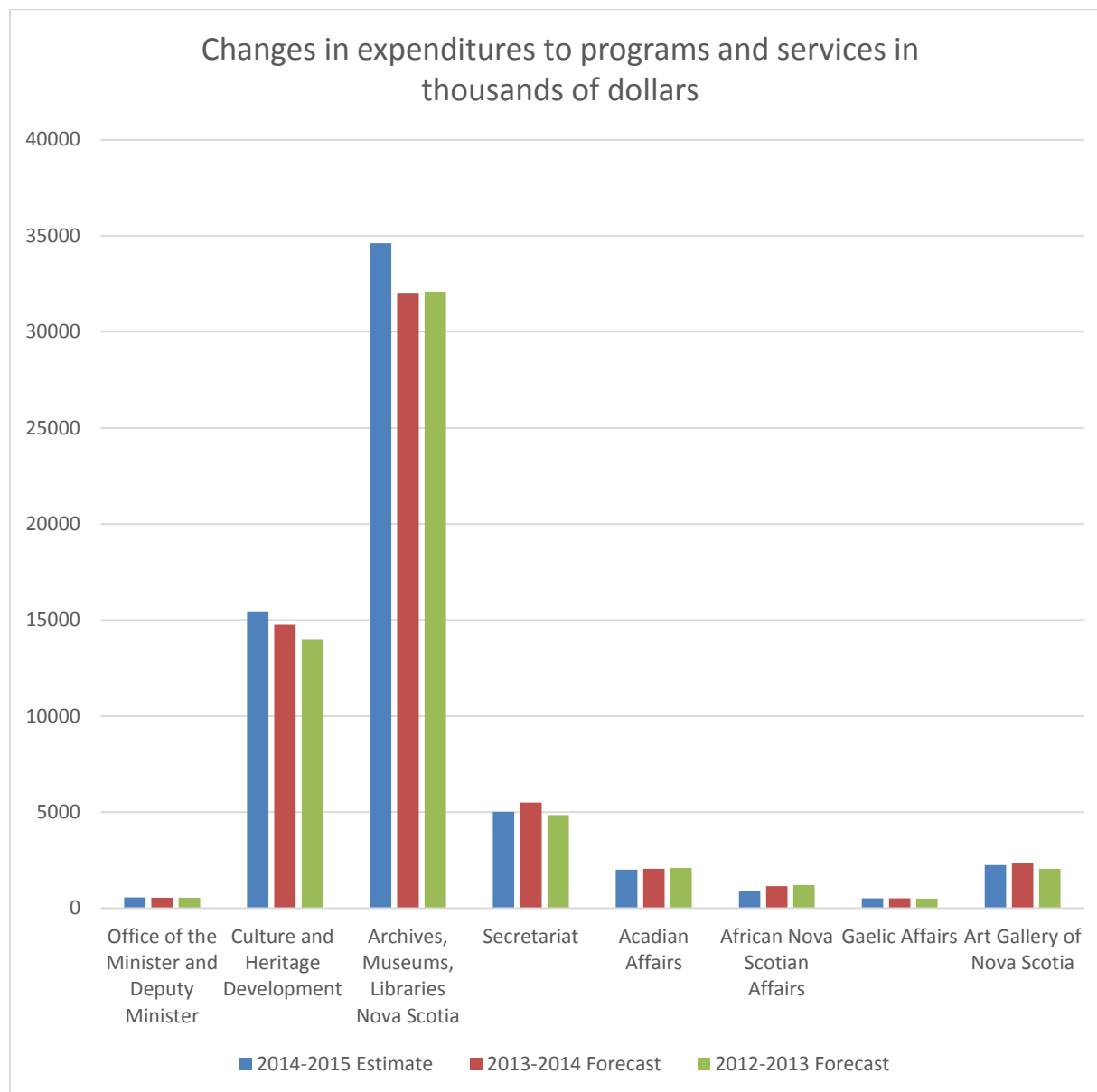
### Department of Communities, Culture and Heritage<sup>18</sup>

<b>Division/Branch</b> (In thousands of dollars)	<b>2014-2015 Estimate</b>	<b>Difference Dollar Percentage and Percentage</b>	<b>2013-2014 Forecast</b>	<b>2012-13 Forecast</b>
Office of the Minister and Deputy Minister	560	22 4.1%	538	538
Culture and Heritage Development	15,408	390 2.6%	14,755	13,967
Archives, Museums, Libraries Nova Scotia	34,615	2,588 8.1%	32,027	32,093
Secretariat	5,007	-488 -8.9%	5,495	4,843
Acadian Affairs	2,006	-42 -2%	2,048	2,100
African Nova Scotian Affairs	904	-239 -20.9%	1,143	1,212
Gaelic Affairs	516	8 1.6%	508	506
Art Gallery of Nova Scotia	2,240	-108 -4.6	2,348	2,046
<b>Total</b>	<b>61,256</b>	<b>2,394 4.1%</b>	<b>58,862</b>	<b>57,305</b>

<sup>18</sup> Budget 2014-2015, [Estimates and Supplementary Details](#), section 4.1.

## Government of Nova Scotia

### Department of Communities, Culture and Heritage<sup>19</sup>



<sup>19</sup> All data retrieved from [http://www.novascotia.ca/finance/site-finance/media/finance/budget2014/Estimates\\_and\\_Supplementary\\_Detail.pdf](http://www.novascotia.ca/finance/site-finance/media/finance/budget2014/Estimates_and_Supplementary_Detail.pdf)

## Government of Nova Scotia

### Department of Communities, Culture and Heritage

#### Cultural and Heritage Development Division

[Support4Culture](#) is a collection of programs announced in the 2013-14 Budget that supports arts, culture, and heritage in communities across Nova Scotia. Funds are raised through the sale of designated ticket lottery products via the [Nova Scotia Provincial Lotteries and Casino Corporation](#), and the programs are managed by the Department of Communities, Culture and Heritage and Arts Nova Scotia.<sup>20</sup>

Investing in our Future <sup>21</sup>	
Sector	Programs, Grants and Awards
Arts Nova Scotia Funding and Awards	<ul style="list-style-type: none"> <li>• Equity Funding Program</li> <li>• Creative Residency Program</li> <li>• Grants to Individuals</li> <li>• Grants to Organizations and Small Groups</li> <li>• Operating Grants to Arts Organizations</li> <li>• Grand-Pré Prize</li> <li>• Portia White Prize</li> <li>• Nova Scotia Art Bank</li> <li>• Nova Scotia Masterworks Arts Award</li> <li>• <u>Nova Scotia Talent Trust</u></li> <li>• Artistic Innovation Program</li> <li>• Creative Collaborations</li> <li>• artsVest™</li> <li>• Community Arts Council/Artist-Run Centres Collaboration Program</li> </ul>
Creative Nova Scotia Leadership Council Awards	<ul style="list-style-type: none"> <li>• Annual Creative Nova Scotia Award</li> </ul>

<sup>20</sup> [Investing in our future](#), Department of Communities, Culture and Heritage.

<sup>21</sup> [Arts Nova Scotia – Grants to individuals](#).

<b>Community Funding and Awards</b>	<ul style="list-style-type: none"> <li>• <b>Community Spirit Award</b></li> <li>• <b>Community Facilities Improvement Fund</b></li> <li>• <b>Diversity and Community Capacity Fund</b></li> <li>• <b>Mi'kmaq Cultural Activities Program</b></li> </ul>
<b>Culture Funding and Awards</b>	<ul style="list-style-type: none"> <li>• <b>Community Arts Council-Artist-Run Centres Collaboration Program</b></li> <li>• <b>Community Arts and Culture Recognition Awards</b></li> <li>• <b>Cultural and Youth Activities Program</b></li> <li>• <b>Established Artist Recognition Award</b></li> <li>• <b>Industry Growth Program</b></li> <li>• <b>Gaelic Language in the Community Program</b></li> <li>• <b>Industry Growth Program</b></li> <li>• <b>Operating Assistance to Cultural Organizations</b></li> <li>• <b>One-time Emerging Culture and Heritage Initiatives Program</b></li> </ul>
<b>Heritage Funding<sup>22</sup></b>	<ul style="list-style-type: none"> <li>• <b>Community Museum Assistance Program</b></li> <li>• <b>Heritage Development Fund (Heritage Property)</b></li> <li>• <b>Nova Scotia Museum Research Grants Program</b></li> <li>• <b>Provincial Archival Development Program</b></li> <li>• <b>One-time Emerging Culture and Heritage Initiatives Program</b></li> <li>• <b>Strategic Development Initiative</b></li> </ul>

<sup>22</sup> [Investing in our future](#), Department of Communities, Culture and Heritage.

## Arts Nova Scotia

Arts Nova Scotia is an independent eleven-member advisory council created to allocate government funding directly to artists in the province.<sup>23</sup> Legislation formalizing the council was passed during the fall 2011 legislature session. Appointees to the board consist of eleven Nova Scotians from across the arts sector. They help to shape the policies and decisions of the Arts Nova Scotia and support artists and art organizations through grants and awards<sup>24</sup>.

## Department of Education

### Artists in Schools Program

The program is partially funded by the Department of Education and Early Childhood Education and Arts Nova Scotia. The following chart shows the funding distribution for 2014-15:<sup>25</sup>

Program	Department of Education and Early Childhood Development	Arts Nova Scotia
<b>ArtReach</b>	\$25,000	(Through AGNS)
<b>ArtsSmart</b>	\$25,000	\$30,000
<b>Debut Atlantic</b>	\$25,000	(Operating assistance)
<b>PAINTS</b>	\$25,000	\$20,000
<b>Perform!</b>	\$25,000	\$20,000
<b>Writers in the Schools</b>	\$25,000	\$20,000

<sup>23</sup> [Arts Nova Scotia](#).

<sup>24</sup> [Grants and Awards](#), Arts Nova Scotia.

<sup>25</sup> [Artists in School brochure 2014-2015](#), Arts Nova Scotia.

## Government of Nova Scotia Department of Economic and Rural Development and Tourism

### Film and Creative Industries Nova Scotia<sup>26</sup>

Film Nova Scotia is a provincial Crown Corporation whose mandate is the development of the film industry. In December 2012, the government expanded the agency's mandate from film to also encompass other creative industries, and it is now focused on the development, growth, and global positioning of the province's creative industries<sup>27</sup>.

	<b>2014-2015 Estimate<sup>28</sup> (\$)</b>	<b>2013-14 Estimate<sup>29</sup> (\$)</b>	<b>2012-13 Estimate (\$)</b>	<b>2011-12 Estimate<sup>30</sup> (\$)</b>
<b>Contributions</b>				
<b>Operating Fund</b>				
Nova Scotia Government	4,217,500	4,217,500	3,063,700	3,096,000
Recovery of equity investments and development loans	200,000	150,000	150,000	150,000
Other income	120,000	40,000	120,000	40,000
Interest income	20,000	14,000	10,000	6,000
<b>Independent Production Fund</b>				
Eastlink	400,000	993,200	745,200	-
Interest Income	6,000	8,000	6,000	-
<b>Total contributions</b>	<b>4,963,500</b>	<b>5,422,700</b>	<b>4,094,900</b>	<b>3,292,000</b>
<b>Disbursements</b>				
<b>Operating Fund</b>				
Programming	3,035,500	3,001,300	2,045,000	2,133,845
Administrative	1,030,000	1,018,700	813,700	776,055
Advertising and Marketing	492,000	401,500	485,000	382,100
<b>Independent Production Fund</b>				
Programming	404,800	1,000,000	750,000	-
Administrative	1,200	1,200	1,200	-
<b>Total Disbursements</b>	<b>4,963,500</b>	<b>5,422,700</b>	<b>4,094,900</b>	<b>3,292,000</b>

<sup>26</sup> Formerly known as Film Nova Scotia. There has been a slight re-organization and renaming of certain parts of the Budget Context making it difficult to compare over the three-year period.

<sup>27</sup> [Budget 2014-2015 Crown Corporations Business Plans](#), Government of Nova Scotia, p.95.

<sup>28</sup> Ibidem.

<sup>29</sup> Ibidem.

<sup>30</sup> Government of Nova Scotia, [Crown Corporation Business Plans for the fiscal year 2012- 2013, Film Nova Scotia Business Plan 2012-2013](#), 145



## Government of Nova Scotia

### Department of Finance

#### Tax Credits

**Nova Scotia Film Industry Tax Credit** is for Canadian film corporations with a permanent establishment in the province and who spend at least 25% of their salary budget on provincial residents. The tax credit is valued up to 50% of eligible salaries with a possible additional 10% bonus based on the location of the film and a 5% bonus for producers who frequently film in Nova Scotia. This tax credit is administered jointly by Film and Creative Industries Nova Scotia and Finance and Treasury Board.<sup>31</sup> The [\*Act to Improve Economic Development in Nova Scotia\*](#) (passed November 20, 2014) extended the Film Industry Tax Credit to December 31, 2020.

**Digital Media Tax Credit** is for Canadian companies with a permanent establishment in the province that create interactive digital media for the purpose of educating, informing or entertaining. The refundable tax credit is worth 50% of eligible salary costs paid to provincial residents or 25% of the total expenditure in Nova Scotia. There is an additional Regional Bonus for projects created outside of Halifax.<sup>32</sup> This tax credit is administered jointly by Film and Creative Industries Nova Scotia and Finance and Treasury Board. The [\*Act to Improve Economic Development in Nova Scotia\*](#) (passed November 20, 2014) extended the Digital Media Tax Credit to December 31, 2020.

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<sup>31</sup> Finance, [Nova Scotia Film Industry Tax Credit](#).

<sup>32</sup> Finance, [Digital Media Tax Credit](#).



## NUNAVUT

Real GDP Growth: 11.2% (2013)

Revenue from Federal Transfers (percent of total): 85% (2014-15)

Population: 36,600 (2014)

## 2014

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Keith Peterson tabled Nunavut's fiscal 2014–15 Budget on 26 May 2014.<sup>1</sup>
- Nunavut is expected to increase revenues by 4.8% in 2014-15. Of the \$1.6 billion in revenues collected, about \$1.5 billion was expected to come from the federal government.
- A total of \$1.4 billion was to be spent on departmental operations and \$150 million on capital spending.
- About one-half of total spending will be in the areas of health, education, and housing.
- After setting aside \$38 million for contingencies, a surplus of almost \$36 million was expected in 2014-15.
- While unemployment remains a serious problem in Nunavut, employment in 2013-14 rose by almost 6% due to strong growth in construction.
- Nunavut also faces difficulties due to poverty, addiction and lack of adequate housing, and these were priority areas addressed in the Budget.

### **Spending Priorities and Highlights<sup>2</sup>**

The four themes of the Budget were:

- Self-reliance and optimism through education and training;
- Healthy families through strong and resilient communities;
- Economic growth through responsible development across sectors;
- Good government through wise use of our resources.

Spending highlights included:

- \$7 million to the Nunavut Housing Corporation to manage the rising costs of public housing and build on the federal government's \$100 million investment of the previous year;
- \$1.3 million to support early childhood education;
- \$1.0 million to district education authorities to encourage better school attendance;
- \$1.0 to the Nunavut Arctic College to enhance its community and distance-learning program and to establish an Inuit Language and Culture Centre of Excellence.

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<sup>1</sup> [Budget 2014-15 Budget Address](#), Government of Nunavut, May 26, 2014 - (accessed January 13, 2015)

<sup>2</sup> [2014-2015 Budget Highlights](#), Government of Nunavut, May 26, 2014 - (accessed January 13, 2015).

## Impacts on the Cultural Sector

- The allocation of the Department of Culture and Heritage fell from \$28 million in 2013-14 to \$25.7 million in 2014-15. Part of this reduction was due to the transfer of responsibility for Sport and Recreation to the Department of Community and Government Services during the 2013-14 fiscal year.
- The heritage allocation fell by 3%, while that for official languages rose by almost 2%.
- Grants for Inuit Language Promotion and Protection fell by \$8,000 but all other grants remained at 2013-14 levels, including those for heritage activities.
- Contributions fell by about \$1.5 million, due mostly to a significant cut of \$1.35 million in the Language Implementation Fund.
- Most other contributions remained at 2013-14 levels, except for small increases in the Toponymy Program and the Arts Program.
- There was also a slight decrease in contributions for the Heritage Centre Core Funding program.
- Within the Department of Economic Development and Transportation, the allocation for the Tourism and Cultural Industries Program appears to have been cut.
- There were no capital expenditures for the Department of Culture and Heritage included in the 2014-15 Estimates.<sup>3</sup>

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *There was little comment on the Budget in the media or within the cultural community itself. However, the debate by members of the Nunavut legislature when the Minister of Culture and Heritage appeared to present the Department's main estimates and business plan revealed some of the broader cultural concerns of the community, as did the results of a study conducted by the Canada Council.*

Lisa Gregoire, "[Prudence leads to another surplus budget for Nunavut: finance minister](#)", *NunatsiaqOnline*, May 27, 2014 – (accessed January 13, 2015)

- The article noted that an extra \$1 million was allocated to the Nunavut Arctic College to improve community and distance-learning programs and for the establishment of an Inuit Language and Culture Centre of Excellence.

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<sup>3</sup> "Summary of Capital Expenditures by Department", [Capital Estimates 2014-2015](#), p. v. - (accessed January 13, 2015).

[Nunavut Hansard](#), Wednesday, June 11, 2014 - (accessed January 13, 2015)

- The Minister of Culture and Heritage, the Honourable Paul Okalik, presented the Department's main estimates and business plan for 2014-15.
- On the subject of adequate archival facilities, the Minister stated that "since the creation of Nunavut we have been storing our history in other jurisdictions. The cost of the care and storage is now over \$1 million annually yet the loss of our identity cannot be quantified." He added that the Department of Culture and Heritage was now actively seeking space in Nunavut communities for heritage materials not requiring climate control. (p 49)
- Some members expressed concern that even though this was a priority last year as well, it had not been achieved in 2013-14. The Department's deputy minister indicated that planning and consultations were ongoing. (p. 66)
- Most of the discussion and questions by members of the legislature focussed on language issues, with many expressing concern about the need for a standardized Inuktitut writing system to bridge the gap between different dialects.
- One of the solutions that the Minister discussed was the adoption of Roman orthography or the anglicized version of Inuktitut syllabics. He noted that the only way to converse in Inuktitut by computer is to use *Qaliujaqpait*, the Roman orthography, and that this practice is already widespread. (p. 61)
- A member, Mr. Shooyook, responded by saying, "I am a full blooded Inuk and I don't speak any English at all. ... In our own homes if we, our children, and grandchildren hear English they will use it. That being the case, therefore, because of the importance of the language should we be trying to hold off any encroachment on the use of English in our homes for as long as we can?" (p. 64).
- Members also inquired about consultations with regard to improving delivery of French language services in the territory. (p. 58)
- The Department introduced a song writing contest in 2013-14 to promote new music in Inuktitut, and members asked how this would be promoted in the territory's communities. (pp. 62-3).
- Another concern expressed by members was the need to identify, document and protect archaeological and heritage sites in Nunavut. The Minister indicated that his department issues permits for archaeological undertakings and is very careful to ensure that those doing such work are fully qualified to do so. (p. 65)
- Nevertheless, members wished to know whether the Department ever did inspections of heritage sites that might be threatened by development (p. 65) and what measures were being taken to ensure that such sites were being protected when cruise ship passengers tour those areas (p. 66). The Minister and his deputy provided information on inspections, revealing that only three employees were checking to ensure that heritage

sites were not disturbed. (p. 67) They also provided the phone number that members could call if they were concerned about damage to heritage sites or artifacts. (p. 68)

- Members also asked for information on the Nunavut genealogy research program. (p. 67)

Sarah Rogers, "[Report: Nunavut arts community is talented, growing, but not business savvy](#)", *NunatsiaqOnline*, August 1, 2014 - (accessed January 13, 2015)

- While this was not strictly a commentary on the Budget, the article outlined the findings of a Canada Council study of the arts community in Nunavut that indicated its general concerns about gaps in government support. The main findings were as follows:
  - Nunavut's visual arts and crafts organizations were identified as in need of training in financial planning, as well as promotion and marketing.
  - Nunavut's film, television and digital media industry also identified formal training as a need.
  - Despite a rich history of performance art in Nunavut, business skills and training are underdeveloped, performing artists said.
  - Nunavut's smallest arts sector, writing and publishing, said it wants its own industry association to help offer support in grant writing, business affairs (legal and accounting), and sales and marketing.
  - Language and culture was a recurrent theme in the consultations. For example, stakeholders said they wanted to see more films and television projects in Inuktitut.
  - Because arts administrative resources are most often available only in English, artists said language could also be a major barrier to navigating the industry, in a territory where 68 per cent of Nunavummiut count Inuktitut or Inuinnaqtun as their mother tongue.
  - The creation of Nunavut TV or an Inuit-language channel is an important goal towards the presentation of language and culture, the report found.
  - Participants in the study also suggested the creation of Nunavut-specific infrastructure, like a territorial arts council and a Nunavut Arts Centre.

## Government of Nunavut

### Main Estimates

<b>Department</b> <b>(In thousands of dollars)</b>	<b>2014-15</b> <b>Total</b> <b>Estimate<sup>4</sup></b>	<b>2013-14</b> <b>Total</b> <b>Estimate</b>	<b>2012-13</b> <b>Actual</b> <b>Expenditures</b>	<b>2011-12</b> <b>Actual</b> <b>Expenditures</b>
Office of Legislative Assembly	23,164	21,280	17,650	16,602
Executive and Intergovernmental Affairs	27,309	26,907	19,760	18,840
Finance	84,648	91,040	75,340	77,030
Family Services	122,411	112,974	108,915	104,652
Human Resources	-	-	-	-
Justice	106,094	109,414	94,796	94,740
Culture and Heritage	25,676	25,846	16,510	16,193
Education	184,230	200,499	176,154	174,625
Health	298,947	305,047	292,689	287,591
Environment	23,994	27,974	22,569	24,858
Community and Government Services	220,757	249,270	197,554	232,131
Economic Development and Transportation	60,682	81,152	59,858	62,389
Nunavut Housing Corporation	172,873	194,660	161,302	194,417
Nunavut Arctic College	32,204	31,875	31,875	26,366
<b>Total</b>	<b>1,382,989</b>	<b>1,325,079</b>	<b>1,273,179</b>	<b>1,330,434</b>

<sup>4</sup> [Main Estimates 2014-2015](#), Government of Nunavut, May 2014.

## Department of Culture and Heritage<sup>5</sup>

### Main Estimates

(In thousands of dollars)

Branch	2014-15 Estimate	Difference Dollar Value And Percentage	2013-14 Revised Estimate	2012-13 Actual	2011-12 Actual
Directorate	5,375	0 0%	5,375	5,091	5,454
Official Languages	10,905	200 1.9%	10,705	3,866	3,749
Heritage	5,917	-180 -3%	6,097	4,865	4,021
Elders and Youth	2,322	0 0%	2,322	1,909	1,836
Sports and Recreation <sup>6</sup>	-	-	5,751	5,751	6,402
Inuit Qaujimajatuqangit <sup>7</sup>	1,157	0 0%	1,157	776	896
<b>Total</b>	<b>25,676</b>	<b>20</b>	<b>28,002</b>	<b>22,258</b>	<b>28,790</b>

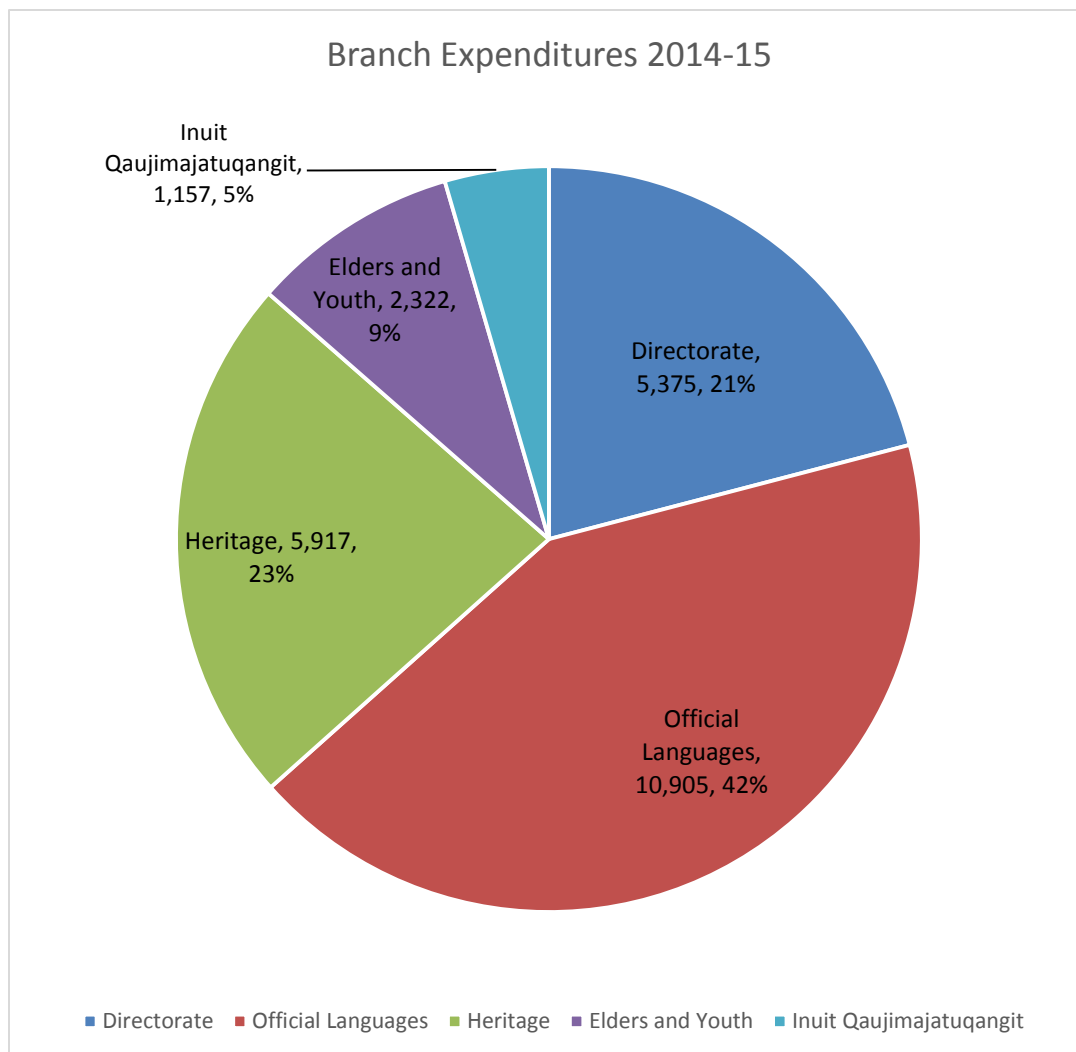
<sup>5</sup> [Culture and Heritage Summary of Grants and Contributions](#), Section F-9.

<sup>6</sup> Sport and Recreation was moved to the Department of Community and Government Services.

<sup>7</sup> Translates roughly as “Inuit traditional knowledge” or “Inuit societal values”.



### Branch Appropriations (000s of dollars)



## Grants<sup>8</sup>

(In thousands of dollars)

<b>Branch<sup>9</sup></b>	<b>2014-15 Estimates</b>	<b>2013-14 Revised Estimates</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Official Languages</b>				
Inuit Language Promotion and Protection	50	58	50	50
<b>Heritage</b>				
Culture and Heritage	125	125	125	125
Community Radio	150	150	150	150
Archaeology and Palaeontology Research and Support	25	25	10	-
<b>Elders and Youth</b>				
Youth Initiatives	150	150	149	150
Elders Initiatives	150	150	144	150
Youth and Elders Committees	100	100	100	100
<b>Total</b>	<b>750</b>	<b>758</b>	<b>728</b>	<b>725</b>

<sup>8</sup> [Summary of Grants and Contributions](#). Section F-9.

<sup>9</sup> Sport and Recreation now included under Ministry of Community and Government Services and therefore not included in this year's table

## Contributions<sup>10</sup>

(In thousands of dollars)

<b>Branch/Program</b>	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Directorate</b>				
Inuit Uqausinginnik Taiguusiliuqtiit Funding	2,176	2,176	2,204	1,991
<b>Official Languages</b>				
Inuit Language Promotion and Protection	450	442	306	560
Language Implementation Fund	815	2,170	-	-
<b>Culture and Heritage</b>				
Heritage Facilities	200	200	175	197
Culture and Heritage	216	216	215	216
Cultural Communications Program	125	125	119	120
Toponymy Program	100	85	40	60
Heritage Centre Core Funding	298	300	284	300
Arts	275	273	275	288
Library Services	494	494	465	492
<b>Elders and Youth</b>				
Youth Initiatives	100	100	100	100
Elder Initiatives	100	100	100	100
Elder and Youth Facilities	200	200	200	115
<b>Inuit Qaujimajatuqangit</b>				
Inuit Societal Values	400	400	240	300
Piqqusilirivvik Program Field Testing <sup>11</sup>	-	-	200	300
<b>Total Contributions</b>	<b>6,699</b>	<b>8,239</b>	<b>5,451</b>	<b>4,696</b>

<sup>10</sup> [Summary of Grants and Contributions](#), Sections F-9 and F-10.

<sup>11</sup> Piqqusilirivvik Administrative Division has been transferred from the Department of Culture and Heritage to Nunavut Arctic College (see Appendix V of [2013-14 Main Estimates](#))

## Government of Nunavut

### Economic Development and Transportation<sup>12</sup>

The Department of Economic Development and Transportation has a program of grants of contributions, some of which address cultural activities.

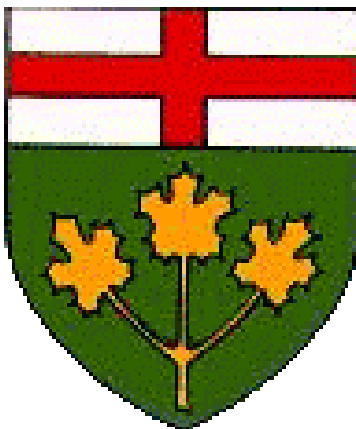
#### **Summary of Grants and Contributions**

(In thousands of dollars)

Contributions to Economic Development	2014-15 Main Estimates	2013-14 Revised Estimates	2012-13 Actual	2011-12 Actual
<b>Tourism and Cultural Industries<sup>13</sup></b>	-	395	273	273
<b>Nunavut Arts and Craft Association</b>	300	300	300	330
<b>Nunavut Film, Television and New Media program</b>	825	825	825	796
<b>Arts and Crafts Development program</b>	395	395	325	321
<b>TOTAL</b>	<b>1,520</b>	<b>1,915</b>	<b>1,723</b>	<b>1,698</b>

<sup>12</sup> [Summary of Grants and Contributions](#), p. K-7.

<sup>13</sup> The program continues to exist within the Department ([see Community Tourism and Cultural Industries Program](#)) but it is not clear why no estimates are included for it in 2014-15.



## ONTARIO

Real GDP Growth: 1.3% (2013)

Revenue from Federal Transfers (percent of total): 16% (2014-2015)

Population: 13,678,700 (2014)

## 2014

## Budget Overview

### Fiscal and Societal Context

- Kathleen Wynne is the Premier of Ontario and on June 14, 2014 led the Liberal party to a majority win. She heads the first Liberal majority government since 2007. Wynne's campaign was an ambitious and popular one.<sup>1</sup>
- Ontario Finance Minister Charles Sousa tabled the province's post-election Budget on July 14, 2014. This was a re-tabling of the pre-election Budget of May 1, 2014.
- A deficit of \$11.3 billion was anticipated for 2013-14, with further deficits of \$12.5 billion for 2014-15, \$8.9 billion in 2015-16 and \$5.3 billion in 2016-17, and a return to a balanced budget in 2017-18.
- Ontario has a growing debt, with interest payments on nearly \$300 billion comprising the third largest area of provincial spending.<sup>2</sup>
- Wynne is counting on increased infrastructure spending – \$29 billion for new subways and highways over 10 years – to stimulate the economy. However, given the \$12.5 billion deficit, the *Globe and Mail* speculated that the coming years may require painful austerity measures.<sup>3</sup>
- Since the 2012 budget, expectations for global economic growth have weakened; however, Ontario's economy is still growing and creating jobs despite the global environment. This outlook was boosted in late 2014 by the fall of the price of gasoline and of the Canadian dollar, both factors favouring manufacturing and exports.

### Spending Priorities and Highlights<sup>4</sup>

- Priorities of 2014-15 Budget included creating jobs and growing the economy by investing in people, building modern infrastructure and supporting a dynamic and innovative business climate.
  - Investing in transportation and infrastructure;
  - Securing Ontarian's retirement;
  - Lowering Energy Costs;
  - Fostering a Fair Society;
  - Asking for fairness from the federal government.
- Ontario is planning to invest more than \$130 billion in public infrastructure over the next 10 years, including:

<sup>1</sup> [Ontario Liberals re-elected with a majority, Hudak to step down](#), Globe and Mail, June 12, 2014

<sup>2</sup> [Ontario's growing debt is the single biggest threat to the well-being of Ontarians](#), Ontario Chamber of Commerce, (accessed on December 30, 2014).

<sup>3</sup> [Ontario Liberals re-elected with a majority, Hudak to step down](#), Globe and Mail, June 12, 2014.

<sup>4</sup> [Ontario Budget 2014: Building Opportunity, Securing Our Future](#), Ontario Ministry of Finance (accessed December 30, 2014)

- making nearly \$29 billion available for transportation infrastructure;
- Investing a total of \$2.5 billion in 2014–15 for highway rehabilitation and expansion projects across the province;
- Supporting municipal roads and bridges through a new permanent \$100 million fund;
- The budget lays out the importance of protecting Ontario from the \$641 million decline in federal transfers in 2014-15.<sup>5</sup> Over the past four years, Finance Canada implemented 'total transfer protection', a move that was intended to help provinces and territories transition through a difficult economic situation. Ontario is the only province to have received a reduced transfer, which is causing some tension in the provincial government.<sup>6</sup>

### Impacts on Cultural Sector

- Overall, the budget for the Ministry of Tourism, Culture and Sport has increased marginally, but some cuts have been made to particular programs, most notably the Tourism and Culture Capital Program (see Ministry of Tourism, Culture and Sport Table below). This reduction was due in part to a sharp decrease in the grants in support of culture from \$26.9 million in 2013-14 to \$11.1 million in 2014-15, as well as a reduction in the federal contribution to this program from \$8.9 million in 2013-14 to \$6.3 million in 2014-15. These changes were offset somewhat by an increase in the amount for cultural agencies repairs and rehabilitation from \$2.8 million in 2013-14 to \$11.8 million in 2014-15.<sup>7</sup>
- The Budget confirmed that Ontario will be paralleling the 2014-15 federal Budget measures relating to donations of ecologically sensitive land and certified cultural property.<sup>8</sup> The changes restrict the donation of certified cultural property to those gifts that have not been made as part of a gifting arrangement that is a tax shelter (as those terms are defined in the *Income Tax Act*).
- As part of its commitment to strengthen Ontario's knowledge-intensive and creative sectors, the Budget announced a \$10 million investment over three years for information technology improvements in Ontario libraries, an investment to bring the Juno Awards to Ontario in 2015, and the 2015 commemoration of the 400<sup>th</sup> anniversary of Samuel de Champlain's passage through the province.<sup>9</sup>

<sup>5</sup> [2014 Ontario Budget – Chapter I: Ontario's Decade - A Ten-Year Plan for the Economy](#), Ministry of Finance (accessed December 30, 2014).

<sup>6</sup> [Ottawa's shift leaves Ontario with \\$640-million less in federal transfers](#), Globe and Mail, January 20, 2014.

<sup>7</sup> [TOURISM AND CULTURE CAPITAL PROGRAM - VOTE 3804](#) (2013-14) and [Tourism and Culture Capital Program - VOTE 3804](#) (2014-15)

<sup>8</sup> [2014 Ontario Budget](#), p. 363.

<sup>9</sup> [2014 Ontario Budget – Chapter I: Ontario's Decade - A Ten-Year Plan for the Economy](#), Ministry of Finance (accessed December 30, 2014).

- In the Fall Economic Update, the Minister of Finance announced a review of the scope and parameters of the Ontario Interactive Digital Media Tax Credit (OIDMTC), stating that it had grown at an unsustainable rate.
- The Update noted that in 2003–04, the OIDMTC provided over \$1 million in support, while in 2014–15 claims are estimated to be over \$61 million, which represents average annual growth of 42 %.
- Promotion of arts and culture is one means through which Ontario government aims to ensure Ontario workers remain competitive in the global market.<sup>10</sup> As part of the government's priorities for 2014-15 we find: "Growing Ontario's music production and distribution through the new Ontario Music Fund and providing support to the film industry to ensure that Ontario remains a top location for film production".<sup>11</sup>
  - The Ontario Music Fund (OMF), as announced on May 2, 2013, is a \$45 M fund to be delivered over three years. The Ontario Music Office (OMO) is responsible for delivering the OMF;<sup>12</sup>
  - The Ontario Music Fund is intended to "to support the production, distribution and performance of music in the province and to promote Ontario-made music across Canada and around the globe."<sup>13</sup>
  - While the Music Fund has maintained cultural transfers at previous levels, this has been offset by reductions in other grants and programs.
- IGNITE Ontario is a new provincial program designed to help organizations host celebrations and community engagement initiatives that promote the TORONTO 2015 Pan Am/Parapan Am Games.<sup>14</sup>

## Reactions to the Budget from the Cultural Sector perspective

**Contextual note:** *It should be noted that budget reductions announced in the 2012 Budget are continuing, including the 1% reduction to cultural attraction agencies over a number of fiscal years. Much of the commentary from the cultural community continued to focus on the effects of past Budgets, including the introduction of the Ontario Music Fund in last year's Budget.*

<sup>10</sup> [A Prosperous and Fair Ontario, 2013 Budget](#) (XVIII)

<sup>11</sup> <sup>11</sup> [2014 Ontario Budget – Chapter I: Ontario's Decade - A Ten-Year Plan for the Economy](#), Ministry of Finance (accessed December 30, 2014).

<sup>12</sup> [Ontario Music Fund, Music Company Development Guidelines 2014-15](#), Ontario Media Development Corporation (accessed December 30, 2014)

<sup>13</sup> 'Ontario Government to create \$45M music fund', Ben Rayner, Toronto Star, May 1, 2013 and [Ontario Music Fund](#) Ministry of Finance, press release May 1, 2013.

<sup>14</sup> [Grants and Awards](#), Ministry of Tourism, Culture and Sport, 2015



Ontario Museums Association e-News Alert, "[Ontario Budget 2014: Staying the course for arts, culture and heritage](#)", May 1, 2014 - (accessed November 27, 2014)

- The news release noted that the Budget was silent on issues specific to the museum or heritage sector, but commented that the province's emphasis on investments in sectors that create jobs and provide vital public services seemed to suggest a certain degree of stability in provincial funding programs.
- The recognition of historic events, such as the 400<sup>th</sup> anniversary of the French presence in Ontario (Samuel de Champlain's visit) was taken as another positive sign, but concern was expressed about the future of the Ontario Cultural Attractions Fund.
- While the Budget reinforced Ontario's youth employment strategy, the OMA noted that no new measures had been introduced to support the employment of emerging museum professionals.

Micheline McKay, "[Ontario Budget Update: Entertainment and creative cluster recognized as a 'key economic sector' but little in the way of news](#)", *The Arts Advocate Report*, May 1 2014 – (accessed November 27, 2014)

- The report made a brief reference to the \$10 million fund to support IT innovation in libraries and to the fact that the review of cultural media tax credits was still ongoing. It suggested that the tone of the 2014-15 Budget statement on the tax credit review was more neutral than in the previous year.
- The cultural media tax credits (for film, television, publishing, sound recording, and interactive media) cost the Ontario government \$344 million in 2013-14 and the review had been expected to table a "framework for ongoing evaluation" in spring 2014.<sup>15</sup>
- The report also expressed concern that there was no word on the renewal of the Ontario Cultural Attractions Fund.
- It noted that the budget of the Ministry of Tourism, Culture and Sport would remain stable at \$1.2 billion, but that revised forecasts for the cultural media tax credits indicate a decline of almost \$100 million in 2014-15.
- The Ontario Trillium Foundation's Budget would also remain stable at \$115 million.

Randy Pettapiece, MPP, [Correspondence with Michael Coteau, Minister of Tourism, Culture and Sport](#), July 18, 2014 - (accessed November 27, 2014)

- Mr. Pettapiece's correspondence, which dated back to February 18, 2014 and July 9, 2014, requested information on the future of the Ontario Cultural Attractions Fund (OCAF), stating that he had been contacted by the Stratford Summer Music festival and the Stratford Festival who were finding it difficult to prepare for their upcoming seasons when the future of the program was uncertain.
- On July 18 the Minister replied, indicating that \$1.5 million had been allocated to the OCAF in 2014-15. (The OCAF had a budget of \$10 million over the three-year period between 2011-12 and 2013-14.)<sup>16</sup>

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<sup>15</sup> As of mid-December 2014, the report had not yet been publicly released, but KPMG advised with regard to the digital media tax credit that "companies that normally claim it should file as soon as possible, as changes may be announced in the 2015 Ontario budget (usually presented in the spring)", "[Ontario - Digital Media Tax Credit Program - Cuts Coming?](#)", *Canadian Tax Adviser*, December 16, 2014 – (accessed January 30, 2015).

The Rambler by Graham Henderson: [My testimony before Ontario's Standing Committee on Finance and Economic Affairs](#), January 22, 2014 – (accessed November 28, 2014)

- This blog entry provided commentary and a transcript of Mr. Henderson's presentation before the Standing Committee, where he emphasized that music is a critical component of a thriving economy and a key competitive advantage for Ontario.
- He pointed to the positive effects that the three-year, \$45 million Ontario Music Fund (announced in the 2013-14 Budget) had had on the industry and the province, noting in particular the leveraging of live music to generate tourism revenue and the attraction of recording projects to Ontario studios.

Orchestras Canada, "[Good News for Ontario Arts Council Clients](#)", April 23, 2014 - (accessed November 28, 2014)

- This brief news item reported that the CEO of the Ontario Arts Council, Peter Caldwell, had advised clients that the OAC's core funding will remain stable in 2014-15 and that in "these times of cutbacks everywhere, maintaining funding at existing levels is a significant cause for celebration."

Will Campbell, "[Ontario Liberals pushed film and TV subsidies despite internal concern](#)", *Toronto Star*, June 8, 2014 - (accessed December 9, 2014)

- This news item reported on a September 2011 Ontario Ministry of Finance internal presentation (obtained through Freedom of Information legislation) that was highly critical of tax credits for film and television production.
- The Ministry of Finance's analysis suggested that the credits were not helping to make the industry sustainable by bolstering exports or keeping ownership of creations within Ontario. It added that direct funding would be a better option.
- It noted that the \$344 million spent on cultural media tax subsidies was the largest single expenditure in the arts and culture budget, and that the lion's share -- \$310 million -- went to the film and TV industries, with \$26 million going to the video game industry. Grant funding is a fraction of these totals.
- The Ministry's analysis suggested that subsidies may be a "zero-sum game or simply a race to the bottom", as jurisdictions compete to provide richer tax credits while production remains static.
- It also questioned the view that the TV and film industries create high-paying jobs, stating that average pay falls below the provincial average.
- Paul Bronfman, CRO of William F. White International, a production equipment supplier, was quoted as disagreeing, saying that "These tax credits are providing a level playing field for the industry. It makes economic sense."

Film Ontario, [2014 Accomplishment Highlights](#), n.d.- (accessed December 9, 2014)

- The report indicated that Film Ontario had intervened in the 2014 Ontario election, securing support from all three parties for the film industry tax credits.

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<sup>16</sup> "[Strengthening Ontario's Cultural Tourism - McGuinty Government Invests In Ontario Cultural Attractions Fund](#)", Ministry of Tourism, Culture and Sport, Archived Bulletin, November 25, 2010 - (accessed December 10, 2014)

- It added that this commitment to the film tax credits was stated again by the Minister of Tourism, Culture and Sport, Michael Coteau, in a speech on September 5, 2014.

Micheline McKay, "[What do this month's fall economic statements mean for the cultural sector?](#)" *The Arts Advocate*, November 2014 - (accessed December 9, 2014)

- The report noted that the provincial government's commitment to eliminating the deficit means that it is actively looking for ways of increasing revenue or decreasing expenditures.
- It added that tax credits are a major expenditure for the Ontario and remain under scrutiny and that Culture Minister Michael Coteau has said "I think it would be responsible for this government to look at different incentives like our tax credits to the sector to ensure that the money is going to the right places."

Interactive Ontario, "[Advocacy Update: Ontario Interactive Digital Media Tax Credit](#)", December 2, 2014 – (accessed December 9, 2014)

- The item reported on the Ontario Fall Economic Update which announced a review of the Ontario Interactive Digital Media Tax Credit (OIDMTC).
- It noted that the annual tax expenditure of \$61 million represented a small fraction of the \$1 billion in GDP contributed by the interactive digital media sector.
- It reported that on November 20, Interactive Ontario had passed a resolution at its annual general meeting calling on the government to maintain the OIDMTC at its current rate and make targeted enhancements to its efficiency.
- Interactive Ontario would be seeking clarification from the Ontario government on the scope of the review.

## Government of Ontario

### Main Estimates, Operating Expenses<sup>17</sup>

(Dollar Value)

<b>Ministry<sup>18</sup></b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual<sup>19</sup></b>
Aboriginal Affairs	67,664,514	61,619,514	62,004,425	86,464,939
Agriculture, Food and Rural Affairs	759,146,014	653,709,314	632,652,034	611,272,926
Attorney General	1,657,747,014	1,647,442,614	1,618,067,316's	1,610,029,942
Cabinet Office	28,744,714	26,775,314	26,684,946	27,207,623
Children and Youth Services	4,233,470,814	4,150,716,114	3,986,946,379	4,025,570,006
Citizenship and Immigration	181,395,828	177,453,828	200,940,167	177,600,539
Community and Social Services	10,772,630,414	10,163,720,214	9,722,097,001	9,348,331,833
Community Safety and Correctional Services	2,417,871,287	2,264,328,887	2,235,551,887	2,216,788,821
Consumer Services	25,160,614	23,961,514	20,386,868	19,326,892
Economic Development and Innovation	1,052,373,328	949,933,828	945,800,554	939,344,645
Education	24,867,364,414	24,621,777,714	24,311,835,548	23,036,308,493
Energy	1,180,871,214	1,119,714,414	1,101,517,192	1,295,790,070
Environment	329,212,114	321,556,314	317,027,567	366,328,490
Finance	12,884,143,114	12,094,419,087	11,310,513,691	12,561,597,525
Francophone Affairs, Office of	4,120,100	4,989,200	4,983,058	5,099,840

<sup>17</sup> [2014 Ontario Budget](#), Ministry of Finance, Government of Ontario. Note: Health Promotion and Sport were no longer included in 2013-2014 budget as separate categories as in the 2011-12 Budget. Same goes for Research and Innovation which has been agglomerated with Economic Development

<sup>18</sup> 2012-2013 numbers taken from 2013-2014 budget document (some slight discrepancies with 2012-2013 numbers as reported in the budget document).

<sup>19</sup> [2013 Ontario Budget](#), Ministry of Finance, Government of Ontario.

<b>Ministry<sup>20</sup></b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Dollar value				
Government Services	2,200,625,914	2,572,284,014	2,679,511,701	2,424,513,849
Health and Long-Term Care	49,421,337,460	48,402,468,960	47,063,832,143	46,197,107,102
Infrastructure	81,499,314	76,397,414	79,696,693	81,249,678
Labour	294,355,314	288,846,014	264,348,082	168,211,710
Lieutenant Governor, Office of the	1,329,500	1,313,700	1,334,554	1,192,629
Municipal Affairs and Housing	971,186,987	909,905,287	972,936,694	894,887,063
Natural Resources	496,464,014	530,288,614	605,412,679	650,167,352
Northern Development and Mines	349,207,314	264,560,514	301,283,643	329,141,904
Premier, Office of the	2,702,961	2,668,861	2,442,090	2,683,137
Tourism, Culture and Sport <sup>21</sup>	1,209,993,687	950,377,587	1,202,331,830	877,426,822
Training, Colleges and Universities	7,678,274,214	7,609,098,914	7,247,278,349	7,111,220,724
Transportation	884,131,514	786,793,514	733,166,699	1,035,360,283
<b>Total</b>	<b>124,053,023,690</b>	<b>120,677,121,263</b>	<b>117,650,245,458</b>	<b>116,100,224,837</b>

<sup>20</sup> 2012-2013 numbers taken from 2013-2014 budget document (some slight discrepancies with 2012-2013 numbers report in the budget document).

<sup>21</sup> In the 2011-12 Main Estimate calculation, the Ministry of Tourism, Culture and Sport did not include Sport or the Ontario Cultural Media Tax Credits. In the 2012-13 Main Estimates, the revised 2011-12 Main Estimate includes Sport, Recreation and Community Programs and Ontario Cultural Media Tax Credits in the calculation.

## Government of Ontario

### Ministry of Tourism, Culture and Sport<sup>22</sup>

(Dollar Value)

Operating Expense	2014-2015 Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-13 Actual	2011-2012 Actual
Ministry Administration Program	7,447,199	-48,901 -0.6%	7,496,100	9,117,603	5,728,594
Tourism Program	136,699,000	1,940,800 1.4%	134,758,200	161,252,708	190,459,119
Sport, Recreation and Community Program	50,665,000	101,000 .2%	50,564,000	51,384,842	50,074,308
Culture Program	247,171,600	2,860,000 1.2%	244,311,600	244,390,533	252,899,205
Ontario Trillium Foundation Program	115,001,000	- 0%	115,001,000	120,000,000	120,000,000
Ontario Seniors' Secretariat	-	-	4,994,500	4,019,500	10,481,597
Ontario Cultural Media Tax Credits	399,692,100	56,175,300 16.4%	343,516,800	577,712,087	225,213,452
Pan/Parapan American Games Secretariat	253,237,700	198,588,000 363.4%	54,649,700	47,968,900	22,477,819
Less Special Warrants	-298,139,300	-298,139,300	-	-	-
<b>Sub Total</b>	<b>911,774,200</b>	<b>-38,523,200 -4%</b>	<b>950,297,400</b>	<b>1,202,251,477</b>	<b>877,334,094</b>

<sup>22</sup> [The Estimates 2014-15 – Ministry of Tourism, Culture and Sport](#), Ministry of Finance, Government of Ontario

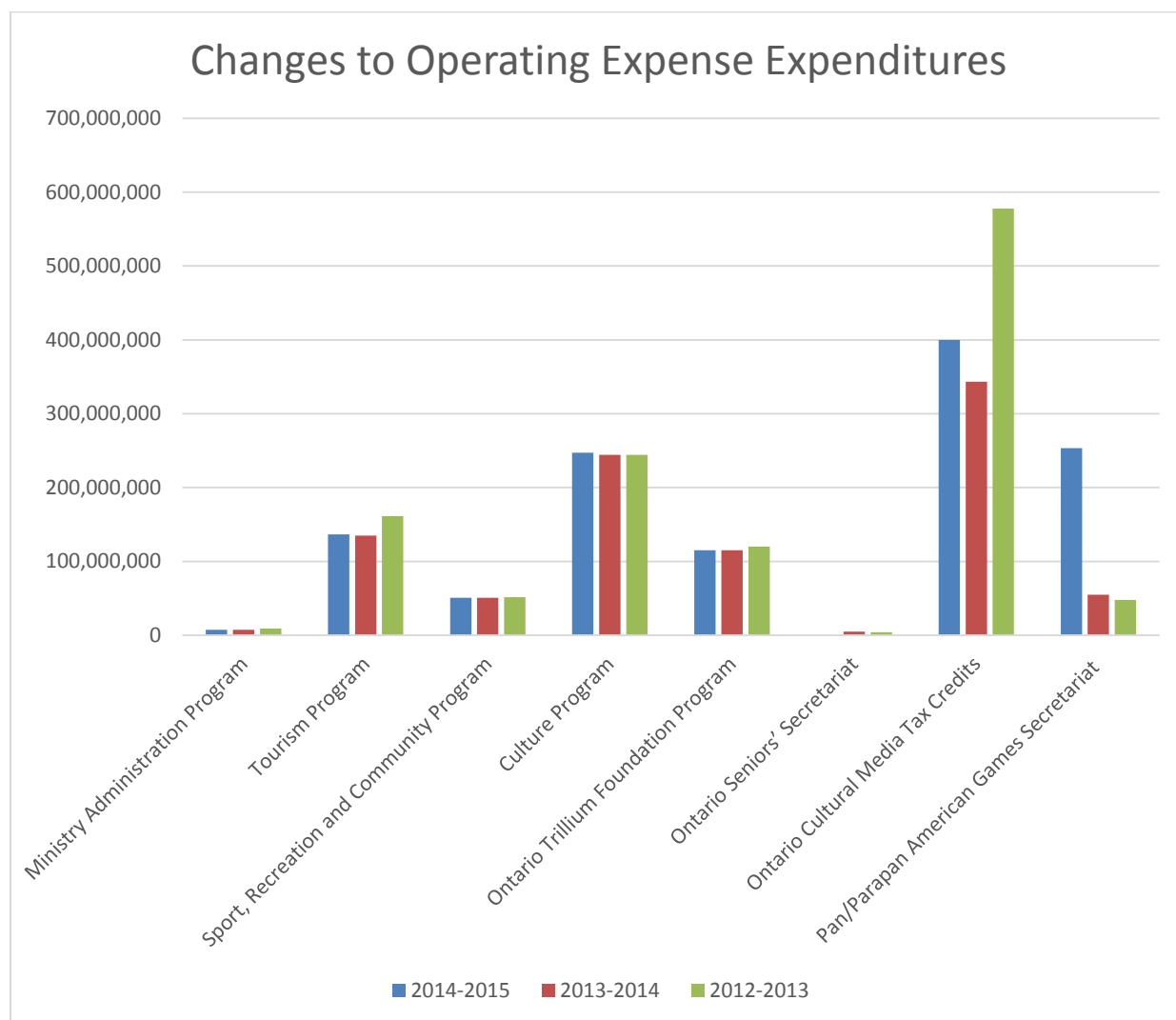
<b>Capital Expense</b>	<b>2014-2015 Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actual</b>	<b>2011-2012 Actual</b>
Ministry Administration Program	2000	- 0%	2,000	2,000	
Tourism Program	1000	- 0%	1,000	1,000	-
Tourism and Culture Capital Program	47,541,900	-19,662,600 -29.2%	67,204,500	51,657,576	157,904,029
Culture Program	1000	- 0%	1,000	1,000	-
Pan/Parapan American Games Secretariat	1,548,000	1,547,000 1,547.00%	1,000	217,846,869	33,446,987
Less Special Warrants	-13,594,000	-13,594,000	-	-	-
<b>Sub Total</b>	<b>35,499,900</b>	<b>-31,709,600 -47.2%</b>	<b>67,209,500</b>	<b>269,504,445</b>	<b>194,351,016</b>
<b>Ministry Total Operating and Capital</b>	<b>1,835,779,387</b>	<b>358,395,100 24.2%</b>	<b>1,477,384,287</b>	<b>1,782,097,771</b>	<b>1,071,685,110</b>

## Government of Ontario

### Ministry of Tourism, Culture and Sport

#### Changes to Operating Expense Expenditures

(In millions of dollars)





## Government of Ontario

### Culture Programs, Operating Expenses<sup>23</sup>

(Dollar Value)

<b>Culture Program</b>	<b>2014-2015 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>
Salaries and Wages	10,392,600	10,392,600	10,482,100
Employee Benefits	950,700	950,700	950,700
Transportation and Communication	430,600	185,600	430,600
Services	1,701,300	1,390,800	3,123,100
Supplies and Equipment	379,400	139,400	379,400
<b>Transfer Payments</b>			
Arts Sector Support <sup>24</sup>	10,043,200	6,795,000	14,620,800
Heritage Sector Support	5,930,600	6,656,400	8,320,100
Libraries Sector Support	28,594,600	29,169,100	25,969,100
Cultural Agencies Support	-	2,048,500	2,048,500
Art Gallery of Ontario	21,072,300	20,758,800	20,970,700
McMichael Canadian Collection	3,328,800	3,078,000	3,109,400
Ontario Arts Council	59,937,400	59,937,400	59,937,400
Ontario Media Development Corporation	22,950,300	22,950,300	23,950,300
Ontario Heritage Trust	4,159,300	4,033,900	4,075,000

<sup>23</sup> [The Estimates 2014-15 – Ministry of Tourism, Culture and Sport](#), Ministry of Finance, Government of Ontario

<sup>24</sup> No explanation was given in official documents about the reason for these large fluctuations, but Ministry officials advised in personal communications that the reduction in the budget line from 2012-13 to 2013-14 reflected one time funding in 2012-13 to the Ontario Cultural Attractions Fund and the Arts Investment Funds (\$9M total) and other smaller initiatives.

<b>Transfer Payments</b>	<b>2014-2015 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>
Ontario Science Centre	19,364,100	18,955,400	19,189,300
Royal Botanical Gardens	4,036,000	3,722,500	3,760,500
Royal Ontario Museum	27,280,900	26,967,400	27,242,600
Science North	6,828,900	6,640,800	6,708,500
Southern Ontario Library Service	3,145,800	3,133,300	2,694,600
Ontario Library Service North	1,645,800	1,566,700	1,505,500
Cultural Community Support	-	-	2,500,000
Ontario Music Fund	15,000,000	15,000,000	-
<b>Total</b>	<b>247,171,600</b>	<b>244,511,600</b>	<b>241,967,200</b>

## Government of Ontario

### Tourism Program<sup>25</sup>

(Dollar value)

	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Estimates</b>	<b>Estimates</b>	<b>Estimates</b>	<b>Estimates</b>
<b>Salaries and Wages</b>	12,616,000	12,819,200	13,067,600	11,954,400
<b>Employee Benefits</b>	1,929,200	1,760,600	1,645,700	1,592,000
Transportation and Communication	536,500	536,500	520,100	681,100
Services	4,337,400	4,275,000 <sup>26</sup>	9,869,600	3,872,300
Supplies and Equipment	959,600	995,600	736,900	862,900
<b>Transfer Payments</b>				
Grants in Support of Tourism Investment Development	5,000,000	5,000,000	7,950,000	19,230,000
Grants in Support of the Festival and Event Attractions and Support Program	22,260,000	19,921,000	19,792,000	19,792,000
Grants in Support of Tourism Regions	40,000,000	40,000,000	58,750,000	65,000,000
Ontario Tourism Marketing Partnership Corporation	39,867,500	40,117,500	41,510,200	42,762,800
Ontario Place Corporation	2,070,000	2,210,000	5,510,000	-
St. Lawrence Parks Commission	7,122,800	7,122,800	7,126,200	7,271,400
<b>Total</b>	<b>136,699,000</b>	<b>134,758,200</b>	<b>166,478,300</b>	<b>173,018,900</b>

<sup>25</sup> [Tourism Program Vote 3802](#). Government of Ontario, 2014

<sup>26</sup> These reductions were due to ongoing cuts announced in the 2012-13 Budget which closed travel information centres in favour of more reliance on the internet, and reduced budgets for regional attractions.

## Government of Ontario

### Grants

[Cultural Strategic Investment Fund](#) provided financial assistance to arts, culture or heritage organizations and libraries for specific projects. It was terminated on March 31, 2013 and was replaced by the [Culture Development Fund](#), which is intended to strengthen cultural organizations and their leadership.

[Community Museum Operating and Pay Equity Grants](#) provides eligible museums with operating funds.

[Ontario Music Fund](#) is a \$45 million grant program spread over three years beginning in 2013-14. The purpose of the Ontario Music Fund is to create jobs, build on opportunities for industry growth and help the Ontario music industry better align with current industry trends and priorities. It is intended to complement the Live Music Strategy, put in place in 2012-13.

### Ontario Cultural Media Tax Credits<sup>27</sup>

(Dollar value)	2014-15 Estimates	2013-14 Estimates	2012-13 Estimates	2011-12 Actual <sup>28</sup>
Ontario Book Publishing Tax Credit	3,861,100	3,270,900	2,762,500	N/A
Ontario Computer Animation and Special Effects Tax Credit	23,137,400	21,720,000	14,884,300	N/A
Ontario Film and Television Tax Credit	156,030,500	141,943,400	105,000,000	N/A
Ontario Interactive Digital Media Tax Credit	61,158,700	26,808,400	13,707,300	N/A
Ontario Production Services Tax Credit	154,607,000	149,159,000	89,000,000	N/A
Ontario Sound Recording Tax Credit	897,400	614,100	784,700	N/A
<b>Total</b>	<b>399,692,100</b>	<b>343,516,800</b>	<b>226,238,700</b>	<b>225,213,452</b>

<sup>27</sup> [The Estimates 2014-15 – Ministry of Tourism, Culture and Sport](#), Ministry of Finance, Government of Ontario

<sup>28</sup> There is no breakdown available for the 2011-12 fiscal year; in the document, only a total for all Ontario Media Tax Credits was provided.

## Children's Activity Tax Credit

Parents can claim up to \$526 in eligible expenses and get up to \$52.60 back for each child under 16 who is enrolled in activities such as painting classes, soccer, hockey, or music lessons.<sup>29</sup> Activities that are free of charge or which are part of the school curriculum are not eligible for the Children's Activity Tax Credit.<sup>30</sup>

Activities eligible for the federal Children's Fitness Tax Credit and Ontario's Children Activity Tax Credit:	Additional organized or instructional activities eligible for Ontario's Children's Activity Tax Credit:
<ul style="list-style-type: none"> <li>• Adapted fitness for youth with disabilities</li> <li>• Aerobics</li> <li>• Badminton</li> <li>• Ballhockey</li> <li>• Baseball</li> <li>• Basketball</li> <li>• Biking</li> <li>• Curling</li> <li>• Dodgeball</li> <li>• Figure skating</li> <li>• Floorhockey</li> <li>• Football</li> <li>• Golf</li> <li>• Gymnastics</li> <li>• Hockey</li> <li>• Horseback riding</li> <li>• Ice Skating</li> <li>• Karate</li> <li>• Kickboxing</li> <li>• Lacrosse</li> <li>• Running</li> <li>• Skiing</li> <li>• Soccer</li> <li>• Snowboarding</li> <li>• Squash</li> <li>• Swimming</li> <li>• Tennis</li> <li>• Track and field</li> <li>• Volleyball</li> <li>• Water Polo</li> </ul>	<ul style="list-style-type: none"> <li>• After-school extracurricular activities</li> <li>• Cadets</li> <li>• Chess</li> <li>• Choir</li> <li>• Cooking for kids</li> <li>• Cardiopulmonary resuscitation</li> <li>• Crafts</li> <li>• Dance</li> <li>• Drama</li> <li>• Drawing</li> <li>• First Aid</li> <li>• Gardening for kids</li> <li>• Girl Guides</li> <li>• Languages</li> <li>• Leadership development</li> <li>• Lifeguarding</li> <li>• Music composition and theory</li> <li>• Musical instruments</li> <li>• Non-medical therapeutic activities for children with a disability</li> <li>• Painting</li> <li>• Photography</li> <li>• Pottery</li> <li>• Public speaking</li> <li>• Scouts</li> <li>• Sculpture</li> <li>• Sewing</li> <li>• Tutoring</li> <li>• Voice lessons</li> </ul>

<sup>29</sup> Government of Ontario. [Children's Activity Tax Credit.](#)

<sup>30</sup> Government of Ontario. [Children's Activity Tax Credit: Eligible Activities.](#)

## Ontario Arts Council (OAC)

The Ontario Arts Council is a publicly funded, independent agency. Its mission is to “promote and assist the development of the arts for the benefit and enjoyment of all Ontarians.”<sup>31</sup> The budget for the Ontario Arts Council held steady at \$59, 937,400 million in the 2014-15 fiscal year.

## List of OAC Granting Programs

An alphabetical list of Granting Programs can be found on the OAC website at [this link](#).

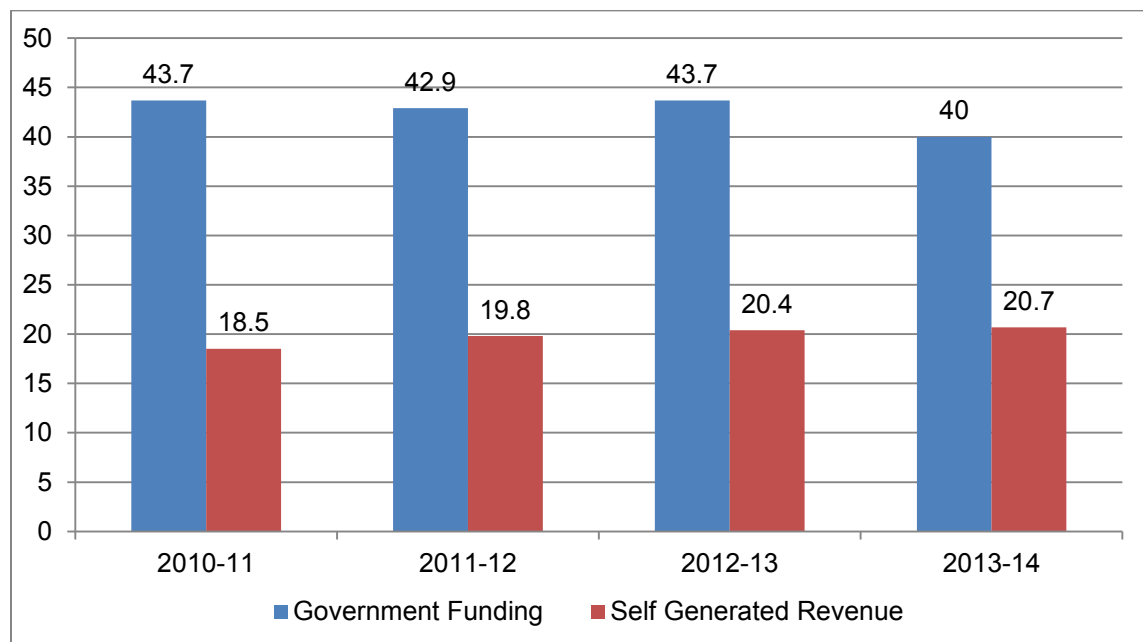
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<sup>31</sup> “About the Ontario Arts Council” from the OAC Grant Survival Guide

## TV Ontario<sup>32</sup>

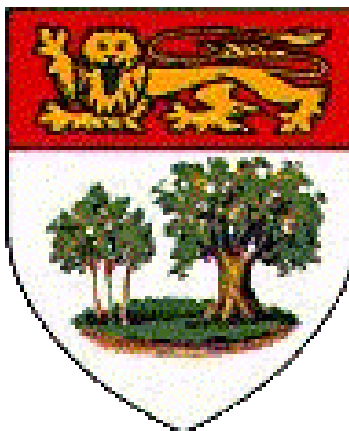
### Revenue

(In millions of dollars)



Government Funding	Self Generated Revenue
<p>In 2013-14, total government funding (under the Education vote) fell to \$40.046 million from \$ 43.7 million in the previous year.</p> <p>TVO decommissioned 33 additional low power retransmission towers, creating operating cost savings to be redeployed for growth of Digital Education and Current Affairs.</p>	<p>In 2013-14, 41,104 Ontarians donated to TVO, contributing \$7.2 million in revenues.</p> <p>The Independent Learning Centre (distance education facility) generated \$13.188 million in 2013-14, a slight increase over 2012-13.</p> <p>In 2013-14, a sales agreement with Bell Mobility was signed to deliver children's programming directly to mobile devices.</p> <p>Continued digital advertising revenues realized through TVO's YouTube channel.</p>

<sup>32</sup> [TV Ontario Annual Report 2013-14](#)



## PRINCE EDWARD ISLAND

Real GDP Growth: 2.0% (2013)

Revenue from Federal Transfers (percent of total): 34% (2014-2015)

Population: 146,300 (2014)

**2014**



## Budget Overview

### **Fiscal Context**<sup>1</sup>

- The 2014-2015 Provincial Budget for Prince Edward Island was presented by Hon. Wes Sheridan, Minister of Finance, Energy and Municipal Affairs and Chair of Treasury Board on April 8, 2014.
- In the Budget Speech 2014, Minister Sheridan highlights that the deficit in 2013-2014 was projected to be \$58.9 million but in fact was reduced to \$51.9 million, and that the 2014-2015 budget will further reduce the deficit to \$39.7 million.
- In PEI's recovery from the 2008 crisis, pension reforms were implemented, the HST was introduced, Government expenditures were restrained, and operations were made more-efficient. Other positive changes include:
  - Manufacturing shipments from PEI increased 9.8 % in 2013, while international exports have increased 6.3 %. The total value of retail sales increased 1.3 % in 2013.
  - Total Capital spending totalled over \$1 billion in 2013, an increase of 7.1 %, due to increases in both construction activity and machinery acquisitions.
  - PEI continues to advance toward the economic goals of reaching an employment level of 75,000 and raising the value of the economy to \$6 billion by 2016, and these goals are on track to be achieved. Employment averaged 74,100 people in 2013, an increase of 1.8 percent from 2012.
  - PEI consistently has had one of the highest labour force participation rates among the provinces, third to the resource-rich economies of Alberta and Saskatchewan.
  - The Island economy expanded by an estimated 1.5 % in 2013. The tourism industry was expected to support growth in 2014, due to increased tourism for the 150 anniversary of the Charlottetown Conference celebrations.
- Revenues were expected to increase by 3.3% over last year's Budget, while total expenditures were anticipated to increase by 2.0%.

### **Spending Priorities and Highlights**

#### **Main Priorities:**

- Healthcare
- Community Services & Seniors
- Education & Early Childhood Development
- Innovation & Advanced Learning
- Agriculture, Forestry, Fisheries & Tourism

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<sup>1</sup> [2014 Budget Address](#), The Hon. Wesley J. Sheridan, Minister of Finance, Energy and Municipal Affairs. Government of PEI April 8, 2014.

- Finance, Justice & Environment
- Transportation & Infrastructure
- Economy and Interest

Highlights:

- Budget 2014 highlights the continuation of the three-year plan to achieve a balanced Budget by 2016. Revenues will grow by 3.3% this coming year. The fundamentals of the Three-Year Plan are:
  - departments maintain spending at current levels;
  - health expenditures have moderate increases; and
  - pension expenditures are put on solid footing
- Among the larger-cost new budget initiatives: the Island Community Fund has been extended to 2014-2015 with a budget of approximately \$2.3 million.
- **Health:**
  - In the past year, a new Provincial Chief Mental Health and Addictions Officer was appointed. Her first task will be to develop a long-term strategy to transform the way mental health services are delivered in the Province. \$1.2 Million has been allocated to address concerns related to drug abuse.
  - Budget 2014 allocates approximately \$400,000 for the purchase of insulin pumps and supplies
  - Government has launched the Triple P Program, which stands for Positive Parenting Program. This is a system that assists parents by providing proven parenting solutions.
  - As a small island, the government recognizes the important of subsidizing travel to other provinces for health care transportation costs to their healthcare provider.
  - Islanders can now apply to have their high-cost drugs covered by the Catastrophic Drug Program. Over \$8 million will be provided to Islanders needing these expensive prescription medications.
- **Education:**
  - Since 2007, investments in Education and Early Childhood Development having increased by 36% to \$231 million.
  - As a result of the Preschool Excellence Initiative, Early Years Centres have been developed, which will receive approximately \$8million.
- PEI will establish the Province's first wilderness park, which will provide educational and recreational opportunities for Islanders.

## Impacts on the Cultural Sector

- In the 2012 Budget, funding was announced for *P.E.I. 2014*, an initiative intended to celebrate the 150<sup>th</sup> anniversary of the Charlottetown Conference, and this contributed to a 76% increase (\$ 7.1M) to the Department of Tourism and Culture's budget in 2013. Most of that was for 2014 celebrations and renovations to Confederation Centre. As the Minister of Finance stated:

“Over the past 18 months, communities from all corners of the Province have been able to participate in the PEI 2014 fund. Community groups are taking the opportunity to celebrate PEI heritage across the Island with projects of historical significance as part of the historic Charlottetown Conference of 1864. Over 160 projects will give communities the ability to showcase local arts and culture, enhance streetscapes, and enable dialogue about our past and our future.”<sup>2</sup>

- The PEI tourism advisory council set a goal of reaching \$500 million in tourism revenue by 2015.
- The expanded Prince Edward Island Convention Centre opened in 2013. Meetings PEI projected 24,000 delegates in 2014 compared to 12,000 in 2013.
- In the 2014-15 Budget, the Department of Tourism and Culture received a 7.8% increase in its allocation, much of which was to be spent on increased administrative, professional, contract, and travel expenditures within the Department.
- The Culture and Heritage Grants Program received a 10.4% increase, and the P.E.I. Museum and Heritage Foundation allocation also rose by 5.4%.

## Reactions to the budget from the Cultural Sector Perspective

**Contextual note:** *There was little reaction from the cultural community to the 2014-15 Budget, in contrast to the previous year, when a 66% increase to the Department of Tourism and Culture allocation had been announced in order to fund the year-long celebrations in 2014 of the 150<sup>th</sup> anniversary of the Charlottetown Conference. In the previous year (2012-13), some anxiety had been expressed by the cultural community about future levels of cultural funding after the 2014 celebrations were over.*

CBC News, “[Budget shows ‘government loves to party’](#)”, April 9, 2014 - (accessed November 26, 2014).

- The news item quotes Opposition leader Steven Myers’ reaction to the PEI 2014-15 Budget, which he said shows that the government’s main priority is partying.

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<sup>2</sup> [2014 Budget Address](#), The Hon. Wesley J. Sheridan, Minister of Finance, Energy and Municipal Affairs. Government of PEI April 8, 2014.

- It also notes that this is the third year that the government is holding the line on spending, but that the Department of Tourism and Culture received a 66% increase in 2013-14 and a further 7.8% increase in 2014-15.
- This money is funding the *PEI 2014* celebrations, marking the 150<sup>th</sup> year since the 1864 Charlottetown Conference which led to Confederation.

Alec Bruce, "[Island's tallyman has his day](#)", *atlanticbusinessmagazine.com*, November/December 2014, pp. 97-101 - (accessed November 26, 2014).

- The article focused on the good news coming out of the PEI 2014-15 Budget, which projects that the province will be deficit-free sometime in 2015-16. It added that in July 2014, the province received an Aa2 debt rating from Moody's Investor Services.
- It noted that "Since the early 1990s, Prince Edward Island has been slowly, but deliberately, transforming itself from a traditional farming and fishing society to a fundamentally knowledge-based one" (p. 100). While culture was not mentioned as one of these knowledge industries, the pattern of investment, with both Tourism and Culture and Innovation PEI receiving budget increases, seemed to suggest that it was included.

Jim Day, "[Prince Edward Island Tourism minister says 2014 shaping up to be 'banner year'](#)", *The Guardian*, March 1, 2014 - (accessed November 26, 2014).

- The Minister of Tourism, Robert Henderson, was quoted as being optimistic about tourism in 2014 due to the drop in the value of the Canadian dollar and the fact that the province would be in "party mode" throughout the year with over 150 events and festivals being held to mark the 125<sup>th</sup> anniversary of the Charlottetown Conference.

Teresa Wright, "[Tourism operators hope \\$29M spent on 2014 draws visitors](#)", *The Guardian*, June 5, 2014 - (accessed November 26, 2014).

- The article states that the 150<sup>th</sup> anniversary of the Charlottetown Conference was expected to cost \$29 million in total - \$18.5 million from the province, and the balance from the federal and municipal governments, with some corporate sponsors.
- Tourism Minister Robert Henderson was quoted as saying that the \$29 million was only one third of one per cent of the total provincial budget, but also acknowledged that the optics of this spending may have been "tricky" as other departmental budgets have been frozen for three years.
- The Minister, however, pointed out that the investment in PEI's tourism sector will generate revenues in the years to come, stating that "Investing in tourism and culture will generate tax revenue back."

## Government of Prince Edward Island

### Main Estimates<sup>3</sup>

<b>Department (dollar value)</b>	<b>2014-2015 Budget Estimate</b>	<b>2013-2014 Budget Forecast</b>	<b>2013-14 Budget Estimate</b>	<b>2012-13 Budget Estimate</b>	<b>2011-12 Budget Estimate</b>
Agriculture and Forestry	36,785,700	34,906,800	36,367,000	37,531,700	38,644,400
Community Services and Seniors	96,286,700	94,668,900	97,441,000	93,133,800	92,057,700
Interministerial Women's Secretariat	438,600	425,500	424,900	424,900	435,600
Education and Early Childhood Development	232,215,700	231,670,700	230,885,200	229,237,300	226,703,000
Island Regulatory and Appeals Commission	1,200,300	1,358,300	1,358,300	1,358,300	1,400,300
Environment, Labour, and Justice	62,077,300	60,703,800	60,599,600	59,894,900	56,993,800
Executive Council	9,224,100	8,935,100	8,752,700	8,823,500	9,377,700
Finance, Energy and Municipal Affairs	68,608,800	66,570,700	65,906,600	65,640,100	67,888,200
Council of Atlantic Premiers	188,400	188,400	188,400	188,400	188,400
Employee benefits	47,432,700	67,087,500	46,770,100	64,760,600	38,942,800
General Government <sup>4</sup>	11,550,000	5,173,500	12,278,100	7,758,900	3,506,800
Fisheries, Aquaculture and Rural Development	9,962,100	9,883,600	9,862,100	10,307,100	13,394,800
Employment Development Agency	5,506,800	5,466,800	5,506,800	5,731,800	5,328,100
Health and Wellness	12,535,300	12,042,400	12,367,700	12,864,300	13,591,700
Health PEI	581,134,300	573,062,700	565,701,700	542,794,200	518,100,100
Innovation and Advanced Learning	115,711,400	122,549,800	122,693,000	123,483,700	121,502,100
Innovation PEI	24,710,200	23,710,200	21,710,200	22,320,200	23,423,000
Tourism and Culture	17,877,700	16,587,200	16,565,200	9,943,000	8,614,300
Tourism PEI	15,417,300	15,320,600	15,444,800	15,534,400	15,114,500
Transportation and Infrastructure Renewal	98,621,100	104,106,500	101,276,200	102,543,400	113,093,800

<sup>3</sup> [2014-15 Budget Estimates](#), Government of PEI.

<sup>4</sup> The increase is due mostly to funding of unforeseen program requirements and projected salary negotiations within the public service.

<b>Department</b> (dollar value)	<b>2014-2015 Budget Estimate</b>	<b>2013-2014 Budget Forecast</b>	<b>2013-14 Budget Estimate</b>	<b>2012-13 Budget Estimate</b>	<b>2011-12 Budget Estimate</b>
Auditor General	1,849,000	1,786,100	1,799,100	1,770,100	1,752,800
Legislative Assembly	5,073,100	4,842,700	4,842,700	4,860,300	6,311,500
P.E.I Public Service Commission	7,545,800	7,235,500	7,400,000	7,696,400	8,112,100
<b>Total Expenditure</b>	<b>1,656,923,600</b>	<b>1,644,045,400</b>	<b>1,624,430,100</b>	<b>1,595,125,100</b>	<b>1,384,477,500</b>

## Government of Prince Edward Island Department of Tourism and Culture

### Main Estimates<sup>5</sup> (Dollar Value)

Branch	2014-2015 Budget Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-13 Estimate	2011 -12 Estimate
<b>General Administration</b>	421,800	4,300 1%	417,500	420,200	428,400
<b>Provincial Libraries</b>	2,943,800	-8,300 -0.3%	2,952,100	2,935,900	2,984,700
<b>Culture and Heritage</b>					
Administration	57,800	48,800 542.2% <sup>6</sup>	9,000	10,000	10,00
Equipment	700	0 0%	700	700	700
Materials, Supplies and Services	2,800	-200 -6.7%	3,000	3,000	3,000
Professional and Contract Services	6,600	1,300 24.5%	5,300	5,300	5,300
Salaries	193,000	-4100 -2%	197,100 <sup>7</sup>	294,000	288,800
Travel and Training	5,600	700 14.3%	4,900	12,100	13,400
Grants	12,550,100	1,180,000 10.4%	11,370,100	4,637,700	3,238,200
<b>Total Cultural Affairs</b>	12,816,600	1,226,500 10.6%	11,590,100	4,962,800	3,559,400
<b>Culture and Heritage Subtotal</b>	13,323,300	1,233,300 10.2%	12,090,000	5,462,000	4,047,000
<b>PEI Museum &amp; Heritage Foundation</b>					
Materials and Supplies	3,800	-34.4%	5,800	5,800	5,800
Salaries	1,122,000	58,200 5.5%	1,063,800	1,063,600	1,048,400
Grants	63,000	5,000 8.6%	58,000	55,500	100,000

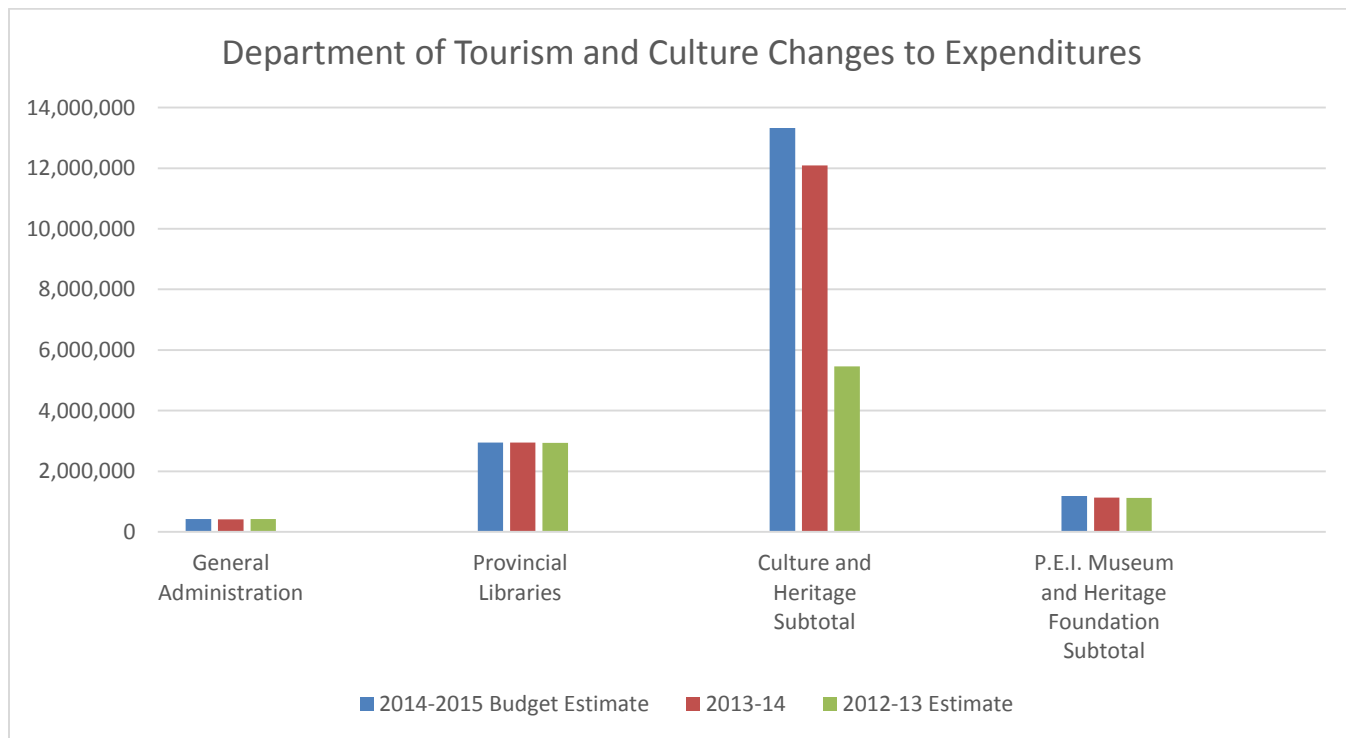
<sup>5</sup> Government of PEI, [Estimates of Revenue and Expenditures 2014-15](#), pp. 117-122.

<sup>6</sup> We could not confirm the cause of this substantial increase but are assuming that it is related to the *PEI 2014* initiative.

<b>Branch</b> (Dollar value)	<b>2014-2015 Budget Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2013-14 Estimate</b>	<b>2012-13 Estimate</b>	<b>2011 -12 Estimate</b>
<b>P.E.I. Museum and Heritage Foundation Subtotal</b>	1,188,800	61,200 5.4%	1,127,600	1,124,900	1,154,200
<b>Total</b>	<b>17,877,700</b>	<b>1,290,500 7.8%</b>	<b>16,587,200</b>	<b>9,943,000</b>	<b>8,614,300</b>

## Department of Tourism and Culture

### Changes to Expenditures





## Grants and Funding Administrators

**Prince Edward Island Council of the Arts** is primarily funded by the Department of Tourism and Culture. The Council is partially responsible for administering arts programs including ArtsSmart and LEAP (Learning Elders Arts Program) as well as a series of grants for individual artists. The Council offers three grant programs; [Professional Development Grants](#), [Creation/Production Grants](#) and [Dissemination/Presentation Grants](#).<sup>8</sup>

**Community Cultural Partnership Program** is administered directly by the Department of Tourism and Culture to fund community organizations that promote heritage and culture in the province.<sup>9</sup>

**Island Media Arts Cooperative** is funded by a range of sources including the Canada Council for the Arts and the National Film Board. The Department of Tourism and Culture's Cultural Partnership Program has given funding to specific projects including the Island Media Arts Festival.<sup>10</sup>

**Music PEI** Since 1998 Music PEI has administered funding to the Island's music industry on behalf of the Department of Tourism and Culture. Music PEI is responsible for three grant programs; [Emerging Music Program](#) (up to \$1,500 per applicant), [Export Development Program](#) (up to \$3,000 per applicant) and the [Career Investment Program](#) (\$16,000 two year program).<sup>11</sup>

## Innovation PEI

*Innovation PEI* support's the provincial economy by investing in industries with the greatest amount of potential growth. The program is currently targeting aerospace, bioscience, information technology, financial services and renewable energy. There are programs within the service that give assistance to local craftspeople and artists in Prince Edward Island including the Craft Development Program and Craft Education Award Program.<sup>12</sup> Innovation PEI has a budget of \$24.7 million for the 2014-15 fiscal year.

### **Expenditure Estimates**

(Dollar Value)

Branch	2014-2015 Estimate <sup>13</sup>	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
Corporation Management	951,900	794,400	835,300	677,400
Business Development	23,350,300	20,507,800	20,876,900	22,090,100
Biofoodtech	408,000	408,000	608,000	655,500
<b>Total</b>	<b>24,710,200</b>	<b>21,710,200</b>	<b>22,320,200</b>	<b>23,423,000</b>

<sup>8</sup> [PEI Arts Council](#),

<sup>9</sup> Government of PEI, [Department of Tourism and Culture, Community Cultural Partnership Program](#),

<sup>10</sup> [Island Media Arts Cooperative](#),

<sup>11</sup> [Music PEI](#), n.d.

<sup>12</sup> [Innovation PEI](#), n.d.

<sup>13</sup> Government of PEI, [Estimates of Revenue and Expenditures 2014-15](#), p. 113.

## Innovation PEI Programs

**Craft Development Program** assists provincial craftspeople by partially funding costs to support the sector's economic vitality. Provincial craftspeople can apply for funding to cover the costs of research and development, skill development and marketing including the costs associated with attending tradeshow. The program covers 75% of costs up to \$1,000.<sup>14</sup>

**Craft Education Award Program** Full time craft students are eligible to receive up to \$5,000 to cover the costs of tuition, books and materials related to their educational pursuits. Students can also apply for summer work placements. Innovation PEI will cover 75% of the student's hourly salary to a maximum of \$8.40 per hour.<sup>15</sup>

## Department of Education

**ArtsSmarts PEI** is the provincial branch of the national arts education program. The program is delivered in conjunction with the Department of Education, the Department of Tourism and Culture, the Prince Edward Island Council of the Arts, the Confederation Centre of the Arts, Commission Scolaire de Langue Française, the Western School Board, The Eastern School Board, the PEI Craft Council, the University of Prince Edward Island, the Capital Commission of PEI, the Federation culturelle de l'I.P.E, the Atlantic Technology Centre and the Eptek Centre.<sup>16</sup>

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<sup>14</sup> Government of P.E.I. Innovation PEI. 2013c. [Craft Development Program](#).

<sup>15</sup> Government of P.E.I. Innovation PEI, 2013c. [Craft Education Program](#).

<sup>16</sup> P.E.I. Arts Council, 2012.

## PEI 2014 Fund

PEI 2014 Inc. is a not-for-profit organization leading the planning and execution of the 150<sup>th</sup> anniversary celebration of the Charlottetown Accord in 2014. The Provincial Government of Prince Edward Island funds the organization, along with several major sponsors. The Board of Directors and Advisory Committee are comprised of local and provincial government officials, historians, artists, and entrepreneurs.<sup>17</sup> A total of 550 applications seeking \$28 million in funding were submitted to PEI 2014 Inc. during the application process, which closed on March 15, 2013.<sup>18</sup>

Type of Grant	Value	Purpose	Eligible Applicants
Small Grants with a Bold Vision	Up to \$2,014	For projects that cultivate participation in the Sesquicentennial and inspire creativity in communities throughout PEI	Arts and cultural organizations Community service groups Tourism associations Heritage and museum organizations Service organizations Sports organizations School organizations Municipalities Libraries Business improvement associations Civic community centre organization Cultural community centres
Midsized Grants that Capture the Imagination	Between \$2,015 and \$25,000	Projects that unite individuals and celebrate PEI's creative voice, history and heritage.	Incorporated not-for-profit organizations Incorporated organizations whose primary function is to benefit the community
Large Grants to Inspire all of us	Between \$25,001 and \$250,000	For projects that dream big, speak to the importance of the 2014 celebration, and inspire our nation	Incorporated not-for-profit organizations Incorporated organizations whose primary function is to benefit the community

<sup>17</sup> [PEI 2014 Inc.](#), .

<sup>18</sup> For a complete list of recipients, click on the appropriate section:

Large funds: [http://www.pei2014.ca/pei2014\\_fund\\_recipients\\_large\\_grants](http://www.pei2014.ca/pei2014_fund_recipients_large_grants)

Medium funds: [http://www.pei2014.ca/pei2014\\_fund\\_recipients\\_medium\\_grants](http://www.pei2014.ca/pei2014_fund_recipients_medium_grants)

Small funds: [http://www.pei2014.ca/pei2014\\_fund\\_recipients\\_small\\_grants](http://www.pei2014.ca/pei2014_fund_recipients_small_grants)



## QUÉBEC

Real GDP Growth: 1.0% (2013)

Revenue from Federal Transfers (percent of total): 27% (2014-15)

Population: 8,214,700 (2014)

**2014**

## Budget Overview

### **Fiscal and Societal Context**

- Québec did not produce a Budget in 2013, but in 2014 produced two. The first was tabled on February 20, 2014 by the minority Parti Québécois government.
- After the election of a majority Liberal government in April 2014, Québec Minister of Finance Carlos J. Leitão tabled the new government's fiscal 2014-15 budget on 4 June 2014.<sup>1</sup>
- The government predicted a \$2.35 billion deficit for 2014-15. However, the Québec Auditor-General estimated the real deficit at \$5.6 billion.<sup>2</sup>
- Québec's debt is now nearly \$200 billion or 55% of GDP.<sup>3</sup>
- A major campaign promise by the Liberals – to invest an additional \$15 billion in infrastructure spending over 10 years – was shelved.<sup>4</sup>

### **Spending priorities and highlights**

Highlights of the Budget were:

- A focus on economic recovery and deficit reduction with a projected return to a balanced budget in 2015-16;
- Creation of an Ongoing Program Review Committee and a Québec Taxation Review Committee to take stock of existing programs and tax measures and to find ways to improve them;
- A freeze on public sector staffing levels;
- A 21% reduction in tax assistance for businesses;
- New measures to fight tax evasion;
- An increase in the tobacco tax;
- Various measures to enhance innovation, tourism, northern development and develop the municipalities and regions.

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<sup>1</sup> [Budget 2014-15 Speech](#), Finance Minister Carlos J. Leitão, June 4, 2014.

<sup>2</sup> Tasha Kheiriddin, "[Quebec needs Dr. Couillard's prescription for harsh medicine](#)", *National Post*, June 5, 2014 – (accessed December 29, 2014).

<sup>3</sup> Idem, *ibidem*.

<sup>4</sup> Idem, *ibidem*.

Specific highlights in the Budget related to culture included:

- Creation of a new refundable tax credit of \$200 for physical, artistic, cultural and recreational activities for seniors;
- Creation of the *Avenir Mécénat Culture*<sup>5</sup> fund to provide sustainable funding for the [Mécénat Placements Culture](#) program;
- Investment of \$110 million in a digital culture strategy to help Québec's artistic and cultural communities adapt to new technologies and position their works in all regions and internationally;<sup>6</sup>
- A commitment to invest \$60 million over the next four years for the 375<sup>th</sup> anniversary of the founding of Montreal (contingent upon additional federal and private sector support);
- An investment of \$26.4 million in a tourism renovation project at Saint Joseph's Oratory.<sup>7</sup>

### Impacts on the Cultural Sector

The government's "Education and Culture mission" expenditures were projected to increase by 2.7% in 2014-2015 to \$20.665 billion.<sup>8</sup> Within this overall figure were a number of significant allocations to culture:

- Allocation of \$5 million from tobacco taxes to fund the *Fonds Avenir Mécénat Culture*, which is intended to stimulate more private sector donations to the cultural sector;<sup>9</sup>
- As part of the 2017 celebrations of Montreal's 375<sup>th</sup> anniversary, a planned \$100 million expansion of the Montreal Museum of Archaeology and History at Pointe-à-Callière;<sup>10</sup>
- An increase of \$2 million in 2014-15 and \$4 million in 2015-16 to the appropriation of the Ministère de la Culture et des Communications to help finance Québec's digital culture strategy.<sup>11</sup>

However, buried within the Budget's supplementary documents was a series of measures with a less positive impact on the sector: reductions in the tax credits for 28 different small business programs including:

<sup>5</sup> *Budget 2014-15: "Maintaining support for the municipalities and the regions"*, Press Release no. 7, Minister of Finance, June 4, 2014 (accessed October 15, 2014).

<sup>6</sup> \$100 million of this amount will come from the *Plan Québécois des infrastructures*.

<sup>7</sup> *The Budget at a Glance*; and *Budget 2014-15: "Maintaining support for the municipalities and the regions"*, Press Release no. 7, Minister of Finance, June 4, 2014 (accessed October 15, 2014).

<sup>8</sup> *Budget 2014-2015 Budget Plan*, "Consolidated expenditure by mission", p. A-14.

<sup>9</sup> *Budget 2014-2015 Budget Plan*, p. A-107. \$16 million from the tobacco tax is already allocated annually to the Québec Cultural Heritage Fund.

<sup>10</sup> *Budget 2014-2015 Budget Plan*, p. B-121.

<sup>11</sup> *Budget 2014-2015 Budget Plan*, p. B-139 and p. D-17.

- A 20% reduction in the refundable tax credit for the production of multimedia titles, from 30% to 24% in the case of commercial entertainment titles and from 26.25% to 21% for other titles such as occupational training works;<sup>12</sup>
- A 20% reduction in the refundable tax credit for design;<sup>13</sup>
- A reduction in the base rate for labour expenditures by Québec film and video producers for French language productions from 45% to 36%, and from 35% to 28% for other language productions, as well as a reduction in the additional tax credit for regional productions from 10% to 8%;<sup>14</sup>
- A reduction in the refundable tax credit for film production services for titles that do not satisfy the Québec content criteria from 25% to 20%, and the reduction of the additional tax credit for special effects and computer animation from 20% to 16%;<sup>15</sup>
- A reduction of the refundable tax credit for film dubbing from 35% to 28%;<sup>16</sup>
- A reduction in the refundable tax credit for sound recording production from 35% of the eligible labour expenditure from 35% to 28%;<sup>17</sup>
- A reduction in the refundable tax credit for the production of shows from 35% of eligible labour expenditures to 28%, and a reduction in the amount of the tax credit for an eligible show from \$1.25 million to \$1 million;<sup>18</sup>
- A reduction in the refundable tax credit for eligible labour costs in the preparation and digital publishing of books from 35% to 28% and for printing costs from 27% to 21.6%, with the maximum tax credit declining from \$437,500 to \$350,000;<sup>19</sup>
- A reduction in the refundable tax credit for eligible labour costs in the production of multimedia environments or events staged outside Québec from 35% to 28%, with the maximum tax credit declining from \$350,000 to \$280,000.<sup>20</sup>

In his fall update on the Québec's economic and financial situation, Minister Leitão announced a temporary recalculation of the refundable tax credit for Québec film and television production to take into account additional costs incurred when receiving interim funding while awaiting tax assistance. This will be in effect until January 1, 2017.<sup>21</sup>

<sup>12</sup> [Budget 2014-2015 – Additional Information on the Fiscal Measures of the Budget](#), June 2014, pp. 33-34.

<sup>13</sup> *Idem*, p. 31.

<sup>14</sup> *Idem*, pp. 44-47.

<sup>15</sup> *Idem*, p. 48.

<sup>16</sup> *Idem*, pp. 48-49.

<sup>17</sup> *Idem*, p. 49.

<sup>18</sup> *Idem*, pp. 49-50.

<sup>19</sup> *Idem*, p. 50.

<sup>20</sup> *Idem*, p. 51.

<sup>21</sup> Ministère des Finances, [Information Bulletin 2014-11 – Fiscal Measures Announced in the Update on Québec's Economic and Financial Situation](#), December 2, 2014, p. G-13. (accessed December 30, 2014).

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *While there was some positive reaction to the cultural measures announced in the Budget, the majority of commentary from Québec's cultural community was negative, particularly with regard to the reductions in the media tax credits. We have included in this section a selection of individual and institutional reactions to the impact of austerity measures on culture.*

La Société des musées du Québec, "Le budget du Québec 2014-2015: inquiétudes et morosité", le 9 juin 2014 - (accessed December 29, 2014).

- On October 1, 2013, the Minister of Culture and Communications announced enhancements to the Mécénat Placements Culture program, following from recommendations by the Task Force on Cultural Philanthropy: "Le programme vise à encourager les organismes à développer des méthodes de diversification de leurs sources de financement provenant des collectes de fonds. Le programme comprend trois volets. Le premier volet encourage la capitalisation à moyen et long terme; le second volet répond aux besoins de financement à court terme et le troisième volet vise à stimuler la diffusion d'activités artistiques à l'extérieur du Québec." Details of the program can be found here. The Société des musées du Québec found the guaranteed funding for this program that was announced in the 2014-15 Budget to be one of the few bright lights in an otherwise depressing outlook for Québec museums.
- With regard to funding for museums, the Société deplored that "ce premier budget d'un gouvernement libéral, bien en selle pour les quatre prochaines années, réduit à nouveau les budgets qu'il accorde aux musées d'État, mais préserve l'enveloppe déjà insuffisante consacrée à l'aide au fonctionnement des autres institutions du réseau muséal."
- On a more positive note, it welcomed the announcement of and investment in a Digital Cultural Strategy for Québec as it would help with digitization of museum collections.
- The Société was also happy to hear that previously announced infrastructure investments for the national museums had been retained: \$18.9 million for the Musée d'art contemporain de Montréal, \$45 million for the expansion of the Musée national des beaux-arts du Québec, and \$17 million for les Musées de la civilisation (Musée de la civilisation, Musée de l'Amérique francophone, Musée de la Place Royale, Musée historique Chevalier).
- It also commented favourably on the plans for an expansion of the Cité d'archéologie et d'histoire de Montréal and for renovations to l'Oratoire Saint-Joseph as part of the 2017 celebrations of the 375<sup>th</sup> anniversary of the founding of Montréal.

Society for the Celebration of Montréal's 375<sup>th</sup> Anniversary, *Press Release* – [2014-2015 Budget: the Québec government wholeheartedly committed to Montréal's 37<sup>th</sup> anniversary success](#), June 4, 2014 - (accessed December 29, 2014).

- Needless to say, the Society was pleased to hear that funding for the celebration had been confirmed, pronouncing itself "delighted with this commitment from the Québec government, which attests to the strategic importance of Montréal's 375<sup>th</sup> anniversary".

Sébastien Barangé, "[Le budget de la culture épargné](#)", *Les Affaires*, le 6 juin 2014 - (accessed December 29, 2014).



- The assessment in this article was mainly positive, suggesting that culture had been mostly spared in the Liberal's austerity Budget.
- The journalist commented favourably on the announcement of a new senior's tax credit for cultural and artistic activity, similar to the one already in place for children, the plans for Montréal's 375<sup>th</sup> anniversary, and the new digital culture strategy.
- However, he noted that many media businesses and organizations were worried by the announced reductions in tax credits.

Culture Montréal, "[Budget du Québec 2014-2015: une augmentation du budget pour le ministère de la Culture et des Communications, mais plusieurs éléments à surveiller](#)" - (accessed December 29, 2014).

- Culture Montréal commented favourably on the measures announced for the Montréal, including those linked to the 375<sup>th</sup> anniversary celebrations, the digital culture strategy for Québec, the permanent funding for the Fonds Avenir Mécénat Culture, the tax credit for seniors' cultural activities, and the increase in the budget for Télé-Québec.
- It was less positive about the cuts the national museums, and the decision to further study the expansion of the Cité d'archéologie et d'histoire de Montréal, as well as cuts to the Youth Action Strategy and to local development offices.
- The announcement of cuts to media tax credits was termed "une nouvelle très préoccupante", and the interim president of Culture Montréal, Gaétan Morency, was quoted as saying, "Non seulement la baisse de ces crédits d'impôt aura un effet direct sur le nombre des productions et possiblement leur qualité, mais également sur tous les acteurs de la chaîne. Il est donc à envisager que l'ensemble du milieu culturel se mobilisera pour faire en sorte que le gouvernement revoie sa décision afin de pouvoir continuer à accompagner adéquatement le développement et le rayonnement de la culture québécoise, en maintenant ces mesures structurantes".

CTV Montreal, "[Drinkers, smokers, civil servants to feel pinch in new Quebec budget](#)", June 4, 2014 - (accessed December 29, 2014).

- Montreal mayor, Denis Coderre, reacted negatively to the decision to slash tax credits to multimedia companies, stating that "I believe personally that the tax credit brings more investment to multimedia and movie industry so why do we lower it from 20 percent? I'm perplexed. They'll have to explain why they're doing that."

Association des réalisateurs et réalisatrices du Québec, *Communiqué* – [L'ARRQ s'inquiète des effets de la réduction des crédits d'impôt sur la production télévisuelle et cinématographique](#)", le 6 juin, 2014 - (accessed December 29, 2014).

- In reaction to the cuts in the media tax credits, Gabriel Pelletier, président of the ARRQ, stated that "Nous sommes persuadés que les effets se traduiront directement en perte d'emplois ou en détérioration de conditions de travail déjà précaires". He noted that the industry had already been weakened by reductions in federal subsidies and cuts at Radio-Canada and that "les crédits d'impôt pour productions cinématographiques et télévisuelles sont un investissement rentable et surtout un investissement à coût nul ... produisent de trois à cinq fois les revenus en activité économique."

Alliance québécoise des techniciens de l'image et du son, [\*Communiqué - Des coupures aux crédits d'impôt contreproductifs et néfastes pour l'industries du cinéma et de la télévision\*](#), le 5 juin 2014 - (accessed December 29, 2014).

- Bernard Arseneau and Jean-Claude of the Alliance declared that “Nous sommes catastrophés par la décision du gouvernement de couper aussi dramatiquement dans les crédits d'impôt pour la production cinématographique et télévisuelle”.
- They noted that the tax credits not only assisted local production but were instrumental in attracting foreign productions.
- They added that between 2010 and 2013 over 1,400 films and television productions had benefited from the tax credits and that the cuts would deprive the industry of hundreds of millions of dollars. In their view “cette annonce est véritablement catastrophique et va causer toute une pression à la baisse sur les conditions de tournage”.

Québec Danse, [\*Le premier budget Leitão\*](#), le 6 juin 2014 - (accessed December 29, 2014).

- The organization commented favourably on the \$3.3 million increase to the budget of the Ministère de la Culture et des Communications and the increase of \$933,400 to the allocation of the Conseil des arts et des lettres du Québec. It also listed without comment the cultural measures announced in the Budget Highlights.
- However, it noted that other announcements “risquent de faire mal et plus encore, d'ébranler des secteurs importants de la vie culturelle”. This referred to the 20% cut in the media tax credits.
- It added that it would remain vigilant in view of the fact that “Une commission permanente aura pour mandat d'étudier la pertinence de tous les programmes du gouvernement, y compris les programmes du ministère de la Culture et des Communication, en vue du prochain exercice budgétaire.”

Association nationale des éditeurs des livres, [\*Le gouvernement agit sans discernement et fragilise encore plus le domaine du livre\*](#), le 5 juin 2014 - (accessed December 30, 2014).

- The Association's reaction to the reduction in the book publishing tax credits was overwhelmingly negative. Its website indicated that “Pour la grande majorité des membres de l'ANEL, cette réduction du crédit d'impôt appliquée à l'édition de livres se traduira par une perte financière significative et aura comme conséquences une réduction forcée du nombre de parutions et des pertes d'emplois.”
- The president of the Association, Jean-François Bouchard, stated that “Pour le gouvernement d'un premier ministre qui disait se préoccuper de ce domaine culturel, mais refusait d'aller de l'avant avec une réglementation du prix du livre, voilà un pas dans la mauvaise direction.”

On Screen Manitoba, [\*Cut in Quebec Film and Multimedia Tax Credit\*](#), n.d. – (accessed December 4, 2014).

- This news item noted Mayor Denis Coderre's opposition to the plan to reduce media tax credits, which runs counter to his efforts to attract more film investment to Québec.

- It compared the Québec media tax credit cuts to Saskatchewan's termination of its film tax credit in 2012, which had had attracted many times more investment to that province than it had cost the treasury.

Marc Cassivi, "[Ce n'est pas le bon jour ...](#)", *La Presse*, le 5 juin 2014 - (accessed December 30, 2014).

- The item took a cynical view of the 20% reduction in the film tax credit, suggesting that it would likely be the "la mesure la moins décriée de ce budget. Payer plus cher mes bouteilles déjà trop chères à la SAQ: scandale! Rendre plus complexe la production déjà complexe de longs métrages québécois: bof! Que voulez-vous, comme disait l'autre. C'est l'époque."

Mario Cloutier, "[Crédits d'impôt: moins de livre, de CD et de films](#)", *La Presse*, le 6 juin 2014 - (accessed December 30, 2014).

- The article summarized reaction to the tax credit reductions from film producers and other cultural industry stakeholders.
- It noted that "Dans le milieu culturel, l'impact négatif total sera de 85 millions de dollars d'ici les trois prochaines années, soit plus du quart du montant de 370 millions que le gouvernement entend économiser avec cette mesure."
- It predicted that in the two fiscal years to 2016-2017, the sound recording industry would lose more than \$5 million and the book publishing industry \$3.3 million.
- The director general of ADISQ, Solange Drouin, was quoted as saying "Ce serait une catastrophe. Comment peut-on mettre sur un même pied les industries culturelles et les secteurs de la finance ou de l'aluminium?"

Frédérique Doyon, "[Demi-soulagement et vigilance face au budget - La baisse de 20 % du crédit d'impôt aux entreprises déçoit les milieux du livre et du cinéma](#)", *Le Devoir*, le 6 juin 2014 - (accessed December 30, 2014).

- The article noted that the cultural envelope was not gutted, but that the reduction in the media tax credits posted a threat to the vitality of the film and book industries.
- It noted that "L'Association québécoise de la production médiatique (AQPM), qui regroupe les producteurs indépendants en cinéma, télévision et Web, se dit « *sous le choc de la nouvelle* » et tente d'en mesurer les impacts".

François Shalom, "[Quebec's video game industry imperilled by cut to tax credits: Carrier](#)", *The Montreal Gazette*, June 16, 2014 - (accessed August 19, 2014).

- Martin Carrier, the vice-president of Warner Bros. Games Montreal (speaking in his capacity as head of Alliance Numérique, the video game and multimedia lobby group), was quoted as saying the reduction in the multimedia tax credit would imperil the future of Montreal's video game industry.
- He stated that "Before this (tax credit) program, the industry did not exist in Québec ... When I started out in 1997; there were barely a few hundred (video game) jobs here. Since 1997, 9,000 jobs have been created. And that spawned an entire eco-system (of suppliers), so that investment has been very profitable for them."
- In response to complaints about the reduction in tax credits, Minister Leitão was quoted as saying "we didn't abolish anything. They've still got 80 per cent."

Jeannette Kelly, "[Tax credit cuts could rattle future of Quebec gaming industry – Game producers look for efficiencies in wake of provincial tax credit cuts](#)", *CBC News*, July 7, 2014 - (accessed August 19, 2014).

- The news item quotes Eidos-Montreal's studio head, David Anfossi, as stating that "Tax credits are very useful and allow us to be competitive but last year, I decided the studio should focus on efficiency and stop looking at the tax credit to survive."
- This business model has reduced costs for the development by 25% in some instances.
- It also noted that Warner Brothers Games Montreal had negotiated certain guarantees in exchange for investing in Montreal in 2010 and had convinced the government to keep Warner Brothers' tax credit at the former level through 2019.
- The Minister of Finance's office confirmed that this agreement, which is contingent on job creation, would be closely monitored.
- Guillaume Provost, head of Compulsion Games, stated that "Tax credits were important 15 years ago to attract the industry to Montreal. Now we have a wide talent pool of game developers, but it's very difficult for an emerging company to get access to capital."

CBC News, "[Quebec's young video game makers look to Ontario – Tax credit cuts announced in June making it harder to be a small video gam company in Quebec](#)", August 15, 2014 - (accessed August 19, 2014).

- The news item indicated that many small video game companies are looking to move from Québec to Ontario where that tax credit is "upwards of 15 per cent and where the government offers support to new businesses on their first project."
- Martin Carrier, president of Digital Alliance is quoted as saying that "now there is little incentive for young people and companies to stay in Québec. These are the future Cirque du Soleil of video games, the CGI of video games. They're here, we need to help them. There's now a void in the programs now available to these companies."

CNW Telbec, "[Commission d'examen sur la fiscalité - La culture est un bien public gravement menacé par les coupes annoncées](#)", le 23 octobre 2014 - (accessed October 23, 2014).

- The news item reported that six associations, representing more than 25,000 Québec creators, artists, and artisans had tabled a submission to the Commission Godbout, which has been charged with examining Québec's fiscal situation.
- In it the associations stated that "Il est d'autant plus inconcevable de sabrer dans les crédits d'impôt que ces mesures ont fait la preuve de leur efficacité. Elles ont permis à des entreprises de production de voir le jour et de croître, à des créateurs, artistes et artisans de vivre de leur art et à leurs œuvres de rayonner ici et à l'étranger. Nos succès culturels sont souvent spectaculaires ce qui ne veut pas dire que les industries et les personnes qui font vivre la culture ne doivent pas continuer d'être soutenues financièrement. C'est un choix de société que le Québec a toujours fait, nous lui demandons de poursuivre dans cette voie qui bénéficie à l'ensemble de la société."

Etan Vlessing, "[Report: Quebec should restore multimedia tax credit rate](#)", *Playback*, October 23, 2014 – (accessed December 4, 2014)

- The news item reported on Montreal International's intervention before the Québec Taxation Review commission on behalf of the multimedia tax credit.

- The agency, which is Montreal's economic development arm, stated that "Today, thanks to the strategy used in recent years, Montreal International focuses on creativity and several sectors with high added value: video games, visual effects, aerospace, life sciences and health technology are good examples of niches in which the city today enjoys a global economic reputation."
- It noted that the tax credits for research and development, film and video production services, e-business development, and multi-media production account for 67% or \$1.9 billion in the tax credits that Québec paid to business in 2013.

["Le degré zéro de la culture – Ou quand la rhétorique de l'austérité devient guerre d'usure et comment la contrer"](#), *Le Devoir*, le 6 décembre 2014 - (accessed December 29, 2014).

- *Le Devoir* conducted a survey of young professionals working in culture and the arts to obtain their reactions to the provincial government's discourse of austerity. Some chose to comment on the effects of fiscal austerity on the cultural sector.
- Guillaume Déziel, a musician, noted the parallels between the provincial and federal governments with regard to austerity: "D'un côté, le gouvernement Couillard coupe partout dans ses dépenses plutôt que de choisir de s'attaquer à son plus grand problème de revenus: l'évasion fiscale. [...] De l'autre, Ottawa refuse d'intervenir pour que les fournisseurs d'accès Internet [FAI], qui font de faramineux profits avec la culture, payent leur "juste part". [...] Les FAI deviennent graduellement les joueurs qui font réellement de l'argent avec notre culture, désormais numérique."
- Fanny-Laure Malo, a producer, observed that "La coupe de 20 % des crédits d'impôt à la production cinématographique et aux services cinématographiques vient débalancer un équilibre financier déjà précaire dans ce milieu." She proposed that the government "ramener le crédit d'impôt, tant à la production qu'aux services, à son taux original, voire de le bonifier."

## Government of Québec 2014-15 Budget

### Main Estimates<sup>22</sup>

Program Spending (In thousands of dollars)	Estimate 2014-15	Estimate 2013-14	Estimate 2012-13 <sup>23</sup>
<b>Ministry</b>			
National Assembly	123,783.5	121,746.8	119,128.2
Persons Appointed by the National Assembly	132,993.7	131,126.5	156,699.7
Municipal Affairs and Regions	1,777,771.5	1,632,039.9	1,545,550.0
Agriculture, Fisheries and Food	1,036,953.1	1,050,798.6	1,067,235.9
Treasury and Governmental Administration	858,713.6	705,458.5**	826,416.8**
Executive Council of Québec	389,889.5	370,312.8**	578,403.3
Culture and Communication	665,772.9	662,496.5	618,145.8
Sustainable Development, Environment, Wildlife and Parks	157,052.9	194,957.6	266,787.7
Education, Recreation and Sport	10,529,109.8	10,402,003.2	10,022,451.5
Employment and Social Solidarity	4,238,680.5	4,331,184.4	4,346,546.1
Energy and Natural Resources <sup>24</sup>	86,709.9	88,426.4	519,970.4
Higher Learning, Research, Science and Technology	6,433,672.6	6,195,041.7	6,215,286.6
Families	2,599,709.9	2,524,679.4	2,397,082.0
Finance and Economy (excluding debt service)	134,284.7	86,642.2**	771,738.0
Forestry, Fauna and Parks	459,790.5	456,792.9	
Immigration, Diversity and Inclusion <sup>25</sup>	293,653.3	166,270.4**	193,365.8**

<sup>22</sup> [Expenditure Budget 2014-15](#), Québec Government, June 2014.

<sup>23</sup> [Expenditure Budget 2013-14](#), Québec Government, December 2012.

<sup>24</sup> In 2012-13 was called Ressources naturelles.

<sup>25</sup> In 2012-13 was called Immigration et communautés culturelles.

<b>Program Spending (In thousands of dollars)</b>	<b>Estimate 2014-15</b>	<b>Estimate 2013-14</b>	<b>Estimate 2012-13<sup>23</sup></b>
<b>Ministry</b>			
Justice	842,217.5	867,017.9	805,141.1
International Relations and Francophonie	94,704.3	104,782.7	141,219.1
Health and Social Services	32,346,186.5	31,412,570.3	30,219,232.6
Public Security	1,258,762.9	1,333,262.5	1,231,104.3
Tourism	127,152.1	130,828.5	-
Transportation	688,735.2	707,443.9	719,391.2
Labour	90,723.3	94,494.3	31,103.9
Productivity Gains, Operations and Subsidies <sup>26</sup>	(305,000.0)	-	
Reserve for Lac-Mégantic <sup>27</sup>	-	128,435.0	
Savings to be Achieved by Subsidized Consolidated Entities		(100,000.0) <sup>28</sup>	
Anticipated Lapsed Appropriations		(200,000.0) <sup>29</sup>	(150,000.0)
Program Spending	65,704,000.0	64,518,000.0	62,642,000.0
Debt Service	8,582,716.7	8,442,756.8	7,916,729.8
<b>Total Budget Expenditures</b>	<b>74,286,716.7</b>	<b>72,960,756.8</b>	<b>70,558,729.8</b>

\*\* This portfolio contains one or more provisions allowing transfers or appropriations to other portfolios and the expenditures recorded therein in 2013-2014 take into account transfers to any portfolio.

<sup>26</sup> Cost-saving measures announced on April 24, 2014.

<sup>27</sup> To this reserve for the Québec portion of estimated costs over the next two fiscal years, an amount of \$63,965,000 will be added having already been disbursed and recorded in the portfolio expenditures. This reserve may change as a result of negotiations with the Federal government and the result of legal proceedings undertaken by the Government of Québec.

<sup>28</sup> From the earlier 2013-14 budget.

<sup>29</sup> From the earlier 2013-14 budget.



**Government of Québec**  
**Ministry of Culture and Communications**  
**2014-15 Estimates**<sup>30</sup>

(\$'000)

<b>Program 1</b>	<b>2014-15 Appropriations</b>	<b>Difference in dollars and percentage</b>	<b>2013-14 Appropriations</b>	<b>2012-13 Appropriations</b>
Internal management	59,709.2	-885.1 -1.5%	60,594.3	56,175.1
Centre de conservation du Québec	2,414.7	0 0%	2,414.7	2,429.6
Conseil du Patrimoine cultures du Québec	589.5	0 0%	589.5	598.9
<b>SUBTOTAL</b>	<b>62,713.4</b>	-885.1 -1.5%	<b>63,598.5</b>	<b>59,203.6</b>
<b>Program 2 Support for Culture, Communications and Government Corporations</b>				
Support for cultural action and communications	166,966.0	5,482.7 3.4%	161,483.3	166,031.0
Provincial Museums	65,219.0	-1,908.3 -2.8%	67,127.3	68,785.3
Place des arts & Québec Grand Théâtre	22,283.8	2,289.6 11.4%	19,993.4	18,138.4
SODEC	66,211.7	-2,053.7 -3%	68,265.4	62,569.3
Télé-Québec	62,992.1	3,231.3 5.4%	59,760.8	58,463.5
Conseil des arts et des lettres du Québec	88,752.2	933.4 1.1%	87,818.8	86,574.2
Bibliothèque et Archives nationales	77,170.6	-1,293.6 -1.6%	78,464.2	76,683.0
Conservatoire de musique et d'art dramatique	28,977.8	-182.4 -0.6%	29,160.2	29,335.2
<b>SUB TOTAL</b>	<b>578,603.2</b>	6,529.8 1.1%	<b>572,073.4</b>	<b>566,579.9</b>

<sup>30</sup> [Expenditure Budget 2014-15](#), Québec Government, June 2014.



	<b>2014-15 Appropriations</b>	<b>Difference in dollars and percentage</b>	<b>2013-14 Appropriations</b>	<b>2012-13 Appropriations</b>
<b>Program 3 Charter of the French Language<sup>31</sup></b>				
<b>Language Policy Coordination</b>	1,588.0	-100,6 -5.9%	1,688.6	1,690.7
<b>Office Québécois de la langue française</b>	24,368.0	-350.3 -1.4%	24,718.3	23,334.1
<b>Conseil supérieur de la langue français</b>	1,275.7	-125 -8.9%	1,400.7	1,446.1
<b>Provision to increase, with the approval of the Conseil du Trésor, any appropriation to undertake activities to promote the French language<sup>32</sup></b>	998.0	-150 -13%	1,148.0	<b>1,355.7</b>
<b>SUB TOTAL</b>	<b>28,229.7</b>	-725.9 -2.5%	<b>28,955.6</b>	<b>27,826.6</b>
<b>PORTFOLIO TOTAL</b>	<b>669,546.3</b>	<b>4,918.8 0.7%</b>	<b>664,627.5</b>	<b>625,783.5</b>

<sup>31</sup> The "Charter of the French Language" program was moved in 2014 from the "Immigration, Diversité et Inclusion" portfolio to Culture and Communication. Column 2012-13 for the Charter is not part of the total of 625,783.5 but the Charter subtotal for 2013-14 was added to the Ministry of Culture and Communications total portfolio for comparison's sake with 2014-15.

<sup>32</sup> The balance of appropriations transferred from this provision may be returned to it and be reused under conditions determined by the Conseil du trésor.

## Québec Ministry of Culture and Communications

Organizations and public agencies in the portfolio of the Québec Ministry of Culture and Communications

### **Beyond the ministry, the Minister's portfolio includes the following :**

- [Bibliothèque et Archives nationales du Québec](#) (BAnQ)
- [Conseil du patrimoine culturel du Québec \(ancienne Commission des biens culturels du Québec\)](#) (CPCQ)
- [Conseil des arts et des lettres du Québec](#) (CALQ)
- [Conservatoire de musique et d'art dramatique du Québec](#) (CMADQ)
- [Musée d'art contemporain de Montréal](#)
- [Musée de la civilisation](#)
- [Musée national des beaux-arts du Québec](#)
- [Régie du cinéma](#)
- [Société de développement des entreprises culturelles](#) (SODEC)
- [Société de la Place des Arts de Montréal](#)
- [Société de télédiffusion du Québec](#)
- [Société du Grand Théâtre de Québec](#)

### **Reporting directly to the Minister**

- Centre de conservation du Québec (maintenance and promotion of the cultural heritage)

Note: In the 2012-13 Budget, the Ministry included the Status of Women in the portfolio, but it was later transferred to la ministre du Travail, de l'Emploi et de la Solidarité sociale.

Source : Québec, [Ministère de la Culture et des Communications](#),

## Québec Agenda 21 for Culture

### **Principles and Objectives**

#### **Part 1 – Cultural Action from a Sustainability Perspective**

##### **Culture is a vehicle for meaning, identity, values, and community.**

1. Recognize and promote Québec's cultural identity by protecting and developing its tangible and intangible heritage in all its forms throughout the territory.
2. Promote the role of artists, cultural professionals, and creators from all fields as standard bearers for the renewal of Québec's cultural identity and vectors for the diversity of its cultural expressions. Support cultural creation, production, and presentation throughout Québec, protecting freedom of expression and encouraging all social actors to take responsibility for the sustainable development of Québec's cultural sector.
3. Ensure that French, as Québec's official language, remains the common language of public life for Québécois of all origins, in a manner respectful of Québec's English-speaking and cultural communities as well as the First Nations and Inuit.
4. Recognize the cultural specificity of the First Nations and Inuit, as well as the contribution of their cultures, knowledge, and traditions to Québec's cultural identity. Promote awareness, protection, transmission, and development of these cultures within their communities and throughout Québec.
5. Foster cultural development among citizens as well as access to and participation in cultural activities. Encourage amateur cultural activities and cultural mediation. Include citizens in the cultural policy development process at all levels. Treat cultural activities as an opportunity for learning and building citizenship.

#### **Part 2 – Culture and Society**

##### **Culture is a vector for democracy, intercultural dialogue, and social cohesion.**

6. Promote the importance of the arts and culture in all educational institutions, both within the curriculum and as part of extracurricular activities.
7. Recognize the role of culture as a vector for social cohesion. Highlight the work of artists and citizens whose cultural activities contribute to the social and economic development of their communities.
8. Foster, through the arts and culture, intercultural dialogue between Québécois. Increase opportunities for interaction between Québec society and artists of all horizons in order to promote integration and inclusion. Combat intolerance, discrimination, and racism.
9. Integrate culture into municipal family policies and make cultural facilities more accessible to families. Promote the same integration of culture into social policies and improve access to cultural facilities for disadvantaged groups.
10. Promote the role of culture as a determining factor for health. Make space for art at health and social services institutions. Increase partnerships between artists, cultural organizations, and this sector.

#### **Part 3 – Culture and the Economy**

##### **Culture is a catalyst for creativity, economic development, and wealth creation.**

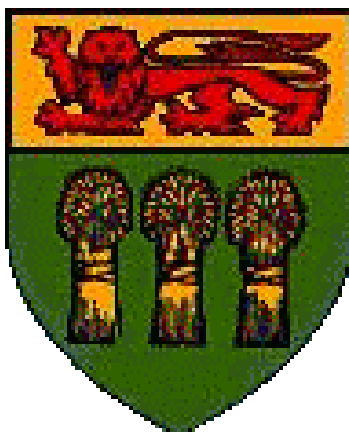
11. Recognize and promote culture as a driver of sustainable economic development at the local, regional, and national levels. Highlight the economic impact of Québec culture. Create new models of economic support for culture and for promoting patronage. Encourage cultural entrepreneurship in all of its forms. Support Québec's cultural presence on the international stage and make it a part of local and regional economic planning.
12. Build on the power of the arts and culture to drive excellence in other sectors of economic activity such as land-use planning, tourism, marketing, and the use of information technologies.
13. Foster business support for culture's role in development by championing collaboration and the pooling of resources between the culture and business communities, both for the benefit of business projects and the development of the culture economy.
14. Develop and promote creativity by making culture a part of innovation policy and by supporting the adaptation of the arts and literature sector and culture industries to the Internet and digital age.

#### **Part 4 – Culture, Territory, and Environment**

##### **Culture is a compass for land-use planning and development.**

15. Recognize culture's role as a source for practices, knowledge, and traditions that help protect and stimulate biological and cultural diversity. Take the territory and the environment into consideration as part of every culture endeavor.
16. Recognize and promote regional artistic expression and cultural specificities by encouraging diversified, locally anchored production to avoid cultural standardization.
17. Recognize and respect the close link between culture and territory among the First Nations and Inuit. Support the development and preservation of traditional knowledge and customs.
18. Acknowledge that our natural heritage must be protected for its cultural significance as well as its ecological and economical value.
19. Take culture into consideration when developing policies for environmental protection, including impact studies for major projects.
20. Incorporate cultural issues into land-use planning and development processes in order to enhance quality of life for citizens, foster a sense of belonging, and create a more attractive environment.
21. Improve the cultural quality of public spaces through astute heritage development, significant use of public art, and distinctive architecture, design, and landscapes. Integrate the life cycle concept into landscape and facility design.

Source: Québec [Agenda 21 for Culture](#)



## SASKATCHEWAN

Real GDP Growth: 5.0% (2013)

Revenue from Federal Transfers (percent of total): 12% (2014-15)

Population: 1,125,400 (2014)

**2014**

## Budget Overview

### Fiscal and Societal Context

- Saskatchewan Finance Minister Ken Krawetz tabled the province's 2014–15 Budget on 19 March 2014 in Regina.<sup>1</sup>
- Saskatchewan's 2014-15 Budget was balanced, with a surplus of \$71 million, and was achieved with no tax increases and no new taxes. This was attributed to a varied and diverse revenue source, as well as population growth.<sup>2</sup>
- Minister Krawetz predicted revenue for 2014-15 would be \$14.07 billion, down 0.7 per cent from \$14.18 billion last year, while expenses were estimated to at \$14.0 billion, down 0.2 per cent from last year.
- The government aims to control spending rather than raise taxes.
- The province has one of the lowest unemployment rates of all Canadian provinces. Both the economy and the population have been growing at a rate not seen in decades.<sup>3</sup>
- The increase in provincial GDP reached 4.1% in 2013, ahead of the forecast 2.6%, as a result of record crops and a good economy.<sup>4</sup>
- Falling oil prices may affect the budget, although minister Krawetz stated in the mid-year budget update that falling oil prices will not change the budget surplus prediction.<sup>5</sup>

### Spending Priorities and Highlights<sup>6</sup>

- Motto of 2014 Budget: 'Steady Growth'. The Government of Saskatchewan has achieved a balanced budget that will keep Saskatchewan on the path of steady growth. Priorities in the 2014 budget include:
  - Balanced budget
  - No tax increases
  - Controls spending
  - Investments in infrastructure
  - Investments in people

<sup>1</sup> [Saskatchewan Provincial Budget 14-15: Steady Growth](#), Government of Saskatchewan, March 19, 2014

<sup>2</sup> Ibidem.

<sup>3</sup> CBC News, "[Education property taxes frozen in Saskatchewan budget](#)", March 18, 2014 - (accessed December 11, 2014)

<sup>4</sup> [Saskatchewan Provincial Budget 14-15: Steady Growth](#), Government of Saskatchewan, March 19, 2014. The GDP growth figure mentioned in the March Budget is actually lower than the figure of 4.8% provided by Statistics Canada mentioned on the front page of this section.

<sup>5</sup> Globe and Mail, [Saskatchewan government says budget still in black despite sinking oil prices](#), Clare Clancy, Nov. 27, 2014.

<sup>6</sup> [Steady Growth](#), Government of Saskatchewan.

- One of the major spending areas highlighted in Budget 2014 is infrastructure, with \$886.9 million going to projects covering buildings, roads, schools and hospital buildings. This is up \$39.4 million from last year, or a 4.7% increase.
  - Capital spending by the Crown corporations was projected to be \$2.0 billion in 2014-15, an increase of \$100 million, or 5.3%, from 2013-14 (these include SaskTel, SaskWater, SaskEnergy and SaskPower).
  - With regard to Municipal Infrastructure, Budget 2014 allocated \$50 million to building a new stadium in Regina as well as \$74.1 million in transfers to municipalities through the federal gas tax fund, the Building Canada Fund and Saskatchewan Infrastructure Growth Initiative.
  - Transportation infrastructure was to receive \$664.5 million.
  - The 2014-15 Budget included \$103.3 million for K-12 school and education capital.
- The Ministry of Health will provide nearly \$5 billion for high quality health care and improve health outcomes for Saskatchewan people.

### Impacts on the Cultural Sector

- Although culture, the arts or heritage were not mentioned in the Budget address, in a press release dated on the same day as the Budget – March 19, 2014 – the Minister of Parks, Culture and Sport stated that “One of the advantages of our growing province is our ability to invest in improving the quality of life for people who make Saskatchewan their home”, and he pointed to investments in arts, culture and heritage, stating that spending on the sector had increased 39% in the past seven years to reach \$45.13 million in 2014-15.<sup>7</sup>
  - The 2014-15 Budget included record capital and maintenance spending for provincial parks, as well as strong investments in arts, culture and heritage and third parties.
  - Funding to the Saskatchewan Arts Board increased 3% (after a 5% increase in 2013-14), bringing total funding to \$6.9 million to support arts organizations.
  - *Creative Saskatchewan's* budget was increased to \$7.7 million in 2014-15, from \$6.5 million in 2013-14 (+18%). However, as recognized by the Creative Saskatchewan's CEO, J.P. Elison, the transfer came from administrative funding from the defunct SaskFilm. He is reported as saying that investment funding was the same as last year
    - *Creative Saskatchewan* was established on July 2, 2013, taking the place of SaskFilm and the film tax credit, which were eliminated in the 2012-13

<sup>7</sup> [“Investment in Parks, Arts, Culture, Heritage and Sport will Enhance Quality of Life”](#), Government of Saskatchewan News Release, March 19, 2014 - (accessed December 11, 2014)

Budget to strong industry protests. *Creative Saskatchewan* has a broader mandate and assists in the economic development of five industry sectors:

- music and sound recording;
  - screen-based media;
  - visual arts and craft;
  - publishing; and,
  - live performing arts<sup>8</sup>.
- Funding remained stable for artsVest<sup>9</sup> Saskatchewan (\$250,000 in 2014-15) as well as Main Street (\$550,000 in 2014-15), programs that leverage significant private sector investment.
    - artsVest<sup>TM</sup> Saskatchewan is a sponsorship training and matching incentive program created by Business for the Arts and delivered in Saskatchewan with funding from Canadian Heritage and the Government of Saskatchewan Ministry of Parks, Culture and Sport. The program's goal is to assist Saskatchewan's small and mid-sized arts, culture and heritage organizations in the development of new and mutually beneficial partnerships with local businesses.
    - Main Street is a comprehensive, community-driven and proven approach to revitalizing historic downtowns and commercial districts - the traditional centres of business, community and cultural life. Through integrated and coordinated community organization, economic restructuring, heritage conservation and promotion, Main Street communities build pride, foster economic growth and improve their quality of life<sup>10</sup>.
  - On another front, the *Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation*, established in 1974, was renewed for five years on January 13, 2014<sup>11</sup>. The Trust receives its money from the net proceeds of Saskatchewan Lotteries ticket sales, and provides grants to not-for profit volunteer sport, culture and recreation organizations<sup>12</sup>

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *Reaction to the Budget was fairly muted, compared to the uproar in 2012 and 2013, following the announcement of the elimination of the Film Employment Tax Credit, although there was continuing commentary about the performance of the successor to the FETC – Creative Saskatchewan.*

<sup>8</sup> [Creative Saskatchewan Annual Report 2013-14](#)

<sup>9</sup> [About artsVest<sup>TM</sup> Saskatchewan](#) – (accessed January 13, 2015).

<sup>10</sup> [Main Street Saskatchewan](#), Government of Saskatchewan, (accessed January 13, 2015).

<sup>11</sup> [Saskatchewan Communities will benefit from renewed lottery agreement](#), Government of Saskatchewan New Release, January 13, 2014 (accessed January 13, 2015)

<sup>12</sup> [Saskatchewan Provincial Budget 14-15: Steady Growth](#), Government of Saskatchewan, March 19, 2014



Vanda Schmöckel, "[Sparks But No Fire – A New Agency won't bring film back](#)", *Prairie Dog*, October 17, 2013 – (accessed December 11, 2014)

- The item reported on the launch of Creative Saskatchewan, stating that the mood among the remnants of Saskatchewan's film industry was "cautiously optimistic".
- Mike Burns, Saskatchewan's ACTRA branch representative is quoted as saying "The government said we can't have an industry that's supported by grants, and then a year and a half later, after most of the people who worked in the industry have left, they bring in a grant program".
- The article notes that in the months following the cancellation of the Film Employment Tax Credit, the industry only had access to a \$1 million transition fund administered by the Saskatchewan Arts Board which had a cap of \$60,000 per project.
- Under Creative Saskatchewan's newly launched Screen Based Media Production Grant fund, Saskatchewan producers can have 30% of in-province production expenditures reimbursed, but the cap is still only \$250,000, compared to a cap of \$5 million in a similar Alberta program.
- Robin Schlaht, a Regina film producer, observed that "I think it could work for low-budget films like I have done in the past, but there are issues with it". One of those issues is application deadlines, he stated: "If your project comes together a month after the deadline, then it's of no use whatsoever".
- Schlaht was also concerned about Creative Saskatchewan's requirement that 70% of the production's budget be in place before funding is released, saying that "There will be times when it will fail a project, just because of the deadlines or the cap or the delay in hearing the result of your application". "It will never work as well as the tax credit did – and does in other provinces", he added.
- Creative Saskatchewan's Chair, Mike MacNaughton, was quoted as saying, "We're not looking to replace the film tax credit ... What we're looking at today is to assist all creative industries in increasing the amount activity around those industries, building their businesses, building their access to markets around the world".

Saskatchewan Arts Alliance Bulletin, "[2014-2015 Provincial Budget – Steady Growth](#)", March 20, 2014 – (accessed December 11, 2014).

- The bulletin noted that, while arts and culture were not mentioned in the Budget, they do have a role in the province's priorities of supporting exporters, producers, and entrepreneurs.
- In contradiction to statements by the Minister of Parks, Culture and Sport, the Saskatchewan Arts Alliance calculated that spending on culture had decreased between 2013-14 and 2014-15 due to the loss of the Film Employment Tax Credit and SaskFilm.
- It reported as good news that the Saskatchewan Arts Board had received an additional \$203,000, which amounted to the 3% increase, with no contribution agreement directing the spending of the increase (unlike in the previous year).
- It noted that Support for Provincial Arts and Cultural Organizations had held steady at \$800,000.
- Also reported was the 18% increase in Creative Saskatchewan's budget, the \$250,000 allocation to artsVest Saskatchewan, and the \$550,000 allocation to the Main Street program.

Heritage Saskatchewan Communiqué, "[Provincial Budget 2014-15](#)", March 19, 2014 – accessed January 13, 2015).

- The communiqué reported on the Minister of Park, Culture and Sport news release about investments in arts, culture and heritage.
- It listed several examples of such investments in the heritage sector, including the \$1,089,000 allocated to support for heritage operations and organizations, and the allocations for several museums, science centres and heritage parks, the Saskatchewan Heritage Foundation and Government House.
- It noted the stable funding for the Main Street program, which leverages private sector investment to create strong, vibrant communities. Since its inception in 2011, the program has contributed 41 new jobs in Main Street districts, 21 new businesses in Main Street districts, and \$2.73 million in private sector funding to historic building rehabilitation and streetscape improvements.

Robyn Tocker, "[Mixed arts messages](#)", *INKonline*, n.d. - (accessed December 11, 2014).

- The article concludes that "the arts took a hit". This statement was based on the small increase to the Saskatchewan Arts Board, the fact that Creative Saskatchewan's \$1.1 million increase was due to the transfer of administrative funding from the defunct SaskFilm, and the diminished Film Employment Tax Credit, which is in its final year with only \$2.5 million left in its coffers. In total, it concluded, Saskatchewan's cultural funding had decreased by roughly \$2.9 million.
- In an interview, the Minister of Parks, Culture and Sport, Kevin Doherty, said that he didn't see this as a decrease since SaskFilm's administrative funding had been transferred, and both the Saskatchewan Arts Board and the Royal Saskatchewan Museum had received increased funding. He was quoted as saying "These are important inflationary increases, if nothing else, in a very, very tight budget".
- Cathy Sproule, the opposition critic for Parks, Culture and Sport, stated that the Film Employment Tax Credit had not been reinstated, which was "a huge blow to the cultural community in Saskatchewan".
- Sproule found the Budget very flat, with no new money, and mentioned that Creative Saskatchewan had not received nearly enough funding.
- Creative Saskatchewan's CEO, J.P. Elison, noted that while administrative funding had increased, investment funding was the same as last year.
- Marnie Gladwell, the director of Saskatchewan Arts Alliance, was quoted as saying she was pleased that things are remaining steady for the arts.
- However, a Regina musician, John Cameron, said that when artists hear that the budget has decreased except for areas like administration, it makes them wary about seeking funding. "There's less funding and what is available may not go to me, so why even bother going after it at all?" he is quoted as saying.

Creative Saskatchewan, "[Creative Saskatchewan's latest round of funding more than \\$1.6 million, benefits all creative industries](#)", Press release, April 2, 2014 - (accessed December 11, 2014).

- This news release, posted on the SaskBooks website, listed the grant awards from Creative Saskatchewan's second intake and continuous intake rounds. Three categories were listed for the second intake: Business Capacity and Research Grant,

Creative Industries Production Grant, and Market and Export Development Grant / Culture on the Go.

- Continuous intake programs were listed as the Screen-Based Media Content Development Grant, the Screen-Based Media Production Grant, and the Market Travel Grant.
- It stated that that Creative Saskatchewan is planning to have three application intakes next fiscal year.

Christina Cherneskey, "[Corner Gas the movie: Why Saskatchewan needs the film tax credit back](#)", *Metronews*, June 1, 2014 - (accessed December 4, 2014).

- The article states that the concept of *Corner Gas, The Movie*, seemed like a good idea, but it has aroused bitter feelings for those working in the Saskatchewan film industry.
- The feature film was being shot in and around the Saskatchewan town of Rouleau, where the television series was located, but was using predominantly out-of-province film professionals, according to the Saskatchewan Media Production Industry Association (SMPIA).
- Vérité Films, the firm that produced the television series, moved its headquarters from Regina to Toronto because of the loss of the film credit, according to Virginia Thompson, its president.
- The \$8.5 million *Corner Gas* movie received about \$2 million from the Government of Saskatchewan, with additional support from the Ontario film tax credit and a Kickstarter campaign.

Austin M. Davis, "[Film community wary of province funding Corner Gas 'one off'](#)", *The Leader Post*, May 21, 2014 - (accessed December 11, 2014).

- This article provided further detail on the funding of *Corner Gas: The Movie*.
- It indicated that the film received \$1.475 million, plus \$25,000 for multimedia projects, from Tourism Saskatchewan as a "special tourism project" under the event hosting program. This represented about 17% of the film's budget and required an Order in Council approval process by the government's Executive Council.
- Another \$500,000 came from Creative Saskatchewan, which because of its funding cap will provide two separate \$250,000 grants over two fiscal years.
- Additional support came in form of \$800,000 of Ontario film tax credits.
- Virginia Thompson, one of the film's executive producers, said that half the jobs would be going to Saskatchewan and half to Ontario, with a lot of the cast and crew members coming from Ontario and some of the post-production work being done there.
- Tom McMillan, the minister responsible for Tourism Saskatchewan, said that the \$1.5 million from his agency was a worthy investment for the province.
- Pat Fiocco, the CEO of Tourism Saskatchewan, said that the lack of a film employment tax credit had no bearing on his organization's decision, adding that "The film tax credit is for others to have a discussion about. We're in the business of tourism, supporting our operators, supporting events and getting the word about Saskatchewan to the rest of the world".
- Virginia Bonk, executive director of the Saskatchewan Media Production Industry Association asked, "Are there more funds for Creative Saskatchewan in the future so that more like this can happen? Because a one-off isn't going to bring the industry back."

## Government of Saskatchewan Main Estimates<sup>13</sup>

<i>(In Thousands of Dollars)</i>	<b>2014-2015 Estimates<sup>14</sup></b>	<b>2013-14 Estimates</b>	<b>2012-13 Forecast<sup>15</sup></b>
<b><i>Ministries and Agencies</i></b>			
Advanced Education	817,485	787,840	728,366
Agriculture	370,755	406,754	473,924
Central Services	67,697	56,335	73,319
Economy	281,706	279,081	282,766
Education	1,777,887	1,742,505	1,347,994
Teachers' Pensions Benefits	340,085	321,944	295,463
*Energy and Resources		-	43,037
*Enterprise and Innovation Programs		-	27,347
*Enterprise Saskatchewan		-	33,063
Environment	161,605	167,003	162,494
Executive Council	18,025	18,051	17,791
Finance <sup>16</sup>	371,669	358,876	-
<i>(Finance)</i>	-	68,788	77,689
Public Service Pension and Benefits	-	291,076	284,614
Finance Debt Servicing	285,000	340,000	392,000
*First Nations and Métis Relations		-	81,943
Government Relations	466,235	477,040	599,071
Health	5,023,821	4,959,144	4,647,249
Highways and Infrastructure	664,463	423,336	433,554
*Information Technology Office		-	16,681
Innovation Saskatchewan	11,590 <sup>17</sup>	28,006	6,769
Justice	595,165	586,096	521,598
Labour Relations and Workplace Safety	18,660	18,593	17,984
*Municipal Affairs		-	386,783

<sup>13</sup> [2014-15 Estimates](#), Ministry of Finance, Government of Saskatchewan.

<sup>14</sup> These figures include Operating and Capital Investments.

<sup>15</sup> Forecasts for highlighted agencies, which were either moved or merged with other departments, are taken from the Reinstatement Schedule of the 2013-14 Provincial Budget Estimates using figures listed under 2012-13 Reinstated Estimate column.

<sup>16</sup> 2014-15 Estimates show figures indicating that Finance and Public Service Pension and Benefits were combined and reported together, not separately as in previous years

<sup>17</sup> There was no explanation in the Budget papers with regard to the large fluctuations in Innovation Saskatchewan's allocation.

<i>(In Thousands of Dollars)</i>	<b>2014-2015 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Forecast</b>
<b><i>Ministries and Agencies</i></b>			
*Office of the Provincial Capital Commission	-	-	14,715
Parks, Culture and Sport	155,949 <sup>18</sup>	113,255	101,258
*Public Service Commission	34,676	-	38,541
Saskatchewan Research Council	20,343	19,743	18,983
SaskBuilds Corporation	12,075	8,300	2,000
Social Services	962,986	905,366	846,426
Water Security Agency	17,544	32,480	
<b>Legislative Assembly and its Officers</b>			
Advocate for Children and Youth	2,523	2,483	1,966
Chief Electoral Officer	4,605	3,800	2,471
Conflict of Interest Commissioner	150	148	145
Information and Privacy Commissioner	1,147	1,116	1,065
Legislative Assembly	27,352	26,143	25,691
Ombudsman	3,410	3,594	3,075
Provincial Auditor	8,752	8,457	8,330
<b>Total</b>	<b>12,183,275</b>	<b>11,943,470</b>	<b>11,386,289</b>

**\*Notes:** Highlighted are agencies that no longer exist as named due to departmental re-organization, resulting in both the merging and creation of departments. For more details regarding re-organization, see "Reinstatement Schedule" portion of the 2013-14 Budget Document (page 157)

<sup>18</sup> Large increase due mainly to the construction of the Regina Stadium.

## Government of Saskatchewan

### Parks, Culture and Sport<sup>19</sup>

#### Main Estimates

(In Thousands of Dollars)

Branch	2014-2015 Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
Central Management and Services	11,484	214 1.9%	11,270	10,817	9,763
Communities Initiatives Fund	9,316	-273 -2.8%	9,589	9,288	9,474
Building Communities	468 <sup>20</sup>	-2,698 -85.2%	3,166	2,825	5,692
Parks	32,443	1,325 4.2%	31,118	30,398	27,343
Culture <sup>21</sup>	31,775	-2,929 -8.4%	34,704	29,426	29,423
Heritage	9,542	182 1.9%	9,360	9,311	8,885
Sports, Recreation and Stewardship	4,298	55 1.3%	4,243	4,434	2,349
Regina Stadium Project <sup>22</sup>	50,000	-	-	-	-
Capital Commission Operations <sup>23</sup>	6,623	-3,239 -32.8%	9,862	8,688	-
<b>Total</b>	<b>155,949</b>	<b>42,737 37.4%</b>	<b>113,212</b>	<b>105,187</b>	<b>92,929</b>

**Note:** Slight discrepancies between 2012-13 figures in the 2013-14 and 2012-13 documents due to accounting adjustments; figures published in 2013-14 Budget have been reconciled to take adjustments into account.

<sup>19</sup> [2014-15 Estimates](#), Ministry of Finance, Government of Saskatchewan.

<sup>20</sup> This considerable decrease is likely due to the lack of detail at Budget time about the federal government's Building Canada fund.

<sup>21</sup> The culture reduction appears to be linked to the elimination of the film employment tax credit.

<sup>22</sup> New project as of 2014.

<sup>23</sup> Formerly a separate Provincial Capital Commission. The large decrease is due to the end of the Legislative Building Dome Restoration Project.

## Government of Saskatchewan Parks, Culture and Sport

### Detailed Culture Branch Budget<sup>26</sup>

(In Thousands of Dollars)	2014-2015 Estimate	Difference Dollar Value and Percentage	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
<b>Culture</b>					
Culture Operations Support	917	-132 -12.6%	1,049	993	1,240
Saskatchewan Arts Board	6,958	203 3%	6,755	6,433	6,433
Creative Saskatchewan	7,699	1,199 18.4%	6,500	-	-
Support for Provincial Arts and Culture Organizations	2,201	100 4.7%	2,101	3,601	3,351
SaskFilm <sup>24</sup>	-	-	1,199	1,199	1,199
Film Employment Tax Credit <sup>25</sup>	2,500	-2,500 -50%	5,000	5,200	8,200
Active Families Benefit	11,500	-500 -4.1%	12,000	12,000	9,000
<b>Sub Total</b>	<b>31,775</b>	<b>-2,829 -8.1%</b>	<b>34,604</b>	<b>29,426</b>	<b>29,423</b>
<b>Heritage</b>					
Support for Heritage Operations and Organizations	1,089	-91 -7.8%	1,181	1,019	866
Royal Saskatchewan Museum	2,534	116 4.8%	2,418	2,531	2,258
Western Development Museum	4,181	122 3%	4,059	4,059	4,059
Wanuskewin Heritage Park	629	18 2.9%	611	611	611
Saskatchewan Science Centre	605	18 3%	587	587	587
Saskatchewan Heritage Foundation	504	-	504	504	504
<b>Sub Total</b>	<b>9,542</b>	<b>182 2%</b>	<b>9,360</b>	<b>9,311</b>	<b>8,885</b>

<sup>24</sup> SaskFilm ceased operations in September 2013.

<sup>25</sup> The final application deadline for the tax credit was December 31, 2014. Until its termination, it will be administered by *Creative Saskatchewan*.

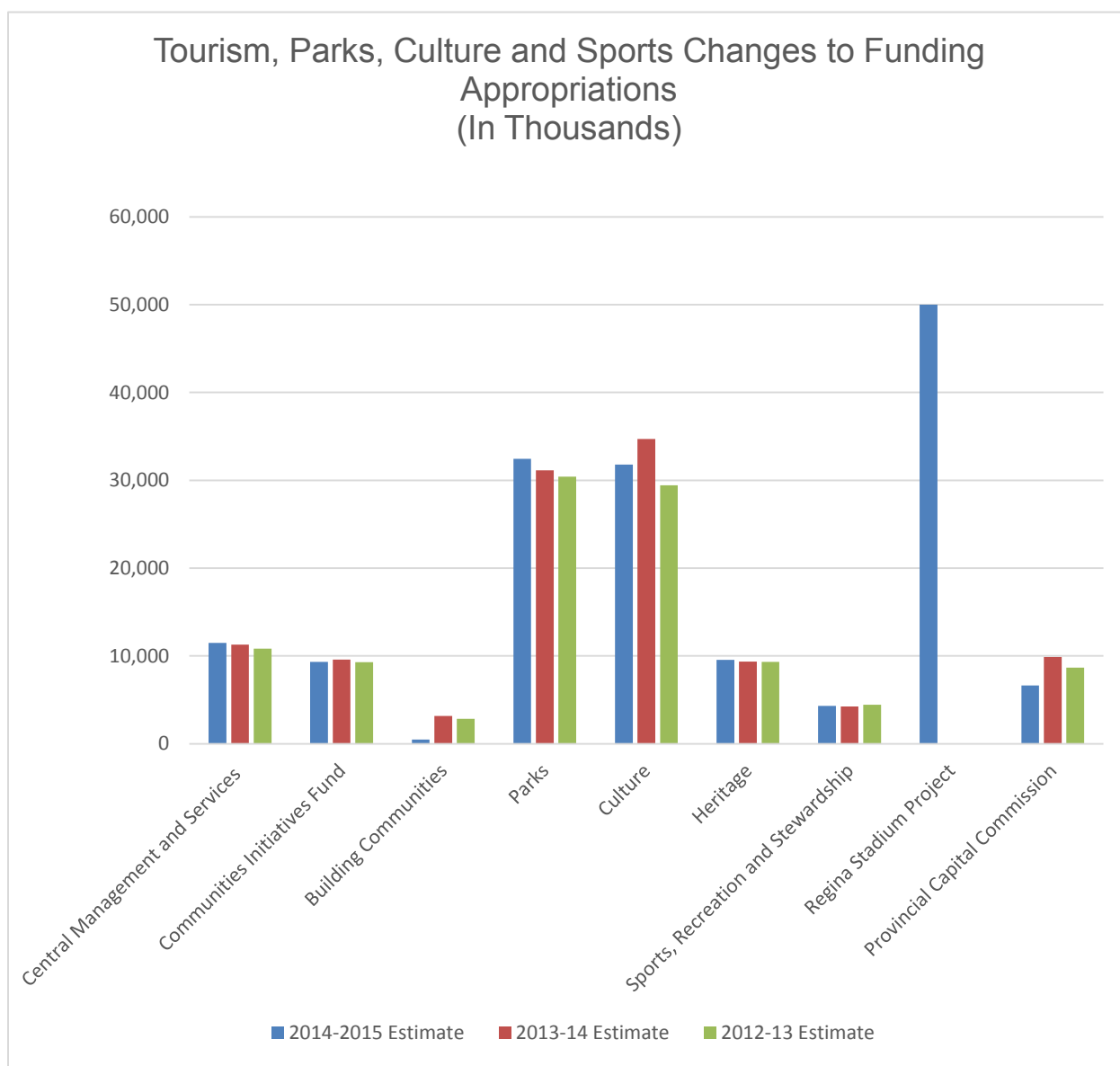
<sup>26</sup> [2014-15 Budget Estimates](#), Parks, Culture and Sport, pp. 101-106, Government of Saskatchewan.

## Government of Saskatchewan

### Tourism, Parks, Culture and Sports

#### Changes to Funding Appropriations

(In Thousands)





## Government of Saskatchewan

### Active Families Benefit

Since 2009 the province of Saskatchewan has given families a \$150 credit per child for cultural, recreational and sports activities. \$11,500,000 has been allocated to the Active Families Benefit in the 2014-15 Budget<sup>27</sup>. Cultural activities include:<sup>28</sup>

Arts	Heritage	Multiculturalism
<ul style="list-style-type: none"> <li>• Literary arts</li> <li>• Visual arts</li> <li>• Electronic and multimedia arts and internet arts</li> <li>• Film and video arts</li> <li>• Crafts</li> <li>• Performing arts</li> <li>• Recording of sound</li> </ul>	<ul style="list-style-type: none"> <li>• Language</li> <li>• Customs</li> <li>• Genealogy</li> <li>• Symbols and items of cultural legacy (e.g. Crafts, dance and music)</li> <li>• Historic buildings, structures and sites</li> <li>• Sacred areas</li> <li>• Palaeontology</li> <li>• Archaeology</li> </ul>	<ul style="list-style-type: none"> <li>• Recognizing, encouraging and fostering the diversity of Saskatchewan people with respect to race, cultural heritage, religion, ethnicity, ancestry and place of origin</li> <li>• Encouraging respect for the multiculturalism heritage of Saskatchewan</li> <li>• Fostering a climate for harmonious relations among people of diverse cultural and ethnic backgrounds without sacrificing their distinctive cultural and ethnic identities</li> <li>• Encouraging the continuation of a multicultural society</li> </ul>

<sup>27</sup> [2014-15 Budget Estimates](#), Parks, Culture and Sport, p. 104, Government of Saskatchewan.

<sup>28</sup> [Active Families Benefit Program Description](#), Government of Saskatchewan. n.d

## Saskatchewan Arts Board

For 65 years the Saskatchewan Arts Board has worked to promote cultural offerings in the province and encourage the sector's sustainability.<sup>29</sup>

<b>(in thousands of dollars)</b>	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Estimate</b>	<b>2011-12 Estimate</b>
<b>Government Grant</b>	6,958	6,755	6,433	6,433
<b>Contribution from SaskCulture<sup>30</sup></b>	tbd	2,159	1,874.4	1,551.9
<b>Earned and other revenue</b>	tbd	4,443,738 <sup>31</sup>	603.5	916.2 <sup>32</sup>

## SaskCulture

[SaskCulture](#) is a “non-profit, community-based, volunteer-driven organization, which works with its membership and other community partners to build a culturally vibrant province...”

SaskCulture obtains funding from the Saskatchewan Lotteries Trust Fund for Sport Culture and Recreation. It administers support to a wide network of organizations with the intention of promoting engagement in cultural activities.<sup>33</sup>

<sup>29</sup> [Saskatchewan Arts Board](#).

<sup>30</sup> [Saskatchewan Arts Board 2013-14 Annual Report](#).

<sup>31</sup> [Saskatchewan Arts Board 2013-14 Annual Report](#), includes a one-time revenue of \$3,615,550 from sale of land.

<sup>32</sup> Includes a one-time revenue of \$470,000 coming from the sale of land.

<sup>33</sup> [About SaskCulture](#).

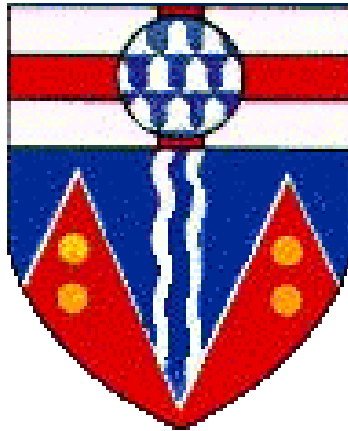
## SaskCulture

### Funds allocated from the Culture Section of the Trust<sup>34</sup>

<b>FUNDING BLOCK (dollar value)</b>	<b>Category</b>	<b>Allocations net of returns 2013-14</b>	<b>Allocations net of returns 2012-13</b>
<b>Eligible organizations</b>	Annual global funding	9, 070,297	7, 736,625
	Special funding (eligibility related)	-	146,319
	Member funding	75,000	150,000
	<b>Subtotal</b>	<b>9, 145,297</b>	<b>8, 032,944</b>
<b>Grant Programs</b>			
	Aboriginal Arts and Culture Leadership Grant	250,372	319,500
	Capacity Building Grant	114,590	393,692
	Métis Cultural Dev. Fund	131,033	182,261
	Multicultural Initiatives Fund	338,443	367,071
	Museum Grant Program	753,942	780,685
	Municipal Cultural Engagement and Planning Grant	157,643	76,500
	Culture Days Grant	97,451	120,000
	Creative Kids Grant	170,000	455,000
	<b>Subtotal</b>	<b>2,013,474</b>	<b>2,694,709</b>
	Creative Partnerships	480,000	659,900
	ArtsSmarts/Treaty Smarts	270,000	255,000
	Festivals Grant Program	550,000	580,000
	Gallery Grant Program	300,000	309,000
	Media Arts Grants	250,000	250,000
	SAB Program delivery	150,000	190,000
	<b>Subtotal</b>	<b>2,000,000</b>	<b>2,243,900</b>

<sup>34</sup> [SaskCulture Year in Review, 2013-14](#)

<b>SaskCulture Block</b>	SaskCulture Operations	1,975,483	2,011,448
	Creative Kids Operations	150,000	185,000
	Culture Days Delivery	170,000	265,000
	Global Functions	111,492	141,187
	Communities of Interest	525,610	889,368
	<b>Subtotal</b>	<b>2,932,585</b>	<b>3,492,003</b>
<b>Tri-Partite Block (Culture's share)</b>	Administration Centre	159,825	155,170
	Federation of Saskatchewan Indian Nations	60,272	33,520
	<b>Subtotal</b>	<b>220,097</b>	<b>188,690</b>
	<b>TOTAL</b>	<b>16,311,453</b>	<b>16,652,246</b>



## YUKON

Real GDP Growth: -0.9% (2013)  
Revenue from Federal Transfers (percent of total): 74% (2014-15)  
Population: 36,500 (2014)

**2014**

## Budget Overview

### **Fiscal and Societal Context**

- Premier and Finance Minister Darrell Pasloski tabled Yukon's fiscal 2014–15 Budget on 25 March 2014<sup>1</sup>.
- Past Budgets had been focused on the resource industry, but this Budget also emphasized the need for diversification of the Yukon economy into areas such as arts and culture, film and sound, forestry, agriculture and information technology.<sup>2</sup>
- Both the operating and the capital budgets were the largest in Yukon's history – with operational spending amounting to \$1.66 billion and capital spending coming in at \$293.4 million.<sup>3</sup>
- The Budget surplus for 2014-15 was expected to be \$73.2 million.
- The federal transfers for health and social services, as well as the territorial payment, rose to an accumulated total of almost \$898 million.

### **Spending Priorities and Highlights<sup>4</sup>**

- Main Priorities (same as in 2013-14):
  - Economy
  - Environment
  - Better Quality of Life
  - Good Governance
- Spending Highlights:
  - The small business tax rate was reduced from 4% to 3%;
  - Over \$85 million was invested in transportation projects;
  - \$6.9 million was allocated for a new 300-bed continuing care facility in Whitehorse;
  - \$13.5 million in Northern Housing Trust funds were leveraged to invest \$27 million in affordable rental housing;
  - \$27.7 million for the replacement of a secondary school in Whitehorse.

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<sup>1</sup> [2014-15 Budget Address](#), Department of Finance, Government of Yukon (accessed January 8, 2015).

<sup>2</sup> [2014-15 Budget Address](#), Department of Finance, Government of Yukon p. 18 - (accessed January 8, 2015).

<sup>3</sup> [2014-15 Budget Highlights](#), Department of Finance, Government of Yukon (accessed January 8, 2015).

<sup>4</sup> Ibidem.

## Impacts on the Cultural Sector<sup>5</sup>

- The Department of Tourism and Culture was singled out several times in the Budget Address as illustrating how the Yukon is diversifying its economy, particularly in the area of tourism. For example, it was mentioned that the Minister and the Premier had led a European tourism trade mission in 2013 to encourage more travel from that continent. In 2014, tourism missions had focused on Japan and Australia (Yukon's fourth-largest and second-largest overseas tourism markets respectively). In this regard an additional \$590,000 was allocated to the overseas tourism marketing budget. However, this was only a partial replacement for a \$2 million overseas marketing program, funded by CanNor (a federal agency) that had operated over the previous four years.
- The Budget Address also touted the role of the Yukon Film and Sound Commission in supporting 27 sound recording projects and 22 film projects during the 2013-14 fiscal year. In addition, it mentioned that almost \$93,000 had been provided to film and sound recording business by the Enterprise Trade Fund.
- \$200,000 was allocated to the Yukon Beringia Interpretive Centre for exhibit design, planning, and education with regard to Yukon's Ice Age past;
- A new \$50,000 Multicultural Event Fund was established to support festivals and events celebrating the diversity of Yukon's communities;
- \$879,000 was provided to an Archive vault expansion to increase storage space for paper records and create a separate cold storage environment for photographs and films.
- Appropriations for the Department of Tourism and Culture are up by about \$ 4.2 million over 2013-14, most of it due to an increase in the Tourism budget (+ \$ 2.26 M) and in capital projects (+ \$ 1.7 M).
- Heritage did not fare as well: the operating budget for Heritage Resources was reduced by almost 16% and for museums by over 4%.
- The Archives operating budget increased by 6%, and the Yukon Beringia Interpretive Centre's by 11%.
- Operational funding for the arts increased by about 3%.
- In the Supplementary Budget, announced on October 28, 2014, the Department of Tourism and Culture received an additional \$2.7 million for enhanced tourism marketing.<sup>6</sup> This was the result of an agreement signed with CanNor (the Canadian

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<sup>5</sup> [2014-15 Budget Address](#), March 25, 2014 and [2014-15 Budget Highlights](#), Department of Finance, Government of Yukon - (accessed January 8, 2015).

<sup>6</sup> Christopher Reynolds, "[Another \\$21.4 million tacked onto the budget](#)", *Whitehorse Daily Star* - (accessed January 8, 2015).

Northern Economic Development Agency) on September 2, 2014 in which both CanNor and the Government of the Yukon pledged \$1.8 million each over two years for new television advertising to encourage more visitors.<sup>7</sup>

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *The Yukon Budget did not elicit any published reaction from the cultural community despite the decreases in heritage resource funding. The main published comments about levels of satisfaction with funding for culture came from Yukon government news releases on grants awarded.*

Yukon Government News Release, "[Arts Operating Fund supports cultural groups and arts projects](#)", May 15, 2014 - (accessed January 8, 2015).

- This news release, which announced support totalling \$668,000 to 15 arts organizations and five annual projects, quoted the president of the Guild Hall Society as saying, "We are extremely grateful for the support we receive from the Arts Operating Fund. ... It allows us to continue growing and improving upon what the Guild does best: producing great theatre which benefits our entire community". The producer of the Blue Feather Music Society stated that "This funding allows us to present an inspirational festival that encourages people of all ages and from all cultures to celebrate music and the arts in the Yukon."

Yukon Government News Release, "[Yukon government supports museums and First Nation cultural and heritage centres](#)", June 12, 2014 - (accessed January 8, 2015).

- This news release announced \$1.5 million in grants to various museums and cultural centres, including (among others) the Dawson City Museum and the John Tizya Centre in Old Crow. The Executive Director of the Dawson City Museum said that "This three-year agreement provides funding which allows us to continue providing an exceptional, high-quality museum experience to visitors and Yukoners." The Chief of the Vuntut Gwitchin First Nation, which received over \$17,000 to produce a film exhibit at the John Tizya cultural centre, stated that "*The Sound We See* exhibit is an excellent collaboration between professional filmmakers and community members who will share their stories about life in Old Crow."

Yukon Government News Release, "[Fund supports projects to preserve Yukon's built heritage](#)", July 30, 2014 - (accessed January 8, 2015).

- This news release announced \$100,000 in funding to 14 individuals and organizations from the Historic Properties Assistance Program for the stabilization, restoration or interpretation of their historic properties. Trina Buhler of Dawson City, who received assistance toward the restoration of residences from the Gold Rush era, stated that "The

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<sup>7</sup> Government of Yukon News Release, "[Governments of Canada and Yukon announce largest tourism marketing initiative in Yukon's history](#)", September 2, 2014 - (accessed January 8, 2015).



Historic Properties Assistance Program was well laid out and simple to use and, for my project, created a level playing field where the cost to restore was equivalent to building new.”

## Government of Yukon Main Estimates<sup>8</sup>

(In thousands of dollars)

Department/Corporation	2014-15 Estimate <sup>9</sup>	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate <sup>10</sup>
Yukon Legislative Assembly	7,044	6,484	6,211	5,947
Elections Office	477	385	451	1,013
Office of the Ombudsman	972	826	672	566
Child and Youth Advocate Office	489	489	477	466
Executive Council Office	27,684	24,484	23,572	23,310
Community Services	130,303	169,242	187,242	187,436
Economic Development	18,546	15,700	15,740	15,776
Education	191,195	181,340	145,815	145,388
Energy, Mines and Resources	98,452	65,493	87,902	61,988
Environment	39,125	34,538	30,798	29,013
Finance	8,558	8,118	7,908	7,638
French Languages Directorate	2,692	2,526	-	-
Health and Social Services	343,699	337,638	286,777	267,386
Highways and Public Works	225,919	201,061	187,868	175,729
Justice	68,772	65,075	62,851	65,740
Public Service Commission	42,301	39,359	38,717	37,894
Tourism and Culture	29,078	24,448	24,690	22,035
Women's Directorate	1,811	2,867	4,805	1,777
Yukon Development Corporation	28,263 <sup>11</sup>	5,975	5,725	3,000
Yukon Housing Corporation	69,462 <sup>12</sup>	39,084	33,542	37,478
Yukon Liquor Corporation	One dollar	One dollar	One dollar	One dollar
Loan Capital and Loan Amortization	5,000	5,000	5,000	-
<b>Total</b>	<b>1,339,842</b>	<b>1,230,122</b>	<b>1,156,763</b>	<b>1,089,580</b>

<sup>8</sup> [Budget 2014-15 Supplementary Estimates No. 2](#), Government of Yukon, (accessed January 21, 2015)

<sup>9</sup> Ibidem.

<sup>10</sup> [Budget 2011-12](#), S-4. Government of Yukon

<sup>11</sup> Several development programs have resulted in the increase in 2014-15.

<sup>12</sup> Several housing development projects this year have resulted in this increase.

## Yukon Department of Tourism and Culture

### Main Estimates<sup>13</sup>

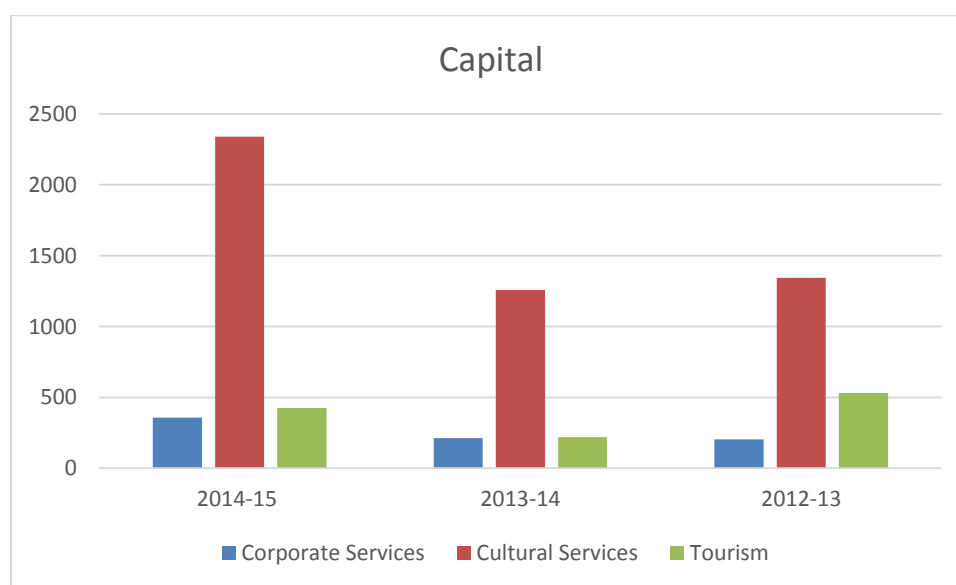
Appropriations (In thousands of dollars)	2014-15 Estimate	Difference Dollar Value And Percentage	2013-14 Estimate	2012-13 Actual	2011-12 Actual
<b>OPERATIONS AND MAINTENANCE</b>					
<b>Corporate Services</b>	2,388	117 5.1%	2,271	2,103	1,887
<b>Cultural Services</b>	11,333	578 5.3%	10,755	10,768	9,997
Directorate	449	5 1.1%	444	414	521
Heritage Resources	1,114	-208 -15.7%	1,322	1,073	923
Historic Sites	1,225	21 1.7%	1,204	1,101	1,088
Museums	2,065	-95 -4.4%	2,160	2,364	2,101
Yukon Beringia Interpretive Centre	442	45 11.3%	397	383	341
Arts	3,906	125 3.3%	3,781	4,046	3,742
Archives	1,534	87 6%	1,447	1,387	1281
<b>Tourism</b>	11,991	2,259 23.2%	9,732	9,835	9,846
<b>Subtotal for Operating and Maintenance</b>	25,712	2,954 12.9%	22,758	22,612	21,730
<b>CAPITAL</b>					
<b>Corporate Services</b>	373	160 75.1%	213	204	137
<b>Cultural Services</b>	2,340	1,083 86.1%	1,257	1,344	951
Paleontology Trailer	-		-	50	
Historic Sites Maintenance	145	45 45%	100	74	279
Fort Selkirk	316	156 97.5%	160	149	154
Historic Sites Planning	25	0 0%	25	18	24

<sup>13</sup> [2014-15 Budget, Estimates](#) + [Supplementary Estimates no.2](#), Government of Yukon,

<b>Appropriations</b> (In thousands of dollars)	<b>2014-15 Estimate</b>	<b>Difference Dollar Value And Percentage</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Interpretation and Signage	70	0 0%	70	70	69
Rampart House	60	0 0%	60	61	58
Forty Mile	124	14 12.7%	110	77	73
Yukon Sawmill	30	0 0%	30	46	-
Heritage Trails	40	0 0%	40	33	40
Military and Industrial Artifact Assessment	55	5 10%	50	0	0
Yukon Beringia Interpretive Centre	-		124	60	78
Beringia Exhibit Maintenance	30	-30 -50%	60	0	4
Beringia Exhibits Renewal	100	100	0	0	0
Museums – Capital Maintenance	295	-43 -12.7%	338	0	0
Prior Years' Projects	0	-184 -100%	184	78	
Visual Arts Acquisition	25	0 0%	25	25	25
Visual Arts Maintenance	13	13	0	0	0
Art Collection Storage	One dollar	1	0	0	0
Yukon Arts Centre	151	151	0	0	-
Archives	2,340	955 68.9%	1,385	1,257	1,001
<b>Tourism</b>	<b>425</b>	<b>205 93.2%</b>	<b>220</b>	<b>530</b>	<b>488</b>
<b>Subtotal for Capital</b>	<b>3,366</b>	<b>1,676 99.1%</b>	<b>1,690</b>	<b>1,892</b>	<b>-</b>
<b>Total Included in the Appropriation</b>	<b>13,075</b>	<b>1,063 8.8%</b>	<b>12,012</b>	<b>11,943</b>	<b>10,948</b>
<b>Total Expenses</b>	<b>29,078</b>	<b>4,168 16.7%</b>	<b>24,910</b>	<b>24,886</b>	<b>23,950</b>

## Government of Yukon

### Changes in Appropriations to Department of Tourism and Culture



## Government Transfers to Cultural Services<sup>14</sup>

(In thousands of dollars)	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actual</b>	<b>2011-12 Forecast</b>
<b>OPERATIONS AND MAINTENANCE</b>				
Stay Another Day – Arts Themed Events	80	80	80	88
Yukon Science Institute	20	20	20	20
Arts Centre Corporation	814	778	778	757
Arts Operating Funds	668	668	668	668
Arts Fund	500	500	586	796
Artist in the School	100	100	115	144
Touring Artist Fund	100	100	101	116
Advanced Artist Award	80	80	79	80
Dawson City Arts Society	400	400	400	400
Friends of Yukon Archives Society	9	9	9	9
Museum – General Operations, Maintenance and Training Support	657	657	652	657
Northern Strategy- Heritage and Culture Capacity Development – Training Initiative	-	117	280	269
First Nations Cultural Centres	514	514	514	344
Historic Sites Maintenance	100	100	104	152
Old Firehall Programming	150	150	150	150
Museum Assistance	350	350	395	371
Museum Conservation and Security	20	20	20	20
Northern Cultural Expressions Society	345	345	345	345
Culture Quest- Yukon Arts Centre	157	157	157	157
Prior Years' Other Transfer Payments	0	117	425	69
Historic Sites – Heritage Attraction Site Support	60	35	37	
<b>CAPITAL</b>				
Fort Selkirk	141	135	124	135
Heritage Trails	21	21	21	21
Visual Arts Acquisition	25	25	25	25
Forty Mile	30	20	27	20

<sup>14</sup> [2014-15 Budget](#), p. 18. Government of Yukon

Note: The Touring Artist Fund and Arts Operating Funds are chosen based on recommendations by the Yukon Arts Advisory Council.

## Government of Yukon

### Department of Economic Development

#### **Yukon Film and Sound Commission<sup>15</sup>**

The Government of Yukon has been supporting film work in the Yukon since the mid-1980s through various programs and services. In 1990, with the impending Klondike Gold Rush Centennial celebrations, the government vested support for film within the Department of Tourism. In 1998 a formal Film Commission was established.

In April 2003, the Government of Yukon undertook a review of the Yukon Film Commission as part of its move to the Department of Economic Development. Under the direction of a steering committee of industry stakeholders, this review resulted the addition of sound to the mandate of the Yukon Film Commission, which was renamed Yukon Film & Sound Commission (YFSC) in October 2004.

To support a sustainable and competitive film and sound recording industry, the Yukon Film and Sound Commission launched the Yukon Film & Sound Incentive Program in 2001. The Programs, now composed of six separate funds or incentives initiatives including a new sound recording program, launched in July 2005.

#### **Enterprise Trade Fund<sup>16</sup>**

Aimed at the Film and Sound Industries and disposing of a budget of \$17,280,000, the Enterprise Trade Fund is attached to the Department of Economic Development and administered by the Yukon Film and Sound Commission. Its purpose is to stimulate Yukon business activity through market expansion and business development. Eligible activities include:

- Events such as trade shows, festivals, conferences, tours, markets, showcases;
- Marketing, including research, analysis and materials;
- Business development, including marketing plans, business plans and strategic plans;
- Business skills development, including training, workshops and seminars.

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<sup>15</sup> [About the Yukon Film and Sound Commission](#), Department of Economic Development, Government of Yukon.

<sup>16</sup> [2014-15 Budget](#), and [Enterprise Trade Fund](#), Department of Economic Development, Government of Yukon.

**Government of Yukon**  
**Department of Education**

**Government Transfers (Select Programs)<sup>17</sup>**

(In thousands of dollars)

<b>Operations and Maintenance</b>	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Artist in the School	19	19	17	16
Council of First Nations – Native Language Program	405	405	405	405
Council of First Nations – Education Support	170	170	128	170
First Nations Elder Program	50	50	40	25
First Nations Community Orientation	20	20	17	13
French Cultural Activities	35	35	38	34
School Cultural Activities	250	250	277	250
Yukon College School of Visual Arts	474	474	474	474

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<sup>17</sup> [2014-15 Budget](#), p. 24, Government of Yukon.



## Yukon Native Language Centre

The Yukon Native Language Centre is located on the Yukon College campus and administered by the Council of Yukon First Nations. The program is funded by the Government of Yukon through appropriations from the Department of Education's Native Language Program. In 2013-14, funding for the Yukon Native Language Centre remained at \$405,000.<sup>18</sup>

Languages
Inuit Tlingit Gwich'in Hän Upper Tanana Northern Tutchone Southern Tutchone Kaska Tagish Tahltan

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<sup>18</sup> [Yukon Native Language Centre.](#)