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Opening Remarks to the Provincial Standing Committee on Finance and Economic Affairs regarding the Tourism Sector

Thank you, Mr. Chair, and all of the committee members for inviting us here today. My name is Carol Stephenson and I am the Chair of the Board of Governors for the Stratford Festival. I'm here with Anita Gaffney, the Festival's Executive Director.

We appreciate that the government's current needs are focused on public health, long-term care homes, social services, and economic survival across a number of sectors – and that you are developing a longer-term strategy aimed at economic recovery and jobs.

In Southwestern Ontario, the Stratford Festival needs to be a vital part of your recovery strategy. It can generate millions of dollars in economic activity, and taxes. It can create jobs in the thousands.

But in order to play an essential role, it must survive this unprecedented moment in history. And for that, we need your help.

The extended shutdown necessitated by the pandemic is devastating the Stratford Festival. Over the past three months we have taken every step possible to help stabilize the organization:

- We have launched a ticket donation campaign.
- We have reduced staff and overhead expenses
- We have instituted a 50% salary reduction for the Executive and Artistic directors.
- We have drawn from our Endowment.
- We have accessed the CEWS program.
- We have accessed a \$6-million line of credit.
- We have launched a fundraising campaign to support our recovery.

To ensure that we contribute substantially to Southwestern Ontario's recovery from this pandemic, it is essential that we remain connected to our massive audience base. We are doing that digitally through our social media platforms and through the province's Ontario.Live initiative.

More than 400,000 people from around the world have watched our digital programming since late April. We have expanded our international profile and attracted thousands of new followers. Engagement on some platforms is up 1,200%.

But despite the popularity of our digital programming, we must face the fact that it brings absolutely no money into our community at this time of need. It does nothing to stimulate Ontario's tourism industry at this time of pandemic.

The Stratford Festival was founded in 1952, the original destination theatre in a developing Ontario tourism market.

Its mandate was to save the town from economic disaster when it lost its major industry. It worked.

The Stratford Festival has grown to become the marquee tourism event in the multimillion-dollar tourism industry of Southwestern Ontario. Unlike many other theatres, the Stratford Festival is the main tourist attraction in its region, and an essential economic stimulus.

It is also differentiated by the fact that it has the highest level of earned revenues and the lowest level of government support in the not-for-profit performing arts industry. It earns 94% of its budget and receives 6% from the provincial and federal governments combined.

But because of this pandemic, a business model that has worked for decades has been turned on its head. Without ticket sales, the Festival's unique ability to be 94% self-funding becomes a unique vulnerability, forcing us to turn to government for our very survival.

The Stratford Festival is a major tourist attraction. It is the largest not-for-profit theatre in North America. It operates year-round and presents more than 700 performances of 15 productions in four theatres.

In terms of its importance to the tourism industry and the economy:

- It attracts 500,000 people a year, 25% of those from the U.S. – people who return year after year, generation after generation.

- It employs 1,000 people, creates 2,400 more full-time-equivalent jobs, and supports hundreds of small businesses in the region, as you heard from Stratford Mayor Dan Mathieson earlier today.
- It drives \$56 million in taxes to the three levels of government annually.

Because of the pandemic, all of this has ground to a halt.

But with your help we can become everything that we have been and more.

When our 2020 season was cancelled by the pandemic, we had already spent more than \$15 million building, rehearsing and marketing our productions. Our year-round operating costs, though significantly reduced, will continue despite the loss of all revenue sources.

This will result in an estimated shortfall of \$20 million this year. We look to you for a portion of this.

We are committed to raising \$12 million in private-sector donations and we ask that government contribution \$8 million, through a combination of a grant and a loan.

In exchange, we promise a tremendous return on investment, both culturally and economically: \$8 million is after all just 15% of the \$56M in taxes we generate annually.

Granting this urgent request will protect 3,400 jobs, stimulate the regional economy by at least \$135 million annually into the future, and preserve the international prestige of this world-renowned Canadian theatre.

The Stratford Festival is essential to the economic recovery of Southwestern Ontario. And I'd go so far as to say you can't fully rejuvenate the area without it.

As Minister MacLeod said earlier this month tourism will be the last sector to recover from this period of social isolation. Inside that sector, a destination theatre like ours faces an even greater challenge as we require the gathering of groups of more than a thousand people, indoors, in close quarters.

The Stratford Festival is, to borrow Minister MacLeod's words, "a powerhouse that fuels a spectacular double bottom line." The Festival is the engine that drives the tourism economy of Southwestern Ontario, and a cultural crown jewel for the province and the country.

Thank you. We look forward to your questions.