

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

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Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Continue funding the public institutions and programs, such as the CBC and NFB, that help drive and sustain our digital economy in order to preserve Canada's economic recovery

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

The government increase funding to the Canada Media Fund and Telefilm, two artistic and economic drivers that spread Canadian cultural product around the globe while simultaneously kick-starting job creation at home. A big reason for this success is the Canada Media Fund (CMF), which supported the creation of 4,400 hours of new Canadian content hours of domestic programming in 2009-2010 alone. Now entering its third year, the CMF has already provided more than \$58 million in funding to 112 productions, creating thousands of direct and indirect jobs for Canadians in a wide range of specialities and skills. In 2010 CMF funded programs were sold in 45 countries and regions, spanning every continent.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The government invest in services such as Performing Arts Lodges of Canada and CSARN, that directly address the unique needs of some of our most vulnerable citizens, senior artists. Senior artists are an important part of our shared cultural heritage; they are the creators and the keepers of our unique Canadian sense of identity. Unfortunately they also happen to be one of the most vulnerable segments of our population and are particularly vulnerable to shifts in economic prosperity.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Expand and enhance existing tax credits for audio-visual content creation and introduce measures to incent advertisers to support websites featuring Canadian content. Audio-visual tax credits are an efficient and effective way to increase Canada's competitiveness and attract international investment. We recommend that the government increase the Canadian Film or Video Production Tax Credit (CFVPTC) and the Production Services Tax Credit (PSTC). Based on the House Finance Committee's 2004 report we suggest an increase from 25% to 35% for the CFVPTC and improving the PSTC from 16% to

26%. The eligibility criteria for these tax credits should be extended to include all the costs inherent in fulfilling a production, including post-production costs as both Ontario and Quebec have done, and not just the labour costs as is the current practice. We also recommend that the federal government introduce a labour-based tax credit for digital and interactive media similar to those available in a number of provinces.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Reinstate income tax averaging for professional artists and introduce an exemption on copyright and residual income. Cultural workers face many challenges throughout the course of their working careers. As self-employed performers operating a small business, artists and musicians do not have the full, automatic access to programs such as Employment Insurance and the Canada Pension Plan that conventional full-time employees do. They also face a tax regime that is biased towards employees and the traditional makeup of the workplace and doesn't address the unique needs of self-employed creative entrepreneurs whose incomes can fluctuate wildly from year-to-year.