



FESTIVALS AND MAJOR EVENTS CANADA /
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BRIEFING DOCUMENT
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BACKGROUND

Festivals and Major Events Canada (FAME) / Festivals et Événements Majeurs Canada (FEEM) is a national, member-financed advocacy coalition representing the major cultural festivals and events sector.

FAME Canada's members represent a diverse cross-section of arts, cultural and heritage-based events across Canada, including:

The Calgary Stampede, Edmonton Folk Music Festival, Festival International de Jazz de Montréal, Festival Western de St-Tite, Gatineau Hot Air Balloon Festival, Harvest Jazz & Blues Festival, International Balloon Festival de Saint-Jean-sur-Richelieu, Festival du Voyageur, Luminato Festival, Montréal en lumière, Montréal Just for Laughs Festival, Osheaga Music and Arts Festival, Québec Winter Carnival, RBC Royal Bank Bluesfest, Royal Nova Scotia International Tattoo, SAQ New France Festival, Shaw Festival, Stratford Festival, Toronto International Film Festival, TD Vancouver International Jazz Festival, Winnipeg Folk Festival and Associate Member, RÉMI (Regroupement des événements majeurs internationaux / Major International Events Network, Quebec).

ABOUT FESTIVALS AND MAJOR EVENTS

As the engine that powers Canada's tourism industry, festivals and major events are crucial to the social and cultural fabric of the country. From coast to coast to coast, every region benefits as these events trigger civic pride while boosting community engagement and local economies.

Behind the stages, away from the spotlights, festivals and major events are complex businesses that employ highly-skilled workers. They represent one of Canada's fastest growing economic sectors and, as such, are key to our global competitiveness.

Festivals and events create thousands of jobs. They attract millions of tourists. They generate billions in recreational spending revenue that flows to hotels, restaurants, retail, transportation and a myriad of other businesses, and significant tax revenue is raised for all three levels of government. Festivals are the lure – yet the events themselves see very little of these dollars. Festivals survive solely on revenue from ticket sales, private sponsorships and limited public sector support. A recent survey of FAME members showed only 4 percent of operating budgets came from federal coffers.

The vast majority of these festivals and major events – and all FAME members – are charitable or not-for-profit organizations. Any surplus revenue generated by these events is funnelled back into programming or allocated for free events and other community initiatives. Significant resources are also devoted to preparedness planning, as ensuring public safety and security is a top priority.

FESTIVALS AND EVENTS ARE A KEY ECONOMIC DRIVER

A 2009 study commissioned by FAME, of just 15 of Canada's largest festivals and events, revealed some astonishing numbers. These 15 festivals attract more than 12.6 million visitors annually (including 3.3 million tourists), contribute \$650 million in GDP to local economies, have an economic impact of over \$1 billion, and support the equivalent of 15,600 full-year jobs.

Importantly, many of these jobs are entry-level and part-time positions that provide youth and underemployed Canadians with valuable work experience in their own communities. Volunteer programs provide opportunities for diverse cross-sections of the population – and in particular seniors – to remain active and contribute in meaningful ways.

The sector has a vital economic impact at regional, provincial and national levels. The average large festival, in fact, contributes \$43.2 million to the local GDP. And tax revenues are realized within the same fiscal year. Consider this: The 15 festivals cited above received on average less than \$2 million in federal stimulus funding through the MTEP program. Yet these festivals generated almost *\$1.1 billion* in combined economic impact, \$300 million from event-related operational expenditures and \$780 million from tourists *at the height of a global recession*.

In other words, a small investment by government led to a return of \$283 million in tax revenue. Promoting the growth of festivals and major events is not just about preserving Canadian culture and our national identity. It's about driving the economy.

TOURISM IS CRITICALLY IMPORTANT TO CANADA'S ECONOMIC GROWTH

According to Statistics Canada, the tourism industry contributed \$81.7 billion to Canada's economy in 2012, accounting for approximately 1.7 million jobs and \$21.4 billion in government revenue, almost half at the federal level. Worth about \$17.3 billion, tourism is now the largest service export in Canada.

But Canada's tourism deficit – the difference between what Canadians spend abroad and international visitors spend here – has been growing in recent years. It is now estimated to be \$17.8 billion. This troubling development arrives as global tourism is on the rise. According to a forecast from the United Nations World Tourism Organization (UNWTO), international tourist arrivals are expected to grow by 3.3 per cent each year from 2010 to 2030, when it's projected to reach 1.8 billion travelers worldwide.

Realizing the economic importance of tourism – an industry that represents 9 per cent of all GDP across the planet – other governments are investing heavily to lure potential cultural spenders, including the \$200 million "Brand USA" campaign. Unfortunately, Canada's tourism marketing investment has not kept pace with the competition.

This means that as tourism has been growing globally – it now accounts for 1 in 11 of all jobs according to the United Nations – Canada's market share continues to shrink. Canada has now slipped from 7th to 18th as a destination for international visitors, making Canada one of only five countries in the world to experience a significant tourism decline over the past decade.

Canada needs iconic products with internationally recognized brands and sophisticated, world-class programming to attract tourists. And Canada's festivals and major events are exactly the type of world-class product that resonates with these visitors. Research from the Canadian Tourism Commission shows that in 2012 Canada's fairs and festivals received 1.7 million international visitors – roughly equal to the 1.8 million international visitors who simply visited Manitoba, Saskatchewan, Northwest Territories, Nunavut, Yukon, Newfoundland and Labrador, New Brunswick, Nova Scotia and PEI *combined*. Plus, the time-limited nature of festivals incites travelers to visit now – not someday in the future.

GEARING UP FOR CANADA'S 150TH ANNIVERSARY

Canada will also be celebrating its sesquicentennial in 2017. The government has the opportunity to leverage this milestone to secure gains in tourism and brand recognition similar to those achieved by Canada's Centennial and the 2010 Olympics.

There is a significant opportunity to increase Canada's \$63.7 billion domestic tourism revenues by incentivizing a larger percentage of Canadians to vacation at home during this celebratory year. Investing in leading cultural festivals and events now will ensure that our nation is poised to present this landmark celebration to Canadians across the country and to the world.

RECOMMENDATION: ESTABLISH A \$20 MILLION MAJOR FESTIVALS AND EVENTS DEVELOPMENT FUND

FAME is asking the federal government to establish a \$20 million Major Festivals and Events Development Fund. For maximum benefit and efficiency, we believe this fund should target established, not-for-profit cultural events that operate with budgets greater than \$1 million and attract annual audiences of 50,000 or more.

IMPACT OF INVESTMENT: WHAT GOVERNMENT FUNDING COULD ACHIEVE

Based on FAME research and the results of the Marque Tourism and Events Program, a Major Festivals and Events Development Fund would have a catalytic effect on economic growth and would boost Canada's global competitiveness.

Federal investment at this crucial time will have a direct impact on job creation and generate major economic spin-offs in multiple industries. And given the fixed-period nature of festivals, a return on federal investment would be realized within the same fiscal year.

At \$81.9 billion in annual revenues, the tourism industry already represents a significant source of income in every region. But without action, Canada risks falling behind countries that now recognize the value of global tourism to their economies.

The fund will help Canada's leading cultural events develop new product offerings, forge strategic partnerships, broaden their reach, update infrastructure, and innovate programming. It will help stabilize day-to-day operations, allowing festivals and major events to focus on the future without worrying about the present. It will ensure the very survival of these beloved events.

But most important, the fund will reward the millions of visitors who are entertained, educated, connected and culturally enriched by the country's unique array of festivals and events. For many visitors, these events have become a part of their lives. These events create family memories, create a powerful sense of community and foster patriotism from coast to coast to coast.