

## ***Canadian Arts Coalition's Pre-budget Submission 2014***

### ***Investing in Canada's Future***

#### **Brief to the Standing Committee on Finance:**

Submitted July 29<sup>th</sup>, 2014, to:  
Clerk, Standing Committee on Finance  
6-14, 131 Queen Street  
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#### **Executive Summary**

The Canadian Arts Coalition brings forth three recommendations for the development of the 2015 federal budget:

1. Increase the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015 with a long-term goal of reaching \$300 million.
2. Increase Canada's presence on the world stage for 2017 by establishing a \$25 million pilot program over three years at the Department of Foreign Affairs, Trade and Development for Canada's 150<sup>th</sup> birthday.
3. Investigate new revenue models to support a comprehensive Canadian Cultural Digital Strategy that would enable the creation, dissemination and engagement of Canadian cultural content online.

These recommendations were identified as priorities by 42 member associations during consultations held in April and May, 2014. The Canadian Arts Coalition would welcome the opportunity to appear before the Standing Committee on Finance during the pre-budget hearings.

## Introduction

The Canadian Arts Coalition is a collaborative non-partisan movement. We are united in the belief that a strong arts and culture sector contributes to economically vibrant, liveable, and innovative communities, and that strong federal cultural policy and investment frameworks leverage arts and culture's contribution to the Canadian economy, Canadian communities, and Canada's standing internationally.

The Canadian Arts Coalition would welcome the opportunity to appear before the Standing Committee on Finance during the pre-budget hearings in Ottawa or Toronto. An invitation to appear can be emailed at [info@canadianartscoalition.com](mailto:info@canadianartscoalition.com).

### **Recommendation One: Increase the Canada Council for the Arts' Parliamentary appropriation by \$35 million in 2015 with a long-term goal of reaching \$300 million.**

#### **Rationale:**

Since 1990, the number of arts organizations supported by the Canada Council has increased by 65% - a response to the growing and diversifying engagement in creative and cultural experiences by Canadians across the country. Based on Census data, the arts sector has grown from 101,605 professional artists in 1990 to 155,500 professional artists in 2011. The Parliamentary appropriation to the Canada Council needs to reflect this significant industry expansion, helping it to remain sustainable while serving a growing, more diverse Canadian population.

Since 2007, the Canada Council's Parliamentary appropriation has essentially flat-lined. In fact, per capita spending is slightly below 1990 levels at \$5.34 per capita in 2010, down from \$5.57 per capita in 1990<sup>1</sup>. With a balanced federal budget in sight, it is time to ensure that the Canada Council is able to affirm its historic commitment to providing Canadians with affordable access to diverse cultural experiences, while catalyzing local and regional economic growth through increased engagement in the arts.

The federal government has recognized the essential role of the Canada Council for the Arts on several occasions. It is known as a well respected, efficiently run, federal agency that contributes to sustaining the work of artists, arts organizations and cultural infrastructure across Canada. Most recently in Budget 2014, the federal government made permanent a \$ 25 million contribution to the Council's parliamentary appropriation that had previously been renewed on an annual basis. This is a promising step, and one that was well received by the Canadian Arts Coalition.

**Expected cost:** \$35M added to base (Parliamentary appropriation totalling \$216M)

**Period of time:** Recurring, starting in 2015.

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<sup>1</sup> Canada Council for the Arts. [Strengthening Connections: Strategic Plan 2011-2016](#). October 2010.

### **Federal Funding:**

Beyond its significant and essential contribution to the wellbeing of Canadians, investment in the arts produces economic returns that boost the federal government's bottom line through increased tax revenue and local economic growth. Across Canada, civic leaders have increased the per capita spending on the arts at the local level, taking steps to leverage the considerable social and economic benefits of increased arts activity in their communities. The federal government must continue to show leadership and contribute as a partner in cultural development locally and nationally.

### **Intended Beneficiaries:**

This recommendation will benefit all Canadians by stimulating job creation and local economic development, while providing more affordable access to artistic and cultural experiences in all regions of the country.

### **Impact:**

#### **Increased investment in the arts will boost local economies through job creation.**

The Canada Council's programs support a tremendous range of jobs within the cultural sector: artists, book publishers, general managers, stage managers, set and lighting designers, sound engineers, filmmakers, bookkeepers, and numerous other creative and administrative workers benefit from the trickle down effects of the Government's investments through the Canada Council. The variety and number of jobs in the cultural sector, 4% of Canada's labour force,<sup>2</sup> makes the sector an engine of Canada's economy. Given that many Canadian artists and cultural workers are self-employed small-business owners, it is clear that these jobs are essential to the prosperity of thousands of families across the country.

#### **Increased investment in the arts will provide Canadians with affordable access to cultural experiences reflective of a diverse, contemporary Canada.**

Increased investment through the Canada Council for the Arts will ensure that Canada's cultural milieu can fully explore and express what defines us as Canadians. It will also help to ensure that Canadians have better, more affordable access to artistic work from all regions of Canada that reflects our rich and multi-faceted cultural landscape.

When the federal government invests in the arts, Canadians of all socio-economic backgrounds can reap a broad range of benefits associated with participation in the arts. Canadians feel more connected to each other.<sup>3</sup> They enjoy beautiful public spaces and think of their communities as better place to live.<sup>4</sup> They experience greater energy and vitality in their community and are more engaged in the civic life of their neighbourhoods.<sup>5</sup> They are also significantly more likely to report good health.<sup>6</sup>

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<sup>2</sup> Statistics Canada, [Economic Contribution of the Culture Sector to Canada's Provinces](#), 2007.

<sup>3</sup> Phoenix Strategic Perspectives, [The Arts and Heritage in Canada – Access and Availability 2012](#).

<sup>4</sup> Ibid.

<sup>5</sup> Strategic Moves, [The Value of Presenting: A study of performing arts presentation in Canada](#), 2013.

<sup>6</sup> Hill Strategies, [The Arts and Individual Well-Being in Canada](#), 2013.

**Recommendation Two: Increase Canada's presence on the world stage for 2017 by establishing a \$25 million pilot program over three years at the Department of Foreign Affairs, Trade and Development for Canada's 150<sup>th</sup> birthday.**

**Rationale:**

Artists and arts organizations are effective cultural ambassadors for Canada on the world stage, embodying Canada's diversity, innovation, and accomplishment. Targeted investment that supports arts organizations' efforts to establish and build international markets will result in diversified revenue streams, jobs here at home, economic growth and stability. Canadian artists, arts organizations, and cultural producers would benefit directly from these work opportunities. The global trade sector and the tourism sector will also profit significantly from this increased activity

We therefore recommend a pilot program with funding at the suggested level of \$25 million dollars over three years. Funding for this pilot program will be directed to three areas:

- a. Cultural promotion in the embassies
- b. Trade and business development
- c. International circulation of Canadian artists and their works

This time-limited program – to be evaluated at the end of the three year period – would ensure that Canadian arts and culture is an essential part of the 150<sup>th</sup> celebrations around the world.

**Expected cost:** \$25 million

**Period of time:** 2015 to 2017

**Federal Funding:**

This temporary funding could come from the 150<sup>th</sup> Anniversary Commission. If Canada is to leverage the export and trade opportunities that arts and culture can stimulate, the cultural sector must be integrated into Canada's Global Market Action Plan.

**Intended Beneficiaries:**

This recommendation is intended primarily to increase the global competitiveness of the arts sector, thereby directly benefiting Canada's global trade sector. The tourism sector will also profit significantly from this increased activity in 2017.

**Impact:**

Canadian artists, arts organizations and cultural products are important elements of Canada's brand around the world. As Canada's identity changes, as our cultural demographics evolve, and as new generations redefine the way we experience the arts, we urge the Government of Canada to help give voice to Canada's changing cultural expression through this temporary investment. Canadians expect the federal government to invest in a celebration of our national identity through arts and culture. To acknowledge 150 years, it is not enough to simply commemorate our history. We must celebrate today's diverse and dynamic Canadian identity.

**Recommendation Three: Investigate new revenue models to support a comprehensive Canadian Cultural Digital Strategy that would enable the creation, dissemination and engagement of Canadian cultural content online.**

**Rationale:**

Since the end of the Canadian Culture Online (CCO) initiative a decade ago, Canada's lack of investment in a comprehensive digital strategy for arts and culture has only widened a cultural trade gap that sees far more foreign cultural content flowing in, than coming out. Foreign content can now be accessed online through internet providers (ISPs), in movie theatres, as well as through new unregulated and ubiquitous "over the top" (OTT) service providers (like Netflix, Hulu, etc.) who are exempt from Canadian content regulations and contributions.

At the same time, the trend towards "cord-cutting" is shrinking revenues from cable and satellite providers, who are required to contribute a percentage of revenue to Canadian content through their traditional channels.<sup>7</sup>

The Digital Canada 150 program states that, "Canadians will have easy online access to Canadian content that will allow us to celebrate our history, arts and culture." Yet, Digital Canada 150 includes no new economic opportunities for supporting the creation, engagement or dissemination of Canadian cultural content online.

For this reason, the Canadian Arts Coalition recommends a review by a House of Commons committee of the revenue models to support a comprehensive Canadian Cultural Digital Strategy that enables the creation, dissemination and engagement of Canadian cultural content online.

**Expected cost:** \$0

**Period of time:** 2015 to 2017

**Intended Beneficiaries:**

This recommendation will benefit all Canadians by creating easy online access to Canadian culture, greater opportunities for Canadian artists, encouraging healthy competition for Canadian arts organizations and content developers, and building local economic development and jobs.

**Federal Funding:**

Channels need content, and content needs channels. Partnerships around shared interests are key to leveraging public funding with private investment. A review of funding models for such a program would help to identify promising public/private partnerships as well as program budgets.

**Impact:**

The Government of Canada's sustained commitment to supports arts organizations' efforts to establish and build digital markets will result in diversified revenue streams, increased

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<sup>7</sup> Convergence Consulting Group, [The Battle for the Canadian Couch Potato: Bundling, TV, Internet, Telephone, Wireless](#), April 2014

public/private partnerships, jobs here at home, economic growth and stability, and equal access to creativity and innovation by and for Canadians. This in turn will ensure continued and increased innovation in the sector, leading to greater employment and productivity within the arts sector for years to come.