

Fédération culturelle canadienne-française

Brief for the pre-budget consultations in advance of the next federal budget

Submitted in August 2020 to the House of Commons Standing Committee on Finance

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## Recommendations

### **Recommendation 1**

That the government continue to provide artists and cultural workers with a stable source of income by extending the Canada Emergency Response Benefit (CERB) until the end of June 2021, three months after the sector's currently expected recovery date. The CERB should be modified to include work incentives and promote economic recovery.

### **Recommendation 2**

That the Government permanently renew the current funding envelopes, which were increased in Budget 2019, for the Canadian Arts Presentation Fund (CAPF) and the Canada Music Fund (CMF), to support artists of all types across the country and give francophones living in minority communities greater access to their culture.

### **Recommendation 3**

That the government invest \$30 million over three years to create a digital expertise laboratory that would deploy fifty digital culture officers to French-speaking minority communities (FMCs) and fund specific digital projects. This will help accelerate the digital transformation in arts, culture and heritage organizations and job-creating entities, as well as provide resources to implement innovative and transformative projects.

### **Recommendation 4**

That the government ensure that all foreign companies with a digital presence in Canada are subject to the *Broadcasting Act* and appropriately regulated in order to preserve our cultural sovereignty. That these companies collect GST/HST on their taxable goods and services sold in Canada, whether tangible or intangible, and that their revenue is taxed in order to optimize their contribution to creating and showcasing Canadian content.

## **Introduction**

The unprecedented crisis resulting from the COVID-19 pandemic has exacerbated the systemic challenges faced by the arts and culture sector, depriving it of audiences and resources. As a result, French-speaking minority communities (FMCs) are especially isolated because the arts and culture are part and parcel of the identity and vitality of the Canadian and Acadian Francophonie.

The erosion of the arts and culture sector in the Canadian Francophonie poses viability challenges for organizations in the industry and for FMCs who live and breathe French culture. Bringing activities delivered by our sector to a halt would endanger that cultural fabric.

The resilience of artists and the resolve of cultural organizations in the face of the collateral impacts of COVID-19 have inspired the Fédération culturelle canadienne-française (FCCF) and its network to make the recommendations in this brief, which in part aim to ensure an effective recovery for our sector. These recommendations are based on the conviction that the arts and culture are a driver of economic and social development.

FCCF President Martin Thériault would like to appear before the committee during the consultations scheduled for this fall in advance of the next federal budget.

**The FCCF is the political voice of the arts and culture in the Canadian and Acadian Francophonie. Its network includes thirteen arts and culture organizations in eleven Canadian provinces and territories, in addition to seven national organizations in the theatre, publishing, music, and visual and media arts sectors, as well as a pan-Canadian group of performing arts presenters and an alliance of community radio stations.**

## **Recommendation 1**

That the government continue to provide artists and cultural workers with a stable source of income by extending the Canada Emergency Response Benefit (CERB) until the end of June 2021, three months after the sector's expected recovery date as of now. The CERB should be modified to include work incentives and promote economic recovery.

### **Rationale**

Extending the CERB for three months after the recovery date, currently expected for April 1, 2021, will help the arts and culture sector deal with the pandemic's short- and medium-term impacts and help artists and cultural workers resume activities. Most of them do not qualify for EI in its current form.

The most [recent reports](#) from Statistics Canada confirm that [the arts sector continues to experience the worst job losses among all industries](#). Furthermore, these snapshots do not include the many self-employed workers in the sector. Like our members and partners, we believe that large segments of the arts and culture sector will not be able to count on a short- or medium-term recovery. The very future of the sector is in jeopardy, with thousands of its workers facing unprecedented job insecurity, as noted by organizations such as Travailleuses et travailleurs regroupés des arts, de la culture et de l'événementiel, the Confédération des syndicats nationaux and the Fédération nationale des communications et de la culture, whose recommendations we support.

A number of parties have called for changes to the CERB that would create work incentives and promote economic recovery. On April 21, 2020, fifty senators called on the government to expand the CERB and restructure it as a guaranteed minimum income program in order to address socio-economic inequalities in Canada. [In an open letter co-signed by the FCCF](#), 75,000 artists joined forces to demand a guaranteed income based on existing programs, including the CERB, to give workers "the chance not only to survive, but to live."

### **Estimated cost**

Up to \$98 billion to provide Canadians with a guaranteed basic income for six months, according to the Parliamentary Budget Officer; less if you look at our sector alone.

### **Beneficiaries**

Artists and cultural workers and, more broadly, Canada's active population whose incomes have been affected by the pandemic.

### **Impacts**

Prevents artists and cultural workers from being excluded from social and economic activities if they lose their source of income, and contributes to Canada's economic recovery by supporting projects undertaken by beneficiaries.

## **Recommendation 2**

That the government permanently renew the current funding envelopes, which were increased in Budget 2019, for the Canadian Arts Presentation Fund (CAPF) and the Canada Music Fund (CMF), to support artists of all types across the country and give francophones living in minority communities greater access to their culture.

### **Rationale**

The CAPF and CMF support more than 600 professional arts festivals in over 400 communities, which welcome over 20 million Canadians and tourists. Rural areas depend on this funding to develop and showcase local arts and culture. The value of the financial resources granted to FMCs will improve access to their culture.

It is essential to continue to support—and even strengthen—this important link in the creative value chain in order to open up opportunities in a domestic market significantly affected by the impacts of COVID-19, develop an international market and strengthen reciprocity and diplomacy in cultural trade in order to support robust local ecosystems.

### **Estimated cost**

\$8 million per year for the CAPF, and \$10 million per year for the CMF.

### **Beneficiaries**

Arts presentation organizations and businesses, in addition to their community partners and audiences.

### **Impacts**

Increases the number of cultural and artistic activities in FMCs, supports artists of all types in Canada, from creators to presenters, increases local access to culture and promotes Canadian identity here and around the world.

### **Recommendation 3**

That the government invest \$30 million over three years to create a digital expertise laboratory that would deploy fifty digital culture officers to FMCs and fund specific digital projects. This will help accelerate the digital transformation in arts, culture and heritage organizations and job-creating entities, as well as provide resources to implement innovative and transformative projects.

#### **Rationale**

There is a significant and urgent need to address the digital culture divide between the Canadian Francophonie and the rest of Canada. FMCs face linguistic assimilation, in addition to major challenges regarding the creation and dissemination of a distinct cultural heritage. Currently, there is no specific support or strategy to encourage the digital shift required by the culture sector in these communities. Our proposal would enable digital support to Canada's French-speaking culture sector in order to promote artistic practices, showcase art and streamline administrative tasks in existing organizations and structures.

The arts and culture ecosystem of the Canadian and Acadian Francophonie needs additional funding to strengthen its digital capacity, diversify supply, maintain and grow its audiences and enable artists and cultural workers to continue enriching their community with their creations.

Efforts to facilitate the digital shift among rural-based artists and cultural workers are consistent with the need for investments to increase broadband access, ensure an appropriate level of connectivity across Canada and fulfill the government's commitment to provide universal high-speed Internet access.

#### **Estimated cost**

\$10 million per year for three years, or \$30 million, covering both a project fund of \$5 million per year and the deployment of fifty digital officers, which would cost \$5 million per year.

#### **Beneficiaries**

Cultural organizations, businesses and workers in the arts and culture sector of FMCs, in addition to their members and the people they serve in their communities across the country.

#### **Impacts**

Supports the digital transformation needed within arts and culture organizations, strengthens the capacity of existing teams and spurs project development.

## **Recommendation 4**

That the government ensure that all foreign companies with a digital presence in Canada are subject to the *Broadcasting Act* and appropriately regulated in order to preserve our cultural sovereignty. That these companies collect GST/HST on their taxable goods and services sold in Canada, whether tangible or intangible, and that their revenue is taxed in order to optimize their contribution to creating and showcasing Canadian content.

### **Rationale**

[In its 2018 report on e-commerce](#), the House of Commons Standing Committee on International Trade recommended that the federal government “... 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.” The Yale Report supports this recommendation and calls for tax fairness and for artists to be compensated more inclusively.

[In a report released in spring 2019](#), the Auditor General of Canada noted that out of 60 countries surveyed by the OECD, Canada is one of only two that have not yet taken action to adapt its tax system to the digital economy. According to the report, this delay deprived the country of \$169 million in revenue in 2017.

### **Beneficiaries**

Canadian businesses in the sector and the Canadian population as a whole.

### **Impacts**

Improves the competitiveness of Canadian businesses, levels the playing field for everyone and fosters and showcases Canadian content creation.