

**Magazines Canada's Submission  
2017 Federal Pre-Budget Consultations**

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The logo for Magazines Canada, featuring the words "Magazines" and "Canada" in a bold, white, sans-serif font. The text is set against a red background that has a curved bottom edge on the right side.

**Magazines  
Canada**

## Executive Summary

In the release announcing the 2017 federal pre-budget consultations, the House of Commons Standing Committee on Finance indicated it is seeking recommendations regarding measures or actions the Government of Canada can take to help individual Canadians, Canadian businesses and Canadian communities contribute to Canada's economic growth.

Magazines Canada respectfully submits this brief and three recommendations that respond directly to all three policy areas in which the government is seeking input:

### Magazines Canada's Recommendations

**Recommendation 1: That the Government of Canada continue to demonstrate leadership and innovation by investing permanently in Canadian arts and culture.** This recommendation responds to the government's call for input pertaining to Canadian businesses.

**Recommendation 2: That the Government of Canada invest in targeted career training initiatives for the Canadian arts and culture sector to enable the next generation of cultural professionals and to ensure succession in Canada's cultural organizations, themselves drivers of innovation, productivity and economic growth.** This recommendation responds to the government's call for input pertaining to Canadian businesses and individual Canadians.

**Recommendation 3: That the Government of Canada, via the forthcoming review of the Canada Post Corporation, ensure that Canadians continue to have fair and equal access to Canadian content through Canadian magazines no matter where in Canada they reside, including remote and/or underserved communities.** This recommendation responds to the government's call for input pertaining to Canadian communities, as well as individual Canadians.

## **Magazines Connect Canadians: About Canada’s Magazine Media Sector**

Magazines are an essential part of Canadians’ lives. Canadian magazines represent and speak to the diversity of Canada’s population. Canadian magazines cover every interest and passion, from investigative journalism and current affairs to pets; from arts and culture to geography and outdoor pursuits. Recently published readership data demonstrates the strength of print magazines as a medium, and in particular, Canadians’ ongoing loyalty to Canadian magazines. For example, 92 percent of consumers read a magazine at least once per week; 88 percent of readers think a magazine should contain Canadian-focused content.

Canadian magazines are an economic sector of consequence that contributes to Canada’s innovation, productivity and economic growth agenda. Canada’s more than 2,000 business-to-business (B2B), Consumer and Cultural magazine brands contribute \$1.7 billion to Canada’s GDP (2010). Canadian magazines employ 15,000 Canadians in digital “smart jobs” and are an attractive employer to young Canadians.

The Canadian magazine media sector recognizes print’s legacy, while also driving digital innovation in all operational aspects. Though consumers are dedicated to print, Canada also has one of the most engaged internet audiences in the world, as evidenced by the fact that digital magazine readership in Canada grew 2.5 times to 5 million between 2013 and 2015. In response to this, Canada’s print magazine brands have innovated across multiple platforms offering Canadian content on the web, tablet, mobile, social media and video.

### **The Government of Canada Partners Successfully with Canadian Magazines**

The Government of Canada invests in the Canadian magazine media sector via a strategic combination of legislation, financial support, policies and regulations and national institutions.<sup>1</sup> This investment ensures that Canadians have access to content created by, for and about Canadians and recognizes that a rich diversity of Canadian stories is important. It also ensures the perennity and advancement of both digital and print distribution channels that reach Canadian and international audiences and enhance Canadian magazines’ competitiveness in a borderless world. The Government of Canada has ensured the ongoing preservation of Canadian culture in international trade agreements to which Canada is a party, including the Comprehensive Economic and Trade Agreement (CETA) and the Trans-Pacific Partnership (TPP). Through the Canada Post Corporation, the Government of Canada ensures that Canadians have access to Canadian magazines no matter where in Canada they reside.

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<sup>1</sup> Legislation is comprised of the *Foreign Publishers Advertising Services Act* and the *Income Tax Act*; financial support is comprised of the Canada Periodical Fund administered by the Department of Canadian Heritage; policies and regulations include the Foreign Investment Policy in the Periodical Publishing Sector; financial support via national institutions comes from the Canada Council for the Arts.

## **Recommendation 1: That the Government of Canada continue to demonstrate leadership and innovation by investing permanently in Canadian arts and culture.**

Along with a great number of Canadians, Canada's magazine media sector rejoiced when the 2016 federal budget was released and showed new investments in Canadian arts and culture.<sup>2</sup> The Honourable Mélanie Joly, Minister of Canadian Heritage, has said that Canadian culture "...is at the core of who we are as Canadians, and what unites us and defines us in the world...".<sup>3</sup> The Government of Canada should continue to invest in Canadian arts and culture and make the programs that deliver this investment permanent.

This is especially important in a post-Brexit world and also given the developing political situation in the United States, Canada's largest trading partner. A recent article in *The Economist*<sup>4</sup> speaks of the new political divide between open and closed national governments. Canada's commitment to "openness" through multilateralism, immigration and diverse communities can only be supported through concomitant support for open dialogue and media—in particular the sharing of commentary, arts, culture and education that Canada's magazine media deliver to citizens and communities across the country.

Canada has a role to play in the global political, economic and social arena, and sound investment in Canadian arts and culture can help pave the way. Furthermore, arts and culture are clearly aligned with the Government of Canada's *Innovation Agenda*,<sup>5</sup> which itself is a key aspect of how Canada wishes to demonstrate for the world its progressive, tolerant, inclusive and compassionate society.

In this federal pre-budget consultation, input is being sought on how to help Canadian businesses meet their expansion, innovation and prosperity goals and thereby contribute to economic growth in Canada. Magazines Canada believes that sound, permanent investment in Canadian arts and culture will help *cultural businesses* like magazines—for magazines are at once cultural *and* business undertakings—achieve their goals of innovation and prosperity.

Magazines Canada wishes to underscore two areas of new arts and culture investment that should be designated permanent: The Canada Council for the Arts and Showcasing Canada's Cultural Industries to the World.

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<sup>2</sup> Government of Canada: *Growing the Middle Class: Budget 2016*. March 22, 2016. <http://www.budget.gc.ca/2016/home-accueil-en.html>

<sup>3</sup> The Washington Post: *The state of the arts in Canada*. July 23, 2016. [https://www.washingtonpost.com/entertainment/museums/the-state-of-the-arts-in-canada/2016/07/22/68b7dc98-42e0-11e6-8856-f26de2537a9d\\_story.html](https://www.washingtonpost.com/entertainment/museums/the-state-of-the-arts-in-canada/2016/07/22/68b7dc98-42e0-11e6-8856-f26de2537a9d_story.html)

<sup>4</sup> The Economist: *The new political divide*. July 30, 2016. <http://www.economist.com/news/leaders/21702750-farewell-left-versus-right-contest-matters-now-open-against-closed-new>

<sup>5</sup> Government of Canada: *Canada's Innovation Agenda*. June 14, 2016. <https://www.ic.gc.ca/eic/site/062.nsf/eng/home>

**Canada Council for the Arts:** The \$550 million total new investment in the Canada Council for the Arts over five years (2016-17 – 2020-21) will benefit all Canadians by making it possible for more Canadians to experience, enjoy and have access to the arts and the many ways in which the arts enhance people’s quality of life. The Canada Council is redefining its engagement with Aboriginal artists, forging better integration of digital technologies and the arts, and, importantly, is launching a new funding model that will streamline the application process for Canadian artists and arts organizations. Canadian literary and art magazines receive financial support via the Canada Council for the Arts.

**Showcasing Canada’s Cultural Industries to the World:** In a world characterized by increasing uncertainty and upheaval, Canada can demonstrate its belief in the free flow of goods and services, of people and ideas, by its actions on the international stage. One low-cost, high-return way to do this is by investing in export opportunities for Canadian cultural industries. The 2016 federal budget commits \$35 million over two years to this initiative, which is welcome news. Magazines Canada recommends that the Government of Canada extend this investment and make it permanent.

Magazines Canada would like to underline the **Canada Periodical Fund (CPF)**, which is the bulwark program of support for the Canadian magazine media sector administered by the Department of Canadian Heritage. In 2015-16, the CPF earned high marks in its program evaluation, one of the most recent reviews of a cultural sector grants and contributions program. We note that the CPF is considered highly effective and, we believe, should be viewed as a model of program administration going forward, worthy of ongoing investment. The program is integral to Magazines Canada’s members: the Government of Canada’s investment in the sector through this program enables Canadian magazine media to create, publish, distribute and promote Canadian content on multiple platforms and in diverse communities.

**Recommendation 2: That the Government of Canada invest in targeted career training initiatives for the Canadian arts and culture sector to enable the next generation of cultural professionals and to ensure succession in Canada’s cultural organizations, themselves drivers of innovation, productivity and economic growth.**

Unemployment and underemployment of young Canadians is an ongoing challenge. It is also a challenge for the economic sectors these young workers would seek to enter and build careers in, since the vigour, innovation and overall viability of these sectors is to a large part dependent on the continuous renewal brought forward when younger employees join organizations and add their unique voices and worldview to the mix. This is particularly the case for Canada’s arts and culture sector.

From the perspective of Canadian magazine media, publishers require increasingly digital-savvy employees, while at the same time, young workers aspiring to gain entry to the sector have few

vehicles to help them apply their digital skills or deepen their network and experience. There is a clearly pronounced talent gap between the needs of the Canadian magazine media sector, as well as the broader arts and culture sector of which it is a part, and the ability of young workers to “break in”. This gap could be bridged by targeted investment by the Government of Canada in career training initiatives designed specifically to meet the needs of the arts and culture sector, including magazines. This would help young Canadians find meaningful employment and the opportunity for career growth in the sector.

**Recommendation 3: That the Government of Canada, via the forthcoming review of the Canada Post Corporation, ensure that Canadians continue to have fair and equal access to Canadian content through Canadian magazines no matter where in Canada they reside, including remote and/or underserved communities.**

While Magazines Canada welcomes the Government of Canada’s review of the Canada Post Corporation, we maintain that an unassailable part of the Crown Corporation’s mandate must remain ensuring Canadians have fair and equal access to mail-delivered/carried materials wherever they reside, including remote and/or underserved communities. This includes Canadian magazines, which play an important role in informing our citizenry and are vehicles for cultural dialogue and exchange. We also maintain that the cost of delivering these magazines must not be punitive toward magazine publishers.

## **Magazines Canada’s Recommendations**

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## **About Magazines Canada**

Magazines Canada is the national trade association representing Canadian-owned, Canadian-content consumer, specialty, professional and business media magazines. French and English member titles offer a wide range of topics including business, professional, news, politics,

sports, arts and culture, leisure, lifestyle, women and youth, made available on multiple platforms. The association focuses on government affairs, services to the advertising trade, circulation marketing and the development of career skills for and the recognition of excellence among the people who work in Canada's magazine media.