



British Columbia Museums Association

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Funding the Museums & Art Galleries of British Columbia through Arts, Culture & Heritage

“Good God, what are we fighting for?”

- Winston Churchill

*(upon the suggestion London's theatres & museums
should be closed for the duration of the Second World War)*

Executive Summary:

Cutting funding to Arts and Culture makes no economic or social sense. BC already has one of the worst funded Arts sectors in Canada. The Province's recent measures for short-term cash “savings” is really only a policy that results in “diminishing returns”, so it is difficult to believe such measures could possibly be long term or permanent.

Therefore the Key Recommendations proposed here by the BCMA, and that echo many already made by our peer Arts, Culture & Heritage organizations, consider the factors also listed, but provide a roadmap for: Assurance and broadening of core funding; the essential role and restored entitlement to Gaming funding; support for the BC Arts Council as the Province's delivery agent; urged support for continued tourism industry integration; mitigating HST exemptions that otherwise threaten upwards of 7% of core funding; and propose new municipal government roles and a re-structured provincial tax-driven funding formula as two new means to properly resource the Arts, Culture & Heritage sector to fulfill its economic and social promise.

This does not remove the responsibility from the sector itself to strive for and build their own sustainable futures; or from the realization and acceptance of a more active and pronounced role in a “new” cultural industry that already contributes significantly to the BC economy and the quality of life in every BC community.

However, to get there, the Province must recognize, respect and re-invest immediately in our shared and under-developed Arts, Culture & Heritage sector beginning in 2010.

Definitions:

Core funding for the BC Museums Association (BCMA) and select museums and art galleries comes from the Ministry of Tourism, Culture and the Arts, and is administered by the BC Arts Council, which has an “Arts & Culture” mandate.

However the BCMA, with its museums and their crossover memberships with Heritage BC, BC Historical Federation, Alliance for BC National Historic Sites of Canada, Archives Association of BC, First Nations, and the Heritage Tourism Alliance of BC, plays a significant role in the province's “Heritage” community, under the same Ministry.

For the purposes of this submission, “Arts & Culture” includes “Heritage” references and applications, except for points of specific measures or references.

Key Recommendations:

- That the BC Arts Council's grants budget be restored, minimally to the \$19.5-million level of the 2008-09 budget.

However, the previous Finance Committee recommendation of \$34-million will enable broadening of the current client base, (from only 40 museums), introduction of multi-year core funding; capacity for essential long term planning practices; more appropriate levels of support for provincial arts service organizations as ready-made networks of institutions and practicing experts; and the overall strategic growth of Arts & Culture as a recognized BC industry, (Budget Speech, February 2009);

- That the BC Arts Council's arms-length relationship with the Province be maintained by funding through the Ministry of Tourism, Culture and the Arts, with the continued role to administer Arts and Culture funding;
- That Direct Access (Community Gaming) Grants must be fully restored and the 33% allotment for arts, culture and other non-profit and charitable organizations be upheld, regardless of the increase in Provincial Gaming revenues;
- That 1-year funding commitments to Arts, Culture & Heritage organizations, through the Gaming and Policy Enforcement Branch at the Ministry of Housing and Social Development, be restored;
- That multi-year Gaming funding be maintained beyond the current three-year commitments, and that this program be expanded to enable annual Gaming clients to stabilize public programming funding by entering into similar multi-year funding agreements;
- That the Ministry of Tourism, Culture and the Arts, in the minimum, maintain the \$135,000 annual Heritage Tourism sector investment established by Tourism BC and Heritage Branch, (as originating contributing partners and administered by the Heritage Tourism Alliance of BC), to continue the strategic development of the Heritage Tourism sector as a major contributor to BC's tourism industry;
- That the Province, through the Ministry of Finance, and the Ministry of Tourism, Culture and the Arts, designate a percentage of the pending re-structured Tourism industry funding formula to the "product development" and marketing of the Heritage Tourism sector, to be administered by the Heritage Tourism Alliance of BC;
- That the Ministry of Tourism, Culture and the Arts engage with the Arts, Culture & Heritage sector and the Union of BC Municipalities, to establish Provincial standards for municipal levels of core funding and infrastructure investment to broaden the base of operating assistance, support for capital projects to better leverage federal funding, and to address the growing number of aging facilities in need of repair, upgrades or replacement;
- That the Province exempts Arts, Culture & Heritage institutions, and related non-profit and charitable organizations from planned HST assessments to: Public admissions; exhibition, performance and administrative facility leases and rentals; capital projects; and contractor fees.



Background:

Since 1957, the BC Museums Association has served as the provincial parent association for BC's 535 museums, art galleries, archives, historic sites, heritage properties, and First Nations cultural centres, their resident professionals and volunteers, all managing collections representing BC's rich history. They comprise all sizes, types of operations and budgets, socio-economic connections and are rooted in every BC community.

The BCMA has served the Province, and specifically the Ministry of Tourism, Culture and the Arts, through a number of program delivery partnerships, including the "Operating Assistance for Public Museums of BC" program for the BC Arts Council (1996-2009); and most recently, three BC150 Years project-funding programs. The BCMA also serves as the lead cultural heritage organization for the Heritage Tourism Alliance of BC, (HTA), in partnership with Tourism BC and the Ministry's Heritage Branch, and is an active member of the Council of Tourism Associations (COTA), representing the Heritage Tourism sector.

The BCMA makes this submission at a time of crisis for the Arts, Culture & Heritage sector; out of the need for immediate action to correct this situation in the short-term; and to urge the Province, through the Ministry of Tourism, Culture and the Arts, to re-engage the sector to collaboratively develop strategic measures to establish sustained core funding for Arts, Culture & Heritage for the long term.

Entering the 2009-10 fiscal year, the BCMA has lost \$76,500 in annual Provincial funding.

The Facts and Issues:

- No other province in Canada has reduced support for the Arts and Culture sector during this time of economic uncertainty. Ontario, Alberta, Quebec, Newfoundland and the federal government—all with similar, or worse budgetary pressures—have *increased their investments in Arts and Culture*;
- Provincial funding from all sources makes up an average of only 7% of the operating budgets of performing arts organizations—*the lowest level in Canada*. The national average is 13%. In Quebec, provincial funding accounts for 26% of the average performing arts organization budget;
- On September 1, 2009, according to the Ministry of Tourism, Culture and the Arts Service Plan, the Province cut basic funding to Arts and Culture from \$19.5-million in 2008-09 to \$3.6-million in 2009-10: an 82% cut in core funding;
- Funding to Arts and Culture through all sources, including Gaming, will be cut from \$47.8-million in 2008-09 to \$23-million in 2009-10. By 2011-12 arts funding is slated to be cut to \$3.67-million. Total cuts: 85-92%;
- Despite steadily rising gambling profits, the Province is failing to honour its 1999 "Memorandum of Understanding" with the BC Association of Charitable Gaming to commit 33% of the annual BC Lottery Corporation revenues to supporting licensed non-profits and charities. Distribution to charities has now fallen to 19%;
- 44% of Arts and Culture organizations across BC funded by Gaming last year lost 100% of their funding this year, (including the BCMA), meaning 30% to 100% of their total Provincial support. 370 Arts and Culture groups across BC have been affected;
- Arts and Culture funding from the BC Arts Council and from Gaming is for fundamentally different types of activity: BC Arts Council provides operating assistance and special project funding; while Gaming supports public programming, some operating costs and community engagement;

- Community Gaming Grants has a broader client group and helps offset the current, comparatively narrow, qualifying museum clients for BC Arts Council operating assistance grants;
- Gaming funding is often leveraged many times over to attract additional funding sources from other levels of government and the private sector;
- Arts, Culture & Heritage organizations need a predictable percentage of annual Gaming revenue. As Provincial gaming revenue increases, the sector should be able to count on a consistent percentage and periodic incremental increases that could be directed to upgrade annual clients to multi-year funding status;
- Cuts have created immediate instability and uncertainty in the sector, cancelled public programming, created layoffs, office closures, and lost matching funding opportunities; inability to plan or make advance or timely financial commitments; lost hotel stays and restaurant sittings; and postponed renovations, maintenance and upgrades. Threats of larger future cuts will damage BC's Arts and Culture sector beyond any chance of short-term, mitigating recovery and for many, beyond any chance of recovery at all.

The Case for Public Investment in Arts and Culture:

Economics:

- The Arts is a \$5.2-billion industry in BC, employing over 80,000 people, and as a sector, has grown faster than the Provincial economy;
- From the Province's own study: *Socio-Economic Impacts of Arts and Cultural Organizations in BC: Grant Applicants to the BC Arts Council*, the return (in the form of tax revenues) on public investment in the Arts is \$1.36 for every dollar invested;
- Studies (ie. Conference Board of Canada; Vancouver Cultural Plan 2007) conclude that every dollar the municipality spends on Arts and Cultural activity results in between \$7.00 and \$13.00 in economic activity;
- Many resource-based communities, hard hit by the economic downturn, are looking to diversify their local economies and make them less reliant on resource extraction, and are looking to film and television production and the cultural tourism industry to rejuvenate their communities;
- Governments at all levels and throughout the western world have adopted infrastructure spending as the stimulus to help drive the economy out of the current global recession;
- Creative communities are leading the unharnessed growth of the knowledge-based economy;
- The seminal work of sociologist Richard Florida, and former Winnipeg mayor, Glen Murray, have demonstrated that creative communities thrive economically;
- Heritage Tourism, (museums, historic sites & towns, heritage properties, places & districts, built heritage, historic visitor amenities—hotels, bed & breakfasts, restaurants, etc), under the leadership of the Heritage Tourism Alliance of BC, has made initial strides in gaining Tourism industry recognition and serves as a working model for continued strategic investment and development of Arts & Culture and Tourism industry collaboration, (music, folk, theatre & performing arts festivals);
- Public investment in the Arts works like “seed money” that stimulates the creative sector and in turn, benefits far-reaching industries not normally associated directly with Arts and Culture—architecture, new media, construction, building trades and suppliers, printers, publishers and commercial tourism operators, (hotels, restaurants, transportation);

- Public investment leverages funding from other sectors, different levels and agencies of government, and combined with Gaming and self-generated earned revenue from public admissions and programming, comprise a complex, delicately-balanced, and highly interdependent jigsaw puzzle of annual operating funding. Removing or reducing just one or two pieces—operating assistance and/or Gaming—creates a domino effect results in a crippled Arts and Culture sector, institution by institution, and a diminished economic and social contribution to BC communities;

Social Impact:

- Public investment in the Arts has a significant social impact. Arts, Culture & Heritage promote and represent diversity, history, education, creativity, community appreciation, enrichment of lives, wellness, dialogue and debate—all public goods that combine to define the unique sense of place and quality of life in every BC community;
- Social capital of thousands of volunteer hours of activity is also generated by Arts, Culture & Heritage activity—resulting in healthier, happier, economically competitive and livable communities;
- Public investment enables everyone, regardless of economic or cultural background, to have access to world class Arts and Culture activity in BC, as students, summer jobs, internships, careers, avocations, audience members and visitors—touching the lives of as many people as possible for the full extent of their lives and providing a vital forum for “lifelong learning”;
- Arts programs for youth and seniors measurably improve the lives of participants, visibly foster healthier communities and innovatively address pressing social issues of youth at risk and eldercare;

Education:

- According to the Conference Board of Canada, many educators believe creative activities provide positive learning experiences, such as:
 - Improved communication, inter-personal skills and creative thinking
 - Improved literacy and language development through libraries and reading programs
 - Developing Information Technology skills critical for employment in the growing knowledge economy, as creative activity often involves information and communications technologies
- *Learning through the Arts*, a three year national research study (Queen’s University) concluded that direct involvement in the Arts contributed to student achievement up to 11 percentile points higher in math than their peers. 90% of parents reported that the Arts motivated their children to learn. Teachers, parents, artists and administrators talked about how the arts motivated children, referencing the emotional, physical, cognitive and social benefits of learning in, and through the Arts;

The Province’s Own Words Regarding BC’s Arts and Culture:

- The Province boasted of BC’s “vibrant arts and culture scene” in winning its bid for the 2010 Winter Olympics, and that Culture was the “second pillar” of the Games.
Five months before the Games open, the Province cuts Arts and Culture funding, with more drastic cuts on its agenda. Not only will this tarnish BC’s image globally, it damages BC’s Arts and Culture sector to such a far-reaching extent that Provincial intervention will ultimately be required for the sector to recover.
- The Ministry of Tourism, Culture and the Arts’ service plan states that BC requires “culturally rich communities that contribute to making BC the ‘best place on earth’ to live, work and play”; and states that “British Columbia’s arts, culture and creative sectors are diverse, dynamic and growing”;

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

The Province acknowledges the role of the Arts when it calls upon Arts, Culture & Heritage organizations, institutions and artists to promote or celebrate BC, or to attract trade and international opportunities such as the 2010 Winter Olympics. However the Province’s recent actions, and those more drastic outlined in the Ministry’s Service Plan, do NOT support these statements or recognize that Arts, Culture & Heritage should be looked to as a key player and a partner for the Province in troubled and transitional economic times.

Respectfully submitted,

The British Columbia Museums Association

