

A person is holding a large, vibrant red maple leaf in front of their face, completely obscuring it. The person is wearing a dark blue or black jacket. The background is a soft-focus outdoor scene with green foliage and a hint of a path. The text is overlaid on the leaf.

# IN SEARCH OF THE CREATIVE ECONOMY

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



## Notes

All provincial and territorial real GDP growth statistics were retrieved from <http://www.statcan.gc.ca/daily-quotidien/151110/dq151110a-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 nor of the Canadian Conference of the Arts.

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## Foreword

We are happy to present the fourth annual analyses of the 2015-16 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. While the CCA was forced to suspend its operations in late 2012 due to the loss of decades federal support, we are happy that the CCA caretaker Board has decided to come back on board by funding not only the research and writing of this year's document, but also its companion document [\*Analysis of the Federal Budget from the perspective of Arts, Culture and Heritage\*](#). All four annual provincial and territorial analyses can be found on the [Centre on Governance's website](#).

Since September 2014, the Canadian cultural sector can now count on Statistics Canada's [\*Canadian Culture Satellite Account 2010\*](#) (sponsored by the Department of Canadian Heritage and a number of provincial jurisdictions and partners) for information on culture's contribution to the Canadian economy. However, our modest analyses are still the only compendiums that trace government expenditures on culture. Their purpose is to fill as well as possible the gaps left by cuts to Statistics Canada's other culture statistics programs, particularly the survey of *Government Expenditures on Culture*. Like many others in the cultural field, we welcome the reinstatement in 2016 of the compulsory long-form census, which was eliminated in 2010, as it will help to fill other statistical gaps on cultural production and consumption.

We are 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, our intention from the beginning was not only to trace trends in cultural funding at the provincial and territorial levels of government, but also to analyze the political, economic, and social conditions that influence the levels of support they provide. With this fourth set of analyses, we address this objective by examining how the concept of the creative economy is influencing funding of arts, culture and heritage by the various provincial and territorial governments. Since the 2015-16 Budgets were presented almost a year ago, the economic and political environments have changed a great deal. Will these changes have an impact on levels of support for culture at the national and sub-national levels? We expect they will, but the direction of change is not a foregone conclusion. Our analyses show the many challenges faced by the provinces and territories as they attempt to navigate a course between their "old" economies and the new one based on creativity that appears to be emerging.

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## Table of Contents



<b>Overview</b> .....	1
<b>Alberta</b> .....	16
<b>British Columbia</b> .....	34
<b>Manitoba</b> .....	53
<b>New Brunswick</b> .....	67
<b>Newfoundland and Labrador</b> .....	80
<b>Northwest Territories</b> .....	97
<b>Nova Scotia</b> .....	107
<b>Nunavut</b> .....	128
<b>Ontario</b> .....	139
<b>Prince Edward Island</b> .....	164
<b>Québec</b> .....	177
<b>Saskatchewan</b> .....	198
<b>Yukon</b> .....	218



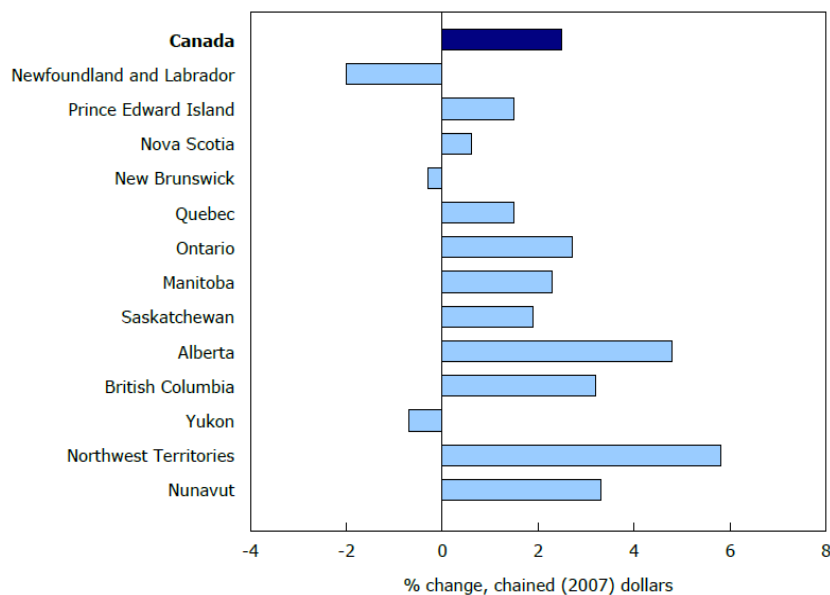
## In Search of the Creative Economy – Overview

### Introduction

It has been another tough year for the Canadian economy. After the collapse of oil prices and the Canadian dollar in 2014, the country slipped into a brief recession in the first half of 2015. There were signs of modest recovery in the last half of the year, as Statistics Canada reported a 0.6% increase in GDP in the third quarter of 2015.<sup>1</sup> But the hope that the manufacturing sector in Ontario and Québec would take up the slack as the engines of the economy did not immediately materialize, and it was only toward the end of 2015 that exports of manufactured goods started to pick up.

The national figures, however, do not tell the whole story. In some provinces and territories in 2014 GDP continued to grow, although at a slackened pace in most cases (see Table 1 and Figure 1). In Newfoundland and Labrador, the collapse in growth was quite spectacular, going from 7.2% in 2013 to -2.0% in 2014. While Alberta's growth rate continued to lead the provinces in 2014, at 4.8%, this was not expected to continue in 2015. In some provinces, such as New Brunswick and Nova Scotia, growth rates continued to be tepid or non-existent. In others, such as British Columbia, Manitoba and Ontario, growth continued at a moderate pace, but this did not prevent most of them from falling into deficits.

**Figure 1- Percentage change  
Real gross domestic product, 2014**



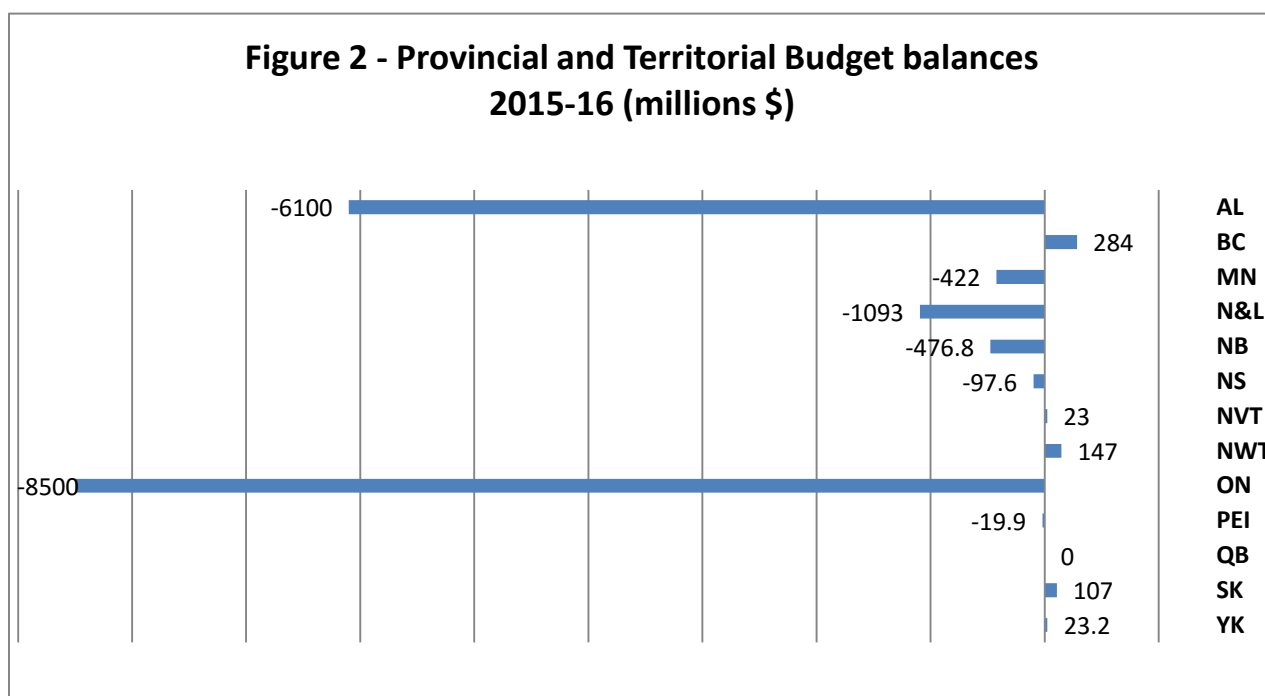
Source(s): CANSIM table 384-0038.

<sup>1</sup> Statistics Canada, [Gross domestic product, income and expenditure, third quarter 2015](#), December 1, 2015.



As in the previous year, in 2015-16, deficits were the norm (see Figure 2). Only British Columbia, the Northwest Territories, Nunavut, Saskatchewan, and Yukon were predicting modest surpluses in 2015-16. While the Québec government tabled a balanced budget, this was only achieved through a program of radical austerity. The federal government, until after the election of the Liberal government in October 2015, was predicting a budget surplus.

Federal debt fell from 33.3% of GDP in 2012-13 to 32.3% in 2013-14 and was expected to decline further to 28% of GDP in 2015-16 and to 25% by 2021.<sup>2</sup> However, it is another story in the provinces. In a recent report on fiscal sustainability, the Parliamentary Budget Office, projected that aging of the population will lead to increasing rates of health care spending in the provinces which will exceed provincial GDP growth rates. This situation will likely be exacerbated by the federal government's plans to reduce health transfers from an annual increase of 6% a year to the 3% range.<sup>3</sup> Chronic deficits have already resulted in increasing debt loads in the provinces, such that current per capita provincial debt levels now range from just over \$4,000 in Saskatchewan to over \$22,000 in Québec (see Table 1 and Figure 3). Alberta is the only province without a net debt, but in order to pay for the infrastructure program announced in the 2015-16 Budget, it will have to borrow heavily, moving from a net asset position of 1% in 2015-16 to a forecast net debt position of -3.5% of GDP in 2017-18.<sup>4</sup>



SOURCE: Provincial and Territorial Budgets 2015-16

<sup>2</sup> Bill Curry, "[Canada's governments brace for looming debt crunch](#)", *The Globe and Mail*, May 12, 2015 (accessed November 19, 2015).

<sup>3</sup> Parliamentary Budget Office, *Fiscal Sustainability Report 2015*, July 21, 2015.

<sup>4</sup> Jonathan Bendiner and Diana Petramala, "[2015 Alberta Budget – A Longer Road Back to Balance](#)", TD Economics, October 27, 2015.

**Table 1 – Provincial and territorial GDP growth, per capita transfer payments, budget balances, and net debt per capita**

<b>Jurisdiction</b>	<b>GDP growth 2011 (%)</b>	<b>GDP growth 2012 (%)</b>	<b>GDP growth 2013 (%)</b>	<b>GDP growth 2014 (%)</b>	<b>Federal Transfers per capita 2015-16 (\$)</b>	<b>Surplus or Deficit 2015-16 (\$)</b>	<b>Net debt per capita 2013-14 (\$)</b>
<b>Alberta</b>	5.7	4.5	3.8	4.8	1,312	- 6.1 billion	-3,162
<b>British Columbia</b>	2.8	2.4	1.9	3.2	1,312	+284 million	8,529
<b>Manitoba</b>	2.1	3.3	2.2	2.3	2,658	-422 million	13,706
<b>New Brunswick</b>	0.6	-0.4	-0.5	-0.3	3,526	-476.8 million	15,406
<b>Newfoundland and Labrador</b>	3.1	-4.5	7.2	-2.0	1,312	-1.093 billion	17,200
<b>Northwest Territories</b>	-8.1	2.2	3.5	5.8	29,319	+147 million	N/A
<b>Nova Scotia</b>	0.7	-0.3	0.3	0.6	3,227	-97.6 million	15,655
<b>Nunavut</b>	4.8	1.2	11.2	3.3	40,821	+23 million	0
<b>Ontario</b>	2.6	1.7	1.3	2.7	1,483	-8.5 billion	19,737
<b>Prince Edward Island</b>	1.6	1.0	2.0	1.5	3,780	-19.9 million	14,426
<b>Québec</b>	2.0	1.5	1.0	1.5	2,465	0	22,230
<b>Saskatchewan</b>	5.8	3.1	5.0	1.9	1,312	+107 million	4,172
<b>Yukon</b>	4.3	2.6	-0.9	-0.7	24,711	+23.2 million	N/A

**SOURCES:**

Statistics Canada, *Provincial and territorial economic accounts* (2011 to 2014).

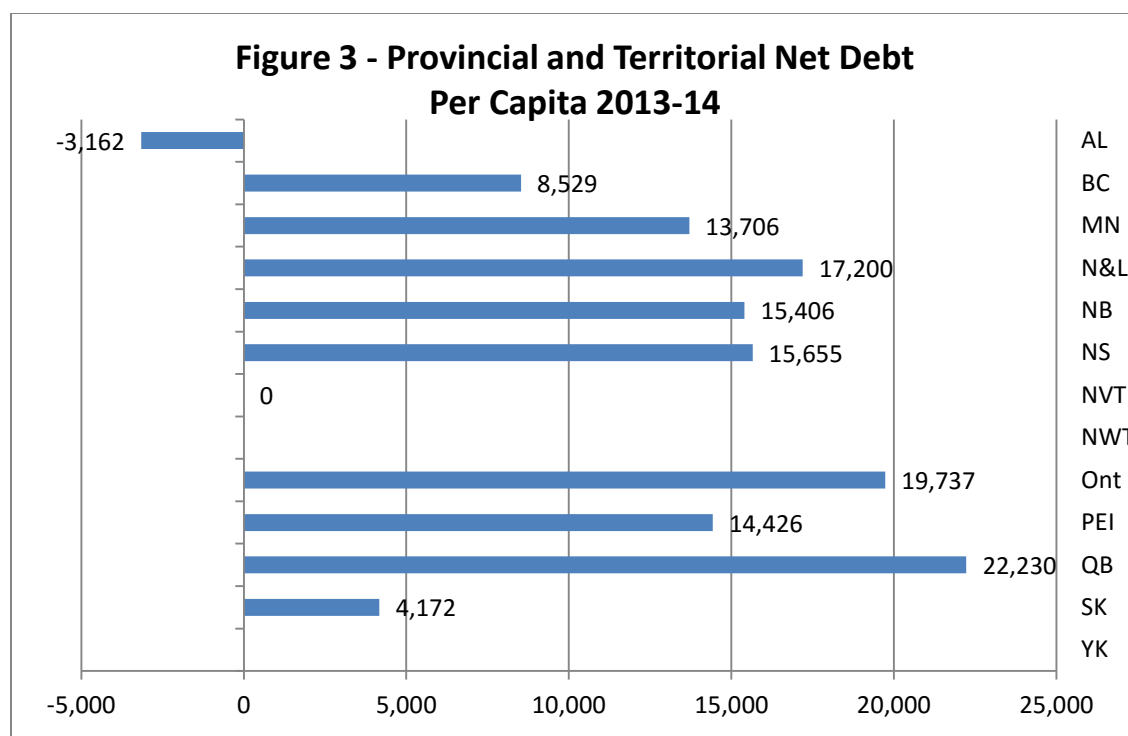
Department of Finance Canada, *Federal Support to Provinces and Territories, 2015-16*.

Department of Finance Canada, *Fiscal Reference Tables*, October 2014.

Provincial and Territorial Budgets 2015-16.

RBC, *Canadian Federal and Provincial Fiscal Tables*. August 17, 2015





SOURCE: RBC, *Canadian Federal and Provincial Fiscal Tables*. August 17, 2015 (Net debt and per capita information for NWT and YK was unavailable at time of publication)

## Culture and the creative economy

So what does all this have to do with culture? Faced with the grim statistics outlined above, provincial governments have taken a variety of measures to trim expenses and increase revenues over the past few years, and this restraint has had an impact on the cultural sector. But, at the same time, many provinces and territories have also begun to seek ways to diversify their economies to boost tax revenues and create jobs. A growing number are turning to the cultural and tourism sectors as possible engines of growth and as drivers of a new type of creative economy. As a recent UNESCO report has found, cultural and creative content contributed US\$200 billion to the world economy in 2013 through sales of e-books, music, video, and games, along with another US\$22 billion in advertising revenues from online media and free streaming websites.<sup>5</sup> The report also notes that creative industries and cultural tourism have become strategic assets for local economies.<sup>6</sup> Closer to home, a recent Music Canada report has documented the value that live music brings to the Ontario economy in terms of job creation, tourism development, brand building and artistic growth.<sup>7</sup>

Data derived from the [Culture Satellite Account](#) and published by Statistics Canada in 2015, indicates that culture (measured as an output or product) contributed 3% to Canada's GDP in

<sup>5</sup> UNESCO / EY, [Cultural times – The first global map of cultural and creative industries](#), 2015, p. 20.

<sup>6</sup> Ibid., p. 22.

<sup>7</sup> Music Canada and Nordicity, [An Economic Impact Analysis of Live Music in Ontario](#), 2015.

2010 and accounted for 3.7% of total jobs in the same year.<sup>8</sup> By way of comparison, the accommodation and food services industries contributed just over 2% to Canadian GDP in 2014, and agriculture, forestry, fishing and hunting contributed less than 2%.<sup>9</sup> The distribution across provinces and territories is shown in Table 2. Currently, only in Ontario, Québec and British Columbia does the culture GDP equal or exceed the national average. In terms of culture jobs, the same three provinces, plus Nunavut, exceed the national average. However, Manitoba is very close to the national average in terms of both cultural output and culture jobs. In addition, in Yukon and Northwest Territories, the proportion of people employed in the cultural sector is also very close to the national average.

**Table 2 – Culture GDP and jobs as share of provincial and territorial economies, 2010**

Province / Territory	Culture GDP as share of economy (%)	Culture jobs as share of economy (%)
Alberta	1.8	2.7
British Columbia	3.0	3.8
Manitoba	2.9	3.4
New Brunswick	2.3	2.6
Newfoundland and Labrador	1.4	2.4
Northwest Territories	2.0	3.5
Nova Scotia	2.6	3.1
Nunavut	2.7	3.8
Ontario	3.7	4.1
Prince Edward Island	2.5	2.8
Québec	3.5	3.9
Saskatchewan	1.4	2.2
Yukon	2.0	3.5
<b>Canada</b>	<b>3.0</b>	<b>3.7</b>

SOURCE: Statistics Canada, *Provincial and Territorial Culture Satellite Account, 2010*, June 9, 2015

<sup>8</sup> The [Culture Satellite Account](#) measures both cultural output, independent of the industry which produces it, and the output of industries classified as cultural (including the non-cultural output of those industries). Table 2 shows the first type of measure- i.e. cultural output only.

<sup>9</sup> Statistics Canada, [Gross domestic product at basic prices, by industry \(monthly\)](#).



In the 2015-16 Budgets, much of the rhetoric about “community and culture” that was evident in previous Budgets was replaced by a more economically-focused discourse. Many of the provinces and territories, including those with small culture GDPs, included statements about the need to diversify their economies through greater investments in the cultural sector. This was especially the case in the provinces most heavily affected by the downturn in oil revenues. In Alberta, the new NDP Minister of Culture and Tourism stated in a news release that “The success of Alberta’s cultural industries sector, particularly our film and television industry, is an important piece of our move toward a more diversified, sustainable economy.”<sup>10</sup>

In a statement about the Ontario Music Fund, the Premier of Ontario, Kathleen Wynn, indicated that “By establishing Ontario as one of the leading destinations in North America to record and perform, we are supporting the music companies, artists and cultural institutions that bring our sound to the world, boosting a vibrant and important industry and helping to create good jobs”.<sup>11</sup> In Newfoundland and Labrador, the former Conservative government went even further, creating a new Department of Business, Tourism, Culture and Rural Development, which issued a news release after the Budget stating that “Tourism, culture and heritage are integral parts of the Provincial Government’s focus on economic growth.”<sup>12</sup> The rationale for the creation of the department was cited in the Premier’s *120-Day Report*, as being to take advantage of natural synergies by partnering “those who have expertise in the arts, culture, tourism and rural innovation”. These sectors, he added, would “remain a central focus of the province’s overall tourism development strategy”.<sup>13</sup>

Even in provinces that were not as directly affected by falling oil and commodity revenues, creative economy discourse was prominent. In the *2015-16 – 2017-18 Service Plan* of the British Columbia Ministry of Community, Sport and Cultural Development, it was stated that “Growing B.C.’s creative economy and workforce are key priorities for the ministry. .. There is an opportunity for continued growth of B.C.’s creative economy and workforce through the enhancement of existing programs, as well as incorporating new areas of development, including targeted investment in the sector as well as the promotion of cultural assets in the tourism sector”.<sup>14</sup> While the synergy of culture and tourism is prominently featured in many such statements, especially in the North, it is in the cultural industries where the biggest direct investments can be found.

## The role of tax credits

As was noted in last year’s analysis of the provincial and territorial 2014-15 Budgets, [Culture in the Balance](#), a major trend in the past few years has been the increased use of tax credits to

<sup>10</sup> “[Budget 2015 keeps film and television jobs rolling in Alberta](#)”, Government of Alberta, November 18, 2015 (accessed November 23, 2015).

<sup>11</sup> “[Ontario Music Fund Grants Go to 123 Recipients](#)”, News release, Office of the Premier, March 25, 2015.

<sup>12</sup> “[Committed to Economic Growth and Diversification](#)”, Press Release, Department of Business, Tourism, Culture and Rural Development, April 30, 2015.

<sup>13</sup> Premier Paul Davis, [120-Day Report](#), Government of Newfoundland and Labrador, January 30, 2015.

<sup>14</sup> [2015-16 – 2017-18 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2015.

support cultural objectives. This year, tax credits for the cultural industries were given an increasingly prominent role to play in the achieving economic diversification and kick-starting (or growing) the digitally-based sector of the creative economy. As well, in several provinces culture was also linked more closely to objectives for the tourism sector, providing attractions for visitors, as well as digital content for worldwide consumption. The synergy between culture and tourism was particularly central to the growth strategies of Yukon, Newfoundland and Labrador, and Nunavut.

In both Ontario and Québec, where the bulk of the audiovisual industry is located, fiscal pressures forced a re-examination of media tax credits. However, the outcomes were quite different. Ontario (gambling that the ongoing weakness of the Canadian dollar would continue to attract production) reduced the Ontario Productions Services Tax Credit from 25% to 21.3%, the Ontario Computer Animation and Special Effects Tax Credit from 20% to 18%, narrowed the scope of the Ontario Interactive Digital Media Tax Credit to focus on entertainment and educational products for children, and eliminated the Ontario Sound Recording Tax Credit. Pressure from the industry forced the province to “grandfather” productions already underway, but only expenditures made before August 1, 2015 qualified for the former tax rates. However, in Québec, tax credit cuts introduced the previous year were reversed to create more room for investment in the sector and in the province’s economy. As a result, the Québec tax credit for film and television production went from 28% to 32% and the tax credit for video game production rose from 30% to 37.5%. Québec also brought back 35% tax credit rates for book publishing, production of performances, sound recording production, film dubbing and multimedia events staged outside of Québec.

In some provinces, tax credits were either sweetened or extended. In British Columbia, the Digital Animation or Visual Effects (DAVE) tax credit was extended to include post-production film activities, and the Interactive Digital Media tax credit was extended to 2018. In Manitoba, the Film and Video Production Tax Credit, the richest in the country at 45% of eligible labour costs, was extended to 2019. And despite a rather dire fiscal situation, Newfoundland and Labrador introduced a new Interactive Digital Media Tax Credit, intended to expand the industry’s workforce.

On the other hand, in a contrarian move, a few provinces tried to back away from cultural tax credits. The most notable of these was Nova Scotia, which ignited a firestorm of reaction from its film and video sector, when, as a cost-cutting measure, it restructured its Film Industry Tax Credit to make only the first 25% refundable, with the remaining 75% to be applied to taxes owing. At the same time, it established a \$6 million Creative Economy Fund to be administered by Nova Scotia Business Inc., which would also be responsible for tax credit administration. After intense pressure from the film and video sector, this proposal was replaced by a refundable tax credit on up to 65% of labour costs with a 25% base-funding incentive on all production spending in the province (not just labour). As well, the Creative Economy Fund (re-named the Film and Television Production Incentive Fund) was increased to \$10 million. Like their counterparts in Saskatchewan after the government eliminated its Film Employment Tax



Credit in 2012, members of the Nova Scotia audiovisual industry reacted rather negatively, claiming that the province had become less competitive as a result of these changes.<sup>15</sup>

In Saskatchewan, there were no moves to reinstate any form of media tax credit. In fact, the provincial Budget altered the Active Families Benefit, which provides a refundable personal income tax credit to families registering children in cultural, recreational, and sport activities, to make it income-tested so that benefits would only go to families with combined net incomes below \$60,000.

Clearly, provincial and territorial governments fell into two camps on both the issue of tax credits and on the benefits of investing in culture to enhance the creative economy. Generally, however, the focus was almost solely on the cultural industries, with both the arts and heritage sectors either left out of the picture or linked to the creative economy primarily through the tourism industry. And, as described below, the impact of 2015-16 Budgets tended to be far less positive for those parts of the cultural sector not clearly tied to the creative economy.

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

Other than the enhancements to the media tax credits outlined above, the overall impact of the 2015-16 provincial and territorial Budgets was to continue the pattern of restraint and cutbacks of previous years. Unlike in previous years, there were few special celebrations or events to temporarily boost cultural spending (other than the Pan/Parapan American Games held in Toronto in July 2015). As a result, cultural ministry and portfolio budgets tended either to be flat or to increase or decrease very slightly. The exception was Prince Edward Island, which dramatically decreased its cultural allocation following the termination of the *PEI 2014* celebrations.

Overall cultural spending was up in a few provinces and territories. Yukon increased investments in tourism. New Brunswick was still absorbing increases announced the previous year as part of its renewed cultural policy. Newfoundland and Labrador, despite its economic downturn, made significant new investments in historic sites and arts and culture centres. Nova Scotia had a community access program transferred to its cultural ministry. However, the cultural sector had few reasons to cheer in most jurisdictions, unless they were part of the cultural industries.

### Impact on the arts sector

Few of the provinces and territories provided increased funding for the arts, and in those that did, there proved to be strings attached.

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<sup>15</sup> CBC News, "[Nova Scotia Film Industry significantly less competitive](#)", says consultant, November 10, 2015 (Accessed November 11, 2015).

The most egregious example of this was in Québec, when it was discovered that a 9.2% increase in the budget of the Conseil des Arts et des lettres du Québec (CALQ) was entirely due to the transfer to it of responsibility for the Montreal Symphony Orchestra, which until then received the money directly from Loto-Québec. To add insult to injury, the provincial government then announced, on the eve of the Fête nationale, that \$2.5 million of amount allocated to CALQ in the 2015-16 Budget would be clawed back. As a result, the CALQ will be cutting back or suspending a number of programs that support foreign co-productions in the performing arts and service organizations in the arts. However, to be fair, Québec did allocate an additional \$24 million over two years to increase support for government corporations in the cultural sector, such as the Conservatoire de musique et d'art dramatique du Québec, the Société de la Place des Arts de Montréal, and the Société du Grand Théâtre du Québec.

In Alberta, the Ministry of Culture and Tourism's arts budget increased by 52%, from \$950,000 in 2014-15 to \$1.45 million in 2015-16. However, a 5% cut in the allocation for the Alberta Foundation for the Arts (AFA) that had been imposed by the former Conservative government was allowed to stand. The new NDP government pledged to increase its allocation to the AFA by \$5 million in 2016-17 and by \$10 million in 2017-18, but it was unclear whether this would be new money or dependent on increases in lottery revenues.

In Prince Edward Island, the Ministry of Tourism and Culture was disbanded and responsibility for culture was transferred to the new Ministry of Education, Early Learning and Culture. As a result of the winding-down of the *PEI 2014* celebrations marking the anniversary of the 1864 Confederation talks in PEI, the cultural budget was cut by 62%, confirming the fears expressed by the cultural community in the lead-up to the celebrations that this represented only a temporary augmentation of support to the cultural sector. Indeed, later in the year, the government announced that core funding for a number of groups, including Music PEI and Culture PEI (one of nine sector councils funded by the Ministry of Workforce and Advanced Learning), would be cut. Culture PEI announced in July that it might have to shut its doors early in 2016 if it could not find alternative funding. In fall 2015, the P.E.I. Council of the Arts had its funding withheld until its financial statements were reviewed and submitted to the Ministry. While it was unclear whether this was related to budget cuts, the Council did have to lay off staff and cut back to one round of grant funding during the year in order to get its finances back in order.

Elsewhere in Atlantic Canada, support to the arts was either flat-lined or increased only marginally. In Newfoundland and Labrador, despite the dire state of the government revenues, the allocation for arts and cultural centres increased by 12% and that of The Rooms (the provincial art gallery, archives and museum) by over 9%, which only partially made up for severe cuts that were made in 2013-14. However, support for the Newfoundland and Labrador Arts Council was basically flat. In New Brunswick, the budget for arts and cultural industries increased by over 47%, but this reflected the additional \$3 million invested in the cultural sector in 2014, following the release of the province's Renewed Cultural Policy. In Nova Scotia, the Art Gallery of Nova Scotia suffered a 5.2% cut, and Arts Nova Scotia and the Support4Culture program received only a tiny increase.

Moving west, the story was not much different. In Ontario, the Ministry of Tourism, Culture and Sport's arts sector support was reduced by \$1.3 million, while the budget allocations of the Art Gallery of Ontario, the McMichael Canadian Collection, and the Ontario Arts Council were flat-lined, with no increase for the second year in a row. In Manitoba, both the Manitoba Arts Council and the grant program for cultural organizations did not receive any increase. Unlike some other provinces that explicitly linked investments in tourism to their economic growth strategies, Ontario reduced its tourism budget by about \$3.6 million, of which \$2 million came from cuts to grants in support of festivals and events.

Saskatchewan restructured its votes for the Ministry of Parks, Culture and Sport, making year-to-year comparisons difficult, but the budget of the Saskatchewan Arts Board remained frozen at 2014-15 levels, as did support for provincial heritage and culture. Support for community sport, culture and recreation programs increased by over 16%, but it was impossible to tell from the Estimates how much of this was earmarked for arts and culture. Due to falling lottery revenues, the budget of SaskCulture in 2014-15 was also down substantially but since its reporting is done on a *post hoc* basis, the situation of that agency in 2015-16 will not be known until next year.

Despite being one of the few jurisdictions in Canada with a budget surplus, British Columbia did not direct much of this extra money toward the arts. In 2015-16, the allocations for Arts, Culture and the British Columbia Arts Council remained virtually the same as in the previous year.

The situation in the North was not much different. In the Northwest Territories, allocations for the culture and heritage program and for grants and contributions to cultural activities rose by only about 1%, and the allocation for the Northwest Territories Arts Council was frozen. In Nunavut, the Budget announced that a new cultural industries strategy would be developed to replace the arts and crafts strategy, accompanied by a national marketing campaign for the arts and media sector. However, the Department of Culture and Heritage's budget remained virtually unchanged in 2015-16, and the allocation for culture and heritage grants actually fell, although a small amount of new funding was earmarked for an Inuktitut Song Writing Contest. In Yukon, appropriations for culture grew by over 6%, including a nearly 4% increase in the arts budget. While a few organizations, such as the Dawson City Arts Society and the "Stay Another Day Arts-themed Events", received small increases in their grants, most other arts funding remained at the previous year's level.

In short, the overall picture for provincial and territorial arts funding in 2015-16 was a fairly gloomy one.

### **Impact on the heritage sector**

There was only one really good news budget story with regard to the heritage sector in 2015-16, and this occurred in Québec. For years, the museums community had been lobbying the government with regard to frozen levels of support for the sector and the absence of funding for newer museums. At first, it appeared that the Budget had once again ignored their pleas, but in October 2015, the Minister of Culture announced that the government was allocating an additional \$13 million annually to the museums sector to support permanent and special

exhibitions, as well as touring of exhibitions, and to supplement the operating needs of museums (including ten newly recognized museums). The news was received positively by the sector, but it was noted that this amount still fell short of what was actually needed. Provincial museums also received a 3.2% increase in provincial funding, but support for the Bibliothèque et Archives nationales was down by 4%.

Generally, the budgetary picture for heritage was fairly positive in the east, and deteriorated as one moved west.

In Atlantic Canada, New Brunswick's 2015-16 Budget reflected the increases in operational funding for the Beaverbrook Art Gallery and the New Brunswick Museum that were announced in 2014 under the province's Renewed Cultural Policy. These and other investments in the heritage sector led to an increase of almost 11% in the province's heritage funding. As mentioned above, Newfoundland and Labrador increased support to The Rooms by over 9% and boosted the budget for historical sites development by a whopping 88% (albeit from a very small initial base). The allocation for the Heritage Foundation of Newfoundland and Labrador also increased by almost 4%. These increases were tied to the province's intentions to focus on tourism, culture and heritage as contributors to economic growth.

In Nova Scotia and Prince Edward Island, the picture was less rosy but still somewhat positive. In Nova Scotia, the budgetary allocation for Archives, Museums, Libraries Nova Scotia appeared to increase by 10%, but this was mostly due to the transfer of the Community Access Program to the Department of Communities, Culture and Heritage. In fact, increases to provincial heritage agencies were much lower: 4% for the Provincial Museum and just over 1% for the Nova Scotia Archives. The Nova Scotia Provincial Library's budget was reduced by about 1%. In Prince Edward Island, the drastic reductions in cultural expenditures extended to the heritage sector, with a 4% budget reduction for the P.E.I. Museum and a 2.6% cut to the Heritage Foundation's allocation. Only the Public Archives received an increase of 2.7%.

In Ontario, all the major heritage agencies, including the Ontario Science Centre, the Royal Botanical Gardens, the Art Gallery of Ontario, and the Royal Ontario Museum, had their budgets frozen for the second straight year. General heritage sector support and the allocation to the Ontario Heritage Trust also remained at 2014-15 levels. There was a very slight increase in libraries sector support.

In the western provinces, there were a few minor increases to the museums and heritage sector, but for the most part allocations were frozen or decreased slightly. In Alberta, it was a case of one increase being offset by another. The allocation for the Royal Alberta Museum went up by 17%, but that of the Royal Tyrrell Museum went down by 13%. Similarly, historic resources management received a 15% increase and the Provincial Archives 4% more, but the allocation to the Alberta Historical Resources Foundation went down by 11%, and there was a decrease of over 9% in funding for historic sites and other museums. In British Columbia, funding for the Royal British Columbia Museum decreased slightly.

The situation was similar in Saskatchewan and Manitoba. In Saskatchewan, the allocation for most heritage agencies, including the Royal Saskatchewan Museum, remained stable or



increased very slightly, although the Saskatchewan Archives Board (newly transferred to the Ministry of Parks, Culture and Sport) received a 2.5% increase. In Manitoba, the budget for historic resources was reduced by 2.5% and expenditures for the Archives of Manitoba were down by almost 42%. The allocation for public libraries was virtually frozen.

The heritage picture was slightly brighter in the North. In Yukon, the Budget announced that the government would be increasing its support to 11 museums and seven First Nations cultural centres by 20% over the next two years as part of its tourism promotion initiatives. In 2015-16, this translated into an almost 5% increase in heritage resources and museums budgets, as well as a 6% increase for the Yukon Beringia Interpretive Centre. The capital budget also included items to support the design and construction of a paleontology facility in Dawson City, to upgrade exhibits at the Beringia Interpretive Centres, to improve the Yukon Sawmill historic site, and to expand the Yukon Archives vault. Yukon also announced enhanced funding for its Paleontology Program. However, these investments were offset by quite large decreases in historic sites and museums maintenance. The Northwest Territories Budget included minor increases for public library services and the Aboriginal Languages Program. Nunavut's heritage allocation fell slightly, and there was a small decrease in heritage centre core funding, but the allocation for archaeology and palaeontology research grants increased substantially.

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

As the section above on tax credits has described many of the most notable budgetary measures in support of the cultural industries, this section will focus on non-tax measure-related levels of support announced in the 2015-16 provincial and territorial Budgets.

Overall, it was a pretty good year for the cultural industries, although not all provinces appeared willing to subscribe to or invest in the creative economy paradigm. Among those that did, support for the cultural industries generally increased or at least remained stable. For those that didn't, cultural industries advocates were quick to voice their displeasure.

Perhaps the biggest non-tax credit news with regard to support for the cultural industries was the Ontario Budget announcement that the Ontario Music Fund would be made permanent with ongoing funding of \$15 million a year. This Fund, first announced in the 2013-14 Budget as a three-year initiative, is widely supported by the music industry, and was linked explicitly to the Ontario government's strategy on the creative economy. Its continuation was cited as a partial justification for the elimination of the Ontario Sound Recording Tax Credit. Ontario also increased the Budget of the Ontario Media Development Corporation by \$5.5 million, and maintained its support to TV Ontario at 2014 levels.

Although it was a somewhat pyrrhic victory, Nova Scotia also announced a new Creative Economy Fund (later re-named the Nova Scotia Film and Television Production Incentive Fund), which was intended to partially off-set changes to the Film Industry Tax Credit. The \$10 million Fund aims to increase employment in the province's film and television industries by requiring that Nova Scotians take the lead in all aspects of production and comprise more than

60% of the talent hired. The industry expressed scepticism that this would generate the volume of production work formerly supported through the tax credit.

In Alberta, the allocation for the Alberta Media Fund was increased by almost 24%, bringing the total budget to approximately \$37 million. The government also promised to increase the Fund's allocation over the next two years to help grow the industry. However, it should be noted that most of the Fund's budget is derived from lottery revenues, which are highly subject to fluctuation.

In Nunavut, as noted above, the government announced that it would develop a new creative industries strategy to replace the current arts and crafts strategy. However, this will be administered by the Department of Economic Development and Transportation, rather than the Department of Culture and Heritage. The Minister of Economic Development and Transportation announced that the strategy and its accompanying marketing campaign would provide \$1.55 million more in contributions to the arts, crafts, and tourism sectors and would help develop creative cultural products. In addition, \$1.66 million will be added to the Nunavut Tourism, Nunavut Film, and the Nunavut Arts and Crafts Association's allocations, and an additional \$620,000 will be added to the tourism and cultural industries divisions of the Department of Economic Development and Transportation to increase their capacity.

In Newfoundland and Labrador, the capital budget of the Newfoundland and Labrador Film Development Corporation was increased by 10%, and in the Northwest Territories, \$100,000 was invested in a film industry pilot project intended to help strengthen and diversify the NWT economy.

In Québec, as a counterpoint to the good news on the reversal of tax credit decreases, the budget of Télé-Québec was cut by over 5%. However, on the good news side, support for SODEC (Société de développement des entreprises culturelles) increased by 2%, and \$36 million was earmarked in Québec's digital strategy for the various artistic and heritage sectors.

In its 2015-16 Budget, New Brunswick announced that it would be making additional investments in its film sector and accelerating funding for culture in general, but as of the end of 2015, no details on this support had been released.

Elsewhere in the country, cultural industry funding was stable or decreased. In British Columbia, Creative BC's budget was frozen, as was Creative Saskatchewan's in that province. As in Nova Scotia, Saskatchewan's cultural industry sector expressed doubts that Creative Saskatchewan's support included the right growth incentives. In Manitoba, the allocation to Manitoba Film and Music (the Manitoba Film and Sound Recording Development Corporation) also remained the same as in 2014.

## A tale of two trends

Last year, in [\*Culture in the Balance: Analyses of the Provincial and Territorial 2014-15 Budgets from the Perspective of Arts, Culture and Heritage\*](#), we identified two trends – the use of tax

credits in support of cultural objectives and the tendency to tie cultural support to special celebrations and events. This year, we are seeing these trends increasingly combined under the umbrella of the creative economy. However, in 2015-16 provincial and territorial governments seemed much more inclined to use the tax credit tool, rather than the special event one, perhaps because it provides more stable and ongoing support for the cultural sector. Certainly, the experience of Prince Edward Island's cultural sector, after the *PEI 2014* celebrations terminated, serves as an example of what can happen if too much reliance is placed on one-off events and celebrations to support the cultural sector.

It appears that provincial and territorial governments are attempting to take a longer-term view of the potential benefits of investing in culture and the creative economy. However, as this year's analysis has shown, the situation remains unstable. Despite the allure of tax credits as a support mechanism for the cultural industries, in three jurisdictions – Ontario, Québec, and Nova Scotia – hard-pressed governments spent a considerable amount of time reviewing the efficacy and affordability of their media tax credits. Only Québec decided to raise and augment existing tax credits. In the other two provinces, they were either radically restructured or reduced.

On the other hand, several other provinces decided to forge ahead with new or extended tax credits. Newfoundland and Labrador felt confident enough to introduce a new digital media tax credit, and British Columbia and Manitoba augmented or extended theirs. This year, no provinces or territories followed the examples of New Brunswick in 2011 and Saskatchewan in 2012 of abolishing their film tax credits, although Ontario did eliminate its Sound Recording Tax Credit. Overall, there remains a degree of volatility with regard to tax credits that makes them a somewhat precarious base for creative economy investments.

And what of the other trend – the one that sees events and celebrations as key elements of a creative economy? Despite the apparent instability of a reliance on *major* events, it appears that many of the provinces and territories see *ongoing and recurring* cultural events as a promising foundation for tourism investment strategies. This, of course, is not new as cultural attractions have been linked to tourism in many provinces since the 1980s.<sup>16</sup> What is new is the resolve of many provinces to use these linkages as engines for a new type of economy – one that is place-based, resilient, and less subject to the ups and downs of a resource-based economy. With Canadian Confederation's 150<sup>th</sup> birthday and Montreal's 375<sup>th</sup> anniversary celebrations coming up in 2017, there may be an opportunity to test this theory, as investments are made in cultural infrastructure and Canadian artists and heritage activities are showcased across the country. There was little evidence in the 2015-16 provincial and territorial Budgets that they will be using these events as levers for broader cultural support, but next year's Budgets may be more forthcoming.

Despite the appeal of the creative economy as a conceptual framework for provincial and territorial cultural funding, the harsh realities described at the beginning of this Overview may yet overturn the hopes and good intentions that are attached to it. Provinces and territories face

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<sup>16</sup> See for example, M. Sharon Jeannotte, "Going with the Flow: Neoliberalism and Cultural Policy in Manitoba and Saskatchewan", [Canadian Journal of Communication](#), 35(2), June 2010.

daunting demographic, social, and fiscal challenges that are not likely to disappear overnight. Moving away from a focus on non-renewable resources will take a long time in many jurisdictions, and the switch to an economy based on more sustainable types of human and cultural capital may only occur in places which are already home to large clusters of these assets. It will therefore be interesting to see if provinces and territories are able to fully take advantage of the opportunities that are beginning to emerge.



## ALBERTA

Real GDP Growth: 4.8% (2014)

Revenue from Federal Transfers (2015-16): \$5.496 billion (\$1,312 per capita)

Population: 4,196,500 (2015)

## 2015



## Budget Overview

### Fiscal and Societal Context

- In 2015, the Government of Alberta produced two Budgets: the first was tabled on March 26, 2015 but never enacted because the Progressive Conservative party led by Premier Jim Prentice lost power in the May 5, 2015 election to the New Democratic Party under the leadership of Premier Rachel Notley.<sup>1</sup> The new NDP Finance Minister Joe Ceci did not table the new government's new Budget until October 27, 2015.<sup>2</sup>
- The Budget forecast a deficit of \$6.1 billion in 2015-16, largely due to the collapse of royalties on oil, which have historically accounted for about 30% of provincial revenues. Resource revenues are forecast to be \$6.2 billion (or 69% lower) in 2015-16 than they were the year before.<sup>3</sup>
- The province plans to return to a balanced budget by 2019-20 through a series of measures intended to manage overall government spending and increase revenues.
- As one commentator noted, the Budget was based in part on "wishful thinking", assuming an average oil price of \$50 per barrel in 2015, rising to \$72 per barrel by 2018, which is considerably lower than the price being predicted by futures markets.<sup>4</sup> (At the time of publishing this analysis, the price of a barrel is under \$ 40, but according to financial analysts, this is about to rebound).
- The Budget also signalled that the new government would be taking a different approach with regard to its energy resources by modernizing its royalty regime and acting on climate change by reducing carbon emissions.<sup>5</sup>

### Spending Highlights and Priorities<sup>6</sup>

- The Budget was based on three priorities:
  - Stabilization of public services.
  - A plan to balance the budget.
  - Action on jobs and diversification.

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<sup>1</sup> CBC News, "[Alberta election 2015 results: NDP wave sweeps across province in historic win](#)", May 5, 2015 (accessed November 25, 2015)

<sup>2</sup> [Budget 2015 Speech: Supporting Jobs, Supporting Families. The Alberta Way](#), Government of Alberta, 2015.

<sup>3</sup> [Economic situation](#), Government of Alberta, 2015.

<sup>4</sup> Trevor Tombe, "[The wishful thinking at the heart of the Alberta budget](#)", *Maclean's*, October 28, 2015 (accessed November 18, 2015)

<sup>5</sup> On November 22, 2015, the government did indeed announce its new [Climate Leadership Plan](#), which will put a price on carbon of \$20 per tonne, starting in January 2017. This will rise to \$30 per tonne in January 2018.

<sup>6</sup> [Budget 2015 Speech: Supporting Jobs, Supporting Families. The Alberta Way](#), Government of Alberta, 2015 and [Budget Highlights](#), Government of Alberta, 2015.

- With regard to the first priority, the Budget announced predictable, three-year funding plans for the big ticket items of education and health care, along with a number of new measures including:
  - A two-year tuition freeze for post-secondary students;
  - approximately 380 more teachers and 150 more support staff added to the education system;
  - \$120 million over two for new long-term care spaces;
  - \$90 million over 2 years to expand public homecare;
  - \$10 million annually to support mental health services;
  - increased support for seniors' health care, including drug, dental, optical and supplemental health benefits.
- To help stimulate growth and diversify the economy, the Budget focused on job creation and new markets, announcing:
  - A new Job Creation Incentive Program that will provide Alberta employers with grants of up to \$5,000 for each new job;
  - a 15% increase in capital spending over the next five years to build and repair schools, hospitals and roads;
  - reintroduction of the Summer Temporary Employment Program (STEP);
  - a new Ministry of Economic Development and Trade to expand Alberta's access to foreign and domestic markets.
- Measures to balance the budget – the third priority – include:
  - Management of expense growth at 2% each year over the next four years (with the assumption that revenue will grow by 6% each year over the same period);
  - a salary freeze for Cabinet ministers, MLAs and political staff;
  - a comprehensive review of agencies, boards and commissions;
  - hiring restraint across the public service;
  - a new Fiscal Planning and Transparency Act that will limit government debt to 15% of nominal GDP—half the average of Canadian provinces.
- On the revenue side, the corporate tax rate was increased from 10% to 12% (but the small business tax rate remained at 3%). There were also increases in the tobacco and liquor taxes, the locomotive fuel tax, and the insurance premium tax.
- In a news release on the day of the Budget, David Eggen, the Minister of Culture and Tourism, stated that the Budget was the first step in the government's long-term strategy to build a more diversified and sustainable economy. He added that "Alberta's culture and tourism entrepreneurs are among the drivers of economic diversification" and that they "will help us to build an economy that will enable us to weather the impacts – and take full advantage of the opportunities – of the global economy."<sup>7</sup>

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<sup>7</sup> ["Alberta Culture and Tourism: Budget 2015 – Message from Minister Eggen"](#), October 27, 2015.

## Impacts on the Cultural Sector

**Contextual note:** According to the Statistic Canada's Culture Satellite Account, Alberta's culture GDP was \$4.7 billion in 2010, which represents 1.8% of Alberta's economy or 9.9% of total Canadian cultural output. There were 55,923 cultural jobs in the province, or 2.7% of all Alberta jobs. The largest sector was audio-visual and interactive media (\$1.5 billion), followed by written and published works (\$995 million) and visual and applied arts (\$861 million).<sup>8</sup>

- Although the total expenditure budget for the Ministry of Culture and Tourism in 2015-16 decreased by just over 2% from 2014-15, the Creative Industries section fared quite well with an overall increase of 11% and an increase in program support of almost 53%.
- In a news release following the release of the Budget, the Minister of Culture and Tourism was quoted as saying that "The success of Alberta's cultural industries sector, particularly our film and television industry, is an important piece in our move toward a more diversified, sustainable economy."<sup>9</sup>
- This sentiment was reflected in the allocation for the Alberta Media Fund, which was increased by almost 24%, bringing its total budget to approximately \$37 million. As noted in the fiscal plan, "Additional funding is being provided to the Fund over the next two years to address previous commitments and help grow the industry".<sup>10</sup>
- In addition, the Ministry's budget for the arts increased by over 52% to \$1.45 million, although that of the Alberta Foundation of the Arts decreased by 5%. However, in the Budget the government pledged to provide additional support to the Foundation over the next two years, increasing by \$5 million in 2016-17 and \$10 million more in 2017-18.<sup>11</sup>
- The overall cultural industries budget increased by 17.5%.
- The Heritage section's budgetary allocation remained virtually flat with an increase of only 0.2%, including a decrease of 9% in program support funding.
- While the allocation for the Royal Alberta Museum increased by 17%, that of the Royal Tyrrell Museum decreased by 13%.
- Historic Resources Management received a 15% budgetary increase, but this was offset by a drop of almost 11% in the allocation to the Alberta Historical Resources Foundation and a decrease of over 9% in funding of historic sites and other museums.
- The Provincial Archives of Alberta received a budgetary increase of just over 4%.

<sup>8</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015

<sup>9</sup> "[Budget 2015 keeps film and television jobs rolling in Alberta](#)", Government of Alberta, November 18, 2015 (accessed November 23, 2015).

<sup>10</sup> [Budget 2015 – Fiscal Plan 2015-18 – Expense](#), Government of Alberta, p. 20.

<sup>11</sup> [Budget 2015 – Fiscal Plan 2015-18 – Expense](#), Government of Alberta, p. 20.

- Elsewhere in the Ministry, the tourism program's budget decreased by almost 3%, while the operating budget for Community and Voluntary Support Services fell by over 6%. However, in the capital budget, the Community Facility Enhancement Program received a small increase of 1%.
- The budget of the Francophone Secretariat increased by 7.6%, while assistance for community, heritage and tourism services under the 2013 Alberta Flooding recovery initiative increased by 7.4%.
- The Recreation and Physical Activity budget fell by over 14%.
- One should note that significant parts of the Ministry's budget are derived from lottery revenues and that these revenues can fluctuate from year to year. In 2015-16, the allocations from the Lottery Fund were as follows:
  - Community Facility Enhancement Program - \$38 million
  - Alberta Media Fund - \$38.8 million
  - Alberta Foundation for the Arts - \$26.65 million
  - Community Initiatives Program - \$24.585 million
  - Alberta Sport Connection - \$22.02 million
  - Alberta Historical Resources Foundation - \$8.2 million
  - Other initiatives - \$2.1 million<sup>12</sup>.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** Reaction and commentary by Alberta's cultural community was cautiously optimistic about the announced and anticipated increases in funding for the cultural industries and the arts. Commentators from outside of the cultural community noted the linkage of the cultural and tourism sectors to the new government's plans to diversify the Alberta economy.

Alberta Foundation for the Arts, "[October Budget 2015 Announcement](#)", News Release, n.d. (accessed November 23, 2015).

- In this news release the Alberta Foundation for the Arts announced that the government had deferred increased funding for the Foundation until 2016, and that the current budget of \$26.6 million would remain in effect for the remainder of the 2015-16 fiscal year. This represents a 5% decrease from 2014-15.
- This news release was reproduced in full without comment on the [Writers' Guild of Alberta](#) website.

Professional Arts Coalition of Edmonton, "[The government of Alberta released Budget 2015 on October 27, 2015](#)", October 27, 2015 (accessed November 23, 2015).

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<sup>12</sup> [Budget 2015 – Fiscal Plan Tables](#), Government of Alberta, p. 114.

- The Coalition posted a brief summary of the Budget, highlighting the three priorities and the main items affecting the Ministry of Culture and Tourism. There were no posted reactions or commentary from the membership.

Jeremy Simes, "[Alberta Budget 2015: Arts expect increase for next two years](#)", *Metronews*, October 27, 2015 (accessed November 23, 2015).

- The article reported that Calgary arts organizations were pleased to see that increased funding would be allocated to the Alberta Foundation for the Arts in 2016-17 and 2017-18.
- The article also noted that in the Progressive Conservative Party's unpassed March 2015 Budget, the Foundation's budget had taken a 5% cut.
- Patti Pon, President the CEO of Calgary Arts Development, was quoted as saying that "... it's always great to see an increase in the investment for arts and artists", although she added that "it's still early and the ink is still drying".
- Mali Docktor, President of the Alberta Society of Artists, said that the funding increase was welcome and that "I'm very happy to see this increase because it allows us to enhance our programming". She added, "we're usually the first to feel cuts, so this budget gives us hope that it's going to be better".

Calgary Chamber of Voluntary Organizations, "[CCVO's Alberta Budget Analysis 2015-16](#)", n.d. (accessed November 18, 2015).

- In reviewing the impact of the Budget on the non-profit sector, the analysis noted the promised increase in funding for the Alberta Foundation for the Arts over the next two years, as well as a promised \$50 million increase to the Community Facility Enhancement Program over the next five years.
- It also noted the 6% decrease in the budget for Community and Voluntary Support Services due to the 72% reduction in the amount allocated for "Other initiatives". Since this category of funding fluctuates from year to year, it did not appear to read very much into this reduction.

Mary Moran, "[Yesterday, 27 October 2015, the newly installed government of Alberta delivered their first budget](#)", Calgary Economic Development Blog entry, October 28, 2015 (accessed November 23, 2015).

- This blog entry by the President of the Calgary Economic Development agency, lauded the establishment of the new Ministry for Economic Development and Trade, but added, "It cannot be forgotten that several other Ministries are directly engaged in economic development or play a crucial role in building the environment for economic development to take place". Among these ministries, she listed Culture and Tourism.
- She called attention to the following items in the Culture and Tourism Business Plan:
  - Increased funding for the Alberta Foundation of the Arts;
  - Developing a plan for cultural industries and raising the Alberta Media Fund grant to \$36.8 million to increase screen based production, publishing and sound recording;



- “Mentioning creative industries in the budget speech is a clear sign of commitment to this file and aligns with our efforts in building a \$28 million film centre in Calgary”;
- Growing the role of tourism and the economic contribution of tourism.

Travel Alberta, “[Provincial Budget Confirms Funding, Shows Tourism Works for Alberta](#)”, News release, October 30, 2015 (accessed November 23, 2015).

- The news release noted that the Budget had announced \$69.3 million for tourism marketing and development and that \$54.4 million of this amount would be channelled through Travel Alberta.
- Royce Chwin, the President of Travel Alberta, was quoted as saying that “This budget provides the support needed to do what Travel Alberta does best – driving visitation and supporting industry throughout the province.”
- He added that tourism supports 19,000 businesses and 127,000 jobs in Alberta.

Eric Volmers, “[Film industry applauds boost to Alberta Media Fund](#)”, *Calgary Herald*, October 30, 2015 (accessed November 23, 2015) – This article was reposted on several other websites.

- The article reported that members of the Alberta film industry were applauding the NDP government’s commitment to culture and economic diversity as evidenced by the increase in funding for the Alberta Media Fund.
- The Calgary Film Commissioner, Luke Azevedo, was quoted as saying, “For the first time in my recollection, we had the finance minister speak to the creative industries as an area of growth and development”.
- While the government had allocated an additional \$11 million to the Alberta Media Fund, one of its components – the Alberta Production Grant – remained capped at \$5 million per project.
- Damian Petty, President of the film workers’ union IATSE 212, said the increased funding was a demonstration of support and that the province sees the film industry as an economic driver. However, he added that the industry would like to see a raise of the \$5 million cap on projects because “As the fund triggers economic activity, it goes up as the budgets get higher”.
- The Minister of Culture and Tourism, David Eggen, was quoted as saying, “Much of the \$11 million addition to the Alberta Production Grant in Budget 2015 will go toward already-committed projects”. He also said that the government was continuing to consult with the industry on a strategy to support the industry and that this will likely include discussions about how the fund is distributed.
- The article also mentioned some of the productions that were currently being filmed in Alberta, including CBC’s *Heartland*, AMC’s *Hell on Wheels*, and Alejandro Gonzalez Inarritu’s film *The Revenant*.
- It noted that a \$22.8 million film centre was being built in Calgary that would include a 50,000 square foot sound stage. This was expected to further boost production when it opens in 2016.

[“Future looks bright for AMPIA members!”](#) Alberta Media Production Industries Association, News item, November 9, 2015 (accessed November 23, 2015).

- The AMPIA Chairman, Joe Novak, opened the November 7 annual general meeting of the Association by saying “What a difference a year can make!”
- He referred specifically to the \$11 million in additional funding provided by the provincial government to the Alberta Media Fund, as well as to the promises by the new Liberal federal government to increase funding for the Canada Council for the Arts, Telefilm Canada, and the National Film Board.

Shari Narine, [“Alberta’s cultural industries sector receives additional funding”](#), *Sweetgrass and CFWE news briefs*, November 18, 2015 (accessed November 27, 2015).

- This brief news item reported on the \$11 million increase in the Alberta Media Fund’s budget and noted that between 2014 and 2015 film and television productions had been shot in 14 Alberta communities, including Stony Plain, Morley, and the Tsuut’ina Nation.
- It added that “The industry is labour-intensive and environmentally friendly, with the majority of production costs going directly into jobs and services in the community.”

Mike Bell, [“Investment in Alberta TV and film industry seen as the sign of bigger things to come”](#), *Calgary Herald*, November 17, 2015 (accessed November 27, 2015).

- The news item reported on a visit by the Minister of Culture and Tourism, David Eggen, to the set of the CBC production *Heartland*, which he characterized as a “field of dreams”.
- Commenting on the \$11 million increase in the Alberta Media Fund’s budget, Eggen said that it was the first step in long-term stable funding for the industry. He added, “It’s sending ... a clear message to everyone here assembled today, across the province, across the country and around the world that the province of Alberta is open for business and willing to support a strong and growing television and film industry.”
- Damien Petty, President of Local 212 of the International Alliance of Theatrical Stage Employees, said that he was “thrilled” by the budget increase and that Alberta is well equipped to handle any growth in the industry.
- He added that “We’ve had a history ... that we trained people essentially to move to Vancouver and work in that industry. I am pleased to say that in the last 18 months that cycle has ended.”
- Luke Azevedo, the Commission of Film, Television and Creative Industries for Calgary Economic Development, said his group touts the strong and skilled workforce when pitching the province for film and television projects. He added that word of the government’s investments in the Alberta Media Fund and the \$22.8 million Calgary Film Centre (currently being built) had reached the rest of the world, including the film industry in Los Angeles.
- Both Eggen and Azevedo noted the impact that the film and TV industry was having in terms of economic diversification. Eggen was quoted as saying “What better way to invest in diversification and building our new Alberta economy than to invest in the film and television industry in the province of Alberta.”

# Government of Alberta

## Main Estimates<sup>13</sup>

(In thousands of dollars)

<b>PROGRAM EXPENSE</b>	<b>2015-16 Budget</b>	<b>2014-15 Actual</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Aboriginal Relations</b>	193,163	187,596	242,005	158,980	144,004
<b>Advanced Education<sup>14</sup></b>	2,567,294	2,450,481			
<b>Agriculture and Rural Development</b>	1,105,289	838,661	563,108	571,031	562,199
<b>Culture and Tourism</b>	263,645	265,388	239,085	155,457	142,707
<b>Economic Development and Trade<sup>15</sup></b>	278,767	247,354			
<b>Education</b>	4,274,335	4,219,451	4,075,008	4,047,344	4,038,443
<b>Energy</b>	371,399	365,467	392,901	263,629	229,880
<b>Innovation and Advanced Education</b>	-	2,705,983	2,597,107	2,676,694	2,587,977
<b>Environment and Parks<sup>16</sup></b>	422,033	410,616	641,018 <sup>17</sup>	702,552	680,338
<b>Executive Council</b>	25,013	23,840	21,507	45,724	46,962
<b>Health</b>	18,602,000	18,002,663	17,211,951	16,790,151	15,362,866
<b>Human Services</b>	4,297,145	4,111,845	3,938,427	3,779,916	3,813,635
<b>Infrastructure</b>	553,509	535,745	569,495	482,479	466,727
<b>International and Intergovernmental Relations</b>	-	39,410	32,536	28,527	22,643
<b>Jobs, Skills, Training, and Labour</b>	206,666	144,595	129,969	143,780	NA
<b>Justice and Solicitor General</b>	1,282,888	1,248,769	1,208,985	1,190,448	1,116,030
<b>Municipal Affairs</b>	270,889	263,152	833,112	399,344	598,088
<b>Seniors</b>	574,791	528,589	504,859	-	
<b>Service Alberta</b>	315,746	293,072	303,473	300,014	279,303
<b>Status of Women</b>	1,447	362			

<sup>13</sup> [2015-16 Government Estimates](#), Government of Alberta, 2015, p.4.

<sup>14</sup> New as of 2015-16

<sup>15</sup> New as of 2015-16

<sup>16</sup> Name changed from 'Environment/Sustainable Resource Development' in 2015-16

<sup>17</sup> Environment and sustainable resource development figure

<b>PROGRAM EXPENSE</b>	<b>2015-16 Budget</b>	<b>2014-15 Actual</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Tourism, Parks and Recreation</b>	-	170,471	154,671	156,577	148,243
<b>Transportation</b>	438,694	520,536	518,549	471,367	436,066
<b>Treasury Board and Finance</b>	147,986	130,985	134,808	114,621	111,547
<b>DEBT SERVICING</b>					
<b>Treasury Board and Finance</b>	147,986	130,985	6,221	8,695	11,795
<b>Education</b>	30,490	29,856	26,969		
Infrastructure	211	144	-		
Transportation	70,741	71,922	65,564		
<b>TOTALS</b>	<b>37,929,507</b>	<b>37,314,029</b>	<b>32,727,022</b>	<b>32,487,430</b>	<b>30,799,453</b>

## Government of Alberta

### Ministry of Culture and Tourism<sup>18</sup>

#### Voted Expense by Program<sup>19</sup>

(In thousands of dollars)

Program	2015-16 Estimate	Difference Dollar and Percentage	2014-2015 Actual	2013-14 Budget <sup>20</sup>	2012-2013 Actual
<b>Ministry Support Services Subtotal</b>	<b>14,810</b>	<b>+196 +1.3%</b>	<b>14,614</b>	<b>9,949</b>	<b>8,825</b>
<b>CREATIVE INDUSTRIES</b>					
Program Support	600	+206 +52.3%	394	655	413
Arts	1,450	+500 +52.6%	950	1,415	2,034
Alberta Film Commission	-	-	-	725	462
Cultural Industries	1,330	+199 +17.5%	1,131	1,240	1,099
Alberta Media Fund	36,800	+7,092 +23.9%	29,708	19,910	25,289
Assistance to the Alberta Foundation for the Arts	26,650	-1,400 -5%	28,050	26,925	26,925
<b>Creative Industries Subtotal</b>	<b>66,830</b>	<b>+6,597 +11%</b>	<b>60,233</b>	<b>50,145</b>	<b>55,760</b>
<b>COMMUNITY AND VOLUNTARY SUPPORT SERVICES</b>					
Program Support	890	+420 +89.3%	470	915	614
Community Engagement	10,900	+845 +8.4%	10,055	11,160	10,588
Community Spirit Donation Grant Program	-	-	-	-	15,500
Community initiatives Program	24,585	+1,793 +7.9%	22,792	24,750	21,456
Other Initiatives	2,100	-5,586 -72.7%	7,686	2,700	3,238
<b>Community and Voluntary Subtotal</b>	<b>38,475</b>	<b>-2,528 -6.2%</b>	<b>41,003</b>	<b>39,525</b>	<b>51,396</b>

<sup>18</sup> Name changed from 'Culture' to 'Culture and Tourism' in 2014.

<sup>19</sup> [2015-16 Government Estimates](#), Government of Alberta, 2015, pp. 56-57.

<sup>20</sup> Only budget and forecast are in the [2014-15 Government Estimates](#) and are not shown in the [2015-16 Government Estimates](#).



Program	2015-16 Estimate	Difference Dollar and Percentage	2014-15 Actual	2013-14 Budget <sup>21</sup>	2012-13 Actual
<b>Recreation and Physical Activity Subtotal<sup>22</sup></b>	<b>27,320</b>	<b>-4,593 -14.4%</b>	<b>31,913</b>	-	-
<b>Tourism Subtotal</b>	<b>67,115</b>	<b>-1,988 -2.9%</b>	<b>69,103</b>	-	-
<b>HERITAGE</b>					
Program Support	1,315	-131 -9%	1,446	1,435	1,213
Royal Alberta Museum	11,605	+1,695 +17.1%	9,910	8,820	7,804
Royal Tyrrell Museum	2,425	-373 -13.3	2,798	2,715	2,495
Historic Sites and Other Museums	9,630	-978 -9.2%	10,608	10,765	10,524
Provincial Archives of Alberta	3,320	+132 +4.1%	3,188	3,045	3,056
Historic Resources Management	5,580	733 15.1%	4,847	5,115	4,728
Assistance to the Alberta Historical Resources Foundation	8,200	-990 -10.8%	9,190	8,415	8,415
<b>Heritage Subtotal</b>	<b>42,075</b>	<b>+88 +0.2%</b>	<b>41,987</b>	<b>40,310</b>	<b>38,235</b>
<b>Francophone Secretariat Subtotal<sup>23</sup></b>	<b>1,310</b>	<b>+93 +7.6%</b>	<b>1,217</b>	<b>1,340</b>	<b>1,241</b>
<b>2013 Alberta Flooding Subtotal<sup>24</sup></b>	<b>5,710</b>	<b>+392 +7.4%</b>	<b>5,318</b>	-	-
<b>CAPITAL GRANTS</b>					
<b>Heritage Infrastructure<sup>25</sup></b>	-	-	500	2,000	2,010
<b>Support for Cultural Infrastructure</b>	-	-	3,400	12,600	26,600
<b>Cantos Music Foundation</b>	-	-	-	6,000	3,500

<sup>21</sup> Only budget and forecast are in the [2014-15 Government Estimates](#) and are not shown in the [2015-16 Government Estimates](#).

<sup>22</sup> Recreation and Physical Activity and Tourism transferred to Ministry in 2014.

<sup>23</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, by approximately 18% since 2006. According to the 2006 Census, 390,895 (12%) Albertans were French descendants.

<sup>24</sup> This funding was provided to support community, historic and tourism rebuilding after the Alberta floods of 2013.

<sup>25</sup> In the 2012-13 Estimates, Heritage Infrastructure and Support for Cultural Infrastructure were included under operational expense, however in 2013-14, they were listed under capital spending.

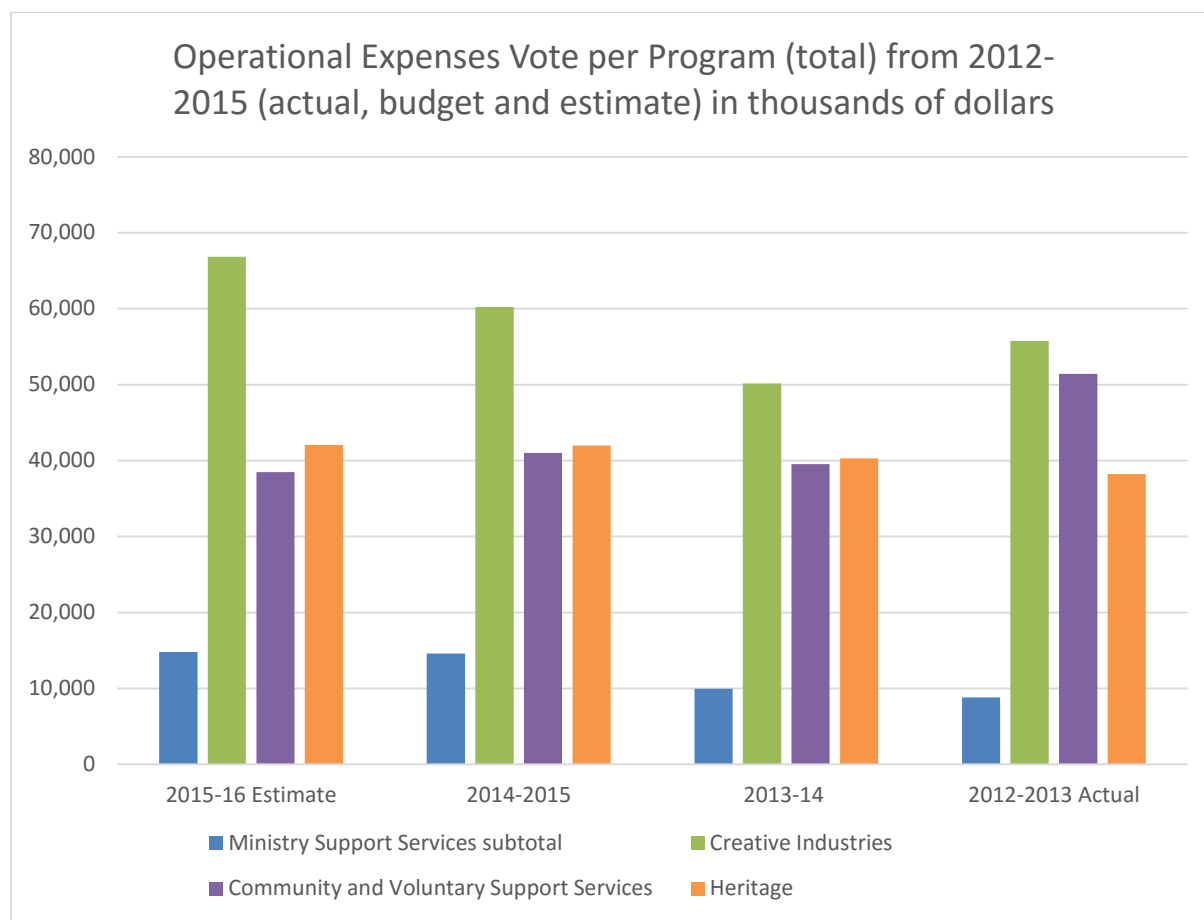
Program	2015-16 Estimate	Difference Dollar and Percentage	2014-15 Actual	2013-14 Budget <sup>26</sup>	2012-13 Actual
Community Facility Enhancement Program	38,000	+350 +0.9%	37,650	38,000	43,400
Tourism Visitor Services	-	-	565	-	-
2013 Alberta Flooding	-	-	500	-	-
<b>TOTAL MINISTRY</b>	<b>301,645</b>	<b>-6,358 -2.06%</b>	<b>308,003</b>	<b>165,617</b>	<b>178,540</b>

<sup>26</sup> Only budget and forecast are in the [2014-15 Government Estimates](#) and are not shown in the [2015-16 Government Estimates](#).

## Ministry of Culture

### Expenses<sup>27</sup>

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



<sup>27</sup> [2015-16 Government Estimates](#), Government of Alberta, 2015

## Selected Financial Entities<sup>28</sup>

### Government of Alberta

(in thousands of dollars)	Expense	2015-16 Estimate	2014-15 Actual	2013-14 Budget	2012-13 Actual	2011-12 Actual
<b>Alberta Historic Resources Fund</b>	Jubilee Auditoria	7,997	5,538	6,839	5,430	5,145
	Promotion and Presentation	4,172	2,653	4,710	2,975	3,119
	Interpretive Programs and Services	4,730	4,783	3,939	4,674	4,546
	Provincial Archives	120	117	120	165	166
	Other Initiatives	480	482	480	519	471
	<b>Sub Total</b>	<b>17,499</b>	<b>13,573</b>	<b>16,088</b>	<b>13,763</b>	<b>13,447</b>
<b>Alberta Foundation for the Arts</b>	Support to Arts Organizations	19,954	21,397	21,759	21,577	22,124
	Support to Individual Artists	3,709	3,941	4,871	4,496	5,252
	Administration	1,208	1,175	1,275	1,108	907
	Art Collection	2,544	2,066			
	<b>Sub Total</b>	<b>27,415</b>	<b>28,579</b>	<b>27,905</b>	<b>27,181</b>	<b>28,283</b>
<b>Alberta Historical Resources Foundation</b>	Glenbow Museum	3,588	3,785	3,176	3,176	2,781
	Heritage Preservation Partnership Programs	2,185	2,756	2,635	2,800	2,781
	Support for Provincial Heritage Organizations	2,120	2,230	2,145	2,188	2,239
	Municipal Heritage Programs	-	493	555	515	530
	Heritage Markers Program	117	74	81	80	100
	Administration	248	297	150	256	244
	<b>Sub Total</b>	<b>8,258</b>	<b>9,635</b>	<b>8,742</b>	<b>9,015</b>	<b>8,860</b>

<sup>28</sup> [2015-16 Government Estimates](#), Government of Alberta, 2015.

(in thousands of dollars)	Expense	2015-16 Estimate	2014-15 Actual	2013-14 Budget	2012-13 Actual	2011-12 Actual
<b>Government House Foundation</b>	Public Relations	31	35	31	60	22
	Collections Acquisitions	3	1	3	7	4
	Conservation of Collections	3	-	3	7	3
	Administration	12	2	12	19	20
	<b>Sub Total</b>	<b>49</b>	<b>38</b>	<b>49</b>	<b>93</b>	<b>49</b>
<b>Wild Rose Foundation</b>	<b>Sub Total</b>	<b>191</b>	<b>669</b>	<b>583</b>	<b>259</b>	<b>674</b>

## Alberta Lotteries Fund Estimates Culture and Community Spirit<sup>29</sup>

Total value for 2015-16 **\$1.547 billion**

(in thousands of dollars)	<b>2015-2016 Estimate</b>	<b>2014-2015 Actual</b>	<b>2013-14 Budget</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Alberta Media Fund	36,800	24,859	19,910	25,289	15,802
Assistance to Alberta Foundation for the Arts	26,650	28,050	26,925	26,925	27,925
Community Engagement	-	-	-	-	414
Community Initiatives Program	38,000	22,792	24,750	21,456	22,026
Other Initiatives	2,100	4,373	2,700	3,238	5,610
Community Spirit Donation Program	-	-	-	15,500	15,475
Community Facility Enhancement Program	38,000	37,650	38,000	43,400	39,647
Support for the Cantos Music Foundation <sup>30</sup>	-	-	6,000	16,000	-
Assistance to the Alberta Historical Resources Foundation	8,200	9,190	8,415	8,415	7,875
Support to Cultural Infrastructure	-	-	-	15,500	10,000
Assistance to the Alberta Sport Connection	22,020	18,810			
<b>Total</b>	<b>158,355</b>	<b>145,724</b>	<b>120,700</b>	<b>160,930</b>	<b>144,774</b>

<sup>29</sup> [Budget 2015 – Fiscal Plan Tables](#), Government of Alberta, p. 114.

<sup>30</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>31</sup> The 2014-15 Budget amended the opening date of the new facility to 2017. In order to prepare the move to its new premises, the museum closed its galleries to the public on December 7, 2015, after a closing-down weekend party that saw 36,000 Albertans flock to the old building.

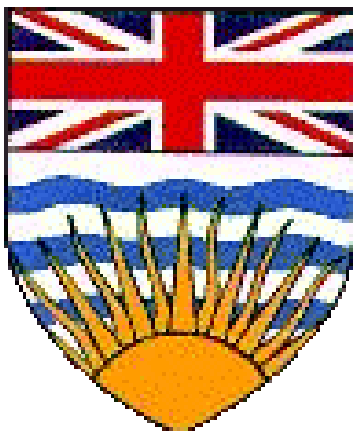
The province is spending \$180 million over three years and the federal government is contributing \$122 million to the project.<sup>32</sup> Ledcor Design Build Inc. received the contract to build the new museum. In 2012-13, the project received \$59 million in funding and, according to the [2014-17 Capital Plan](#), it was to receive \$110 million in 2014-15, \$96 million in 2015-16, and \$41 million in 2016-17. However, the [2015-18 Capital Plan](#), tabled on October 27, 2015, does not include funding for the project.

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<sup>31</sup> “[Construction on Edmonton's new Alberta Royal Museum gets under way](#)” in Metro News, October 15, 2012.

<sup>32</sup> See “[Government of Canada invests in the New Royal Alberta Museum](#)”, November 16, 2011.





## BRITISH COLUMBIA

Real GDP Growth (change): 3.2% (2014)

Revenue from Federal Transfers (2015-16): \$6.14 billion (\$1,312 per capita)

Population: 4,683,100 (2015)

## 2015

## Budget Overview

### Fiscal and Societal Context

- Finance Minister Michael de Jong tabled [British Columbia's fiscal 2015-2016 budget](#) on 17 February 2015<sup>1</sup>.
- This is the third consecutive balanced budget delivered by the Liberal government of Premier Clark. The government forecasts a surplus of \$879 million for 2014-2015 and the three-year fiscal plan projected surpluses totaling \$1.059 billion over the next three years<sup>2</sup>:
  - \$284 million in 2015-16;
  - \$376 million in 2016-2017, and
  - \$399 million in 2017-2018.
- However, the Minister underlines the fact that this achievement has to be done in a murky international economic context: “The U.S. economy is strengthening, but the longer-term outlook remains uncertain. China’s doing well, comparatively, but has just recorded its slowest quarterly growth since the recession. Japan is in recession. Europe’s barely growing and may not be far behind. And closer to home, just across the Rockies, the once-mighty Alberta economy is in a kind of freefall. The government there, by its own admission, can do little more than watch as billions of dollars in anticipated oil revenues disappear. Even the federal government has delayed tabling a budget, hoping that the impact of falling oil prices will become clearer.” (Minister de Jong, Budget Speech 2015).
- Despite the good news regarding a balanced budget, the wage freeze for management-excluded public sector employees remains in place for the present time, recognizing the fiscal reality facing the provincial public sector.
- The government expects real GDP growth of 2.2% per cent for 2014. In its three-year fiscal plan, the government is “prudently” projecting growth of 2.3% in 2015; 2.4% in 2016 and 2.3% in 2017, all lower than projected by the BC government’s Economic Forecast Council.
- For extra prudence, the 2015-2016 budget revenue projections do not include any potential revenue deriving from the Northern BC liquefied natural gas project (LNG).
- The total provincial debt, which includes both taxpayer-supported and self-supported debt of Crown corporations such as BC Hydro, has been adjusted slightly downwards: it is now forecast to be \$65.9 billion in 2015-16, \$68.2 billion in 2016-17, and \$70.4 billion in 2017-18<sup>3</sup>.

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<sup>1</sup> [Budget Speech 2015](#), Minister of Finance, Government of British Columbia

<sup>2</sup> [Budget Speech 2015](#), Minister of Finance, Government of British Columbia

<sup>3</sup> [Backgrounder Fiscal Plan 2015-2016 to 2017-2018](#), B.C. Ministry of Finance, February 17, 2015

- Minister de Jong noted that over the past 15 years, BC has diminished its dependence on the US market: “In 2001, almost 70 per cent of our merchandise exports went to the United States. Only 2.3 per cent went to China. By 2014, China accounted for almost 20 per cent of our exports. Asian markets overall accounted for about 37 per cent, with roughly 51 per cent of our exports going to the U.S.” (Minister de Jong, Budget Speech 2015).
- The B.C. economy is still largely based on exploiting natural resources: “The resurgence of mining continues to be a B.C. success story. Mining exports have more than doubled since 2004. Five new mines have opened since 2011. We’ve also approved seven mine expansions — supporting thousands of existing jobs and generating hundreds of new ones.” (Minister de Jong, Budget Speech 2015).

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

- The government says to achieve its goals, which are fairly similar to those of 2014, it will have to keep a strict discipline, while making modest strategic investments to:
  - Maintain public services like health care and education.
  - Strengthen and encourage growth in key economic sectors.
  - Make life a little easier for families and those in need.
- The top government priority is to continue **diversifying the economy**, by extending some tax credits and allowances for the mining industry; increasing the base budget of the Ministry of Energy and Mines by \$6.3 million per year; helping the agrifood industry and supporting the expansion of B.C.’s aerospace cluster; continuing to develop Vancouver as an international maritime centre and helping B.C. businesses to take advantage of Canada’s new renminbi hub — the first of its kind in the Americas. This hub is a financial centre designed to clear and settle business transactions in the Chinese currency — making it easier and less expensive for companies and others here to do business with China.
- Other measures will target job training by supporting the [Skills for Jobs Blueprint](#) and extending various tax credits, including expanding the [Digital Animation or Visual Effects tax credit](#) to include post-production film activities and extending the [Interactive Digital Media tax credit](#) to 2018 to continue offsetting the cost of developing video games and other digital media products.
- The government will also allocate a total of \$ 576M to education over the three-year fiscal plan leading to 2019, with a first increase in 2015-16 of \$111M (an increase of 10.7% over the 2014 base budget)<sup>5</sup>.

<sup>4</sup> [Strong Economy Supporting British Columbians – Balanced Budget 2015 Highlights](#), B.C. Ministry of Finance, February 17, 2015

<sup>5</sup> [Strong Economy Supporting British Columbians – Balanced Budget 2015 Highlights](#), p. 5, B.C. Ministry of Finance, February 17, 2015

- Health care expenditures will also grow considerably over the next three years by a total of \$ 3B (a 17.7% increase over the 2014 base budget), with a first injection this year of \$491M.
- Finally, the government will increase its support to people in need, notably by providing an additional \$106 million for Community Living BC to support people with developmental disabilities, and an additional \$20 million for income assistance programs. And starting April 1, 2015, 180,000 families began receiving the BC Early Childhood Tax Benefit: up to \$660 a year for each child under the age of six to help offset the cost of child care.

## Impact on the Cultural Sector

**Contextual note:** Culture GDP in British Columbia was \$5.7 billion in 2010, representing 3.0% of its economy. This accounted for 12.0% of culture GDP in Canada. B.C. has more artists per capita than any other province. The number of culture jobs in the province was 87,996, or 3.8% of total jobs in British Columbia. Audio-visual and interactive media (\$1.8 billion) had the largest share of culture GDP, followed by Visual and applied arts (\$1.2 billion) and Written and published works (\$961 million). Together they accounted for 69.9% of culture GDP in British Columbia<sup>6</sup>.

- According to the Ministry of Community, Sport and Cultural Development [2015-16 - 2017-18 Service Plan](#), "Growing B.C.'s creative economy and workforce are key priorities for the ministry. Government is committed to fostering cultural opportunities that foster the social well-being of its communities, citizens, and contribute to our cities and towns remaining vibrant places to visit, live, and work. There is an opportunity for continued growth of B.C.'s creative economy and workforce through the enhancement of existing programs, as well as incorporating new areas of development, including targeted investment in the sector as well as the promotion of cultural assets in the tourism sector."<sup>7</sup>
- In its report to the Legislative Assembly, the Standing Committee on Finance and Government Services presented two recommendations concerning the arts:
  - Increase arts funding through the BC Arts Council and Community Gaming Grants as finances permit, and implement a multi-year funding model;
  - Continue funding for Creative BC programs to support the creation, production, and marketing of BC's cultural products, as finances permit.
- Despite these recommendations, despite the lofty objectives set out in the Goals of the Ministry of Community, Sport and Cultural Development (see below), and despite the availability of a budget surplus of nearly \$300 M, 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 virtually the same (total increase of 0.05% over 2014-15, from \$26,063M to \$26,79M). **B.C. remains**

<sup>6</sup> [Economic importance of culture and sport across Canada](#). Statistics Canada, 2015-06-09

<sup>7</sup> [2015-16 – 2017-18 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2015.

***the province with the lowest cultural funding per capita while having more artists per capita than any other province.***

- The two main measures in Budget 2015-16 affecting the cultural sector take the form of tax credits:
  - the [Digital Animation or Visual Effects \(DAVE\) tax credit](#) was expanded to include post-production film activities. “This, in addition to the broader credits already available, will help to keep our film sector healthy”<sup>8</sup>.
  - the [Interactive Digital Media tax credit](#), introduced in 2010, set to expire in 2015, was extended to 2018 to continue offsetting the cost of developing video games and other digital media products.
- Reminder: 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>
- The BC Arts Council budget remains stable at \$24 M, the same amount as in 2013-14 when it was raised to “its highest level in the Council’s history”. According to the Council’s 2014-15 Annual Report, the Council could give grants to fewer than 50 % of applicants<sup>10</sup>.
- 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. Accordingly, \$18 Million will be allocated for 2015-16 under BC Creative Futures.<sup>11</sup>
- Among the four **Goals<sup>12</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 three broad objectives, which remain the same as last year but whose supporting strategies have been modified to put a greater accent on the contribution of artists and creators to the BC economy and on training skills. Worthy of note: the abandonment of specific references to investing in the not-for-profit cultural sector through the BC Arts Council and the Community Gaming Grants and the participation of children and youth in the arts both in the classroom and in the after school hours.

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

#### Strategies

- Work to ensure that B.C.’s cultural assets are maximized to drive tourism opportunities.

<sup>8</sup> [Budget Speech 2015](#), Minister of Finance, Government of British Columbia

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

<sup>10</sup> [BC Arts Council Annual Report 2014-15](#)

<sup>11</sup> [Backgrounder, Fiscal Plan 2013-14 – 2015-16](#), Ministry of Finance, Government of British Columbia, February 2013

<sup>12</sup> [2015-16 – 2017-18 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2015

- Identify opportunities to grow B.C.'s creative economy and creative workforce.
- Raise awareness within B.C. of the importance of a creative environment and how it [helps create a strong foundation for our communities and] (*sic*) contributes to innovation and economic growth.
- Support opportunities for youth to be engaged in civic life and their communities.

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

Strategies

- Build on existing expertise in the creative sector and fund projects that support new, innovative approaches to youth engagement in the arts through BC Creative Futures, a strategy for sustainable, long-term success in the province's creative sector.
- 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 B.C. Skills for Jobs Blueprint.

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

Strategies

- Foster artistic excellence in all art forms and practices.
- Strengthen engagement in the arts.
- Support the richness of Aboriginal artists and communities in British Columbia.
- Develop the artistic and adaptive capacity of the arts and culture sector in British Columbia.
- Engage audiences and artists reflective of the diverse demographics of the province.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *Once again, the British Columbia Budget 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. However, the decision to extend tax credits for film and television was welcome by a number of organizations.*

Alliance for Arts and Culture, [Presentation to the Standing Committee on Finance and Government Services](#), October 14, 2014 - (accessed August 3, 2015).

- Alliance Executive Director Rob Gloor presented to the Committee and made the following recommendations with respect to the arts and culture sector and the 2015-2016 provincial budget:
  - An immediate increase in BC Arts Council's grant programs to \$32 Million in 2015-16 (from the current \$24 Million), and further increases to \$40 Million over the next two years;
  - An immediate increase in Community Gaming Grants to \$156 Million (from the current \$134 Million), including reinstatement of the capital grants program, with further increases in subsequent years reflecting ongoing growth in gaming revenues;
  - Investment in the creative industries through increased funding of Creative BC programs to \$15 Million;
  - Establish a Cultural Infrastructure Fund and strategy to leverage major capital investment from other levels of government.

Pacific Association of Artist Run Centres, [“Brief to the Legislative Assembly of British Columbia Select Standing Committee on Finance and Government Services”](#), October 14, 2014 - (accessed August 3, 2015).

- The Association noted that the arts are aligned with the government's priorities but that BC artist-run centres, while thriving, are underfunded compared to their counterparts across the country.
- It denounced the fact that government initiatives, which are aligned with the BC Creative Futures strategy, do not primarily aim to foster the development of the next generation of British Columbian artists and cultural producers.
- The PAARC urged the government to invest in arts and culture, and bring the province's per capita public funding to the arts, at a minimum, to the national average and to follow recommendations made last year by the Select Standing Committee on Finance and Government Services to: “Provide additional funding to the BC Arts Council and for organizations eligible for Community Gaming Grants when finances permit.”
- The Association recommended the following measures to the government:
  - Increase the budget of BC Arts Council to \$32 million, with a plan to increase the Council's legislated appropriated investment to \$40 million, over the following two-year period;



- Increase the Gaming Community Grants to organizations to \$156 million for 2015-16, with a goal of increasing Gaming grants steadily in the long term
- Provide stable, predictable funding for the arts sector, the Association recommended that the government:
  - Implement a multi-year funding model similar to the Canada Council for the Arts for the BC Arts Council;
  - Re-instate the multi-year funding pilot introduced for the Community Gaming Grant program as a permanent option for organizations.
- Develop a capital program to help arts organizations purchase and maintain presentation venues for art and culture.

DigiBC, [DigiBC Commends B.C. Government's Digital Media Tax Credit Renewal](#), February 17, 2015 - (accessed August 3, 2015).

- DigiBC is a member-supported, non-profit organization, based in Vancouver, incorporated in 2010 subsequent to the merger of the Wireless Information Network (WIN) and New Media BC.
- The organization welcomes the government's decision to extend the Interactive Digital Media Tax Credit (IDMTC) to 2018 and says the program reaffirms the Province's support for a world-class digital media hub in British Columbia.
- According to the president of DigiBC, Howard Donaldson, "The IDMTC encourages innovative technology companies to establish global and regional headquarters in B.C., bringing high-paying jobs that benefit the entire economy. The continuance of the tax credit will lead to continued success, a stronger industry sector, and a leadership position in one of the world's fastest growing industries."
- The press release goes on to say that "Over the past five years, the IDMTC has helped grow B.C.'s digital and wireless workforce to 4,600 full-time employees at both large global and independent local companies, and helped drive a 36 per cent increase to the sector's GDP contribution to \$705 million. Today, the industry provides more taxation revenue to the provincial treasury than it receives from the tax credit."

Creative BC, [BC's Creative Sector to benefit from BC Budget 2015](#), February 9, 2015 – (accessed August 3, 2015).

- Creative BC welcomes the government's decision to extend the Interactive Digital Media tax credit (IDMTC) to 2018 and to expand the Digital Animation or Visual Effects (DAVE) tax credit to include post-production work, such as sound and editing.
- The Chair of Creative BC, Michael Francis, said that "These announcements represent an investment in our economic future. They will ensure that our graduates will be able to work in British Columbia and prosper as the industry continues to grow."

Katja De Bock, ["Expanded DAVE tax credit to capture picture & sound post-production services"](#), *Reel West Magazine*, n.d. (accessed November 11, 2015)

- The article reported on the reaction of a number of industry executives to the Budget announcement on the expansion of the DAVE tax credit to post-production activities and the extension of the Interactive Digital Media tax credit until 2018.
- Suzanne Thompson, Chair of the Vancouver Post Alliance and an executive board member of the MPPIA, was quoted as saying that "All of us had an interest in this being

successful". Thompson also thanked Premier Christy Clark and the Minister of Jobs, Tourism and Skills Training, Shirley Bond, for their support.

- She added that "The inclusion of Picture & Sound Post-Production into the existing (DAVE) tax credit is a natural fit. It encourages domestic & foreign content creators to finish post-production in British Columbia, thereby closing the loop on our competitive position and defining BC as a true global digital centre".

## Government of British Columbia

### Main Estimates<sup>13</sup>

(In thousands of dollars)

Ministry	2015-2016 Estimate	2014-15 Estimate	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
Legislation	69,565	69,565	75,496	69,271	68,862
Office of the Legislature	52,387	48,619	47,311	46,471	45,819
Office of the Premier	9,028	9,008	9,008	9,008	9,008
Ministry of Aboriginal Relations and Reconciliation	86,883	82,275	82,702	80,365	80,030
Ministry of Advanced Education <sup>14</sup>	1,960,606	1,935,671	1,953,255	1,965,510	1,963,369
Ministry of Agriculture	80,229	79,733	79,307	68,143	65,771
Ministry of Children and Family Development	1,378,927	1,356,419	1,344,816	1,333,067	1,330,691
Ministry of Technology, Innovation and Citizens' Services <sup>15</sup>	492,889	490,663	527,008	531,173	581,500
Ministry of Community, Sport and Cultural Development	228,470	221,360	181,760 <sup>16</sup>	310,907	253,907
Ministry of Education	5,498,443	5,386,762	5,365,750	5,330,448	5,241,877
Ministry of Energy and Mines <sup>17</sup>	27,825	21,407	24,141	449,595	437,210
Ministry of Environment	150,467	133,692	129,135	128,045	129,947
Ministry of Finance	219,893	202,189	203,684	172,574	175,521
Ministry of Forests, Lands and Natural Resource Operations	608,287	591,283	561,343	601,313	589,602
Ministry of Health	17,444,433	16,936,070	16,550,698	16,177,479	15,732,924
Ministry of International Trade	48,521	34,296			
Ministry of Jobs, Tourism and Skills Training	198,860	198,885	198,885	229,839	237,668
Ministry of Justice	1,172,381	1,155,166	1,139,891	1,110,949	1,044,705
Ministry of Natural Gas					

<sup>13</sup> [Main Estimates 2015-2016](#), Ministry of Finance, Government of British Columbia.

<sup>14</sup> Name changed in 2014-15, formerly Ministry of Advanced Education, Innovation and Technology.

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

<sup>16</sup> The overall decrease from 2012-13 is due to increased external recoveries.

<sup>17</sup> Reorganization in 2014-15, formerly Ministry of Energy, Mines and Natural Gas.

<b>Ministry</b>	<b>2015-2016 Estimate</b>	<b>2014-15 Estimate</b>	<b>2013-14 Estimate</b>	<b>2012-13 Estimate</b>	<b>2011-12 Estimate</b>
Development <sup>18</sup>	444,265	400,940	371,658	-	-
Ministry of Social Development and Social Innovation <sup>19</sup>	2,593,575	2,529,819	2,487,215	2,456,780	2,338,463
Ministry of Transportation and Infrastructure	813,473	812,293	812,278	806,921	806,922
Management of Public Funds and Debt	1,266,645	1,285,466	1,257,091	1,287,491	1,349,301
Other Appropriations	2,336,948	2,137,235	2,061,027	2,461,483	3,088,537
<b>Total</b>	<b>37,183,000</b>	<b>36,157,000</b>	<b>35,491,000</b>	<b>35,631,000</b>	<b>35,532,958</b>

<sup>18</sup> Reorganization in 2014-15, formerly part of Ministry of Energy, Mines and Natural Gas.

<sup>19</sup> Name changed in 2014-2015 from Ministry of Social Development.

## Government of British Columbia

### Ministry of Community, Sport and Cultural Development<sup>20</sup>

Branch (In thousands of dollars)	2015-2016 Estimates	Difference Dollar Value and Percentage	2014-15 Restated Estimates	2013-14 Estimated Net Expense	2012-13 Net Expense	2011-12 Net Expense
<b>Local Government</b>	148,607	+5,042 +3.5%	143,565 <sup>21</sup>	103,715	249,865	201,389
<b>Integrated Policy, Legislation and Operations</b>	2,789	+10 +0.4%	2,779	2,779	2,811	1,849
<b>BC Film Commission<sup>22</sup></b>	-	-	-	-	-	862
<b>Arts, Culture, Gaming Grants and Sport</b>						
Creative BC <sup>23</sup>	2,568	-	2,568	2,472	2,222	-
Sport	20,079	-	20,620	20,912	17,230	10,905
Arts, Culture and BC Arts Council	26,079	-	26,063	26,020 <sup>24</sup>	10,066	10,050
Community Gaming Grants	-	-	-	1	1	1
<b>Subtotal</b>	46,705	+22 +0.05%	46,683	46,933	29,519	20,956
<b>Transfers to Crown Corporations and Agencies</b>	11,866	0 0%	11,866	11,866	12,166	12,166
<b>Executive and Support Services</b>	5,861	+36 +0.6%	5,825	5,825	5,904	6,043
<b>BC Arts and Culture Endowment Special Account</b>	2,500	0 0%	2,500	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	1,700
<b>University Endowment Lands Administration Account Special Account</b>	8,442	+2,000 +31%	6,442	6,442	6,442	6,442
<b>Total</b>	<b>228,470</b>	<b>+7,110 +3.2%</b>	<b>221,360</b>	<b>181,760</b>	<b>310,907</b>	<b>253,907</b>

<sup>20</sup> [2015/16-2017/18 Service Plan](#), Ministry of Community, Sport and Cultural Development, February 2015

<sup>21</sup> Increase is due to the reinstatement of about \$40 million for Small Community Grants and Traffic Fine Revenue Sharing with local governments.

<sup>22</sup> BC Film Commission now included in Creative BC which amalgamated the BC Film Commission and BC Film and Media. See p. 48 [Supplement to Estimates](#).

<sup>23</sup> In 2015-16 Estimates, this is known as Film Policy and Creative BC, under Ministry of Jobs, Tourism and Skills Training. See p. 48 [Supplement to Estimates](#)

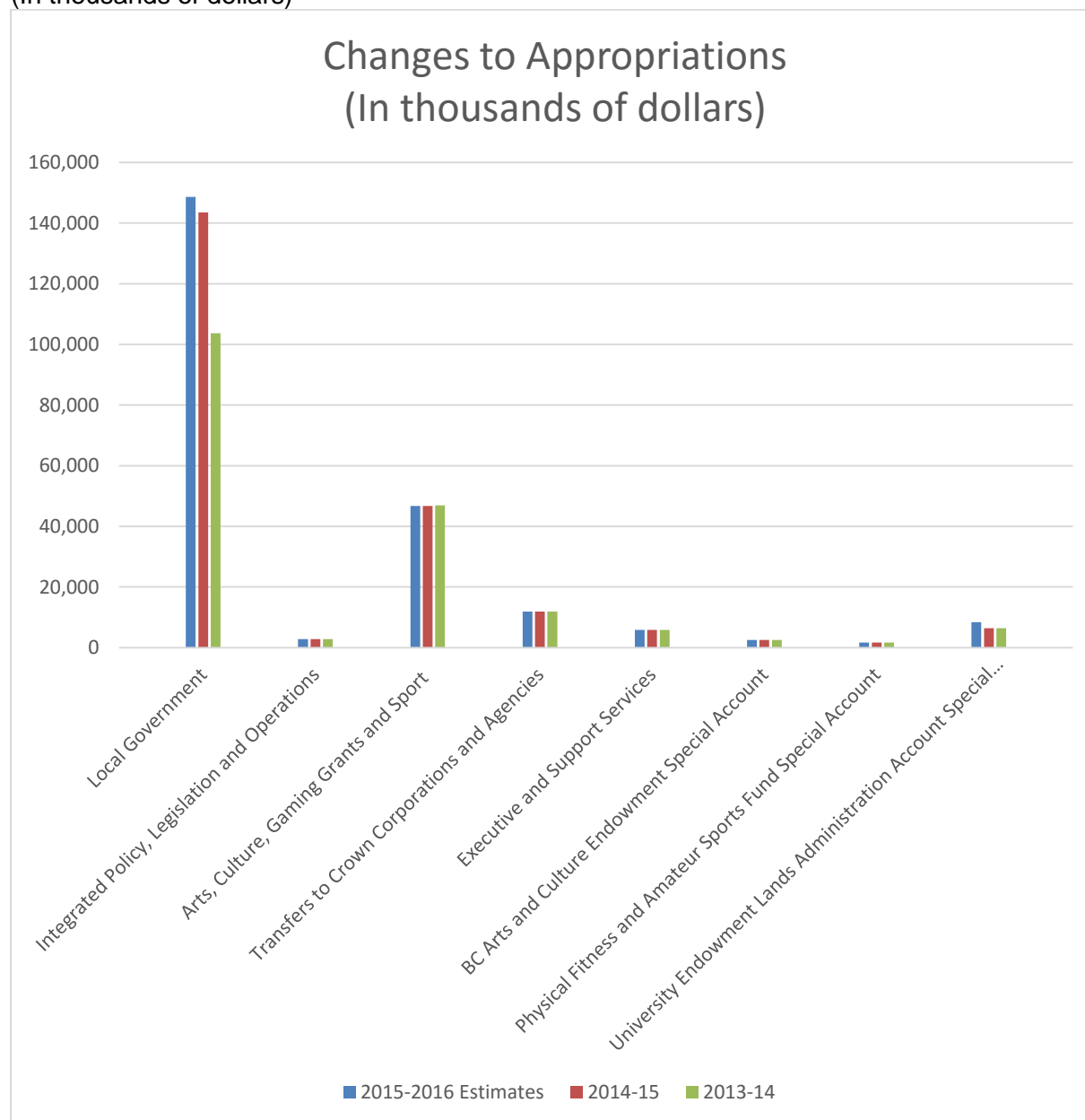
<sup>24</sup> In previous years, BC Arts Council was listed separately; figures for 2011-12 and 2012-13 do not include funding allocated to the BC Arts Council. Also, the Arts Council budget includes \$5.25 million going towards BC Creative Futures Initiative; see article "[Record Level BC Arts Council Budget for 2013-14](#)".

## Government of British Columbia

### Ministry of Community, Sport and Cultural Development

#### Changes to Appropriations<sup>25</sup>

(In thousands of dollars)



<sup>25</sup> Since 2013-14, appropriation for Arts, Culture, Gaming Grants and Sport now includes the budget of the British Columbia Arts Council.

## British Columbia Arts Council

### 2014/15 Financial Report<sup>26</sup>

Expenditures  
(Dollar Value)

	2014/15	2014/15	2013/14	2013/14	2012/13	2012/13	2012/13
Grants and Contributions	BCAC Base	BC 150	BCAC Base	BC 150	BCAC Base	Sports and Arts Legacy	BC 150
Professional Arts Development	\$17,002,850	\$0	17,268,925	11,225	6,736,999		4,165
Community Arts Development	\$200,113	\$1,777,500	80,000	1,752,500	100,000	396,264	1,170,735
Touring Programs	\$1,750,000	\$372,500	1,737,000	372,500	173,500	134,000	462,600
Arts Awards (Individuals)	\$2,278,045	\$0	2,214,585	13,775	616,000	190,000	512,500
Publishing Programs	\$618,992	\$0	549,491	0	304,493	158,000	0
Administrative Costs	\$1,664,309	\$0	1,641,879	0	1,527,029	0	0
Subtotal	\$23,514,309	\$2,150,000	23,491,880	2,150,000	9,458,021	6,750,000	2,150,000
<b>TOTAL EXPENDITURE BY YEAR</b>	<b>\$25,664,309</b>		<b>\$25,664,309</b>		<b>\$18,358,021</b>		

<sup>26</sup> [BC Arts Council Annual Report 2013-14](#) and [BC Arts Council Annual Report 2014-15](#)



## Government of British Columbia

### Creative BC<sup>27</sup>

Creative BC is an independent agency responsible for promoting the development of creative industries in British Columbia and providing a single point of access for industry programming, production support services, tax credit administration, international marketing and policy development. It was created by the provincial government in 2013 to take over the role of the B.C. Film Commission and B.C. Film + Media.

Creative BC's mandate is to provide the programs, services and expertise needed to expand and diversify British Columbia's creative industries, stimulate investment and employment in the creative sector and promote BC's creative content and production capabilities both at home and in the global marketplace. Creative BC reports to the Ministry of Jobs, Tourism and Skills Training.

<b>(in \$ '000)</b>	<b>2015-16 Estimates</b>	<b>2014-15 Restated Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Net Expense</b>
<b>Creative BC</b>	2,568	2,568	2,472	2,222

<sup>27</sup> [2014-15 Estimates](#), See Jobs, Tourism and Skill Training, p. 123 and [2015-16 Estimates](#), p. 124

## Royal British Columbia Museum

### Summary Financial Outlook<sup>28</sup>

(In millions of dollars)

	<b>2015-16 Budget</b>	<b>2014-15 Actual</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Revenue</b>					
Provincial Contribution	11,813	11,866	11,866	12,166	12,166
Admission Fees	4,400	5,148	3,604	4,07	3,026
Other Income	3,929	3,570	3,931	2,970	3,993
<b>Total Revenue</b>	<b>20,142</b>	<b>20,584</b>	<b>19,401</b>	<b>19,207</b>	<b>19,185</b>
<b>Total Expenses</b>	<b>20,079</b>	<b>20,536</b>	<b>19,380</b>	<b>19,153</b>	<b>19,51</b>
<b>Capital Expenditures</b>	<b>3,225</b>	<b>1,583</b>	<b>0,501</b>	<b>0,740</b>	<b>0,548</b>
<b>Debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>28</sup> [2014-15 Annual Service Plan Report](#),

## First Peoples' Cultural Council<sup>29</sup>

British Columbia is the only province in Canada that has created a Crown corporation to be the lead agency for First Nations heritage, language, culture and the arts. The First Peoples' Cultural Council was formed by the government of British Columbia in 1990 to administer the First Peoples' Heritage, Language and Culture Program. The First Peoples' Cultural Council is supported by legislation<sup>30</sup>. Its mandate is to assist B.C. First Nations in their efforts to revitalize their languages, arts and cultures. Since 1990, the Council has successfully distributed over \$20 million to British Columbia's Aboriginal communities for language, arts and culture projects.

## Financial Plan<sup>31</sup>

### Summary Financial Outlook

	2013/2014 Actual	2014/2015 Forecast	2015/2016 Forecast	2016/2017 Forecast	2017/2018 Forecast
<b>REVENUES</b>					
Ministry of Aboriginal Relations & Reconciliation	1,071,284	1,051,000	1,051,000	1,051,000	1,051,000
New Relationship Trust	750,000	750,000	750,000	750,000	750,000
BC Arts Council	740,000	535,000	535,000	535,000	535,000
Other Provincial Ministries	0	0	0	0	0
Grants from Federal Govt.	816,580	833,950	833,950	833,950	833,950
Grants from Non- Governmental Organizations	613,183	450,000	447,684	450,000	450,000
Interest and Other	36,109	138,974	161,567	159,250	159,250
Office overhead recoveries	68,388	58,800	57,100	58,800	58,800
<b>TOTAL REVENUE</b>	<b>4,095,544</b>	<b>3,817,724</b>	<b>3,836,301</b>	<b>3,838,000</b>	<b>3,838,000</b>
<b>TOTAL EXPENSES</b>	<b>4,095,544</b>	<b>3,817,724</b>	<b>3,836,301</b>	<b>3,838,000</b>	<b>3,838,000</b>
Excess (Deficiency) of Revenue over Expenses	0	0	0	0	0

<sup>29</sup> [First Peoples' Cultural Council](#), British Columbia

<sup>30</sup> [First Peoples' Heritage, Language and Culture Act](#),

<sup>31</sup> [2015-16 – 2017-18 Service Plan](#), First People's Cultural Council, British Columbia

## Government of British Columbia

### Children's Fitness Credit and Children's Art Credit<sup>32</sup>

<b>Children's Fitness Credit</b>	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
<b>Children's Arts Credit</b>	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>33</sup>

### Film and Television Tax Credit<sup>34</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 (DAVE). Budget 2014 expanded 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. [Budget 2015](#) expanded the DAVE tax credit to include eligible post-production activities for productions with principal photography that begins on or after March 1, 2015.

### Digital Animation or Visual Effects (DAVE) Tax Credit

Created in 2003, the DAVE Tax Credit Program provides refundable tax credits on a corporation's digital animation or visual effects activities that qualify for the basic film and television tax credit or the production services tax credit. The DAVE tax credit rate and the DAVE production services tax credit rate are equal to 17.5%. In Budget 2015-16, the DAVE tax credit has been expanded to include post-production film activities.

Labour expenditures that are directly attributable to DAVE activities include the salary or wages of individuals who create the effect, and personnel that support those individuals performing that

<sup>32</sup> [Basic Tax Credits](#) – Government of British Columbia.

<sup>33</sup> [Backgrounder Budget 2012 – Tax Savings for B.C. Families, 2012](#) - Government of British Columbia.

<sup>34</sup> [Film and Television Tax Credit](#), BC Business, Government of British Columbia.

DAVE activity. Positions and job activities that may qualify include, but are not limited to, the salary or wages paid to:

- computer animation and visual effects staff directly engaged in the work,
- supervisors who are involved directly with the activities,
- evaluation, recruitment and hiring of those directly engaged in the work, and
- work performed by administrative staff in support of those directly engaged in the work.

### **Interactive Digital Media Tax Credit<sup>35</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, 2018. The credit is calculated as 17.5% of eligible salary and wages incurred in the tax year.

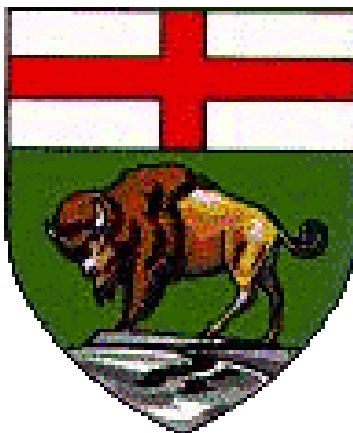
### **Book Publishing Tax Credit<sup>36</sup>**

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 under the federal Canada Book Fund received before April 1, 2017.

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<sup>35</sup> [Interactive Digital Media Tax Credit](#), BC Business, Government of British Columbia.

<sup>36</sup> [Book Publishing Tax Credit](#), BC Business, Government of British Columbia.



## MANITOBA

Real GDP growth: 2.3% (2014)

Revenue from Federal Government Transfers (2015-16): \$3.4 billion (\$2,658 per capita)

Population: 1,293,400 (2015)

## 2015

## Budget Overview

### **Fiscal and Societal Context**

- Budget 2015 was delivered by the Honourable Greg Dewar, Minister of Finance on April 30, 2015.<sup>1</sup>
- According to Statistics Canada, real GDP growth in 2014 was 2.3%. The current Manitoba Finance survey of forecasters calls for 2.5% growth in real GDP in 2015 and 2.3% in 2016. The province also claims that it has created 20,000 new jobs in the past year.<sup>2</sup>
- While the budget deficit is predicted to decrease slowly to \$422 million in 2015-16, the net debt to GDP ratio is slated to increase to 30.9% in 2015-16, the highest rate since 1999-2000.<sup>3</sup> A balanced budget has been postponed until 2019.<sup>4</sup>
- Like most provinces, Manitoba's biggest and fastest growing expenditure is on health care, which will total over \$6 billion in 2015-16. However, core government program expenditures are projected to decrease to 19.1%, down from 21.2% in 2011-12.
- Manitoba receives federal transfer payments equal to 23% of its revenues, but these have been plateauing over the past several years.
- In November 2014, 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. He was forced to launch a leadership race in March 2015, which he won by just 33 votes.<sup>5</sup>

### **Spending Priorities and Highlights<sup>6</sup>**

- Priorities of 2015-16 Budget:
  - Infrastructure investments
  - Education and training
  - Healthy communities
  - Affordability and a balanced approach
- A highlight of the Budget was the renewal of tax credits to support film and video

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<sup>1</sup> [Budget 2015](#), April 30, 2015.

<sup>2</sup> [Budget 2015](#), April 30, 2015.

<sup>3</sup> Inayat Singh, "[Where the money's going: Manitoba's Budget 2015 in graphs](#)", *Winnipeg Free Press*, April 30, 2015.

<sup>4</sup> Chinta Puxley, "[Manitoba budget: Smokers and banks pay more, rainy day fund drying up](#)", *Global News*, April 30, 2015.

<sup>5</sup> Chinta Puxley, "[Manitoba budget: Smokers and banks pay more, rainy day fund drying up](#)", *Global News*, April 30, 2015.

<sup>6</sup> [Budget 2015](#), April 30, 2015.



production and interactive digital media.<sup>7</sup>

## Impacts on the Cultural Sector

**Contextual note:** Culture GDP was \$1.4 billion in 2010, representing 2.9% of Manitoba's economy. There were 21,863 culture jobs, or 3.4% of the total jobs in Manitoba. Written and published works had the largest share of Manitoba's GDP (\$367 million) followed by Audio-visual and interactive media (\$335 million) and Visual and applied arts (\$271 million).<sup>8</sup>

- The overall budget of the Department of Tourism, Culture, Heritage, Sport and Consumer Protection increased by only 0.3% from the previous year, rising to just over \$81 million. This was despite the Budget statement that "A dynamic cultural and artistic community supported by a high level of charitable giving and volunteering" was part of the "Manitoba advantage".<sup>9</sup>
- The allocation for culture and heritage program administration was down by 2.9% from the previous year.
- The budget of the Department's Arts Branch was frozen and that of Historic Resources was reduced by 2.5% from 2014-15.
- The Manitoba Arts Council was frozen at 2013-14 levels and departmental grants to cultural organizations at 2014-15 levels.
- Expenditures for public library services were down slightly.
- Expenditures for the Archives of Manitoba were down substantially by almost 42%. This appeared to be due to a steep reduction in expenditures other than salaries and employee benefits.<sup>10</sup>
- As noted above the 2015-16 Budget announced the extension of the [Film and Video Production Tax Credit](#), which had been scheduled to expire on December 31, 2016, to December 31, 2019. This refundable tax credit is equal to 45% of eligible Manitoba labour costs plus a 10% frequent filming bonus, a 5% Manitoba producer bonus, and a 5% rural and northern Manitoba bonus. The estimated full-year tax savings to film producers is \$15 million.<sup>11</sup>
- The [Interactive Digital Media Tax Credit](#), set to expire on December 31, 2016, was extended to December 30, 2019. The estimated full-year tax savings to digital media producers is \$1.0 million.<sup>12</sup>

<sup>7</sup> Manitoba News Release Backgrounder, [Budget 2015 Highlights](#), April 30, 2015.

<sup>8</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015

<sup>9</sup> [The Manitoba Advantage](#), p. C11.

<sup>10</sup> [2015 Manitoba Estimates of Expenditure and Revenue](#), p. 140 and [2014 Manitoba Estimates of Expenditure and Revenue](#), p. 138. "Other Expenditures" for 2014-15 were adjusted downward from \$2,004,000 in the 2014-15 Estimates to \$429,000 in the 2015-16 Estimates with no explanation given.

<sup>11</sup> [The Manitoba Advantage](#), p. C7.

<sup>12</sup> [The Manitoba Advantage](#), p. C7.

- The [Cultural Industries Printing Tax Credit](#), which was to expire on December 31, 2015, was extended to December 31, 2018. This 15% tax credit provides support for printing costs of books that are Canadian-authored, non-periodical publications. The estimated annual tax saving to Manitoba printers is \$1.1 million.<sup>13</sup>

## Reactions to the Budget from the Cultural Sector perspective

**Contextual note:** *There was very little published reaction to the Manitoba 2015 Budget. Most comments focused on the renewal of the film, video, digital media, and printing tax credits.*

Manitobans for the Arts *Twitter* feed, May 1, 2015 (accessed August 4, 2015).

- The Manitobans for the Arts [Twitter feed](#) commented that it was “Great to see the [#Manitoba](#) provincial govt commit to another 3 years of tax credits for film, video & digital/interactive!”

On Screen Manitoba, “[Manitoba Announces 2015 Budget](#)”, April 30, 2015 (accessed August 4, 2015).

- This short news item noted that the creative industries were recognized in the Budget with a boost to tourism funding and an extension of the Cultural Industries Printing Tax Credit.

Manitoba Film & Music, “[Manitoba Film & Video Tax Credit Extended to 2019](#)”, May 1, 2015 (accessed August 4, 2015).

- In this news release on the extension of the film and video tax credit, Nicole Matiation, Executive Director of On Screen Manitoba, stated that Manitoba now has the most attractive film and video tax credit in Canada.
- Carole Vivier, CEO and Film Commission for Manitoba Film & Music, commented that the renewal was a vote of confidence from the Government of Manitoba and recognition of the economic and creative value of the industry.
- The news release noted that over the past year, 13 feature films, two dramatic series, eight factual series, and 29 documentaries were shot in Manitoba, creating about 1300 jobs.
- It added that the average annual investment of \$17 million by the government attracts over \$58 million in additional investment. Over the ten year period ending in 2013, the industry has attracted over \$1 billion worth of production volume and over half of that was spent in the province of Manitoba.

Cam, “[Enlightened Approach](#)”, [Blog post at MTS Stories from Home](#), May 1, 2015 (accessed August 5, 2015).

- The post indicated that the extension of the film and video tax credit was a big vote of confidence in the industry and that Stories from Home, a Manitoba group that relies on

<sup>13</sup> [The Manitoba Advantage](#), p. C7.

the tax credits to augment modest budgets, welcomed the Budget announcement.

[“Extended tax credit could draw more movie productions to Manitoba”](#), *Winnipeg Free Press*, May 1, 2015 (accessed August 5, 2015).

- Nicole Matiation, Executive Director of On Screen Manitoba, was quoted as saying that Manitoba’s tax credit program has become the most attractive in Canada since Nova Scotia rescinded its 25% tax credit in its 2015 Budget.
- She added that a number of production companies have been waiting for confirmation that the tax credit would remain in place before committing to film in the province.

Katie Bailey, [“Manitoba extends industry tax credits to 2019”](#), *Playbackonline*, May 4, 2015 (accessed August 5, 2015).

- The article stated that Manitoba’s provincial government was bucking the trend by extending its film, television, and interactive digital media tax credits to 2019 as other jurisdictions, including Ontario, Québec, and Nova Scotia have reduced their tax credits under austerity-focused budgets.
- It also repeated Carole Vivier’s remarks about the extension being a vote of confidence in the industry.

Canada Film Capital, [“Manitoba extends tax credits to 2019!”](#) Blog post, May 6, 2015 (accessed August 5, 2015).

- The blog post noted without comment that the Manitoba Film and Video Production Tax Credit had been extended to the end of 2019.

[“Province extends film tax credits to 2019”](#), *Winnipeg Free Press*, June 2, 2015 (accessed August 5, 2015).

- The article reported on a statement by Premier Greg Selinger that the Film and Video Production Tax Credit and the Interactive Digital Video Media Tax Credit would be extended to December 31, 2019, as first announced in the Budget.
- It noted that the tax credits are worth about \$15 million for film and \$1 million for digital media but generate an average of \$108 million of economic activity annually for film and \$37 million annually for digital media, and employ about 2,000 Manitobans each year.

CBC News, [“Manitoba extends tax credit for film, digital industries”](#), June 2, 2015 (accessed August 5, 2015).

- The news item reported on Premier Greg Selinger’s announcement about the extension of the Film and Video Production Tax Credit and the Interactive Digital Video Media Tax Credit to December 31, 2019, noting that together the two industries generate an average of \$145 million of economic activity annually.

Brian Schultz, “Manitoba Renews Film Industry Tax Credit”, [www.chrisd.ca](http://www.chrisd.ca), June 2, 2015 (accessed August 5, 2015).

- The news item reported on the extension of the tax credit and quoted Phyllis Laing,

president of Buffalo Gals Pictures, as saying that “This tax credit provides the incentive companies need to make the decision on where the best place is to create their product”. She added that “Manitoba already offers a strong pool of local talent and crew, but this credit can mean the difference between working in Manitoba and setting up shop somewhere else.”

*Hollywood North Magazine*, “[Today’s top stories](#)”, June 3, 2015 (accessed August 5, 2015).

- The magazine provided a link to the CBC News story of June 2 on the extension of the Film and Video Production Tax Credit and the Interactive Digital Video Media Tax Credit.

News Release – Manitoba, “[Province extends Interactive Digital Media Tax Credit to help companies create jobs, support innovative industry in Manitoba](#)”, June 24, 2015 (accessed August 5, 2015).

- The news release quoted Jobs and the Economy Minister Kevin Chief as saying that “Manitoba’s interactive digital media businesses are showing young people their careers can have global impact while still having a chance to give back at home ... They employ thousands in our province and are changing the way people everywhere administer health care, education, entertainment and marketing.”
- It also quoted Lesley Klassen, chief innovation officer of Campfire Union, who said “We are using the Manitoba Interactive Digital Media Tax Credit to hire a developer. It will help us to stay competitive globally.”
- Kemal Leslie, president of Emotion Media, was also quoted in the news release as saying that “With its support, we have formed an excellent team and are becoming a recognized industry player.”

CBC News, “[Manitoba extends interactive digital media tax credit to 2019](#)”, June 24, 2015 (accessed August 5, 2015).

- The news item reported on Jobs and Economy Minister Kevin Chief’s announcement about the extension of the tax credit and quoted Leslie Klassen’s remarks (see above). During the press conference, Minister Chief tried out a program made by The Campfire Union, a local virtual reality start-up.

## Government of Manitoba

### Main Estimates<sup>14</sup>

( in \$000)	2015/16 Expenditure Estimate	2014/15 Budget	2013/14 Budget	2012/13 Budget	2011/12 Budget
<b>Sector/Department</b>					
<b>Health and Healthy Living (2014: Health)</b>	5,653,292	5,378,783	5,272,612	5,152,575	4,978,327
<b>Education</b>	2,505,431	2,427,783	2,368,658	2,320,854	2,248,421
<b>Family Services</b>	1,212,051 <sup>15</sup>	1,164,524	1,128,682	1,079,354	1,001,313
<b>Total Community, Economic and Resource Development</b>	2,173,299	2,066,950	2,180,418	2,180,270	2,066,507
<b>Justice and Other Expenditures</b>					
Legislative Assembly	52,021	44,324	42,500	40,181	55,284
Executive Council	2,679	2,679	2,679	2,622	2,827
Civil Service Commission	18,369	18,929	20,141	20,800	21,643
Culture, Heritage and Tourism	-	-	60,841	61,900	61,350
Tourism, Culture, Heritage, Sport and Consumer Protection	81,248	80,848	85,773 <sup>16</sup>		
Employee Pensions and Other Costs	14,161	13,899	18,288	16,933	15,817
Finance	262,355	260,132	69,834	65,429	72,009
Immigration and Multiculturalism <sup>17</sup>	-	-	16,892	39,205	38,843
Labour and Immigration <sup>18</sup>	23,062	22,503	35,060	-	-

<sup>14</sup> [2015 Manitoba Estimates of Expenditure and Revenue](#)

<sup>15</sup> This includes 49,659 from Children and Youth Opportunities.

<sup>16</sup> Departmental reorganization occurred 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>17</sup> Large cuts in Department of Immigration and Multiculturalism in 2013-14 were 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>18</sup> Immigration was moved from former Department of Immigration and Multiculturalism in 2013-14.

( in \$000)	2015/16 Expenditure Estimate	2014/15 Budget	2013/14 Budget	2012/13 Budget	2011/12 Budget
Sector/Department					
Multiculturalism and Literacy <sup>19</sup>	21,572	21,102	21,170	-	-
Justice	537,397	533,384	507,064	462,946	426,263
Sport <sup>20</sup>	-	-	11,770	11,970	11,970
Enabling Appropriations	44,724	32,498	54,928	38,292	42,080
Other Appropriations	43,484	44,987	55,293	72,175	60,151
<b>Total Justice and other expenditures</b>	1,101,072	1,071,084			
<b>Debt Servicing Cost</b>	220,000	230,000	230,000	258,000	257,785
Program Portfolio Management Reviews <sup>21</sup>				(128,000)	
<b>Total</b>	<b>12,865,145</b>	<b>12,546,383</b>	<b>12, 098,883</b>	<b>11,823,506</b>	<b>11,360,590</b>

<sup>19</sup> Literacy was moved from Education in 2013-14.

<sup>20</sup> In 2013-14, Sport was moved to Tourism, Culture, Heritage, Sport and Consumer Protection.

<sup>21</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>22</sup>

(In thousands of dollars)

Branch	2015-16 Estimate	Difference Dollar Value and Percentage	2014-15 Estimate	2013-14 Estimate	2012-2013 Estimate (Adjusted)	2011-12 Actual
Administration and Finance	2,513	-12 -0.5%	2,525	2,464	2,440	2,505
Tourism, Culture, Heritage and Sports Programs <sup>23</sup>						
Culture and Heritage Programs Administration <sup>24</sup>	636	-19 -2.9%	655	689	699	
Grants to Cultural Organizations	9,663	0 0%	9,663	9,677	9,737	9,737
Manitoba Arts Council	8,748	0 0%	8,748	8,748	8,945	8,405
Heritage Grants Advisory Council <sup>25</sup>		-	-	-	411	411
Arts Branch	8,952	0 0%	8,952	8,990	9,198	9,178
Public Library Services	7,072	-43 -0.6%	7,115	7,150	7,150	7,114
Historic Resources	2,812	-73 -2.5%	2,885	3,170	3,221	2,867
Tourism Secretariat	1,288	-20 -1.5%	1,308	1,285	1,394	1,384
Sport Secretariat	408	-8 -1.9%	416	432 <sup>26</sup>		
Sport Manitoba	11,682	+344 +3%	11,338	11,338 <sup>27</sup>		
Travel Manitoba*	6,971	0 0%	6,971	6,971	7,113	7,113
<b>Subtotal</b>	<b>58,232</b>	<b>+211 +0.3%</b>	<b>58,021</b>	<b>46,680</b>	<b>47,457</b>	<b>46,907</b>

<sup>22</sup> [2015 Manitoba Estimates of Expenditure and Revenue](#), pp. 139-40.

<sup>23</sup> Name changed in 2013-14 to include sports.

<sup>24</sup> The name changed from Executive Administration to Culture and Heritage Programs Administration in 2014-15. Reported in 2013-14 as 'executive administration'. In 2011-12 it was not reported at all.

<sup>25</sup> Since 2012-13, the Heritage Grants Advisory Council has been included under Historic Resources.

<sup>26</sup> This amount has not been added to the total for 2013-14 as this addition occurred halfway through the year as a result of the addition of Sport and Consumer Protection to the department.

<sup>27</sup> Same as above.

Branch	2015-16 Estimate	Difference Dollar Value and Percentage	2014-15 Estimate	2013-14 Estimate	2012-2013 Estimate (Adjusted)	2011-12 Actual
<b>Information Resources</b>						
Communications Services Manitoba*	3,847	+411 -9.6%	4,258	4,147	4,400*	4,407
Translation Services*	1,754	-200 -10.2%	1,954	1,954	2,016	2,016
Archives of Manitoba*	2,319	-1,670 -41.8%	3,989	3,990	4,012	4,012
Legislative Library	987	-103 -7.2%	1,435	1,435	1,420	1,420
<b>Subtotal</b>	<b>8,907</b>	<b>-2,729 -23.4%</b>	<b>11,636</b>	<b>11,526</b>	<b>11,848</b>	<b>11,855</b>
<b>Costs Relating to Capital Assets</b>	<b>237</b>	<b>-43 -15.4%</b>	<b>280</b>	<b>171</b>	<b>155</b>	<b>148</b>
<b>Transfer from Health (Consumer Protection)<sup>28</sup></b>	<b>-</b>	<b>-</b>	<b>(13,264)<sup>29</sup></b>			
<b>Total</b>	<b>81,248</b>	<b>+400 +0.5%</b>	<b>72,509<sup>30</sup> 80,848<sup>31</sup></b>	<b>60,841<sup>32</sup> 72,611</b>	<b>61,900</b>	<b>61,350</b>

\*Less Recoverable

<sup>28</sup> Previously referred to in Health as 'Consumer Affairs'.

<sup>29</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>30</sup> Culture, Heritage and Tourism included Sport and Consumer Protection in these estimates. The grand total reflects Culture, Heritage, Tourism and Sport.

<sup>31</sup> This estimate was reported in the 2015-2016 reevaluated estimates - % change calculated with this figure.

<sup>32</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 purposes to calculate the difference in dollar value and percentage between the 2013-14 and the 2014-15 Estimates.

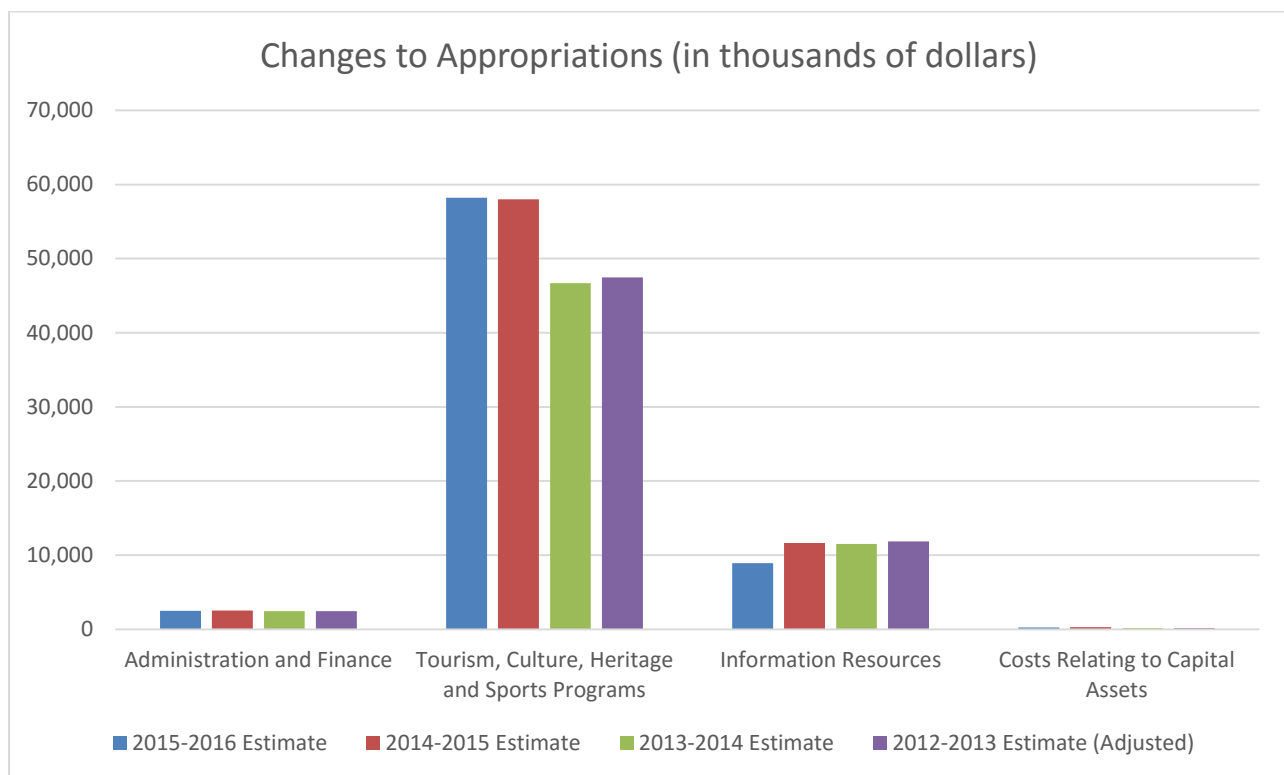


## Government of Manitoba

### 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>33</sup> In Budget 2015 as in the previous year, 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 \$ 340,000 in nominal dollars 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 documents. It still exists as a separate entity under the Historic Resources Branch; but since 2012-14, funding amounts 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. In 2015, it received \$ 3.865 million from the Manitoba government, the same amount as in 2014.<sup>34</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>35</sup>.

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<sup>33</sup> Manitoba Arts Council, [Annual Report 2013-14](#) (Accessed August 27, 2015)

<sup>34</sup> Manitoba Film & Music, [2014-15 Annual Report](#) (Accessed December 8, 2015)

<sup>35</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>36</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 extended to the end of 2018 in the 2015-16 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 2015 extended this credit to December 31, 2019. 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 2015 enhanced this credit and extended it until December 31, 2019. 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>36</sup> Manitoba. Finance. [Corporate Tax Credit](#)

Credit is administered by the Canada Revenue Agency.<sup>37</sup> Eligible programs must meet at least one of the following criteria<sup>38</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 is 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>37</sup> Government of Manitoba. Finance. [Personal Tax Credits](#).

<sup>38</sup> Canada Revenue Agency. [Prescribed Program](#).



## NEW BRUNSWICK

Real GDP Growth: -0.3% (2014)  
Revenue from Federal Transfers: \$2.658 billion (\$3,526 per capita)  
Population: 753,900 (2015)

**2015**

## Budget Overview

### Fiscal and Societal Context

- Finance Minister Roger Melanson tabled the provincial government's 2015-16 budget on March 31, 2015. Titled "Facing our challenges together"<sup>1</sup>, the Budget focuses on the government's three key priorities, namely creating the conditions for job creation, facing fiscal challenges and helping families or, in the words of the Minister: "a budget that will set us on the path towards job creation, towards increased revenues and towards financial sustainability."
- The economic strategy of the new Liberal government gives a prominent place to investments in infrastructure, as spelled out in the Minister's speech introducing the Capital Estimates: "During these sluggish economic times, jurisdictions the world-over are choosing to invest now in their public infrastructure. In its October 2014 World Economic Outlook, the International Monetary Fund noted that with continued economic weakness and interest rates at historic lows, now is a good time to invest in our assets. These strategic investments will kick-start our economy in the short-term, something we all know it desperately needs."<sup>2</sup>
- The Department of Finance estimates real economic growth of 0.8 per cent in 2014 as improved levels of investment and retail sales helped offset declines in employment and exports.
- "The Department of Finance anticipates real GDP growth of 1.8 per cent in 2015, an improvement over the performance seen in recent years and consistent with the current consensus among private sector forecasters. Following several years of weakness in investment, a stronger domestic economy in 2015 will be supported by an improvement in investment activity, led by government and private sector investment."<sup>3</sup>
- In the update of the New Brunswick 2014-15 fiscal position released in February 2015, the Minister showed an improved deficit of \$255.4 million, largely as a result of unexpected one-time revenue. For 2015-16, the Budget Speech projects a deficit of \$ 476.8 M, which includes a contingency reserve of \$ 150 M. However, the first-quarter fiscal update for 2015-16 is projecting a deficit of \$470.6 million, an improvement of \$6.2 million compared to the budget deficit projection of \$476.8 million<sup>4</sup>.
- The New Brunswick government's fiscal situation has been characterized as "dire" by one commentator, noting that with each deficit the provincial debt goes up, rising faster than government revenues.<sup>5</sup>

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<sup>1</sup> [2015-16 Budget Speech](#), Government of New-Brunswick.

<sup>2</sup> [Capital Estimates 2015-16, Speech by Minister of Finance](#), Government of New Brunswick, December 2014.

<sup>3</sup> [2015-16 Budget Speech](#), p.6, Government of New-Brunswick.

<sup>4</sup> [New release](#), Department of Finance, Government of New Brunswick, August 25, 2015.

<sup>5</sup> Jeffrey Simpson, "[New Brunswick is flat on its fiscal back](#)", *The Globe and Mail*, April 10, 2015.

- While Budget speech 2014-15 envisaged deficits for each of the following three years and a surplus of \$119 million for 2017-18<sup>6</sup>, the current budget refrains from specifics but it underlines the fact that, to start the process leading to fiscal balance, the Liberal government launched a Strategic Program Review in January 2015, which included public meetings and online consultation. More than nine thousands suggestions were received from the public and are being analysed.<sup>7</sup>
- However, a series of steps have already been taken: the Department of Healthy and Inclusive Communities, Efficiency New Brunswick and the Energy Institute have been eliminated. A number of government departments have reduced their budgets or managed to significantly curtail growth. Other measures include a reduction, mostly through attrition, of the number of teachers (as the number of K-12 students has dropped by 20% since 2000) and asking seniors who can afford it to contribute more to the cost of nursing home care. The public service, which represents over 28% of expenditures, will be reduced, mostly through attrition.
- The government is also counting on increasing its revenue, notably by increasing income tax on the wealthiest 1%.
- Taxes on gasoline have also been increased.
- In order to boost the economy and create jobs, the Budget also includes a series of measures to favour entrepreneurs through various tax credits.

### **Main Spending Priorities and Highlights<sup>8</sup>**

- Job creation:
  - Increasing the Small Business Investor Tax Credit rate for individuals from 30 per cent to 50 per cent, effective for investments made after March 31, 2015.
  - Investing \$150 million over the next six years to renew the Northern New Brunswick Economic Development and Innovation Fund and the Miramichi Regional Economic Development and Innovation Fund.
  - Lowering the small business corporate income tax rate to 2.5 per cent
  - Funding for the new Youth Employment Fund which will help 1,500 young New Brunswickers each year obtain work experience and training.
  - Imposing a tuition freeze on public universities in New Brunswick in order to make university more affordable and further promote a skilled workforce.
  - ***Making additional investments in the film sector and accelerating the funding for the cultural sector in New Brunswick.***
- Facing the fiscal challenge:
  - Creation of a new tax bracket at 21 per cent for taxable income between \$150,000 to \$250,000 and another bracket at 25.75 per cent for taxable income greater than \$250,000, effective January 1, 2015.

<sup>6</sup> [New Brunswick Budget 2014-15](#), Tax Alert- Canada, Ernst and Young.

<sup>7</sup> [2015-16 Budget Speech](#), p.9, Government of New-Brunswick.

<sup>8</sup> [News release](#), Department of Finance, Government of New Brunswick, March 31, 2015.

- Closing courthouses which are no longer required.
  - Increasing fuel taxes on gasoline by 1.9 cents per litre and on diesel fuel by 2.3 cents per litre.
  - Removing the maximum daily amount for nursing home care.
  - Ensuring that teacher staffing better reflects New Brunswick's demographic reality
  - Holding the line at almost zero per cent budget growth in the Department of Health.
  - Freezing contributions to universities and community.
  - Looking at the number of agencies, boards and commissions, the number of people who serve on them, and the compensation for serving.
  - Centralizing financial, human resources, information technology and supply chain services under one organization.
  - Eliminating funding for the Energy Institute, merging Efficiency New Brunswick's programs with NB Power.
- Helping families
    - Increasing the budget for the Department of Education and Early Childhood Development by 3.1 per cent.
    - Providing tax breaks to allow seniors or their families to renovate their homes to stay independent longer.
    - Increasing the number of daycare spaces in the province by September 2018 to make life easier for parents.
    - Improving the status of women by appointing more women to positions of influence and investing over \$400,000 to restore an independent forum to undertake research and speak on behalf of women in New Brunswick.
    - Making post-secondary education more accessible and affordable by eliminating the parental and spousal contribution to student loans.

## Impacts on the Cultural Sector

**Contextual note:** *New Brunswick's culture GDP accounted for 2.3% (\$641 million) of total provincial GDP and 1.3% of Canada's culture GDP. Audio-visual and interactive media (\$167 million) and Visual and applied arts (\$148 million) contributed the most to culture GDP for New Brunswick. Culture jobs (9,381 jobs) contributed 2.6% to total jobs in the province.*<sup>9</sup>

- The commitment to increased support for the cultural sector was renewed by the new Liberal government not long after the September 2014 election, with Premier Brian Gallant quoted as saying, "Our government is committed to helping New Brunswick artists and arts organizations showcase their talents"<sup>10</sup>.
- The 2015 Budget Speech does not mention arts, culture or heritage. The only mention to the cultural sector is contained in a press release dated the same day<sup>11</sup> which we quoted

<sup>9</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015

<sup>10</sup> ["Updated touring and presenting program"](#) - News Release, NB Office of the Premier, November 17, 2014

<sup>11</sup> [News release](#), Department of Finance, Government of New Brunswick, March 31, 2015.



earlier: *“Making additional investments in the film sector and accelerating the funding for the cultural sector in New Brunswick.”*

- As the second table below shows, the budget of the Department of Tourism, Heritage and Culture shows a considerable increase over the past year: 2015-16 estimates for Arts and Cultural Industries show an increase of \$ 3 M (+47%) and of \$683 K (+10.7%) for Heritage. It seems that the accelerated funding for the cultural sector is a follow-up on the series of announcements made by the preceding government in 2014. The announcements made by the Department of Tourism, Heritage and Culture over the summer of 2014, describing how the extra \$3,000,000 would be spent, included:
  - A doubling of operational base funding for the Beaverbrook Art Gallery;<sup>12</sup>
  - Investments to support an arts and culture workforce strategy;<sup>13</sup>
  - Increased funding for the Village Historique Acadien;<sup>14</sup>
  - Increased operational funding for the New Brunswick Museum and announcement of renovations to the museum’s Exhibition Centre;<sup>15</sup>
  - Funding for the restoration of Loyalist House and development of Fort Latour as a cultural tourism attraction;<sup>16</sup>
  - Increased funding for the Council of Archives New Brunswick;<sup>17</sup>
  - Increased funding for the Kings Landing Historical Settlement;<sup>18</sup>
  - Establishment of a Community Cultural Places Program;<sup>19</sup>
  - Establishment of a Premier’s Task Force on the Status of the Artist;<sup>20</sup>
  - An updated touring and presenting program made available to both Francophone and Anglophone artists and organizations.<sup>21</sup>
- New Brunswick eliminated its film tax credit in 2011 and replaced it with a Multimedia Initiative later that year which provided funding of up to 25-30% of eligible expenditures incurred in New Brunswick.

<sup>12</sup> [“Provincial funding more than doubled for Beaverbrook Art Gallery”](#) – News Release, NB Department of Tourism, Heritage and Culture, June 27, 2014

<sup>13</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>14</sup> [“Increased funding announced for Village Historique Acadien”](#) - News Release, NB Department of Tourism, Heritage and Culture, July 9, 2014

<sup>15</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>16</sup> [“Funding announced for Loyalist House and Fort Latour”](#) - News Release, NB Department of Tourism, Heritage and Culture, July 17, 2014

<sup>17</sup> [“Increased funding announced for archival activities”](#) - News Release, NB Department of Tourism, Heritage and Culture, July 18, 2014

<sup>18</sup> [“Increased funding announced for Kings Landing Historical Settlement”](#) - News Release, NB Department of Tourism, Heritage and Culture, July 21, 2014

<sup>19</sup> [“Community Cultural Places program announced”](#) - News Release, NB Department of Tourism, Heritage and Culture, July 24, 2014

<sup>20</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>21</sup> [“Updated touring and presenting program”](#) - News Release, NB Department of Tourism, Heritage and Culture, November 17, 2014

- While we have not been successful in finding detailed information on the additional investments to be made in the New Brunswick film sector, a report presented to the Department of Tourism, Heritage and Culture in March 2015 indicated that “The lack of dedicated funding continues to perpetuate problems and creates instability within the film industry” and that “THC is not currently in a position to accept new project applications for 2015-2016 pending the development and implementation of a new approach.”<sup>22</sup>

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *The 2015-16 Budget seems to have elicited little reaction from the cultural community.*

CBC News, “[Film company moving jobs to N.S. after funding runs out](#)”, February 11, 2015 (accessed November 10, 2015).

- Frank Savoie, the president of a film production company, stated that he would be moving two projects to Nova Scotia because of an announcement made the Minister of Tourism, Heritage and Culture that funding under the government’s multimedia initiative for the film and television industry was exhausted. He indicated that he typically hires 60 to 75 people for each of his productions, and that if New Brunswick did not announce new funding by April 2015, most productions for the following year would be abandoned.

ArtsLink NB. *Facebook post*. March 31, 2015

ArtsLink NB posted a short notice indicating that “New Brunswick confirms a budget augmentation to implement the Cultural Policy (\$2M) and \$2.5M for a new film industry program”

Media New Brunswick, *Facebook post*, March 31, 2015

The entry report “Good news in the 2015/16 NB budget” with regard to additional funding for culture and film.

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<sup>22</sup> [The New Brunswick Film Industry Report](#), March 2015, p. 8.

## Government of New Brunswick

### Main Estimates<sup>23</sup>

<b>Department</b> (In thousands of dollars)	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Revised Estimates</b>	<b>2012-13 Revised Estimates</b>	<b>2011-12 Revised Estimates</b>
Agriculture, Aquaculture and Fisheries	37,995	36,409	36,329	40,755	46,518
Economic Development <sup>24</sup>	-	140,179 <sup>25</sup>	101,373 <sup>26</sup>	100,401	88,306
Education and Early Childhood Development	1,118,623	1,085,512	1,118,198	1,073,062	1,060,618
Energy <sup>27</sup>	-	-	-	-	2,995
Energy Efficiency and Conservation Agency of New Brunswick <sup>28</sup>	-	8,594	12,094	11,819	17,040
Energy and Mines	8,617	8,980	8,480	7,133	-
Environment and Local Government	139,381	136,477	139,497	140,151	154,470
Executive Council Office	19,148	19,984	19,784	17,941	21,058
Finance	17,282	17,885	17,485	18,706	18,926
General Government	554,951	572,684	542,948	686,165	632,397
Government Services	53,657	54,782	58,831	59,407	58,248
Health	2,596,039	2,587,346	2,553,268	2,568,258	2,542,690
Healthy and Inclusive Communities <sup>29</sup>	-	19,327	17,301	15,549	*did not exist
Human Resources	3,421	3,545	3,495	4,048	*did not exist

<sup>23</sup> [2015 Main Estimates](#), Department of Finance, Government of New Brunswick, March 31, 2015.

<sup>24</sup> Reorganized in 2015, now under Regional Development Corporation.

<sup>25</sup> \$ 38,015,000 was included for economic development from 'special operating agencies', explaining the large spike from 2013-14 to 2014-15. Also note that 2015-16 Estimates show this number: \$ 26,827,000.

<sup>26</sup> 2015-16 Estimates show this revised number: \$ 25,077,000.

<sup>27</sup> Apparently, Energy and the mining section of Natural resources were combined in 2012-13, which accounts for the number discrepancy with previous year.

<sup>28</sup> Responsibility transferred to NB Power.

<sup>29</sup> Abolished in 2015.

<b>Department</b> (In thousands of dollars)	<b>2015-16 Estimates</b>	<b>2014-15 Revised Estimates</b>	<b>2013-14 Revised Estimates</b>	<b>2012-13 Revised Estimates</b>	<b>2011-12 Revised Estimates</b>
Invest New Brunswick <sup>30</sup>	-	17,563	8,438	10,607	2,975
Justice <sup>31</sup>	42,491	42,624	42,374	61,786	61,336
Legislative Assembly	21,721	30,001	31,260	26,451	21,151
Natural Resources	93,267	95,448	94,948	103,845	111,112
Office of the Attorney General <sup>32</sup>	17,975	18,178	18,378	-	-
Office of the Premier	1,616	1,628	1,628	1,655	1,565
<b>Opportunities New Brunswick (new 2015)</b>	50,883				
<b>Other agencies (new 2015)</b>	259,387	233,211	256,924		
Post-Secondary Education, Training and Labour	613,793	593,605	596,059	581,988	565,599
Public Safety	166,262	157,599	186,054	159,633	133,426
Regional Development Corporation (2015)	65,012	71,023	88,123		
Service of the Public Debt	685,000	685,000	680,000	666,500	668,000
Social Development	1,113,693	1,099,095	1,103,525	1,045,892	1,013,020
Tourism, Heritage and Culture <sup>33</sup>	52,382	48,290	48,185 <sup>34</sup>	37,524	40,003
Transportation and Infrastructure	296,942	273,370	282,064	273,273	284,068
<b>Total</b>	<b>8,029,038</b>	<b>7,925,660</b>	<b>7,930,376</b>	<b>7,730,648</b>	<b>7,536,889</b>

<sup>30</sup> Folded into Opportunities New Brunswick in 2015.

<sup>31</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.

<sup>32</sup> See note 31.

<sup>33</sup> Was formerly known as Culture, Tourism, and Healthy Living Department.

<sup>34</sup> Increase over 2013-14 due to the reinsertion of Sports and Recreation under the Department.

# Government of New Brunswick

## Department of Tourism, Heritage and Culture<sup>35</sup>

### Main Estimates

(In thousands of dollars)

Division	2015-16 Estimates	Difference Dollar Value and Percentage	2014-15 Estimates	2013-14 <sup>36</sup> Estimates (revised)	2012-13 Estimates (revised)
<b>Administration</b>	<b>2,657</b>	-6	<b>2,663</b>	2,397	2,362
<b>Parks, Heritage and Culture<sup>37</sup></b>	-	-	-	22,535	23,061
<b>Sports and Recreation</b>	<b>7,192</b>	-	<b>7,192</b>	-	-
<b>Culture</b>					
Arts & Cultural industries	9,602	+3,092 +47.4%	6,510	4,832 <sup>38</sup>	4,813 <sup>37</sup>
Heritage	7,075	+683 + 10.7%	6,392	5,191 <sup>37</sup>	5,235 <sup>37</sup>
<b>Culture total</b>	<b>16,677</b>	<b>+3,775 +29.2%</b>	<b>12,902</b>	<b>**39</b>	<b>**38</b>
<b>Tourism and Parks</b>	<b>25,856</b>	<b>+323 +1.2%</b>	<b>25,533</b>		
<b>Total</b> includes the following:	<b>52,382</b>	<b>+4,092 +8.4%</b>	<b>48,290<sup>40</sup></b>	<b>37,524<sup>41</sup></b>	<b>40,003<sup>40</sup></b>
Capital Account	2,564	+1,814 +241.9%	750	1,250	750
Special Purpose Account	1,555	-55 -3.0%	1,610	710	705
Special Operating Agencies	<b>1,460</b>	<b>+11 +6.9%</b>	<b>1,449</b>	<b>1,483</b>	<b>1,875</b>

<sup>35</sup> [2015-16 Main Estimates](#), Program Estimates for Department of Tourism, Heritage, and Culture, pp. 152-159, Government of New Brunswick, March 31, 2015.

<sup>36</sup> The Department was reorganized since the 2013-14 budget release – the divisions 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.

<sup>37</sup> Further to restructuring and renaming, Parks, Heritage and Culture is featured in the 2014-2015 Estimates but not in Revised Estimates presented in the 2015-16 Estimates.

<sup>38</sup> For comparison purposes, these are the initial Estimates and as such, do not figure in the Total for the Department.

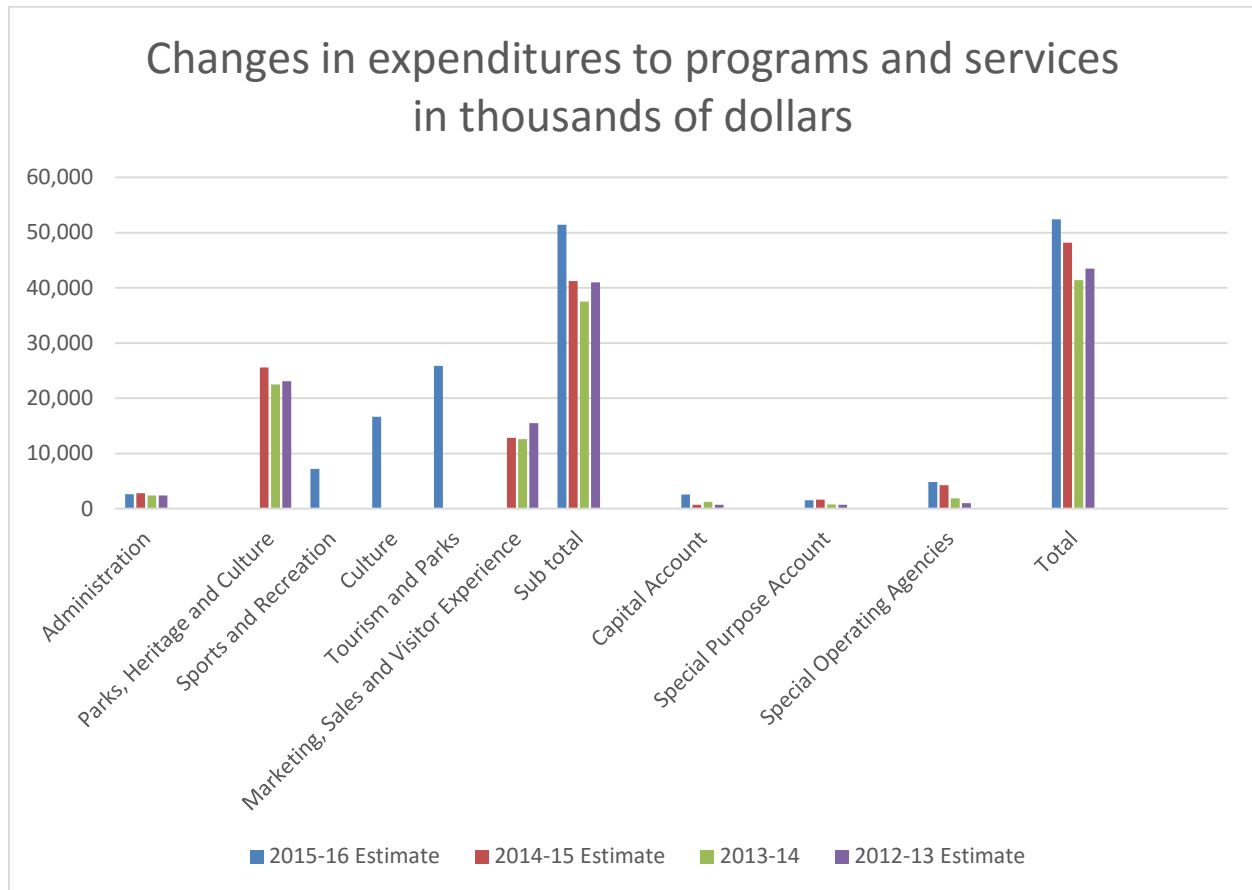
<sup>39</sup> Revised total for culture included in Parks, Heritage and Culture, but specifics not available.

<sup>40</sup> Increase over 2013-14 due in part to the reinsertion of Sports and Recreation under the Department.

<sup>41</sup> Include amounts for Tourism, Marketing, Sales and Visitor Experience, not detailed in this table.

## Government of New Brunswick

### Department of Tourism, Heritage and Culture<sup>42</sup>



<sup>42</sup> [2015-16 Main Estimates](#), Program Estimates for Department of Tourism, Heritage, and Culture, pp. 152-159, Government of New Brunswick, March 31, 2015.

## Creative Futures

### A Renewed Cultural Policy for New Brunswick<sup>43</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*. The document is meant to outline the province's cultural policies for a period of five years, from 2014 through to 2019.

The Liberal government elected in the fall of 2014 undertook to continue the application of the new cultural policy. The mandate letter of the new minister Tourism, Heritage and Culture, the Hon. Bill Fraser, contains the following paragraphs:

- “Accelerating the new provincial cultural policy and further enhancing support for this sector by increasing investment to implement these cultural support initiatives.
- Accelerating the establishment and completion of the committee 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, inviting 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.

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>44</sup>

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

<sup>43</sup> [Creative Futures: A Renewed Cultural Policy for New Brunswick](#), Province of New Brunswick, June 20, 2014.

<sup>44</sup> [“Renewed cultural policy unveiled”](#), Government of New Brunswick News Release, June 20, 2014.

<b>Creative Futures</b> <b>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>
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>45</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.

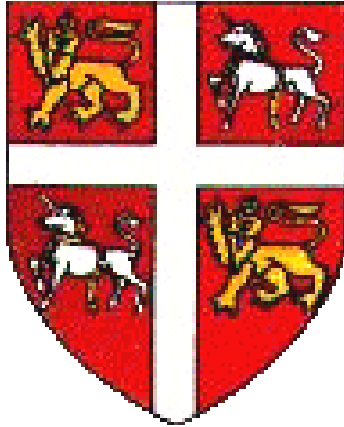
**Department of Education and Early Childhood Development  
Artist-In-Residency School Program**

(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>46</sup>
Eligibility	Including but not limited to Music Dance Theatre arts Literature Plastic arts 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.

<sup>45</sup> Government of New Brunswick. [Digital Media Development Program. \(DMDP\)](#). Accessed December 28, 2014.

<sup>46</sup> Government of New Brunswick. [Arts – Professional Artists – Artist-In-Residency School Program Grant](#). Accessed December 28, 2014.



## NEWFOUNDLAND AND LABRADOR

Real GDP growth: -2.0% (2014)

Revenue from Federal Transfers for 2015-16: \$ 693 million (\$1,312 per capita)

Population: 527,800 (2015)

**2015**

## Budget Overview

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

- The theme of the 2015-16 Budget, delivered by Finance Minister Ross Wiseman on April 30, 2015, was “Balancing Choices for a Promising Future”.
- Newfoundland and Labrador’s economic growth has slowed down because of the fall in oil prices on the world market, but according to Minister Wiseman, the province is “weathering a storm that would be crushing us had we not made the choices that transformed the province over the past ten years”.
- Real GDP for 2014 is estimated to have shrunk by 2.0 % due to falling oil and mineral prices, and employment by 1.7%, with unemployment rate sitting at 11.9%. However, other economic indicators remained positive, notably capital investments which reached \$ 12.2 billion, only slightly lower than the 2013 record level.
- For 2015, the government is forecasting a further decline of GDP in the order of 0.3% and a decline of employment of 1.5%, so that unemployment levels would reach 12.4%. However, strong economic growth is expected to resume by 2018 and to reach 4.1% in 2019 and 5.1 % in 2020.
- The deficit for the fiscal year ending March 31, 2015 was expected to be \$537.9 million: These forecasts were based on the assumption that oil prices would average US\$ 105 per barrel during 2014-15, when in actuality, the average price for Brent crude was US \$ 83.47: combined with a weak Canadian dollar, this resulted in a drop of 35% in forecast oil royalties. As a result, actual figures for the deficit came in at \$ 924.1 million and the total debt for the year reached \$ 1.175 billion. The government has put in place a five-year plan for eliminating the deficit and the Budget Speech forecasts a return to budget equilibrium in 2019-20.
- The provincial election was originally scheduled for October 13, 2015, under Newfoundland and Labrador’s House of Assembly Act, mandating a [fixed election day](#) on the second Tuesday in October in the fourth calendar year after the previous election. However, the House of Assembly amended the act in June 2015, to delay the election until November 30, 2015, so that the election campaign would not overlap with the federal election scheduled for October 19, 2015. In the provincial election, the Conservative government was replaced by a Liberal one, under the leadership of Dwight Ball.<sup>2</sup>

<sup>1</sup> [Budget 2015 Speech](#), Finance Minister Ross Wiseman, April 30, 2015 - (accessed November 9, 2015).

<sup>2</sup> Éric Grenier, “[Liberals win in dramatic fashion in Newfoundland and Labrador](#)”, CBC News, December 1, 2015.

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

- The Minister outlined eight guiding principles that would preside over the required changes to ensure long-term sustained economic growth:
  - Cultivate a culture of cost management.
  - Refocus on strengthening health services.
  - Ensure trade-education is industry driven.
  - Develop an attrition plan for the civil service.
  - Adopt longer-range infrastructure planning.
  - Focus on regional clusters.
  - Implement a deficit-reduction plan.
  - Establish a Generations Fund.
- Effective January 1, 2016, the provincial component of the HST will increase by 2 %, raising the combined federal/provincial sales tax to 15%. To mitigate the impact on low-income families, the HST rebate will be increased as well as the qualifying threshold (from \$15K to \$30K) thus raising the number of eligible families from 58,000 to 126,000.
- Effective July 1, 2015, the government introduced two new income tax brackets: 14.3% for income over \$125,000 and 15.3% for income over \$175,000. And effective April 1, 2015, the Financial Corporations Capital Tax rate (banks, trusts, loan companies), was raised from 4 to 5%.
- The government will share gas tax revenue with municipalities and Inuit Community Governments, as well as provide them with a rebate of the provincial portion of the HST (25% as of January 2016, growing to 57.14% the following year).
- Having invested over \$6 billion in infrastructure projects over the past 11 years, the government has decided to slow down capital investments until the oil prices rebound. This said, capital investments for 2015-16 will exceed \$ 660 million.
- Overall, the government's expenditures will increase by 5.8% over 2014-15.

### **Impact on the Cultural Sector**

**Contextual note:** In 2010, culture contributed \$379 million (1.4%) of GDP to the economy of Newfoundland and Labrador in 2010. Of this, 27.4% was contributed by Audio-visual and interactive media (\$104 million) followed by Governance, funding and professional support (\$94 million) and Written and published works (\$64 million). Heritage and libraries had the smallest culture GDP at \$5 million. Education and training accounted for \$45 million culture GDP. In Newfoundland and Labrador, culture jobs (5,155) accounted for 2.4% of the total number of jobs in the province. This is higher than the provincial share of culture GDP (1.4%) and culture output (1.3%). The largest contributors to culture jobs were Governance, funding and professional

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<sup>3</sup> [Budget 2015, "Balancing Choices for a Promising Future", Highlights](#), Government of Newfoundland and Labrador, April 30 2015 (accessed November 9, 2015)

*support (1,179 jobs), Written and published works (865 jobs) and Audio-visual and interactive media (822 jobs).*<sup>4</sup>

- Contrary to the 2014-15 Budget Speech, the 2015-16 one did not include any reference to arts, culture or heritage. The only mention we could find was in an April 30, 2015 press release by the Department of Business, Tourism, Culture and Rural Development:

“Tourism, culture and heritage are integral parts of the Provincial Government's focus on economic growth. Budget 2015 includes a \$2 million increase to the tourism marketing budget, returning the total budget to \$13 million, as committed in 2013. Budget 2015 will support continuation of a multi-year plan to preserve the province's heritage assets.”<sup>5</sup>

This is in fact in continuation with statements made in last year's Budget Speech that linked culture and heritage with tourism as factors to the province's increased prosperity, and 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>

- A look at the 2015-16 Estimates shows that despite the economic downturn affecting government revenue, the Newfoundland and Labrador government has made some significant investments in culture and heritage: the total appropriation to Culture and Heritage within the Department of Business, Tourism, Culture and Rural Development increased by 8,3% (+ \$ 1,841,200). The main beneficiaries were:
  - Arts and Cultural Centres: + \$249,400 (+12%);
  - The Rooms: + \$ 551,100 (+9.1%), an increase which, after the severe cuts received in 2013-14, brings the organization closer to its 2011-12 level of funding and responds to representations made during the pre-budget consultations;
  - Historical Sites Development: + \$ 244,300 (+88.6%);
  - Special Celebrations and Events: + \$ 236,900 (+54.8%);
- And, on the capital side, The Newfoundland and Labrador Film Development Corporation got an additional \$455,000 (+10%), with another \$17,800 added to the corporation's operating budget (amounting to less than 1%).
- However, there was virtually no change in the budget of the Newfoundland and Labrador Arts Council, which increased by 0.8% to \$ 2,133,700.

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<sup>4</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015.

<sup>5</sup> “[Committed to Economic Growth and Diversification](#)”, Press release, Department of Business, Tourism, Culture and Rural Development, April 30, 2015.

<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).

- Budget 2015 also allocated about \$1 million for a new Interactive Digital Media Tax Credit.<sup>7</sup> This measure will provide a 40% refundable credit on eligible wages and remuneration to interactive digital media companies beginning on January 1, 2015.
- In June, in a government news release, the Minister of Business, Tourism, Culture and Rural Development stated that “We are committed to diversifying the economy. This tax credit is designed to support the growth of the province’s interactive digital media sector which will help retain and expand the industry’s workforce. At the same time, we are offering an incentive for other companies to relocate to our province.”<sup>8</sup>

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *There had been considerable lobbying by the cultural community prior to the 2015-16 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.*

Gaylene Buckle, General Manager, [Theatre Newfoundland Labrador Pre-Budget Submission March 13, 2015](#), (accessed November 9, 2015).

- In its submission, Theatre Newfoundland Labrador made three requests:
  - Increase funding to the Newfoundland and Labrador Arts Council in order to increase the number of professional project grants and sustaining grants available to this province’s artists and arts organizations;
  - Reinstate the Market Access and Export component of the Cultural Economic Development Program to allow for continued touring by the province’s artists;
  - Support the continued work on the 2006 Creative Newfoundland and Labrador Blueprint and The Status of the Artist Legislation ensuring continued growth in our cultural industries.

VANL-CARFAC, “[VANL-CARFAC Pre-Budget Submission 2015, February 25, 2015](#)” - (accessed November 9, 2015).

- In this news release, Visual Arts Newfoundland and Labrador-Canadian Artists Representation-Le Front des artistes canadiens (VANL-CARFAC) made four recommendations to the government, which were essentially the same as those made prior to the publication of the 2014-15 Budget:
  - 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);

<sup>7</sup> “[Tax Adjustments](#)”, *Budget 2015 – Balancing Choices for a Promising Future*, April 30, 2015.

<sup>8</sup> Government of Newfoundland and Labrador, “[Government Moves Forward with Interactive Digital Media Tax Credit](#)”, June 16, 2015 (accessed November 13, 2015).

- 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);
- Ensure that 1% of the costs of government building projects, including new building construction, major additions to existing buildings, park development projects, and new engineering structures such as bridges, go toward public artwork.

[CUPE Local 2329 Pre-Budget Consultation, March 6, 2015](#), (Accessed November 9, 2015).

- CUPE Local 2329 urged the Minister of Finance “to properly fund the provincial Information and Library Resources Board”.

[Museum Association of Newfoundland and Labrador, Pre-Budget Submission, March 6 2015](#)

- Insisting on the fact that he was not asking for new money, the President of the Association, Mr. John Griffin, requested that the existing minimum standards funding deadline under the Cultural Economic Development Program be granted in order to complete the work undertaken to raise the minimum standards of targeted heritage organisations through education, site visits and training.

Association of Heritage Industries – Newfoundland and Labrador, Blog entry, “[Budget 2015](#)”, April 30, 2015 - (accessed November 9, 2015).

- The blog entry stated that for the heritage sector, Budget Day was a good day: “2015 may have produced one of the most austere provincial budgets in recent memory, but by the grace of the heritage gods, it seems our sector has once again escaped largely unscathed.”
- The author underlines the fact that the budget includes \$420,000 for Provincial Historic Sites, this being year two of the multi-year \$1.2 million development plan announced in Budget 2014. According to PHS staff, most of this money is destined for structural work on the sites, but does include some visitor experience upgrades.
- Also of interest is the \$2 million increase in the provincial tourism marketing budget, bringing the total annual tourism marketing spend to \$13 million. And finally, the Mistaken Point Ecological Reserve, currently being considered for UNESCO World Heritage Status, will see the addition of two new seasonal interpreters.
- However, the Association notes that the 2% increase in the HST will increase costs for heritage organizations - from construction materials to cookies for volunteers. “However, with the 50% HST refund for nonprofits and HST input credits for businesses and social enterprises, it’s a little like money out, money in. “

Glen Whiffen, “Budget recognizes tourism staying power”, *The Telegram*, April 30, 2015 (accessed November 13, 2015).

- The article reported on the \$2 million increase in the tourism marketing budget and quoted Finance Minister Ross Wiseman's remarks that non-resident visitation had increased by 22% between 2009 and 2014 due to the province's award-winning marketing campaign.
- The Chairman of Hospitality Newfoundland and Labrador was quoted as saying that "The tourism industry offers unparalleled opportunities for sustained revenue growth and job creation".
- The article also mentioned the increase of \$420,000 which is part of the \$1.2 million multi-year plan to preserve the province's heritage assets, noting that this would include enhancements to the Point Amour Lighthouse Provincial Historic Site, Bonavista Lighthouse, Heart's Content Cable Station and Commissariat House.

Glen Whiffen, "The boom times are over", *The Telegram*, April 30, 2015 (accessed November 13, 2015).

- In a generally gloomy overview of the 2015 Budget, the article ended by noting that "If there was one winner in the gloom and doom tax changes, it was those working in the area of digital media, with the introduction of an "interactive digital media tax credit", retroactive to Jan. 1."
- It added that Newfoundland and Labrador already has a film and video industry tax credit.

["Day 1 of Innovation Week off to a Great Start"](#), May 20, 2015, *Innovation Week* website (accessed November 13, 2015).

- The website reported that the Minister of Business, Tourism, Culture and Rural Development had attended the trade show and had stated that the Interactive Digital Media Tax Credit had been designed to grow the digital technology industry in Newfoundland and Labrador.
- The reaction of the industry was "Sounds great! We'll be geared up to hear more about this, that's for sure."

Newfoundland and Labrador Association of Technology Industries (NATI), ["Province's Interactive Digital Media Tax Credit Now Available"](#), October 13, 2015 (accessed November 13, 2015).

- In this news release, the Association announced to its members that the tax credit announced in the Budget was now available. In addition to the information provided in the Budget, the news release indicated that the maximum credit for labour would be \$40,000 per person to a maximum of \$2 million per company.
- The tax measure will be in place for five years, with renewal dependent on a program evaluation.
- The Chair of NATI was quoted as saying that "The technology sector represents a great opportunity for economic diversity and growth in our province. Initiatives such as the Newfoundland and Labrador Interactive Digital Media Tax Credit demonstrate the positive linkages between policy initiatives and business results by helping technology



companies to be competitive at a global level while locally based. At NATI we believe these initiatives are critical to ensure the people of Newfoundland and Labrador have a vibrant and diversified future economy."

The introduction of the Interactive Digital Media Tax Credit was also widely reported by accounting and tax consulting firms, including (for example): [Price Waterhouse](#), [KPMG](#), [Grant Thornton](#), [Deloitte](#) and [Ernst Young](#).

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

(Dollar Amount)

	2015-16			2014-15	2013-14	2012-13
Branch	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)	Revised (Net)	Revised (Net)
Consolidated Fund Services	738,371,200	30,050,800	708,320,400	469,683,900	416,781,900	398,669,200
Executive Council	119,126,100	4,565,900	114,560,200	114,731,200	112,148,600	128,124,200
Finance	206,542,400	6,119,800	200,422,600	96,067,500	175,997,400	88,532,800
Government Purchasing <sup>10</sup>	2,455,300	258,000	2,197,300	1,398,600	-	
Public Service Commission	2,488,000	-	2,488,000	2,377,600	2,354,400	2,661,700
Service Newfoundland and Labrador	39,382,500	11,467,900	27,914,600	26,414,500	31,679,600	30,357,200
Transportation and Works	590,204,700	84,511,500	505,693,200	537,417,800	505,198,500	482,095,300
Legislature	30,210,500	-	30,210,500	23,542,600	22,710,600	23,786,300
Advanced Education and Skills	879,701,000	155,720,600	723,980,400	769,385,600	767,875,600	818,349,800
Business, Tourism, Culture and Rural Development <sup>11</sup>	132,653,700	4,520,600	128,133,100	119,167,500	-	-
Environment and Conservation	27,863,800	2,937,100	24,926,700	26,474,600	23,215,800	35,613,100
Fisheries and Aquaculture	22,635,700	1,057,000	21,578,700	25,747,900	17,526,600	37,618,600
Innovation, Business and Rural Development <sup>12</sup>	-	-	-	-	67,114,100	58,642,200
Forestry and Agrifoods <sup>13</sup>	67,426,000	5,622,200	61,803,800	56,647,900	-	-
Natural Resources	795,127,800	7,331,300	787,796,500	363,852,400	619,645,600	360,502,300

<sup>9</sup> Government of Newfoundland and Labrador, [Main Estimates 2015-2016](#), pp. 13.1-13.10 - (accessed November 9, 2015)

<sup>10</sup> New as of 2015-16 estimates

<sup>11</sup> New name change 2015-16 further to the integration of Innovation, Business and Rural Development under the Department.

<sup>12</sup> Now under Business, Tourism, Culture and Rural Development.

<sup>13</sup> New as of 2015-16

	2015-16			2014-15	2013-14	2012-13
Branch	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)	Revised (Net)	Revised (Net)
Tourism, Culture and Recreation <sup>14</sup>	-	-	-		60,566,800	58,059,000
Child, Youth and Family Services	155,349,900	13,544,800	141,805,100	114,145,200	168,258,300	163,377,800
Education and Early Childhood Development <sup>15</sup>	926,565,100	5,019,300	921,545,800	863,553,200	837,385,200	815,259,300
Health and Community Services	2,960,270,100	35,353,500	2,924,916,600	2,887,497,100	2,837,545,000	2,899,715,200
Justice and Public Safety <sup>16</sup>	260,374,800	48,336,300	212,038,500	208,887,200	230,593,000	239,728,100
Municipal and Intergovernmental Affairs <sup>17</sup>	245,292,700	41,973,400	203,319,300	166,889,000	159,063,700	148,615,200
Newfoundland and Labrador Housing Corporation	34,518,400	-	34,518,400	42,265,000	46,792,600	56,123,600
Seniors, Wellness and Social Development <sup>18</sup>	22,966,600	656,600	22,310,000	20,649,200	-	
<b>Total</b>	<b>8,262,952,300</b>	<b>459,256,600</b>	<b>7,803,695,700</b>	<b>6,939,710,300</b>	<b>7,102,453,300</b>	<b>6,845,828,900</b>

<sup>14</sup> Now Business, Tourism, Culture and Rural Development.

<sup>15</sup> Formerly known as 'Education'

<sup>16</sup> Formerly known as 'Justice' (prior to 2015-16)

<sup>17</sup> Formerly known as 'Municipal Affairs'

<sup>18</sup> New as of 2015-16

**Government of Newfoundland and Labrador**  
**Department of Business, Tourism, Culture and Rural**  
**Development**<sup>19</sup>  
**Main Estimates**<sup>20</sup>

<b>Branch</b> (Dollar Value)	<b>2015-16 Estimates</b>	<b>Difference Dollar Value And Percentage</b>	<b>2014-15 Estimates</b>	<b>2013-14 Revised</b>	<b>2012-13 Revised</b>	<b>2011-12 Forecast</b>
<b>Minister's Office</b>	<b>439,800</b>	<b>+64,600 +17.2%</b>	<b>375,200</b>	<b>320,000</b>	<b>425,300</b>	<b>320,200</b>
Culture and Heritage	5,531,600	+34,300 +0.6%	5,497,300 <sup>21</sup>	6,138,000	6,441,800	6,676,800
Arts and Culture Centres	2,322,600	+249,400 +12%	2,073,200	2,443,400	2,212,800	1,741,000
Newfoundland and Labrador Arts Council	2,133,700	+17,800 +0.8%	2,115,900	2,111,100	2,111,100	2,144,100
The Rooms Corporation of Newfoundland and Labrador	6,581,700	+551,100 +9.1%	6,030,600	6,038,300	6,999,200	7,215,700
Newfoundland and Labrador Film Development Corporation	740,900	+33,800 +4.8%	707,100	699,000	699,000	710,000
Historic Sites Development	520,000	+244,300 +88.6%	275,700 <sup>22</sup>	100,000	100,000	100,000
Special Celebrations and Events	669,100	+236,900 <sup>23</sup> +54.8%	432,200 <sup>24</sup>	215,800	163,700	250,000
Heritage Foundation of Newfoundland and Labrador <sup>25</sup>	515,500	+18,600 +3.7%	496,900			
Nfld & Lab. Film Development Corporation	4,955,000	+455,000	4,500,000	4,750,000	5,000,000	5,000,000

<sup>19</sup> Prior to 2015-16: Department of Tourism, Culture and Recreation

<sup>20</sup> [Estimates of the program expenditure and revenue of the consolidated revenue fund 2015-16](#), pp. 10.1 - 10.22, Government of Newfoundland and Labrador, April 30, 2015.

<sup>21</sup> Decrease mostly due to cuts in grants and subsidies

<sup>22</sup> Dramatic increase in supplies, purchased services, and operating accounts compared to previous year

<sup>23</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.

<sup>24</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>25</sup> New under the Department as of 2015-16

<b>Branch</b> (Dollar Value)	<b>2015-16</b> <b>Estimates</b>	<b>Difference</b> <b>Dollar</b> <b>Value</b> <b>And</b> <b>Percentage</b>	<b>2014-15</b> <b>Estimates</b>	<b>2013-14</b> <b>Revised</b>	<b>2012-13</b> <b>Revised</b>	<b>2011-12</b> <b>Forecast</b>
(Capital)		+10.1%				
<b>Total Culture and Heritage</b>	<b>23,970,100</b>	<b>+1,841,200</b> <b>+8.3%</b>	<b>22,128,900</b>			
<b>Tourism</b>	<b>31,349,100</b>	<b>+1,382,100</b> <b>+4.6%</b>	<b>29,967,000</b>	<b>18,280,100</b>	<b>18,211,300</b>	<b>18,933,500</b>
Recreation and Sport <sup>26</sup>	-	-	8,703,800	8,458,200	9,018,400	11,365,800
<b>General Administration</b>	<b>4,737,900</b>	<b>+1,891,600</b> <b>+66.4%</b>	<b>2,846,300<sup>27</sup></b>	<b>11,035,400<sup>28</sup></b>	<b>6,650,400</b>	<b>5,276,200</b>
Trade and Investment <sup>29</sup>	17,307,600	+4,148,800 +31.5%	13,158,800	-	-	-
Business Development <sup>28</sup>	8,570,900	+3,234,300 +60.6%	5,336,600	-	-	-
Innovation and Strategic Industries Development <sup>28</sup>	3,476,100	-1,773,500 -33.8%	5,249,600	-	-	-
Regional Development Planning <sup>28</sup>	1,075,400	+92,300 +9.4%	983,100	-	-	-
Field Services <sup>28</sup>	5,583,100	749,900 +15.5%	4,833,200	-	-	-
Economic Development <sup>28</sup>	9,060,600	-2,600,000 -22.3	11,660,600	-	-	-
<b>Total Regional Development</b>	<b>15,719,100</b>	<b>-1,757,800</b> <b>-10%</b>	<b>17,476,900</b>	-	-	-
<b>Research and Development<sup>28</sup></b>	<b>21,903,300</b>	<b>-122,700</b> <b>-0.6%</b>	<b>22,026,000</b>	-	-	-
<b>Ocean Technology and Arctic Opportunities<sup>28</sup></b>	<b>659,200</b>	<b>+57,000</b> <b>+9.5%</b>	<b>602,200</b>	-	-	-
<b>Total – New Department</b>	<b>128,133,100</b>	<b>8,965,600</b> <b>7.5%</b>	<b>61,861,600</b> <b>*revised estimates are:</b> <b>119,167,500</b>	<b>60,566,800</b>	<b>58,059,000</b>	<b>59,733,300</b>

<sup>26</sup> Now moved to the Department “Seniors, Wellness and Social Development,” under “health promotion, wellness and sport”

<sup>27</sup> Does not include executive and support services

<sup>28</sup> Increase in 2013-14 mostly due to grants and subsidies for purchase, alteration and construction of capital assets.

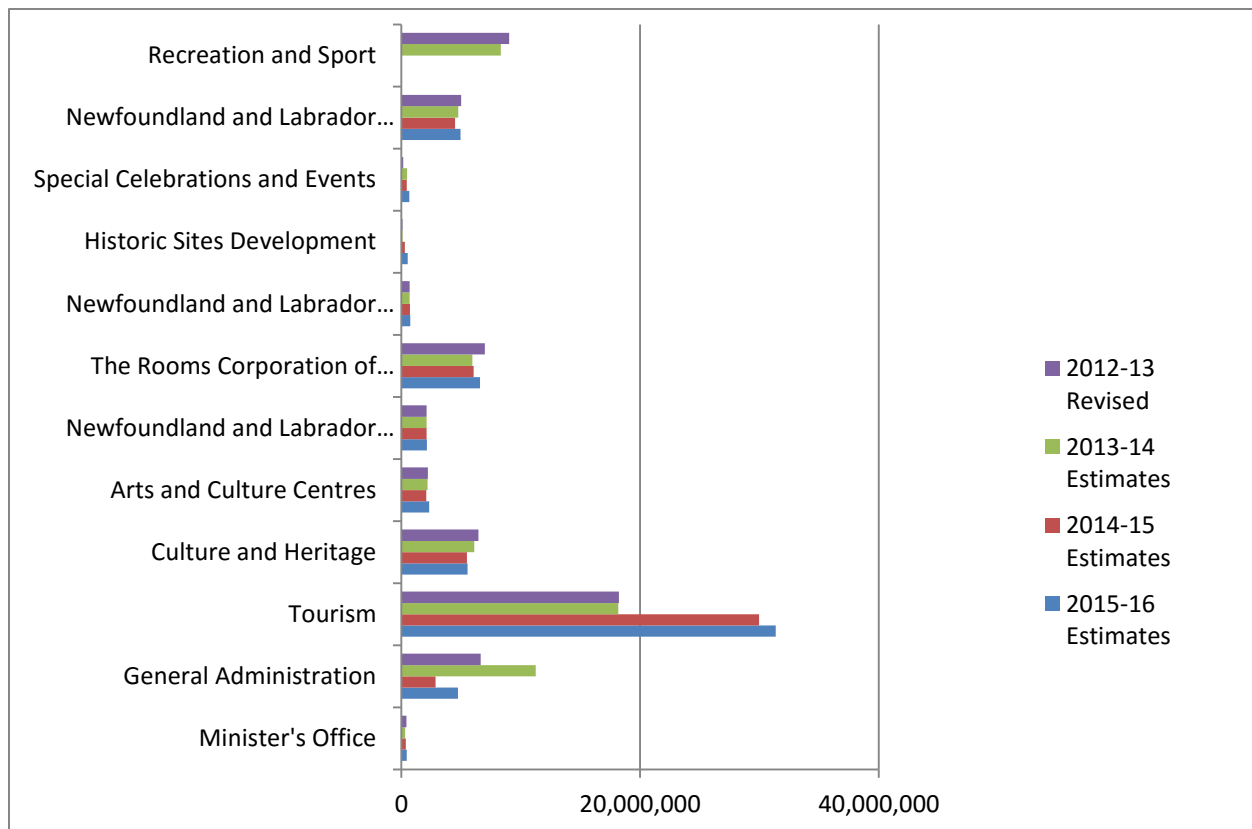
<sup>29</sup> New under the Department as of 2015-16

## Government of Newfoundland and Labrador

### Department of Business, Tourism, Culture and Rural Development

#### Changes to Expenditures

(In thousands of dollars)

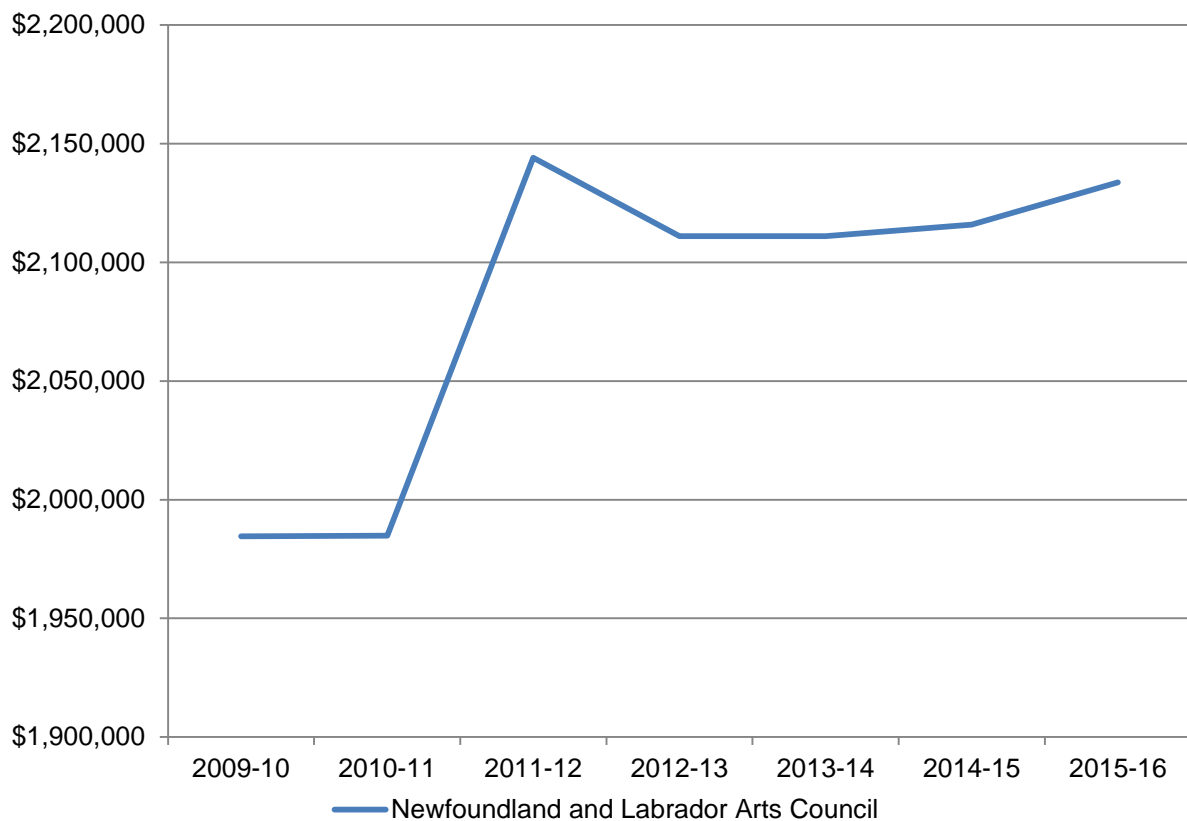


## Newfoundland and Labrador Arts Council

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](#) – This 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: 5.8% (2014)

Revenue from Federal Transfers in 2015-16: \$ 1.29 billion (\$29,319.00 per capita)

Population: 44,100 (2015)

## 2015

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Michael Miltenberger tabled the Northwest Territories' fiscal 2015–16 budget on 5 February 2015.<sup>1</sup>
- The Minister announced that economic growth in the Northwest Territories was expected to have been 5.2% in 2014<sup>2</sup> and should be 3.7% in 2015. Growth in 2014 was due to an increase in diamond production, preconstruction work for a new diamond mine, and construction of the Inuvik to Tuktoyaktuk highway and the Mackenzie Valley Fibre Link. Economic growth should continue this year with the increased investment resulting from the start of construction of the Gahcho Kué diamond mine.
- However, the Minister of Finance warned that “These economic growth estimates cloak the decrease in resident employment, the declining population, the dramatically slowing oil and gas exploration, the business closures in some of our communities, and the fact that our economy is only four-fifths of what it was in 2007. Our economic growth is concentrated in the diamond industries while the rest of the economy is not really growing at all.”
- Diamond mining is not going to go on forever: current mines are soon to be exhausted and new identified sites are smaller. It is important that the NWT work on diversifying its economy.
- The government has set itself a target of increasing the population by 2,000 persons over the next four years.
- The Budget projects an operating surplus of \$109 million in 2014-15, almost half of what the 2014-15 budget had forecast. There are many causes to this:
  - Fighting the most severe forest-fire season in years has cost the government \$55 million, which is 3% of the total budget for the Territories;
  - Record 64-year low levels of water at the hydro power plant have required the government to fork out \$20 million to avoid passing the 13% increased costs to residents and businesses;
  - Resources revenues were \$41 million lower and corporate taxes \$24 million lower than forecast in the 2014-15 budget.
- Given the economic outlook, it was expected that revenues will remain flat while there will be growing pressure on expenditures: over the four years from 2015-16, total revenues are projected to grow by about 0.1 per cent annually, while expenditures are forecast to grow about 2.1 per cent per year, which rapidly reduces the size of the operating surplus over the medium term.

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<sup>1</sup> [Budget Address 2015-2016](#) – Government of the Northwest Territories, February 5, 2015 - (accessed November 19, 2015).

<sup>2</sup> According to Statistics Canada's late fall publication, it was actually 5.8%.

- On the other hand, the federally-imposed cap of \$800 million on borrowing will prevent the Territories from making the kind of infrastructure investments required for economic growth in the future. “Consequently, for this Budget we asked departments to find savings from within to limit forced growth and reduce the operating base. Our new initiatives, which are mainly completions of actions already started, would not be possible without this restraint.”

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

- The 2015-16 Budget estimated that total revenues in 2015-16 will be \$1.83 billion, a 0.6 per cent drop from the revised 2014-15 revenue estimate.
- Careful expenditure management by departments will keep the growth in operating expenditures to 2.1% in 2015-16 (only \$34.6 million more than in the 2014-15 budget), for a total expenditure budget of \$1.68 billion, with a projected \$147 million operating surplus.
- The Budget allocated \$59 million to fund the NWT’s new responsibilities for the management of land, waters, and resources transferred from the federal government in 2014.
- The 2015-16 Budget did not include any new taxes.
- Budget 2015-16 provided \$4.9 million in funding for actions in support of improving health and well-being.
- In order to build a diversified economy, the Budget allocated \$5.2 million to new initiatives, including:
  - \$1.0 million in funding to support hosting the 2018 Arctic Winter Games in a community, or group of communities, outside of Yellowknife.
  - \$2.46 million for initiatives to support the *Economic Opportunities Strategy*, including the establishment of a convention bureau, funding for the agriculture strategy, a film industry pilot project, a business internship, and
  - \$1.5 million in support for the commercial fishing industry.
- \$4 million will go to continuing initiatives to reduce the territory’s reliance on non-renewable energy sources, with objectives to lower the cost of living and reduce NWT greenhouse gas emissions.
- In order to continue improving service delivery, the Budget set aside \$5.6 million, including \$2.5 million to enhance the delivery of French language services and communications.

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<sup>3</sup> [Budget 2015-16 Highlights](#) – Background, February 5, 2015 - (accessed November 19, 2015).

## Impact on the Cultural Sector

**Contextual note:** Culture GDP in Northwest Territories was \$64 million in 2010, representing 1.4% of the Northwest Territories' economy. Governance, funding and professional support (\$31 million) had the largest share of culture GDP. There were 691 culture jobs, or 2.7% of the total jobs in the Northwest Territories.<sup>4</sup>

- The allocation for the Department of Education, Culture and Employment, which represents 18.7% of the budget, increased by close to \$ 4 million in 2015-16 (+1.1% compared to 2014-15). The largest budget increase (+1,955,000, or +1.5%) went to School Contributions.
- The allocation for the Culture and Heritage Program increased by \$92,000 (+1.3%) and that for Public Library Services increased by \$33,000 (+1.6%).
- The allocation for the Aboriginal Languages Program increased by 0.3% (+\$21,000), while the budget for Aboriginal Language and Culture Education grew by 2 % (+\$163,000).
- The envelope for the Francophone Affairs Secretariat decreased by \$ 362,000 (-13.5%), which all but wiped out the important increase received in 2014-15.
- Grants and contributions for cultural activities increased by \$2,089,000 (+1%).
- The allocation for the Film Industry Pilot Project (administered by the NWT Film Commission) remained at \$100,000 (the same as in 2014-15). The film sector had been identified as a means of strengthening and diversifying the NWT economy.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** There were no published reactions from the cultural community to the 2015-16 Budget.

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<sup>4</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015.

## Government of the Northwest Territories

### Main Estimates

#### Operations Expenditure<sup>5</sup>

(In thousands of dollars)

Department	2015-16 Estimate	2014-15 Revised Estimate	2013-14 Actuals	2012-13 Actuals	2011-12 Actuals
Legislative Assembly	21,175	19,013	18,656	18,096	19,265
Executive	11,335	22,135	23,825	14,079	14,578
Human Resources	24,324	23,766	19,474	21,295	42,123
Aboriginal Affairs and Intergovernmental Relations	9,340	9,236	8,192	7,622	7,395
Finance	211,262	230,499	175,251	161,764	107,218
Municipal and Community Affairs	103,477	99,829	98,294	94,342	91,842
Public Works and Services	120,750	119,153	111,671	98,165	93,531
Health and Social Services	406,886	392,509	390,978	373,956	360,217
Justice	128,797	125,606	118,676	114,671	106,736
Education, Culture and Employment	309,786	305,842	294,837	292,096	288,409
Transportation	119,462	122,151	120,121	123,029	111,922
Industry, Tourism and Investment	65,677	62,585	44,515	49,051	50,308
Environment and Natural Resources	85,981	133,823	81,549	82,033	72,042
Lands	29,268	28,084	-	-	--
<b>Total</b>	<b>1,647,520</b>	<b>1,694,231</b>	<b>1,506,039</b>	<b>1,450,199</b>	<b>1,365,586</b>

<sup>5</sup> [Main Estimates 2015-16](#), p. ix, Government of the Northwest Territories,

## Government of the Northwest Territories

### Department of Education, Culture and Employment

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

<b>Program (\$ '000)</b>	<b>2015-16 Estimate</b>	<b>Difference Dollar Value And Percentage</b>	<b>2014-15 Estimate</b>	<b>2013-14 Actuals</b>	<b>2012-13 Actuals</b>	<b>2011-12 Actuals</b>
Early Childhood Development	8,633	-99 -1.1%	8,732	7,460	7,583	6,231
Instructional and Support Services <sup>7</sup>	4,756	-244 -4.9%	5,000	5,722	4,249	5,169
Inclusive Schooling	27,094	+521 +2%	26,573	25,971	26,195	26,411
Minority Language Education and Instruction	2,608	+20 +0.8%	2,588	2,901	2,615	2,990
Education Operations and Development	2,467	+24 +1%	2,443	3,508	5,459	2,300
NWTTA Professional Development Fund	2,019	+52 +2.6%	1,967	1,704	1,700	1,489
School Contributions	132,970	+1,955 1.5%	131,015	122,100	123,016	121,529
Public Library Services	2,051	+33 1.6%	2,018	2,018	2,061	2,096
Culture and Heritage	7,100	+92 +1.3%	7,008	6,797	6,881	6,382
Aboriginal Languages <sup>8</sup>	6,748	+21 +0.3%	6,727	6,246	6,253	5,778
Aboriginal Language and Culture Education	8,400	+163 +2%	8,237	8,393	8,461	8,400
Francophone Affairs Secretariat	2,324	-362 -13.5%	2,686	2,388	2,338	2,142
Adult and Postsecondary Education	37,030	+67 +0.2%	36,963	37,064	33,307	-
<b>Total</b>	<b>244,200</b>	<b>2,744 +1.1%</b>	<b>241,456<sup>9</sup></b>	<b>232,281<sup>10</sup></b>	<b>230,118</b>	<b>190,917</b>

<sup>6</sup> [Main Estimates 2015-16](#), p.64-84. Government of the Northwest Territories,

<sup>7</sup> In 2015-16 Estimates, referred to as Instructional and School services.

<sup>8</sup> In 2015-16 Estimates, referred to as Aboriginal Language Secretariat.

<sup>9</sup> Our own total (241,957) is different from that in the Estimates. Also, 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.

<sup>10</sup> Our own total (232,272) is different from that in the Estimates



## Department of Education, Culture and Employment

### Education and Culture Grants and Contributions<sup>11</sup>

(In thousands of dollars)

	2015-16 Estimate	2014-15 Estimate	2013-14 Actuals	2012-13 Actuals	2011-12 Forecast
<b>Grants</b>					
Community Broadcasting Grants	52	52	42	42	52
Early Childhood Worker Grant Program	902	511	-	-	-
<b>Contributions</b>					
Aboriginal Language Broadcasting	370	370	370	370	170
Aboriginal Languages	4,816	4,816	4,145	2,797	4,228
Francophone Affairs	124	21	276	271	350
Minority-Language Education and Second-Language Instruction: French	2,539	2,401	2,495	2,545	2,374
Education Authority Contributions	153,382	151,343	146,210	146,238	148,399
NWTTA Professional Development Fund	2,019	1,967	1,704	1,916	1,620
Early Childhood Program	3,181	3,861	3,496	4,642	4,040
Healthy Children Initiative	2,110	2,110	1,812	1,775	2,110
Healthy Food for Children and Youth <sup>12</sup>	650	650	-	-	-
Community Library Services	763	763	755	763	763
Cultural Organizations	554	554	554	554	554
Cultural Projects	36	36	105	194	176
Heritage Centres	491	491	491	491	491
NWT Arts Council	500	500	498	480	500
Support to Northern Performers	181	181	165	179	181
New Northern Arts Programs	250	250	244	254	250
Cultural Component of Sports Events	50	50	10	-	50

<sup>11</sup> [Main Estimates 2015-16](#), Government of the Northwest Territories, p. 10-17

<sup>12</sup> New program

	<b>2015-16 Estimate</b>	<b>2014-15 Estimate</b>	<b>2013-14 Actuals</b>	<b>2012-13 Actuals</b>	<b>2011-12 Forecast</b>
Literacy Funding <sup>13</sup>	2,356	2,356	1,996	1,882	-
College Contributions <sup>14</sup>	33,827	33,781	31,812	30,741	
Community Skills for Work	-	-	650	95	
<b>Total</b>	<b>209,153</b>	<b>207,064</b> <sup>15</sup>	<b>168,853</b> <b>203,392</b> <sup>16</sup> <b>2015-16</b> <b>actual:</b> <b>198,511</b>	<b>167,037</b> <b>199,660</b> <sup>17</sup>	<b>164,991</b>

<sup>13</sup> This program was added to this department's estimates in the 2014-15 document.

<sup>14</sup> This program was also added to this department's estimates in the 2014-15 document.

<sup>15</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>16</sup> To facilitate comparisons, this is a revised total that includes the Literacy Funding and College Contributions which were not included in previous estimates.

<sup>17</sup> Revised total which includes literacy funding and college contributions.

## 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>18</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>19</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 2014-15, the Program operated seven subsidiaries<sup>20</sup>, including:

- Acho Dene Native Crafts
- Arctic Canada Trading Company
- Dene Fur Clouds
- Fort McPherson Tent and Canvas
- Ulukhaktok Arts Centre
- Aklavik and Tuktoyaktuk Furs Ltd.
- 6355 NWT Ltd. (Muskox)

These companies are mainly involved in producing and purchasing fine arts and crafts. In 2014-15, the Subsidiary Program supported 14 community employees and 124 cottage craft producers. The BDIC provided approximately \$640,000 in annual subsidies.<sup>18</sup>

<sup>18</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>19</sup> [“About the NWT Arts Council”](#) - (accessed November 17, 2015).

<sup>20</sup> [2015-16 Corporate Plan](#), p. 4 - NWT Business Development and Investment Corporation, (accessed November 17, 2015).

The [Northwest Territories Film Rebate Program](#) is administered by the the NWT Film and Media Arts Commission which reports to the legislature through the Minister of Industry, Tourism and Investment. This program (referenced in the 2015-16 *Budget* as the Film Industry Pilot Project) is aimed at providing rebates to eligible producers of film and television productions to offset a portion of production costs for wages, supplies and services., and travel. The program allocation in 2015-16 was \$100,000.<sup>21</sup>

The Minister of Industry, Tourism and Investment also provides a small amount (\$25,000 annually) to support the [Great Northern Arts Festival](#), held annually in Inuvik.

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<sup>21</sup> [Main Estimates 2015-16](#), pp. 264-265, and [Northwest Territories Film Rebate Program](#) (accessed November 24, 2015).



## NOVA SCOTIA

Provincial Real GDP Growth: 0.6% (2014)  
Revenue from Federal Transfers (2015-16): \$ 3.043 billion (\$3,227 per capita)  
Provincial Population: 943,000 (2015)

**2015**

## Budget Overview

### **Fiscal Context**

Finance Minister Diana Whalen tabled Nova Scotia's fiscal 2014-15 budget on April 9, 2015.<sup>1</sup> The government announced that it would be focusing on the core responsibilities of government by holding the line on spending, restructuring and reducing the size of government, and clearing the way for private sector growth.<sup>2</sup> This situation was considered necessary to address a projected deficit of \$97.6 million. The province's net debt was projected to be 36.3% of GDP in 2015-16, with interest payments amounting to \$872 million or 8.7 per cent of the expense budget.<sup>3</sup>

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

Main Priorities highlighted in the Budget documents for 2015-2016 include:

- Departmental spending;
- Health and Wellness;
- Student success;
- Tax measures;
- Program and service reviews;
- Business and innovation;
- The creative economy;
- The wage challenge.

#### Spending Highlights:

- Overall departmental spending to rise only 0.7% over 2014-15;
- 320 full-time equivalent jobs in the public service to be eliminated;
- Health care budget to rise only 0.8%;
- Additional \$20.4 million provided to renew and refocus the educational system;
- Tobacco taxes increased by two cents per cigarette;
- Film Industry Tax Credit restructured to make only the first 25% refundable with the remaining 75% to be applied to taxes owing;
- Program review to be made permanent with \$119 million in savings coming from measures such as the revised Film Industry Tax Credit, the phasing out of equity investments in film projects, the elimination of the Department of Economic and Rural Development and Tourism, and the elimination of Film and Creative Industries Nova Scotia;
- Creation of a new Department of Business;
- Alignment of the creative sector with Nova Scotia Business Inc.;
- Wage restraint in the public service.

<sup>1</sup> [Nova Scotia Budget](#), April 9, 2015.

<sup>2</sup> [Budget 2015-16 Address](#), Government of Nova Scotia, April 9, 2015.

<sup>3</sup> [Budget 2015-16 Address](#), Government of Nova Scotia, April 9, 2015.

<sup>4</sup> [Budget 2015-1016 Highlights](#)

## Impacts on the Cultural Sector

**Contextual note:** In 2010, Nova Scotia's culture GDP was \$868 million, contributing 2.6% of total provincial GDP. Nova Scotia produced approximately \$1.5 billion or 1.6% of Canada's culture output. Culture jobs accounted for 3.1% of total jobs in the province, or approximately 14,305 jobs. The province's Audio-visual and interactive media generated approximately 28% of culture GDP for Nova Scotia, at \$245 million. Written and published works (\$179 million) and Governance, funding and professional support (\$179 million) round out the top three domains. The majority of culture jobs were reported in Written and published works (3,397 jobs), Visual and applied arts (2,725 jobs) and Audio-visual and interactive media (2,300 jobs). They accounted for 58.9% of culture jobs in Nova Scotia<sup>5</sup>.

- The 2015-16 estimates show a 5.9% increase in communities, culture and heritage spending from the previous year.
- The largest increase was for Archives, Museums, Libraries Nova Scotia (10.4%) and for Acadian Affairs (8.2%). A large part of the increase for Archives, Museums, Libraries Nova Scotia was accounted for by the transfer of the Community Access Program to the Communities, Culture and Heritage Department.
- Growth for Culture and Heritage Development was only 1.4% over the previous year.
- Among the cultural agencies, the Art Gallery of Nova Scotia received a 5.2% reduction in its allocation (a total reduction of 8.5% since 2013-14); the Nova Scotia Archives, a 1.2% increase; the Nova Scotia Provincial Library, a 1.4% reduction, and the Nova Scotia Museum, a 3.7% increase.
- By far, the biggest impact on the cultural sector was the decision to align creative sector spending with that of Nova Scotia Business Inc.
- The Budget announcement indicated that with the elimination of Film and Creative Industries Nova Scotia, which had been created in 2012, the realigned Film Industry Tax Credit, and a new \$6 million Creative Economy Fund will be administered by Nova Scotia Business Inc., a private sector-led agency. In the Budget, the government stated its intention to "collaborate with the creative sector on a common growth agenda".<sup>6</sup>
- The direct impact of the restructured Film Industry Tax Credit was to reduce the refundable portion of the tax credit from approximately \$24 million annually to about \$6 million annually. The indirect impact, according to the Screen Nova Scotia, would be to put about 2,000 film sector jobs and about \$139 million in economic spin-off benefits in jeopardy.<sup>7</sup>

<sup>5</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015

<sup>6</sup> [Nova Scotia 2015-2016 Budget Bulletin – Creative Economy](#).

<sup>7</sup> Natasha Pace, "[Axing film tax credit in N.S. budget would put jobs at risk: industry group](#)", *Global News*, April 1, 2015 (accessed April 10, 2015).

- However, after intense pressure from the film, video and music sectors (see section on “Reactions” below), on April 23, 2015, the government and members of the film and video industry struck a deal on a replacement for the tax credit which would focus on the total amount of money spent in Nova Scotia.
- The deal replaced the up to 65% refundable tax credit on labour costs with a 25% base-funding incentive on all spending for production in the province, plus up to 5% more in incentives for work involving rural locations and series.
- Eligible organizations must have a permanent establishment in the province.
- Eligible expenses will include post-production, special effects, musicians, composers and orchestrators, all Nova Scotia labour, all rentals, carpenters, painters, electricians and other trades, craft services, food and accommodations, wardrobe, make-up and hair, all production services, and studio facility rentals such as cameras, generators, cranes and scaffolding.<sup>8</sup>
- This support will be administered by the Nova Scotia Business Inc., a private-sector led business development agency, under the new [Nova Scotia Film and Television Production Incentive Fund](#).
- Draft guidelines for the Incentive Fund, released in June 2015, included:
  - A competitive film and television industry;
  - Broad economic benefits;
  - More Nova Scotians working (with a requirement to have Nova Scotians leading in all aspects of production and hiring of more than 60% local talent);
  - Affordability (the \$10 million fund will provide 32 cents for every dollar spent on production);
  - Accountability and transparency (with reporting on the Department of Business website and audits of large productions).<sup>9</sup>
- In a series of clarifications issued in May 2015, the Department of Finance indicated that the Nova Scotia Film Industry Tax Credit would end on June 30, 2015, but that productions that commenced principal photography before July 1, 2015 would receive the tax credit based on the old rules.<sup>10</sup>
- In a separate clarification for the animation industry, it was also announced in May that all animation labour would be aligned with the digital media tax credit after July 1, 2015. All animation labour would be eligible for an animation bonus of 17.5% with a maximum on salary levels eligible under the credit.<sup>11</sup>

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<sup>8</sup> CBC News, “[Nova Scotia film tax credit plan struck between province, industry](#)”, April 23, 2015 (accessed April 23, 2015)

<sup>9</sup> Government of Nova Scotia, “[Nova Scotia Film & Television Production Incentive Fund](#)” website (accessed July 13, 2015).

<sup>10</sup> Finance and Treasury Board, “[Clarification on July 1<sup>st</sup> 2015 – Film and Television Production for Film Industry Tax Credit](#)”, May 5, 2015.

<sup>11</sup> Finance and Treasury Board, “[Clarification on July 1<sup>st</sup>, 2015 – Animation for Film Industry Tax Credit and New Animation Incentive for Digital Media Tax Credit](#)”, May 8, 2015.



## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *Changes to the Film Industry Tax Credit had been rumoured before the Budget, but the actual announcement set off a firestorm of reaction within the Nova Scotia film and video production community, leading eventually to the partial back down by the provincial government. A sample of the commentaries on the film tax credit changes, both before and after the Budget, is below. With regard to the other provisions of the Budget, there was very little published reaction.*

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 on administrative reform.

Natasha Pace, "[Nova Scotia's TV and film industry worries about cut to tax credit](#)", *Global News*, April 4, 2015 (accessed April 10, 2015).

- The article quoted John Wesley Chisholm, president of Arcadia Entertainment, as saying that "Without the tax credit we're not in the game and I know this sounds extreme, but all the TV business goes away. There will be none without the tax credit."
- The article added that the tax credit helped more than 50 documentary, film and television projects and generated more than \$150 million in economic activity in 2014.

Aly Thomson, Canadian Press, "[Trailer Park Boys appeal to save Nova Scotia film tax credit](#)", *The Toronto Star*, April 5, 2015 (accessed April 10, 2015).

- The stars of the *Trailer Park Boys*, a television series made in Nova Scotia, were reported to have posted a video asking the government to preserve the film tax credit in the forthcoming Budget. The video had generated 500,000 views.
- Celebrities, such as singer Snoop Dogg, rock group Guns n' Roses, and comedian Carrot Top, were also reported to have used their Twitter accounts to register their support for the retention of the tax credit and to urge their followers to sign an online petition urging its preservation.
- The Minister of Finance, Diana Whelan, was also reported to have told a business group that she was examining the tax credit for effectiveness and affordability.

Stephanie Taylor, Metro Halifax, "[Film credit supporters hand Nova Scotia's finance minister hefty petition](#)", *The Yarmouth County Vanguard*, April 8, 2015 (accessed July 3, 2015).

- Marc Almon, the chair of Screen Nova Scotia, presented a petition with 24,000 signatures in support of the retention of the Film Industry Tax Credit to the Finance Minister, Diane Whelan.
- He stated that he did not feel that the industry had been properly consulted about rumoured changes.
- The industry had collected the 24,000 signatures in just four days.

Michael Lake, "[#NSFilmJobs in limbo - 'Cryptic messaging' by the Liberals has Nova Scotia's film industry in an uproar](#)", *The Coast*, April 2, 2015 (accessed April 10, 2015).

- The article quoted filmmaker Thom Fitzgerald as saying that the potential cut to the Film Industry Tax Credit had left people in a huff and that "A petition in protest of it got 10,000 signatures in one day. They've instantly turned *Trailer Park Boys* against them. No politician could want that."
- It noted that the local film industry employed over 2,000 people and that a decrease or elimination would mean that many of them would face unemployment or relocation.
- It also noted that premier Stephen McNeil had been elected in 2013 on a platform that included keeping the tax credit in place for another five years.

Michael Gorman, "[University students, film industry, civil servants to feel budget pain](#)", *The Chronicle Herald*, April 9, 2015 (accessed July 3, 2015).

- In an article on the impact of the 2015-16 Budget, it was noted that the film industry was one of the losers due to the scaling back of the Film Industry Tax Credit from 65% to 25% of eligible costs as of July 1, 2015. The remaining 75% could only be applied to taxes owing to the province.
- Finance officials were quoted as saying that there was no way to know what the impact would be.

Natasha Pace, "[Many Nova Scotians are shocked and concerned with provincial budget outcome](#)", *Global News*, April 9, 2015 (accessed April 10, 2015).

- The reaction to the restructuring of the Film Industry Tax Credit was characterized by the industry as "a complete disaster".
- Marc Almon of Screen Nova Scotia was quoted as saying "They did not consult with us and now the result is that they are going to be crippling the film industry. It took 20 years to build this and they destroyed it in 20 minutes."
- Almon added that many productions would be stopping almost immediately, including a \$12 million production that had been scheduled to start shooting in Chester in the summer.
- He predicted that the thousands of jobs lost would have a devastating effect on the province's creative economy.

Haley Ryan, "[Nova Scotia budget draws ire of many, government says tough choices were necessary](#)", *Metronews*, April 9, 2015 (accessed April 10, 2015).

- The Finance Minister was reported to have said that the government could not afford to maintain the Film Industry Tax Credit in its current form, but this drew a very negative reaction from the Marc Almon, Screen Nova Scotia chair who said that it "drives a stake through the heart of the film industry."
- He added that the \$6 million creative economy fund, which was to be launched in April 2016, would be of no help because by then the industry would be gone.
- Almon stated that the July 1, 2015 date for changes to the film tax credit did not allow enough time for the industry to adapt.

Etan Vlessing, "[Nova Scotia rejigs film tax credit](#)", *Playback*, April 9, 2015 (accessed July 3, 2015).

- The article reported the changes in the Film Industry Tax Credit, noting that the former tax credit had been fully refundable for 65% of eligible expenditures, but was now only going to be 25% fully refundable with the other 75% only available if companies had taxes payable to the province.
- Marc Almon, chairman of Screen Nova Scotia, was quoted as saying that "This is what happened in Saskatchewan. It just meant the collapse of the entire industry. That's what's happening here."
- The Nova Scotia government pledged that it would work with the media industry to design the new \$6 million program to support the film, animation, music/sound recording and publishing sectors.

CBC News, "[Nova Scotia film industry tax credit slashed by Liberal government](#)", April 9, 2015 (accessed April 10, 2015).

- The news item reported that Finance officials admitted the changes in the tax credit would weaken the province's ability to compete with other jurisdictions for film sector money, but Finance Minister Diane Whelan said that "We simply cannot afford to maintain the credit in its current form."
- Thom Fitzgerald, a filmmaker, predicted that the changes would drive most productions from the province, including his own.
- Television producer and director Geoff D'Eon stated that "People are staggered by what this government has done. This is a disaster. The government doesn't want Nova Scotians to be in the television and film business. And that is what they are going to get."

Adria Young, "[ECMA celebration fraught – Lots of excitement but lots of worry over new budget](#)", *The Coast*, April 10, 2015 (accessed April 10, 2015).

- The article reported on reactions from the crowd at the East Coast Music Awards. Almost every industry professional at the event was reported as being "visibly shocked and saddened". It was noted that the changes in the film tax credit not only affected the film industry but also the music industry.
- John Ellingbo, the owner of an audio and lighting business, said that the decision would have a negative impact on all creative workers in the Maritimes.
- EMCA director, Heather Gibson, felt that the "bean counters" were not taking into account the revenues generated by the film industry.
- James Boyle, a director, was concerned about the negative effect of a collapse of the film industry on the province's cultural identity.
- Dillon Garland, a director, said he was devastated by a policy that was aimed at stopping growth and added that for the first time he was thinking of leaving Nova Scotia for work.
- John Mullane, a musician, said that scoring and sound tracking for films and videos were crucial streams of revenue for musicians in the province.
- Brian MacKay, who does video production for CBC's *This Hour Has 22 Minutes*, noted that half of the crew works for companies who make use of the tax credit.

CBC News, "[Nova Scotia film industry doomed by tax credit cut, Moncton producer says](#)", April 10, 2015 (accessed April 10, 2015).

- A producer, Frank Savoie, who moved two productions to Nova Scotia from New Brunswick because of that province's review of tax incentives, said that the Nova Scotia government has doomed its film industry with changes to the tax credit.
- He added that television series such as the *Trailer Park Boys*, *This Hour Has 22 Minutes*, and *Haven*, will have no choice but to move.
- He was, however, optimistic that the New Brunswick government will come up with a sustainable plan to support its film and television industry.

Greg Bennett, "[Nova Scotia tax credit cut a "gut punch" to film industry](#)", *The Yarmouth County Vanguard*, April 9, 2015 (accessed April 10, 2015).

- Dillon Garland, a filmmaker, was reported say that "The Liberal Party just destroyed the film industry in Nova Scotia."

- He added that the cut in the tax credit would have a ripple effect on the Nova Scotia economy as more than 50% of labour costs were covered for some productions.

Tim Callanan, The Canadian Press, "[Tax credit cut a 'stake through heart' of Nova Scotia's film industry: producer](#)", *CTV News Atlantic*, April 9, 2015 (accessed April 10, 2015).

- The news item repeated Marc Almon's widely-quoted remark about the changes to the Film Industry Tax Credit driving "a stake through the heart" of the province's film industry.
- Almon also stated that "Not only will it affect thousands of jobs. We're going to see more youth going down the road, a loss of immigrants, a loss of economic potential."
- Mike Volpe, producer of both the *Trailer Park Boys* and *Mr. D*, was quoted as saying that many productions, including his own, will likely leave Nova Scotia as a result of the changes.

Stephanie Johns, "[Nova Scotia Film Tax Credit slashed by Liberals by 75%](#)", *The Coast*, April 9, 2015 (accessed April 10, 2015).

- Despite warnings by the film industry about the mass exodus that would result from changes in the tax credit, the author says that the government was "playing chicken" by cutting the expected pay-out from the tax credit to \$6 million from \$24 million.
- She also expressed concern that Film and Creative Industries Nova Scotia had been shut down and absorbed by Nova Scotia Business Inc. (the new Business department), adding that "No one is learning the important lesson that refusing to invest in creative culture is huge mistake. The Liberal budget sounds short-sighted, but don't take thousands of industry professionals' word for it, why not ask Saskatchewan how their tax credit cut went?"

Natasha Pace, "[The future looks grim for Nova Scotia animation company](#)", *Global News*, April 10, 2015 (accessed April 10, 2015).

- The news item reported that DHX Media, the owner of the Family Channel, had hired 125 animators and set up a new studio in Halifax in fall 2014, but had now put additional hiring plans on hold due to changes in the Film Industry Tax Credit.
- David Regan, an executive with the company, was quoted as saying that the Department of Finance did not understand how the industry works or the consequences of the changes, since "Shifting to a non-refundable tax credit presents uncertainty to the banks and the banks therefore will not provide bank or funding for projects."
- Leah Johnston, a filmmaker and actress, said the tax credit had created a thriving film industry in Nova Scotia, but now the competitive tax credit had been reduced to one of the worst in North America.
- Charles McLearen, who works for a film equipment rental company, called it "a scorched earth plan, this is a nothing remains, this is a we're back to square one, we're back to the 70s."

CBC News, "[DHX Media head criticizes tax credit cut in Nova Scotia budget](#)", April 10, 2015 (accessed April 10, 2015).

- Michael Donovan, the executive chairman of DHX Media, was quoted as saying that the changes in the tax credit "destroys the industry in Nova Scotia", adding that "We could

have done much more in Nova Scotia over the years but the Finance Department, at the bureaucratic level, has been angling to get rid of this tax credit. Basically, since it started they hated it because they're bean counters."

- David Regan, another executive with the company, stated the work associated with *This Hour Has 22 Minutes*, which is produced in the province by DHX, would be relocated to another province.
- Finance Minister Diane Whelan said in reply that the industry was exaggerating the benefits that the tax credit brings to the province.
- Donovan pointed out that New Brunswick had cancelled its film tax credit in 2011 but had seen how much it hurt the province and had pledged additional investments in the film sector in 2015.

Haley Ryan, "[Jim Henson film first of many to leave Nova Scotia thanks to tax credit cut: John Dunsworth](#)", *Metronews*, April 13, 2015 (accessed July 3, 2015).

- John Dunsworth, an actor in the *Trailer Park Boys* television series, indicated that he had heard that a Jim Henson production had pulled out of Nova Scotia due to changes in the film tax credit.
- According to Dunsworth, the money spent on the tax credit goes to local companies employing local people, keeping youth in Nova Scotia. It also encourages tourism as people come to visit film locations.

CBC News, "[Nova Scotia film tax credit supporters rally at Province House](#)", April 15, 2015 (accessed July 3, 2015).

- The news item reported on a rally in Halifax of thousands of people protesting cuts to the Film Industry Tax Credit.
- Actor William Shatner was reported to have tweeted the premier and the finance minister in support of the Nova Scotia film industry.
- Actor Cathy Jones of *This Hour Has 22 Minutes* addressed the crowd, saying that "This film industry is massive and beautiful and to mess with it is a major mistake."
- Actor Jonathan Torrens of *Trailer Park Boys* also called on the government to change course, saying that the impact would be felt throughout the province.
- The Finance Minister met with film industry representatives for the first time since the Budget announcement, but said that the cut "works for government".
- The premier, Stephen McNeil, stated that the success of the industry did not rest on the tax credit, pointing to a drop in Nova Scotia's share of film work after the credit was previously raised from 50% to 65%. He added that it was effectively a grant, one that didn't make sense for a province with a struggling economy.
- Businessman John Risely said that the tax credit was "nuts", as it was paying for 65% of people's wages.

Michael Geist, "[Race to the Bottom: Why Government Tax Credits for Film and TV Production Don't Pay](#)", Blog entry, April 20, 2015 (accessed July 3, 2015).

- The author, commenting on the Nova Scotia film tax credit cut, noted that a growing number of studies have found that the film and television tax credits do not deliver much benefit in that they create a "race to the bottom" where ever-increasing incentives are required to attract film business.



- In support of this statement he pointed to states such as Arizona, Michigan, New Mexico, Louisiana, and Iowa, which have suspended or capped their programs.
- He also noted that tax review committees in both Ontario and Québec have found few economic benefits from such tax credits.
- He cited the Ontario study, which found that the total value of the tax credit was six times greater than tax income, that the sector was becoming dependent on government support, that film sector wages were below the provincial average and jobs tended to be temporary and project-based, and that other factors beyond tax incentives play a role in determining the location of productions (such as the value of the Canadian dollar).

Ken Doucette, The Canadian Press, "[Film industry says deal reached on changes to Nova Scotia film tax credit](#)", CTV News Atlantic, April 23, 2015 (accessed July 3, 2015).

- It was reported that the film industry had reached an agreement with the provincial government on a revamped film industry tax credit. The proposed cut of \$18 million to the credit would proceed. However, the structure would be changed to one similar to the one in Alberta.
- Scott Simpson, vice-chair of Screen Nova Scotia, stated that the industry still had concerns about the long-term ramifications, but that "Practically speaking it keeps us in business. We will be able to maintain the industry to a certain extent."
- Beginning on July 1, 2015, the new Nova Scotia Film and Television Production Fund would provide support for 25% of all production costs, not just labour.
- Other provisions of the deal were said to include a 2% bonus for shooting outside of Halifax, an additional 2% for indigenous producers shooting their own work, and an additional 1% for series production. Foreign-service productions would also become eligible for the support under the new program.
- Officials were also said to be considering a \$5 million cap on individual productions.

Ameya Charnalia, "[The Nova Scotia film tax credit – a numbers game](#)", *The Globe and Mail*, April 24, 2015 (accessed July 3, 2015).

- The news item noted the fierce debate about the tax credit cut and reported that one of the key justifications for it was being questioned.
- Screen Nova Scotia and Peter Lyman of the consulting firm Nordicity, which contributed to a Canadian Media Production Association study cited by the province, suggested that the province had "cherry-picked" from the report to show lower economic returns than were actually the case.
- The province's Finance Department claims that it provided a subsidy of \$42,294 per full-time employee through the tax credit. In response, Peter Lyman of Nordicity stated that "We say it generates a lot of activity in the province and that activity employs people and they pay taxes. Generally, it's a very good return."
- Screen Nova Scotia also questioned the utility of the new \$6 million creative sector fund (which government officials said would be worth \$10 million once the \$4 million previously earmarked for the restructured tax credit was factored in). Scott Simpson was quoted as saying "If this becomes a \$10 million fund that's first come first serve then we have a problem."

Marieke Walsh, "[Replacement for N.S. film tax credit officially launches](#)", *Global News*, July 2, 2015 (accessed July 9, 2015).

- The news item announced the launch of the \$10 million Film and Television Production Incentive Fund on Nova Scotia Business Inc.'s website.
- Marc Almon, chair of Screen Nova Scotia, stated that it was the "end of a chapter" and that he still had questions about how the Fund will work. For example, it was not clear how long it will take for applications to be processed or for money to be disbursed once a project had been approved.
- He indicated that because of confusion about the government's support for the industry, except for productions that started shooting before the changes took effect on July 1, nothing was being planned for summer or early fall.
- A spokesperson for Nova Scotia Business Inc. indicated that it was difficult to say what the uptake of the program would be, but that as of July 2, one application had been submitted to the Fund, and that the agency intends to respond in an efficient manner to applications.

CBC News, "[Film tax credit changes force workers to find jobs out of Nova Scotia](#)" July 23, 2015 (accessed July 27, 2015).

- A number of people employed by the film and television industry say they are pulling up stakes and leaving Nova Scotia for summer work because of changes to the film tax credit.
- "This has been a very, very slow summer for us," said Gary Vermeir, who represents film technicians in the Atlantic region.
- Vermeir, whose union also represents makeup technicians and set builders, said only 45 of his 350 members are working under contract in Halifax, all on the same television series. He said others may have found non-unionized or out-of-province work, but this summer is remarkably different from previous years.
- Vermeir attributes the slowdown to the transition period between the tax credit and new incentive fund. He said it takes a long time to plan a TV series or feature film, and people decided they couldn't risk shooting this summer until the rules and regulations were laid out.

CBC News, "[Nova Scotia Film Industry significantly less competitive](#)", says consultant, November 10, 2015 (Accessed November 11, 2015).

- Representatives from Nova Scotia's film industry are telling provincial politicians that their industry is doing only a fraction of the work it used to — and they're pointing at changes to the film tax credit as the cause.
- According to Jan Miller, an industry consultant, "With the new system, we're significantly less competitive. And around the world everyone is becoming infinitely more competitive because they realize what a great industry it is to invest in."
- "This past year — 13 feature films, 2 dramatic series, eight factual series, 29 documentaries shot in Manitoba creating some 1300 highly-skilled jobs," she said.
- In comparison, Nova Scotia has only approved funding to five projects, at a total of just over \$1 million.
- "There's lots of work out there outside of Nova Scotia, so we are losing workers — no question," said Scott Simpson of Screen Nova Scotia.



**Government of Nova Scotia**  
**Main Estimates<sup>12</sup>**  
(in thousands of dollars)

Department and Service	2015-2016 Estimate	2014-2015 Forecast	2014-15 Estimate	2013-14 Forecast	2012-13 Forecast
<b>Agriculture</b>	61,536	73,127	60,968	61,447	63,946
<b>Business<sup>13</sup></b>	114,143		--	--	--
<b>Communities, Culture and Heritage</b>	61,837	58,398	61,256	58,862	57,305
<b>Community Services</b>	915,410	920,092	903,496	936,032	937,615
<b>Economic and Rural Development and Tourism<sup>14</sup></b>	--	160,332	141,607	138,395	176,106
<b>Education and Early Childhood Development</b>	1,244,607	1,219,089	1, 220,027	1, 111,196	1,118,807
<b>Energy</b>	30,160	31,728	32,085	30,336	29,568
<b>Environment</b>	25,343	26,084	26,484	24,893	24,734
<b>Finance and Treasury Board</b>	14,415	12,797	13,529	41,575	38,557
<b>Fisheries and Aquaculture</b>	9,883	9,416	9,622	9,043	8,798
<b>Health and Wellness</b>	4, 137,741	4, 082,906	4, 104,920	3, 914,956	3,850,723
<b>Internal Services<sup>15</sup></b>	180,300 <sup>16</sup>	152,289	115,022	--	--
<b>Justice</b>	327,593	322,068	322,476	313,004	311,749
<b>Labour and Advanced Education</b>	362,931	347,185	348,420	367,820	346,688
<b>Assistance to Universities</b>	376,084	372,548	372,941	336,598	381,697
<b>Municipal Affairs<sup>17</sup></b>	167,474	153,088	157,792	--	--

<sup>12</sup> [Budget 2015-2016 Estimates and Supplementary Details](#), Government of Nova Scotia.

<sup>13</sup> New as of 2015-2016.

<sup>14</sup> Department disbanded and responsibility for tourism transferred to new Department of Business.

<sup>15</sup> New as of 2014-2015.

<sup>16</sup> Large increase is due to increased costs for procurement, information technology and information services and public safety.

<b>Department and Service</b>	<b>2015-2016 Estimate</b>	<b>2014-2015 Forecast</b>	<b>2014-15 Estimate</b>	<b>2013-14 Forecast</b>	<b>2012-13 Forecast</b>
<b>Natural Resources</b>	89,242	88,471	89,242	85,072	99,500
<b>Public Service</b>	200,947	233,989	240,151	161,938	163,614
<b>Seniors</b>	1,496	1,729	1,862	2,002	1,871
<b>Service Nova Scotia and Municipal Relations</b>	--	--	--	264,031	275,909
<b>Transportation and Infrastructure Renewal</b>	419,277	414,897	402,489	435,236	420,744
<b>Restructuring Costs</b>	175,853	148,723	227,251	170,980	165,234
<b>TOTAL</b>	<b>8,910,013</b>	<b>8,828,956</b>	<b>8, 851,640</b>	<b>8, 463,416</b>	<b>8, 481,165</b>

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

## Government of Nova Scotia

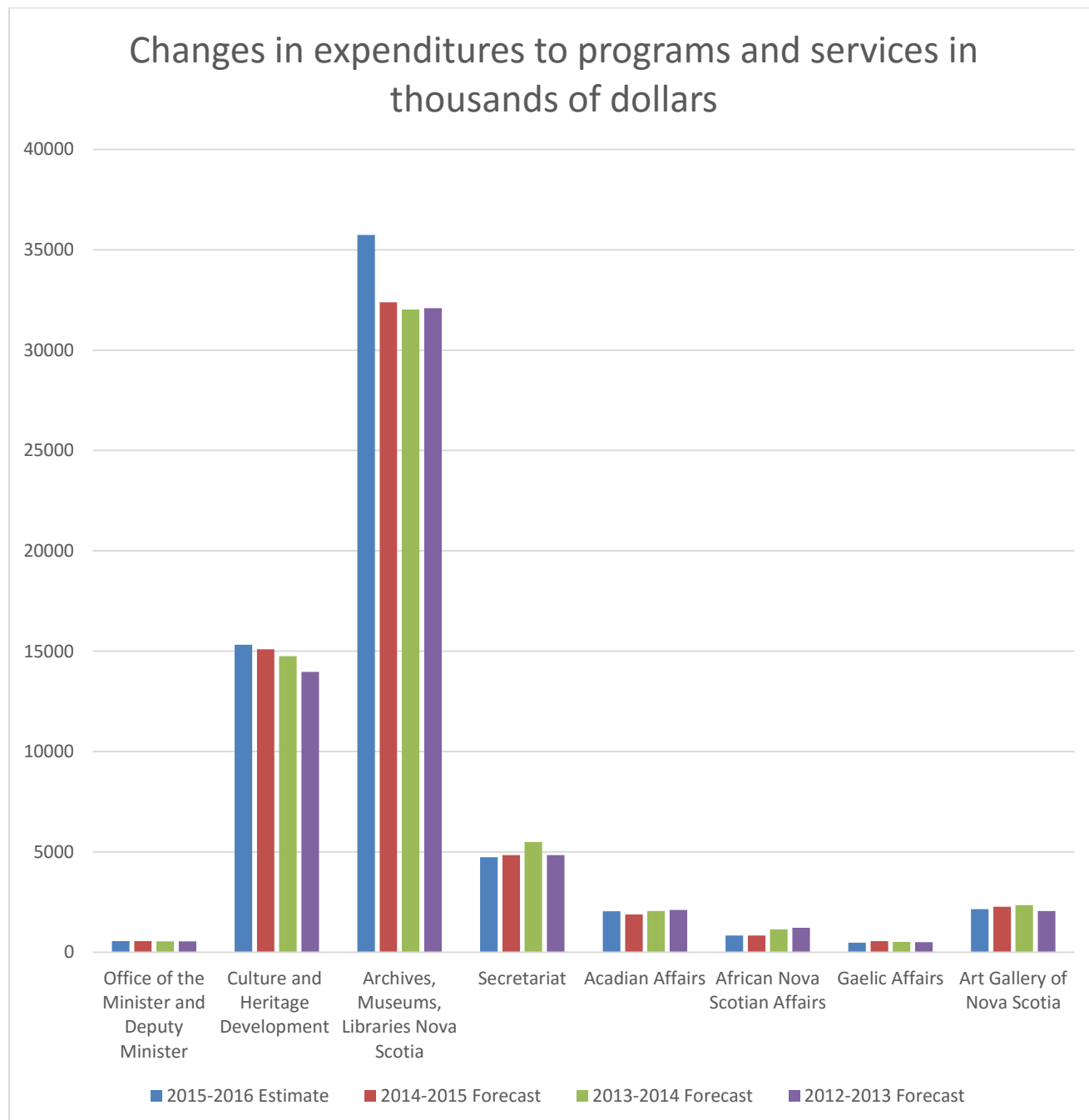
### Department of Communities, Culture and Heritage<sup>18</sup>

Division/Branch  (In thousands of dollars)	2015-2016 Estimate	Difference Dollar Percentage and Percentage	2014-2015 Forecast	2013-2014 Forecast	2012-13 Forecast
Office of the Minister and Deputy Minister	557	+7 +1.2%	550	538	538
Culture and Heritage Development	15,315	+218 +1.4%	15,097	14,755	13,967
Archives, Museums, Libraries Nova Scotia	35,737	+3,354 <sup>19</sup> +10.4%	32,383	32,027	32,093
Planning secretariat	4,738	-100 -2.1%	4,838	5,495	4,843
Acadian Affairs	2,034	+154 +8.2%	1,880	2,048	2,100
African Nova Scotian Affairs	829	-9 -1.1%	838	1,143	1,212
Gaelic Affairs	480	-67 -12.2%	547	508	506
Art Gallery of Nova Scotia	2,147	-118 -5.2	2,265	2,348	2,046
<b>Total</b>	<b>61,837</b>	<b>+3,439 +5.9%</b>	<b>58,398</b>	<b>58,862</b>	<b>57,305</b>

<sup>18</sup> Budget 2015-2016, [Estimates and Supplementary Details](#), section 5.1.

<sup>19</sup> A large part of the increase for Archives, Museums, Libraries Nova Scotia was accounted for by the transfer of the Community Access Program to the Communities, Culture and Heritage Department

**Government of Nova Scotia**  
**Department of Communities, Culture and Heritage<sup>20</sup>**



<sup>20</sup> All data retrieved from [Estimates and Supplementary Detail 2015-16](#)

## Government of Nova Scotia

### Department of Communities, Culture and Heritage

#### **Cultural and Heritage Development Division Programs and Services<sup>21</sup>**

(thousands of dollars)

	<b>2015-2016 Estimate</b>	<b>2014-2015 Forecast</b>	<b>2014-2015 Estimate</b>
<b>Executive Director</b>	743	716	751
<b>Communities Nova Scotia</b>	4,169	3,765	3,866
<b>Development Programs</b>	5,398	5,666	5,857
<b>Arts Nova Scotia</b>	2,930	2,875	2,859
<b>Support4Culture</b>	2,075	2,075	2,075
<b>TOTALS</b>	<b>15,315</b>	<b>15,097</b>	<b>15,408</b>

[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>22</sup>

[Arts Nova Scotia](#) is governed by an 11 member board of directors and is an arm's length agency of the Nova Scotia Department of Communities, Culture and Heritage, created by legislation in 2011. The Board of Directors reports directly to the Minister of Communities, Culture and Heritage and is responsible for programming and managing the agency's annual budget. Individual board members serve staggered terms. It provides grants to individuals, organizations, creative collaborations, and creative residencies. It also provides funding for artists in schools, partners with Business in the Arts to support the artsVest program, and manages the Nova Scotia Art Bank.<sup>23</sup>

<sup>21</sup> [Estimates and Supplementary Detail 2015-16](#)

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

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

## Archives, Museums, Libraries Nova Scotia

### Programs and Services

(thousands of dollars)	2015-16 Estimate	2014-15 Forecast	2014-2015 Estimate
<b>Executive Director</b>	3,786	1,368	3,630
<b>Nova Scotia Archives</b>	1,691	1,654	1,710
<b>Nova Scotia Provincial Library</b>	16,030	16,129	16,247
<b>Nova Scotia Museum</b>	11, 347	11, 182	10,936
<b>Innovation, Collections and Infrastructure</b>	2,103	2,050	2,092
<b>Community Access Program</b>	780	----	----
<b>TOTALS</b>	<b>35,737</b>	<b>32,383</b>	<b>34,615</b>

## 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>24</sup>

Program (dollars)	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>24</sup> [Artists in School brochure 2014-2015](#), Arts Nova Scotia.

## Department of Economic and Rural Development and Tourism

### Film and Creative Industries Nova Scotia<sup>25</sup>

Film Nova Scotia was a provincial Crown Corporation whose mandate was 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 was reoriented toward the development, growth, and global positioning of the province's creative industries<sup>26</sup>. **However, the agency was eliminated in the 2015-16 Budget.**

(dollars)	2014-2015 Estimate <sup>27</sup>	2013-14 Estimate <sup>28</sup>	2012-13 Estimate	2011-12 Estimate <sup>29</sup>
<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>25</sup> Formerly known as Film Nova Scotia. The 2015-16 Budget folded the agency into the operations of Nova Scotia Business Inc., and it no longer has a separate corporate identity. This table is included for historical comparison purposes only. Its replacement, the new Nova Scotia Film and Television Production Fund does not include an equity investment component.

<sup>26</sup> [Budget 2014-2015 Crown Corporations Business Plans](#), Government of Nova Scotia, p.95.

<sup>27</sup> Ibidem.

<sup>28</sup> Ibidem.

<sup>29</sup> Government of Nova Scotia, [Crown Corporation Business Plans for the fiscal year 2012- 2013, Film Nova Scotia Business Plan 2012-2013](#), p. 145

## Government of Nova Scotia

### Department of Finance

#### Tax Credits

**Nova Scotia Film Industry Tax Credit** was for Canadian film corporations with a permanent establishment in the province and who spent at least 25% of their salary budget on provincial residents. The tax credit was 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 was administered jointly by Film and Creative Industries Nova Scotia and Finance and Treasury Board.<sup>30</sup> The [\*Act to Improve Economic Development in Nova Scotia\*](#) (passed November 20, 2014) extended the Film Industry Tax Credit to December 31, 2020. **However, as announced in the 2015-16 Budget, the tax credit was eliminated as of July 1, 2015.**

**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>31</sup> This tax credit is administered by 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.

### Nova Scotia Business Inc.

**Nova Scotia Film and Television Production Incentive Fund<sup>32</sup>** is a new program established in 2015 after negotiations with the film and video industry following the restructuring of the Film Industry Tax Credit. There are two streams to the Fund with the following requirements:

#### **Stream I: Indigenous/Co-Production:**

- Between 50 - 100% Nova Scotian ownership and control of production.
- A minimum of 8 Nova Scotians employed in Head of Department positions or acceptable combination.
- Qualifies for a base amount of 26% of all eligible Nova Scotia costs.
- For shoots where greater than 51% of the principal photography is outside the boundaries of Halifax Regional Municipality, an additional 2% funding.
- For shoots of more than 30 days, an additional 1% funding.

#### **Stream II: Foreign/Service Productions:**

- 50% or less Nova Scotian ownership or control of production.
- A minimum of 4 Nova Scotians employed in Head of Department positions or acceptable combination.
- Qualifies for a base amount of 25% of all eligible Nova Scotia Costs.

<sup>30</sup> Finance, [Nova Scotia Film Industry Tax Credit](#).

<sup>31</sup> Finance, [Digital Media Tax Credit](#).

<sup>32</sup> [Nova Scotia Business Inc.](#)



- For shoots where greater than 51% of the principal photography is outside the boundaries of Halifax Regional Municipality, an additional 2% funding.
- For shoots of more than 30 days, an additional 1% funding.

For both streams, applicants can receive up to 3% additional funding if their production meets the criteria for the Nova Scotia Content Incentive.



## NUNAVUT

Real GDP Growth: 3.3% (2014)

Revenue from Federal Transfers (2015-16): \$1.502 billion (\$40,821 per capita)

Population: 36,900 (2015)

## 2015

## Budget Overview

### **Fiscal and Societal Context**

- Finance Minister Keith Peterson tabled Nunavut's fiscal 2015-16 Budget on February 25, 2015.<sup>1</sup>
- Nunavut is expected to increase revenues by 5.0% in 2015-16. Of the \$1.8 billion in revenues collected, about \$1.5 billion was expected to come from the federal government.<sup>2</sup>
- A total of \$1.67 billion was to be spent on departmental operations and capital spending.
- After setting aside \$30 million for contingencies, a surplus of about \$23 million was expected in 2015-16.
- The Budget's main focus was on education and on measures to address poverty, addiction and lack of adequate housing.
- As one news report observed, the Budget was attempting to deal with a "tsunami" of young people. Nunavut has the country's highest birth rate, and more than one-third of the population of Nunavut is under the age of 15, which is about twice the Canadian average. With a high school drop-out rate of about 50%, the territory is making extra spending on teachers, schools, and early childhood education a top priority.<sup>3</sup>

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

As in the previous year, the four themes of the Budget were guided by *Sivumut Abluqta*, a set of policy goals drafted by MLAs:

- 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.

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<sup>1</sup> [2015-16 Budget Address](#), Government of Nunavut, February 25, 2015 (accessed September 11, 2015).

<sup>2</sup> [2015-16 Budget Highlights](#), Government of Nunavut, February 25, 2015 (accessed September 11, 2015).

<sup>3</sup> The Canadian Press, "[Nunavut budget attempts to deal with 'tsunami' of young people through education](#)", February 25, 2015 (accessed September 11, 2015)

<sup>4</sup> [2015-16 Budget Highlights](#), Government of Nunavut, February 25, 2015 (accessed September 11, 2015).

Spending highlights included:

- \$15 million to support instruction, school operations and teacher development;
- \$5 million to support mental health and addictions programming, with a focus on improving front-line delivery;
- \$4 million to improve community health services;
- \$1 million for community transportation projects and another \$1 million for a new initiative to manage contaminated sites.

## Impacts on the Cultural Sector

**Contextual note:** Culture GDP in Nunavut was \$53 million in 2010, representing 2.7% of Nunavut's economy. Governance, funding and professional support (\$39 million) had the largest share of culture GDP followed by Education and training (\$5 million) and Audio-visual and interactive media (\$4 million). Culture jobs contributed 3.8% of jobs (473 jobs) in the economy<sup>5</sup>.

- The Budget Address included an announcement that the government would be doubling its investment in the territory's tourism and cultural industries.
- The Budget also promised a new cultural industries strategy to replace the arts and crafts strategy, as well as a national marketing campaign for the arts and media sector.<sup>6</sup>
- Both of these initiatives will be administered by the Department of Economic Development and Transportation, rather than the Department of Culture and Heritage.
- As described later by the Minister of Economic Development and Transportation, these new initiatives will provide \$1.55 million in contributions for community-based projects in the arts, crafts, and tourism sectors, such as developing creative cultural products and supporting artists' residencies, mentoring and touring.
- An additional \$1.66 million will be allocated to Nunavut Tourism, Nunavut Film, and the Nunavut Arts and Crafts Association, along with an additional \$620,000 to increase the capacity of the department's tourism and cultural industries division.<sup>7</sup>
- In contrast, the Department of Culture and Heritage's budget remained virtually unchanged, moving from \$25.65 million in 2014-15 to \$25.67 million in 2015-16.<sup>8</sup>
- The heritage allocation fell by 0.9%, while that for official languages rose by 1.3%.

<sup>5</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015.

<sup>6</sup> [2015-16 Budget Address](#), Government of Nunavut, February 25, 2015 (accessed September 11, 2015).

<sup>7</sup> [Nunavut Hansard](#), March 10, 2015, p. 53.

<sup>8</sup> [Main Estimates 2015-16](#), Government of Nunavut, February 25, 2015.

- The allocation for grants for Inuit Language Promotion and Protection increased by 100% from \$50,000 to \$100,000, but the allocation for culture and heritage grants fell from \$155,000 to \$125,000.
- A new budget item of \$13,000 was included for an Inuktitut Song Writing Contest.
- The allocation of archaeology and palaeontology research grants was increased to \$25,000 from \$5,000 in the previous fiscal year.
- The allocation for contributions increased slightly to \$6,349,000 in 2015-16 from \$6,339,000 in 2014-15. Most contributions remained at 2014-15 levels, except for a small increase for heritage facilities, a small decrease for heritage centre core funding, and a small increase in the Toponymy Program.

## 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. The new cultural industries strategy may have been partially a response to a study done by the Canada Council on challenges facing the arts community in Nunavut.*

CBC News, "[Nunavut budgets small \\$23M surplus for 2015-16](#)", February 26, 2015 (accessed September 11, 2015)

- The CBC reported that one of the highlights of the Budget was the announcement that a new cultural industries strategy would be developed to replace the arts and crafts strategy.

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> (In thousands of dollars)	<b>2015-16 Total Estimates</b>	<b>2014-15 Revised Estimate<sup>9</sup></b>	<b>2013-14 Actual Expenditures</b>	<b>2012-13 Actual Expenditure s</b>	<b>2011-12 Actual Expenditures</b>
Office of Legislative Assembly	25,027	23,164	19,457	17,650	16,602
Executive and Intergovernmental Affairs	27,547	27,309	26,907	22,193	18,840
Finance	91,245	84,242	82,773	75,340	77,030
Family Services	127,359	123,937	114,602	108,915	104,652
Human Resources	-	-	-	-	-
Justice	109,442	106,094	104,494	94,796	94,740
Culture and Heritage	25,697	25,676	22,514	16,510	16,193
Education	202,728	187,815	183,757	176,154	174,625
Health	317,439	301,085	308,628	292,689	287,591
Environment	25,754	24,494	24,002	22,569	24,858
Community and Government Services	230,969	220,737	207,985	197,554	232,131
Economic Development and Transportation	68,101	60,682	61,152	59,858	62,389
Nunavut Housing Corporation	183,856	172,873	165,819	161,302	194,417
Nunavut Arctic College	32,625	32,210	32,204	31,875	26,366
<b>Total</b>	<b>1,467,789</b>	<b>1,390,318</b>	<b>1,382,989</b>	<b>1,273,179</b>	<b>1,330,434</b>

<sup>9</sup> [Main Estimates 2015-16](#), Government of Nunavut, 2015.

## Government of Nunavut

### Department of Culture and Heritage<sup>10</sup>

#### Main Estimates

(In thousands of dollars)

Branch	2015-16 Estimate	Difference Dollar Value And Percentage	2014-15 Revised Estimate	2013- 14 Actual	2012- 13 Actual	2011-12 Actual
Directorate	5,275	+81 +1.6%	5,194	5,919	5,091	5,454
Official Languages	10,871	+140 +1.3%	10,731	8,925	3,866	3,749
Heritage	6,008	-56 -0.9%	6,064	4,769	4,865	4,021
Elders and Youth	2,208	-81 -3.5%	2,289	1,879	1,909	1,836
Sports and Recreation <sup>11</sup>	-	-	-	5,751	5,751	6,402
Inuit Qaujimajatuqangit <sup>12</sup>	1,335	-63 -4.5%	1,398	1,022	776	896
<b>Total</b>	<b>25,697</b>	<b>+21 +0.08%</b>	<b>25,676</b>	<b>28,265</b>	<b>22,258</b>	<b>28,790</b>

<sup>10</sup> [Main Estimates 2015-16](#), Government of Nunavut, 2015.

<sup>11</sup> Sport and Recreation was moved to the Department of Community and Government Services.

<sup>12</sup> Translates roughly as "Inuit traditional knowledge" or "Inuit societal values".

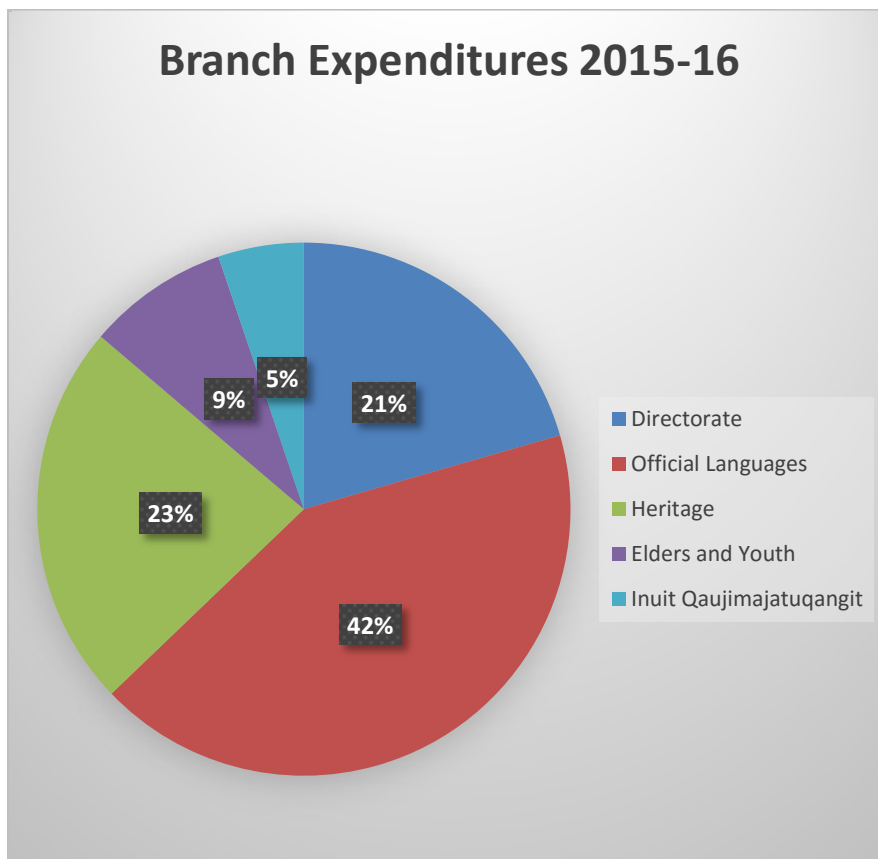


## Government of Nunavut

### Department of Culture and Heritage

#### Branch Appropriations<sup>13</sup>

(000s of dollars)



<sup>13</sup> [Main Estimates 2015-16](#), Government of Nunavut, 2015.

## Government of Nunavut

### Grants<sup>14</sup>

(In thousands of dollars)

Branch <sup>15</sup>	2015-16 Estimates	2014-15 Revised Estimates	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>Official Languages</b>					
Inuit Language Promotion and Protection	100	50	58	50	50
Inuktitut Song Writing Contest <sup>16</sup>	13	-	-	-	-
<b>Heritage</b>					
Culture and Heritage	125	155	117	125	125
Community Radio	150	150	150	150	150
Archaeology and Palaeontology Research and Support	25	5	10	10	-
<b>Elders and Youth</b>					
Youth Initiatives	150	150	150	149	150
Elders Initiatives	150	150	150	144	150
Youth and Elders Committees	100	100	100	100	100
<b>Total</b>	<b>813</b>	<b>760</b>	<b>735</b>	<b>728</b>	<b>725</b>

<sup>14</sup> [Summary of Grants and Contributions](#). Section F-9.

<sup>15</sup> Sport and Recreation now included under Ministry of Community and Government Services and therefore not included in this year's table

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

## Government of Nunavut

### Contributions<sup>17</sup>

<b>Branch/Program</b> (In thousands of dollars)	<b>2015-16 Estimate</b>	<b>2014-15 Revised Estimate</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Directorate</b>					
Inuit Uqausinginnik Taiguusiliuqtiit Funding	2,176	2,176	2,176	2,204	1,991
<b>Official Languages</b>					
Inuit Language Promotion and Protection	450	450	437	306	560
Language Implementation Fund	1,015	1,015	1,819	-	-
<b>Culture and Heritage</b>					
Heritage Facilities	200	145	19	175	197
Culture and Heritage	216	216	216	215	216
Cultural Communications Program	125	125	125	119	120
Toponymy Program	100	77	40	40	60
Heritage Centre Core Funding	298	323	300	284	300
Arts	275	275	270	275	288
Library Services	494	494	426	465	492
Nunavut Heritage Centre Society <sup>18</sup>	200	200	38	-	-
<b>Elders and Youth</b>					
Youth Initiatives	100	100	99	100	100
Elder Initiatives	100	100	100	100	100
Elder and Youth Facilities	200	200	200	200	115
<b>Inuit Qaujimajatuqangit</b>					
Inuit Societal Values	400	443	400	240	300
Piqqusilirivvik Program Field Testing <sup>19</sup>	-	-	-	200	300
<b>Total Contributions</b>	<b>6,349</b>	<b>6,339</b>	<b>5,949</b>	<b>5,451</b>	<b>4,696</b>

<sup>17</sup> [Main Estimates 2015-16](#), Government of Nunavut, 2015.

<sup>18</sup> Newly included in Estimates as of 2015-16. The Society is working to develop a realistic and achievable funding strategy for the construction of a Nunavut Heritage Centre in Nunavut.

<sup>19</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>20</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**

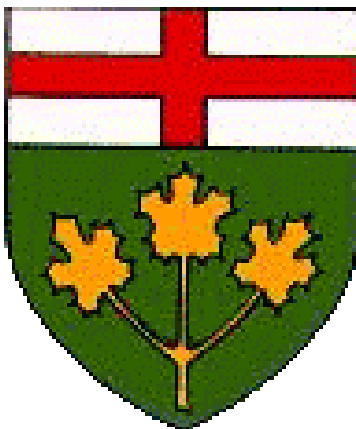
(In thousands of dollars)

<b>Contributions to Economic Development</b>	<b>2015-16 Main Estimates</b>	<b>2014-15 Main Estimates</b>	<b>2013-14 Revised Estimates</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
<b>Tourism and Cultural Industries<sup>21</sup></b>		-	395	273	273
<b>Tourism Development Program<sup>22</sup></b>	3,085	1,800	1,800	-	-
<b>Community Tourism and Cultural Industries<sup>21</sup></b>	1,550	-	386		
<b>Nunavut Arts and Craft Association</b>	400	300	300	300	330
<b>Nunavut Film, Television and New Media program</b>	1,101	825	825	825	796
<b>Arts and Crafts Development program</b>	-	395	395	325	321
<b>TOTAL</b>	<b>6,136</b>	<b>3,320</b>	<b>4,101</b>	<b>1,723</b>	<b>1,698</b>

<sup>20</sup> [Main Estimates 2015-16](#), Government of Nunavut, 2015.

<sup>21</sup> The program has been restructured into three streams: cultural tourism projects, cultural industries projects, and community tourism projects (see [Community Tourism and Cultural Industries](#) website).

<sup>22</sup> New as of 2015-16.



## ONTARIO

Real GDP Growth: 2.7% (2014)

Revenue from Federal Transfers (2015-16): \$20.437 billion (\$1,483 per capita)

Population: 13,792,100 (2015)

## 2015

## Budget Overview

### Fiscal and Societal Context

- On April 23, 2015, the Minister of Finance, the Honourable Charles Sousa, presented Ontario's 2015-16 Budget, sub-titled "Building Ontario Up".<sup>1</sup>
- The province's deficit in 2014-15 was forecast to be \$10.9 billion, a reduction of \$1.6 billion from the amount projected in the 2014 Budget, but still the largest of all the provinces and territories.
- The deficit is projected to fall to \$8.5 billion in 2015-16, and to be further reduced to \$4.8 billion in 2016-17, with a balanced budget forecast in 2017-18. However, in his fall economic update, Minister Sousa announced that the projected deficit has gone down by \$1 billion, to \$7.5 billion. The improved fiscal picture is due mostly to proceeds from the sale of the first 15 per cent of Hydro One, the provincial transmission utility.<sup>2</sup>
- The province expects a 2.7% GDP growth rate in 2015-16 due to the decreased value of the Canadian dollar, which is generally favourable for manufacturing exports. However, Statistics Canada's projected growth rate for the year is somewhat lower at 2.3%.
- Instead of slashing spending drastically or raising taxes, the government plans to create jobs and growth by investing in four areas: building modern infrastructure, supporting skills training, creating a more innovative and dynamic business climate, and providing income security in retirement.
- Spending on health, education, social services and justice will see small increases, but all other areas of government will see expenditure reductions of 5.5%.
- 2014–15 marks the sixth year in a row that program spending is expected to be lower than forecast. The province claims that over the past four years, it has held average annual growth in program spending to 1.5 per cent, below Consumer Price Index (CPI) inflation, without cutting critical services.

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

- Priorities in the 2015-16 Budget are:
  - Infrastructure investments – the largest in Ontario history
  - Partnering with business to create jobs
  - Developing a highly skilled workforce
  - A fair society
  - Managing responsibly

<sup>1</sup> [Ontario Budget 2015: Budget Speech](#), April 23, 2015 (accessed August 17, 2015)

<sup>2</sup> ["Ontario budget deficit dips to \\$7.5 billion, says Sousa"](#), TheStar.com, November 26, 2015 (accessed November 26, 2015)

<sup>3</sup> [Ontario Budget 2015: Building Ontario Up](#), April 23, 2015 (accessed August 17, 2015)

- The bulk of infrastructure spending is earmarked for transit and transportation projects, including about \$16 billion for the Greater Toronto and Hamilton area and \$15 billion for projects in other areas of the province.
- New initiatives and spending increases are to be financed, in part, by the sale of shares in Hydro One and the outright sale of other government real estate assets.

## Impacts on Cultural Sector

**Contextual note:** Culture GDP in Ontario was \$21.9 billion in 2010, representing 3.7% Ontario's economy. This accounted for 45.9% of culture GDP in Canada. The number of culture jobs was 278,801, or 4.1% of the total jobs in Ontario. Ontario was responsible for 52.4% of Canada's culture GDP in Sound recording. This domain accounted for \$298 million in culture GDP, 5,374 culture jobs and \$839 million culture output.<sup>4</sup>

- The Ministry of Tourism, Culture and Sport's budget was 24.2% higher than in 2014-15, but most of this increase was due to the Pan/Parapan American Games, which were held in Toronto in July 2015. Without the operating and capital expenditures associated with the Games, the Ministry's operating budget was about 4% lower, while the capital budget would have been about 21% lower.<sup>5</sup>
- In the *Fall 2014 Economic Update*, the Minister of Finance had 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. This review resulted in a number of changes, not only to the OIDMTC, but also to the Ontario Production Services Tax Credit (OPSTS), the Ontario Computer Animation and Special Effects Tax Credit (OCASETC), the Ontario Film and Television Tax Credit (OFTTC), and the Ontario Sound Recording Tax Credit (OSRTC):
  - In view of the fall in the Canadian dollar against the American dollar, making it a more attractive location for foreign film producers, the Budget announced that the Ontario Productions Services Tax Credit would be reduced from 25% to 21.3% for an anticipated saving of \$10 million in 2015-16.<sup>6</sup> After April 23, 2015, at least 25% of total expenditures would have to be Ontario labour expenditures.
  - The scope of the Ontario Interactive Digital Media Tax Credit will be narrowed to focus on entertainment products and educational products for children under age 12. Products such as search engines, real estate databases, and news and public affairs applications will be excluded.<sup>7</sup>
  - The Ontario Computer Animation and Special Effects Tax Credit will be reduced from 20% to 18% of qualifying Ontario labour. In addition, this tax credit will only be available if the production also receives either the OPSTC or the OFTTC.<sup>8</sup>
  - In view of the federal government's changes to the Canadian Film or Video Production Tax Credit which treats government equity investment in the same manner as other investments (meaning that eligible expenses under the tax credit would be reduced by

<sup>4</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015

<sup>5</sup> [Ministry of Tourism, Culture and Sport Estimates 2015-16](#). Pp. 1-4.

<sup>6</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 205.

<sup>7</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 327.

<sup>8</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 330.

this amount), the Ontario government will be filing a regulation to ensure that government equity investments are not treated as assistance for the purposes of the Ontario Film and Television Tax Credit.<sup>9</sup>

- The Ontario Sound Recording Tax Credit will be eliminated.<sup>10</sup>

Savings from these tax credit changes were expected to amount to \$51 million in 2015-16, rising to \$79 million in 2017-18.<sup>11</sup> Transitional measures were to be put in place for products and productions that were already under way as of April 23, 2015.

- As a partial offset to the narrowed scope of the Ontario Interactive Digital Media Tax Credit, the Budget announced the renewal of the Interactive Digital Media Fund to help support some of the productions that would no longer be eligible. The Fund, originally established in 2005, will receive \$6 million in 2015-16 and \$10 million per year starting in 2016-17. Eligibility for support under the Fund will be broadened to include co-productions and magazines.<sup>12</sup>
- The Ontario Music Fund (OMF), first announced in May 2013 as a \$45 million fund to be delivered over three years, was made permanent with ongoing funding of \$15 million per year. Its continuation was cited as partial justification for the elimination of the Ontario Sound Recording Tax Credit.<sup>13</sup>
- The only other cultural announcements in the Budget concerned the commitment of \$5.9 million toward the celebration of the 400<sup>th</sup> Anniversary of the Francophone Presence in Ontario in 2015, which was to be marked by festivals, concerts, and museum exhibitions throughout the province, and an un-costed pledge to work with Ontarians to celebrate Canada's 150<sup>th</sup> anniversary in 2017.<sup>14</sup>
- The Estimates indicate a very small increase of about \$3.5 million in the Culture Program allocation in 2015-16, most of which is accounted for by a \$ 5.5 million increase in the budget of the Ontario Media Development Corporation and a \$500,000 increase in the Libraries Sector Budget. This was offset by a \$1.3 million reduction in arts sector support and a small decrease in the services budget.
- All other line items in the Culture Program were flat-lined, including the allocations for the cultural agencies, such as the Ontario Arts Council, the Art Gallery of Ontario and the Royal Ontario Museum.
- The Tourism Program's budget was reduced by about \$3.6 million. There was a \$2 million reduction in the Grants in Support of the Festival and Event Attraction and Support Program, and a \$1.5 million reduction in grants for tourism investments.

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<sup>9</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 330.

<sup>10</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 331.

<sup>11</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 342.

<sup>12</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 120.

<sup>13</sup> [Ontario Budget 2015: Building Ontario Up](#), p. 120.

<sup>14</sup> [Ontario Budget 2015: Building Ontario Up](#), pp.-118-19.



## Reactions to the Budget from the Cultural Sector perspective

**Contextual note:** *Cultural community reactions to the Budget tended to be cautiously positive, expressing relief that a cash-strapped treasury did not impose large cuts on the sector. The sector expressed strong approval of the renewal of the Ontario Music Fund and the Digital Media Fund. With regard to changes in the media tax credits, there was some push-back from industry associations about the treatment of productions already in the pipeline when the Budget was pronounced.*

[The Arts Advocate Report](#), Volume XXI, Issue 2, March 4, 2015 (accessed April 23, 2015).

- This issue reported on the substance of pre-Budget consultations held in January 2015.
- Two companies, Snakehead Games and BattleGoat Studios, made a presentation that stressed the importance of the Ontario Interactive Digital Media Tax Credit to the success of the gaming industry.
- The Ontario Museum Association argued for long-term adequate investment in museums, indicating the necessity of sustained and increasing funding, commensurate with museums' contributions to communities and the economy.
- Three orchestras made presentations stressing the importance of sustained funding through the Ontario Arts Council.

Ontario Museums Association Background, "[Ontario museums: A vital part of Ontario's future](#)", January 29, 2015 (accessed August 19, 2015).

- This backgrounder to the Ontario Museum Association's pre-Budget presentation, made the case for sustained and increased funding for the sector.
- It noted that museums employ over 10,000 Ontarians, engage 16,000 volunteers, and attract two-fifths of the tourism market. Annually, 48% of Ontarians visit a museum or gallery, and museums host over one million school visits.
- The backgrounder pointed out that Ontario museum funding remains at 2007 levels, and indicated that the Ontario government is a key partner as the sector looks to the future.

Interactive Ontario, "[Advocacy update – Ontario Interactive Digital Media Tax Credit](#)", April 20, 2015 (accessed August 18, 2015).

- Issued days before the Budget, this update provided members of the association with information on Interactive Ontario's advocacy efforts in support of the OIDMTC.
- It indicated that the board and staff members met more than a dozen times with staff and elected representatives in the Premier's Office, the Treasury Board, the Ministry of Finance, and the Ministry of Tourism, Culture and Sport.
- The industry's concerns, voiced at four public town hall meetings in Toronto, Waterloo, St. Catharines and Ottawa, were also relayed to the government.
- These interventions emphasized the importance of the OIDMTC in supporting the creation of knowledge-based jobs, building a digital economy in Ontario, and increasing the volume of export sales.

[“Some winners and losers in the 2015 Ontario budget”](#), *The Hamilton Spectator*, April 23, 2015 (accessed August 16, 2015).

- The article assessed who had emerged as winners and losers after the 2015 Budget.
- It noted that among the losers were foreign film producers, who will now receive a lower tax credit for films and video work shot in the province.

“Ontario Budget Update 2015”, *The Arts Advocate Report*, April 23, 2015 (Accessible only to subscribers)

- The report described the changes to the media tax credits (described above), indicating that they were the result of decisions taken as part of the Program Review, Renewal and Transformation initiative being led by Treasury Board President Deb Matthews.
- It noted that there were no changes to the Ontario Book Publishing Tax Credit and that the rate of the Ontario Film and Television Tax Credit would remain unchanged for domestic producers.
- It indicated that the impact of the tax credit changes would be partially offset by the ongoing renewal of the Digital Media Fund and the Ontario Music Fund.
- It commented that the tax credits remain competitive with other Canadian jurisdictions, which would help avoid the negative reaction that was occurring in Nova Scotia after the reduction of the Nova Scotia Film Tax Credit.
- In other areas, the report noted that cultural spending was flat-lined.
- Finally, it observed the government’s pledge to engage Ontarians on ideas for commemoration of Canada’s 150<sup>th</sup> birthday, but added that the Budget stops short of any further commitment.

Dance Ontario, [“Ontario’s 2015 Provincial Budget: No New Investment In the Arts”](#), April 24, 2015 (accessed August 17, 2015).

- This news bulletin provided a brief overview of the Budget, noting the emphasis on infrastructure spending and the overall cut of 5.5% in spending for all services except justice, children and youth services.
- It noted the overall reduction in the budget of the Ministry of Tourism, Culture and Sport, but that the budgets of the Ontario Arts Council and the Ontario Trillium Foundation would remain stable.
- It reviewed the Budget pronouncements on the 400<sup>th</sup> Anniversary of the Francophone Presence in Ontario, the 150<sup>th</sup> Anniversary of Confederation, the funding of the Pan/Parapan American Games, and the renewals of the Ontario Music Fund and the Interactive Digital Media Fund.
- It also mentioned the government’s strategic investments in the Youth Employment Program.

Provincial Arts Service Organizations Coalition (PASO) of Ontario, [“Advocacy Update: 2015 Ontario Budget Blanks on the Arts – Again”](#), April 24, 2015 (accessed August 21, 2015).

- The bulletin commented that the Budget contained little to recognize the growth sectors of the arts, culture, and heritage.
- It noted that the Ministry of Tourism, Culture and Sport budget was reduced to less than it was in 2012-13 and that this was having an effect on the Ministry’s transfer payments to

cultural agencies, such as the Ontario Arts Council and the Ontario Trillium Foundation, which had taken a \$5 million cut in 2013 that had never been replaced.

- The co-chair of PASO stated that “When transfer payments from Ontario to the Ontario Arts Council are straight-lined for a sixth consecutive year, attrition to their value is a ligature on emerging arts professionals.”
- The bulletin reviewed the various Budget items affecting culture (described above), including changes to strategic investments in the pre-apprenticeship readiness programs, increases in the per diem for apprentices in classroom training, and additional money for community colleges and other organizations delivering apprenticeship training.
- The bulletin also expressed apprehension about the review of university funding that had begun in spring 2015, saying that “We’ll be tracking those outcomes. ... When the Harris government moved on core funding to universities in the mid-90s, university arts programs, art galleries, and other arts activities were deeply impacted.”

Ginny Henry, “[TIAO – Ontario Budget 2015: Highlights for the Tourism Industry](#)”, News Bulletin of the Tourism Industry Association of Ontario website, April 23, 2015 (accessed August 17, 2015).

- Among the Budget measures that directly and indirectly affected the tourism industry, the news bulletin noted the \$5.9 million to support the 400<sup>th</sup> Anniversary of the Francophone Presence in Ontario, the continued investment of \$15 million a year in the Ontario Music Fund, and the renewed Interactive Digital Media Fund.

Ontario Performing Arts Presenting Network, “[2015 Ontario Budget: Continuation of the Ontario Music Fund](#)”, April 23, 2015 (accessed August 17, 2015).

- This news item quoted the Budget’s justification for the continuation of the Ontario Music Fund: that it helps position the province as a leading global destination to record and perform music. In its first year the Fund helped to create or retain 2,000 jobs and produced \$24 million in additional revenue for music-related businesses.

Music Canada, “[Music Canada Commends the Ontario Government for Extending the Ontario Music Fund](#)”, April 23, 2015 (accessed August 17, 2015).

- This news item lauded the Ontario government “for continuing to invest in one of the province’s competitive advantages, the music industry.”
- The president of Music Canada was quoted as saying that “The Ontario Music Fund firmly places music at the forefront of Ontario’s economic development and has increased substantially the amount of high-value work being done in the province of Ontario. ... The OMF is a competitive advantage that no other province has. Music’s role as a cultural powerhouse, economic driver, job creator, investment stimulus, tourism asset, and community builder has been reaffirmed with today’s OMF extension.”
- He added that Music Canada members had invested over \$3.5 million in recording projects over the past two years that would have otherwise gone to other provinces or the United States.
- The news item also provided several examples of sound recordings, concerts, and music videos that were produced with help from the Fund.

RE:Sound, "[Ontario Renews Music Fund](#)", April 27, 2015 (accessed August 21, 2015).

- Re:Sound congratulated the Ontario government for the decision to renew the Ontario Music Fund with a commitment of \$15 million per year.
- The president of Re:Sound was quoted as saying that "Re:Sound applauds the Ontario government for their decision to renew the Ontario Music Fund. ... Investing in the music industry is good for artists, our culture and our economy. The opportunities, musical projects and jobs born of the Ontario Music Fund are essential to ensuring a dynamic and sustainable future for the Ontario and the Canadian Music Industry."
- The news bulletin also quoted with approval remarks made by Premier Kathleen Wynne on March 25, 2015: "By establishing Ontario as one of the leading destinations in North America to record and perform, we are supporting the music companies, artists and cultural institutions that bring our sound to the world, boosting a vibrant and important industry and helping to create good jobs."

Canadian Musician, "[Ontario announces \\$15M Annual Commitment to Music Fund](#)", April 27, 2015 (accessed August 21, 2015).

- The news item repeated much of what was said in the Music Canada news release, including the approving quotes from its president and several examples of recordings, concerts, and music videos produced with help from the Music Fund.

Canadian Independent Music Association, "[CIMA Congratulates Government of Ontario on Making the Ontario Music Fund Permanent](#)", n.d. (accessed August 21, 2015).

- The news item congratulated the government on its decision to make the Ontario Music Fund permanent.
- The president of CIMA stated that "The Ontario government's commitment to make the Ontario Music Fund permanent is welcome news, and will give our industry the confidence to invest in Canadian artists for years to come".
- The executive director of MusicOntario was quoted as saying that "From its inception, the OMF has helped to springboard the success and expansion of our diverse and competitive sector. We look forward to helping our members and stakeholders to continue producing tangible benefits that highlight Ontario as one of the world's most creative artistic hubs."
- The news item noted that the permanent continuation of the Ontario Music Fund was a key advocacy initiative of CIMA and MusicOntario.

Interactive Ontario, "[Ontario's Interactive Digital Media industry applauds the Ontario government for continuing to recognize the importance of the IDM sector](#)", April 23, 2015 (accessed August 18, 2015).

- The bulletin announced the actions taken by the province to renew and double the Interactive Digital Media Fund and to make changes to eligibility for the Ontario Interactive Digital Media Tax Credit.
- The executive director of Interactive Ontario stated that "The changes to the OIDMTC in today's budget will ensure core Ontario IDM companies can continue to invest, hire more young people, and make Ontario a centre for innovation that can compete on the world stage."
- Interactive Ontario also supported the government's decision to narrow tax credit eligibility, with the executive director stating that "We will need to better understand the implications for

informational and educational products but understand the challenge faced by the government in drawing a clear line.”

- The CEO of Big Blue Bubble, an IDM company, was quoted as saying that “The rapidly evolving global economy demands that we strive to be world-class IDM creators. The support from the Ontario government in the form of tax credits is a key differentiator to make this a reality and has already helped establish and grow companies within the province that today generate \$1.25 billion in IDM exports for Ontario.”
- The Chair of Interactive Ontario also expressed delight in the significant increase to the IDM Fund.

Etan Vlessing, “[Ontario reduces 25% all-spend tax credit](#)”, *Playback*, April 23, 2015 (accessed August 18, 2015).

- The article begins by saying that “It could have been worse” but the cuts to the Ontario media tax credits did not go as far as feared.
- It described the changes to the tax credits, noting with approval that the province will not follow the federal government’s lead in treating government assistance in the same manner as other investments for purposes of the Ontario Film and Television Tax Credit.
- The president and CEO of the Canadian Media Production Association stated that changes in the credits are fair, given the state of the province’s finances. “Given the challenges that Ontario faces and all the things they might have done, one has to be fairly satisfied with the way they balanced things and I think that the fact that the dollar is so low, it offsets the cut on the production services credit to some extent.”
- However, he added that “I gather the immediacy of the services cut and size will be immediately negative for many productions and will drive a significant amount of work out of the province long run.”

Filipe Dos Santos, “[Behind the scenes of Ontario’s digital media tax credit](#)”, *Playback*, April 30, 2015 (accessed August 18, 2015).

- The article described the advocacy efforts of Interactive Ontario prior to the Budget, noting that there were 14 meetings over five months with provincial officials regarding possible changes to the Ontario Interactive Digital Media Tax Credit.
- With regard to the changes in eligibility announced in the Budget, the senior vice president of Blue Ant Media was quoted as saying that “My concern was finding a way to help them achieve their budget needs but without constricting the tax credit with language that would not allow the industry to be agile and evolve the way it traditionally has.” He added that there was no “universal win” in terms of eligibility, but the preservation of entertainment as a focus area of the tax credit indicated that the government recognized the potential of IDM companies to create jobs and revenues for the province.
- The CEO of the production company Digital Howard said he was pleased with the outcome and was happy to see labour-based criteria introduced instead of the previous rule that 90% of a product be developed by an Ontario company. He added, however, that he would have liked to see a relaxation of the rules surrounding collaboration with another company.

Magazines Canada, “[Magazines Canada Secures Remedy to Ontario Tax Credit Cuts](#)”, April 24, 2015 (accessed August 17, 2015).

- Putting a positive spin on the eligibility restrictions placed on the Ontario Interactive Digital Media Tax Credit, the article described the efforts Magazines Canada had made to

advocate for the magazine sector.

- It consulted broadly to determine the impact on the sector and presented two options to the government. Option 1 was to revise the existing tax credit to achieve the efficiencies demanded by the government while retaining magazine eligibility. Option 2 was to redesign and increase investment in funding programs.
- The second option was accepted by the government in the form of the renewed Interactive Digital Media Fund, which will now accept applications from Ontario magazines. Official from the Ministry of Tourism, Culture and Sport and the Ontario Media Development Corporation will work with Magazine Canada on details.
- The CEO of Magazines Canada stated that “The Ontario Government has recognized the value of Ontario’s magazine media as a contributor to the development of smart jobs in a digital economy. ... Magazines Canada and its members will encourage other provinces to study this initiative.”

Mike Valiquette, “[Ontario Budget: Tax Credits Targeted](#)”, *Canadian Animation Resources*, n.d., (accessed August 21, 2015).

- This blog entry described the changes to the media tax credits announced in the Budget, noting that they were not as sweeping in scale as the recent cuts in Nova Scotia.
- It noted that the government seemed to be justifying the cuts on the basis of the falling Canadian dollar, but that the ultimate effect on the sector cannot be predicted.
- The entry also deplored the new stipulation with regard to the Ontario Computer Animation and Special Effects credit that ties eligibility to receipt of either the Ontario Film and Television Tax Credit or the Ontario Production Services Tax Credit. This might have the effect of cutting off funding for non-broadcast productions.

Shane Dingman, “[Ontario video game developers laud changes to media tax credit](#)”, *The Globe and Mail*, April 29, 2015 (accessed August 17, 2015).

- The article indicated that “Ontario’s video game companies are declaring victory after a much sought-after reform to a digital media tax credit was unveiled” in the Budget.
- The restriction of the tax credit to entertainment products and educational products for children under the age of 12 was intended to exclude digital content produced by major corporations, such as banks, insurance companies, news organizations, and marketing firms.
- The CEO of Big Viking Games was quoted as saying “I think it’s not just victory, it’s a great decision.”
- The chair of Interactive Ontario said that “I think we dodged a bullet here, it could have been a lot worse” and that the government gets much more in income tax from digital media ventures than it puts out in tax credits.
- The vice president of Game Pill Inc., which makes video games and co-promotional products for broadcasters, said “I think the grey area for us, and likely many others, is how they choose to define ‘promotional’.”
- The Minister of Tourism, Culture and Sport, Michael Coteau, was quoted as saying that Ontario continues “to have one of the most generous cultural media tax credit programs both nationally and internationally.”

[The Arts Advocate Report](#), Volume XXI, Issue 2, May 6, 2015 (accessed August 17, 2015).

- This issue of the report described some of the reaction to the media tax credit changes in



the Budget, indicating that it “has been understanding and generally positive”.

- It outlined the statements of Interactive Ontario and Music Canada (see above), noting that Music Canada was silent on the elimination of the Sound Recording Industry Tax Credit, but applauded the making permanent of the Ontario Music Fund.
- It also quoted cited the muted reaction of the President and CEO of the Canadian Media Production Association (see *Playback* summary above).

The Canadian Press, “[Ontario Delaying Film Tax Credit Cuts After Industry Complaints](#)”, May 25, 2015.

- The article reported that Ontario had responded to complaints from the film industry by delaying some of the tax credit cuts announced in the Budget.
- A legislative committee was told by members of the film industry that they would lose a lot of money if cuts were not grandfathered for existing productions.
- The Minister of Tourism, Culture and Sport said in a statement that the Budget bill would be amended to provide a transition period for those producers who had made a significant financial commitment before the Budget changes were announced.

Julianna Cummins, “[Ontario amends film tax credit cuts](#)”, *Playback*, May 25, 2015 (accessed August 18, 2015).

- The article described the steps that the province had taken to avoid penalizing productions that were well underway when the tax credit changes were announced in the Budget.
- These delays applied to productions accessing the Ontario Production Services Tax Credit and the Ontario Computer Animation and Special Effects Tax Credit. The former would be able to take advantage of the former tax credit rate of 25%, rather than the reduced rate of 21.5%. The latter would be able to obtain the 20% tax credit rate, rather than the now-reduced rate of 18% of eligible expenditures.
- The grandfathered tax credit rates would apply to eligible expenditures incurred after April 23, 2015 and before August 1, 2015. Principal photography or key animation on the project would have to occur before that date, but for those that start between August 1, 2015 and November 30, 2015 will be able to access a transitional grant program.

Etan Vlessing, “[Ontario Amends Foreign Film Tax Credit Cut for Hollywood](#)”, *Hollywood Reporter*, May 25, 2015 (accessed August 21, 2015).

- The article stated that after hearing from the major Hollywood studios, the Ontario government amended its Budget bill to permit foreign producers already committed to shooting in the province to receive the 25% tax credit rate for the Ontario Production Services Tax Credit and the 20% rate for the Ontario Computer Animation and Special Effects Tax Credit.
- The president of worldwide physical production at Warner Bros. Pictures stated that “We have a very long and collaborative history of filming in Ontario, so I very much appreciate that premier Wynne, Minister Coteau, and their staffs listened to our industry’s concerns and have fashioned a solution that ensures stability and predictability for our sector in Ontario.”

“[Ontario ‘Grandfathers’ Recent Budget Changes to Production Services and Computer Animation and Special Effect Film Tax Credits](#)”, *Goodmans LLP Update – Entertainment Law*, May 25, 2015 (accessed August 20, 2015).

- The article reported in detail the announcement by Minister Coteau that changes in the Ontario Production Services Tax Credit and the Ontario Computer Animation and Special Effects Tax Credit would be grandfathered for all film and television projects that were sufficiently advanced before the Budget date of April 23, 2015.
- It noted that key industry stakeholders, including Film Ontario and the Motion Picture Association – Canada, were instrumental in consulting with the Ontario government on the importance of grandfathering these productions.

Bob Tarantino, "[Ontario 'Grandfathers' Tax Credit Rate Changes](#)", *Entertainment & Media Law Signal*, May 25, 2015 (accessed August 20, 2015).

- The author noted that the reduction of the OPSTC and OCASE tax credits from 25% and 20% to 21.5% and 18% respectively was met with a great deal of concern from the Ontario film and television production community.
- Following vigorous lobbying, the government introduced a grandfathering mechanism that will apply the old rates to certain productions.
- The article provided the details of grandfathering provision as contained in an Ontario Media Development Corporation [bulletin](#) issued on May 25, 2015.

Wendy Noss, "[Statement on the Passage of the 2015-16 Ontario Budget with Amendments to the Ontario Production Services Tax Credit \(OPSTC\) and Ontario Computer Animation and Special Effects Tax Credit \(OCASE\)](#)", *Motion Picture Association – Canada* website, n.d. (accessed August 20, 2015).

- The statement thanked the government for listening to the concerns of the industry and amending the two tax credits. It said that "The Ontario government's strong relationship with our industry was reflected in their willingness to work with us in the budget process and understand that productions require intense planning and predictable budgets, long before the cameras roll."
- It also provided a list of statistics on the contribution of the film and television production industry to the Canadian and Ontario economies.

Siobhan Ozege, "[Music Canada Applauds Premier Wynne and the Ontario Government on the Passage of the 2015 Provincial Budget](#)", June 3, 2015 (accessed August 18, 2015).

- The news release indicated that Music Canada was pleased by the extension of the Ontario Music Fund.
- The president of the association was quoted as saying that "The extension of the Ontario Music Fund solidifies a commitment to economic growth in the province through targeted support to one of the province's competitive advantages – music. The OMF not only helps music businesses large and small to produce, distribute, promote and stage a diverse array of artists but in doing so, it signals to Canada and the rest of the world that music matters in Ontario."

Adam Carter, "[Province to extend Ontario Music Fund permanently](#)", *CBC News*, June 17, 2015 (accessed August 21, 2015).

- The article reported on an announcement made by the Minister of Tourism, Culture and Sport, and the Minister of Finance at the Supercrawl Festival 2015 lineup event in Hamilton.
- The Minister of Finance, Charles Sousa, said "We know that when we promote culture and



art, we promote who we are as people.... We know how important this is for our economy.”

- The organizer of the Supercrawl Festival said that the Fund provided cash to bolster staging and programming.
- Major labels receiving support from the Fund include Universal Music Canada, Warner Music Canada, and Sony Music Canada. Minister Coteau justified this by saying that “We know by supporting organizations like Universal, we’re keeping artists here to record, and that’s what we want.”

Alex Hudson, “[Ontario Music Fund Extended Permanently](#)”, [exclaim.ca](#), June 17, 2015 (accessed August 21, 2015).

- In another belated commentary on a Budget measure, the news article reported on the announcement of the permanent renewal of the Ontario Music Fund made by Ministers Sousa and Coteau on June 17.
- The article provided a list of artists, record labels and festivals that had received support from the Ontario Music Fund over the past two years.

## Government of Ontario

### Main Estimates, Operating Expenses<sup>15</sup>

<b>Ministry</b> (\$ value)	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Aboriginal Affairs	71,504,814	67,664,514	60,331,405	62,004,425	86,464,939
Agriculture, Food and Rural Affairs	737,006,314	759,146,014	644,635,817	632,652,034	611,272,926
Attorney General	1,652,152,514	1,657,747,014	1,730,626,287	1,618,067,316's	1,610,029,942
Cabinet Office	29,521,414	28,744,714	26,559,106	26,684,946	27,207,623
Children and Youth Services	4,310,998,314	4,230,785,814	4,076,654,588	3,986,946,379	4,025,570,006
Citizenship, Immigration and International Trade	210,530,428	202,848,128	197,756,044	200,940,167	177,600,539
Community and Social Services	11,062,731,814	10,747,960,814	9,975,466,738	9,722,097,001	9,348,331,833
Community Safety and Correctional Services	2,589,367,287	2,499,038,087	2,323,696,463	2,235,551,887	2,216,788,821
Consumer Services <sup>16</sup>	-	-	- <sup>17</sup>	20,386,868	19,326,892
Economic Development, Employment and Infrastructure / Research and Innovation	1,070,836,928	1,109,770,642	915,288,521	945,800,554	939,344,645
Education	24,781,126,314	24,870,049,414	24,327,855,492	24,311,835,548	23,036,308,493
Energy	940,105,014	1,179,605,014	1,075,050,814	1,101,517,192	1,295,790,070
Environment and Climate Change	326,413,214	329,212,114	321,666,685	317,027,567	366,328,490
Finance	12,415,500,529	12,323,882,814	11,713,229,703	11,310,513,691	12,561,597,525
Office of Francophone Affairs	8,428,000	4,120,100	4,643,268	4,983,058	5,099,840

<sup>15</sup> 2015 Ontario Budget, Ministry of Finance, Government of Ontario.

<sup>16</sup> Consumer services was moved to Government and Consumer Services in 2013-14.

<sup>17</sup> These figures were present in the 2013-14 and 2014-15 Estimates but phased out in the Actuals.

<b>Ministry (\$ value)</b>	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Government and Consumer Services	588,687,514	592,110,014	582,814,838	2,679,511,701	2,424,513,849
Health and Long-Term Care	50,194,120,860	49,446,007,060	47,997,633,040	47,063,832,143	46,197,107,102
Infrastructure	-	-	- <sup>18</sup>	79,696,693	81,249,678
Labour	309,474,314	310,711,214	302,172,240	264,348,082	168,211,710
Lieutenant Governor, Office of the	1,609,500	1,329,500	1,339,081	1,334,554	1,192,629
Municipal Affairs and Housing	988,708,887	977,776,087	1,151,818,110	972,936,694	894,887,063
Natural Resources and Forestry	504,604,014	496,464,014	543,488,162	605,412,679	650,167,352
Northern Development and Mines	337,160,714	349,207,314	293,115,313	301,283,643	329,141,904
Office of the Premier	2,702,961	2,702,961	2,555,920	2,442,090	2,683,137
Tourism, Culture and Sport	1,194,185,187	1,209,993,687	1,125,155,221	1,202,331,830	877,426,822
Training, Colleges and Universities	7,614,801,414	7,652,284,514	7,437,134,400	7,247,278,349	7,111,220,724
Transportation	938,197,714	884,131,514	782,256,478	733,166,699	1,035,360,283
Treasury Board Secretariat	2,194,163,814	2,172,998,014	1,521,690,110	*no such department	*no such department
<b>Total</b>	<b>125,074,639,791</b>	<b>124,056,291,090</b>	<b>119,134,633,844</b>	<b>117,650,245,458</b>	<b>116,100,224,837</b>
		<b>(124,106,291,090)</b>			

<sup>18</sup> Infrastructure was moved to Economic Development and Employment in 2013-14. These figures were present in the 2014-15 Estimates, but phased out in the Actuals.

<sup>19</sup> There is a total amount discrepancy. The first number, 124,056,291,090, is provided in the estimates but adding up the above numbers gives this total: 124,106,291,090.

**Government of Ontario**  
**Ministry of Tourism, Culture and Sport<sup>20</sup>**

(Dollar Value)

<b>Operating Expenses</b>	<b>2015-16 Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2014-15 Estimate</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>
Ministry Administration Program	6,829,700	-617,400 -8.3	7,447,199	8,266,086	9,117,603
Tourism Program	133,059,400	-3,639,600 -2.7%	136,699,000	145,100,485	161,252,708
Sport, Recreation and Community Program	53,581,600	+2,916,600 +5.8%	50,665,000	53,588,511	51,384,842
Culture Program	251,638,600	+4,467,000 +1.8%	247,171,600	244,336,750	244,390,533
Ontario Trillium Foundation Program	115,001,000	0 0%	115,001,000	115,000,000	120,000,000
Ontario Seniors' Secretariat	-	-	-	4,994,500	4,019,500
Ontario Cultural Media Tax Credits	439,692,900	+40,000,800 +10%	399,692,100	505,727,941	577,712,087
Pan/Parapan American Games Secretariat	194,298,800	-58,938,900 -23.3%	253,237,700	53,069,434	47,968,900
Less Special Warrants	-	-298,139,300 -100%	298,139,300	-	-
<b>Sub Total</b>	<b>1,194,102,000</b>	<b>+282,357,800 +31%</b>	<b>911,774,200</b>	<b>1,125,089,207</b>	<b>1,202,251,477</b>
Plus: Consolidation Adjustments	483,584,587	-54,777,813 -10.2%	538,362,400	462,310,880	-
<b>Total operating expenses</b>	<b>1,677,686,587</b>	<b>-70,669,500 -4.0%</b>	<b>1,748,356,087</b>	<b>1,587,466,101</b>	<b>-</b>

<sup>20</sup> [The Estimates 2015-16](#) – Ministry of Tourism, Culture and Sport, Ministry of Finance, Government of Ontario

<b>Capital Expenses</b>	<b>2015-16 Estimate</b>	<b>Difference Dollar Value and Percentage</b>	<b>2014-2015 Estimate</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>
Ministry Administration Program	2,000	0 0%	2000	-	2,000
Tourism Program	1,000	0 0%	1000	-	1,000
Tourism and Culture Capital Program	37,305,600	-10,236,300 -21.5%	47,541,900	46,041,446	51,657,576
Culture Program	1,000	0 0%	1000	-	1,000
Pan/Parapan American Games Secretariat	420,162,400	+418,614,400 27,042%	1,548,000	-	217,846,869
Less Special Warrants	-	-13,594,000 -100%	13,594,000	-	-
<b>Sub Total</b>	<b>457,472,000</b>	<b>+421,972,100 +1,188.6%</b>	<b>35,499,900</b>	<b>46,041,446</b>	<b>269,504,445</b>
Plus: Consolidation Adjustments	43,716,000	5,390,600 14%	38,325,400	34,750,389	-
<b>Total capital expenses</b>	<b>501,188,000<sup>21</sup></b>	<b>413,768,700 473%</b>	<b>87,423,300</b>	<b>80,791,835</b>	<b>-</b>
<b>Ministry Total Operating and Capital</b>	<b>2,178,878,587</b>	<b>+343,099,200 +24.2%</b>	<b>1,835,779,387</b>	<b>1,668,257,936</b>	<b>1,782,097,771</b>

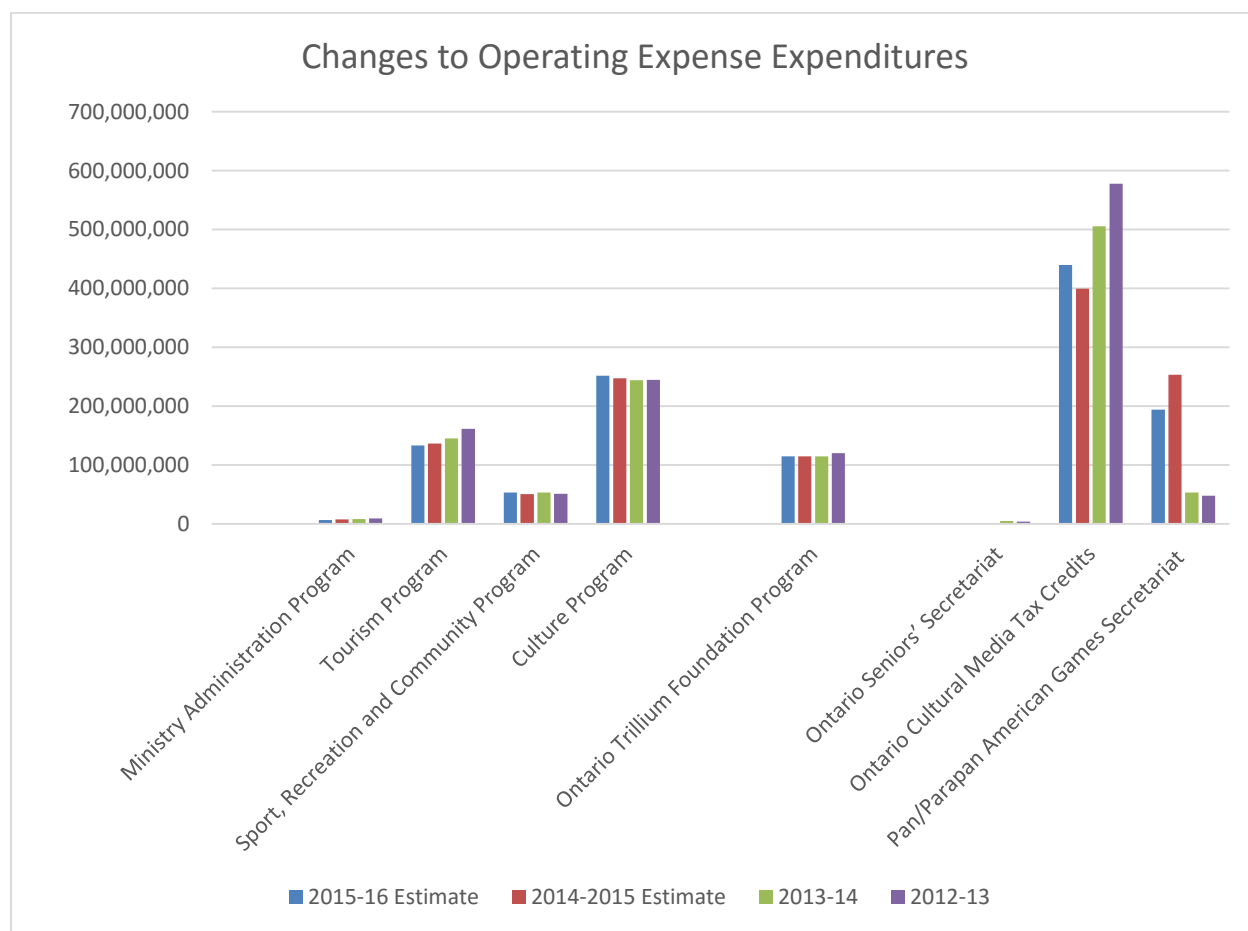
<sup>21</sup> Estimates show a total of 501,192,000. Adding up all the numbers above, the total is in fact 501,188,000.

## 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>22</sup>

(Dollar Value)

<b>Culture Program</b>	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>
Salaries and Wages	10,392,600	10,392,600	10,392,600	10,482,100
Employee Benefits	950,700	950,700	950,700	950,700
Transportation and Communication	430,600	430,600	185,600	430,600
Services	1,468,300	1,701,300	1,390,800	3,123,100
Supplies and Equipment	379,400	379,400	139,400	379,400
<b>Transfer Payments</b>				
Arts Sector Support <sup>23</sup>	8,743,200	10,043,200	6,795,000	14,620,800
Heritage Sector Support	5,930,600	5,930,600	6,656,400	8,320,100
Libraries Sector Support	29,094,600	28,594,600	29,169,100	25,969,100
Art Gallery of Ontario	21,072,300	21,072,300	20,758,800	20,970,700
McMichael Canadian Collection	3,328,800	3,328,800	3,078,000	3,109,400
Ontario Arts Council	59,937,400	59,937,400	59,937,400	59,937,400
Ontario Media Development Corporation	28,450,300	22,950,300	22,950,300	23,950,300
Ontario Heritage Trust	4,159,300	4,159,300	4,033,900	4,075,000
Ontario Science Centre	19,364,100	19,364,100	18,955,400	19,189,300
Royal Botanical Gardens	4,036,000	4,036,000	3,722,500	3,760,500
Royal Ontario Museum	27,280,900	27,280,900	26,967,400	27,242,600

<sup>22</sup> [\*The Estimates 2015-16 – Ministry of Tourism, Culture and Sport\*](#), Ministry of Finance, Government of Ontario. Note: only estimates are provided, no actuals.

<sup>23</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>Culture Program</b>	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>
Science North	6,828,900	6,828,900	6,640,800	6,708,500
Southern Ontario Library Service	3,145,800	3,145,800	3,133,300	2,694,600
Ontario Library Service North	1,645,800	1,645,800	1,566,700	1,505,500
Ontario Music Fund	15,000,000	15,000,000	15,000,000	-
Cultural Agencies Support	-	-	2,048,500	2,048,500
Cultural Community Support	-	-	-	2,500,000
<b>Total</b>	<b>251,638,600</b>	<b>247,171,600</b>	<b>244,511,600</b>	<b>241,967,200</b>



## Government of Ontario

### Tourism Program<sup>24</sup>

(Dollar value)

<b>Tourism Program</b>	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>	<b>2011-12 Estimates</b>
<b>Salaries and Wages</b>	12,445,700	12,616,000	12,819,200	13,067,600	11,954,400
<b>Employee Benefits</b>	1,917,800	1,929,200	1,760,600	1,645,700	1,592,000
Transportation and Communication	486,700	536,500	536,500	520,100	681,100
Services	4,373,800	4,337,400	4,275,000 <sup>25</sup>	9,869,600	3,872,300
Supplies and Equipment	959,600	959,600	995,600	736,900	862,900
<b>Transfer Payments</b>					
Grants in Support of Tourism Investment Development	3,500,000	5,000,000	5,000,000	7,950,000	19,230,000
Grants in Support of the Festival and Event Attractions and Support Program	20,260,000	22,260,000	19,921,000	19,792,000	19,792,000
Grants in Support of Tourism Regions	40,000,000	40,000,000	40,000,000	58,750,000	65,000,000
Ontario Tourism Marketing Partnership Corporation	39,867,500	39,867,500	40,117,500	41,510,200	42,762,800
Ontario Place Corporation	2,125,500	2,070,000	2,210,000	5,510,000	-
St. Lawrence Parks Commission	7,122,800	7,122,800	7,122,800	7,126,200	7,271,400
<b>Total</b>	<b>133,059,400</b>	<b>136,699,000</b>	<b>134,758,200</b>	<b>166,478,300</b>	<b>173,018,900</b>

<sup>24</sup> [The Estimates 2015-16 – Ministry of Tourism, Culture and Sport](#), Ministry of Finance, Government of Ontario. Note: only estimates are provided, no actuals.

<sup>25</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

The 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 grant program of \$15 million annually which was made permanent in the 2015-16 Budget. 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>26</sup>

<b>(Dollar value)</b>	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Estimates</b>	<b>2011-12 Actual<sup>27</sup></b>
Ontario Book Publishing Tax Credit	3,217,600	3,861,100	3,270,900	2,762,500	N/A
Ontario Computer Animation and Special Effects Tax Credit	23,618,600	23,137,400	21,720,000	14,884,300	N/A
Ontario Film and Television Tax Credit	176,572,100	156,030,500	141,943,400	105,000,000	N/A
Ontario Interactive Digital Media Tax Credit	71,211,900	61,158,700	26,808,400	13,707,300	N/A
Ontario Production Services Tax Credit	164,780,500	154,607,000	149,159,000	89,000,000	N/A
Ontario Sound Recording Tax Credit	292,200	897,400	614,100	784,700	N/A
<b>Total</b>	<b>439,692,900</b>	<b>399,692,100</b>	<b>343,516,800</b>	<b>226,238,700</b>	<b>225,213,452</b>

<sup>26</sup> [The Estimates 2015-16 – Ministry of Tourism, Culture and Sport](#), Ministry of Finance, Government of Ontario.

<sup>27</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>28</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>29</sup>

<b>Activities eligible for the federal Children's Fitness Tax Credit and Ontario's Children Activity Tax Credit:</b>	<b>Additional organized or instructional activities eligible for Ontario's Children's Activity Tax Credit:</b>
Adapted fitness for youth with disabilities Aerobics Badminton Ballhockey Baseball Basketball Biking Curling Dodgeball Figure skating Floorhockey Football Golf Gymnastics Hockey Horseback riding Ice Skating Karate Kickboxing Lacrosse Running Skiing Soccer Snowboarding Squash Swimming Tennis Track and field Volleyball Water Polo	After-school extracurricular activities Cadets Chess Choir Cooking for kids Cardiopulmonary resuscitation Crafts Dance Drama Drawing First Aid Gardening for kids Girl Guides Languages Leadership development Lifeguarding Music composition and theory Musical instruments Non-medical therapeutic activities for children with a disability Painting Photography Pottery Public speaking Scouts Sculpture Sewing Tutoring Voice lessons

<sup>28</sup> Government of Ontario. [Children's Activity Tax Credit](#).

<sup>29</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>30</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](#).

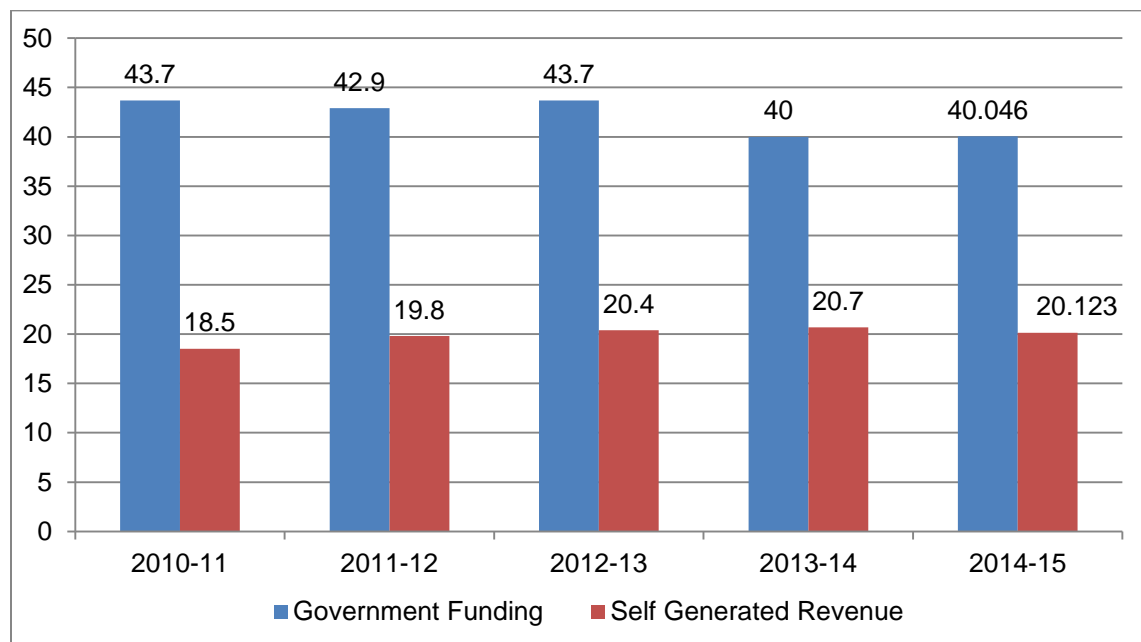
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<sup>30</sup> “[About the Ontario Arts Council](#)” from the OAC Grant Survival Guide

## TV Ontario<sup>31</sup>

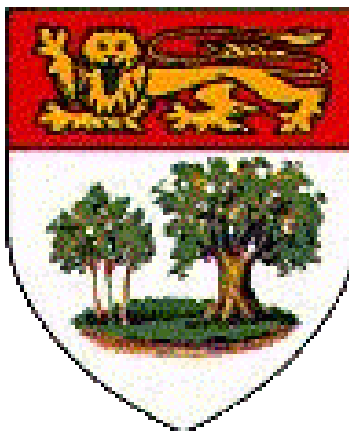
### Revenue

(In millions of dollars)



Government Funding	Self-Generated Revenue
<p>In 2014-15, total government funding (under the Education vote) stayed at \$40.046 million, a \$3.7 million reduction from 2012-13.</p>	<p>In 2014-15, more than 33,000 41,104 Ontarians donated to TVO (compared to more than 41,000 the previous year), but contributing the same amount of \$7.3 million in revenues. It also received a bequest of \$2.5 million from a viewer.</p> <p>The Independent Learning Centre (distance education facility) generated \$12.749 million in 2013-14, a decrease over 2013-14.</p> <p>In total, self-generated revenue reached \$20.123 million, compared to \$20.700 in 2013-14.</p>

<sup>31</sup> [TV Ontario Annual Report 2014-15](#)



## PRINCE EDWARD ISLAND

Real GDP Growth: 1.5% (2014)

Revenue from Federal Transfers (2015-16): \$553 million (\$3,780 per capita)

Population: 146,400 (2015)

**2015**

## Budget Overview

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

- The 2015-16 Provincial Budget for Prince Edward Island was presented by Hon. Allen Roach, Minister of Finance and Chair of Treasury Board, on June 19, 2015.
- This was the first Budget after the PEI election on May 4, 2015. The Liberal Party was re-elected for a third consecutive mandate under a new leader, Premier Wade MacLauchlan.
- In the Budget Address the Minister stated that the main objectives were “strong fiscal management, creating conditions for sustained economic growth, and expanding opportunities for our economic and cultural sectors.”
- The Budget projects a deficit of \$19.9 million in 2015-16, with a balanced budget projected for 2016-17.
- The net debt is expected to peak in 2015 at \$2.177 billion and decline thereafter.
- The government anticipates GDP growth of 2.7% in 2015, accompanied by growth in employment, personal income, and retail sales.<sup>2</sup> The unemployment rate is expected to sink below the double digits for the first time in 38 years.<sup>3</sup>

### **Spending Priorities and Highlights**

#### **Main Priorities:**

- Addressing our means
- Building on our Strong Primary Industries
- Supporting New Industries
- Targeted Investments in Healthcare
- Sustained Investment in Education
- Helping Island Families
- Enhancing Environment and Land Use

#### **Highlights:**

- The overall theme of the 2015 Budget is leaner government and economic frugality.
- The size of the public service will be reduced through attrition, but no large cuts in big-ticket items such as health care and education were announced.

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<sup>1</sup> [Prince Edward Island Budget Address](#), June 19, 2015.

<sup>2</sup> [Prince Edward Island Budget Highlights](#), June 19, 2015.

<sup>3</sup> Kevin Bissett, “[Smokers will pay more after tax hike in 2015-16 Prince Edward Island Budget](#)”, *The Canadian Press*, June 19, 2015 (accessed August 12, 2015).

- The main measure to increase revenue was a tax increase of 2.5 cents per cigarette and 4.0 cents per gram of other tobacco products.
- Despite the pledge to support new industries, the main emphasis in the Budget was on the Island's primary industries, agriculture and fisheries, through such measures as a strategy to establish Prince Edward Island as Canada's Food Island.
- While overnight stays in the province increased in 2014, likely due to the *PEI 2014* initiative which commemorated the 150<sup>th</sup> anniversary of the Charlottetown Conference on Confederation, there was no mention of investment in either culture or tourism in the section of the Budget devoted to "Supporting New Industries".
- However, the Budget did announce the launch of *Sales Force PEI* to increase trade and sales within existing and new markets. The Minister stated that *Sales Force PEI* "will not be about creating a new government entity, but about using all parts of government, as well as leadership in business, tourism, cultural and educational sectors, to build stronger economic connections between Prince Edward Island and other parts of Canada and the world."

## Impacts on the Cultural Sector

**Contextual note:** In 2010, culture GDP for Prince Edward Island was \$121 million, amounting to 2.5% of total provincial GDP. Of this, 29% was contributed by Governance, funding and professional support (\$35 million) followed by Audio-visual and interactive media domain (\$26 million). There were 1,947 culture jobs or 2.8% of the total jobs in the province.<sup>4</sup>

- After the May election, the new government reorganized the ministry, disbanding the former Ministry of Tourism and Culture. Tourism was moved to a new Ministry of Economic Development and Tourism, while culture was transferred to the new Ministry of Education, Early Learning and Culture. This appears to have had a drastic impact on the allocation for culture.
- 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.
- In the 2014-15 Budget, the Department of Tourism and Culture received a further 7.8% increase in its allocation, much of which was to be spent on increased administrative, professional, contract, and travel expenditures related to *PEI 2014*.
- In 2015-16, with the winding up of *PEI 2014*, the culture budget experienced a 62% reduction, due primarily to a cut in grant funding from \$12.6 million to just over \$2.0 million. This reduction brought culture and heritage spending to well below 2012-13 levels.
- Within the heritage sector, the Provincial Library experienced a 4% budget reduction and the PEI Museum and Heritage Foundation a 2.6% reduction.

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<sup>4</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015



- However, spending was up by 2.7% in the Public Archives and Records Office.

## Reactions to the budget from the Cultural Sector Perspective

**Contextual note:** *There was little published reaction to the 2015-16 Budget by the PEI cultural community. It may be, however, that anxieties expressed in earlier years about future levels of cultural funding after the 2014 celebrations were over were borne out by further post-Budget cuts.*

Teresa Wright, "[P.E.I. Finance Minister Allen Roach delivers 'reality budget'](#)", *The Guardian*, June 19, 2015 (accessed August 12, 2015).

- The article prefaced an outline of the 2015-16 Budget with quotations from the Minister of Finance calling it a "reality budget" and one of "economic frugality".
- It noted that most departments were getting only minor increases or decreases but that the exception was the cultural budget, which had a \$10 million reduction at the end of the 2014 celebrations, taking it back to more traditional levels of cultural spending.

CBC News, "[Core government funding cut to P.E.I. arts groups](#)", July 9, 2015 (accessed August 12, 2015).

- The article reported that 18 arts and culture organizations, including Music PEI, have had their core funding from the province cut by 8%.
- The Minister of Education, Early Learning and Culture, Hal Perry, was quoted as saying that the cuts are part of government belt-tightening and that the government is still committed to growing the arts and culture sector and was "trying to be very fair with this".
- The Minister added that discussions on a ten-year strategy to develop policies and programs to enhance the cultural sector would be starting soon and that art and culture organizations will have an opportunity to comment.
- Rob Oakie, executive director of Music PEI, stated that the music industry contributes approximately \$24 million to the GDP of Prince Edward Island and that it will now have \$11,000 less to spend on marketing, touring, and other activities to promote the industry. He expressed himself "disappointed" with the cuts.

"[Funding cut for P.E.I. job skills program](#)", *The Guardian*, July 9, 2015 (accessed August 12, 2015).

- The article reported that funding from Ottawa for skills development is being cut \$1 million over the next four years and the province is taking that money out of Work Experience P.E.I., reducing it from \$1.4 million to \$400,000.
- MLA Sidney MacEwen said "it's going to make it harder for people in rural P.E.I. with little or no work experience to get into the workforce", and will "hurt the not-for-profits, the local community organizations, the municipalities that rely on it," noting examples like the Farm Centre and Art in the Open, a major outdoor exhibition in Charlottetown in August.
- Minister of Workforce and Advanced Learning, Richard Brown, said groups like Art in the Open may have to fundraise more than before or rely more on volunteers.

[“NDP leader Mike Redmond opposes job skills program cuts”](#), *The Guardian*, July 15, 2015 (accessed August 12, 2015).

- The leader of NDP stated that he was “dismayed” by the 70% cuts to Work Experience P.E.I.
- “Our non-profit arts and cultural organizations rely heavily on funding from the work experience program for temporary project staffing” Redmond said. “Without funding for positions, vibrant successful events like Art in the Open in the minister’s own district are in jeopardy” he added.

CBC News, [“Funding cut 35% for P.E.I. sector councils”](#), July 31, 2015 (accessed August 12, 2015).

- The article reported on government cuts to nine industry sector councils, including Culture P.E.I., the Tourism Industry Association of P.E.I., and the Innovation and Technology Association of P.E.I. Support for these groups came from the new Ministry of Workforce and Advanced Learning.
- Total funding for the industry groups was cut to \$767,000 from \$1.145 million in 2014.
- Funding for Culture P.E.I. was cut by 39% from \$141,000 in 2014 to \$83,900 in this fiscal year. The organization will receive this amount in two payments: \$46,400 for the first quarter (April to July), then \$37,500 for the remaining eight months of the fiscal year.
- Mark Sandiford, the executive director of Culture P.E.I., was quoted as saying that “We’ve gone into scramble mode here. I’ve been working on nothing but spreadsheets over the past couple of days trying to figure out what we can do. And I put zeros in every item: zero rent, zero phone, zero internet, all the way down. Zero in projects.”
- He added that the organization will now potentially have to shut down in January or February 2016.
- The Minister of Workforce and Advanced Learning, Richard Brown, said that the sector councils had become advocacy groups rather than creating full-time jobs. He added that the \$378,000 the department is saving through these cuts would be added to Skills PEI’s job training fund.

CBC News, [“Council of the Arts asked to submit externally-reviewed documents”](#), September 17, 2015 (accessed December 8, 2015).

- The news item reported that the Council was being asked by the province to submit externally reviewed financial documents.
- It reports on a September 11 Facebook posting by the Council indicating that the organization had had “some staff changes and budget issues”.
- The province was expecting to see an accounting report on the Council’s books by the end of September.

Dave Stewart, [“P.E.I. Council of the Arts must submit proper financial statements”](#), *The Guardian*, September 19, 2015 (accessed December 8, 2015).

- The article reported that the Department of Education, Early Learning and Culture had asked the Council for externally reviewed financial statements as part of its funding

agreement with the government and that it had been four years since such statements had been submitted.

- The statements were due at the end of the month, and until then only part of the Council's annual \$200,000 in funding would be released.
- It also reported on the Council's Facebook posting about staff changes and budget issues, which had temporarily closed its offices, but it assured its clients that the office had been reopened and that the current round of grant reviews was moving forward.

CBC News, "[P.E.I. Council of the Arts finances in crisis](#)", October 20, 2015 (accessed December 8, 2015).

- In a follow-up to its previous story, the CBC reported that the Council's \$315,000 in provincial funding had been stopped while the government awaited the results of the external review of its books.
- At the Council's Annual General Meeting in October, members had been told that the entire focus had become getting the organization's head above water, as the financial situation had made it difficult to meet its granting obligations.
- By laying off its executive director and one of its administrators, the Council had been able to award just under \$36,000 in grants to 13 artists in the past month, but that was only half of what had been promised in the financial statements.
- The acting Chair of the board said that there would be no second round of grants this year and that the Council would be working to re-establish its charitable tax status, which had been revoked by the Canada Revenue Agency for not meeting filing requirements under the *Income Tax Act*.

## Government of Prince Edward Island

### Main Estimates<sup>5</sup>

<b>Department (Dollar value)</b>	<b>2015-16 Budget Estimate</b>	<b>2014-15 Budget Forecast</b>	<b>2013-14 Budget Forecast</b>	<b>2013-14 Budget Estimate</b>	<b>2012-13 Budget Estimate</b>
Agriculture and Fisheries <sup>6</sup>	33,039,500	36,785,700	34,906,800	36,367,000	37,531,700
Community Services and Seniors <sup>7</sup>	-	96,286,700	94,668,900	97,441,000	93,133,800
Communities, Land and Environment	20,271,100	19,455,900	-	-	-
Economic Development and Tourism	2,873,800	5,223,400	-	-	-
Education, Early Learning and Culture <sup>8</sup>	235,979,300	233,565,700	231,670,700	230,885,200	229,237,300
Culture	6,766,900	16,905,900			
Island Regulatory and Appeals Commission <sup>9</sup>	1,200,300	1,200,300	1,358,300	1,358,300	1,358,300
Environment, Labour, and Justice	-	62,077,300	60,703,800	60,599,600	59,894,900
Executive Council	8,673,800	9,261,200	8,935,100	8,752,700	8,823,500
Family and Human Services	94,205,200	93,599,00			
Finance <sup>10</sup>	70,330,000	73,269,700	66,570,700	65,906,600	65,640,100
Council of Atlantic Premiers	188,400	188,400	188,400	188,400	188,400
Employee benefits	55,632,800	54,124,300	67,087,500	46,770,100	64,760,600

<sup>5</sup> [2015-16 Budget Estimates, Government of PEI](#). Most of the 2014-15 figures have changed since previous year's Estimates; Budget Forecast is used.

<sup>6</sup> In previous years, this was known as Agriculture and Forestry. Reclassifications are shown on p. 157 – agriculture and fisheries transferred from agriculture and forestry and fisheries in 2015-16.

<sup>7</sup> Also included on page 157 – does not exist in 2015-16 Estimates, but communities transferred to new department (the row below).

<sup>8</sup> Previously known as Education and Early Childhood Development; name changed in 2015-16, but Culture still reported separately in the Estimates.

<sup>9</sup> Island Regulation is a sub-department of Education, Early Learning and Culture in this 2015-16 Estimates.

<sup>10</sup> Formerly known as Finance, Energy and Municipal Affairs. Name changed in 2015-16 Estimates.

Department (Dollar value)	2015-16 Budget Estimate	2014-15 Budget Forecast	2013-14 Budget Forecast	2013-14 Budget Estimate	2012-13 Budget Estimate
General Government	6,300,000	9,550,000	5,173,500	12,278,100	7,758,900
Fisheries, Aquaculture and Rural Development	-	9,962,100	9,883,600	9,862,100	10,307,100
Employment Development Agency	5,231,500	5,506,800	5,466,800	5,506,800	5,731,800
Health and Wellness	12,540,900	12,802,300	12,042,400	12,367,700	12,864,300
Health PEI	586,577,300	580,793,600	573,062,700	565,701,700	542,794,200
Justice and Public Safety	49,444,100	49,346,400			
Innovation and Advanced Learning	-	115,711,400	122,549,800	122,693,000	123,483,700
Innovation PEI	26,403,100	26,685,200	23,710,200	21,710,200	22,320,200
Tourism and Culture <sup>11</sup>	-	17,877,700	16,587,200	16,565,200	9,943,000
Tourism PEI	14,674,600	15,367,300	15,320,600	15,444,800	15,534,400
Transportation, Infrastructure and Energy <sup>12</sup>	108,981,300	113,436,900	104,106,500	101,276,200	102,543,400
Inter-ministerial Women's Secretariat <sup>13</sup>	438,600	438,600	425,500	424,900	424,900
Workforce and Advanced Learning <sup>14</sup>	120,506,00	112,633,700	-	-	-
Auditor General	2,056,700	1,849,000	1,786,100	1,799,100	1,770,100
Legislative Assembly	6,422,800	5,133,100	4,842,700	4,842,700	4,860,300
P.E.I Public Service Commission	7,320,000	7,305,800	7,235,500	7,400,000	7,696,400
Interest charges on debt	127,016,400	128,811,600	-	-	-
Amortization of tangible capital assets	65,671,100	65,586,500	-	-	-
<b>Total Expenditure</b>	<b>1,668,745,500</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>

<sup>11</sup> Tourism and Culture was disbanded in 2015-16 with Tourism moved to Economic Development and Culture moved to Education, Early Learning and Culture.

<sup>12</sup> Formerly known as Transportation and Infrastructure Renewal; name changed in 2015-16 Estimates.

<sup>13</sup> In 2015-16 Estimates, this is under transportation.

<sup>14</sup> This department is new in 2015-16.

**Government of Prince Edward Island**  
**Ministry of Education, Early Learning and Culture**  
**(Cultural aspects only)**

**Main Estimates<sup>15</sup>**

(Dollar Value)

Branch	2015-16 Budget Estimate	Difference Dollar Value and Percentage	2014-15 Budget Forecast	2013-14 Budget Estimate	2012-13 Budget Estimate
<b>Provincial Libraries</b>	2,825,100	-118,700 -4%	2,943,800	2,952,100	2,935,900
<b>Culture and Heritage</b>					
Administration	7,200	-48,800 -542.2% <sup>16</sup>	57,800	9,000	10,000
Equipment	700	0 0%	700	700	700
Materials, Supplies and Services	3,500	+700 +25%	2,800	3,000	3,000
Professional Services	6,600	0 0%	6,600	5,300	5,300
Salaries	200,900	+7,900 +4.1%	193,000	197,100 <sup>17</sup>	294,000
Travel and Training	11,100	+5,500 +98.2%	5,600	4,900	12,100
Grants	2,034,200	-10,515,9000 -83.8% <sup>18</sup>	12,550,100	11,370,100	4,637,700
<b>Total Cultural Affairs</b>	2,264,200	-10,552,400 -82.3%	12,816,600	11,590,100	4,962,800
Public Archives and Records Office	520,300	+13,600 +2.7%	506,700	499,900	499,200
<b>Culture and Heritage Subtotal</b>	2,784,500	-10,538,800 -79%	13,323,300	12,090,000	5,462,000
<b>PEI Museum &amp; Heritage Foundation</b>					
Materials and Supplies	3,800	0 0%	3,800	5,800	5,800
Salaries	1,091,100	-30,900 -2.7%	1,122,000	1,063,800	1,063,600

<sup>15</sup> Government of PEI, [Estimates of Revenues and Expenditures 2015-2016](#), pp. 51-61.

<sup>16</sup> We could not confirm the cause of this substantial decrease but are assuming that it is related to the ending of the *PEI 2014* initiative.

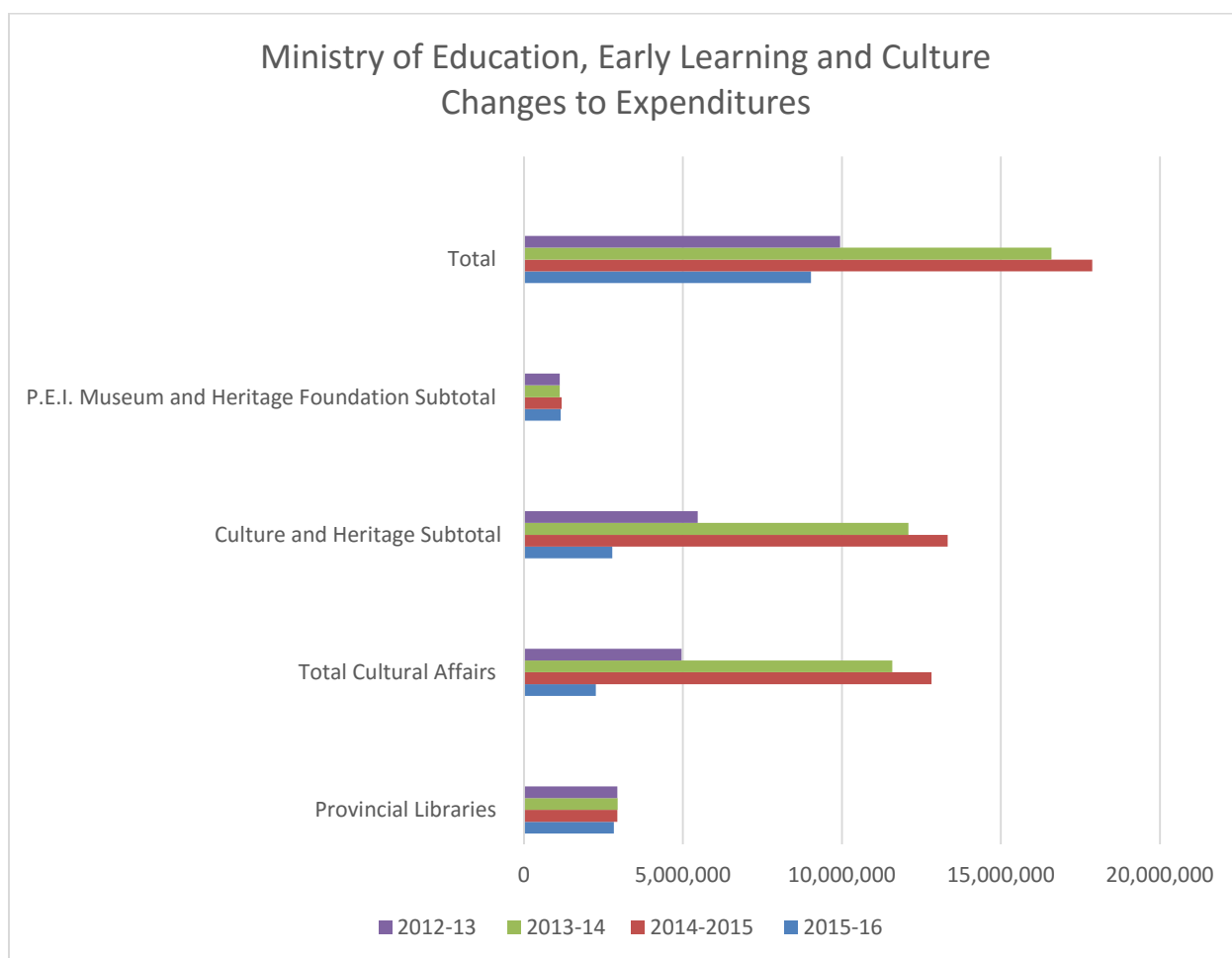
<sup>18</sup> The large decrease is due to the ending of the *PEI 2014* initiative.

Branch	2015-16 Budget Estimate	Difference Dollar Value and Percentage	2014-15 Budget Forecast	2013-14 Budget Estimate	2012-13 Budget Estimate
Grants	62,400	-600 -1%	63,000	58,000	55,500
<b>P.E.I. Museum and Heritage Foundation Subtotal</b>	1,157,300	-31,500 -2.6%	1,188,800	1,127,600	1,124,900
<b>Total - Culture</b>	<b>6,766,900</b>	<b>11,110,800 -62.1%</b>	<b>17,877,700</b>	<b>16,587,200</b>	<b>9,943,000</b>

## Department of Education, Early Learning and Culture

### (Cultural aspects only)

#### Changes to Expenditures





## Grants and Funding Administrators

**Prince Edward Island Council of the Arts** is primarily funded by the Ministry of Education, Early Learning 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>19</sup>

**Community Cultural Partnership Program** is administered directly by the Ministry of Education, Early Learning and Culture to fund community organizations that promote heritage and culture in the province.<sup>20</sup> In August 2015 a notice on the website states that the funds are depleted.

**Island Media Arts Cooperative** is funded by a range of sources including the Canada Council for the Arts and the National Film Board. The Ministry of Education, Early Learning and Culture's Cultural Partnership Program has given funding to specific projects including the Island Media Arts Festival.<sup>21</sup>

**Music PEI** Since 1998 Music PEI has administered funding to the Island's music industry on behalf of the Ministry of Education, Early Learning 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>22</sup>

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<sup>19</sup> [PEI Arts Council](#),

<sup>20</sup> Government of PEI, [Ministry of Education, Early Learning and Culture Community Cultural Partnership Program](#),

<sup>21</sup> [Island Media Arts Cooperative](#),

<sup>22</sup> [Music PEI](#), n.d.

## Innovation PEI

*Innovation PEI* supports 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>23</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>24</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>

## 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>25</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>26</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>27</sup>

<sup>23</sup> [Innovation PEI](#), n.d.

<sup>24</sup> Government of PEI, [Estimates of Revenue and Expenditures 2014-15](#), p. 113.

<sup>25</sup> Government of P.E.I. Innovation PEI. 2013c. [Craft Development Program](#).

<sup>26</sup> Government of P.E.I. Innovation PEI, 2013c. [Craft Education Program](#).

<sup>27</sup> P.E.I. Arts Council, 2012.



## QUÉBEC

Real GDP Growth: 1.5% (2014)

Revenue from Federal Transfers (2015-16): \$ 20.352 billion (\$ 2,465 per capita)

Population: 8,263,600 (2015)

## 2015

## Budget Overview

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

- Quebec Minister of Finance Carlo Leitão tabled his 2015-16 Budget in the National Assembly on March 26, 2015.
- As predicted by the government in the June 2014 Budget, the deficit for 2014-15 was \$2.35 billion deficit. The forecast deficit for 2015-16 was \$ 7.3 billion, but the Minister presented a balanced budget.
- This was achieved only through a radical program of austerity which had most sectors of the province up in arms: from 2013-2014 to 2014-2015, consolidated spending growth was reduced from 5.1% to 2.3%; for 2015-2016, it will be reduced again, to 1.5%.
- In 2015-2016, it is forecast that the debt-to-GDP ratio will start to decline, after rising steadily since 2009. The Quebec government is maintaining its debt reduction objectives, as well as its deposits in the Generations Fund, so as to bring the gross debt-to-GDP ratio eventually down to “only” 45%. (It is currently 54.9 %.)<sup>2</sup>
- The Budget’s assumption is that the province’s economic growth rate, which was near 1.5% in 2014, compared to 1.0% in 2013, should accelerate to reach 2.0% in 2015-2016. “Québec exports will be stimulated primarily by the strong U.S. economy and the depreciation of the Canadian dollar, while lower oil prices will sustain domestic demand.”
- The protest from various sectors of society affected by the austerity measures – notably but not exclusively in the public sector - have been going on for months.

### **Spending priorities and highlights**

The budget is accompanied by an Economic Plan, which rests on two pillars:

- strengthening the conditions for economic growth by easing the tax load and stimulating investment and employment;
- taking the measures necessary to maintain the results achieved with respect to public finances so that the financial soundness regained is not lost.

### **Highlights of the Budget were:**

- Giving priority to Health and Education, but with modest increases of 1.4% and 0.2% respectively.
- Gradual elimination of the health contribution as of January 2017: a \$744-million reduction in the tax burden for 4.5 million taxpayers.

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<sup>1</sup> [Budget Speech 2015-2016](#), Quebec Minister of Finance Carlo Leitão, March 26, 2015.

<sup>2</sup> [How is the importance of debt measured?](#) Quebec Ministry of Finance.

- Fostering labour market participation through:
  - Introduction of a tax shield starting on January 1, 2016 to encourage additional effort at work;
  - Enhancement of the tax credit for experienced workers as of 2016;
  - A better match between training and jobs;
  - Reduction in the administrative burden of businesses;
  - Implementation of the *Objectif emploi* program;
  - Enhancement of the workplace apprenticeship program.
- New initiatives for communities:
  - \$3 million for a program to assist seniors in paying municipal taxes;
  - \$4.4 million over three years for an action plan to fight bullying;
  - \$284 million to improve the housing conditions of the disadvantaged;
  - Strengthening the contribution of immigrants to the labour market;
  - \$27 million over five years for implementing a new action plan for the social economy.
- Gradual reduction in corporate taxes as of January 2017: a reduction of up to \$215 million per year in the tax burden by 2020.
- Making the tax system more favourable to investment through:
  - Gradual reduction of the general corporate tax rate from 11.9% to 11.5%;
  - Reduction of the tax burden of small and medium businesses (SMBs):
    - Reduction of the Health Services Fund contribution rate from 2.7% to 2.25% in the service sector;
    - Reduction, from 8% to 4%, of the tax rate for SMBs in the primary sector, including forestry, fishing and agriculture.
- Investing \$ 1.5 billion in the development of a maritime strategy and \$88.4 billion over the next 10 years for the Quebec Infrastructure Plan.

## Impacts on the Cultural Sector

**Contextual note:** Quebec's culture GDP was \$10.9 billion, contributing 3.5% to the Quebec economy in 2010. As a share of Canada's culture GDP, it was the second largest in the country at 22.8%. Culture jobs totaled 153,155, accounting for 3.9% of total jobs in the province. Quebec's culture GDP was driven primarily by three domains: Audio-visual and interactive media (\$3.5 billion) followed by Written and published works (\$2.5 billion) and Visual and applied arts (\$1.9 billion). They accounted for 72.8% of culture GDP in the province.<sup>3</sup>

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<sup>3</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015.

- The 2015-16 Quebec budget was a mixed blessing for the cultural sector, with some winners and a number of notable losers, as the overall budget of the Ministry got a mere +0.7% increase in its appropriations.<sup>4</sup>.
- From the cultural perspective, the highlight of Budget 2015-16 were some important corrections to the measures imposed on the cultural sector in 2014-15, specifically regarding tax credits, which had caused uproar in the cultural sector, particularly in the audio-visual community. Already in his fall update on the Québec's economic and financial situation, Minister Leitaõ had 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 was going to be in effect until January 1, 2017.<sup>5</sup> In the 2015-16 Budget, the government announced:
  - A raise of the rates of the tax credit for Québec film and television production from 28% to 32%. This measure will also apply to co-productions<sup>6</sup>.
  - For the video game industry, which employs some 8,000 people, the tax credit goes from 30 to 37.5%, with a limit of \$ 37,500.
  - In addition, the government raised or brought back to 35% the rates of:
    - the tax credit for book publishing;
    - the tax credit for the production of performances;
    - the tax credit for sound recording production;
    - the tax credit for film dubbing; and
    - the tax credit for the production of multimedia environments or events staged outside Québec.
- The Conseil des arts et des lettres du Québec (CALQ) appeared at first blush to be the great winner when it was announced that its budget would increase by nine million dollars (+9.2%), a boost that had been the object of representations from artistic milieu for a number of years. But this increase is entirely due to a transfer of responsibility from Loto-Quebec to the Ministry for the subsidy to the Montreal Symphony Orchestra. And in a surprise move, the government announced on June 23, on the eve of Quebec's Fête nationale that it was clawing back \$ 2.5 million of the budget announced in the March budget.
- According to information provided later by the CALQ<sup>7</sup>, the cuts will be implemented in the following manner:

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<sup>4</sup> The reported and often quoted increase of 2.8% in the portfolio budget was based on the difference between the 2015-16 **expenditures** and probable expenditures for 2014-15 (see page 17 of the [Expenditure Budget 2015-16: Rigour and Responsibilities](#)). Our calculations are based on the difference between **appropriations** in 2014-15 and 2015-16. Probable expenditures for 2014-15 are about \$16 million lower than the appropriations in the Budget for that year, while the expenditure budget for 2015-16 is some \$2 million less than the appropriations for 2015-16.

<sup>5</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).

<sup>6</sup> [Tax Credits for Québec Film Productions](#), Press Release, Revenu Québec, June 17, 2015.

- The suspension of the Coproduction Support for Performing Arts and Multidisciplinary Arts, which represents a \$700,000 cut; this means artistic companies will have limited access to important investments from foreign producers.
  - A second \$700,000 cut will be the result of the natural attrition of operational support provided to organizations.
  - Over half a million will also be cut from support to service organizations as well as national associations. The government has justified this cut as necessary to consolidate administration.
  - A second half a million dollars will be taken from other programs that benefit artists.
- An additional \$24 million will be allocated over the next two years to the Ministère de la Culture et des Communications, to:
    - augment the support provided to government corporations in the cultural sector, including the Conservatoire de musique et d'art dramatique du Québec (+4% this year, i.e. + \$1.15 million);
    - support cultural development agreements in all regions of Québec.
  - A total of \$36 million will be earmarked as part of the Quebec digital strategy for culture<sup>8</sup>, to be divided into 10 separate envelopes to cover the various artistic and heritage sectors.<sup>9</sup>
  - Provincial museums saw their envelope increased by over \$2 million (+3.2%), but despite this increase, their budget remains lower in nominal dollars than what it was in 2012-13.
  - The Sociétés of Place des Arts de Montréal and of the Grand Théâtre de Québec got a similar 3% increase (+\$680.900).
  - On the other hand, some organizations and programs saw significant cutbacks:
    - Télé-Québec was the hardest hit with a decrease of 5.3% of its appropriation (- \$3.35 million);
    - Bibliothèque et Archives nationales lost \$3.2 million (-4%);
    - The Charter of the French Language was cut \$314.500 (-19.8%) and the Office Québécois de la Langue française \$97,500 (-7.6%).

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<sup>7</sup> Conseil québécois du théâtre, [“Funding cuts in the Arts: Towards a “Plan Mort” for Arts and Culture?”](#), press release, June 29, 2015 (accessed November 17, 2015).

<sup>8</sup> [Pour occuper l'espace numérique – Stratégie culturelle numérique du Québec](#), March 2014.

<sup>9</sup> Magazine des actualités – Fondation littéraire Fleur de Lys, [Tableau des mesures et des investissements par secteur, pour les années financières 20-14-15 et 2015-16](#), posted February 12, 2015.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** As usual in Quebec, there was a flood of reactions and articles over the months following the budget. While there were initial positive reactions to the 2015-16 Quebec Budget, comments and reactions were quite negative when it was announced out of the blue in June that the budget of the Conseil des arts et des lettres du Québec (CALQ) was going to be cut back by \$2.5 million. On the other hand, Museums, which had complained about insufficient funding, were happy to see in October an increase in special funding. Surprisingly, cuts to Télé-Québec, National Library and Archives and the Charter of French language did not provoke much noise. We have limited ourselves to a broad sample of reactions.

Ici.Radio-Canada.ca, [« Le deuxième budget Leitaô : Le milieu de la culture accueille plutôt favorablement le budget »](#), March 26, 2015 (Accessed November 16, 2015).

- The President of Union des artistes (UDA) underlined the fact that the budget for the Ministère de la culture et des communications is one of the few with an increase this year (+2.8%). Sophie Prigent welcomed the fact that the government is correcting some of the unfortunate decisions included in the 2014-15 budget (notably by increasing tax credits for cultural industries).
- The Bureau du cinéma et de la télévision du Québec (BCTQ) considered that the budget « apporte de l'oxygène et offre le cadre nécessaire à l'amélioration des conditions de développement et de croissance de l'ensemble de la filière audiovisuelle du Québec. »  
The BCTQ was particularly happy with the increase in tax credits for film and television productions, dubbing and the production of multimedia events presented outside of Quebec.

Culture Montréal, [« Un budget du Québec 2015-2016 sous le signe de la stabilité pour le milieu culturel »](#), Press Release, March 26, 2015 (accessed November 16, 2015).

- Culture Montréal welcomed the provincial budget as providing stability to the Quebec cultural sector and underlined the fact that the slight increase to the budget of the Ministry of Culture and Communications is the result of additional credits for the Montreal Symphony Orchestra, which was previously subsidized directly through Loto Québec.
- The press release underlined the fact that while artists and creators will see their support maintained, organisations and Crown Corporations were all called upon to contribute to the reductions in operating costs and salary envelopes.
- Culture Montréal noted that the Commission charged with reviewing Quebec's fiscal regime concluded that the fiscal benefits derived from tax credits for cultural enterprises far outpaced the costs and that the government decided to reinstate them after having cut them in its preceding budget.
- Culture Montréal also rejoiced that the government had invested \$ 3 million in the integration of immigrants into the work force via the Interconnection Program of the Chamber of Commerce of Metropolitan Montreal and urged cultural organizations to take advantage of the program.



Hugo Pilon-Larose, « [Le budget alloué à la culture augmente](#) », La Presse, March 26, 2015 (accessed November 16, 2015).

- The article reported that the Union des artistes (UDA) had welcomed the 2.8% increase of the budget dedicated to culture. UDA was particularly happy that tax credits with a total value of \$ 85 million had been reinstated after the reductions included in the 2014-15 budget.
- The Official Opposition critic Véronique Hivon stated that it is somewhat ironic that the government should boast about the tax credits when they were just correcting a terrible mistake they had made last year.

Mouvement pour les arts et les lettres, «[Budget du Québec 2015-16 : Statu quo pour le CALQ](#) », press release, March 26, 2015 (accessed November 16, 2015).

- The MAL notes that despite appearances, the budget of the Conseil des arts et des lettres du Québec is stable, the increase of \$ 8.9 M being due to the fact that the CALQ will now be giving that amount to the Montreal Symphony Orchestra, which used to get it directly from Loto-Québec.
- The organization however expressed relief that contrary to persistent rumours, the budget of the Conseil had not been cut.
- The press release also expressed concerns that there were no measures to re-establish the coordination structures between the CALQ and regional cultural milieus, thus maintaining a climate of uncertainty relative to the sums dedicated to regional cultural institutions.
- Finally, the MAL acknowledged that the most important aspect of the budget concerns the reestablishment of tax credit for cultural industries.

CTV News, «[Quebec announces a balanced budget, with no new taxes](#)», March 26, 2015 (accessed November 16, 2015).

- In an overview of the budget, the report points to the fact that as part of administrative rationalisation and savings, the Régie du cinéma will henceforth report through the Ministry of Culture and Communications.

Stéphane Baillargeon, « [Retour surprise des crédits d'impôts](#) », Le Devoir, 27 mars 2015 (accessed November 17, 2015).

- The article reports that both the Union des artistes (UDA) and the Association of Quebec Media Producers (AQPM) welcomed the decision of the government to reinstate at their previous levels the tax credits that has been reduced in the 2014-15 budget and which they estimate at \$ 85 million.
- The Ministry has avoided the austerity measures characteristic of the government's general approach and has seen its budget increase by 2.8%.
- The government will also dedicate \$12 million dollars over two years to strengthen the book industry.
- Télé-Québec will lose \$ 3.8 million.

Presse canadienne, « [Budget 2015: Québec diminuera le fardeau fiscal des entreprises...dans deux ans](#) », March 26, 2015 (accessed November 17, 2015).

- The 2015 budget announces a reduction of corporate taxes from 11.9% to 11.5 %, but the gradual decrease will kick in only on January 1, 2017.
- Similarly, small and medium enterprises will see a reduction of their contribution to health services from 2.7% to 2.25%, also effective on January 1, 2017.
- The article underlines the reinstatement to previous levels of the tax credits for cultural industries that had been scaled down in 2014.
- Also, the video game industry, which employs some 8,000 people, sees its tax credit go from 30 to 37.5 %, with a maximum of \$ 37, 500.

Katie Bailey, "[Quebec boosts local film and TV tax credits](#)", Dorval Films, March 27, 2015; also in Playback, same date. (accessed November 17, 2015).

- "There was good news in Quebec's provincial budget for both domestic and foreign producers on Thursday, easing industry concerns about a possible rollback to the labour portion of the province's film and TV tax credit. The government increased the credit for local productions and locally based co-productions from 28% to 32% and increased the tax credit rate for sound recording, film dubbing and the production of multimedia environments or events staged outside Quebec to 35%."
- "Equally as significant for the province's film and TV industry is that the province's 20% all-spend, no-cap tax credit for production services remains unchanged. In a report last week, the provincially appointed Godbout Commission recommended a \$100,000 salary ceiling for labour incentives".
- The General Manager of the Québec Film and Television Council (QFTC) Pierre Moreau is reported as saying "The QFTC called the government's decision to disregard the Godbout report's recommendations a "wise and lucid decision indeed." However, the QFTC took the opportunity to point out that the 5% rollback of its provincial tax credit, applicable to foreign productions, makes the province less competitive against its neighbour, Ontario, which has so far maintained its overall film and TV tax credit at 25%.

ACTRA Montreal, "[ACTRA grades the 2015-16 Quebec Budget](#)", March 2015 (accessed November 17, 2015).

- ACTRA reviewed the recommendations it had made in October 2014 to the Godbout Commission tasked with reviewing the Quebec fiscal system. Through its Quebec lobbying coalition, the English-language Production Council (QEPC), ACTRA had argued that the cuts made in 2014 to the tax credits for cultural industries would result in a lot of production fleeing the province.
- ACTRA was happy that the government in its budget did not follow all the Commission's recommendations and recognized that the audiovisual sector is important not only to the Quebec economy but also to the society.
- ACTRA graded the various aspects of the budget as follows:
  - Tax credit for video games: **B<sup>+</sup>**
  - Domestic film and TV production: "The Budget raises the base provincial tax credit rate by 4%; from 28% to 32% for English productions. This is still below the base rate before the 2014 cuts. A positive measure is a new production category for "foreign format" productions which will not get as high a rate as original productions. Eligible foreign co-productions will get the higher base rates (32%). Grade: **B**
  - Service production: ACTRA regretted that the government had maintained the tax credit cut imposed in 2014, under the pretext that the province remains

competitive. ACTRA disagreed, pointing out that “The effective tax rate is now 29% for Quebec, 33% for Ontario, and 27% for BC.” Grade: **C**

- Dubbing: “The 2015-16 budget restores entirely the pre-2014 cuts to the tax credit in this sector; going from 28% back to 35% – which is exactly what we asked for.” Grade: **A**

Christine Dobby and Nicolas van Praet, [“Quebec plans to order ISPs to block unlicensed gambling sites”](#), Globe and Mail, March 27, 2015 (accessed November 17, 2015).

- The article underlined the fact that in the Budget, the province said it plans to propose new legislation that would compel Internet service providers (ISPs) to block access to a list of gambling websites drawn up by Loto-Québec.
- Minister Leitão acknowledged that jurisdiction was a grey area, noting that while the federal government has control over the telecom industry, Quebec has jurisdiction over other related areas. He said that’s something that needs to be examined with federal officials.
- University of Ottawa law professor Michael Geist is reported as saying that the move is a “remarkable and possibly illegal plan as the government seeks to censor the Internet for its own commercial gain.” He predicted Quebec could face a legal challenge on the grounds of free speech as well as jurisdiction. He noted that telecommunications regulation is the federal government’s purview, though Quebec might assert this falls under consumer protection or gambling.
- The province’s main Internet Service providers have refused to comment for the time being.
- The Quebec budget also contains a recommendation that the government study the possibility of “levying a tax on residential Internet services in order to support the cultural sector.”

Michael Geist, [“Quebec takes on the Internet: Government announces plans to require Website blocking & studies new Internet access tax”](#), March 27, 2015 (accessed November 17, 2015).

- The author, a law professor at the University of Ottawa, denounced the fact that in its 2015 Budget, the Quebec government indicates it is moving forward with plans to study a new tax on residential Internet services in order to provide support for the cultural sector, as recommended by the [Quebec Taxation Review Committee](#) and that the government will be introducing a new law requiring ISPs to block access to online gambling sites, the list of blocked sites to be developed by Loto-Quebec, a government agency.
- According to Geist, “This is a remarkable and possibly illegal plan as the government seeks to censor the Internet for its own commercial gain. The plan would likely face a legal challenge, both on free speech and jurisdictional grounds, since the [telecommunication regulations](#) fall within federal jurisdiction.”
- In conclusion, Geist warned that “once blocking gaming and gambling sites is established, it is easy to envision the government requiring blocking of sites that are alleged to infringe copyright or blocking e-commerce sites that are not bilingual or do not pay provincial taxes.”

Société des Musées du Québec, [« L’impact du budget du Québec sur les institutions muséales »](#), April 14, 2015 (accessed November 17, 2015).

- Having requested clarifications from the Ministry of Culture and Communications concerning the March 26 budget, the SMQ said that for the current year, the level of assistance to the provinces museums would remain at \$ 17.5 million and those institutions that were eligible for assistance in 2014-15 would receive the same amounts in 2015-16.
- The SMQ stated that to date, it had not received any answer from the Minister concerning its request that an emergency fund of \$ 3 million be made available to help some museums in dire need.
- SMQ deplored that nobody had been consulted about the fact that support for 14 visual arts exhibition centres would be moved from the Ministry to the Conseil des arts et des lettres. It further expressed concerns about confirmed information to the effect that the responsibility for museums with a scientific vocation would be transferred from the Ministry of Culture to other ministries.
- The SMQ denounced the fact that public museums will see their operating budgets cut by 5 %.
- The SMQ reported that the Digital Plan for Culture, the Fonds du patrimoine culturel and the program Mécénat Placements culturels were maintained at their current levels.
- In conclusion, the SMQ says that « Alors que la situation financière est de plus en plus préoccupante, s'ajoute la grande inquiétude face au risque de fragmentation du réseau. Nous ne pouvons que constater que le MCC travaille toujours portes closes, tout comme s'il était investi d'une vision prévalant à l'écoute même du milieu muséal. Plus que jamais, il nous faudra prendre la parole, exprimer notre désaccord et faire valoir les réels besoins du réseau muséal québécois. »

Ici Radio-Canada.ca, « [Des musées québécois dénoncent l'iniquité du financement](#) », April 14, 2015 (accessed November 17, 2015).

- The Coalition des Musées reconnus-non soutenus du Québec called once again for access to the Ministry of Culture's program supporting museums operations (PAFIM), stating that this has been its request for fifteen years: « L'enveloppe du PAFIM est fermée et réservée aux institutions reconnues avant 2000 alors que celles reconnues en 2001 sont encore les grandes oubliées du ministère ».
- The coalition of 31 recognized museums concluded that « l'inaction » du ministère de la Culture a des « conséquences graves ». Parmi celles-ci figurent « la suppression d'emploi, la réduction des activités et même, pour certains, la fermeture ».

Ici.Radio-Canada.ca, [Québec ampute le budget du Conseil des arts et des lettres de 2.5 millions](#), 23 juin 2015 (accessed November 16, 2015).

- The Minister announced that there would be a cut of \$2.5 million to the budget of the CALQ but that this would not affect artists and creators, the cuts being concentrated on the administrative side, which would however affect cultural organizations.
- The Mouvement des arts et des lettres (MAL) denounced this measure which it described as a devious announcement, months after the budget.
- L'Union des écrivain(e)s du Québec expressed surprise and shock, stating that they had not expected that operating support to arts organizations would be cut and that this could only result in a diminution of services to their members.

Voir, « [Le budget du Conseil des arts amputé de 2,5 millions : une coupe sans précédent](#) », June 23, 2015. Also republished on the same day by the website [Language and Dissent](#). (accessed November 17, 2015).

- The Minister of Culture unexpectedly announced a cut of \$ 2,5 M to the budget of the CALQ, without providing any details as to the impacts : « Le montant est énorme et il risque donc d'affecter les programmes de base du Conseil des arts et de lettres: ceux dédiés à l'octroi de subventions à différents organismes artistiques mais aussi, n'a pas exclu la ministre, les enveloppes des autres sociétés d'état ayant une mission culturelle et même les fonds directs du Ministère de la Culture et des Communications. La hache sera également sans doute mise dans le financement des nouvelles initiatives dans le cadre de la stratégie culturelle numérique. Mais la Ministre n'a pas détaillé le portrait global. »
- The first organisation to react was the MAL : « Cette coupe dans les crédits du CALQ, dit-il, est un événement historique: elle frappe dur et vise pour la première fois les programmes de base.»

99% Média, [“The Government of Quebec requires a cut without precedent from the Council of arts and lettres du Québec”](#), posted June 23, 2015 (accessed November 17, 2015).

- The Movement for the arts and letters expressed shock after the Minister of Culture and Communications, Hélène David, ordered a surprise \$ 2.5 million cut in the Council budget Arts and Letters (CALQ). The Movement immediately requested a meeting with the minister.
- According to MAL spokesman Stanley Péan, "This cut in appropriations to CALQ is historic: it hits hard and affects for the first time the basic programs. It contrasts with the Minister said about in the last budget, ensuring that credits of his ministry and the CALQ were preserved. This is clearly a turnaround. "
- The article goes on to say that the cut occurred while a recent study from the Board of Trade of Metropolitan Montreal shows that the creative heart, the cultural foundation of any enterprise, is worse off than it was five years ago with artists, performers and writers average income of only \$23,500 (compared to \$ 43,500 on average for the entire cultural sector), an amount which fell by 4% between 2008 and 2013.
- The Movement sees this cut as additional evidence of chronic underfunding at CALQ which it has denounced for years. The Movement believes that CALQ needs at least \$ 135 million for its own core programs.
- The method used was also denounced. The axe fell on 23 June, several months after the adoption of the budget and the business of supply in the parliamentary committee. "There's something shifty both in the fact that the cuts occurred and in the timing of the announcement," said Mr. Péan.
- The Movement was also recently informed of cuts affecting the regional councils for culture.

Conseil Québécois du théâtre, [“Funding cuts in the Arts: Towards a “Plan Mort” for Arts and Culture?”](#), press release, June 29, 2015 (accessed November 17, 2015).

- In a vigorous attack on the Couillard government, the CQT denounced the “unprecedented” cuts to the CALQ: “These cuts to base programs, announced without warning several months after the last budget, will have as much an impact on artists and cultural workers as on the service organizations and the national associations that support them and offer them those services and those spaces essential to democratic life... These cuts, like the many others that have occurred in the past year, are part of a larger plan, led by the Couillard government, towards economic austerity and collective



impoverishment and which is nothing less than an attack on the social fabric of Quebec. Artists and cultural workers, whose working conditions are already precarious, will find themselves even further disadvantaged.”

- THE CQT went on to say that “We also denounce the fallacious argument which attempts to downplay the \$2.5M cut by declaring that the CALQ received an increase in the previous governmental budget, approved in April 2015. It is true that the CALQ budget received an \$11M increase going from \$95M to \$106M. This increase is partly attributable to funds moved following the addition of the responsibility of the Montreal Symphony Orchestra. The rest was attributable to funds allocated specifically to the new strategy for digital media in culture. These additional, already dedicated funds, therefore, did not apply to the basic programs, most of whose funding has stagnated for nearly 10 years.”
- It added that “These cuts are a direct blow to the support of professional artists. They add themselves to other cuts that are just as harmful across our domain: budgetary cuts in the *Conseils régionaux de la culture*, the abolishment of the *Conférence régionale des élus*, and the weakening of the *Centres locaux de développement* all of which are organizations that support the arts and culture in the entire province of Quebec. (...)All of this in a milieu that, lest we forget, has been living in a climate of austerity since the turn of the millennium, when budget allocations were frozen. These cuts will have a devastating effect in a ministry whose entire budget is less than 1% of that of the State.”
- With regard to the rationale behind the reduction, it stated that “The government has justified this cut with the necessity to condense administration; which is absurd since these organizations all rely on the work of very small teams who themselves count on the volunteer help of artists and other cultural workers to accomplish their goals. These organizations support artistic productions, offer irreplaceable services to artists and are an essential space for democracy in artistic and community life.”
- Additionally, the positions of cultural representatives in missions across Québec and abroad, essential resources in the development of markets and the promotion of Québec culture internationally, have been abolished. “The government is therefore deliberately choosing to restrict access to foreign funding and limiting the positive outcomes derived from artistic successes abroad” the CQT concluded.
- These cuts will have a devastating effect in a ministry whose entire budget is less than 1% of that of the State.
- The CQT concluded by demanding that the government reinstate the money that was cut.

TVA Nouvelles, [«Les coupes de 2,5 M\\$ vont faire mal aux artistes »](#), June 24, 2015 (accessed November 17, 2015).

- The Movement for the arts and letters (MAL) stated that contrary to what the Couillard government is saying, the cuts to the budget of the CALQ will hurt artists.
- The organization estimates that \$ 2 million will come from programs that directly affect artists and creators, including \$700,000 that will come from support to artists’ organizations.
- The remaining \$500,000 will come from programs supporting the operations of national service organizations.

CanadianArt, [News in brief](#), July 3, 2015 (accessed November 17, 2015).

- This news website included a brief item on the CALQ budget cut, reporting that [“Quebec’s Council of Arts and Letters \(QALC\) has announced](#), to widespread upset, that they will cut their budget by \$2.5 million. H       David, minister of culture and

communications, insisted that the cuts will not affect artists, but are instead focused on administrative streamlining. However, numerous arts organizations have taken issue with these claims.”

Stephan La Roche, [« Un choix stratégique »](#), Le Devoir, July 11, 2015 (accessed November 17, 2015).

- In an op-ed, the President and CEO of the Conseil des arts et des lettres du Québec (CALQ) rebuts claims made over the preceding weeks concerning the cuts to his budget. He says that in fact, given the fact that the CALQ has received an extra \$ 3.6 million as part of the Quebec Cultural Digital Strategy, more money than ever before will be available to Quebec artists.
- The author states that the \$2.5 million cut represents only 2.3% of the CALQ budget: « (...) au moment où le gouvernement tout entier fait un effort important pour équilibrer les finances publiques, tous les ministères et organismes sont appelés à contribuer à cet effort collectif. La part du CALQ est de 2,5 millions, ce qui représente 2,3 % de son budget global (107 millions). Les choix gouvernementaux reposent notamment sur l’allègement des structures ; c’est pourquoi une cible transversale a été fixée à l’égard des organismes de regroupement et les structures associatives. »
- Mr. La Roche said that by concentrating the cut on administrative structures, the CALQ has chosen strategically to protect creativity, thus favouring:
  - Direct support to artists and writers ;
  - Support to operations of organizations involved in creation and production (orchestras; theatre, dance and circus companies; artists centres; distribution organizations – including cultural magazines);
  - Budgets dedicated to programs supporting cultural activities in the regions;
  - Programs supporting touring of shows, visual arts exhibition and literature, both within and outside Quebec.

Michel Beauchemin, [« Compressions dans le domaine des arts : L’étranglement de la culture »](#), Le Devoir, 3 novembre 2015 (accessed November 17, 2015).

- In this op-ed, the author, a long-time manager of artists’ organisations, decried the low blow given to artists on the eve of Quebec’s national day, by a government that no doubt hoped that the storm would subside over the summer.
- Those cuts were piled on top of others: 15% cuts in the budgets of regional cultural councils; abolition of committees of regional elected officials charged with managing the culture budgets; abolition of cultural attachés in Quebec foreign offices.
- A cut of \$550,000 affects directly artists’ professional associations of all disciplines recognized by the Status of the Artist legislation. The author draws a parallel with the Harper government which cut support to organizations whose voices it did not want to hear any more.
- To these cuts affecting artists and creators, one must add the impact of the new *Copyright Act* (2012), which privileges consumers over rights-holders, with losses that could reach \$ 160 million a year across the whole country.
- The author concluded that despite discouragement and difficulties, the cultural sector must mobilize to put up a fight in view of the next budget.

Ici Radio-Canada.ca, [« Coup de pouce financier pour les musées »](#), October 1, 2015 (accessed November 17, 2015).

- The Minister of Culture announced at the annual convention of the Société des musées du Québec (SMQ) that the government will dedicate \$12 million over four years to support permanent and special exhibitions and their touring. Another million dollars will supplement the operating needs of museums that have already been recognized but did not get the maximum for which they were eligible.
- The SMQ welcomed the additional news that as of 2016-17, ten new recognized museums will have access to the operating assistance program which, the Minister said, would hopefully be increased.

Confédération des syndicats nationaux, [« Budget des musées – Le Gouvernement du Québec admet enfin le sous-financement du réseau muséal »](#), press release October 1, 2015 (accessed November 17, 2015).

- The Fédération nationale des communications (FNC-CSN) welcomed the news that the Quebec government had finally recognized the underfunding of museums in the province but said that a lot more money is needed, which should be indexed each year.
- « Les 13 millions sur quatre ans annoncés aujourd'hui sont un pas dans la bonne direction car chaque dollar compte, mais on est encore loin des 22,3 millions sur deux ans qui devaient permettre de rattraper le manque à gagner des dix dernières années... La somme annoncée aujourd'hui ne règle pas les problèmes structuraux des musées car à peine 1 million de dollars servira à l'aide au fonctionnement pour quelques musées régionaux. »
- The FNC-CSN has launched a campaign on social media called "Lets preserve our museums".

Michael Geist, ["Quebec is getting ready to block websites it does not like"](#), The Tyee, June 30, 2015 (accessed November 17, 2015).

- In this article, Geist stated that "Canadians have generally been spared website blocking initiatives due in part to the *Telecommunications Act*, which prohibits carriers from controlling "the content or influence the meaning or purpose of telecommunications carried by it for the public." That rule means that Internet providers are effectively prohibited from unilaterally blocking content".
- He then pointed out that the March 2015 Quebec Budget states that: "*A legislative amendment will be proposed to introduce an illegal website filtering measure. In accordance with this measure, Internet service providers will not be allowed to provide access to an online gaming and gambling website whose name is on a list of websites that are to be blocked, drawn up by Loto-Québec*".
- Geist says that the province is ignoring the recent recommendations of a working group on on-line gambling. He urged consumer groups to protest because, according to him, "Once blocking Internet content is established, it is easy to envision governments moving down a slippery slope, requiring the blocking of sites that are alleged to infringe copyright or blocking e-commerce sites that are not bilingual or do not pay provincial taxes. If that happened, the open Internet in Canada would be placed at risk of unprecedented government intervention into how Internet providers manage their networks and what sites Canadians are able to access."



## Government of Quebec 2015-16 Budget

### Main Estimates<sup>10</sup>

<b>Program Spending</b> (In thousands of dollars)	<b>Estimate 2015-16</b>	<b>Estimate 2014-15<sup>11</sup></b>	<b>Estimate 2013-14</b>	<b>Estimate 2012-13</b>
<b>Ministry</b>				
<b>National Assembly</b>	128,252.1	126,745.5	121,746.8	119,128.2
<b>Persons Appointed by the National Assembly</b>	90,778.0	131,284.0	131,126.5	156,699.7
<b>Municipal Affairs and Regions</b>	1,743,269.4	1,834,168.7	1,632,039.9	1,545,550.0
<b>Agriculture, Fisheries and Food</b>	881,695.1	924,425.1	1,050,798.6	1,067,235.9
<b>Treasury and Governmental Administration</b>	1,209,693.1	766,237.8 <sup>10</sup>	705,458.5 <sup>10</sup>	826,416.8 <sup>10</sup>
<b>Executive Council of Quebec</b>	404,731.5	407,543.3	370,312.8 <sup>10</sup>	578,403.3
<b>Culture and Communication</b>	670,531.6	652,410.5	662,496.5	618,145.8
<b>Sustainable Development, Environment, Wildlife and Parks</b>	148,457.0	153,364.9	194,957.6	266,787.7
<b>Economy, Innovation and Export<sup>12</sup></b>	589,999.8	581,876.5	619,187.1	
<b>Education, higher learning and research<sup>13</sup></b>	16,926,608.7	16,896,121.2	10,402,003.2	4,346,546.1
<b>Energy and Natural Resources<sup>14</sup></b>	74,982.1	78,974.8	88,426.4	519,970.4
<b>Higher Learning, Research, Science and Technology</b>	-	6,433,672.6	6,195,041.7	6,215,286.6
<b>Families</b>	2,516,840.6	2,604,010.4	2,524,679.4	2,397,082.0
<b>Finances<sup>15</sup></b>	146,933.6	134,284.7	86,642.2 <sup>10</sup>	771,738.0
<b>Forestry, Fauna and Parks</b>	449,804.0	450,320.9	456,792.9	
<b>Immigration, Diversity and Inclusion<sup>16</sup></b>	283,884.1	168,049.9 <sup>10</sup>	166,270.4 <sup>10</sup>	193,365.8 <sup>10</sup>
<b>Justice</b>	873,939.9	842,217.5	867,017.9	805,141.1

<sup>10</sup> [Expenditure Budget 2015-16: Rigour and Responsibilities](#), p. 17, Quebec Government, March 26, 2015.

<sup>11</sup> Nearly all figures have been changed in the 2015-16 documents from the estimates that were provided in 2014-15. This adjustment can likely be attributed to the change in government

<sup>12</sup> These portfolios contain one or more provisions allowing transfers of appropriations to other portfolios and the expenditures recorded therein take into account such transfers.

<sup>13</sup> In 2014-15 was called Education, Recreation and Sport.

<sup>14</sup> In 2012-13 was called Natural Resources.

<sup>15</sup> In 2015-16 was called Finance and Economy (excluding debt service)

<sup>16</sup> In 2012-13 was called Immigration and Cultural Communities.

<b>Program Spending</b> (In thousands of dollars)	<b>Estimate 2015-16</b>	<b>Estimate 2014-15<sup>11</sup></b>	<b>Estimate 2013-14</b>	<b>Estimate 2012-13</b>
<b>Ministry</b>				
<b>International Relations and Francophonie</b>	94,673.8	94,673.8	104,782.7	141,219.1
<b>Health and Social Services</b>	32,850,690.5	32,389,806.9	31,412,570.3	30,219,232.6
<b>Public Security</b>	1,326,146.9	1,326,225.2	1,333,262.5	1,231,104.3
<b>Tourism</b>	123,487.8	123,568.2	130,828.5	-
<b>Transportation</b>	656,185.4	661,908.8	707,443.9	719,391.2
<b>Labour, employment and social solidarity</b>	4,268,415.0	4,384,955.0	94,494.3	31,103.9
<b>Productivity Gains, Operations and Subsidies<sup>17</sup></b>		(305,000.0)	-	
<b>Reserve for Lac-Mégantic<sup>18</sup></b>		-	128,435.0	
<b>Savings to be Achieved by Subsidized Consolidated Entities</b>			(100,000.0) <sup>19</sup>	
<b>Anticipated Lapsed Appropriations</b>			(200,000.0) <sup>19</sup>	(150,000.0)
<b>Program Spending</b>	66,460,000.0	65,704,000.0	64,518,000.0	62,642,000.0
<b>Debt Service</b>	8,330,716.7	8,163,716.7	8,442,756.8	7,916,729.8
<b>Total Budget Expenditures</b>	74,790,716.7	73,867,716.7	72,960,756.8	70,558,729.8

<sup>17</sup> Cost-saving measures announced on April 24, 2014.

<sup>18</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>19</sup> From the first 2013-14 budget. (In 2012 there were two Budgets as a result of a change in government.)

**Government of Quebec**  
**Ministry of Culture and Communications**

**2015-16 Estimates<sup>20</sup>**

(\$'000)	2015-16 Appropriations	Difference in dollars and percentage	2014-15 Appropriations	2013-14 Appropriations	2012-13 Appropriations
<b>Program 1</b>					
Internal management	53,743.4	-4,368.5 -7.5%	58,111.9	60,594.3	56,175.1
Centre de conservation du Québec	2,314.7	-100 -4.1%	2,414.7	2,414.7	2,429.6
Conseil du Patrimoine cultures du Québec	564.0	-25.5 -4.3%	589.5	589.5	598.9
<b>SUBTOTAL</b>	<b>56,622.1</b>	<b>-4,494 -7.4%</b>	<b>61,116.1</b>	<b>63,598.5</b>	<b>59,203.6</b>
<b>Program 2</b>					
Support for Culture, Communications and Government Corporations					
Support for cultural action and communications	163,205.7	+2,463.7 +1.5%	160,742.0	161,483.3	166,031.0
Provincial Museums	67,306.2	+2,087.2 +3.2%	65,219.0	67,127.3	68,785.3
Société de la Place des Arts de Montréal and Société du Grand Théâtre de Québec <sup>21</sup>	22,964.7	+680.9 +3%	22,283.8	19,993.4	18,138.4
SODEC	63,512.8	+1,220.6 +2%	62,292.2	68,265.4	62,569.3
Télé-Québec	59,644.4	-3,347.7 -5.3%	62,992.1	59,760.8	58,463.5
Conseil des arts et des lettres du Québec	106,877.3	+9,041.6 +9.2%	97,835.7	87,818.8	86,574.2
Bibliothèque et Archives nationales	75,181.2	-3,199.4 -4%	78,380.6	78,464.2	76,683.0

<sup>20</sup> [Expenditure Budget 2015-16: Rigour and Responsibilities](#), pp. 67-73, Quebec Government, March 26, 2015.

<sup>21</sup> In 2014-15 was called Place des arts & Québec Grand Théâtre

(\$'000)	2015-16 Appropriations	Difference in dollars and percentage	2014-15 Appropriations	2013-14 Appropriations	2012-13 Appropriations
Conservatoire de musique et d'art dramatique	30,131.5	+1,153.7 4%	28,977.8	29,160.2	29,335.2
<b>SUBTOTAL</b>	<b>588,823.8</b>	<b>+10,100.6 +1.7%</b>	<b>578,723.2</b>	<b>572,073.4</b>	<b>566,579.9</b>
<b>Program 3</b> <b>Charter of the French Language<sup>22</sup></b>					
Language Policy Coordination	1,273.5	-314.5 -19.8%	1,588.0	1,688.6	1,690.7
Office Québécois de la langue française	23,904.0	-439 -1.8%	24,368.0	24,718.3	23,334.1
Conseil supérieur de la langue français	1,173.2	-97.5 -7.6%	1,275.7	1,400.7	1,446.1
Provision to increase, with the approval of the Conseil du Trésor, any appropriation to undertake activities to promote the French language <sup>23</sup>	989.4	-8.6 -0.9%	998.0	1,148.0	1,355.7
<b>SUBTOTAL</b>	<b>27,340.1</b>	<b>-889.6 -3.2%</b>	<b>28,229.7</b>	<b>28,955.6</b>	<b>27,826.6</b>
<b>PORTFOLIO TOTAL</b>	<b>672,786.0</b>	<b>+4,717.0 +0.7%<sup>24</sup></b>	<b>668,069.0</b>	<b>664,627.5</b>	<b>625,783.5</b>

<sup>22</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>23</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.

<sup>24</sup> The reported increase of 2.8% in the portfolio budget was based on the difference between the 2015-16 **expenditures** and probable expenditures for 2014-15 (see page 17 of the [Expenditure Budget 2015-16: Rigour and Responsibilities](#)). Our calculations are based on the difference between **appropriations** in 2014-15 and 2015-16. Probable expenditures for 2014-15 are about \$16 million lower than the appropriations in the Budget for that year, while the expenditure budget for 2015-16 is some \$2 million less than the appropriations for 2015-16.

## Quebec Ministry of Culture and Communications

Organizations and public agencies in the portfolio of the Quebec 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 \(Télé-Québec\)](#)
- [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](#),

## Quebec 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 Quebec'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 Quebec's cultural identity and vectors for the diversity of its cultural expressions. Support cultural creation, production, and presentation throughout Quebec, protecting freedom of expression and encouraging all social actors to take responsibility for the sustainable development of Quebec's cultural sector.
3. Ensure that French, as Quebec's official language, remains the common language of public life for Quebecers of all origins, in a manner respectful of Quebec'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 Quebec's cultural identity. Promote awareness, protection, transmission, and development of these cultures within their communities and throughout Quebec.
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 Quebecers. Increase opportunities for interaction between Quebec 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 Quebec culture. Create new models of economic support for culture and for promoting patronage. Encourage cultural entrepreneurship in all of its forms. Support Quebec'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: 1.9% (2014)

Revenue from Federal Transfers (2015-16): \$1.486 billion (\$1,312 per capita)

Population: 1,133,600 (2015)

## 2015



## Budget Overview

### **Fiscal and Societal Context**

- Saskatchewan Finance Minister Ken Krawetz tabled the province's 2015-16 Budget on March 18, 2015 in Regina.<sup>1</sup>
- The Budget forecast a razor-thin surplus of \$107 million in 2015-16, with no tax increases and no reduction in revenue sharing with municipalities.
- While the Saskatchewan economy grew by 20.8% between 2009 and 2014 (the second-highest rate of growth among the provinces),<sup>2</sup> this growth rate will likely be slowed by the downturn in oil prices.
- Oil revenues were down \$661 million from the previous year, and the Budget was projecting an average price of only US\$53 a barrel in 2015.<sup>3</sup> However, the Premier has insisted that the province will continue to benefit from a strengthened potash market, a well-performing agricultural sector, and increased exports due to the lower value of the Canadian dollar.<sup>4</sup>
- The public debt is forecast to be \$13.3 billion in 2015-16, an increase from the \$11.7 billion projected in the 2014-15 Budget.
- Overall, government spending will be increased by only 1.2% in 2015-16, with priority given to health, education, and social services, where the increase will be just under 2%. All other areas of government will be held to a 0.6% increase.
- The Budget also announced a four-year, \$5.8 billion infrastructure investment plan, with the bulk of the money earmarked for transportation, municipal infrastructure, school construction and renovation, health facilities, and advanced education investments.

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

- Key priorities in the Budget were:
  - Keeping taxes low
  - Controlling operating spending
  - Investing in infrastructure

<sup>1</sup> [Saskatchewan Provincial Budget: Keeping Saskatchewan Strong](#). Government of Saskatchewan, March 18, 2015.

<sup>2</sup> Province of Saskatchewan, [2015-16 Budget \(Financial Highlights of 2015-16 BUDGET\)](#), March 18, 2015 (accessed August 10, 2015).

<sup>3</sup> Clare Clancy, "[Saskatchewan Budget Highlights Include No New Taxes](#)", *The Canadian Press*, March 18, 2015 (accessed August 10, 2015).

<sup>4</sup> The Canadian Press, "[Brad Wall: Saskatchewan Budget Facing \\$800-Million Shortfall](#)", February 2, 2015 (accessed August 10, 2015).

<sup>5</sup> [Keeping Saskatchewan Strong](#). Government of Saskatchewan News Release, March 18, 2015.

- Incentives for new job creation
  - Balancing the budget.
- As in Budget 2014-15 infrastructure spending featured prominently with over \$3.3 billion in capital investment planned in 2015-16. This is the largest single-year budget for infrastructure in the province's history.
  - While the majority of capital spending went to transportation, municipalities, schools and training and health care, \$14.6 million was allocated to the Ministry of Parks, Culture and Sport for capital projects in provincial parks. These included development or upgrading of campgrounds, construction of new parks service buildings, and improvements to parks roads.<sup>6</sup>
  - Investments in quality of life were also a priority, including increased support for seniors care, increases for child care and postsecondary education budgets, and enhanced support for persons with disabilities.
  - On the other hand, cuts were announced in a number of programs including the removal of high income seniors from eligibility for the Seniors Drug Plan. Changes were also made to the Graduate Retention Program, which provided personal income tax credits that rebated up to \$20,000 in tuition fees, to make the rebate applicable only to taxes payable.

## Impacts on the Cultural Sector

**Contextual Note:** Culture GDP in Saskatchewan was \$854 million in 2010, representing 1.4% of Saskatchewan's economy. There were 12,048 culture jobs in the province, or 2.2% of the total jobs in Saskatchewan. Governance, funding and professional support domain had the largest share of culture GDP in Saskatchewan (\$235 million) followed by Audio-visual and interactive media (\$185 million) and Visual and applied arts (\$164 million). Performing arts, Photography and Multi sub-domains generated 16.3% of culture jobs in Saskatchewan. There were 731 jobs associated with Performing arts, 666 with Multi and 569 with Photography.<sup>7</sup>

- The only explicit reference to culture in the Saskatchewan 2015-16 Budget was with regard to changes in the Active Families Benefit which provides a refundable Personal Income Tax credit to assist families with the cost of registering children in cultural, recreational and sports activities. The tax credit rebates up to \$150 per child per year in eligible registration fees for children under the age of 18. However, starting in the 2015 taxation year, this tax credit will be subject to income-testing, with benefits now only available to families with combined net incomes below \$60,000.<sup>8</sup>
- Another measure that may have a future impact on the cultural industries is the new Manufacturing and Processing Exporter Tax Incentive that will provide tax credits to

<sup>6</sup> Government of Saskatchewan News Release, "[Investments in Provincial Parks Benefit Tourism in Saskatchewan](#)", March 18, 2015 (accessed March 24, 2015).

<sup>7</sup> [Economic importance of culture and sport across Canada](#), Statistics Canada, June 9, 2015.

<sup>8</sup> Government of Saskatchewan, "[Changes to Tax Credits and Program Eligibility Background](#)", March 18, 2015 (accessed March 24, 2015).

exporting corporations that increase the number of full-time employees performing head-office functions. This incentive will apply to all manufacturers, including those developing new economy products such as interactive digital media.

- An important change with regard to cultural funding was the re-profiling of the votes for culture, arts and heritage. Instead of being allocated to culture and heritage separately, the vote was restructured under two new headings: **Community Engagement** and **Resource Stewardship and the Provincial Capital Commission**. As reported in the Restatement Schedule of the Budget, “The restatement consolidates the administration of financial support for art, culture, heritage and sport into Community Engagement. Policy, advisory, regulatory and other services are consolidated in Resource Stewardship and the Provincial Capital Commission.”
- The main impact of this restructuring was to eliminate certain line-items that appeared in previous Budgets, such as “Support for Provincial Arts and Culture Organizations”, the Western Development Museum, and Wanuskewin Heritage Park. These items were transferred to other categories of spending, namely “Support for Provincial Heritage and Culture” (which falls under “Resource Stewardship”) and Heritage Institutions and Saskatchewan Science Centre, which now falls within the “Community Engagement” category.
- Another effect of the restructuring was the transfer of the Saskatchewan Archives Board to the Ministry of Parks, Culture and Sport from the Ministry of Central Services.
- Overall, the allocation for the Ministry of Parks, Culture and Sport was reduced by just over 37%, although a good part of this reduction appeared to be the result of a decrease in capital funding for the new Regina Stadium.
- The Community Engagement budget was reduced by almost 18%, due mainly to the cuts in the Active Families Benefit, the ending of payouts under the Film and Video Employment Tax Credit (eliminated in 2012), and a 70% reduction in the Community Infrastructure Program (formerly the Building Communities Fund).
- Funding remained stable for the Saskatchewan Arts Board, Creative Saskatchewan, heritage institutions, the Saskatchewan Science Centre, and the Saskatchewan Heritage Foundation.
- Community Sport, Culture and Recreation Programs, a new category of spending, received a 16% increase.
- The Resource Stewardship and Provincial Capital Commission budget had a small increase of 0.5%. Within this category the largest increase – 9.5% -- went to the Provincial Capital Commission and Government House.
- The Saskatchewan Archives Board received a 2.5% budget increase, but all other heritage agencies, including the Royal Saskatchewan Museum, received no or very small increases.

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *Reaction to the Budget within the cultural community tended to be expressions of relief that the cash-strapped government did not cut the main arts and heritage programs. On the other hand, there was dismay in some quarters about the changes to the Active Families Benefit.*

Saskatchewan Arts Alliance Bulletin, "[2015-2016 Provincial Budget – Keeping Saskatchewan Strong](#)", March 18, 2015 (accessed March 24, 2015).

- The bulletin noted that funding for Creative Saskatchewan and the Saskatchewan Arts Board remained the same as the previous year and that funding for the Main Street Saskatchewan and Culture on the Go programs would be continuing.
- Kelley Jo Burke, the President of the Alliance, observed that "In these times of fiscal restraint, it's encouraging that government retained funding for the arts and cultural industries. I believe it demonstrates an understanding on the part of the government of the importance of arts and culture to the province's tangible and intangible sustainability."
- The bulletin also provided clarification of the changes to cultural line items in the Parks, Culture and Sport Estimates, which were intended to align with the Ministry's strategic plan.
- "Support for Provincial Heritage and Culture" now includes the former line item "Support for Provincial Arts and Culture Organizations" as well as transfers to other organizations. It also includes the Main Street and Culture on the Go programs.
- The "Heritage Institutions and Saskatchewan Science Centre" line item includes line items that appeared in previous Budgets for the Western Development Museums, Wanuskewin Heritage Park, and the Saskatchewan Science Centre.
- It noted that the Community Infrastructure Program (formerly the Building Communities Fund) would be winding down.
- The bulletin also noted the decrease of \$6,000,000 in the Active Families Benefit due to changes announced in the Budget.

Eric Bell, "[2015/16 Saskatchewan Budget holds the line for museums](#)", Museums Association of Saskatchewan *News Bulletin*, March 19, 2015 (accessed March 24, 2015).

- The news item said that, despite the province's economic challenges, the government had announced stable funding for the cultural sector in the 2015-16 Budget.
- In the heritage sector, it noted, the Western Development Museums, Wanuskewin Heritage Park, the Saskatchewan Heritage Foundation, and the Saskatchewan Science Centre received no increase, while the Royal Saskatchewan Museum and the Saskatchewan Archives Board saw modest growth.
- The news item also mentioned the budget freeze for the Saskatchewan Arts Board and Creative Saskatchewan.
- Wendy Fitch, the Executive Director of the organization, was quoted as saying that "The Museums Association of Saskatchewan appreciates the government's support of the heritage sector and is grateful that despite decreasing revenues to the province, funding for 2015-16 remains the same."

SaskCulture *News Bulletin*, "[2015/16 Saskatchewan Budget holds the line for culture](#)", n.d. (accessed March 24, 2015).

- In a news bulletin with very similar wording to that of the Museums Association's, SaskCulture was cautiously optimistic about the Budget's stable funding for the cultural sector.
- It noted that most cultural organizations had received no increase this year, except for the Royal Saskatchewan Museum and the Saskatchewan Archives Board.
- In commenting on the changes to the Budget line items for culture, it observed that ArtsVest Saskatchewan, and the Main Street and Culture on the Go programs were funded at the same levels as the previous year, but under the new line item "Support for Provincial Heritage and Culture".
- It also commented that the new Manufacturing and Processing Exporter Tax Incentive would apply to interactive digital media and creative industry products.
- Rose Gilks, general manager of SaskCulture, was quoted as saying that "SaskCulture values the government's support of the cultural sector and is grateful that despite decreasing revenues to the province, funding for 2015-16 remains the same."

Kendall Latimer, "[No growth for the arts](#)", *INKonline*, March 19, 2015 (accessed August 11, 2015).

- This journalism school review of the 2015-16 Budget noted that the tradition of not addressing culture, arts and heritage had continued.
- Nova Alberts, president of the Saskatchewan Media Production Industry Association, stated before the Budget that she would be surprised to see major changes, and her prediction was correct.
- Mark Docherty, Minister of Parks, Culture and Sport, was quoted as saying "We want to, as a government, support all of the creative industries and we are going to continue to do that through Creative Saskatchewan, so it was important that we showed a commitment to the creative industries by offering a stable budget."
- Cathy Sproule, the NDP culture critic, noted that "Neutral is better than a cut", but she added that "We have been calling for the reinstatement of the film employment tax credit for one thing. Creative Sask is in some ways new money, but in some ways it doesn't even cover what the film employment tax credit used to provide to the industry."
- Sproule also noted that "Until Creative Sask gets its act together, we don't even know where it's headed, and there seems to be a lot of chaos in how they determine their programming."
- Nova Alberts added that "With the state of the economy we weren't anticipating an increase, but the reality is that our industry does need further investments. ... We need to get some changes through at Creative Sask so that we have the right infrastructure and mechanisms to be able to further grow."
- Minister Docherty responded that the government would be reviewing Creative Saskatchewan's impact over the coming year: "It's our opportunity to look at the organization, and again look at all the pluses and the potential minuses and revamp it."
- Daniel Woloshin, a student at the University of Regina, expressed disappointment at the zero percent increase in funding for the arts, noting that "When you strip the arts it forces Saskatchewan residents to move out of province to pursue their passion."

CBC News, "[25,000 families to lose tax benefit for arts, sports fees](#)", March 18, 2015 (accessed August 11, 2015)

- The news item reported that more than half the families who had been receiving the Active Families tax benefit will lose it as a result of changes announced in the Budget.
- Starting in the 2015 tax year, the benefit will only be available to families with combined net incomes below \$60,000. The change will save the province \$6 million per year.
- The number of families expected to receive the benefit will decline from 46,000 to 21,000.
- Julio Davila, who has two young children, stated that he was not happy with this change. "It costs gas and time to take the kids to the activities" he noted, adding that he will have to cut back on the number of activities.
- Another parent, Darcy Kinzie, said that "I'm OK with it because we're well off, we can still afford to do that stuff. I feel for the people that won't get it for the simple fact maybe they only make two grand over that." She added that that the change will prevent some parents from enrolling their children in activities.

## Government of Saskatchewan Main Estimates<sup>9</sup>

(In Thousands of Dollars)	2015-16 Estimates	2014-15 Estimates	2013-14 Estimates	2012-13 Forecast <sup>10</sup>
<b>Ministries and Agencies</b>				
Advanced Education	782,522	817,485	787,840	728,366
Agriculture	361,620	370,755	406,754	473,924
Central Services	179,001	67,697	56,335	73,319
Economy	276,278	282,361	279,081	282,766
Education	2,001,628	1,776,962	1,742,505	1,347,994
Teachers' Pensions Benefits <sup>11</sup>	-	340,085	321,944	295,463
Energy and Resources	-	-	-	43,037
Enterprise and Innovation Programs	-	-	-	27,347
Enterprise Saskatchewan	-	-	-	33,063
Environment	160,173	161,605	167,003	162,494
Executive Council	15,885	16,162	18,051	17,791
Finance <sup>12</sup>	367,739	371,669	358,876	-
(Finance)	-	-	(68,788)	77,689
Public Service Pension and Benefits	-	-	291,076	284,614
Finance Debt Servicing	285,000	285,000	340,000	392,000
First Nations and Métis Relations	-	-	-	81,943
Government Relations	472,433	466,235	477,040	599,071
Health	5,128,453	5,023,821	4,959,144	4,647,249
Highways and Infrastructure	841,972	664,463	423,336	433,554
Information Technology Office	-	-	-	16,681
Innovation Saskatchewan	30,510 <sup>13</sup>	11,590	28,006	6,769
Justice	607,669	595,165	586,096	521,598
Labour Relations and Workplace Safety	18,353	18,660	18,593	17,984
Municipal Affairs	-	-	-	386,783

<sup>9</sup> [2015-16 Estimates](#), Ministry of Finance, Government of Saskatchewan. These figures include capital and operating expenses.

<sup>10</sup> Forecasts for agencies which were either moved or merged with other departments were taken from the Reinstatement Schedule of the 2013-14 Provincial Budget Estimates.

<sup>11</sup> No longer calculated separately but included in Estimates for the Ministry of Education.

<sup>12</sup> In 2014-15 Estimates Finance and Public Service Pension and Benefits were combined and reported together, not separately as in previous years.

<sup>13</sup> Large increase due to increased funding for Innovation and Science Fund, as well as addition of several new research foundations and centres.

(In Thousands of Dollars)

	<b>2015-16 Estimates</b>	<b>2014-15 Estimates</b>	<b>2013-14 Estimates</b>	<b>2012-13 Forecast<sup>10</sup></b>
<b>Ministries and Agencies</b>				
Office of the Provincial Capital Commission	-	-	-	14,715
Parks, Culture and Sport	99,463	155,949 <sup>14</sup>	113,255	101,258
Public Service Commission	34,438	34,676	-	38,541
Saskatchewan Research Council	22,475	20,343	19,743	18,983
SaskBuilds Corporation	13,673	12,075	8,300	2,000
Social Services	1,004,185	962,986	905,366	846,426
Water Security Agency	20,477	17,544	32,480	-
<b>Legislative Assembly and its Officers</b>				
Advocate for Children and Youth	2,554	2,523	2,483	1,966
Chief Electoral Officer	16,509	4,605	3,800	2,471
Conflict of Interest Commissioner	589	150	148	145
Information and Privacy Commissioner	1,469	1,147	1,116	1,065
Legislative Assembly	26,637	27,352	26,143	25,691
Ombudsman	3,429	3,410	3,594	3,075
Provincial Auditor	8,742	8,752	8,457	8,330
<b>Total</b>	<b>12,783,876</b>	<b>12,183,275</b>	<b>11,943,470</b>	<b>11,386,289</b>

<sup>14</sup> Large increase due to the construction of the Regina Stadium.



## Government of Saskatchewan

### Parks, Culture and Sport<sup>15</sup>

Branch (\$ '000)	2015-16 Estimates	Dollar Value and Percentage Change	2014-15 Estimates	2013-14 Estimates	2012-13 Estimates	2011-12 Estimates
<b>Central Management and Services</b>	11,379	-105 -0.9%	11,484	11,270	10,817	9,763
<b>Community engagement<sup>16</sup></b>	39,031	-8,473 -17.8	47,504 (Former culture total 31,775)	(Former culture total 34,704)	(Former culture total 29,426)	(Former culture total 29,423)
<b>Parks</b>	32,053	-390 -1.2%	32,443	31,118	30,398	27,343
<b>Resource Stewardship and the Provincial Capital Commission<sup>17</sup></b>	17,000	+81 +0.5%	16,919 (Former heritage total 9,542)  (Former Capital Commission operations 6,623)	(Former heritage total 9,360)  (Former Capital Commission Operations 9,862)	(Former heritage total 9,311)  (Former Capital Commission Operations 8,688)	(Former heritage total 8,885)  -
<b>Regina Stadium Project<sup>18</sup></b>	-	-	50,000	-	-	-
<b>Total</b>	<b>99,463</b>	<b>-58,887 -37.2%</b>	<b>158,350</b>	<b>113,212</b>	<b>105,187</b>	<b>92,929</b>

<sup>15</sup> [2015-15 Estimates](#), Ministry of Finance, Government of Saskatchewan.

<sup>16</sup> New in 2015-2016 Estimates. According to the Restatement Schedule in the *Estimates* the subvotes for Culture; Heritage; Sport, Recreation and Stewardship; Community Initiatives Fund; Building Communities; and Provincial Capital Commission were restated into new subvotes for Community Engagement and Resource Stewardship, and the Provincial Capital Commission (p. 156).

<sup>17</sup> New as of 2015-16 Estimates. In addition to the Provincial Capital Commission and Government House, includes allocations for the Wascana Centre Authority, the Royal Saskatchewan Museum, and the Saskatchewan Archives Board, which was transferred from the Ministry of Central Services.

<sup>18</sup> New project as of 2014.

## Parks, Culture and Sport

### Community Engagement Vote

Branch (\$ '000)	2015-16 Estimates	Dollar Value and Percentage Change	2014-15 Estimates	2013-14 Estimates	2012-13 Estimates	2011-12 Estimates
Culture Operations Support	-	-	(917) <sup>19</sup>	1,049	993	1,240
Community Sport, Culture and Recreation Programs <sup>20</sup>	3,545	+501 +16.4%	3,044			
Heritage Institutions and Saskatchewan Science Centre <sup>21</sup>	5,415	0 0%	5,415			
Saskatchewan Arts Board	6,958	0 0%	6,958	6,755	6,433	6,433
Community Initiatives Fund	9,239	-77 -0.8%	9,316	9,589	9,288	9,474
Community Infrastructure <sup>22</sup>	171	-397 -69.9%	568	468 <sup>23</sup>	3,166	2,825
Creative Saskatchewan	7,699	0 0%	7,699	6,500	-	-
Support for Provincial Arts and Culture Organizations	-	-2,201 100%	(2,201) <sup>24</sup>	2,101	3,601	3,351
SaskFilm <sup>25</sup>	-	-	-	1,199	1,199	1,199
Film Employment Tax Credit <sup>26</sup>	-	-2,500 -100%	2,500	5,000	5,200	8,200
Active Families Benefit	5,500	-6000 -52.2%	11,500	12,000	12,000	9,000
Saskatchewan Heritage Foundation	504	0 0%	504	504	504	504
<b>Total – Community Engagement</b>	<b>39,031</b>	<b>-8,473 -17.8%</b>	<b>47,504</b>	<b>34,604</b>	<b>29,426</b>	<b>29,423</b>

<sup>19</sup> Not included in total as amount appears to have been counted in one of the new categories.

<sup>20</sup> New in 2015-16

<sup>21</sup> New in 2015-16

<sup>22</sup> Formerly the Building Communities Fund.

<sup>23</sup> This considerable decrease is likely due to the lack of detail at Budget time about the federal government's Building Canada fund.

<sup>24</sup> Not included in total as amount appears to have been counted in one of the new categories.

<sup>25</sup> SaskFilm ceased operations in September 2013.

<sup>26</sup> The final application deadline for the tax credit was December 31, 2014.

## Parks, Culture and Sport

### Resource Stewardship and Provincial Capital Commission Vote

Branch (\$ '000)	2015/16 Estimates	Dollar Value and Percentage Change	2014/15 Estimates	2013/14 Estimates	2012-13 Estimates	2011-12 Estimates
<b>Operational Support</b>	2,592	-145 -5.2%	2,737	-	-	-
<b>Provincial Capital Commission and Government House</b>	1,100	+95 +9.5%	1,005	-	-	-
<b>Support for Heritage Operations and Organizations</b>	-	-	1,089	1,181	1,019	866
<b>Support for Provincial Heritage and Culture<sup>27</sup></b>	2,673	0 0%	2,673	2,101	3,601	3,351
<b>Royal Saskatchewan Museum</b>	2,507	+22 +0.9%	2,485	2,418	2,531	2,258
<b>Wascana Centre Authority (Statutory)</b>	782	0 0%	782	-	-	-
<b>Wascana Centre Authority</b>	2,836	0 0%	2,836	-	-	-
<b>Saskatchewan Archives Board<sup>28</sup></b>	4,510	+109 +2.5%	4,401	-	-	-
<b>Western Development Museum<sup>29</sup></b>	-	-	4,181	4,059	4,059	4,059
<b>Wanuskewin Heritage Park<sup>30</sup></b>	-	-	629	611	611	611
<b>Saskatchewan Science Centre<sup>31</sup></b>	-	-	605	587	587	587
<b>Total – Resource Stewardship and Provincial Capital Commission</b>	<b>17,000</b>	<b>+81 +0.5%</b>	<b>16,919</b>	-	-	-

<sup>27</sup> New category in 2015-16. Impossible to compare with previous years because of reorganization.

<sup>28</sup> Transferred from Ministry of Central Services in 2015-16.

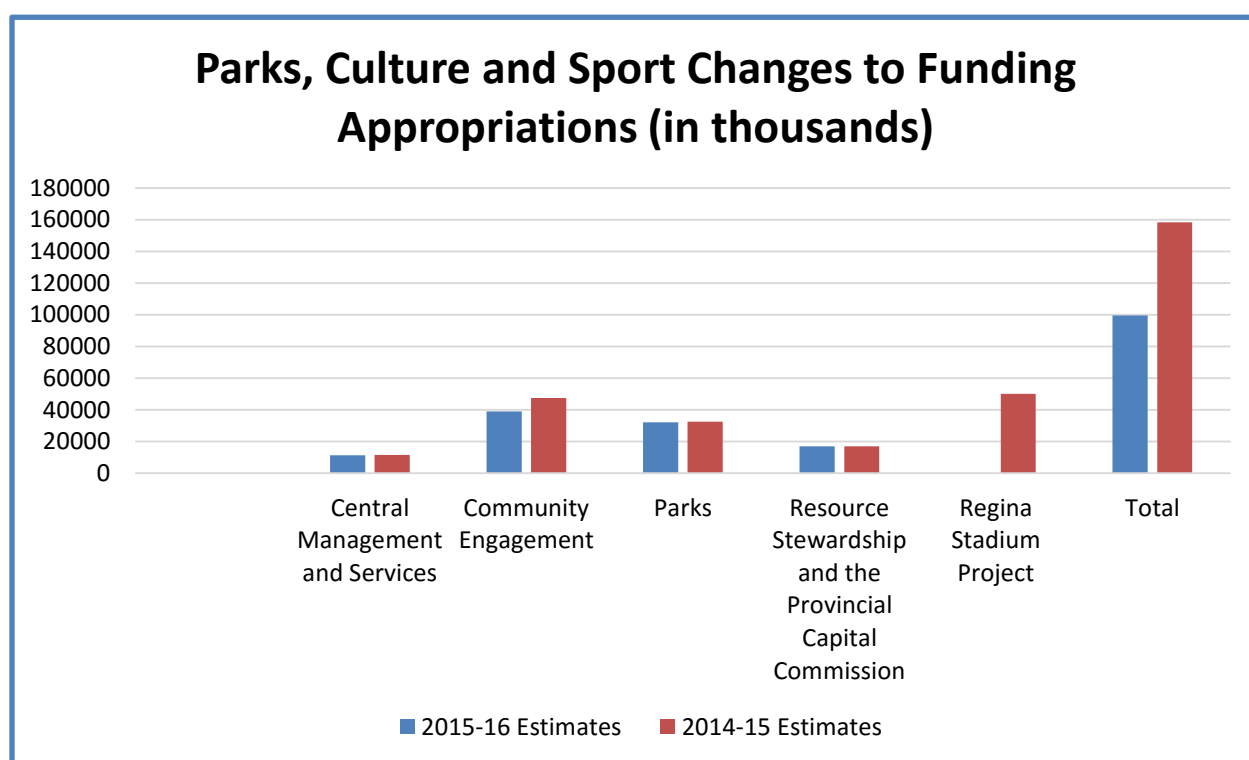
<sup>29</sup> No longer listed as a separate line item. Now included in Heritage Institutions and Saskatchewan Science Centre category of "Community Engagement" vote.

<sup>30</sup> No longer listed as a separate line item. Now included in Heritage Institutions and Saskatchewan Science Centre category of "Community Engagement" vote.

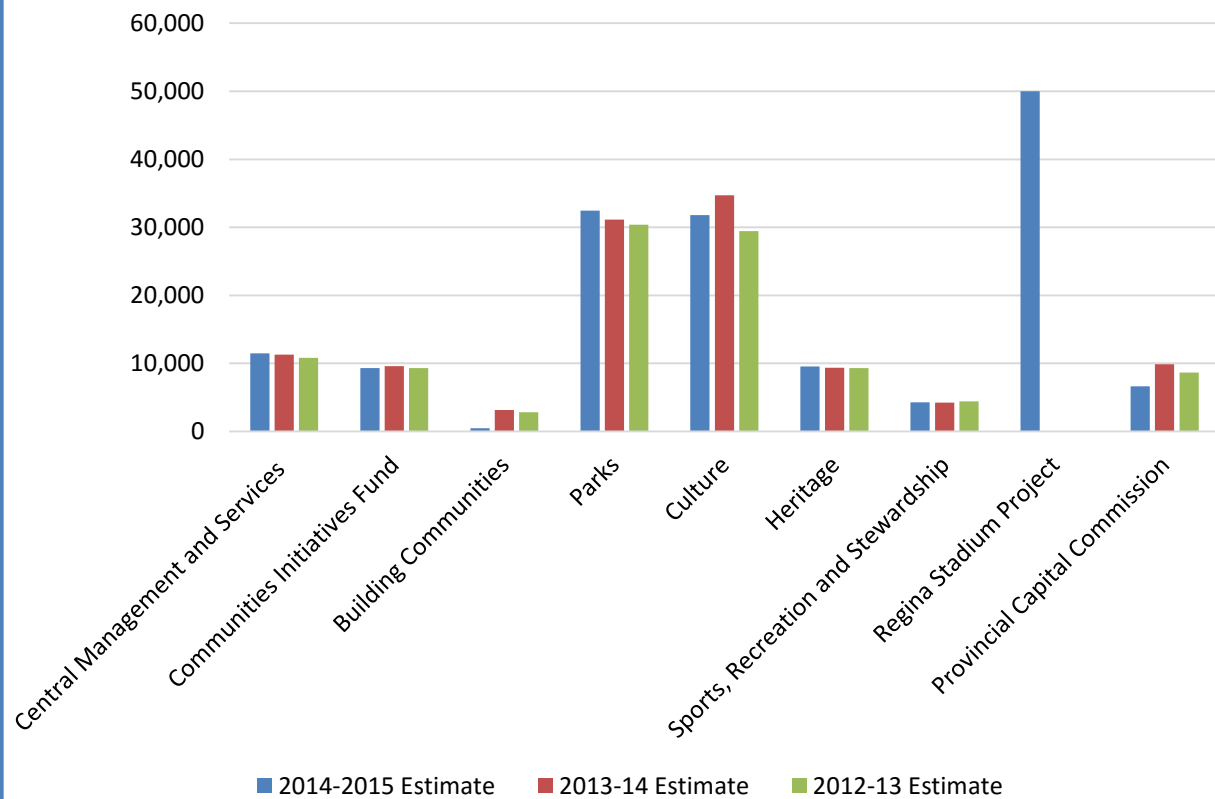
<sup>31</sup> Transferred to Community Engagement.

**Government of Saskatchewan**  
**Tourism, Parks, Culture and Sports**

**Changes to Funding Appropriations  
 2014-15 to 2015-16  
 (Re-structured Votes)  
 In Thousands**

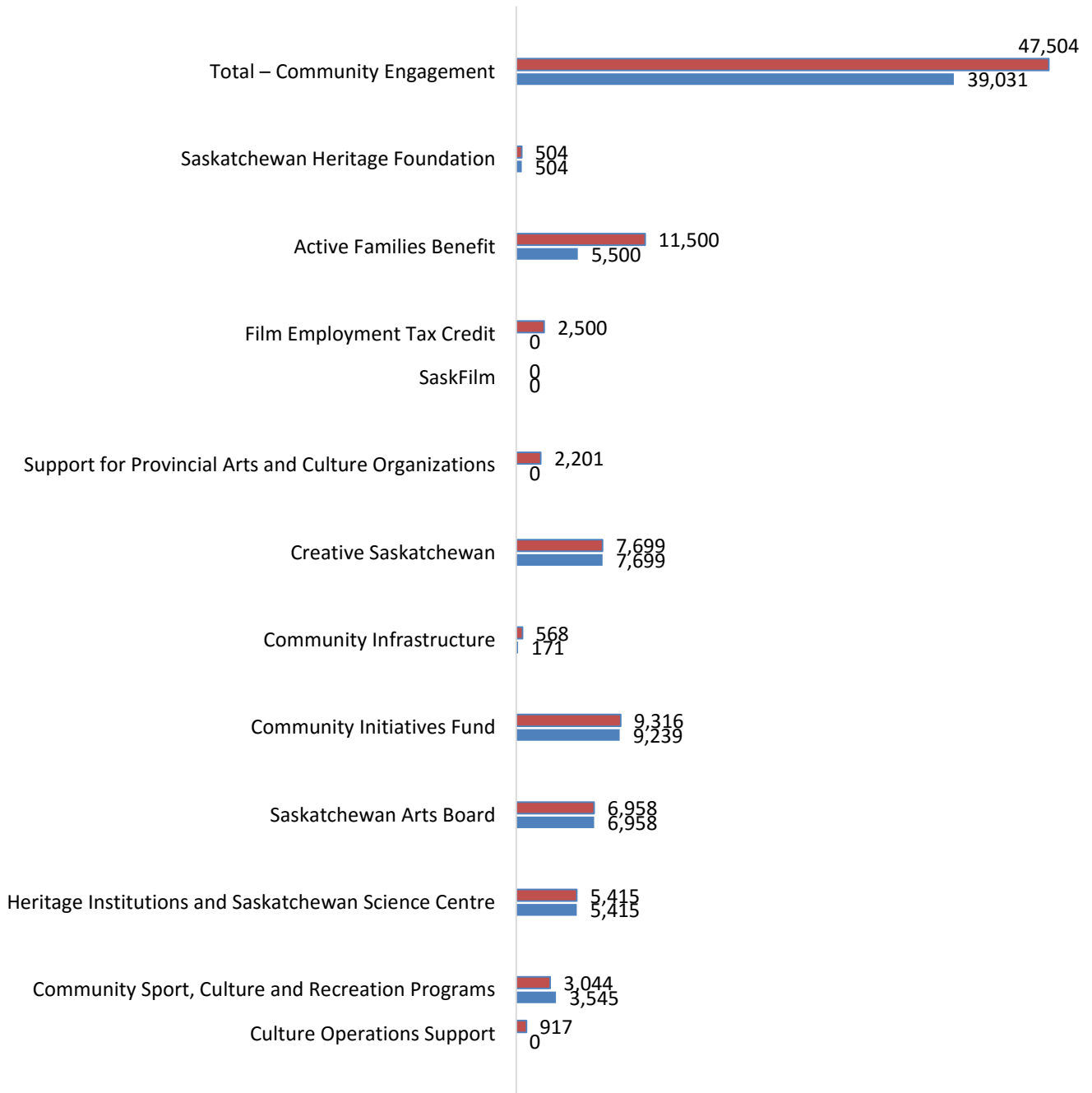


**Parks, Culture and Sports  
Changes to Funding Appropriations  
2012-13 to 2014-15  
(Former Votes)  
In Thousands**



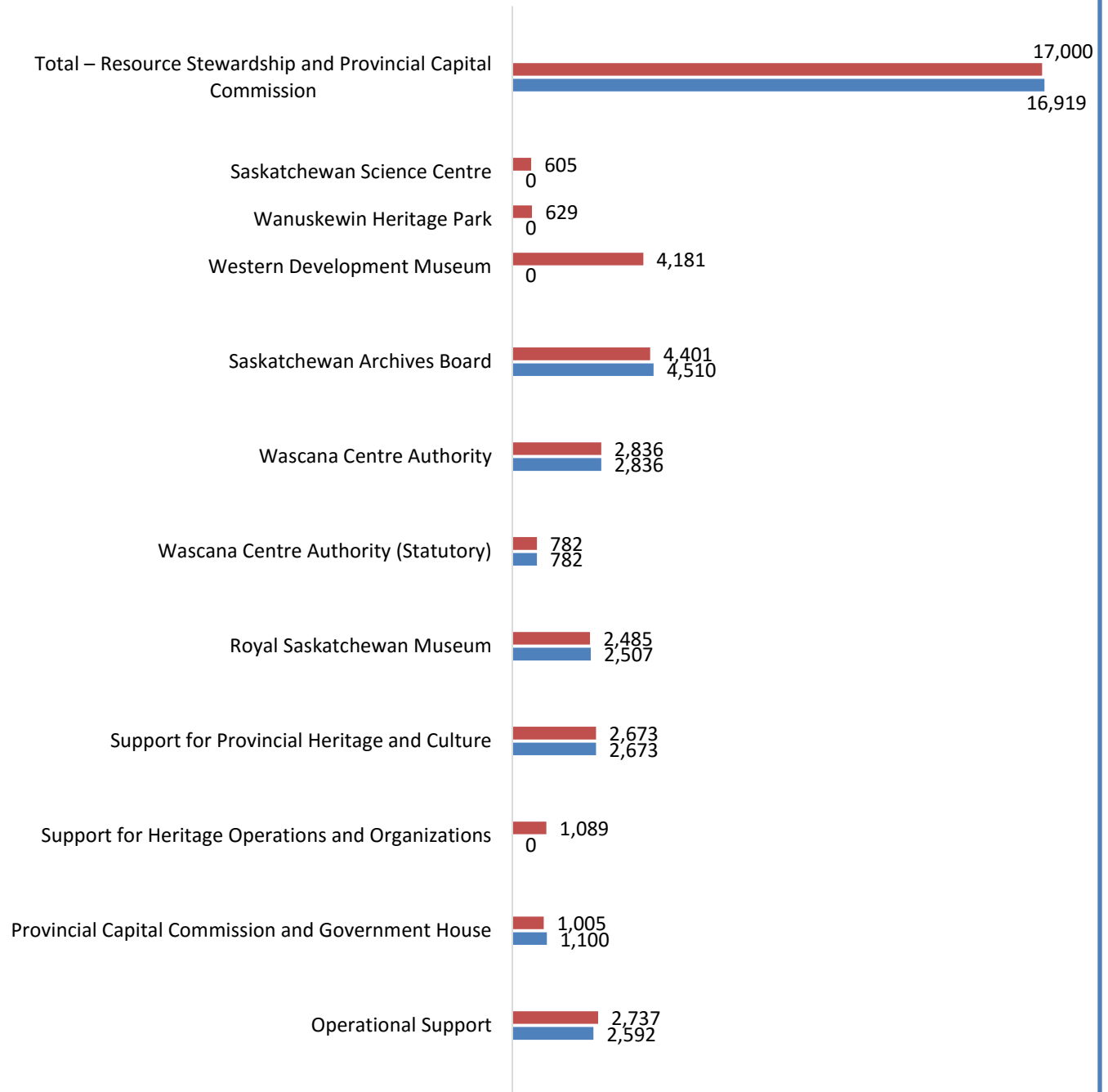
## Community Engagement Vote (in Thousands)

■ 2014-15 Estimates   ■ 2015-16 Estimates



## Resource Stewardship and Provincial Capital Commission Vote (In Thousands)

■ 2014/15 Estimates   ■ 2015/16 Estimates



## 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 was allocated to the Active Families Benefit in the 2014-15 Budget<sup>32</sup>. However, in the 2015-16 Budget the government restricted eligibility for the tax credit to families earning under \$60,000 in total annually.<sup>33</sup> Cultural activities include:<sup>34</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>32</sup> [2014-15 Budget Estimates](#), Parks, Culture and Sport, p. 104, Government of Saskatchewan.

<sup>33</sup> Government of Saskatchewan, "[Changes to Tax Credits and Program Eligibility Background](#)", March 18, 2015 (accessed March 24, 2015).

<sup>34</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>35</sup>

(in thousands of dollars)	2015-16 Estimate	2014-15 Estimate	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
<b>Government Grant</b>	6,968	6,958	6,755	6,433	6,433
<b>Contribution from SaskCulture<sup>36</sup></b>	tbd	tbd	2,159	1,874.4	1,551.9
<b>Earned and other revenue</b>	tbd	tbd	4,443,738 <sup>37</sup>	603.5	916.2 <sup>38</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>39</sup>

<sup>35</sup> [Saskatchewan Arts Board](#).

<sup>36</sup> [Saskatchewan Arts Board 2013-14 Annual Report](#).

<sup>37</sup> [Saskatchewan Arts Board 2013-14 Annual Report](#), includes a one-time revenue of \$3,615,550 from sale of land.

<sup>38</sup> Includes a one-time revenue of \$470,000 coming from the sale of land.

<sup>39</sup> [About SaskCulture](#).

## SaskCulture

### Funds allocated from the Culture Section of the Lottery Trust

FUNDING BLOCK (dollar value)	Category	Allocations net of returns 2014-15 <sup>40</sup>	Allocations net of returns 2013-14 <sup>41</sup>	Allocations net of returns 2012-13
Eligible organizations	Annual global funding	7,839,616	9,070,297	7,736,625
	Special funding (eligibility related)	-	-	146,319
	Member funding	75,000	75,000	150,000
	<b>Subtotal</b>	<b>7,914,616</b>	<b>9,145,297</b>	<b>8,032,944</b>
Grant Programs	Aboriginal Arts and Culture Leadership Grant	261,368	250,372	319,500
	Capacity Building Grant	(80,536)	114,590	393,692
	Métis Cultural Dev. Fund	38,533	131,033	182,261
	Multicultural Initiatives Fund	72,274	338,443	367,071
	Museum Grant Program	774,559	753,942	780,685
	Municipal Cultural Engagement and Planning Grant	5,781	157,643	76,500
	Culture Days Grant	72,434	97,451	120,000
	Creative Kids Grant	360,000	170,000	455,000
	<b>Subtotal</b>	<b>1,504,413</b>	<b>2,013,474</b>	<b>2,694,709</b>
	Creative Partnerships	415,000	480,000	659,900
	ArtsSmarts/Treaty Smarts	220,000	270,000	255,000
	Festivals Grant Program	495,000	550,000	580,000
	Gallery Grant Program	300,000	300,000	309,000
	Media Arts Grants	250,000	250,000	250,000
	SAB Program delivery	120,000	150,000	190,000
	<b>Subtotal</b>	<b>1,800,000</b>	<b>2,000,000</b>	<b>2,243,900</b>

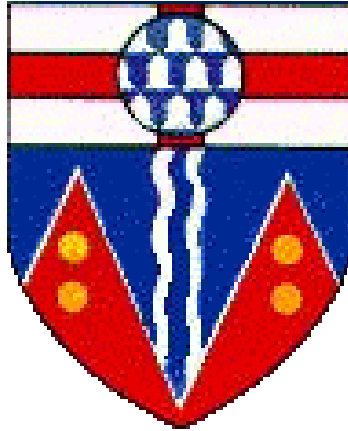
<sup>40</sup> [SaskCulture Year in Review](#), 2014-15

<sup>41</sup> [SaskCulture Year in Review](#), 2013-14

<b>FUNDING BLOCK (dollar value)</b>	<b>Category</b>	<b>Allocations net of returns 2014-15 <sup>42</sup></b>	<b>Allocations net of returns 2013-14 <sup>43</sup></b>	<b>Allocations net of returns 2012-13</b>
<b>SaskCulture Block</b>	SaskCulture Operations	2,112,217	1,975,483	2,011,448
	Creative Kids Operations	114,674	150,000	185,000
	Culture Days Delivery	126,276	170,000	265,000
	Global Functions	289,265	111,492	141,187
	Communities of Interest	576,994	525,610	889,368
	<b>Subtotal</b>	<b>3,219,426</b>	<b>2,932,585</b>	<b>3,492,003</b>
<b>Tri-Partite Block (Culture's share)</b>	Administration Centre	128,370	159,825	155,170
	File Hills Qu'Appelle Tribal Council	105,000	-	-
	Federation of Saskatchewan Indian Nations	62,090	60,272	33,520
	<b>Subtotal</b>	<b>295,460</b>	<b>220,097</b>	<b>188,690</b>
<b>All SaskCulture programs</b>	<b>TOTAL</b>	<b>14,733,915</b>	<b>16,311,453</b>	<b>16,652,246</b>

<sup>42</sup> [SaskCulture Year in Review, 2014-15](#)

<sup>43</sup> [SaskCulture Year in Review, 2013-14](#)



## YUKON

Real GDP Growth: -0.7% (2014)

Revenue from Federal Transfers (2015-16): \$923 million (\$24,711 per capita)

Population: 37,400 (2015)

## 2015

## Budget Overview

### **Fiscal and Societal Context**

- Premier and Finance Minister Darrell Pasloski tabled Yukon’s fiscal [2015–16 Budget](#) on April 2, 2015<sup>1</sup>.
- In a repeat of last year, both the operating and the capital budgets are the largest in Yukon’s history – with operational spending amounting to \$1.054 billion and capital spending coming in at \$312.8 million for a total expenditure budget of \$1.367 billion.<sup>2</sup>
- The Budget puts a heavy emphasis on investing in infrastructure (hopefully in close partnership with the federal government), to grow the Yukon economy and make it less dependent on federal transfers.<sup>3</sup> But in fact, federal transfers are slated to grow slightly in 2015-16 to \$923 million<sup>4</sup>. This represents 84% of total revenue for the Yukon government.<sup>5</sup>
- The Budget surplus for 2015-16 is expected to be “a healthy \$23.2 million”<sup>6</sup>, substantially less than the anticipated \$71.2 million announced in the [2014-15 Projections](#).
- With a projected negative GDP growth rate in 2014-15, the Budget Address acknowledged that Yukon was facing “challenging economic times ahead as a consequence of the downturn in the metal markets.”<sup>7</sup> As a result, the overall theme of the Budget investments was “putting Yukoners to work”.<sup>8</sup>

### **Spending Priorities and Highlights**<sup>9</sup>

- Main Priorities :
  - Reducing the tax burden of individuals
  - Investing in infrastructure
  - Promoting cooperative governance, partnerships and Reconciliation Agreements with Yukon First Nations
  - Promoting a better environment and a better quality of life

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<sup>1</sup> [2015-16 Budget Address](#), Dept of Finance, Government of Yukon (accessed September 29, 2015).

<sup>2</sup> Ibidem.

<sup>3</sup> [2015-16 Budget Highlights](#), Dept of Finance, Government of Yukon (accessed September 29, 2015).

<sup>4</sup> Department of Finance Canada, [Federal Support to Provinces and Territories](#) (accessed November 5, 2015).

<sup>5</sup> [Consolidated Budget of Government Reporting Entity](#), p. S-2, Government of Yukon (accessed September 29, 2015).

<sup>6</sup> [2015-16 Budget Address](#), p. 1 Dept of Finance, Government of Yukon (accessed September 29, 2015).

<sup>7</sup> [Budget Address 2015-16](#), Department of Finance, Government of Yukon, April 2, 2015, p. 3.

<sup>8</sup> [Budget Address 2015-16](#), Department of Finance, Government of Yukon, April 2, 2015, p. 1.

<sup>9</sup> [2015-16 Budget Highlights](#), Department of Finance, Government of Yukon (accessed September 29, 2015).

- Despite the fiscal challenges outlined in the Budget, income tax cuts and infrastructure investments figured prominently in the 2015-16 Budget. They included:
  - Personal income tax cuts expected to amount to about \$5 million annually;
  - \$29 million invested in Building Canada Fund projects in 2015-15;
  - \$60.7 million for a variety of transportation infrastructure projects, including \$6.6 million in airport and community aerodrome improvements, \$22.3 million for the Whitehorse General Hospital expansion, and \$21 million for a detox centre.<sup>10</sup>
  - Over next two fiscal years, funding for museums and First Nation cultural centres will increase from \$1.54 million in 2014-2015 to close to \$1.9 million by 2016-2017;
- The Budget also announced an allocation of more than \$6.5 million to market Yukon as a tourism destination of choice.
- The departments with the largest allocations were Health and Social Services, Education, and Highways and Public Works.

### Impacts on the Cultural Sector

*Contextual note: Culture GDP in the Yukon was \$46 million in 2010, representing 2.0% Yukon's economy. The number of culture jobs in the territory was 743, or 3.5% of the total jobs in the territory. Governance, funding and professional support generated \$18 million or 39.1% of Yukon's total culture GDP.<sup>11</sup>*

- The Department of Tourism and Culture was mentioned in the Budget Address as illustrating how the Yukon is diversifying its economy, particularly in the area of tourism: "Yukon is always looking to expand its markets. The Minister of Tourism and Culture and twelve tourism industry delegates recently returned from the first-ever Minister led tourism mission to Asia in late February as part of the Yukon NOW marketing program".<sup>12</sup> Accomplishments included:
  - the launch of Tourism Yukon's first ever Chinese website: [www.travelyukon.cn](http://www.travelyukon.cn);
  - the signing of Yukon's largest ever partner agreement between the Yukon Government and the Canadian Tourism Commission in Japan for a marketing campaign; and commitments by Japanese and Chinese tour operators to enter into cooperative marketing agreements to market travel packages reflecting Yukon as a year-round travel destination."<sup>13</sup>

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<sup>10</sup> [Capital budget overview](#) (2015-16), Government of Yukon (accessed September 15, 2015).

<sup>11</sup> [Economic importance of culture and sport across Canada](#). Statistics Canada, 2015-06-09

<sup>12</sup> [Budget Address 2015-16](#), Department of Finance, Government of Yukon, April 2, 2015, p. 12.

<sup>13</sup> Ibidem.

- Culture and heritage were cited in the Budget as being key tourist attractions: “Tourism and arts and culture fit together like hand in glove. Our museums and First Nations cultural centres play a critical role in promoting and preserving Yukon’s heritage and culture.”<sup>14</sup>
- As part of the tourism promotion initiative, the Budget announced that the government would be increasing its support to eleven museums and seven First Nation cultural centres by 20% over the next two years, from about \$1.5 million in 2014-15 to almost \$2 million in 2016-17.<sup>15</sup>
- The budget of the Department of Tourism and Culture increased to \$29.086 million from \$26,149 million. As shown in the Table below, when comparing 2014-15 Estimates to 2015-16 Estimates for Operating and Maintenance, we can see that appropriations for Culture grew by 6.6% and for Tourism by 20%.
- Main increases for culture were in the heritage sector: Heritage Resources (+4.7%); Museums (+4.6%) and the Yukon Beringia Interpretive Centre (+6.1%).
- The capital budget for the cultural services program increased by 13%: the big winner was the Yukon Paleontology Centre which received \$775,000 to design and begin construction of a paleontology facility in Dawson City. There were, however, fairly large decreases in the capital budgets for historic sites maintenance (-27.6%), museums capital maintenance (-86.5%) and Beringia exhibits renewal (which despite the announcement in the Budget was decreased by 50% from \$200,000 in 2014-15 to \$100,000 in 2015-16).
- These decreases were partially offset by increases for capital improvements at the Yukon Sawmill historic site (66.7%) and for visual arts maintenance (92.3%). While these investments were quite large in percentage terms, they were fairly small in terms of actual dollars.
- Other investments in cultural institutions include<sup>16</sup>:
  - An additional \$25,000 to the Dawson City Arts Society, increasing its allocation to \$425,000;
  - \$25,000 for the Yukon Arts Centre to manage public programming at the Whitehorse Waterfront Wharf through its management of the Old Firehall;
  - \$100,000 to upgrade exhibits at the Beringia Interpretive Centre;
  - \$200,000 per year, over three years to enhance Yukon’s Paleontology Program’s research and resource capabilities in the Klondike goldfields in cooperation with the placer mining industry;
  - In a continuation of the project first announced last year, the Budget also announced that \$629,000 in capital funding would be provided for the detailed design phase of the Yukon Archives vault expansion project.

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<sup>14</sup> [2015-16 Budget Address](#), p. 12, Department of Finance, Government of Yukon (accessed September 29, 2015).

<sup>15</sup> [Budget Address 2015-16](#), Department of Finance, Government of Yukon, April 2, 2015, p. 12.

<sup>16</sup> [2015-16 Budget Highlights](#), p. 6, Department of Finance, Government of Yukon (accessed September 29, 2015).

## Reactions to the Budget from the Cultural Sector Perspective

**Contextual note:** *The Yukon Budget did not elicit any published reaction from the cultural community, except from the heritage sector. The main published comments about levels of satisfaction with funding for culture came from Yukon government news releases on grants awarded.*

CBC News, "[Yukon government tables the biggest budget in territory's history](#) – Chamber of commerce says capital construction will boost economy in wake of mining downturn", April 2, 2015 (accessed September 15, 2015).

- The news item commented on some of the capital projects announced in the Budget, including the \$775,000 earmarked for the planning of a Klondike Paleontology Centre in Dawson City.
- The president of the Yukon Chamber of Commerce was quoted as saying that these capital projects will create jobs and benefit the territory in the long run.

Yukon Government News Release, "[Yukon artists funded for tours in Canada and beyond](#)", April 7, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon was awarding more than \$54,000 to six local artists who will reach new audiences nationally and internationally through the Touring Artist Fund. One of the six artists selected, Dawson-based filmmaker Susan Crocker, director, producer and cinematographer of *All the Time in the World*, received \$10,000 to showcase her documentary about living in the remote Yukon wilderness at eight film festivals. "My film will offer festival-goers in Canada, the United States and South Africa a feature-length documentary of Yukon wilderness living and adventure," Crocker said. "Support from the Touring Artist Fund really makes it possible for me to attend the film festival circuit and to provide in-person media interviews."

Yukon Government News Release, "[Winning producer of Yukon Digital Storytelling Project announced](#)", April 10, 2015 - (accessed September 29, 2015).

- This news release announced that Marty O'Brien was chosen by a professional jury for his innovative and creative three-part Yukon video series entitled *A Northern Influence*. The project is one component of the Yukon Now marketing program, which is helping to raise awareness of Yukon as a year-round travel destination by using social media such as Facebook, YouTube, Tumblr and Twitter to reach target audiences. O'Brien said, "The project enabled our team to expose these Yukon stories and the unique people behind them. I hope these stories spark the interest and curiosity of people who are thinking of travelling up here."

Yukon Government News Release, "[Five organisations share nearly \\$600,000 in funding for major projects](#)", May 25, 2015 - (accessed September 29, 2015).

- This news release announced that The Yukon government has awarded nearly \$600,000 to five community organizations for projects that enhance tourism and culture initiatives. Among the recipients is Tr'ondëk Hwëch'in, to support its bid to have the Tr'ondëk-Klondike area declared a UNESCO World Heritage Site. The First Nation will receive \$266,107 to further the development of a nomination dossier. Chief Roberta



Joseph said, “This funding is critical to advancing the project. Having our region on the list of World Heritage sites will have a positive impact on the Yukon’s economy and share our unique story with the world.”

Yukon Government News Release, “[Cultural and Heritage institutions supported through special projects funding program](#)”, May 27, 2015 (accessed September 29, 2015).

- In announcing almost \$400,000 in funding for various museums projects in the Yukon, the news release also repeated the Budget pledge of an increase in funding for museums and First Nations cultural centres to ensure their sustainable operation.
- This funding, provided by the Museum Contribution Program, will increase operating support by 10% for 11 museums and seven First Nation cultural centres in 2015-16. In 2016-17, there will be another 10% increase, subject to legislative approval.
- With the increase, the overall budget in support of museums and cultural centres will have grown by over 300% since 2002.
- The executive director of the Copperbelt Railway and Mining Museum stated that “this investment will allow us to continue to grow our service and improve exhibitions through planning and tour development.”
- The manager to the Big Jonathan Centre in the Selkirk First Nation stated the extra funding to digitize the collection “helps to ensure that our artifacts and data are preserved and are safely stored for future generations.”

“[Yukon government increases investment in Yukon museums](#)”, *News Release*, Government of Yukon, February 17, 2015 (accessed September 15, 2015) (Also [posted on Heritage Yukon website](#))

- This news release reported on an announcement made by the Minister of Tourism and Culture, Elaine Taylor, at the Yukon Heritage Awards event on February 16.
- This announcement, made almost two months before the tabling of the Budget, indicated that 11 museums and seven First Nations cultural centres would see their funding increase by 10% in 2015-16 and by another 10% in 2016-17.
- The news release also reported that the Special Projects Capital Assistance Program would receive a funding increase.
- It noted that the Department of Tourism and Culture provides more than \$1.54 million annually to the organizations, and that this amount will grow to \$1.69 million in 2015-16 and to \$1.86 million in 2016-17.
- The Yukon Historical and Museums Association (YHMA) was instrumental in identifying the need for additional funding for its members. The YHMA president said “We commend the government for taking this important step in addressing the sustainability issues of our heritage organizations. The increase will allow them to continue safeguarding and interpreting their heritage collections for the benefit of Yukoners and the visiting public.”
- The Teslin Tlingit Council Chief stated that “We are pleased that the Yukon government recognizes that Yukon First Nations’ culture and heritage are an integral part of this territory. This increase in funding will ensure that the Teslin Tlingit Heritage Centre continues to deliver excellent cultural programs and also continues to welcome visitors from around the world.”
- The news release also noted that museums and cultural centres are among the most popular tourist attractions in Yukon.

[“YG announces increased investment to Yukon museums”](#), *Yukon Historical and Museums Association Newsletter*, Fall-Winter 2015, p. 5 (accessed September 15, 2015).

- The article repeated the essence of the February 17 news release described above, adding that the funding increase had come at a “pivotal” time.
- In an additional comment, the article noted that “The recognition of the Yukon’s museums and First National cultural centres as leaders in protecting, preserving and interpreting Yukon’s heritage came as good news.”
- The Association noted that it was looking forward to continuing discussions with the Yukon government on the resource needs of its members.

Yukon Government News Release, [“Touring Artist Fund support artist’s tour to Ireland”](#), May 28, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon is awarding \$9,060 to Yukon artist Joyce Majiski through the Touring Artist Fund. The funding will enable her to take her exhibition *North of Myth* to the Braid Museum and Arts Centre in Ballymena, Northern Ireland, later this year. Majiski said “I am very grateful for the opportunity to show my exhibition, North of Myth, at The Braid in Northern Ireland thanks to funding through the Touring Artist Fund.”

Yukon Government News Release, [“Yukon Government contributes to artist’s retreat”](#), June 1, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon is contributing \$150,000 to the Ted Harrison Artist Retreat Society. The retreat hosts a residency program that provides visual artists from across the country with an opportunity to concentrate on the research, development, and production of a project or body of work in a remote and inspirational setting. “The Ted Harrison Artist Retreat Society is delighted to receive this donation from the Yukon government,” society president Mal Malloch said. “The funds are a significant recognition of the legacy of Ted Harrison and we look forward to inviting artists to visit the retreat for creative projects.”

Yukon Government News Release, [“Yukon arts and culture showcased at Pan Am and Parapan Am Games”](#), July 10, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon is providing \$40,000 to support Yukon performances at the games. One of the groups benefiting from the grant, Speed Control and New North Collective, said they were thrilled to be representing Yukon and the North on stage at the games. Magnum Opus Management owner Debbie Peters said, “Our artists will première new work on a national stage that blends the traditional with the contemporary, spoken word with rock and traditional languages in new songs; it doesn’t get more exciting than that.”

Yukon Government News Release, [“Annual funding announced for arts organisations”](#), July 20, 2015 (accessed September 29, 2015).

- This news release announced that twenty organizations will share \$668,000 in support this year from the Yukon government’s Arts Operating Funds. Funding will be distributed to 15 arts organizations in support of their year-round work in theatre, film, dance, music

and visual art. A further five organizations will receive funding for established annual arts events. Breakdancing Yukon Society will receive \$35,325 for a year of dance camps, performances and workshops. Funding will also help to support an internship program, the annual summer CypherFest Street Dance Festival and the development of original work. "Breakdancing Yukon Society is very excited to receive an increase in our funding from the Arts Operating Funds this year," society president Mellisa Murray said. "It's a recognition of the work we do to engage youth in breakdancing through training, events, workshops and community tours. As well, the funding supports our successful internship program which supports youth to develop as performers, leaders and role models." Whitehorse Concerts will receive \$35,000 for its 2015/16 classical concert season, which includes performances at the Yukon Arts Centre as well as school performances and workshops in Dawson, Haines Junction and Whitehorse. "On behalf of the Board of Directors of Whitehorse Concerts, I'd like to express our gratitude to Minister Elaine Taylor and the Arts section of Yukon Tourism and Culture for the funding that they provide through the Arts Operating Funds," Whitehorse Concerts manager Steve Gedrose said.

Yukon Government News Release, "[Government supports 14 projects through the Arts Fund](#)", July 20, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon is awarding \$140,750 to 14 groups undertaking arts projects in Yukon. The Arts Fund fosters the creative development of the arts in Yukon by supporting collectives, organizations, industry associations and other eligible groups in activities related to the literary, visual or performing arts. One of the recipients, the Dawson City Music Festival Association received funds for its Yukon Girls Rock Camp. The camp, for girls aged eight to 15 years, will offer unique programming that combines music education and performance with empowerment and social justice workshops led by positive role models. "With the support of Arts Fund, the Dawson City Music Festival will be able to offer hands-on music programming through Girls Rock Camp," association executive director Emily Farrell said.

Yukon Government News Release, "[Visual, literary and performing artists receive Advanced Artists Awards](#)", July 21, 2015 (accessed September 29, 2015).

- This news release announced that eleven established Yukon artists would be sharing \$75,000 through the Yukon government's Advanced Artist Award. Projects supported through this fund include arts research, artistic skills development and the creation of new work in a wide range of creative media. The Advanced Artist Award helps senior-level artists with innovative projects, travel or educational activities that contribute to their personal artistic development and to their community. The award aims to encourage artistic creativity, skills, work and talent. The award is funded by Lotteries Yukon and is administered by the Department of Tourism and Culture. Submissions are adjudicated by a jury of professional visual, literary and performing artists.

Yukon Government News Release, "[Government of Yukon boosts film and sound projects](#)", July 28, 2015 (accessed September 29, 2015).

- This news release announced that eleven creative projects will be receiving almost \$47,000 in support from the Yukon government's Film and Sound Commission. The funds awarded will contribute towards the development of films, documentaries, demo and full-length recordings. Three recipients will benefit from the Yukon Filmmakers Fund, and eight sound recording professionals will further their projects with support from the Yukon Sound Recording Program. "For the last three years my co-producer Simon D'Amours and I have been benefiting from the ongoing support of the Government of Yukon," filmmaker Traolach Ó Murchú said. "The Yukon Filmmakers Fund is hugely important to our careers as it allows us to develop our next Yukon TV series that we hope to commence in early 2016."

Yukon Government News Release, "[Yukon government provides funding for national theatre festival to visit Whitehorse](#)", September 24, 2015 (accessed September 29, 2015).

- This news release announced that the Government of Yukon is providing \$90,000 in support of Yukon's participation as host of Canada's Magnetic North Theatre Festival, Canada's only national theatre festival, next June. The Yukon Arts Centre will partner with Magnetic North to present the festival in Whitehorse June 9 to 18, 2016. "I am very pleased the Yukon Arts Centre and the Yukon government are working together to bring this festival to Whitehorse," Yukon Arts Centre CEO Al Cushing said.

## Government of Yukon

### Main Estimates<sup>17</sup>

(In thousands of dollars) Department/Corporation	2015-16 Estimate	2014-15 Estimate	2013-14 Estimate	2012-13 Estimate	2011-12 Estimate
Yukon Legislative Assembly	7,194	7,044	6,484	6,211	5,947
Elections Office	523	477	385	451	1,013
Office of the Ombudsman	1,127	972	826	672	566
Child and Youth Advocate Office	499	489	489	477	466
Executive Council Office	23,296	27,083	24,484	23,572	23,310
Community Services	138,891	127,748	169,242	187,242	187,436
Economic Development	17,488	17,280	15,700	15,740	15,776
Education	181,325	189,610	181,340	145,815	145,388
Energy, Mines and Resources	92,758	87,915	65,493	87,902	61,988
Environment	41,166	38,939	34,538	30,798	29,013
Finance	8,657	8,558	8,118	7,908	7,638
French Languages Directorate	3,026	2,692	2,526	-	-
Health and Social Services	422,366	338,062	337,638	286,777	267,386
Highways and Public Works	216,047	238,391	201,061	187,868	175,729
Justice	72,435	66,785	65,075	62,851	65,740
Public Service Commission	44,244	42,212	39,359	38,717	37,894
Tourism and Culture	29,086	26,149	24,448	24,690	22,035
Women's Directorate	1,859	1,743	2,867	4,805	1,777
Yukon Development Corporation	12,425	29,260 <sup>18</sup>	5,975	5,725	3,000
Yukon Housing Corporation	47,658	67,731 <sup>19</sup>	39,084	33,542	37,478
Yukon Liquor Corporation	One dollar	One dollar	One dollar	One dollar	One dollar
Loan Capital and Loan Amortization	5,000	5,000	5,000	5,000	-
<b>Total</b>	<b>1,367,070</b>	<b>1,319,806</b>	<b>1,230,122</b>	<b>1,156,763</b>	<b>1,089,580</b>

<sup>17</sup> [2015-16 Operations & Maintenance and Capital Estimates](#), p. S-9, Government of Yukon, April 2015.

All figures include Operating & Maintenance and Capital Appropriations.

<sup>18</sup> Several development programs have resulted in the increase in 2014-15.

<sup>19</sup> Several housing development projects have resulted in this increase.

## Yukon Department of Tourism and Culture

### Main Estimates<sup>20</sup>

Appropriations (In thousands of dollars)	2015-16 Estimate	Difference Dollar Value And Percentage	2014-15 Estimate	2013-14 Actual	2012-13 Actual	2011-12 Actual
<b>OPERATIONS AND MAINTENANCE</b>						
<b>Corporate Services</b>	<b>2,493</b>	<b>105 +4.4%</b>	<b>2,388</b>	<b>2,241</b>	<b>2,103</b>	<b>1,887</b>
<b>Cultural Services Total</b>	<b>11,747</b>	<b>728 +6.6%</b>	<b>11,019</b>	<b>10,935</b>	<b>10,768</b>	<b>9,997</b>
Directorate	476	27 +6%	449	410	414	521
Heritage Resources	1,167	53 +4.7%	1,114	1,302	1,073	923
Historic Sites	1,501	21 +1.7%	1,404	1,330	1,101	1,088
Museums	2,440	97 +4.6%	2,110	2,158	2,364	2,101
Yukon Beringia Interpretive Centre	469	27 +6.1%	442	410	383	341
Arts	4,119	153 +3.8%	3,966	3,804	4,046	3,742
Archives	1,575	41 +2.7%	1,534	1,521	1,387	1281
<b>Tourism Total</b>	<b>11,837</b>	<b>1,994 +20%</b>	<b>9,843</b>	<b>9,557</b>	<b>9,835</b>	<b>9,846</b>
<b>Subtotal for Operating and Maintenance</b>	<b>26,077</b>	<b>2,827 +12.2%</b>	<b>23,250</b>	<b>22,733</b>	<b>22,612</b>	<b>21,730</b>
<b>CAPITAL</b>						
<b>Corporate Services</b>	<b>253</b>	<b>-105 -29.3%</b>	<b>358</b>	<b>290</b>	<b>204</b>	<b>137</b>
<b>Cultural Services</b>	<b>2,391</b>	<b>275 +13%</b>	<b>2,116</b>	<b>997</b>	<b>1,344</b>	<b>951</b>
Klondike Paleontology Centre <sup>21</sup>	775	+775	-	-	50	
Historic Sites Maintenance	105	-40 -27.6%	145	84	74	279
Fort Selkirk	-	-	316	160	149	154
Historic Sites Planning	30	+5 20%	25	22	18	24

<sup>20</sup> [2015-16 Operations & Maintenance and Capital Estimates](#), pp. 17-1 to 17-23, Government of Yukon.

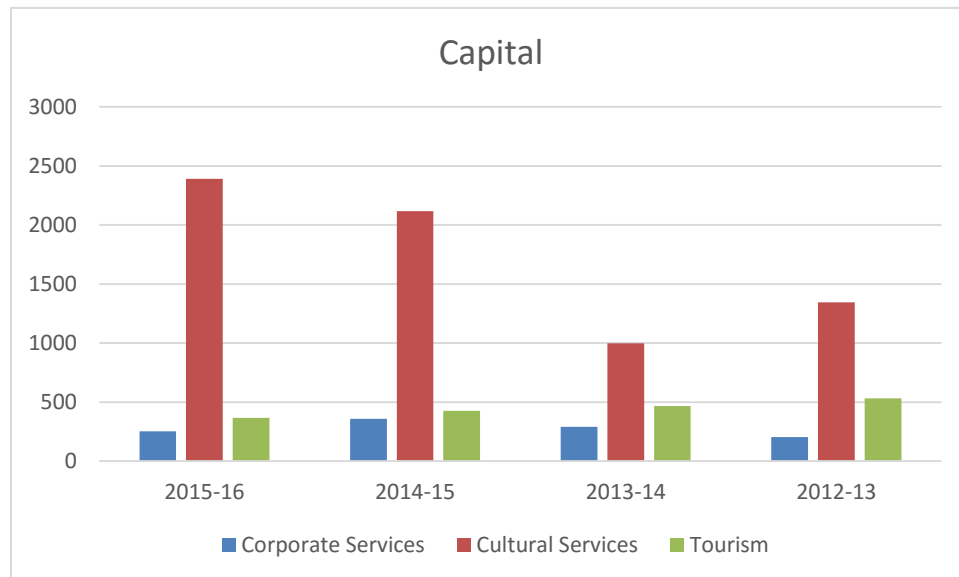
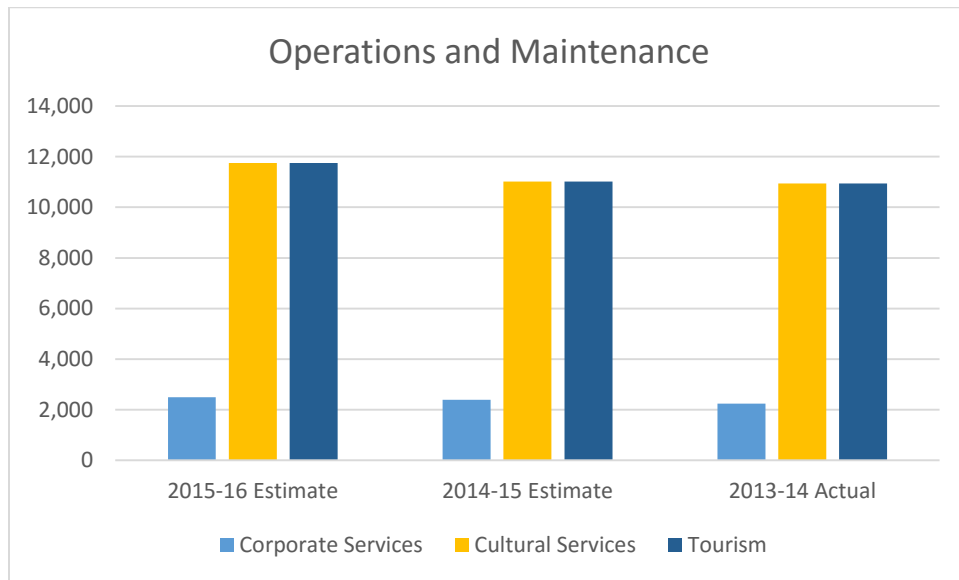
<sup>21</sup> Previously named Paleontology Trailer: new change as of 2015-16.

<b>Appropriations</b> (In thousands of dollars)	<b>2015-16 Estimate</b>	<b>Difference Dollar Value And Percentage</b>	<b>2014-15 Estimate</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Interpretation and Signage	70	0 0%	70	70	70	69
Rampart House	-	-	60	60	61	58
Forty Mile	35	+5 16.7%	30	44	77	73
Yukon Sawmill	50	20 66.7%	30	28	46	-
Heritage Trails	45	+5 12.5%	40	37	33	40
Military and Industrial Artifact Assessment	50	0 0%	50	45	0	0
Yukon Beringia Interpretive Centre	25 <sup>22</sup>	-	-	124	60	78
Beringia Exhibit Maintenance	60	+60	0	96	0	4
Beringia Exhibits Renewal	100	-100 -50%	200	0	0	0
Museums – Capital Maintenance	105	+105	0	87	0	0
Prior Years' Projects	0	-	0	25	78	
Visual Arts Acquisition	25	0 0%	25	25	25	25
Visual Arts Maintenance	25	+12 92.3%	13	0	0	0
Art Collection Storage	-	-1	One dollar	0	0	0
Yukon Arts Centre	145	-6 -4%	151	0	0	-
Archives	671	-1,669 -71.3%	2,340	1,385	1,257	1,001
<b>Tourism</b>	<b>365</b>	<b>-60</b> <b>-14.1%</b>	<b>425</b>	<b>466</b>	<b>530</b>	<b>488</b>
<b>Subtotal for Capital</b>	<b>3,009</b>	<b>+110</b> <b>3.8%</b>	<b>2,899</b>	<b>1,753</b>	<b>1,892</b>	<b>-</b>
<b>Total Included in the Appropriation</b>	<b>14,138</b>	<b>+1,003</b> <b>7.6%</b>	<b>13,135</b>	<b>11,932</b>	<b>11,943</b>	<b>10,948</b>
<b>Total Expenses</b>	<b>29,086</b>	<b>+2,937</b> <b>11.2%</b>	<b>26,149</b>	<b>24,486</b>	<b>24,886</b>	<b>23,950</b>

<sup>22</sup> This number represents : 'Museums – Capital Maintenance Beringia'

## Government of Yukon

### Changes in Appropriations to Department of Tourism and Culture





## Government Transfers to Cultural Services<sup>23</sup>

(In thousands of dollars)	2015-16 Estimate	2014-15 Estimate	2013-14 Actual	2012-13 Actual	2011-12 Forecast
<b>OPERATIONS AND MAINTENANCE</b>					
Stay Another Day – Arts Themed Events	94	80	80	80	88
Yukon Science Institute	20	20	20	20	20
Arts Centre Corporation	826	814	778	778	757
Arts Operating Funds	668	668	668	668	668
Arts Fund	500	500	398	586	796
Artist in the School	100	100	105	115	144
Touring Artist Fund	100	100	86	101	116
Advanced Artist Award	150	80	85	79	80
Dawson City Arts Society	425	400	400	400	400
Friends of Yukon Archives Society	9	9	3	9	9
Museum – General Operations, Maintenance and Training Support	777	725	702	652	657
Northern Strategy- Heritage and Culture Capacity Development – Training Initiative	-	-	117	280	269
First Nations Cultural Centres	566	514	370	514	344
Historic Sites Maintenance	116	100	97	104	152
Old Firehall Programming	175	150	150	150	150
Museum Assistance	400	350	364	395	371
Museum Conservation and Security	-	20	20	20	20
Northern Cultural Expressions Society	345	345	311	345	345
Culture Quest- Yukon Arts Centre	157	157	149	157	157
Prior Years' Other Transfer Payments	0	20	238	425	69
Historic Sites – Heritage Attraction Site Support	15	15	24	37	
<b>CAPITAL</b>					
Fort Selkirk	147	141	130	124	135
Heritage Trails	21	21	36	21	21
Visual Arts Acquisition	25	25	25	25	25
Forty Mile	35	30	44	27	20

Note: The Touring Artist Fund and Arts Operating Funds are chosen based on recommendations by the Yukon Arts Advisory Council.

<sup>23</sup> [Tourism and Culture Estimates](#), p. 17-18, Government of Yukon.

## Government of Yukon

### Department of Economic Development

#### Yukon Film and Sound Commission<sup>24</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 for film and a [sound recording program](#), launched in July 2005. Funding programs for film include:

- [Yukon Filmmakers Fund](#)
- [Yukon Film Training Fund](#)
- [Yukon Film Locations Incentive](#)
- [Yukon Film Development Fund](#)
- [Yukon Film Production Fund](#)
- [Marketing Support](#).

#### Enterprise Trade Fund<sup>25</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.

The Department of Economic Development also provides small amounts in support of the Yukon Film Society, Music Yukon, and the Screen Production Yukon Association.

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<sup>24</sup> [About the Yukon Film and Sound Commission](#), Department of Economic Development, Government of Yukon.

<sup>25</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>26</sup>

(In thousands of dollars)

<b>Operations and Maintenance</b>	<b>2015-16 Estimate</b>	<b>2014-15 Estimate</b>	<b>2013-14 Actual</b>	<b>2012-13 Actual</b>	<b>2011-12 Actual</b>
Artist in the School	19	19	19	17	16
Council of First Nations – Native Language Program	405	405	405	405	405
Council of First Nations – Education Support	170	170	170	128	170
First Nations Elder Program	50	50	50	40	25
First Nations Community Orientation	20	20	20	17	13
French Cultural Activities	35	35	35	38	34
School Cultural Activities	250	250	250	277	250
Yukon College School of Visual Arts	474	474	474	474	474

### 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 2015-16, funding for the Yukon Native Language Centre remained at \$405,000.<sup>27</sup> Languages supported include Inuit, Tlingit, Gwich'in, Hän, Upper Tanana, Northern Tutchone, Southern Tutchone, Kaska, Tagish, and Tahltan.<sup>28</sup>

<sup>26</sup> [Education Main Estimates 2015-16](#), pp. 25-6.

<sup>27</sup> [Education Main Estimates 2015-16](#), p. 25.

<sup>28</sup> [Yukon Native Language Centre](#).