



Fédération culturelle
canadienne-française

**Written Submission to the House of Commons
Standing Committee on Finance**

**For the Pre-Budget Consultations in
Advance of the 2020 Budget**

August 2, 2019

List of Recommendations

Recommendation 1

That the government invest \$3 million over two years to create a national action plan that outlines how to best develop, support and promote arts and culture in Canada and abroad.

Recommendation 2

That Statistics Canada create an agency to monitor arts and culture, support research and development of best practices and gather and analyze data on Canada's arts and culture sector, as well as its contributions to social and economic development here and abroad. That Statistics Canada receive additional annual funding of \$2 million to create said agency.

Recommendation 3

That the government commit to maintaining stable and adequate funding for our arts and culture institutions to support the full spectrum of artistic creation in Canada, make culture more available in communities and promote Canadian identity here and abroad. That the commitment to increase Canada Council for the Arts funding until 2021 be honoured and extended.

Recommendation 4

That the government make legislative changes to require foreign companies that do business in Canada to collect GST/HST on their taxable goods—whether tangible or intangible—and services sold in Canada.

Preamble

The recommendations in this brief stem from a profound conviction that arts and culture are drivers of economic and social development.

This is even more fundamentally true when it comes to supporting the development and enhancing the vitality of French-speaking minority communities in Canada. Arts and culture are essential to French-Canadian and Acadian identity and community vitality.

In its 2018 Action Plan for Official Languages, the government recognizes this reality by making investments in arts and culture a pillar of its strategy. The government's recent consultations on modernizing the *Official Languages Act* revealed that culture, which goes hand in hand with language, must be enshrined in the Act in a way that shows its critical importance. In the last two years, the government's reviews of its copyright, broadcasting and telecommunications legislation have all demonstrated that it must take more consistent action and make more significant investments to strengthen Canada's cultural identity.

To that end, the Fédération culturelle canadienne-française (FCCF) is asking the Standing Committee on Finance to support a joint effort to develop a national action plan for culture, similar to the government's policies for specific art forms such as books and film.

The FCCF is the national voice of Canadian francophone arts and culture. Its network includes 13 organizations that support cultural and artistic development in 11 provinces and territories; 7 national theatre, literary, musical, media arts and visual arts groups; a collective of broadcast networks; and a community radio coalition.

In this brief, the term "French-Canadian and Acadian communities" includes all French-speaking minority communities in Canada.

Our president, Martin Théberge, wishes to appear before the committee for the pre-budget consultations scheduled this fall in advance of the 2020 budget.

Recommendation 1

That the government invest \$3 million over two years to create a national action plan for how to best develop, support and promote arts and culture in Canada and abroad.

Rationale

Arts and culture not only contribute to individual well-being and directly affect how a country affirms its identity, but they also create jobs, improve quality of life and spur economic and social development.

Action

That Canadian Heritage be mandated to create a national action plan for culture by working with the country's arts and culture institutions and stakeholders, as well as the provinces, territories and municipalities.

Estimated cost

\$3 million over two years for the joint development of a national action plan for culture

Beneficiaries

Cultural industries, arts and culture institutions, arts service and cultural development organizations, provinces, territories, municipalities, and Canadians, who benefit from artistic and cultural vitality at home and abroad

Impacts

The national action plan for culture would

- ✓ make culture part of the policy-making process and ensure its adequate and ongoing funding based on pre-established strategic objectives;
- ✓ prepare this important sector of the Canadian economy that employs close to 800,000 people and generated over \$53 billion in economic activity in 2016 (2.8% of the country's GDP) for excellence in the digital era;
- ✓ provide for fiscal, social and economic measures that recognize and support the full extent of artists' contribution to the Canadian economy;
- ✓ put forward innovative business models that support local economies and create quality jobs; and
- ✓ showcase Canadian know-how and creativity, help the country stand out and protect its cultural sovereignty.

Recommendation 2

That Statistics Canada create an agency to monitor arts and culture, support research and development of best practices and gather and analyze data on the Canadian arts and culture sector and its contributions to social and economic development in Canada and abroad. That Statistics Canada receive additional annual funding of \$2 million to create said agency.

Rationale

Statistics Canada has some tools to monitor culture, including the Canadian Culture Satellite Account and the Conceptual Framework for Culture Statistics, but they are limited. Statistics Canada must not only keep gathering data on current activities, but also stimulate research and development for new practices.

New methods are needed to measure the drastic ways that culture creators, audiences and other stakeholders are transforming themselves.

The development of new electronic tools that give consumers access to media, the growing number of new types of culture products and the ever-changing features available to creators are all factors that call for new measurement tools and a framework for creative analysis.

Creating an agency with dedicated resources to monitor culture would provide better guidance for new initiatives and give arts and culture organizations the means to assess the impacts of their actions with greater precision. The agency could even affect the social and economic development of Canada's communities, including French-Canadian and Acadian communities.

Estimated cost

\$2 million per year ongoing, not including potential own-source revenue generated on a cost-recovery basis for statistical work done for various internal and external clients

Beneficiaries

Cultural industries, French-Canadian arts service and cultural development organizations, funders, and Canadians, who will have access to reliable data on Canada's artistic and cultural vitality

Impacts

As a centre for economic and social innovation, the monitoring agency would enable the government to better understand and capitalize on the arts and culture sector's value as a driver of economic development and job creation, as well as assess the impacts of the government's investments in Canada and abroad.

Recommendation 3

That the government commit to maintaining stable and adequate funding for our arts and culture institutions to support the full spectrum of artistic creation in Canada, make culture more available in communities and promote Canadian identity here and abroad. That the commitment to increase Canada Council for the Arts funding until 2021 be honoured and extended.

Rationale

The FCCF, its national network and its partners heartily applauded the government's decision to double the budget of the Canada Council for the Arts (CCA) in 2016. This visionary decision was viewed by many as the greatest investment in arts and culture Canada or any G7 country has made in 30 years.

In keeping with its support for the CCA, the government must protect and guarantee adequate and stable funding for all Canadian arts and culture institutions, including the Canadian Broadcasting Corporation, the National Film Board, the National Arts Centre, Telefilm Canada and Canadian Heritage programs, which support the full spectrum of arts and culture in Canada.

Given that the arts and culture sector is vital to inclusive economic growth and makes Canada more competitive on the world stage, the government must invest in Canadian cultural institutions to provide structured support for developing Canadian content and promoting the arts across the board—from creation to broadcasting.

Recommendation 4

That the government make legislative changes to require foreign companies that do business in Canada to collect GST/HST on their taxable goods—whether tangible or intangible—and services sold in Canada.

Rationale

This recommendation echoes that of the [Coalition for Culture and Media](#).

[In a report released this spring](#), the Auditor General of Canada (AG) noted that, of 60 countries surveyed by the OECD, Canada is one of only two that has not yet adapted its tax system to the digital economy. The AG added that the federal government's delay in collecting the GST/HST on goods and services sold through cross-border e-commerce is creating unfair competition for Canadian businesses. This delay is also depriving the country of over \$169 million in revenue per year, according to public data from 2017.

Furthermore, in its [2018 report on e-commerce](#), the House of Commons Standing Committee on International Trade recommended that the Government of Canada “apply sales taxes on tangible and intangible products that are sold in Canada by domestic firms and by foreign sellers, including when such sales occur using an e-commerce platform.”

[Quebec and Saskatchewan have been leading the way](#) by implementing a similar tax measure. As a result, Quebec took in [an additional \\$15.5 million for the first three months of the year—double what was projected](#). [in French only]

Moreover, [an Environics Research survey conducted on behalf of the Professional Institute of the Public Service of Canada](#) found that nearly 80% of Canadians believe that companies like Netflix, Google, Amazon and Uber should be subject to Canada's tax system.

Estimated cost

No cost

Beneficiaries

Canadian businesses and Canadians

Impact

Canadian companies would become much more competitive, and a level playing field in this sector would be restored. All Canadians would benefit from increased revenues to fund government programs.