

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Canadian Arts Coalition

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?

The Canadian Arts Coalition is a collaborative non-partisan movement established in 2005, spearheaded by a group of national arts service and membership organizations representing artists, arts organizations, volunteers and audience members from across Canada. We are united in the belief that a strong arts and culture sector contributes to economically vibrant, livable, 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. Simply put, the arts are an economic engine. According to a Conference Board report published in 2008, "the arts and culture sector directly contributed \$46 billion to Canada's GDP in 2007...and generated approximately \$25 billion in taxes for all levels of government in 2007. This is more than three times higher than the \$7.9 billion that was spent on culture by all levels of government in 2007." In Budget 2012, the Government of Canada recognized the role that the arts play in a productive economy by sustaining investment in the arts through the Canada Council for the Arts, and key programs at the Department of Canadian Heritage. We are grateful for this investment. It is our contention that our sector can make an even greater contribution to economic recovery and growth with sustained—and, over time—increased strategic investment in Canadian arts and culture.

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?

Arts and culture in Canada is a significant employer, with an estimated 616,000 workers in 2003, including 140,000 artists. The sector—which includes for-profit creative and cultural industries, not-for-profit arts organizations and independent entrepreneurs—comprises 3.9% of the overall labour force. This is double the level of employment in the forestry sector in Canada (300,000) and more than double the level of employment in Canadian banks (257,000). Jobs in the not for profit arts sector are created and sustained by three revenue streams: earned revenues (from admissions, product sales, or fees), contributed revenues (from individuals, corporations or foundations), and government funding (from all three levels of government). While the ratios vary between subsectors and regions, the cultural policy and spending priorities of the Government of Canada have a significant influence, facilitating the development of new markets and venues for arts and cultural product, providing incentives for donations and sponsorships through the tax system or matching contribution programs, and subsidizing some aspect of cultural production. The Canada Council, an arms-length agency of the Government of Canada, founded in 1957 to "foster and promote the study, enjoyment and production of works in the arts", is ideally positioned to maximize the impact of federal investment in the arts. In Budget 2012, the Government of Canada maintained funding levels to the arts through the Canada Council for the Arts through 2015. The arts community is deeply appreciative of this step. We thank the Standing Committee

on Finance for its role in this important decision. In the past, the Coalition has made a case for additional investment in the arts through the Canada Council, recommending that the Council's Parliamentary appropriation increase from \$181 million per year to \$300 million. However, we are cognizant of the current state of the global economy. Accordingly, this year, we ask that: • The Government of Canada of Canada sustain its investment in the arts through the Canada Council for the Arts at \$181 million in Budget 2013; and • As circumstances permit, the Government of Canada increase its investment in arts and culture through the Canada Council to \$300 million.

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 arts and culture sector workforce reflects broader Canadian demographic trends, with a significant cadre of highly-skilled yet aging workers, and well-documented concerns about career opportunities, access to skills training, inter-generational knowledge transfer, and skills renewal for younger generations of artists and arts and cultural workers. Canadian artists and arts and culture organizations are also subject to significant--and ongoing--shifts in their audiences and markets, affecting pricing, purchasing patterns, and modes of consumption. We ask the Government of Canada to consider two distinct measures to assist. We recommend that the Government of Canada: • Maintain its investment in training of artists and arts and culture workers, through the Department of Canadian Heritage's Canada Arts Training Fund; • Invest in relevant research and analysis of the issues and opportunities facing the sector.

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?

The way artists work is intimately connected to the artistic product. Artists and arts organizations achieve greater productivity through enhanced access to markets, rather than more efficient work processes. Given Canada's unique geographic and demographic features, we see three factors as key to increased productivity: domestic and international market development, digital technology, and built infrastructure. Canada Council has recently announced a re-allocation of \$2 million from its existing parliamentary appropriation, directing these funds towards international market development. We assert that—with a sustained Parliamentary appropriation in 2013, and increased allocations in 2014 and 2015--Council can play an even greater role in helping Canadian artists and arts organizations create arts jobs, engage with the Canadian public (at home, and across the country), and develop international markets as well. Furthermore, we encourage the Government of Canada of Canada to • Embed Canadian culture and cultural product in its Global Commerce Strategy, distinguishing Canada as a key trading partner in identified markets, and • Invest, as circumstances permit, in the infrastructure (both human and financial) directed to supporting arts and culture within Canada's network of embassies and consulates. The Government of Canada has already recognized the role that the creation and dissemination of digital product plays in many, but not all, parts of the arts and culture eco-system. We call for a comprehensive national digital strategy for arts and culture, to include technology training and knowledge transfer for artists, revenue models, and broader capacity building within, and knowledge exchange across, the sector, developed in consultation with the sector. Market access is intimately tied to built infrastructure in the arts sector—new and retrofitted facilities. Canadians deserve to experience the arts in optimal settings.. The Government of Canada has significantly invested in arts and culture infrastructure projects over the past several years through the Canada Cultural Spaces Fund,

and we are grateful. At the same time, we urge the Government of Canada to maintain and increase this investment in the future, to ensure the vitality of Canada's cultural spaces for current and future generations of Canadians.

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?

When the Government of Canada makes decisions regarding arts and cultural agencies, programs policies and initiatives, its decisions directly impact the jobs of hundreds of thousands of Canadians and touch the lives of families in communities throughout the country. Stable, adequate federal funding ensures continuity at a time when the arts community, like other drivers of Canada's economy, continues to face challenges rooted in global economic uncertainty. Increased investment in arts and culture over the long term will lead to greater productivity within the sector, broader access to arts and culture for Canadians and extended reach into international markets for Canadian cultural products. The Government of Canada's sustained commitment to increased market development and international trade, coupled with ongoing efforts to increase access to arts and culture for all Canadians, will ensure continued and increased employment and greater productivity within the arts sector for years to come.